

# Morning Brief

Daily | July 7, 2021

## Today's Outlook:

### Government Bonds

**Government Wins IDR 34 Trillion SUN Auction.** This figure exceeds the previous auction of Government Securities (SUN) of IDR 30 trillion. The high nominal won, driven by the new issue series (New Issue) FR0090 (5.8-year); FR0091 (10.8-years); and FR0092 (21-years). Bids this time also reached IDR 83.40 trillion, compared to the previous auction which was less than IDR 70 trillion. For the record, FR0090 recorded a weighted average yield of 5.44% and coupon of 5.125%; FR0091 at 6.58% and 6.375%; and FR0092 at 7.28% and 7.125% respectively.

### Corporate Bonds

**Barito Pacific Focuses on a Number of Projects.** PT Barito Pacific Tbk (BRPT) is currently holding a Shelf-Registered Public Offering (PUB) of Shelf-Registered Bonds II with a target fund raised of IDR 1.5 trillion. At the initial stage, Barito Pacific offers the Barito Pacific Shelf-Registered Bonds II Phase I 2021 with a maximum principal amount of IDR 750 billion. BRPT issued this first tranche of bonds in two series. Series A with a 3-year tenor and Series B with a 5-year tenor. Series A has a principal amount of IDR 561.1 billion with a fixed interest rate of 8.80% per annum. Meanwhile, Series B is offered with a principal value of IDR 188.9 billion and a fixed interest rate of 9.50% per annum. (Kontan)

### Domestic Issue

**Government Revises Growth Projection to 3.7%.** The government lowered its projection for Indonesia's economic growth from 4.5% to 5.3% to 3.7% to 4.5% in 2021. The Coordinating Minister for the Economy said the decline was carried out taking into account the impact of the surge in Covid-19 cases, the delta variant and the implementation of Emergency PPKM in Java-Bali recently. He explained that this decline in economic projections came from the estimated growth in the third quarter of 2021, which was only 3.7% to 4%. In fact, the government estimates that the economy will still be able to advance almost 7% in the second quarter of 2021. (CNN Indonesia)

### Recommendation

**Foreign Reserves Data Release.** A number of market participants will pay close attention to the release of data on Foreign Exchange Reserves (Cadex) for the period of June which is estimated to remain at a safe level to maintain Rupiah stability. Yesterday, the rupiah was maintained at the level of IDR 14,470/USD in the spot market. Meanwhile, the Bank Indonesia (BI) middle rate was also flat at IDR 14,468/USD. Market participants can start observing the new series FR0090, FR0091, FR0092, and PBS030.

## 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)	136.40	138.80	Current Acc (USD bn)	(1.00)	(1.00)
Trd Balance (USD bn)	2.36	2.19	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*	104.40	101.50

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.3 Bps to 100.60 (5.35%)  
FR0087 (10yr): -1.2 Bps to 99.73 (6.53%)  
FR0088 (15yr): -0.3 Bps to 98.58 (6.39%)  
FR0083 (20yr): -0.5 Bps to 102.60 (7.24%)

FR0081 (4yr): -0.1 Bps to 105.09 (5.05%)  
FR0082 (9yr): -0.8 Bps to 103.67 (6.46%)  
FR0080 (14yr): -1.1 Bps to 103.58 (7.09%)

## CDS of Indonesia Bonds

CDS 2yr: +5.06% to 27.87  
CDS 5yr: +1.38% to 75.39  
CDS 10yr: +1.94% to 140.43

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.56%	-0.02%
USDIDR	14,470	-0.05%
KRWIDR	12.81	0.12%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,577.37	(208.98)	-0.60%
S&P 500	4,343.54	(8.80)	-0.20%
FTSE 100	7,100.88	(64.03)	-0.89%
DAX	15,511.38	(150.59)	-0.96%
Nikkei	28,643.21	45.02	0.16%
Hang Seng	28,072.86	(70.64)	-0.25%
Shanghai	3,530.26	(4.06)	-0.12%
KOSPI	3,305.21	12.00	0.36%
EIDO	20.33	(0.41)	-1.98%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,797.1	5.3	0.30%
Crude Oil (\$/bbl)	73.37	(1.79)	-2.38%
Coal (\$/ton)	118.05	(5.90)	-4.76%
Nickel LME (\$/MT)	18,412	70.0	0.38%
Tin LME (\$/MT)	31,665	145.0	0.46%
CPO (MYR/Ton)	3,851	(29.0)	-0.75%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 05 - July	EC	15:00	Markit Eurozone Composite PMI	Jun F	59.5	59.2	59.2
<b>Tuesday</b> 06 - July	UK	15:30	Markit UK Construction PMI	Jun	66.3	64.0	64.2
	GE	16:00	ZEW Survey Current Situation	Jul	21.9	5.5	-9.1
<b>Wednesday</b> 07 - July	ID	10:00	Foreign Reserves	Jun		--	\$136.40b
	GE	13:00	Industrial Production SA MoM	May		-0.30%	-1.00%
	US	18:00	MBA Mortgage Applications	2-Jul		--	-6.90%
<b>Thursday</b> 08 - July	ID		Consumer Confidence Index	Jun		--	104.4
	US	19:30	Initial Jobless Claims	3-Jul		--	364k
<b>Friday</b> 09 - July	CH	08:30	CPI YoY	Jun		1.40%	1.30%
	CH	08:30	PPI YoY	Jun		8.60%	9.00%
	UK	13:00	Industrial Production MoM	May		--	-1.30%
	UK	13:00	Manufacturing Production MoM	May		--	-0.30%

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