

Morning Brief

Today's Outlook:

Government Bonds

SUN Yield Tend To Rise. The attention of market participants is still focused on the development of the Ukraine conflict, as well as its potential economic impact. Meanwhile, the Central Statistics Agency (BPS) recorded that for the February 2022 period there was a deflation of 0.02% MoM, or inflation of 2.06% YoY. Meanwhile, Market will announce the Indonesian Manufacturing PMI index at the level of 51.2, which was previously recorded at the level of 53.7 for the period January 2022.

Corporate Bonds

Astra Sedaya Finance Issues IDR 3 Trillion Bonds. PT Astra Sedaya Finance will offer Shelf -Registered Bonds V Phase IV Year 2022 worth IDR 3 trillion. The bonds are divided into two series, and are part of the Continuous Public Offering of Astra Sedaya Finance's Bonds V with a target of raising funds to reach IDR 10 trillion. First, Series A bonds which have a principal amount of IDR 1.03 trillion with a fixed interest rate of 3.50% per annum, with a tenor of 370 days. Second, series B bonds offer a principal amount of IDR 1.97 trillion with a fixed interest rate of 5.70% per annum and a tenor of 36 months. (Kontan)

Domestic Issue

BI Performs Tapering Off by Increasing Statutory Reserves. Bank Indonesia (BI) began tapering off on Tuesday (1/3), by gradually increasing the rupiah Statutory Reserves (GWM) for Conventional Commercial Banks (BUK), Sharia Commercial Banks (BUS), and Sharia Business Units (UUS). In terms of increasing the rupiah statutory reserve requirement for BUK, BI will increase the statutory reserve requirement by 150 bps to 5.0% as of March 1, 2022. Then, on June 1, 2022, there will be another increase of 100 bps in the rupiah statutory reserve requirement to 6.0%. Finally, BI will again raise the Statutory Reserves by 50 bps to 6.5% on September 1, 2022. (Kontan)

Recommendation

Yield UST10Y Down. The geopolitical crisis in Ukraine as well as lower expectations of aggressive monetary policy from the Federal Reserve contributed to the fall in the yield on the 10-year US bond (UST10Y) to 1.7%. Meanwhile, the price of crude oil broke above the level of 100 US dollars per barrel for the first time since 2014. Indonesia's solid economic fundamentals, the decline in the number of Covid-19 cases, as well as high commodity prices; become several positive catalysts for the entry of foreign funds.

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)	141.30	144.90	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	: +1.5 Bps to 98.96 (5.35%)
FR0091	: -0.2 Bps to 99.05 (6.50%)
FR0093	: +1.6 Bps to 98.85 (6.49%)
FR0092	: +0.5 Bps to 102.39 (6.90%)
FR0086	: +2.1 Bps to 100.72 (5.30%)
FR0087	: +0.8 Bps to 100.19 (6.47%)
FR0083	: +0.1 Bps to 105.27 (6.98%)
FR0088	: +0.7 Bps to 99.21 (6.33%)

CDS of Indonesia Bonds

CDS 2yr	: -2.32% to 43.81
CDS 5yr	: -2.68% to 113.36
CDS 10yr	: -1.48% to 185.99

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.51%	-0.01%
USDIDR	14,337	-0.21%
KRWIDR	11.94	-0.19%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,294.95	(597.65)	-1.76%
S&P 500	4,306.26	(67.68)	-1.55%
FTSE 100	7,330.20	(128.05)	-1.72%
DAX	13,904.85	(556.17)	-3.85%
Nikkei	26,844.72	317.90	1.20%
Hang Seng	22,761.71	48.69	0.21%
Shanghai	3,488.84	26.53	0.77%
KOSPI	2,699.18	0.00	0.00%
EIDO	24.38	0.05	0.21%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,945.3	36.3	1.90%
Crude Oil (\$/bbl)	103.41	7.69	8.03%
Coal (\$/ton)	313.00	38.50	14.03%
Nickel LME (\$/MT)	26,123	1841.50	7.58%
Tin LME (\$/MT)	45,224	754.00	1.70%
CPO (MYR/Ton)	6,762	463.0	7.35%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	20:30	Personal Income	Jan.	0.0%	-0.3%	0.4%
<i>25 - Feb.</i>	US	20:30	Personal Spending	Jan.	2.1%	1.6%	-0.8%
	US	20:30	Durable Goods Orders	Jan.	1.6%	1.0%	1.2%
	US	22:00	U. of Mich. Sentiment	Feb.	62.8	61.7	61.7
Monday	US	20:30	Wholesale Inventories MoM	Jan.	0.8%	1.3%	2.3%
<i>28 - Feb.</i>	US	21:45	MNI Chicago PMI	Feb.	56.3	62.3	65.2
Tuesday	ID	07:30	Markit Indonesia PMI Mfg	Feb.	51.2	--	53.7
<i>1 - Mar.</i>	ID	11:00	CPI MoM	Feb.	-0.02%	0.00%	0.56%
	ID	11:00	CPI YoY	Feb.	2.06%	2.20%	2.18%
	US	21:45	Markit US Manufacturing PMI	Feb.	57.3	57.5	57.5
Wednesday	US	19:00	MBA Mortgage Applications	Feb.		--	-13.1%
<i>2 - Mar.</i>	US	20:15	ADP Employment Change	Feb.		310k	-301k
	US	19:00	MBA Mortgage Applications	Feb.		--	-13.1%
	US	20:15	ADP Employment Change	Feb.		310k	-301k
Thursday	CH	08:45	Caixin China PMI Composite	Feb.		--	50.1
<i>3 - Mar.</i>	US	20:30	Initial Jobless Claims	Feb.		--	232k
	US	22:00	Factory Orders	Jan.		0.5%	-0.4%
	US	22:00	Durable Goods Orders	Jan.		--	--
Friday	US	20:30	Change in Nonfarm Payrolls	Feb.		400k	467k
<i>4 - Mar.</i>	US	20:30	Unemployment Rate	Feb.		3.9%	4.0%

Source: Bloomberg

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