

Morning Brief

Daily | Mar. 09, 2022

Today's Outlook:

Government Bonds

Sukuk Auction Below Target. High yield expectations have made the government selective in winning the Sukuk auction yesterday. The government only managed to get IDR 6.2 trillion in fresh funds from the IDR 9 trillion indicative target. High yield expectations, as market players worry that high inflation will persist for a while; as a result of rising commodity prices. On the other hand, the third round of negotiations between Ukraine and Russia has not resulted in a meaningful decision to end the conflict between the two countries.

Corporate Bonds

AGRO: Reached idAA Rating. Pefindo has assigned an idAA rating to PT Bank Raya Indonesia Tbk (AGRO) and its outstanding Bond I/2017. The outlook for the corporate rating is stable. Meanwhile, the rating reflects the probable level of very strong support from the controlling shareholder, Bank BRI, strong capitalization profile, and above average business position. (Kontan)

Domestic Issue

February's Foreign Exchange Reserves Slightly Rise. Bank Indonesia (BI) recorded the value of foreign exchange reserves at the end of February 2022 at USD 141.4 billion, or an increase of 0.07% compared to the previous month. This increase was influenced by, among other things, the withdrawal of the Government's foreign loans as well as tax and service revenues. Meanwhile, the position of foreign exchange reserves is equivalent to financing 7.5 months of imports or 7.3 months of imports and payment of government foreign debt. (Kontan)

Recommendation

Green Shoe Option. The results of the Sukuk auction, which was only worth IDR 6.2 trillion, or below the indicative target of IDR 9 trillion, prompted the government to hold an additional Sukuk auction (Green Shoe Option) today. The government again offered PBS031, PBS032, PBS029, PBS034, and PBS033. From the external side, US President Joe Biden announced a ban on imports of oil and other energy commodities from Russia. WTI oil prices continued to rise to the level of USD 125/barrel, while the global benchmark Brent crude oil price penetrated the level of USD 130/barrel. In other sentiment, ratings agency Fitch on Monday downgraded Belarus to 'CCC' from 'B', entering the junk category, as a result of sanctions over Belarus' role in Russia's invasion of Ukraine.

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)	0.93	1.02	Govt. Spending Yoy	5.25%	0.62%
Exports Yoy	25.31%	35.30%	FDI (USD bn)	3.59	4.70
Imports Yoy	36.77%	47.93%	Business Confidence	104.82	105.33
Inflation Yoy	2.06%	2.18%	Cons. Confidence*	119.60	118.30

PRICE OF BENCHMARK SERIES

FR0090 : +3.1 Bps to 98.01 (5.57%)
FR0091 : +4.7 Bps to 96.95 (6.79%)
FR0093 : +1.0 Bps to 97.47 (6.63%)
FR0092 : +8.8 Bps to 99.78 (7.14%)

FR0086 : +6.8 Bps to 100.21 (5.43%)
FR0087 : +9.6 Bps to 97.98 (6.80%)
FR0083 : +10.6 Bps to 102.07 (7.29%)
FR0088 : +2.1 Bps to 98.12 (6.45%)

CDS of Indonesia Bonds

CDS 2yr: -3.63% to 47.06
CDS 5yr: -2.23% to 123.68
CDS 10yr: -2.92% to 196.61

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.82%	0.06%
USDIDR	14,398	-0.07%
KRWIDR	11.63	-1.03%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,632.64	(184.74)	-0.56%
S&P 500	4,170.70	(30.39)	-0.72%
FTSE 100	6,964.11	4.63	0.07%
DAX	12,831.51	(3.14)	-0.02%
Nikkei	24,790.95	(430.46)	-1.71%
Hang Seng	20,765.87	(291.76)	-1.39%
Shanghai	3,293.53	(79.33)	-2.35%
KOSPI	2,622.40	(28.91)	-1.09%
EIDO	23.95	0.18	0.76%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,050.8	52.7	2.64%
Crude Oil (\$/bbl)	123.70	4.30	3.60%
Coal (\$/ton)	423.15	0.50	0.12%
Nickel LME (\$/MT)	81,051	32,973	68.58%
Tin LME (\$/MT)	46,735	(805.00)	-1.69%
CPO (MYR/Ton)	6,416	(210.0)	-3.17%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	20:30	Change in Nonfarm Payrolls	Feb.	678k	423k	481k
4 - Mar.	US	20:30	Unemployment Rate	Feb.	3.8%	3.9%	4.0%
Monday	GE	14:00	Factory Orders MoM	Jan.	1.8%	1.0%	3.0%
7 - Mar.	—	—	—	—	—	—	—
Tuesday	ID	10:00	Foreign Reserves	Feb.	USD141.40Bn	—	USD141.30Bn
8 - Mar.	GE	14:00	Industrial Production MoM	Jan.	2.7%	0.5%	1.1%
	EC	17:00	GDP QoQ	4Q21	0.3%	0.3%	0.3%
	EC	17:00	GDP YoY	4Q21	4.6%	4.6%	4.6%
Wednesday	ID	--	Consumer Confidence Index	Feb.		—	119.6
9 - Mar.	CH	08:30	PPI YoY	Feb.		8.6%	9.1%
	CH	08:30	CPI YoY	Feb.		0.9%	0.9%
Thursday	US	20:30	CPI MoM	Feb.		0.8%	0.6%
10 - Mar.	US	20:30	CPI YoY	Feb.		7.9%	7.5%
	US	20:30	Initial Jobless Claims	Mar.		—	215k
Friday	UK	14:00	Industrial Production MoM	Jan.		—	0.3%
11 - Mar.	UK	14:00	Industrial Production YoY	Jan.		—	0.4%
	UK	14:00	Manufacturing Production MoM	Jan.		—	0.2%
	US	22:00	U. of Mich. Sentiment	Mar.		63.5	62.8

Source: Bloomberg

Research Division

Head of Research

Anggaraksa Arismunandar

Equity Strategy

T +62 21 5088 ext. 9134

E anggaraksa@nhsec.co.id

Senior Technical Analyst

Dimas Wahyu Putra Pratama

Technical

T +62 21 5088 ext 9131

E dimas.wahyu@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Research Support

Jasmine Kusumawardani

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta