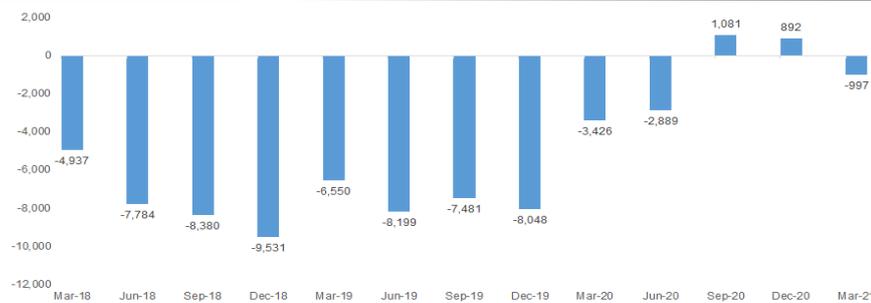


Macroeconomic Report

Export Supports Indonesia's Balance of Payment

Indonesia Balance of Payment



Source: Bloomberg, NHKS Research

BOP Surplus of USD4.1 billion

Indonesia's Balance of Payments (BOP) in 1Q21 booked a surplus of USD4.1 billion, higher than the previous quarter which recorded USD0.2 billion deficits. This surplus was supported by capital and financial account surplus, which exceeded the current account deficit for the same period. Indonesia's current account in 1Q21 recorded deficit of USD1 billion, lower than the previous quarter which booked a surplus at USD892 million (4Q20) and USD1 billion (3Q20). At the beginning of the year, Indonesia recorded a deficit of up to USD3.4 billion in 1Q20 and a deficit of USD2.8 billion in 2Q20. The current low deficit is supported by improved export performance, in line with increased demand from trading partner countries and rising global commodity prices. On the other hand, import performance has also increased quite sharply, holding back further goods balance surplus.

Highest Balance of Trade Surplus in 2021

Indonesia's balance of trade in April recorded a surplus of USD2.2 billion. This is the highest in 2021, after previously recorded at around USD1.5 billion to USD1.9 billion. Non-oil and gas export commodity are the biggest contributor to the surplus in April, which includes: animal or vegetable fats and oil, fuel, and metal or steel. In more detail, the highest export growth for the non-oil and gas commodity are metal and steel, which grew 17.5% to USD246.2 million. Meanwhile, the highest decline was on animal or vegetable fats and oil which fell almost 14% to USD398.3 million. The exports value in April reached USD18.48 billion or slightly up by 0.7% MoM, with the non-oil and gas export reaching USD17.5 billion or increased 0.4% MoM.

Maintained Yield Supports SUN Auction

NHKS Research projects that interest in SUN auction this week will rise again, with incoming bid expected to reach IDR50 trillion. Meanwhile, domestic economic data releases successfully offset negative sentiments from the jump in new Covid-19 cases globally and increase in UST yield. Indonesia's inflation is stable at around 1.4% with the assumption of Government Debt Securities (SUN) with 10-year tenure's yield at 6.5%, resulting in real yield spread of around 500bps. We also see that Rupiah's volatility is relatively smaller than the regionals, also supporting the SUN auction at the end of May 2021. Other than FR0086, FR0087, FR0088, FR0083, and FR0089, the government also offers SPN03210826 (New Issuance) and SPN12220527 (New Issuance) in the SUN auction this Tuesday (25/05).

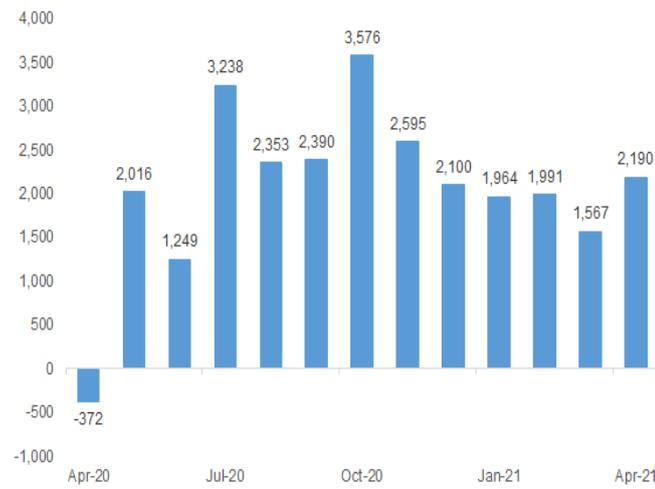
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Please consider important disclaimer

NH Korindo Sekuritas Indonesia

Trade Balance | Apr. 2020 - Apr. 2021



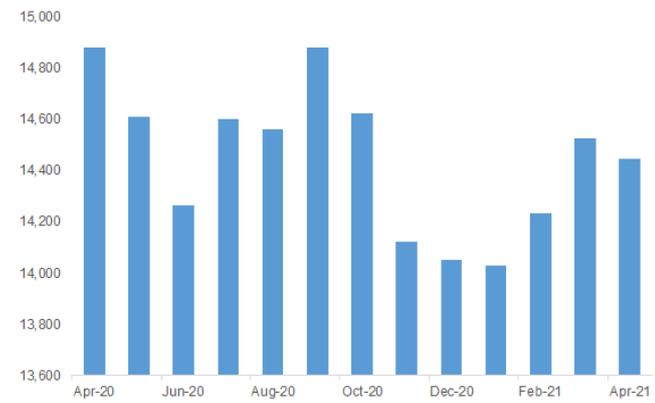
Export & Import Growth YoY | Apr. 2020 - Apr. 2021



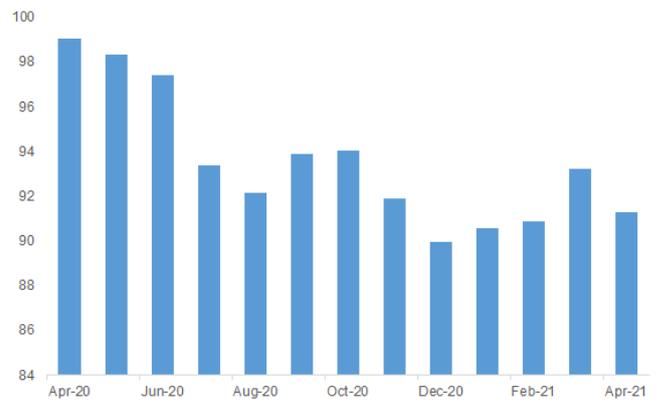
Source: Bloomberg, NHKS Research

Source: Bloomberg, NHKS Research

Rupiah Currency | Apr. 2020 - Apr. 2021



US Dollar Index | Apr. 2020 - Apr. 2021



Source: Indonesia Statistics, NHKS Research

Source: Bloomberg, NHKS Research

FR0087 Price & Yield | Apr. 30 - May 21, 2021



Source: Bloomberg, NHKS Research

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