

Morning Brief

Daily | Apr. 14, 2022

Today's Outlook:

SUN Benchmark Back. The Government Bond (SUN) market was again under pressure, still responding negatively to the inflation rate of the United States (US) for the March 2022 period which reached 8.5% YoY (Vs. Cons. 8.4% YoY). Bringing US inflation back to the level of 2% is a tough task for the Fed. As for the pressure on the bond market, in contrast to the Jakarta Composite Index, which closed higher yesterday. Stock market participants believe that US inflation is in line with market expectations, and view that US inflation has now reached its peak before the speculation of a 50 bps increase in the Fed Funds Rate, in May, June and July.

Corporate Bonds

MDKA Offers Bonds With Interest Up To 9.25%. PT Merdeka Copper Gold Tbk (MDKA) will issue bonds with a principal value of IDR 2 trillion. The 2022 Merdeka Copper Gold Shelf-Registered Bond III Phase II is part of the Merdeka Copper Gold Shelf-Registered Bond III with a total value of IDR 9 trillion. In the first phase, MDKA has issued bonds of IDR 3 trillion. The company offers two series of bonds in this issuance. Series A bonds have a principal amount of IDR 310 billion. The bonds with a 3-year tenor offer a fixed interest rate of 7.80% per annum. Series B bonds have a principal value of IDR 1.69 trillion. The bonds with a 5-year tenor offer a fixed interest rate of 9.25% per annum. (Kontan)

Domestic Issue

Reasons for BI to Hold the Reference Interest Rate. Bank Indonesia (BI) confirmed that it would still hold its benchmark interest rate at the level of 3.5%. Because BI only responds to rising inflation if it affects the fundamentals. According to BI, the current inflation has not yet had a propagation impact or has not had a fundamental impact. Thus, the inflation response to BI from the interest rate policy is inflationary pressure which is fundamental or the indicator is core inflation. (Investor Daily)

Recommendation

Investors Wait and See. Closing trading this week, bond market players tend to take a wait and see attitude, still observing the impact of high US inflation on the bond market. Meanwhile, the release of China's export data for March 2022 which grew 14.7% YoY (Vs. Cons. 13% YoY) has the potential to be a positive sentiment for today's trade.

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

PRICE OF BENCHMARK SERIES

FR0090 : +2.3 Bps to 97.02 (5.82%)
FR0091 : +3.4 Bps to 96.17 (6.91%)
FR0093 : +3.7 Bps to 95.82 (6.81%)
FR0092 : +2.6 Bps to 98.93 (7.22%)

FR0086 : +6.0 Bps to 99.64 (5.60%)
FR0087 : +0.9 Bps to 97.82 (6.83%)
FR0083 : -0.9 Bps to 102.31 (7.26%)
FR0088 : +1.7 Bps to 96.03 (6.68%)

CDS of Indonesia Bonds

CDS 2yr: +0.45% to 32.92
CDS 5yr: +0.26% to 87.95
CDS 10yr: +0.39% to 170.10

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.93%	0.04%
USDIDR	14,363	0.00%
KRWIDR	11.72	0.82%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,564.59	344.23	1.01%
S&P 500	4,446.59	49.14	1.12%
FTSE 100	7,580.80	4.14	0.05%
DAX	14,076.44	(48.51)	-0.34%
Nikkei	26,843.49	508.51	1.93%
Hang Seng	21,374.37	55.24	0.26%
Shanghai	3,186.82	(26.51)	-0.83%
KOSPI	2,716.49	49.73	1.86%
EIDO	24.88	0.33	1.34%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,977.8	11.0	0.56%
Crude Oil (\$/bbl)	104.25	3.65	3.63%
Coal (\$/ton)	312.00	2.90	0.94%
Nickel LME (\$/MT)	32,981	493.0	1.52%
Tin LME (\$/MT)	43,324	531.0	1.24%
CPO (MYR/Ton)	6,135	(42.0)	-0.68%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday 8 - Apr.	ID	10:17	Consumer Confidence Index	Mar.	111.0	--	113.1
Monday 11 - Apr.	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 12 - Apr.	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 13 - Apr.	CH	11:42	Trade Balance	Mar.	\$47.38Bn	\$21.70Bn	\$30.58Bn
	CH	11:42	Exports YoY	Mar.	14.7%	12.8%	6.2%
	US	18:00	MBA Mortgage Applications	Apr.	-1.3%	--	-6.3%
	US	19:30	PPI Final Demand MoM	Mar.	1.4%	1.1%	0.9%
Thursday 14 - Apr.	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 15 - Apr.	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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