

Morning Brief

Daily | July 2, 2021

Today's Outlook:

Government Bonds

A number of market players are again interested in SUN, as the implementation of the Emergency Micro PPKM will again suppress the recovery of the domestic economy. Meanwhile, one of the points of the Emergency Community Activity Restrictions (PPKM) is to close all malls temporarily. On the other hand, the release of inflation data did not significantly affect the movement of the SUN market yesterday. BPS recorded that for the June 2021 period there was a 0.16% deflation, or the first deflation of 2021. The 10-year SUN yield closed at 6.55%.

Corporate Bonds

Barito Pacific Bond Coupon up to 9.50%. Barito Pacific Tbk (BRPT) will hold a Shelf-Registered Public Offering (PUB) of Shelf-Registered Bonds II with a target fund raised of IDR 1.5 trillion. For the initial stage, Barito Pacific will offer the Barito Pacific Shelf-Registered Bonds II Phase I Year 2021 with a maximum principal amount of IDR 750 billion. BRPT will issue this first phase 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

BPS: Deflation 0.16% in June 2021. The Central Statistics Agency (BPS) recorded that the Consumer Price Index (CPI) experienced deflation or a decrease in prices of 0.16% on a monthly basis in June 2021. Meanwhile, on a yearly and annual basis, each inflation was 0.74% and 1.33%, respectively. BPS stated that this deflation position was lower than inflation of 0.32% in May 2021. Likewise with inflation of 0.18% in June 2020. This is also the first deflation since January 2021. However, price developments in 2020 and 2021 are still relatively unstable. significant. On the other hand, BPS recorded that deflation was mainly contributed by the food, beverage and tobacco groups of 0.71% with a share of 0.18%. (CNN Indonesia)

Recommendation

Speculation on SUN Benchmark 2022. Next Tuesday, the government will offer three new series in the SUN auction. The three New Issue series are: FR0090 (5.8-year); FR0091 (10.8-years); and FR0092 (21-years). The three series even have tenors of around 5-years, 10-years, and 20-years next year, leading us to speculate that the three series have the potential to become benchmark SUN series for 2022.

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): +0.6 Bps to 100.51 (5.37%)
FR0087 (10yr): -0.5 Bps to 99.57 (6.55%)
FR0088 (15yr): -1.3 Bps to 98.67 (6.38%)
FR0083 (20yr): +1.5 Bps to 102.59 (7.24%)

FR0081 (4yr): +0.9 Bps to 105.02 (5.07%)
FR0082 (9yr): -1.9 Bps to 103.58 (6.47%)
FR0080 (14yr): -0.3 Bps to 103.55 (7.09%)

CDS of Indonesia Bonds

CDS 2yr: -13.98% to 26.38
CDS 5yr: -0.03% to 74.28
CDS 10yr: -0.84% to 137.20

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.58%	-0.01%
USDIDR	14,503	0.02%
KRWIDR	12.80	-0.56%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,633.53	131.02	0.38%
S&P 500	4,319.94	22.44	0.52%
FTSE 100	7,125.16	87.69	1.25%
DAX	15,603.81	72.77	0.47%
Nikkei	28,707.04	(84.49)	-0.29%
Hang Seng	28,827.95	(166.15)	-0.57%
Shanghai	3,588.78	(2.42)	-0.07%
KOSPI	3,282.06	(14.62)	-0.44%
EIDO	20.30	0.02	0.10%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,776.8	6.7	0.38%
Crude Oil (\$/bbl)	75.23	1.76	2.40%
Coal (\$/ton)	131.45	2.60	2.02%
Nickel LME (\$/MT)	18,105	(109.0)	-0.60%
Tin LME (\$/MT)	31,294	39.0	0.12%
CPO (MYR/Ton)	3,710	111.0	3.08%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	UK	13:00	Nationwide House Px NSA YoY	Jun	13.4%	13.6%	10.9%
29 - June	UK	15:30	Mortgage Approvals	May	87.5k	85.8k	86.9k
	GE	19:00	CPI YoY	Jun	2.3%	2.4%	2.5%
Wednesday	CH	08:00	Manufacturing PMI	Jun	50.9	50.8	51
30 - June	UK	13:00	GDP YoY	1Q21	-6.1%	-6.1%	-6.1%
	GE	14:55	Unemployment Change (000's)	Jun	-38.0k	-20.0k	-15.0k
	US	18:00	MBA Mortgage Applications	Jun	-6.9%	--	2.1%
Thursday	ID	07:30	Markit Indonesia PMI Mfg	Jun	53.5	--	55.3
01 - July	CH	08:45	Caixin China PMI Mfg	Jun	51.3	51.9	52
	ID	15:00	CPI YoY	Jun	1.33%	1.44%	1.68%
	EC	15:00	Markit Eurozone Manufacturing PMI	Jun	63.4	63.1	63.1
	UK	15:30	Markit UK PMI Manufacturing SA	Jun	63.9	64.2	64.2
	US	19:30	Initial Jobless Claims	Jun	364k	388k	411k
	US	20:45	Markit US Manufacturing PMI	Jun	62.1	62.6	62.6
Friday	US	19:30	Unemployment Rate	Jun		5.70%	5.80%
02 - July	US	19:30	Trade Balance	May		-\$70.9b	-\$68.9b

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