

Morning Brief

Daily | July 16, 2021

Today's Outlook:

Government Bonds

Positive Sentiment Trade Balance Surplus. Market participants responded positively to the release of trade balance data in June which remained in surplus. Yesterday, the benchmark Government Bond (SUN) yield fell in the range of 1 bps to 3.6 bps. Meanwhile, external positive sentiment came from the continued accommodative policy of the Fed, and weekly jobless claims were reported to have fallen slightly to 360 thousand.

Corporate Bonds

A Number of Financing Companies Paid Off the Bonds. If you look at Pefindo's data, there are four finance companies that have bonds or sukuk with maturities throughout July. Of the four, there are three multi-finance companies and one special financing company. The multi-finance company that has the highest number of bonds and sukuk this month is PT Adira Dinamika Multi Finance Tbk or known as Adira Finance. They have 2 bonds and 2 sukuk to be repaid. (Kontan)

Domestic Issue

BPS: Trade Balance Surplus Drops to USD 1.32 billion. The Central Statistics Agency (BPS) recorded a trade balance surplus of USD 1.32 billion on a monthly basis in June 2021. This realization was lower than the USD 2.7 billion surplus in May, but still higher than the June 2020 trade balance which recorded a surplus of USD 1.2 billion. In total, Indonesia's accumulated trade balance surplus reached USD 11.86 billion during the first semester of 2021. This surplus occurred because the value of exports reached USD 18.55 billion in June 2021. Meanwhile, the value of imports was smaller than exports, which was USD 17.23 billion. Indonesia recorded a surplus in a row for 14 months. (CNN Indonesia)

Recommendation

Candidate Benchmark FR0091 at Par. Market participants were again interested in all potential benchmark SUNs in yesterday's trading. Meanwhile, the price of FR0091 has touched the par level, based on Bloomberg data. There is still speculation about the extension of the emergency PPKM, making investors look for safe haven instruments again. Yesterday, the rupiah in the spot market was flat at the level of IDR 14,483/USD. Meanwhile, the JISDOR rate was at the level of 14,503/USD.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -0.9 Bps to 100.75 (5.31%)
FR0087 (10yr): -3.4 Bps to 100.92 (6.36%)
FR0088 (15yr): -1.7 Bps to 99.00 (6.35%)
FR0083 (20yr): -3.6 Bps to 104.23 (7.08%)

FR0090 (5.8yr): -1.6 Bps to 98.78 (5.37%)
FR0091 (10.8yr): -3.8 Bps to 100.16 (6.35%)
FR0092 (21yr): -1.4 Bps to 101.42 (6.99%)

CDS of Indonesia Bonds

CDS 2yr: +0.91% to 31.53
CDS 5yr: +0.46% to 77.62
CDS 10yr: +0.80% to 140.98

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.39%	-0.04%
USDIDR	14,483	0.02%
KRWIDR	12.69	0.64%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,987.02	53.79	0.15%
S&P 500	4,360.03	(14.27)	-0.33%
FTSE 100	7,012.02	(79.17)	-1.12%
DAX	15,629.66	(159.32)	-1.01%
Nikkei	28,279.09	(329.40)	-1.15%
Hang Seng	27,996.27	208.81	0.75%
Shanghai	3,564.59	36.09	1.02%
KOSPI	3,286.22	21.41	0.66%
EIDO	20.12	0.15	0.75%

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

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,829.5	1.9	0.11%
Crude Oil (\$/bbl)	71.65	(1.48)	-2.02%
Coal (\$/ton)	147.10	2.80	1.94%
Nickel LME (\$/MT)	18,747	413.0	2.25%
Tin LME (\$/MT)	31,680	(5.0)	-0.02%
CPO (MYR/Ton)	4,173	152.0	3.78%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday <i>13 - July</i>	US	19:30	CPI MoM	Jun	0.9%	0.5%	0.6%
Wednesday <i>14 - July</i>	UK	13:00	CPI MoM	Jun	0.5%	0.2%	0.6%
	UK	13:00	CPI YoY	Jun	2.5%	2.2%	2.1%
	US	18:00	MBA Mortgage Applications	Jul	16.0%	--	-1.8%
Thursday <i>15 - July</i>	ID	11:00	Trade Balance	Jun	\$1316m	\$1880m	\$2361m
	CH	09:00	GDP YoY	2Q21	7.9%	8.0%	18.3%
	UK	13:00	Jobless Claims Change	Jun	-114.8k	--	-92.6k
	US	19:30	Initial Jobless Claims	Jul	360k	350k	373k
	US	20:15	Industrial Production MoM	Jun	0.4%	0.6%	0.8%
Friday <i>16 - July</i>	EC	16:00	CPI YoY	Jun		1.90%	2.00%
	US	19:30	Retail Sales Advance MoM	Jun		-0.50%	-1.30%
	US	21:00	U. of Mich. Sentiment	Jul		86.5	85.5

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