

# Morning Brief

Daily | June 22, 2022

## Today's Outlook:

The government did not win the FR93, book yield requests between 7.50%-7.70%. The yield expectation is higher than the previous SUN auction last June 7, between 7.20%-7.43%. The wait-and-see attitude of investors ahead of the BI RDG results, and the depreciation of the rupiah, colored the demand for SUN auction yields this time. Based on the survey, BI is projected to hold the BI 7DRRR in June at the level of 3.50%; with the rupiah depreciating to the level of IDR 14,800/USD. Overall, the government managed to win IDR 18.8 trillion or below the indicative target of IDR 20 trillion.

## Corporate Bonds

**AGRO: Pay off IDR239 Billion Bonds.** PT Bank Raya Indonesia Tbk (AGRO) has prepared IDR239 billion in funds. The funds are prepared to pay off debt securities maturing on July 7, 2022. Meanwhile, the repayment is in the form of BRI Agro Bonds I 2017 series B which has a principal value of IDR239 billion. (Emiten News)

## Domestic Issue

**SUN Auction Below Target.** The results of the auction of Government Securities (SUN) on Tuesday (7/6) resulted in a bid of IDR 35.06 trillion. The number of bids for today's auction is lower than the previous auction, where at the June 7 SUN auction, the government collected bids of IDR 43.54 trillion. Based on data from the website of the Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance, SUN series FR0091 received the highest offer from investors of IDR 17.87 trillion. (Bisnis Indonesia)

## Recommendation

**Domestic Liquidity Normalization.** The rupiah was maintained at the level of IDR14,800/USD, and the movement of the benchmark SUN occurred amid market focus on monetary policy. BI is projected to prefer liquidity normalization through a gradual increase in the Statutory Reserves, compared to the BI 7DRRR hike for the June period. Meanwhile, strengthening SUN before the end of the government's front loading strategy for the 1H22 period.

## PRICE OF BENCHMARK SERIES

FR0090 : +0.9 Bps to 93.57 (6.70%)  
FR0091 : -1.4 Bps to 92.48 (7.46%)  
FR0093 : +2.1 Bps to 89.84 (7.51%)  
FR0092 : +1.0 Bps to 97.04 (7.41%)

FR0086 : -0.3 Bps to 96.92 (6.41%)  
FR0087 : -1.3 Bps to 94.04 (7.44%)  
FR0083 : -0.3 Bps to 98.42 (7.66%)  
FR0088 : +1.4 Bps to 89.44 (7.48%)

## CDS of Indonesia Bonds

CDS 2yr: -3.54% to 54.63  
CDS 5yr: -1.88% to 104.44  
CDS 10yr: -2.80% to 191.11

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.49%	-0.01%
USDIDR	14,812	-0.14%
KRWIDR	11.45	-0.29%

## Global Indices

Index	Last	Chg.	%
Dow Jones	30,530.25	641.47	2.15%
S&P 500	3,764.79	89.95	2.45%
FTSE 100	7,152.05	30.24	0.42%
DAX	13,292.40	26.80	0.20%
Nikkei	26,246.31	475.09	1.84%
Hang Seng	21,559.59	395.68	1.87%
Shanghai	3,306.72	(8.71)	-0.26%
KOSPI	2,408.93	17.90	0.75%
EIDO	23.07	0.45	1.99%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,833.0	(5.8)	-0.31%
Crude Oil (\$/bbl)	109.52	1.53	1.42%
Coal (\$/ton)	390.00	(2.75)	-0.70%
Nickel LME (\$/MT)	25,949	211.0	0.82%
Tin LME (\$/MT)	31,339	539.0	1.75%
CPO (MYR/Ton)	4,980	(1.0)	-0.02%

## 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)	135.60	135.70	Current Acc (USD bn)	0.20	4.97
Trd Balance (USD bn)	2.90	7.56	Govt. Spending Yoy	-7.74%	5.25%
Exports Yoy	27.00%	47.76%	FDI (USD bn)	5.67	4.70
Imports Yoy	30.74%	21.97%	Business Confidence	104.82	105.33
Inflation Yoy	3.55%	3.47%	Cons. Confidence*	128.90	113.10

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	GE	13:00	PPI YoY	May	33.6%	33.8%	33.5%
<i>20 - June</i>	GE	13:00	PPI MoM	May	1.6%	1.5%	2.8%
<b>Tuesday</b>	US	21:00	Existing Home Sales	May	5.41Mn	5.40Mn	5.60Mn
<i>21 - June</i>	US	21:00	Existing Home Sales MoM	May	-3.4%	-3.7%	-2.6%
<b>Wednesday</b>	JP	13:00	Machine Tool Orders YoY	May		--	23.7%
<i>22 - June</i>	UK	13:00	CPI MoM	May		0.7%	2.5%
	UK	13:00	CPI YoY	May		9.1%	9.0%
	US	18:00	MBA Mortgage Applications	June		--	6.6%
<b>Thursday</b>	ID	14:20	BI 7DRRR	June		3.50%	3.50%
<i>23 - June</i>	US	19:30	Current Account Balance	1Q		-\$284.8Bn	-\$217.9Bn
	US	19:30	Initial Jobless Claims	June		--	229k
	US	20:45	S&P Global US Manufacturing PMI	June		56.3	57.0
<b>Friday</b>	JP	06:30	Natl CPI YoY	May		2.5%	2.5%
<i>24 - June</i>	JP	06:30	PPI Services YoY	May		1.7%	1.7%
	US	21:00	U. of Mich. Sentiment	June		50.2	50.2
	US	21:00	New Home Sales	May		595k	591k

Source: Bloomberg

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