

Morning Brief

Daily | May 3, 2021

Today's Outlook:

Government Bonds

US GDP Sentiment Supports SUN Weekend. The US Gross Domestic Product (GDP) has recorded a recovery from the impact of Covid-19. US economy 1Q21 period at 6.4% YoY. This figure continues the previous 4.3% expansion in Q4 2020, and also topped market expectations of 6.1%. On the other hand, business reopening and increased spending pushed US headline inflation up 3.5% in January to March, compared to 1.5% in the previous quarter. At the end of the week, all benchmark series Government Securities (SUN) recorded a decrease in yield, with FR0087 at 6.44% level. The recovery of investor interest has also pushed the yield of long tenors back to the psychological level of 7%.

Corporate Bonds

Bank Mantap Releases IDR 2 Trillion Bonds. Bank Mandiri Taspen (Bank Mantap) issued bonds worth IDR 2 trillion as part of the Second Phase I Bond I Issuance in 2021. In this second phase bond issuance, Bank Mantap recorded requests from investors of IDR 5.5 trillion or 2.7 times exceeded the expected target. Meanwhile, the issuance value in the two second-phase bond series offered, namely Series A with a coupon of 6.50% with a 3-year tenor, has an issuance value of IDR 800 billion, and Series B with a coupon of 7.25% with a 5-year tenor has an issuance value of IDR 1.2 trillion. Rating agency PT Fitch Rating Indonesia gave a Double A rating for the bonds. (Bisnis Indonesia)

Domestic Issue

BI Records Regional Tax Electronification Reached 81.6%. Bank Indonesia (BI) said that regional tax electronification has reached 81.6% by the end of the first quarter of 2021. This increased rapidly compared to the position in December 2020 which was 54.6%. In addition, the electronification of local charges was also recorded at 53.9%, an increase compared to the position in December 2020 which was 22.1%. The achievement of ETPD application in the Java region was the highest tax electronification achievement, amounting to 94.0%. Even with the local retribution recorded the highest with a achievement of 65.8%. The most electronified revenue transactions are Motor Vehicle Tax (PKB), Land and Building Tax (PBB), hotel and restaurant taxes, and advertisements. (Kontan)

Recommendation

Investors Pay Attention to PMI and Inflation Data. Previously, the Indonesian Manufacturing PMI in March 2021 was at 53.2 points. This figure has increased by 2.3 points from February 2021 and the PMI increase in March became the highest point in the last 10 years. NHKSI Research sees Indonesia's manufacturing PMI at an aggressive point, and has the opportunity to expand again. Meanwhile, the inflation rate is projected to increase along with the start of the Ramadan period in mid-April 2021. In the short term, investors are paying close attention to FR0086 and FR0087. As well as FR0083, which still recorded a yield above the 7% level.

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): -2.0 Bps to 99.48 (5.61%)
FR0087 (10yr): -2.0 Bps to 100.41 (6.44%)
FR0088 (15yr): -1.7 Bps to 98.52 (6.40%)
FR0083 (20yr): -5.5 Bps to 103.13 (7.19%)

FR0081 (4yr): -2.5 Bps to 103.67 (5.48%)
FR0082 (9yr): -3.8 Bps to 103.71 (6.46%)
FR0080 (14yr): -0.1 Bps to 103.45 (7.10%)

CDS of Indonesia Bonds

CDS 2yr: +0.55% to 28.90
CDS 5yr: -0.05% to 77.05
CDS 10yr: +0.36% to 141.59

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.46%	-0.02%
USDIDR	14,445	-0.03%
KRWIDR	12.99	-0.38%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,874.85	(185.51)	-0.54%
S&P 500	4,181.17	(30.30)	-0.72%
FTSE 100	6,969.81	8.33	0.12%
DAX	15,135.91	(18.29)	-0.12%
Nikkei	28,812.63	(241.34)	-0.83%
Hang Seng	28,724.88	(578.38)	-1.97%
Shanghai	3,446.86	(28.05)	-0.81%
KOSPI	3,147.86	(26.21)	-0.83%
EIDO	21.64	(0.23)	-1.05%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,769.1	(3.1)	-0.17%
Crude Oil (\$/bbl)	63.58	(1.43)	-2.20%
Coal (\$/ton)	90.75	0.75	0.83%
Nickel LME (\$/MT)	17,674	417.0	2.42%
Tin LME (\$/MT)	28,690	215.0	0.76%
CPO (MYR/Ton)	3,868	(68.0)	-1.73%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	07:30	Markit Indonesia PMI Mfg	Apr	--		53.2
03 - May	ID	11:00	CPI YoY	Apr	1.46%		1.37%
	EC	15:00	Markit Eurozone Manufacturing PMI	Apr	63.3		63.3
	US	20:45	Markit US Manufacturing PMI	Apr	60.7		60.6
Tuesday	UK	15:30	Markit UK PMI Manufacturing SA	Apr	60.7		60.7
04 - May	US	19:30	Trade Balance	Mar	-\$73.4b		-\$71.1b
	US	21:00	Durable Goods Orders	Mar	--		0.50%
Wednesday	ID	11:00	GDP YoY	1Q21	-1.00%		-2.19%
05 - May	US	18:00	MBA Mortgage Applications	Apr	--		-2.50%
Thursday	UK	18:00	Bank of England Bank Rate	May	0.10%		0.10%
06 - May	US	19:30	Initial Jobless Claims	May	--		553k
Friday	ID	10:00	Foreign Reserves	Apr	--		\$137.10b
07 - May	GE	13:00	Industrial Production SA MoM	Mar	2.00%		-1.60%
	US	19:30	Unemployment Rate	Apr	5.80%		6.00%
	CH		Trade Balance	Apr	--		\$13.80b

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