

# Morning Brief

## Today's Outlook:

### Government Bonds

**Mixed SUN Market, Responding to the Basic Macro Assumptions of 2022.** The basic assumption of economic growth in 2022, which does not exceed 5.5%, has made market participants return to interest in long tenors that offer high yields. Benchmark 20-year SUN FR0083 posted a decline in yield of nearly 3 bps. Meanwhile, the short tenor FR0086 fell 3 bps, due to its good liquidity. Yesterday's market movement was also amid the release of trade balance data, which returned to a surplus beyond market expectations.

### Corporate Bonds

**Angkasa Pura I Releases IDR 2.7 Trillion Bonds & Sukuk.** The state-owned airport management company, Angkasa Pura I (Persero), plans to issue bonds and sukuk with a principal value of IDR 2.73 trillion which is planned to be issued in four series. Meanwhile, the issuance of Shelf-Registered Bonds I Phase I Year 2021 with a target fund of IDR 1.73 trillion. Angkasa Pura also conducted a Continuous Public Offering (PUB) for Phase I of 2021 Sustainable Sukuk Ijarah with the remaining ijarah fee of a maximum of IDR 1 trillion. Regarding this issuance, the company received idAA+ (Double A Plus) and idAA+ (Double A Plus Syariah) ratings for sukuk ijarah. (CNBC Indonesia)

### Domestic Issue

**Trade Balance Surplus USD 2.59 Billion.** BPS stated that the domestic trade balance experienced a surplus of up to USD 2.59 billion MtM in July 2021. This realization was higher than the surplus in June 2021 of USD 1.32 billion, but still lower than the July 2020 trade balance surplus of USD 3.26 billion. Indonesia's accumulated trade balance surplus for the January-July 2021 period reached USD 14.42 billion. In more detail, the surplus occurred because the value of exports reached USD 17.70 billion in July 2021. Meanwhile, the value of imports was smaller than exports, which was USD 15.11 billion. Indonesia recorded a surplus in a row for 15 months. (CNN Indonesia)

### Recommendation

**BI 7-DRRR at 3.50% Level.** Investors are waiting for the results of the Bank Indonesia (BI) Board of Governors' Meeting today, which is projected to maintain the benchmark BI Seven Days Reverse Repo Rate (BI 7-DRRR) at the level of 3.50%. On the other hand, market participants have the opportunity to respond negatively to the release of the minutes of the Fed's monthly meeting for the July period. Several US central bank officials are starting to see the possibility of tapering starting at the end of this year.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	7.07%	-0.74%
FX Reserve (USD bn)	137.34	137.09	Current Acc (USD bn)	(1.00)	(1.00)
Trd Balance (USD bn)	2.58	1.31	Govt. Spending Yoy	8.06%	2.96%
Exports Yoy	29.32%	54.43%	FDI (USD bn)	4.92	4.92
Imports Yoy	44.44%	60.12%	Business Confidence	104.82	105.33
Inflation Yoy	1.52%	1.33%	Cons. Confidence*	80.20	104.40

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): -3.1 Bps to 101.45 (5.14%)  
FR0087 (10yr): -0.7 Bps to 101.40 (6.30%)  
FR0088 (15yr): +0.4 Bps to 99.42 (6.30%)  
FR0083 (20yr): -2.8 Bps to 104.81 (7.03%)

FR0090 (5.8yr): -1.9 Bps to 99.29 (5.27%)  
FR0091 (10.8yr): -1.9 Bps to 100.51 (6.30%)  
FR0092 (21yr): -1.7 Bps to 102.06 (6.93%)

## CDS of Indonesia Bonds

CDS 2yr: -1.83% to 29.46  
CDS 5yr: -1.41% to 73.85  
CDS 10yr: -1.44% to 139.09

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.32%	-0.01%
USDIDR	14,373	0.00%
KRWIDR	12.30	0.69%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,960.69	(382.59)	-1.08%
S&P 500	4,400.27	(47.81)	-1.07%
FTSE 100	7,169.32	(11.79)	-0.16%
DAX	15,965.97	44.02	0.28%
Nikkei	27,585.91	161.44	0.59%
Hang Seng	25,867.01	121.14	0.47%
Shanghai	3,485.29	38.31	1.11%
KOSPI	3,158.93	15.84	0.50%
EIDO	20.90	0.19	0.92%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,789.5	(0.4)	-0.03%
Crude Oil (\$/bbl)	65.46	(1.13)	-1.70%
Coal (\$/ton)	162.50	2.30	1.44%
Nickel LME (\$/MT)	18,925	(295.0)	-1.53%
Tin LME (\$/MT)	35,400	(312.5)	-0.88%
CPO (MYR/Ton)	4,301	(107.0)	-2.43%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CH	09:00	Retail Sales YoY	Jul	8.5%	10.90%	12.10%
<i>16 - Aug</i>	CH	09:00	Industrial Production YoY	Jul	6.40%	7.90%	8.30%
<b>Tuesday</b>	UK	13:00	Jobless Claims Change	Jul	-7.8k	--	-114.8k
<i>17 - Aug</i>	UK	13:00	ILO Unemployment Rate 3Mths	Jun	4.70%	4.80%	4.80%
	EC	16:00	GDP SA YoY	2Q21	13.60%	13.70%	13.70%
	US	20:15	Industrial Production MoM	Jul	0.90%	0.50%	0.40%
<b>Wednesday</b>	ID	11:00	Trade Balance	Jul	\$2589m	\$2316m	\$1316m
<i>18 - Aug</i>	UK	13:00	CPI YoY	Jul	2.00%	2.30%	2.50%
	EC	16:00	CPI YoY	Jul	2.20%	2.20%	2.20%
	US	18:00	MBA Mortgage Applications	Aug	-3.90%	--	2.80%
<b>Thursday</b>	ID	14:20	Bank Indonesia 7D Reverse Repo	Aug		3.50%	3.50%
<i>19 - Aug</i>	US	19:30	Initial Jobless Claims	Aug		--	375k
<b>Thursday</b>	ID	10:00	BoP Current Account Balance	2Q21		--	-\$997m
<i>20 - Aug</i>							

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