

Morning Brief

Daily | Apr. 13, 2022

Today's Outlook:

SUN Benchmark amid Significant Increase in FFR. The domestic bond market responded negatively to speculations of a 50 bps increase in the Fed Funds Rate (FFR) at the Fed's May, June, and July meetings, respectively. The movement of the Government Bond (SUN) market yesterday was also in the midst of waiting for the release of inflation data from the United States (US). Based on a Reuters survey, the US Consumer Price Index (CPI) for March was 8.4% YoY (vs. Feb. 7.9% YoY). Reuters also projects a US recession next year by 40%.

Corporate Bonds

INDF: Pocket idAA+ Rating. Pefindo has reassigned its idAA+ rating to PT Indofood Sukses Makmur Tbk (INDF) and its IDR 2.0 trillion Bond VIII/2017 which will mature on 26 May 2022. An idAA rated obligor has a very strong ability to meet its long-term financial commitments. The plus sign (+) indicates that the rating given is relatively strong and above average. (Kontan)

Domestic Issue

1Q22 State Expenditure Realization Decreased. The Ministry of Finance (Kemenkeu) noted that the realization of state spending in 1Q22 reached IDR 484.83 trillion, only reaching 17.86% of the target of the State Budget (APBN) of IDR 2,714.2 trillion. However, when compared to the same period in 2021 which reached IDR 523 trillion, the expenditure fell. This decline will reduce the growth potential of government spending in Gross Domestic Product (GDP). (Kontan)

Recommendation

SUN Market Pressure Chance to Sweep. The United States (US) inflation in March of 1.2% MoM (8.5% YoY) price in, or in line with market expectations, has the potential to be responded positively by the SUN market. Investors believe that US inflation in March has reached its peak before speculations of a 50 bps increase in the Fed Funds Rate in May, June and July.

PRICE OF BENCHMARK SERIES

FR0090 : +5.0 Bps to 97.11 (5.79%)
FR0091 : +3.3 Bps to 96.41 (6.87%)
FR0093 : +3.4 Bps to 96.16 (6.78%)
FR0092 : +2.2 Bps to 99.20 (7.19%)

FR0086 : +2.8 Bps to 99.85 (5.54%)
FR0087 : +3.6 Bps to 97.88 (6.82%)
FR0083 : +1.5 Bps to 102.22 (7.27%)
FR0088 : +1.6 Bps to 96.18 (6.66%)

CDS of Indonesia Bonds

CDS 2yr: +3.42% to 32.77
CDS 5yr: +2.61% to 87.72
CDS 10yr: +2.45% to 169.43

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.89%	0.03%
USDIDR	14,363	-0.02%
KRWIDR	11.62	-0.22%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,220.36	(87.72)	-0.26%
S&P 500	4,397.45	(15.08)	-0.34%
FTSE 100	7,576.66	(41.65)	-0.55%
DAX	14,124.95	(67.83)	-0.48%
Nikkei	26,334.98	(486.54)	-1.81%
Hang Seng	21,319.13	110.83	0.52%
Shanghai	3,213.33	46.20	1.46%
KOSPI	2,666.76	(26.34)	-0.98%
EIDO	24.55	0.11	0.45%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,966.8	13.2	0.68%
Crude Oil (\$/bbl)	100.60	6.31	6.69%
Coal (\$/ton)	309.10	18.45	6.35%
Nickel LME (\$/MT)	32,488	5.0	0.02%
Tin LME (\$/MT)	42,793	(586.0)	-1.35%
CPO (MYR/Ton)	6,177	172.0	2.86%

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)	139.10	141.40	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*	111.00	113.10

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday <i>8 - Apr.</i>	ID	10:17	Consumer Confidence Index	Mar.	111.0	--	113.1
Monday <i>11 - Apr.</i>	CH	08:30	PPI YoY	Mar.	8.3%	8.1%	8.8%
	CH	08:30	CPI YoY	Mar.	1.5%	1.4%	0.9%
Tuesday <i>12 - Apr.</i>	GE	13:00	CPI MoM	Mar.	2.5%	2.5%	2.5%
	GE	13:00	CPI YoY	Mar.	7.3%	7.3%	7.3%
	US	19:30	CPI MoM	Mar.	1.2%	1.2%	0.8%
	US	19:30	CPI YoY	Mar.	8.5%	8.4%	7.9%
Wednesday <i>13 - Apr.</i>	CH	--	Trade Balance	Mar.		\$21.20Bn	\$94.38Bn
	CH	--	Exports YoY	Mar.		12.8%	20.9%
	US	18:00	MBA Mortgage Applications	Apr.		--	-6.3%
	US	19:30	PPI Final Demand MoM	Mar.		1.2%	0.8%
Thursday <i>14 - Apr.</i>	US	19:30	Retail Sales Advance MoM	Mar.		0.5%	0.3%
	US	19:30	Initial Jobless Claims	Apr.		--	166k
	US	21:00	U. Of Mich. Sentiment	Apr.		58.8	59.4
Friday <i>15 - Apr.</i>	US	19:30	Empire Manufacturing	Apr.		2.0	-11.8
	US	20:15	Industrial Production MoM	Mar.		0.4%	0.5%

Source: Bloomberg

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