

# Morning Brief

Daily | May 20, 2021

## Today's Outlook:

### Government Bonds

**SUN Benchmark Is Under Pressure Ahead of Economic Data Release.** All benchmark series Government Bonds (SUN) recorded yield increases in the range of 1.1 bps to 2.6 bps, with the yield of FR0087 rising to the level of 6.46% based on data from NH Korindo Sekuritas Indonesia. Yesterday, market players were waiting for the release of April's trade balance data which projected a surplus of USD 1.2 billion, or lower than the previous month's surplus of USD 1.5 billion. Investors are also looking forward to the BoP Current Account Balance 1Q21 data projected a deficit of USD 732 million, compared to the previous quarter which was able to record a surplus of USD 795 million. In more detail, trade balance data will be released today, and BOP Current Account Balance will be released tomorrow.

### Corporate Bonds

**PWON Issues Additional USD 100 Million Bonds.** Pakuwon Jati Tbk (PWON) has just issued additional debt securities worth USD 100 million which are consolidated with bonds alias bonds that have also recently been issued worth USD 300 million. Thus, the total debt securities that have been issued by PWON are worth USD 400 million or the equivalent of IDR 5.64 trillion. Meanwhile, the proceeds after deducting the issuance costs will be used for public operational purposes. (Kontan)

### Domestic Issue

**Government Withdraws IDR 323.4 Trillion New Debt.** The Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance (Kemenkeu) targets the total debt withdrawal in the second quarter of 2021 to reach IDR 323.4 trillion. This amount consists of government bonds (SUN) amounting to IDR 194.6 trillion, prioritizing the issuance of SUN through auction, issuance of Samurai Bonds, and private placements for special purposes. Then, through the issuance of debt through state sharia securities (SBSN) IDR 108.4 trillion, mainly through auctions and issuance of foreign currency sukuk. Then the debt originating from the loan is targeted at Rp. 20.4 trillion. DJPPR conveyed that the cash loan procurement came from the World Bank, AIIB, KfW and JICA. (Kontan)

### Recommendation

**Trade Balance Surplus Supports the SUN Market.** The April trade balance, which is projected to be in a surplus again, has the opportunity to hold back the pressure on the SUN market today. Meanwhile, the Bank Indonesia (BI) Jakarta Interbank Spot Dollar Rate (JISDOR) was at the level of IDR 14,313 / USD. Apart from internal sentiment, market players are also watching the release of the minutes of the Fed meeting. Investors are watching that US inflation is slowly increasing, raising fears that the US monetary authorities will carry out monetary tightening sooner than expected.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	-0.74%	-2.19%
FX Reserve (USD bn)	138.80	137.10	Current Acc (USD bn)	0.80	(2.94)
Trd Balance (USD bn)	1.99	2.01	Govt. Spending Yoy	2.96%	1.76%
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	1.42%	1.37%	Cons. Confidence*	101.50	85.80

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.0 Bps to 99.76 (5.55%)  
FR0087 (10yr): +1.2 Bps to 100.27 (6.45%)  
FR0088 (15yr): +2.6 Bps to 99.45 (6.30%)  
FR0083 (20yr): +1.1 Bps to 103.70 (7.13%)

FR0081 (4yr): -0.8 Bps to 103.87 (5.42%)  
FR0082 (9yr): +0.2 Bps to 103.59 (6.47%)  
FR0080 (14yr): +1.3 Bps to 103.45 (7.10%)

## CDS of Indonesia Bonds

CDS 2yr: +1.80% to 30.47  
CDS 5yr: +1.33% to 77.65  
CDS 10yr: +1.38% to 143.93

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.48%	0.02%
USDIDR	14,290	0.12%
KRWIDR	12.70	0.54%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,896.04	(164.62)	-0.48%
S&P 500	4,115.68	(12.15)	-0.29%
FTSE 100	6,950.20	(84.04)	-1.19%
DAX	15,113.56	(273.02)	-1.77%
Nikkei	28,044.45	(362.39)	-1.28%
Hang Seng	28,593.81	399.72	1.42%
Shanghai	3,510.97	(18.05)	-0.51%
KOSPI	3,173.05	38.53	1.23%
EIDO	20.99	(0.41)	-1.92%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,869.6	0.2	0.01%
Crude Oil (\$/bbl)	63.36	(2.13)	-3.25%
Coal (\$/ton)	97.25	(0.25)	-0.26%
Nickel LME (\$/MT)	17,322	(646.0)	-3.60%
Tin LME (\$/MT)	29,615	(840.0)	-2.76%
CPO (MYR/Ton)	4,302	(155.0)	-3.48%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CH	09:00	Retail Sales YoY	Apr	17.7%	25.0%	34.2%
17 - May	CH	09:00	Industrial Production YoY	Apr	9.8%	10.0%	14.1%
<b>Tuesday</b>	UK	13:00	Claimant Count Rate	Apr	7.2%	--	7.3%
18 - May	UK	13:00	Jobless Claims Change	Apr	-15.1k	--	10.1k
	EC	16:00	GDP SA YoY	1Q21	-1.8%	1.8%	-1.8%
<b>Wednesday</b>	UK	13:00	CPI MoM	Apr	0.6%	0.6%	0.3%
19 - May	UK	13:00	CPI YoY	Apr	1.5%	1.5%	0.7%
	EC	16:00	CPI YoY	Apr	1.6%	1.6%	1.3%
	US	18:00	MBA Mortgage Applications	May	1.2%	--	2.1%
<b>Thursday</b>	ID	11:00	Trade Balance	Apr		--	\$1560m
20 - May	US	19:30	Initial Jobless Claims	May		--	--
<b>Friday</b>	EC	15:00	Markit Eurozone Manufacturing PMI	May		--	62.9
21 - May	UK	15:30	Markit UK PMI Manufacturing SA	May		--	60.9
	US	20:45	Markit US Manufacturing PMI	May		--	60.5

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