

Morning Brief

Daily | Mar. 30, 2022

Today's Outlook:

Government Bonds

Sell Off UST Press FR0090. The ongoing sell-off in the United States (US) bond market pushed up the yield on benchmark Government Securities (SUN). Previously, the 5-year (UST5Y) and 30-year (UST30Y) US Treasuries experienced yield inversion. Yields of UST5Y and UST30Y touched 2.56% and 2.51% respectively. Yield FR0090 was up nearly 5 bps. Yesterday's market movements were also influenced by Russia and Ukraine preparing to hold face-to-face peace talks.

Corporate Bonds

MFIN: Raised IDR 430 Billion Funding. PT Mandala Multifinance Tbk (MFIN) signed a financing agreement with the Islamic Corporation for the Development of the Private Sector (ICD) for USD 30 million or around IDR 430.66 billion. The total funding facility is up to USD 50 million which is used to support the development of the private sector in Indonesia. (Emiten News)

Domestic Issue

The Realization of Village Funds in 2022 is Improved. Until 2022, the government has channeled village funds of IDR 468 trillion which is used for various developments in the village, and overall it will increase national economic growth. For the record, village funds have been used for the construction of various facilities for the community such as village roads, reservoirs, irrigation canals, bridges, and other infrastructure. (Kontan)

Recommendation

Short Tenor UST Yield Inversion. The anomaly of yield movement in UST has occurred again. Market participants are keeping a close watch on the aggressiveness of the Fed's monetary policy, which leads to a recession. Yesterday, yield inversion occurred at UST2Y and UST10Y, after previously occurring at UST5Y and UST30Y. This yield inversion has become a negative sentiment for the SBN market today. In other sentiment, Russia promised to reduce military operations around Kyiv and northern Ukraine, while Ukraine implemented a neutral status.

PRICE OF BENCHMARK SERIES

FR0090 : +4.8 Bps to 97.95 (5.59%)
FR0091 : +3.8 Bps to 97.30 (6.74%)
FR0093 : +1.2 Bps to 97.28 (6.66%)
FR0092 : +5.7 Bps to 98.98 (7.22%)

FR0086 : +1.2 Bps to 100.37 (5.39%)
FR0087 : +4.8 Bps to 98.38 (6.74%)
FR0083 : +2.2 Bps to 101.97 (7.30%)
FR0088 : +0.7 Bps to 96.88 (6.58%)

CDS of Indonesia Bonds

CDS 2yr: -12.70% to 35.26
CDS 5yr: -11.26% to 83.40
CDS 10yr: -9.98% to 139.56

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.76%	0.04%
USDIDR	14,364	0.01%
KRWIDR	11.78	0.71%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,294.19	338.30	0.97%
S&P 500	4,631.60	56.08	1.23%
FTSE 100	7,537.25	64.11	0.86%
DAX	14,820.33	402.96	2.79%
Nikkei	28,252.42	308.53	1.10%
Hang Seng	21,927.63	242.66	1.12%
Shanghai	3,203.94	(10.56)	-0.33%
KOSPI	2,741.07	11.51	0.42%
EIDO	24.87	(0.05)	-0.20%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,919.4	(3.4)	-0.18%
Crude Oil (\$/bbl)	104.24	(1.72)	-1.62%
Coal (\$/ton)	253.40	(6.35)	-2.44%
Nickel LME (\$/MT)	31,803	(922.0)	-2.82%
Tin LME (\$/MT)	42,424	(132.0)	-0.31%
CPO (MYR/Ton)	6,020	42.0	0.70%

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

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	GE	16:00	IFO Business Climate	Mar.	90.8	94.2	98.5
<i>25 - Mar.</i>	GE	16:00	IFO Expectations	Mar.	85.1	92.0	98.4
	US	21:00	Pending Home Sales	Feb.	-4.1%	1.0%	-5.8%
	US	21:00	U. Of Mich. Sentiment	Mar.	59.4	59.7	59.7
Monday	US	19:30	Wholesale Inventories MoM	Feb.	2.1%	1.0%	1.1%
<i>28 - Mar.</i>	—	—	—	—	—	—	—
Tuesday	UK	15:30	Mortgage Approvals	Feb.	71.0k	74.0k	73.8k
<i>29 - Mar.</i>	US	21:00	Conf. Board Consumer Confidence	Mar.	107.2	110.5	105.7
Wednesday	US	18:00	MBA Mortgage Applications	Mar.		—	-8.1%
<i>30 - Mar.</i>	US	19:15	ADP Employment Change	Mar.		413k	475k
	US	19:30	GDP Annualized QoQ	4Q21		7.1%	7.0%
	US	19:30	GDP Price Index	4Q21		7.1%	7.1%
Thursday	US	19:30	Personal Income	Feb.		0.5%	0.0%
<i>31 - Mar.</i>	US	19:30	Personal Spending	Feb.		0.5%	2.1%
	US	19:30	Initial Jobless Claims	Mar.		—	187k
	US	20:45	MNI Chicago PMI	Mar.		57.1	56.3
Friday	ID	07:30	S&P Global PMI Mfg	Mar.		—	51.2
<i>1 - Apr.</i>	ID	09:00	CPI MoM	Mar.		0.59%	-0.02%
	ID	09:00	CPI YoY	Mar.		2.53%	2.06%
	US	21:00	ISM Manufacturing	Mar.		58.3	58.6

Source: Bloomberg

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