

Morning Brief

Daily | Jan. 14, 2022

Today's Outlook:

Government Bonds

Increase in UST10Y Yield Colors SUN Trade. UST10Y yield increased, before finally closing at 1.70% based on Bloomberg data. This yield movement occurred after the release of the Consumer Price Index (CPI) data yesterday. The United States (US) CPI in December 2021 grew to 7% YoY and became the highest level since 1982. However, this was already anticipated by market participants. Meanwhile, the attitudes of market participants tend to be mixed, with the benchmark series FR0090, FR0091, and FR0093 at discount levels.

Corporate Bonds

BJBR: IDR 1 Trillion Bond Issuance Fund. PT Bank Pembangunan Daerah Jawa Barat and Banten Tbk. (BJBR) has used all proceeds from the issuance of the 2021 Subordinated Continuous Subordinated Bonds III Phase I of IDR 1 trillion. The proceeds from the public offering are used for credit expansion in accordance with the planned use of funds according to the prospectus. Thus, the company noted that there was no remaining proceeds from the public offering. Previously, Bank BJB stated that it was ready to conduct a rights issue in the first quarter of 2022, to support credit expansion this year. (Bisnis Indonesia)

Domestic Issue

Ministry of Finance Discontinues PPh 21 Incentives. The Fiscal Policy Agency (BKF) emphasized that the government-borne Article 21 income tax (PPh) incentive (DTP) will not be given this year. Even so, BKF emphasizes that there will be better policies provided to employees through the Law on Harmonization of Tax Regulations (UU HPP). The regulation contains a widening of taxable income from IDR 50 million to IDR 60 million. (Kontan)

Recommendation

Inflation and Jobless Claims. On various occasions, several Fed officials reiterated the importance of policy tightening to combat high inflation. Meanwhile, the number of Americans filing their first claims for unemployment benefits increased unexpectedly in the first week of January amid a surge in COVID-19 cases. First claims for jobless benefits rose 23,000 to a seasonally adjusted 230,000 for the week ended January 8, the Labor Department said on Thursday. Economists polled by Reuters had forecast claims topped 200,000 for the last week.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	3.51%	7.07%
FX Reserve (USD bn)	144.90	145.90	Current Acc (USD bn)	4.50	(1.97)
Trd Balance (USD bn)	3.51	5.74	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	49.70%	53.35%	FDI (USD bn)	4.77	6.52
Imports Yoy	52.62%	51.06%	Business Confidence	104.82	105.33
Inflation Yoy	1.87%	1.75%	Cons. Confidence*	118.30	118.50

PRICE OF BENCHMARK SERIES

FR0090 : -0.6 Bps to 99.67 (5.19%)
FR0091 : -0.9 Bps to 99.92 (6.38%)
FR0093 : +0.0 Bps to 99.86 (6.38%)
FR0092 : -1.6 Bps to 100.86 (7.04%)

FR0086 : -2.5 Bps to 101.05 (5.21%)
FR0087 : -0.8 Bps to 100.14 (6.47%)
FR0083 : -1.2 Bps to 104.33 (7.07%)
FR0088 : +0.4 Bps to 99.46 (6.30%)

CDS of Indonesia Bonds

CDS 2yr: +3.96% to 28.47
CDS 5yr: +3.56% to 81.02
CDS 10yr: +2.92% to 151.12

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.41%	-0.01%
USDIDR	14,295	-0.16%
KRWIDR	12.03	0.02%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,113.62	(176.70)	-0.49%
S&P 500	4,659.03	(67.32)	-1.42%
FTSE 100	7,563.85	12.13	0.16%
DAX	16,031.59	21.27	0.13%
Nikkei	28,489.13	(276.53)	-0.96%
Hang Seng	24,429.77	27.60	0.11%
Shanghai	3,555.26	(42.17)	-1.17%
KOSPI	2,962.09	(10.39)	-0.35%
EIDO	23.45	(0.07)	-0.30%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,822.5	(3.6)	-0.20%
Crude Oil (\$/bbl)	82.12	(0.52)	-0.63%
Coal (\$/ton)	158.50	9.40	6.30%
Nickel LME (\$/MT)	22,196	132.50	0.60%
Tin LME (\$/MT)	41,402	953.00	2.36%
CPO (MYR/Ton)	5,161	121.0	2.40%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	10:00	Foreign Reserves	Dec.	\$144.90Bn	-	\$145.90Bn
<i>7 - Jan.</i>	US	20:30	Change in Nonfarm Payrolls	Dec.	199k	450k	210k
	US	20:30	Change in Manufact. Payrolls	Dec.	26k	35k	31k
	US	20:30	Unemployment Rate	Dec.	3.9%	4.1%	4.2%
Monday	ID	—	Consumer Confidence Index	Dec.	118.3	—	118.5
<i>10 - Jan.</i>	US	22:00	Wholesale Inventories MoM	Nov.	1.4%	1.2%	1.2%
Tuesday	—	—	—	—	—	—	—
<i>11 - Jan.</i>	—	—	—	—	—	—	—
Wednesday	CH	08:30	CPI YoY	Dec.	1.5%	1.7%	2.3%
<i>12 - Jan.</i>	US	19:00	MBA Mortgage Applications	Jan.	1.4%	—	-5.6%
	US	20:30	CPI MoM	Dec.	0.5%	0.4%	0.8%
	US	20:30	CPI YoY	Dec.	7.0%	7.0%	6.8%
Thursday	US	20:30	PPI Final Demand MoM	Dec.	0.2%	0.4%	0.8%
<i>13 - Jan.</i>	US	20:30	Initial Jobless Claims	Jan.	230k	200k	207k
Friday	CH	—	Trade Balance	Dec.		\$73.20Bn	\$71.71Bn
<i>14 - Jan.</i>	US	20:30	Retail Sales Advance MoM	Dec.		0.0%	0.3%
	US	21:15	Industrial Production MoM	Dec.		0.3%	0.5%
	US	22:00	U. of Mich. Sentiment	Jan.		70.2	70.6

Source: Bloomberg

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