

Morning Brief

Daily | April 29, 2021

Today's Outlook:

Government Bonds

Wait and See Promotes Benchmark SUN Yield. The wait and see attitude of market players is waiting for the Fed's comments regarding inflation. All benchmark series Government Bonds (SUN) recorded an increase in yield of around 3 bps, with the yield of FR0087 closing at 6.48%. The increase in SUN yield was also in line with the increase in yield on US Treasury (UST) from 1.62% to 1.64%. Investors are relatively restrained ahead of the announcement of the results of the Federal Open Market Committee (FOMC) of the Fed which will be announced on Wednesday local time or Thursday morning Indonesian time.

Corporate Bonds

Indosat Bonds with Maturity of IDR 630 Billion. Indosat Tbk (ISAT) has bonds worth Rp. 630 billion which will mature on May 3, 2021. The bonds are called Shelf Registration Bonds III Indosat Phase III Year 2018 Series B. Based on Indosat's financial statements as of December 2020, Indosat is still recording cash equivalents of Rp. Rp 1.78 trillion. Indosat also has an unallocated profit balance of Rp 9.29 trillion. For information, the Rp 630 billion bond that will mature in May 2021 was issued on May 4, 2018. The three-year tenor bonds are offered with a fixed interest rate of 7.4%. (Kontan)

Domestic Issue

ADB: Indonesia's Economic Growth Reaches 4.5%. The Asian Development Bank (ADB) estimates that Indonesia's economic growth this year will be 4.5%. Then it will increase to 5% in 2022. Economic growth that leads to improvement in the next quarter, is in line with the gradual opening of economic activity in Indonesia, especially in big cities. ADB stated that household expenditure in Indonesia is expected to increase in 2021. This is in line with the vaccination program and an increase in economic sectors that are back in operation. Thus, the driver of Indonesia's economic growth comes from domestic demand, as personal consumption becomes of paramount importance. (Kontan)

Recommendation

The SUN market is back flat, the rupiah stays below IDR 14,500/USD. The lack of domestic sentiment and a stable rupiah exchange rate are likely to flatten the SUN market. Previously, the rupiah exchange rate opened trades at the level of IDR 14,480 / USD, which was then closed at the level of IDR 14,495 / USD. This pressure on the rupiah, amid worsening sentiment of market players due to the increase in Covid-19 cases in a number of European countries and India. In addition, investors are also looking forward to the announcement of the Fed's monetary policy in the early hours of Thursday Indonesia time.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	-2.19%	-5.32%
FX Reserve (USD bn)	137.10	138.80	Current Acc (USD bn)	0.80	(2.94)
Trd Balance (USD bn)	1.99	2.01	Govt. Spending Yoy	1.76%	-6.90%
Exports Yoy	30.47%	8.56%	FDI (USD bn)	4.26	4.56
Imports Yoy	25.73%	14.86%	Business Confidence	104.82	105.33
Inflation Yoy	1.37%	1.38%	Cons. Confidence*	93.40	84.90

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +2.6 Bps to 99.22 (5.68%)
FR0087 (10yr): +2.9 Bps to 100.08 (6.48%)
FR0088 (15yr): +2.5 Bps to 98.09 (6.44%)
FR0083 (20yr): +3.2 Bps to 102.29 (7.27%)

FR0081 (4yr): +2.8 Bps to 103.57 (5.51%)
FR0082 (9yr): +2.3 Bps to 103.36 (6.51%)
FR0080 (14yr): +3.3 Bps to 103.30 (7.12%)

CDS of Indonesia Bonds

CDS 2yr: +1.65% to 29.46
CDS 5yr: +1.59% to 78.61
CDS 10yr: +1.19% to 143.77

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.44%	0.00%
USDIDR	14,525	0.03%
KRWIDR	12.99	-0.01%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,043.49	227.59	0.67%
S&P 500	4,180.17	45.19	1.09%
FTSE 100	6,938.56	0.32	0.00%
DAX	15,279.62	(40.90)	-0.27%
Nikkei	29,020.63	(167.54)	-0.57%
Hang Seng	29,078.75	323.41	1.12%
Shanghai	3,474.17	9.05	0.26%
KOSPI	3,186.10	8.58	0.27%
EIDO	21.94	0.56	2.62%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,777.2	(6.7)	-0.38%
Crude Oil (\$/bbl)	62.14	0.71	1.16%
Coal (\$/ton)	85.50	(2.10)	-2.40%
Nickel LME (\$/MT)	16,395	332.0	2.07%
Tin LME (\$/MT)	26,780	(5.0)	-0.02%
CPO (MYR/Ton)	3,927	(62.0)	-1.55%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 26 - Apr	GE	15:00	IFO Expectations	Apr	99.5	101.2	100.4
	GE	15:00	IFO Business Climate	Apr	96.8	97.8	96.6
	US	19:30	Durable Goods Orders	Mar	0.5%	2.3%	-1.2%
Tuesday 27 - Apr	US	21:00	Conf. Board Consumer Confidence	Apr	121.7	113.0	109.7
Wednesday 28 - Apr	US	18:00	MBA Mortgage Applications	Apr	-2.5%	--	8.6%
	US	19:30	Wholesale Inventories MoM	Mar	1.4%	0.5%	0.6%
Thursday 29 - Apr	GE	14:55	Unemployment Change (000's)	Apr		--	-8.0k
	GE	19:00	CPI YoY	Apr		--	1.7%
	US	19:30	Initial Jobless Claims	Apr		--	547k
	US	19:30	GDP Annualized QoQ	1Q21		6.5%	4.3%
Friday 30 - Apr	CH	08:00	Manufacturing PMI	Apr		51.7	51.9
	GE	15:00	GDP SA QoQ	1Q20		--	0.3%
	EC	16:00	CPI MoM	Apr		--	0.9%
	EC	16:00	GDP SA YoY	1Q21		--	-4.9%

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