

Morning Brief

Daily | Mar. 31, 2022

Today's Outlook:

Government Bonds

UST Yield Inversion, SUN Benchmark Mixed. The anomaly in the United States Treasury (UST) yield movement occurred again. Market participants are still closely watching the aggressiveness of the Fed's monetary policy, which led to a recession in the United States (US). Market participants responded to the yield inversion that had occurred on UST2Y with UST10Y, after previously occurring on UST5Y with UST30Y. Yesterday's market moves, also amid Russia's efforts to reduce military operations around Kyiv and northern Ukraine. The benchmark series of Government Bonds (SUN) closed mixed, with yield FR0091 at 6.73%.

Corporate Bonds

JPFA Prepares Bond Repayment of IDR 1 Trillion. PT Japfa Comfeed Indonesia Tbk (JPFA) has prepared funds to pay off its Shelf-Registered Bonds II Phase II Year 2017 amounting to IDR 1 trillion. For the record, in March 2021, Japfa was noted to have issued sustainability-linked bonds worth USD 350 million or equivalent to IDR 5.04 trillion. (Bisnis Indonesia)

Domestic Issue

A total of six series are offered at the Sukuk Auction. The Directorate General of Financing and Risk Management (DJPPR) has set an indicative target for state sukuk auctions of IDR 9 trillion. Meanwhile, there are six series of sovereign sukuk and yields that will be auctioned next week, namely: SPN-S 04102022 (discounted), PBS031 (4%), PBS032 (4.87%), PBS029 (6.37%), PBS034 (6.5%), and PBS033 (6.75%). (Kompas)

Recommendation

US GDP Grows in 4Q21. Players are still watching the Fed's tight monetary policy, and new signals in the bond market that indicate a recession in the US. The movement of the SBN market today, amid fading efforts for peace talks between Ukraine and Russia. Russian troops bombarded the outskirts of Kyiv and besieged cities in northern Ukraine, a day after pledging to scale back operations. Meanwhile, US economic growth increased in 4Q21 to be a positive sentiment today. Gross domestic product (GDP) increased 6.9% YoY, according to the Commerce Department's third GDP forecast for the fourth quarter. This figure was revised down from the 7.0% growth expected in February.

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

PRICE OF BENCHMARK SERIES

FR0090 : -0.3 Bps to 97.96 (5.59%)
FR0091 : -1.3 Bps to 97.39 (6.73%)
FR0093 : -0.1 Bps to 97.29 (6.65%)
FR0092 : +0.8 Bps to 98.90 (7.22%)

FR0086 : -0.4 Bps to 100.39 (5.39%)
FR0087 : -1.4 Bps to 98.48 (6.72%)
FR0083 : -0.2 Bps to 102.15 (7.28%)
FR0088 : +0.1 Bps to 96.88 (6.59%)

CDS of Indonesia Bonds

CDS 2yr: -0.09% to 35.22
CDS 5yr: -1.17% to 82.42
CDS 10yr: +0.01% to 139.58

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.75%	-0.02%
USDIDR	14,343	-0.15%
KRWIDR	11.86	0.63%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,228.81	(65.38)	-0.19%
S&P 500	4,602.45	(29.15)	-0.63%
FTSE 100	7,578.75	41.50	0.55%
DAX	14,606.05	(214.28)	-1.45%
Nikkei	28,027.25	(225.17)	-0.80%
Hang Seng	22,232.03	304.40	1.39%
Shanghai	3,266.60	62.66	1.96%
KOSPI	2,746.74	5.67	0.21%
EIDO	24.81	(0.06)	-0.24%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,932.9	13.4	0.70%
Crude Oil (\$/bbl)	107.82	3.58	3.43%
Coal (\$/ton)	260.00	6.60	2.60%
Nickel LME (\$/MT)	32,892	1,089.5	3.43%
Tin LME (\$/MT)	42,424	0.0	0.00%
CPO (MYR/Ton)	5,930	(90.0)	-1.50%

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.	-6.8%	—	-8.1%
<i>30 - Mar.</i>	US	19:15	ADP Employment Change	Mar.	455k	450k	486k
	US	19:30	GDP Annualized QoQ	4Q21	6.9%	7.0%	7.0%
	US	19:30	GDP Price Index	4Q21	7.1%	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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