

Morning Brief

Daily | Mar. 11, 2022

Today's Outlook:

Government Bonds

Russia's Conflict Resolution Supports the SUN Market. The benchmark series of Government Bonds (SUN) recorded a yield decrease of between 2.2 bps to 4.6 bps yesterday. Market participants took selective buying, amid the resolution of the conflict between Russia and Ukraine. Yesterday's positive sentiment was also supported by a sharp decline in global oil prices after the United Arab Emirates supported an increase in production. On the other hand, investors are still watching the impact of Fitch's cut in Russia's rating on the Indonesian bond market. Earlier in the week, Fitch downgraded Russia's bond rating from 'B' to 'C'.

Corporate Bonds

TPIA Completes IDR 5 Trillion Bond Offering. PT Chandra Asri Petrochemical Tbk (TPIA) has completed the five-stage offering of the third Shelf-Registered Bond program. The bond offering Phase I of 2020 closed with a value of IDR 1 Trillion, followed by Phase II of 2020 worth IDR 600 billion, Phase III of 2021 worth IDR 1 Trillion, Phase IV of 2021 worth IDR 1 Trillion, and Phase V at the end of 2022 amounting to IDR 1, 4 trillion. In more detail, the issuance of Phase V of 2022 recorded the largest order book and excess demand ever, amounting to IDR 2.5 Trillion (USD 178 million). (Kontan)

Domestic Issue

Retail Sales Decreased in January 2022. Retail sales survey results from Bank Indonesia (BI) showed that retail sales performance declined in early 2022. This can be seen from the January 2022 Real Sales Index (IPR) which amounted to 209.6 or decreased by 3.1% MoM. The decline was in line with the normalization of demand after the Christmas and New Year celebrations. However, on an annual basis, retail sales in January 2022 appear to have increased by 15.2% YoY. (Kontan)

Recommendation

Investors Start Observing the Impact of Rising Inflation. Negotiations between Ukraine and Russia regarding a ceasefire, reportedly did not produce significant developments. Meanwhile, US inflation was reported at 0.8% in February or 7.9% YoY; as well as a new high level in the last 40 years. Market participants will again pay close attention to the potential for interest rate hikes, which have rebounded after the release of inflationary data from the United States (US).

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*	113.10	119.60

PRICE OF BENCHMARK SERIES

FR0090 : -4.6 Bps to 98.09 (5.55%)
FR0091 : -4.0 Bps to 97.45 (6.72%)
FR0093 : -2.2 Bps to 97.01 (6.68%)
FR0092 : -3.3 Bps to 99.82 (7.14%)

FR0086 : -6.9 Bps to 100.17 (5.45%)
FR0087 : -4.5 Bps to 98.38 (6.74%)
FR0083 : -4.0 Bps to 102.53 (7.24%)
FR0088 : +3.8 Bps to 97.46 (6.52%)

CDS of Indonesia Bonds

CDS 2yr: -4.30% to 41.16
CDS 5yr: -6.35% to 108.15
CDS 10yr: -3.53% to 176.98

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.75%	-0.04%
USDIDR	14,282	-0.46%
KRWIDR	11.62	0.03%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,174.07	(112.18)	-0.34%
S&P 500	4,259.52	(18.36)	-0.43%
FTSE 100	7,099.09	(91.63)	-1.27%
DAX	13,442.10	(405.83)	-2.93%
Nikkei	25,690.40	972.87	3.94%
Hang Seng	20,890.26	262.55	1.27%
Shanghai	3,296.09	39.70	1.22%
KOSPI	2,680.32	57.92	2.21%
EIDO	24.44	(0.28)	-1.13%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,997.0	5.2	0.26%
Crude Oil (\$/bbl)	106.02	(2.68)	-2.47%
Coal (\$/ton)	373.35	(47.30)	-11.24%
Nickel LME (\$/MT)	50,271	0.00	0.00%
Tin LME (\$/MT)	44,205	(4,445)	-9.14%
CPO (MYR/Ton)	6,961	(113.0)	-1.60%

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	10:01	Consumer Confidence Index	Feb.	113.1	—	119.6
9 - Mar.	CH	08:30	PPI YoY	Feb.	8.8%	8.6%	9.1%
	CH	08:30	CPI YoY	Feb.	0.9%	0.9%	0.9%
Thursday	US	20:30	CPI MoM	Feb.	0.8%	0.8%	0.6%
10 - Mar.	US	20:30	CPI YoY	Feb.	7.9%	7.9%	7.5%
	US	20:30	Initial Jobless Claims	Mar.	227k	217k	216k
Friday	UK	14:00	Industrial Production MoM	Jan.		0.1%	0.3%
11 - Mar.	UK	14:00	Industrial Production YoY	Jan.		1.9%	0.4%
	UK	14:00	Manufacturing Production MoM	Jan.		0.2%	0.2%
	US	22:00	U. of Mich. Sentiment	Mar.		61.0	62.8

Source: Bloomberg

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