

Morning Brief

Daily | Apr. 19, 2022

Today's Outlook:

Profit Taking ahead of BI's RDG Results. All benchmark series of Government Bonds (SUN) recorded higher yields, with FR0091 rising 4.5 bps to 7.96%. Investors' profit-taking, in the midst of waiting for the results of the Bank Indonesia Board of Governors' Meeting (RDG BI) to release the BI Seven Days Reverse Repo Rate (BI 7DRRR) April Tuesday afternoon, is projected to stay at its lowest level of 3.50%. This contrasts with the Fed's Hawkish stance, where the FFR rose 25 bps last March, and speculation of a 150 bps increase in the next three months. Market participants are keeping an eye on BI's Dovish stance, which will only increase the BI 7-DRRR if there is an increase in fundamental inflation, where the indicator is an increase in core inflation.

Corporate Bonds

Moody's Assigns Baa2 Rating to Inalum Bonds. Rating agency Moody's has assigned a Baa2 rating to notes or bonds issued by PT Indonesia Asahan Aluminum (Persero) or Inalum with a stable outlook. In a Moody's report, Inalum plans to use the net proceeds to buy back and cancel existing bonds, which are part of the tender offer. (Kontan)

Domestic Issue

Trade Balance Surplus Nearly USD 10 Billion. Indonesia's trade balance still scored a surplus in 1Q22. The Central Statistics Agency (BPS) noted that Indonesia's trade balance surplus for the period January 2022 to March 2022 was USD 9.33 billion, or a rapid increase from the trade balance surplus in the same period the previous year, which was a surplus of USD 5.52 billion. The trade balance performance in 1Q22 was supported by the export value of USD 66.14 billion or grew by 35.25% YoY. (Kontan)

Recommendation

Positive Sentiment Trade Balance Surplus. Indonesia's trade performance which recorded a surplus of USD 4.53 billion (Vs. Cons. USD 3 billion), surpassing the previous month which recorded a surplus of USD 3.83 billion, has the opportunity to support the movement of the SUN market today. On the other hand, investors are still watching the yield on the 10-year US Treasury, which is close to the psychological level of 3%.

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)	4.53	3.82	Govt. Spending Yoy	5.25%	0.62%
Exports Yoy	44.36%	34.14%	FDI (USD bn)	3.59	4.70
Imports Yoy	30.85%	25.43%	Business Confidence	104.82	105.33
Inflation Yoy	2.64%	2.06%	Cons. Confidence*	111.00	113.10

PRICE OF BENCHMARK SERIES

FR0090 : +6.1 Bps to 96.65 (5.91%)
FR0091 : +4.5 Bps to 95.82 (6.96%)
FR0093 : +1.4 Bps to 95.68 (6.83%)
FR0092 : +1.7 Bps to 98.80 (7.23%)

FR0086 : +3.6 Bps to 99.46 (5.65%)
FR0087 : +1.7 Bps to 97.68 (6.85%)
FR0083 : +0.2 Bps to 102.49 (7.25%)
FR0088 : +1.0 Bps to 95.93 (6.69%)

CDS of Indonesia Bonds

CDS 2yr: +1.00% to 41.79
CDS 5yr: +13.44% to 100.03
CDS 10yr: +0.73% to 169.62

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.98%	0.05%
USDIDR	14,354	0.07%
KRWIDR	11.63	-0.51%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,411.69	(39.54)	-0.11%
S&P 500	4,391.69	(0.90)	-0.02%
FTSE 100	7,616.38	0.00	0.00%
DAX	14,163.85	0.00	0.00%
Nikkei	26,799.71	(293.48)	-1.08%
Hang Seng	21,518.08	0.00	0.00%
Shanghai	3,195.52	(15.72)	-0.49%
KOSPI	2,693.21	(2.85)	-0.11%
EIDO	24.74	0.34	1.39%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,978.9	0.7	0.03%
Crude Oil (\$/bbl)	108.21	1.26	1.18%
Coal (\$/ton)	309.10	0.00	0.00%
Nickel LME (\$/MT)	33,442	461.5	1.40%
Tin LME (\$/MT)	43,043	0.0	0.00%
CPO (MYR/Ton)	6,463	143.0	2.26%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	19:30	Empire Manufacturing	Apr.	24.6	1.0	-11.8
<i>15 - Apr.</i>	US	20:15	Industrial Production MoM	Mar.	0.9%	0.4%	0.5%
Monday	CH	09:00	Industrial Production YoY	Mar.	5.0%	4.0%	4.3%
<i>18 - Apr.</i>	ID	11:00	Trade Balance	Mar.	\$4,529Mn	\$3,053Mn	\$3,834Mn
	ID	11:00	Exports YoY	Mar.	44.36%	24.65%	34.19%
	ID	11:00	Imports YoY	Mar.	30.85%	18.45%	25.43%
Tuesday	ID	14:20	Bank Indonesia 7D Reverse Repo Rate	Apr.		3.50%	3.50%
<i>19 - Apr.</i>	US	19:30	Building Permits	Mar.		1,839k	1,865k
	US	19:30	Housing Starts	Mar.		1,745k	1,769k
Wednesday	GE	13:00	PPI YoY	Mar.		--	25.9%
<i>20 - Apr.</i>	GE	13:00	PPI MoM	Mar.		--	1.4%
	US	18:00	MBA Mortgage Applications	Apr.		--	-1.3%
	US	21:00	Existing Home Sales	Mar.		5.77Mn	6.02Mn
Thursday	EC	16:00	CPI YoY	Mar.		--	7.5%
<i>21 - Apr.</i>	EC	16:00	CPI MoM	Mar.		--	2.5%
	US	19:30	Initial Jobless Claims	Apr.		--	--
Friday	US	20:45	S&P Global US Manufacturing PMI	Apr.		57.8	58.8
<i>22 - Apr.</i>	US	20:45	S&P Global US Service PMI	Apr.		58.6	58.0
	US	20:45	S&P Global US Composite PMI	Apr.		--	57.7

Source: Bloomberg

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