

Morning Brief

Daily | Mar. 17, 2022

Today's Outlook:

Government Bonds

SUN Market Mixed Ahead of Interest Rate Announcement. Yesterday, market participants began to anticipate the outcome of the meeting of the US central bank (The Fed), which is expected to raise interest rates for the first time in three years by 25 bps. Investors will also anticipate the announcement of Bank Indonesia's (BI) interest rate policy, which is estimated to keep the BI-7 Day Reverse Repo Rate at 3.5%.

Corporate Bonds

Barito Pacific Offers Bond Coupon up to 10.5%. PT Barito Pacific Tbk. (BRPT) plans to issue Shelf-Registered Bonds II Phase II Year 2022 which will be issued scripless with a principal amount of IDR 750 billion. The bonds will consist of Series A amounting to IDR 185.6 billion with a fixed interest rate of 8.50% per annum, with a 3-year term. Then, Series B of IDR 440.9 billion with a fixed interest rate of 9.50% per annum, 5-year term and Series C of IDR 123.5 billion with a fixed interest rate of 10.50% per annum. 7 years. (Bisnis Indonesia)

Domestic Issue

SOE's Foreign Debt Decreased. Bank Indonesia (BI) noted that the foreign debt (ULN) of State-Owned Enterprises (BUMN) in January 2022 fell 0.65% MoM to USD 58.49 billion. The foreign debt of SOEs is grouped into three, namely: banks, Non-Bank Financial Institutions (LKBB), and the foreign debts of non-financial institutions. On a monthly basis, the decline in SOE external debt occurred in all groups. The biggest decline occurred in state-owned banks by 1.45% MoM to USD 9.14 billion in January 2022. (Kontan)

Recommendation

FFR Hike. Market participants are looking at the increase in the Fed's interest rate (Fed Funds Rate / FFR) to provide certainty, amid fears of rising US inflation. Previously, US producer prices rose strongly in February as prices of goods such as fuel surged. Fuel will continue to rise as the war between Russia and Ukraine progresses, sending the prices of crude oil and other commodities soaring. The producer price index for final demand rose 0.8% after rising 1.2% in January. Meanwhile, goods prices jumped 2.4%, the biggest increase since December 2009, after rising 1.5% in January.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	5.02%	3.51%
FX Reserve (USD bn)	141.40	141.30	Current Acc (USD bn)	1.40	4.97
Trd Balance (USD bn)	3.82	0.93	Govt. Spending Yoy	5.25%	0.62%
Exports Yoy	34.14%	25.31%	FDI (USD bn)	3.59	4.70
Imports Yoy	25.43%	36.77%	Business Confidence	104.82	105.33
Inflation Yoy	2.06%	2.18%	Cons. Confidence*	113.10	119.60

PRICE OF BENCHMARK SERIES

FR0090 : +0.6 Bps to 98.00 (5.58%)
FR0091 : +1.4 Bps to 97.27 (6.75%)
FR0093 : -1.0 Bps to 96.95 (6.69%)
FR0092 : +0.3 Bps to 99.70 (7.15%)

FR0086 : +0.5 Bps to 100.19 (5.44%)
FR0087 : -0.3 Bps to 98.31 (6.75%)
FR0083 : +1.1 Bps to 102.12 (7.28%)
FR0088 : -1.0 Bps to 97.24 (6.54%)

CDS of Indonesia Bonds

CDS 2yr: -8.13% to 39.70
CDS 5yr: -7.12% to 104.21
CDS 10yr: -5.94% to 171.62

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.77%	0.01%
USDIDR	14,312	-0.13%
KRWIDR	11.58	0.48%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,063.10	518.76	1.55%
S&P 500	4,357.86	95.41	2.24%
FTSE 100	7,291.68	115.98	1.62%
DAX	14,440.74	523.47	3.76%
Nikkei	25,762.01	415.53	1.64%
Hang Seng	20,087.50	1672.42	9.08%
Shanghai	3,170.71	106.75	3.48%
KOSPI	2,659.23	37.70	1.44%
EIDO	25.28	0.58	2.35%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,917.9	(32.9)	-1.69%
Crude Oil (\$/bbl)	96.44	(6.57)	-6.38%
Coal (\$/ton)	346.00	(15.75)	-4.35%
Nickel LME (\$/MT)	48,226	(15.0)	-0.03%
Tin LME (\$/MT)	42,587	(1,513.0)	-3.43%
CPO (MYR/Ton)	6,132	(229.0)	-3.60%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	UK	14:00	Industrial Production MoM	Jan.	0.7%	0.1%	0.3%
11 - Mar.	UK	14:00	Industrial Production YoY	Jan.	2.3%	1.9%	0.4%
	UK	14:00	Manufacturing Production MoM	Jan.	0.8%	0.2%	0.2%
	US	22:00	U. of Mich. Sentiment	Mar.	59.7	61.0	62.8
Monday	—	—	—	—	—	—	—
14 - Mar.	—	—	—	—	—	—	—
Tuesday	ID	11:00	Trade Balance	Feb.	USD3,820Mn	USD1,750Mn	USD963Mn
15 - Mar.	ID	11:00	Exports YoY	Feb.	34.14%	40.47%	25.31%
	ID	11:00	Imports YoY	Feb.	25.43%	40.00%	36.77%
	US	19:30	Empire Manufacturing	Mar.	-11.8	6.4	3.1
Wednesday	US	18:00	MBA Mortgage Applications	Mar.	-1.2%	--	8.5%
16 - Mar.	US	19:30	Retail Sales Advance MoM	Feb.	0.3%	0.4%	4.9%
	US	19:30	Import Price Index MoM	Feb.	1.4%	1.6%	1.9%
Thursday	US	01:00	FOMC Rate Decision (Upper/ Lower)	Mar.		0.50%/0.25%	0.25%/0.00%
17 - Mar.	ID	14:20	Bank Indonesia 7D Reverser Repo Rate	Mar.		3.50%	3.50%
	US	19:30	Initial Jobless Claims	Mar.		--	227k
	US	20:15	Industrial Production MoM	Feb.		0.5%	1.4%
Friday	US	21:00	Existing Home Sales	Feb.		6.20Mn	6.50Mn
18 - Mar.	US	21:00	Existing Home Sales MoM	Feb.		-4.6%	6.7%

Source: Bloomberg

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