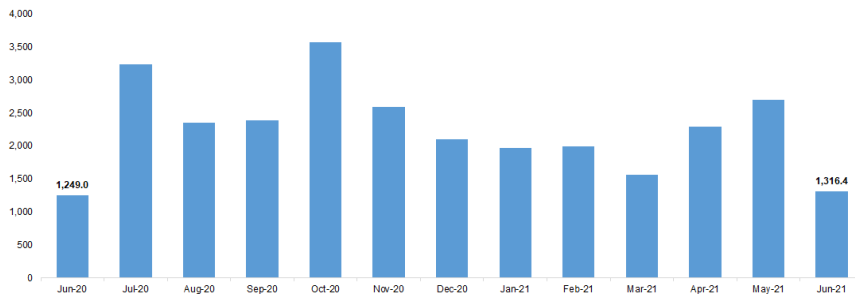


# Macroeconomic Report

## Lower Trade Balance Surplus

### Trade Balance (Mn, USD)



Source: Bloomberg, NHKS Research

### Lower Trade Balance Surplus

Last week, Statistics Indonesia (BPS) recorded June's trade balance surplus at USD 1.32 billion. This is lower than the previous month which booked a surplus of USD 2.7 billion. However, it is still higher than the trade balance in June 2020 which posted a surplus of USD 1.2 billion. Meanwhile, throughout 1H21, Indonesia's trade balance surplus accumulated to USD 11.86 billion. The surplus was due to export value which reached USD 18.55 billion in June 2021, with a lower import value. The import value in June was recorded at USD 17.23 billion. Furthermore, Indonesia has experienced a surplus for 14 months in a row.

### Manufacturing Still Expands in 2Q21

Manufacturing sector performance improved and remained in the expansion phase in 2Q21. This is reflected in the Prompt Manufacturing Index of Bank Indonesia (PMI-BI), for the 2Q21 period, which recorded 51.45%. This figure increased from the previous quarter at 50.01% and also much higher than the same quarter in the previous year which was deep in the contraction zone at 28.55%. Meanwhile, the increase in PMI-BI was driven by increased activity and public demand during Ramadan and Eid al-Fitr, and was supported by the smooth operation and availability of production facilities.

### Emergency PPKM Extension Boosts Sukuk Auction

The total incoming bids reached more than IDR 51 trillion in the Sukuk auction last Tuesday (13/07). This figure exceeds the previous Sukuk auction which recorded less than IDR 49 trillion. A number of investors were also interested in State Sharia Securities (SBSN/Sukuk), amid the potential for the domestic economy to decline again. Sukuk is considered as one of the safe-haven instruments amid potential economic pressures. In addition to the SPNS14012022 (0.5 year), the government offered the PBS027 series (1.8 year); PBS017 (4.3 years); PBS029 (12.7 years); PBS004 (15.6 years); and PBS028 (25.3 years) in the Sukuk auction.

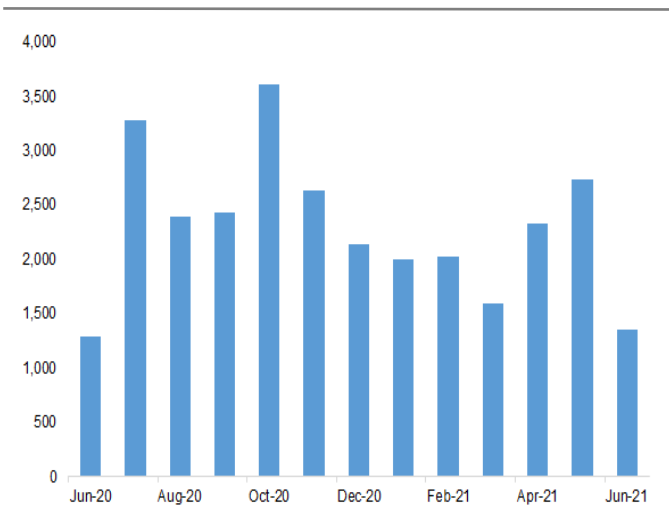
**Arief Machrus**

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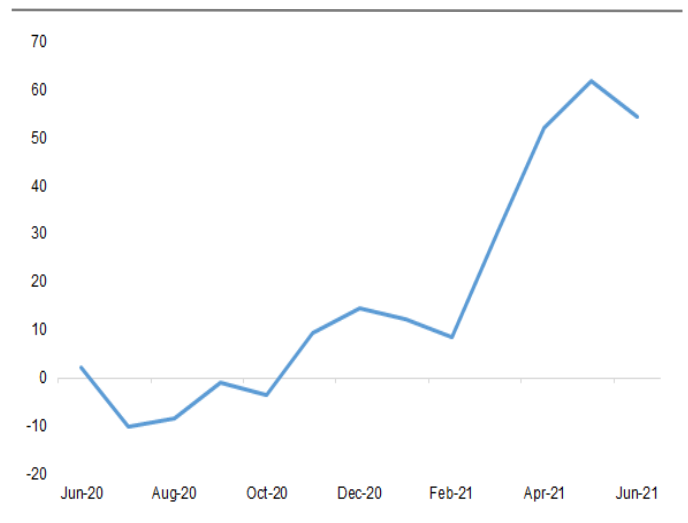
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Trade Balance | Jun. 2020 - Jun. 2021



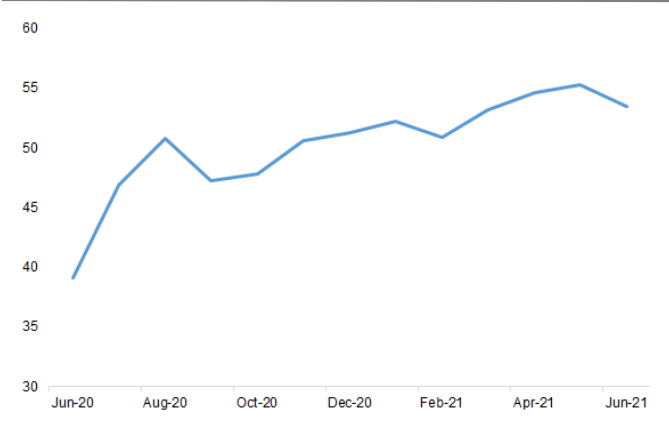
Export Growth | Jun. 2020 - Jun. 2021



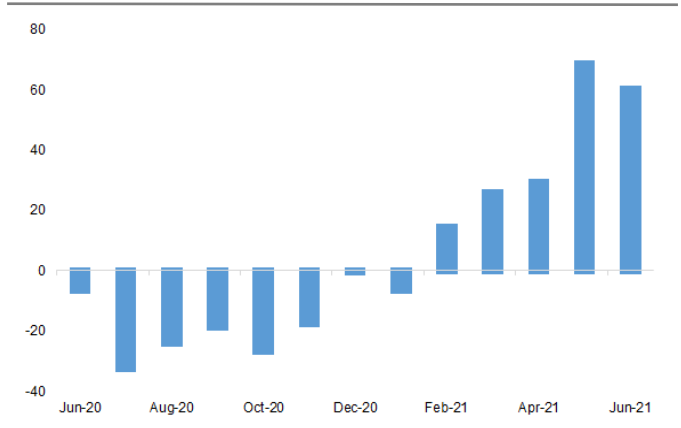
Source: Bloomberg, NHKS Research

Source: Bloomberg, NHKS Research

PMI Manufacturing | Jun. 2020 - Jun. 2021



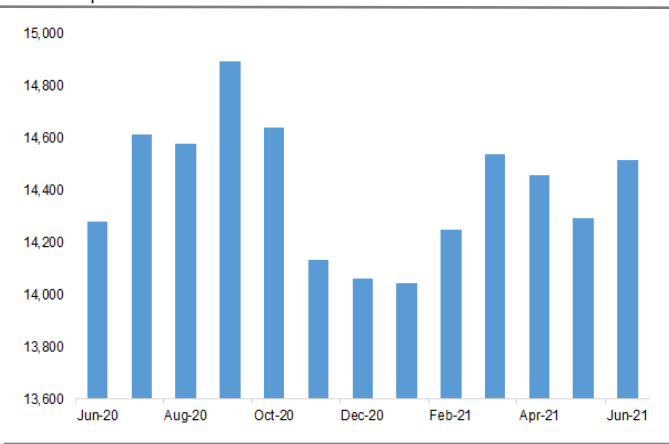
Import Growth | Jun. 2020 - Jun. 2021



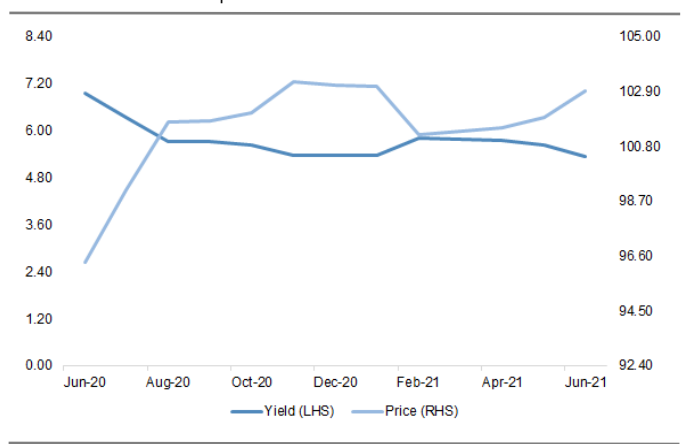
Source: Indonesia Statistics, NHKS Research

Source: Bloomberg, NHKS Research

USDIDR | Jun. 2020 - Jun. 2021



PBS017 Price & Yield | Jun. 2020 - Jun. 2021



Source: Bloomberg, NHKS Research

Source: Bloomberg, NHKS Research

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