

Morning Brief

Daily | May 18, 2022

Today's Outlook:

Investors Interested in SBSN Auction. Based on DJPPR data, the total bids for SBSN auctions were IDR 17 trillion, or higher than the previous SBSN auction of IDR 7.5 trillion. In this auction, the government won IDR 4.28 trillion. Investors are again interested in the SBSN auction as the pressure on the bond market eases. On the other hand, the nominal value won is still below the indicative target, causing the government to offer green shoe options today, offering PBS032, PBS029, PBS034, and PBS033.

Corporate Bonds

ADHI Issues IDR 3.75 Trillion Bonds. PT Adhi Karya (Persero) Tbk. (ADHI) held a bond offering worth IDR 3.75 trillion. Continuous Public Offering (PUB) III Phase III is part of PUB III which has a total ceiling of up to IDR 5 trillion. These bonds are offered in 3 series, namely Series A of IDR 1.28 trillion, with an interest rate of 8.25% with a 3-year tenor. Then Series B with an amount of IDR 667.5 billion with a coupon of 9% and a 5-year tenor. Lastly, Series C with an amount of IDR 1.79 trillion with a coupon of 10.20% and a 7-year term. (Bisnis Indonesia)

Domestic Issue

Indonesia's Trade Balance Surplus USD 7.56 Billion. Indonesia's trade balance still scored a large surplus in April 2022. The Central Statistics Agency (BPS) noted that Indonesia's goods trade balance surplus in the month under review was USD 7.56 billion, or a consecutive surplus since the last 24 months. The value of goods exports in April 2022 was recorded at USD 27.32 billion, up 3.11% MoM and on an annual basis, up 47.76% YoY. Meanwhile, the import value was recorded at USD 19.76 billion or decreased by 10.01% MoM although on an annual basis it still rose 21.97% YoY. (Kontan)

Recommendation

Positive Catalyst of Economic Data. Investors are again paying attention to the positive sentiment of the April trade balance surplus of USD 7.5 billion. This surplus, can increase the Cadev April which had fallen to USD 135.7 billion. Meanwhile, this April surplus exceeded market expectations of +USD 4 billion, and March +USD 4.5 billion. In the same period, Indonesia recorded export and import growth in April, respectively +47.8% YoY and 21.9% YoY.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	5.01%	3.51%
FX Reserve (USD bn)	135.70	139.10	Current Acc (USD bn)	1.40	4.97
Trd Balance (USD bn)	7.56	4.53	Govt. Spending Yoy	-7.74%	5.25%
Exports Yoy	47.76%	44.36%	FDI (USD bn)	3.59	4.70
Imports Yoy	21.97%	30.85%	Business Confidence	104.82	105.33
Inflation Yoy	3.47%	2.64%	Cons. Confidence*	113.10	111.00

PRICE OF BENCHMARK SERIES

FR0090 : -6.0 Bps to 93.34 (6.73%)
FR0091 : -5.3 Bps to 93.47 (7.31%)
FR0093 : +5.7 Bps to 89.92 (7.49%)
FR0092 : -4.3 Bps to 96.49 (7.46%)

FR0086 : -8.1 Bps to 95.54 (6.81%)
FR0087 : -5.4 Bps to 94.45 (7.36%)
FR0083 : +0.5 Bps to 97.38 (7.77%)
FR0088 : +1.4 Bps to 89.72 (7.43%)

CDS of Indonesia Bonds

CDS 2yr: -4.88% to 52.05
CDS 5yr: -3.47% to 103.94
CDS 10yr: -3.86% to 193.96

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.33%	-0.05%
USDIDR	14,650	0.25%
KRWIDR	11.49	0.37%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,654.59	431.17	1.34%
S&P 500	4,088.85	80.84	2.02%
FTSE 100	7,518.35	53.55	0.72%
DAX	14,185.94	221.56	1.59%
Nikkei	26,659.75	112.70	0.42%
Hang Seng	20,602.52	652.31	3.27%
Shanghai	3,093.70	19.95	0.65%
KOSPI	2,620.44	23.86	0.92%
EIDO	23.58	0.32	1.38%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,815.2	(9.0)	-0.49%
Crude Oil (\$/bbl)	112.40	(1.80)	-1.58%
Coal (\$/ton)	413.65	11.15	2.77%
Nickel LME (\$/MT)	26,406	(143.0)	-0.54%
Tin LME (\$/MT)	34,065	199.0	0.59%
CPO (MYR/Ton)	6,116	(23.0)	-0.37%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	09:00	Industrial Production YoY	Apr.	-2.9%	0.5%	5.0%
<i>16 - May</i>	CH	09:00	Retail Sales YoY	Apr.	-11.1%	-6.6%	-3.5%
Tuesday	ID	11:00	Trade Balance	Apr.	\$7,560Mn	\$4,000Mn	\$4,535Mn
<i>17 - May</i>	ID	11:00	Exports YoY	Apr.	47.76%	40.09%	44.36%
	ID	11:00	Imports YoY	Apr.	21.97%	34.99%	30.85%
	US	19:30	Retail Sales Advance MoM	Apr.	0.9%	1.0%	1.4%
Wednesday	EC	16:00	CPI YoY	Apr. F		7.5%	7.4%
<i>18 - May</i>	US	18:00	MBA Mortgage Applications	May 13		--	2.0%
	US	19:30	Building Permits	Apr.		1,825k	1,870k
	US	19:30	Housing Starts	Apr.		1,770k	1,793k
Thursday	US	19:30	Initial Jobless Claims	May 14		--	203k
<i>19 - May</i>	US	21:00	Existing Home Sales	Apr.		5.66Mn	5.77Mn
	US	21:00	Leading Index	Apr.		0.0%	0.3%
Friday	GE	13:00	PPI YoY	Apr.		29.5%	30.9%
<i>20 - May</i>	GE	13:00	PPI MoM	Apr.		-0.2%	4.9%

Source: Bloomberg

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