

Morning Brief

Daily | Apr. 7, 2022

Today's Outlook:

Wait and See Ahead of the Fed Minutes. This has caused a number of investors to take profit taking yesterday. Most of the benchmark government securities recorded an increase in yields, with yields on FR0091 at the level of 6.77%. Market participants also responded negatively to the news of Deutsche Bank, the first bank on Wall Street to project a US recession in late 2023 or early 2024, due to the Fed's aggressive stance.

Corporate Bonds

TLKM: Ready to Build New Satellite. PT Telkom Indonesia Tbk (TLKM) through its subsidiary Telkomsat plans to build a HTS Satellite (high through-put satellite) with funding sources through equity and loans. The construction of this satellite is estimated to cost IDR 3.8 trillion. The plan is that the funding will be done through Telkomsat's equity of 50% and a loan of 50%. (Kontan)

Domestic Issue

Crypto Tax Effective From May. The government will impose a value added tax (VAT) of 0.1%-0.2% from May 2022 for purchases of digital currency or crypto assets. The rules are contained in the Minister of Finance Regulation (PMK) Number 68/PMK.03/2022 concerning VAT and Income Tax (PPh) on Crypto Asset Trading Transactions. Article 5 of the regulation mandates that the VAT owed must be collected and deposited at 1% of the VAT rate multiplied by the transaction value of crypto assets in the event that the trade operator through the electronic system is a physical trader of crypto assets. (CNN Indonesia)

Recommendation

Check out the Fed Minutes. Market participants will pay close attention to the results of the Fed's meeting minutes which will reduce its balance sheet and be hawkish. This sentiment, also weighed on the US Treasury market, with yields on UST10Y up more than 5 bps to 2.60% or the highest level in 3 years.

PRICE OF BENCHMARK SERIES

FR0090 : +2.0 Bps to 97.79 (5.63%)
FR0091 : +3.5 Bps to 97.11 (6.77%)
FR0093 : +1.8 Bps to 97.06 (6.68%)
FR0092 : -0.5 Bps to 99.42 (7.17%)

FR0086 : +4.6 Bps to 100.03 (5.49%)
FR0087 : +2.5 Bps to 98.46 (6.73%)
FR0083 : +0.7 Bps to 102.19 (7.27%)
FR0088 : +1.2 Bps to 96.62 (6.61%)

CDS of Indonesia Bonds

CDS 2yr: +7.18% to 29.45
CDS 5yr: +4.96% to 81.05
CDS 10yr: +5.27% to 156.87

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.79%	0.04%
USDIDR	14,357	0.07%
KRWIDR	11.79	-0.37%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,496.51	(144.67)	-0.42%
S&P 500	4,481.15	(43.97)	-0.97%
FTSE 100	7,587.70	(26.02)	-0.34%
DAX	14,151.69	(272.67)	-1.89%
Nikkei	27,350.30	(437.68)	-1.58%
Hang Seng	22,080.52	(421.79)	-1.87%
Shanghai	3,283.43	0.71	0.02%
KOSPI	2,735.03	(24.17)	-0.88%
EIDO	24.46	(0.38)	-1.53%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,925.4	1.8	0.09%
Crude Oil (\$/bbl)	96.23	(5.73)	-5.62%
Coal (\$/ton)	286.50	5.50	1.96%
Nickel LME (\$/MT)	33,467	155.0	0.47%
Tin LME (\$/MT)	43,850	(324.0)	-0.73%
CPO (MYR/Ton)	5,912	(3.0)	-0.05%

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	2.64%	2.06%	Cons. Confidence*	113.10	119.60

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	07:30	S&P Global PMI Mfg	Mar.	51.3	—	51.2
1 - Apr.	ID	09:00	CPI MoM	Mar.	0.66%	0.60%	-0.02%
	ID	09:00	CPI YoY	Mar.	2.64%	2.55%	2.06%
	US	21:00	ISM Manufacturing	Mar.	57.1	59.0	58.6
Monday	GE	13:00	Trade Balance	Feb.	11.4Bn	10.1Bn	3.2Bn
4 - Apr.	GE	13:00	Exports SA MoM	Feb.	6.4%	1.5%	-3.0%
	US	21:00	Factory Orders	Feb.	-0.5%	-0.6%	1.5%
	US	21:00	Durable Goods Orders	Feb.	-2.1%	-2.2%	-2.2%
Tuesday	US	19:30	Trade Balance	Feb.	-USD89.2Bn	-USD88.5Bn	-USD89.2Bn
5 - Apr.	US	20:45	S&P Global US Services PMI	Mar.	58.9	58.9	58.9
	US	20:45	S&P Global US Composite PMI	Mar.	57.7	58.5	58.5
	US	21:00	ISM Services Index	Mar.	58.3	58.5	56.5
Wednesday	CH	08:45	Caixin China PMI Composite	Mar.	43.9	--	50.1
6 - Apr.	CH	08:45	Caixin China PMI Services	Mar.	42.0	49.7	50.2
	EC	16:00	PPI YoY	Feb.	31.4	31.6	30.6
	US	18:00	MBA Mortgage Applications	Apr.	-6.3	--	-6.8%
Thursday	US	01:00	FOMC Meeting Minutes	Mar.		--	--
7 - Apr.	ID	10:00	Foreign Reserves	Mar.		--	USD141.40Bn
	GE	13:00	Industrial Production SA MoM	Feb.		0.7%	2.7%
	EC	16:00	Retail Sales MoM	Feb.		--	0.2%
Friday	ID	--	Consumer Confidence Index	Mar.		--	113.1
8 - Apr.							

Source: Bloomberg

Research Division

Senior Technical Analyst

Dimas Wahyu Putra Pratama

Technical

T +62 21 5088 ext 9131

E dimas.wahyu@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Research Support

Jasmine Kusumawardani

Editor & Translator

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta