

Morning Brief

Daily | Apr. 21, 2022

Today's Outlook:

Sentiment for Economic Growth Revision. Investors responded negatively to Bank Indonesia (BI), which cut its projection for domestic economic growth in 2022, to the range of 4.5%-5.3% YoY (Vs. Prev. 4.7%-5.5% YoY). This projection is in line with the projected lower world economic growth. All Government Bonds (SUN) recorded an increase in yield yesterday. Investors also responded negatively to the International Monetary Fund (IMF), which cut its projections for world economic growth in 2022 and 2023, each to only grow 3.6% YoY. This figure is lower than January 2022 projections of 4.4% YoY and 3.8% YoY.

Corporate Bonds

Pefindo Affirms Semen Indonesia's Bond Ratings. PT Pemingkat Efek Indonesia (Pefindo) has affirmed its idAA+ rating for PT Semen Indonesia (Persero) Tbk (SMGR) 2017 PUB Bonds I of IDR 3 trillion which will mature on 20 June 2022. SMGR will fully repay the maturing bonds using cash internally. By the end of December 2021, SMGR had approximately IDR 2.5 trillion in cash on its balance sheet and positive cash flow from operations which Pefindo estimates at around IDR 4.3 trillion for the next twelve months. (Kontan)

Domestic Issue

Excise on Plastic and Sweetened Drinks Postponed. The Ministry of Finance will postpone the plan to levy excise on plastics and sweetened drinks to 2023. In fact, this plan has been rolling since 2016 and the revenue target has been included in the State Budget (APBN) several times. The government will monitor until the end of the year, while looking at the condition of the state budget, the economy of the community, and business actors. (CNN Indonesia)

Recommendation

Yield UST10Y Near 3%. Market participants are watching the volatility of the United States bond market, after the International Monetary Fund (IMF) cut its global growth projections for 2022 and 2023, making investors selective about their interest in safe haven instruments. The 10-year US Treasury yield closed down more than 10 bps, from previously touching a high of 2.98%. The IMF's projections are caused by the conflict between Russia and Ukraine which has yet to show signs of resolution.

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)	4.53	3.82	Govt. Spending Yoy	5.25%	0.62%
Exports Yoy	44.36%	34.14%	FDI (USD bn)	3.59	4.70
Imports Yoy	30.85%	25.43%	Business Confidence	104.82	105.33
Inflation Yoy	2.64%	2.06%	Cons. Confidence*	111.00	113.10

PRICE OF BENCHMARK SERIES

FR0090 : +7.8 Bps to 96.21 (6.01%)
FR0091 : +0.5 Bps to 95.77 (6.96%)
FR0093 : +5.4 Bps to 95.23 (6.88%)
FR0092 : +0.8 Bps to 98.65 (7.25%)

FR0086 : +8.3 Bps to 99.13 (5.74%)
FR0087 : +3.3 Bps to 97.37 (6.90%)
FR0083 : +1.8 Bps to 102.30 (7.26%)
FR0088 : -1.8 Bps to 95.90 (6.70%)

CDS of Indonesia Bonds

CDS 2yr: -1.44% to 43.22
CDS 5yr: -1.12% to 91.48
CDS 10yr: -1.32% to 173.85

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.99%	0.01%
USDIDR	14,356	0.08%
KRWIDR	11.62	0.17%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,160.79	249.59	0.71%
S&P 500	4,459.45	(2.76)	-0.06%
FTSE 100	7,629.22	27.94	0.37%
DAX	14,362.03	208.57	1.47%
Nikkei	27,217.85	232.76	0.86%
Hang Seng	20,944.67	(83.09)	-0.40%
Shanghai	3,151.05	(42.98)	-1.35%
KOSPI	2,718.69	(0.20)	-0.01%
EIDO	24.88	0.38	1.55%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,957.8	7.7	0.39%
Crude Oil (\$/bbl)	102.19	0.14	0.14%
Coal (\$/ton)	326.35	5.35	1.67%
Nickel LME (\$/MT)	33,505	(263.0)	-0.78%
Tin LME (\$/MT)	42,995	(95.0)	-0.22%
CPO (MYR/Ton)	6,308	(155.0)	-2.40%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	19:30	Empire Manufacturing	Apr.	24.6	1.0	-11.8
15 - Apr.	US	20:15	Industrial Production MoM	Mar.	0.9%	0.4%	0.5%
Monday	CH	09:00	Industrial Production YoY	Mar.	5.0%	4.0%	4.3%
18 - Apr.	ID	11:00	Trade Balance	Mar.	\$4,529Mn	\$3,053Mn	\$3,834Mn
	ID	11:00	Exports YoY	Mar.	44.36%	24.65%	34.19%
	ID	11:00	Imports YoY	Mar.	30.85%	18.45%	25.43%
Tuesday	ID	14:20	Bank Indonesia 7D Reverse Repo Rate	Apr.	3.50%	3.50%	3.50%
19 - Apr.	US	19:30	Building Permits	Mar.	1,873k	1,820k	1,865k
	US	19:30	Housing Starts	Mar.	1,793k	1,740k	1,788k
Wednesday	GE	13:00	PPI YoY	Mar.	30.9%	30.0%	25.9%
20 - Apr.	GE	13:00	PPI MoM	Mar.	4.9%	2.7%	1.4%
	US	18:00	MBA Mortgage Applications	Apr.	-5.0%	--	-1.3%
	US	21:00	Existing Home Sales	Mar.	5.77Mn	5.77Mn	5.93Mn
Thursday	EC	16:00	CPI YoY	Mar.		--	7.5%
21 - Apr.	EC	16:00	CPI MoM	Mar.		--	2.5%
	US	19:30	Initial Jobless Claims	Apr.		--	--
Friday	US	20:45	S&P Global US Manufacturing PMI	Apr.		57.8	58.8
22 - Apr.	US	20:45	S&P Global US Service PMI	Apr.		58.6	58.0
	US	20:45	S&P Global US Composite PMI	Apr.		--	57.7

Source: Bloomberg

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