

# Morning Brief

Daily | July 29, 2021

## Today's Outlook:

### Government Bonds

**IMF Cuts Economic Projection, Again Pushes SUN Interest.** In the latest report, the IMF cut its economic growth projections for emerging market countries, particularly ASEAN 5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam) in 2021 by 4.3%. This projection is down from last April's 4.9%. This has made a number of investors return to interest in the safe haven instrument of Government Securities (SUN). This interest from market participants is also in the midst of the lack of supply of a number of series such as FR0086, FR0087, FR0083, as well as Sukuk PBS027, PBS017, and PBS004. For the record, these series are no longer offered in the last auction of Government Securities (SBN).

### Corporate Bonds

**PLN Prints Profit of IDR 6.6 Trillion.** The State Electricity Company (Persero) (PLN) recorded a net profit of IDR 6.6 trillion in the first semester of 2021. The company's profit achievement was supported by the increase in electricity sales, as well as sustainable efficiency through a number of transformation programs. In the midst of the unresolved impact of the Covid-19 pandemic and restrictions on community activities, PLN was able to score an increase in electricity sales of IDR 140.5 trillion in the first half of 2021, or up 3.7% compared to the first semester of 2020 of IDR 135.4 trillion. (CNBC Indonesia)

### Domestic Issue

**IMF Cuts RI's Economic Projection to 3.9% in 2021.** The International Monetary Fund (IMF) has lowered its projection for Indonesia's economic growth in 2021 from 4.3% to 3.9%. The decline in this projection was mainly due to the spike in the number of Covid-19 cases in the world. Meanwhile, the realization of COVID-19 vaccination in Indonesia is still relatively low compared to other countries. A protracted weakness in activity is expected to inflict continued damage to the economy's supply capacity. (CNN Indonesia)

### Recommendation

**FOMC Results Determine Market Direction.** The Fed's decision to maintain the Fed Funds Rate (FFR) and the level of asset purchases, made market participants return to interest in safe-haven emerging markets. The results of the Federal Open Market Committee (FOMC) are set, despite the progress of the US economy. However, it is still quite far from the target in terms of employment. In the short term, market participants may look again at FR0090, FR0091, FR0092, PBS031, and PBS032.

## 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%	-0.74%
FX Reserve (USD bn)	137.09	136.40	Current Acc (USD bn)	(1.00)	(1.00)
Trd Balance (USD bn)	1.31	2.36	Govt. Spending Yoy	2.96%	2.96%
Exports Yoy	58.74%	51.94%	FDI (USD bn)	4.92	4.92
Imports Yoy	68.68%	29.93%	Business Confidence	104.82	104.82
Inflation Yoy	1.33%	1.68%	Cons. Confidence*	107.40	104.40

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): -4.6 Bps to 101.30 (5.18%)  
 FR0087 (10yr): +0.2 Bps to 101.47 (6.29%)  
 FR0088 (15yr): -5.6 Bps to 99.59 (6.29%)  
 FR0083 (20yr): -0.6 Bps to 104.36 (7.07%)

FR0090 (5.8yr): -0.6 Bps to 99.10 (5.30%)  
 FR0091 (10.8yr): +0.1 Bps to 100.35 (6.32%)  
 FR0092 (21yr): -1.8 Bps to 101.55 (6.98%)

## CDS of Indonesia Bonds

CDS 2yr: -1.21% to 33.24  
 CDS 5yr: -0.26% to 82.84  
 CDS 10yr: -0.85% to 147.35

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.31%	-0.00%
USDIDR	14,488	-0.03%
KRWIDR	12.55	-0.41%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,930.93	(127.59)	-0.36%
S&P 500	4,400.64	(0.82)	-0.02%
FTSE 100	7,016.63	20.55	0.29%
DAX	15,570.36	51.23	0.33%
Nikkei	27,581.66	(388.56)	-1.39%
Hang Seng	25,473.88	387.45	1.54%
Shanghai	3,361.59	(19.59)	-0.58%
KOSPI	3,236.86	4.33	0.13%
EIDO	20.07	(0.03)	-0.15%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,807.1	8.0	0.45%
Crude Oil (\$/bbl)	72.39	0.74	1.03%
Coal (\$/ton)	142.45	1.45	1.03%
Nickel LME (\$/MT)	19,543	186.0	0.96%
Tin LME (\$/MT)	34,400	25.0	0.07%
CPO (MYR/Ton)	4,308	(114.0)	-2.58%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	GE	15:00	IFO Business Climate	Jul	100.8	102	101.8
26 - July	US	21:00	New Home Sales	Jun	676k	800k	769k
<b>Tuesday</b>	US	19:30	Durable Goods Orders	Jun	0.8%	2.1%	2.3%
27 - July	US	21:00	Conf. Board Consumer Confidence	Jul	129.1	124	127.3
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Jul	5.7%	--	-4.0%
28 - July							
<b>Thursday</b>	GE	14:55	Unemployment Change (000's)	Jul		--	-38.0k
29 - July	UK	15:30	Mortgage Approvals	Jun		--	87.5k
	GE	19:00	CPI YoY	Jul		3.20%	2.30%
	US	19:30	Initial Jobless Claims	Jul		--	419k
	US	19:30	GDP Annualized QoQ	2Q21		8.30%	6.40%
<b>Friday</b>	EC	16:00	GDP SA QoQ	2Q21		1.60%	-0.30%
30 - July	EC	16:00	GDP SA YoY	2Q21		13.30%	-1.30%
	US	21:00	U. of Mich. Sentiment	Jul		80.8	80.8

## Research Division

### Head of Research

**Anggaraksa Arismunandar**

Market Strategy, Misc. Industry, Banking

T +62 21 5088 ext. 9134

E [anggaraksa@nhsec.co.id](mailto:anggaraksa@nhsec.co.id)

### Senior Technical Analyst

**Dimas Wahyu Putra Pratama**

Technical

T +62 21 5088 ext

E [dimas.wahyu@nhsec.co.id](mailto:dimas.wahyu@nhsec.co.id)

### Economist

**Arief Machrus**

Macroeconomics

T +62 21 5088 ext 9127

E [arief.machrus@nhsec.co.id](mailto:arief.machrus@nhsec.co.id)

### Analyst

**Ajeng Kartika Hapsari**

Property, Construction, Cement

T +62 21 5088 ext 9130

E [ajeng@nhsec.co.id](mailto:ajeng@nhsec.co.id)

### Analyst

**Putu Chantika**

Consumer, Retail

T +62 21 5088 ext 9129

E [putu.chantika@nhsec.co.id](mailto:putu.chantika@nhsec.co.id)

### Analyst

**Restu Pamungkas**

Telco, Tower, Toll road, Poultry

T +62 21 5088 ext 9133

E [restu.pamungkas@nhsec.co.id](mailto:restu.pamungkas@nhsec.co.id)

### Research Support

**Jasmine Kusumawardani**

T +62 21 5088 ext 9132

E [jasmine.kusumawardani@nhsec.co.id](mailto:jasmine.kusumawardani@nhsec.co.id)

#### DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

District 8 Treasury Tower 51<sup>st</sup> Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

**Branch Office BSD:**

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

**Branch Office Medan :**

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

**Branch Office Semarang:**

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

**Branch Office Jakarta Utara:**

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

**Branch Office Pekanbaru:**

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

**Branch Office Surabaya:**

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

**Branch Office Makassar:**

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

**Branch Office Bandung:**

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

**Branch Office Denpasar:**

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

**A Member of NH Investment & Securities Global Network**

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |  
Jakarta