

Morning Brief

Daily | May 21, 2021

Today's Outlook:

Government Bonds

Trade Surplus Hold SUN Market. The Central Statistics Agency (BPS) reported that exports in April 2021 were valued at USD 18.4 billion or grew 51.9%. Meanwhile, import performance for the same period was only valued at USD 16.29 billion, an increase of 29.93%, resulting in a trade balance surplus of USD 2.1 billion. For the record, Indonesia's trade surplus has occurred in the last 12 months. This positive sentiment sustained pressure on the Government Securities (SUN) market yesterday, amid the strengthening of the Jakarta Composite Index (IHSG) and the decline in UST yield. Based on data from NH Korindo Sekuritas Indonesia, the 10-year benchmark FR0087 recorded an increase in yield to the level of 6.48% or an increase of 3 bps from the previous day's close.

Corporate Bonds

TPIA Completes Global Bond Buyback. Chandra Asri Petrochemical Tbk (TPIA) completed the initial stage of the global bond buyback tender offer of USD 32.55 million. With this buyback, the remaining global bonds amounted to USD 235.23 million. In a previous statement it was explained that Chandra Asri will carry out a global bond buyback worth USD 300 million. In the context of the buyback, the company will conduct a tender offer from May 3 to May 14, 2021 as the initial deadline and May 28 as the final deadline. The target of the tender offer principal value is up to a maximum of USD 75 million. (Investor Daily)

Domestic Issue

BPS: Trade Balance April 2021 USD 2.19 Billion Surplus. The trade balance returned to profit in April 2021. The Central Statistics Agency (BPS) noted, the trade balance in the month of the report was a surplus of USD 2.19 billion. In more detail, the April 2021 surplus was higher than the March 2021 surplus of USD 1.57 billion. In fact, this was the largest surplus during the year. Value, exports in April 2021 amounted to USD 18.48 billion. The export value increased by 0.69% from March 2021 which amounted to USD 18.35 billion. Even when compared to an annual basis, the export value in April 2021 shot up 51.94% from April 2020 which amounted to USD 12.16 billion and even higher than April 2019 which amounted to USD 13.07 billion. The increase in exports in April 2021 was driven by the increase in prices for several mainstay commodities from Indonesia and increased demand from Indonesia's trading partner countries. From the import side, imports in April 2021 amounted to USD 16.29 billion. This value is up 29.93% YoY from April 2020, although when compared to March 2020 which recorded USD 16.79 billion, this is down 2.98% MoM. (Kontan)

Recommendation

US Jobless Benefit Claims Positive Sentiment. Investors have the opportunity to respond positively to the United States (US) unemployment benefit claims data of 444 thousand last week. This figure is better than the Dow Jones survey, which projected claims for unemployment benefits of up to 452 thousand, after the previous week it reached 473 thousand. Investors are also keeping a close eye on market pressures at the weekend, and ahead of the SUN auction next Tuesday.

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)	2.19	1.56	Govt. Spending Yoy	2.96%	1.76%
Exports Yoy	51.94%	30.47%	FDI (USD bn)	4.26	4.56
Imports Yoy	29.93%	25.73%	Business Confidence	104.82	105.33
Inflation Yoy	1.42%	1.37%	Cons. Confidence*	101.50	85.80

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +3.1 Bps to 99.63 (5.58%)
FR0087 (10yr): +2.8 Bps to 100.08 (6.48%)
FR0088 (15yr): -0.3 Bps to 99.48 (6.30%)
FR0083 (20yr): +1.2 Bps to 103.57 (7.15%)

FR0081 (4yr): +0.6 Bps to 103.84 (5.43%)
FR0082 (9yr): +1.2 Bps to 103.49 (6.49%)
FR0080 (14yr): +0.7 Bps to 103.39 (7.11%)

CDS of Indonesia Bonds

CDS 2yr: +0.37% to 30.49
CDS 5yr: +1.72% to 78.99
CDS 10yr: +0.20% to 144.23

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.51%	0.02%
USDIDR	14,375	0.59%
KRWIDR	12.70	-0.01%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,084.15	188.11	0.55%
S&P 500	4,159.12	43.44	1.06%
FTSE 100	7,019.79	69.59	1.00%
DAX	15,370.26	256.70	1.70%
Nikkei	28,098.25	53.80	0.19%
Hang Seng	28,450.29	(143.52)	-0.50%
Shanghai	3,506.94	(4.02)	-0.12%
KOSPI	3,162.28	(10.77)	-0.34%
EIDO	21.27	0.28	1.33%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,877.2	7.6	0.41%
Crude Oil (\$/bbl)	61.94	(1.41)	-2.23%
Coal (\$/ton)	96.25	1.90	2.01%
Nickel LME (\$/MT)	17,148	(174.0)	-1.00%
Tin LME (\$/MT)	29,750	135.0	0.46%
CPO (MYR/Ton)	4,112	(190.0)	-4.42%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	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%
Tuesday	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%
Wednesday	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%
Thursday	ID	11:00	Trade Balance	Apr	\$2190m	\$1202m	\$1560m
20 - May	US	19:30	Initial Jobless Claims	May	444k	450k	473k
Friday	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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