

Morning Brief

Daily | Mar. 10, 2022

Today's Outlook:

Government Bonds

Government Wins All Green Shoe Option Auction Bidding. The lack of bids for additional Sukuk auctions (Green Shoe Option), made the government win all bids in this auction. The government managed to absorb funds worth IDR 1.8 trillion, winning the Sukuk series PBS029, PBS034, and PBS033. Previously, the results of the Sukuk auction on Tuesday (08/03) were only worth IDR 6.2 trillion, or below the indicative target of IDR 9 trillion. Sukuk auction this time, amid the risk of rising inflation, after 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.

Corporate Bonds

WOOD: Issue IDR 400 Billion Notes. PT Integra Indocabinet Tbk (WOOD) will issue sustainable bonds I Integra Indocabinet phase II in 2022 with a principal amount of IDR 250 billion consisting of Series A of IDR 197.47 billion and Series B of IDR 52.53 billion. All funds obtained will be used for working capital, including the purchase of raw materials, payment of accounts payable, production expenses, marketing expenses, and others. (Bisnis Indonesia)

Domestic Issue

Consumer Optimism Declines in February. Bank Indonesia (BI) revealed that consumer confidence declined in February 2022. This was reflected in the Consumer Confidence Index (IKK) which was 113.1, down from 119.6 in the previous month. This weakening was caused by the decline in the two constituent components, namely the Economic Condition Index (IKE) and the Consumer Expectation Index (CEI). The CPI in the reporting month was 95.5 or returned to the pessimistic zone, from 100.9 in the previous month. Meanwhile, the CPI was recorded to have fallen to the level of 130.8. (Kontan)

Recommendation

Russian Conflict Resolution. Market participants are starting to have the opportunity to make selective buying again, amid hopes for a resolution to the Russia-Ukraine conflict. Meanwhile, global oil prices fell sharply after the United Arab Emirates supported an increase in production to prevent the impact of supply disruptions from Russia. On the other hand, investors are still watching the impact of Fitch's cut in Russia's rating on the Indonesian bond market. On Tuesday, Fitch downgraded Russia's bond rating by a further 6 notches into junk territory, to 'C' from 'B'. Furthermore, on March 16, Russia had to pay a coupon of USD 107 million in two bonds, although there was a grace period of 30 days to make payments.

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 : +2.8 Bps to 97.89 (5.60%)
FR0091 : -3.0 Bps to 97.16 (6.76%)
FR0093 : +7.1 Bps to 96.81 (6.71%)
FR0092 : +2.9 Bps to 99.47 (7.17%)

FR0086 : +8.1 Bps to 99.92 (5.52%)
FR0087 : -1.7 Bps to 98.09 (6.78%)
FR0083 : -0.4 Bps to 102.11 (7.28%)
FR0088 : +3.5 Bps to 97.80 (6.48%)

CDS of Indonesia Bonds

CDS 2yr: -8.59% to 43.01
CDS 5yr: -6.62% to 115.49
CDS 10yr: -6.68% to 183.47

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.78%	-0.04%
USDIDR	14,348	-0.35%
KRWIDR	11.62	-0.07%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,286.25	653.61	2.00%
S&P 500	4,277.88	107.18	2.57%
FTSE 100	7,190.72	226.61	3.25%
DAX	13,847.93	1016.42	7.92%
Nikkei	24,717.53	(73.42)	-0.30%
Hang Seng	20,627.71	(138.16)	-0.67%
Shanghai	3,256.39	(37.14)	-1.13%
KOSPI	2,622.40	0.00	0.00%
EIDO	24.72	0.77	3.22%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,991.8	(58.9)	-2.87%
Crude Oil (\$/bbl)	108.70	(15.00)	-12.13%
Coal (\$/ton)	420.65	(2.50)	-0.59%
Nickel LME (\$/MT)	50,271	0.00	0.00%
Tin LME (\$/MT)	48,650	0.00	0.00%
CPO (MYR/Ton)	7,074	658.0	10.26%

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%	0.6%
10 - Mar.	US	20:30	CPI YoY	Feb.		7.9%	7.5%
	US	20:30	Initial Jobless Claims	Mar.		217k	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

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