

Morning Brief

Daily | Feb. 2, 2022

Today's Outlook:

Government Bonds

Mixed SUN Market Ahead of Chinese New Year Holiday. Market participants are waiting for the release of economic data, such as the inflation rate for the period of January 2022, which by consensus is projected to penetrate the 2% YoY level. Meanwhile, the Manufacturing PMI data is expected to remain in the expansion zone that has been recorded since September 2021. Investors will also wait for more issuers to release annual performance reports, as well as monitor the development of the number of Covid-19 cases in Indonesia. Earlier in the week, the yield on Government Bonds (SUN) series FR0091 closed at 6.42%.

Corporate Bonds

Pefindo Lowers OB I Rank for 2019 WSBP. PT Pemeringkat Efek Indonesia (Pefindo) has downgraded the rating of its Shelf-Registered Bond I Year 2019 PT Waskita Beton Precast Tbk (WSBP) worth IDR 2 trillion to idD from previously idBBB-. The downgrade follows a court decision on January 25, 2022 which stated that WSBP's status was in a temporary suspension of debt payment obligations (PKPU) for a period of 45 days until March 11, 2022. (Liputan 6)

Domestic Issue

Automotive and Property Tax Incentives. The government is finalizing the regulation on the extension of a number of tax incentives, such as the relaxation of the Sales Tax on Luxury Goods (PPnBM) for the automotive and property sectors as an effort to maintain the pace of economic recovery. In 2021, there will be a linear pattern when the government issues incentives, especially for the automotive sector by increasing the performance of the automotive industry. (Investor Daily)

Recommendation

Waiting for Domestic Economic Data. Market participants will pay close attention to the release of routine economic data at the beginning of the month, but the spike in the number of positive cases of Covid-19 still has the potential to be a negative sentiment. Externally, the US Manufacturing PMI fell to 57.6 in the January 2022 period; from 58.8 in the previous month. Meanwhile, the Canadian Economy grew 6.3%. The Canadian economy is expected to surge in the fourth quarter, with economic activity rising above pre-pandemic levels for the first time. The economy grew 0.6% in November, beating analysts' expectations of a 0.3% gain. Meanwhile, gross domestic product in the fourth quarter likely rose 6.3%, above the Bank of Canada's forecast of 5.8%.

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)	1.02	3.51	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	35.30%	49.70%	FDI (USD bn)	4.77	6.52
Imports Yoy	47.93%	52.62%	Business Confidence	104.82	105.33
Inflation Yoy	1.87%	1.75%	Cons. Confidence*	118.30	118.50

PRICE OF BENCHMARK SERIES

FR0090 : -1.2 Bps to 99.59 (5.21%)
FR0091 : -2.5 Bps to 99.63 (6.42%)
FR0093 : -1.0 Bps to 99.65 (6.41%)
FR0092 : -3.2 Bps to 102.09 (6.93%)

FR0086 : +0.4 Bps to 100.89 (5.25%)
FR0087 : -2.6 Bps to 100.09 (6.48%)
FR0083 : -3.0 Bps to 104.97 (7.01%)
FR0088 : +0.4 Bps to 98.85 (6.37%)

CDS of Indonesia Bonds

CDS 2yr: -1.20% to 33.31
CDS 5yr: -8.73% to 82.87
CDS 10yr: -1.44% to 157.70

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.44%	-0.03%
USDIDR	14,383	-0.03%
KRWIDR	11.88	-0.38%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,405.24	273.38	0.78%
S&P 500	4,546.54	30.99	0.69%
FTSE 100	7,535.78	71.41	0.96%
DAX	15,619.39	148.19	0.96%
Nikkei	27,078.48	76.50	0.28%
Hang Seng	23,802.26	0.00	0.0%
Shanghai	3,361.44	0.00	0.0%
KOSPI	2,663.34	0.00	0.0%
EIDO	23.19	0.01	0.04%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,801.2	4.0	0.22%
Crude Oil (\$/bbl)	88.20	0.05	0.06%
Coal (\$/ton)	192.50	(7.45)	-3.73%
Nickel LME (\$/MT)	23,359	1,031	4.62%
Tin LME (\$/MT)	43,023	0.00	0.00%
CPO (MYR/Ton)	5,628	0.00	0.00%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	GE	16:00	GDP QoQ	4Q21	-0.7%	-0.3%	1.7%
<i>28 - Jan.</i>	US	20:30	Personal Income	Dec.	0.3%	0.5%	0.4%
	US	20:30	Personal Spending	Dec.	-0.6%	-0.6%	0.6%
	US	22:00	U. of Mich. Sentiment	Jan.	67.2	68.8	68.8
Monday	EC	17:00	GDP QoQ	4Q21	0.3%	0.4%	2.2%
<i>31 - Jan.</i>	EC	17:00	GDP YoY	4Q21	4.6%	4.6%	3.9%
	US	21:45	MNI Chicago PMI	Jan.	65.2	61.5	64.3
Tuesday	GE	15:55	Markit Germany Mfg	Jan.	59.8	60.5	60.5
<i>1 - Feb.</i>	UK	16:30	Markit UK PMI Manufacturing	Jan.	57.3	56.9	56.9
	US	21:45	Markit US Manufacturing PMI	Jan.	55.5	55.0	55.0
	US	22:00	ISM Manufacturing	Jan.	57.6	57.5	58.8
Wednesday	ID	07:30	Markit Indonesia PMI Mfg	Jan.		—	53.5
<i>2 - Feb.</i>	ID	11:00	CPI YoY	Jan.		2.17%	1.87%
	US	19:00	MBA Mortgage Applications	Jan.		—	-7.1%
	US	20:15	ADP Employment Change	Jan.		184k	807k
Thursday	UK	19:00	Bank of England Bank Rate	Feb.		0.500%	0.250%
<i>3 - Feb.</i>	US	20:30	Initial Jobless Claims	Jan.		—	260k
	US	22:00	Factory Orders	Dec.		0.1%	1.6%
	US	22:00	Durable Goods Orders	Dec.		—	-0.9%
Friday	GE	14:00	Factory Orders MoM	Dec.		0.0%	3.7%
<i>4 - Feb.</i>	EC	17:00	Retail Sales MoM	Dec.		-0.5%	1.0%
	US	20:30	Change in Nonfarm Payrolls	Jan.		178k	199k
	US	20:30	Unemployment Rate	Jan.		3.9%	3.9%

Source: Bloomberg

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