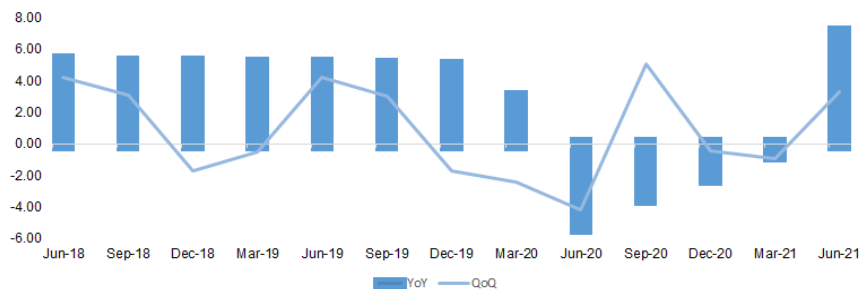


Macroeconomic Report

Indonesia Economy 2Q21 Returns to Growth

Indonesia's GDP



Source: Bloomberg, NHKS Research

High Case Numbers, Low Vaccination Rate

Survey results from The Economist, Nikkei Asia, and Bloomberg show that Indonesia is in the category of relatively slow economic recovery. Meanwhile, the indicators used as benchmarks by the institutions are the high level of Covid-19 cases, restrictions on economic activity, and the low penetration of vaccination programs in Indonesia. NHKSI Research sees that a more intensive vaccination strategy is needed. Previously, Statistics Indonesia (BPS) noted that Indonesia Economy grew 7.07% YoY or 3.31% QoQ in 2Q21. This figure is higher than the 0.74% contraction in 1Q21 and the 5.32% contraction in 2Q20. This was influenced by export growth, and the increased mass mobility in 2Q21.

Monetary Gold Boosts July 2021 Forex Reserves

Bank Indonesia (BI) recorded Indonesia's foreign exchange (forex) reserves of USD 137.3 billion as of July 2021, or slightly up by 0.14% from the previous month. This increase was driven by almost all of its supporting components, with the highest increase in the monetary gold component. In more detail, the monetary gold component in July 2021 was worth USD 4.62 billion, or up 4.14% on a monthly basis. Next, the foreign currency reserves component in July 2021 was worth USD 129.32 billion, or relatively the same as the previous month. This component was also affected by the issuance of global government bonds as well as tax and service revenues. Meanwhile, other components included the IMF reserve position in the fund (RPF), BI's Special Drawing Rights (SDR), and other reserves asset components.

GDP Growth Suppresses Sukuk Auction Offers

A number of investors are reducing their safe haven instruments such as Sukuk, and turned to riskier assets such as equities. Market participants responded to the release of Indonesia's 2Q21 Gross Domestic Product (GDP) data released earlier. In more detail, the bid for the Sukuk auction last Tuesday was valued at IDR 51.7 trillion, lower than the previous Sukuk auction at IDR 56.7 trillion. Meanwhile, the highest entry bid was recorded in the short tenor Sukuk PBS031 at more than IDR 12 trillion. Then, it was followed by SPNS12022022 worth IDR 10.3 trillion. In this auction, the government managed to gain a total of IDR 11 trillion, or slightly below the indicative target of IDR 12 trillion.

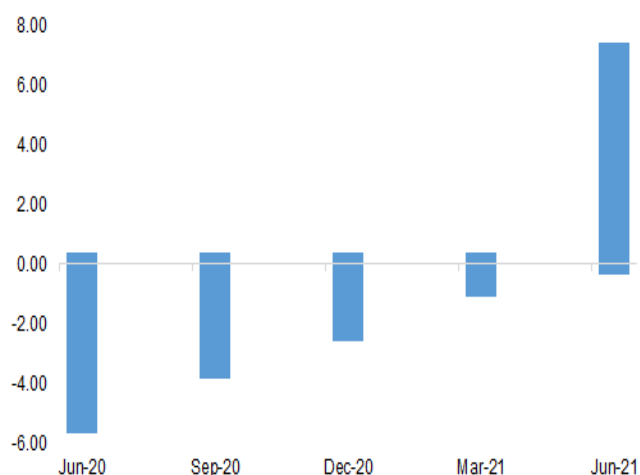
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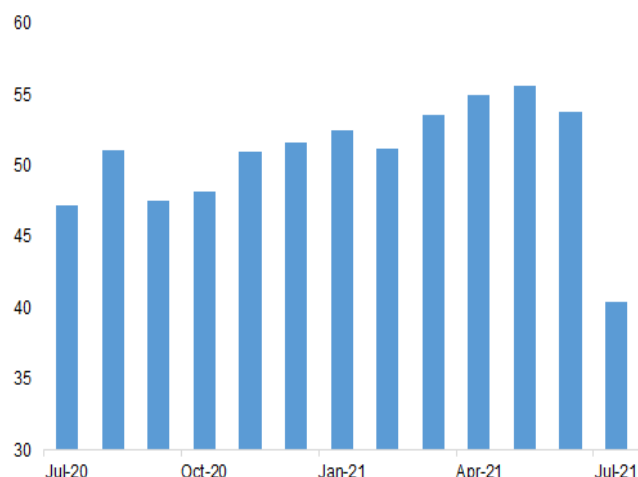
NH Korindo Sekuritas Indonesia

Indonesia's GDP (YoY) | June 2020 - June 2021



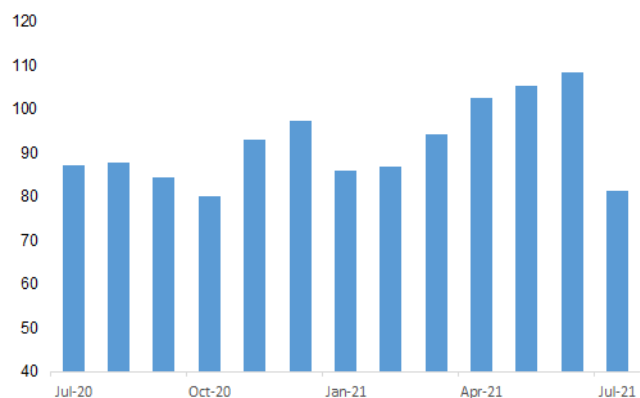
Source: Bloomberg, NHKS Research

Indonesia PMI Manufacture | July 2020 - July 2021



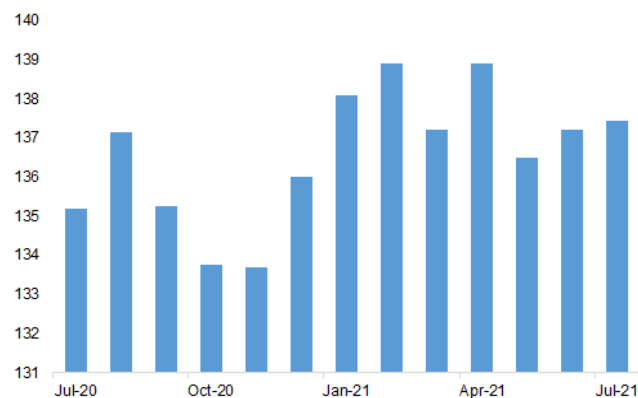
Source: Bloomberg, NHKS Research

Indonesia Consumer Confidence Index | July 2020 - July 2021



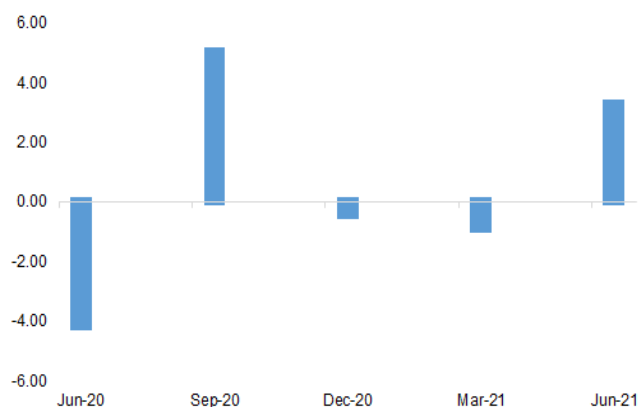
Source: Indonesia Statistics, NHKS Research

Indonesia Foreign Reserves (Bn USD) | July 2020 - July 2021



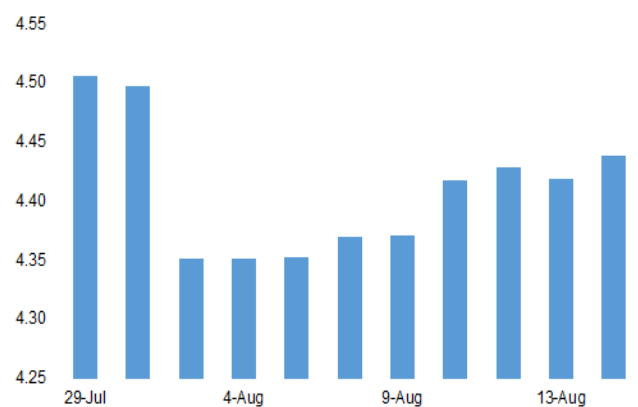
Source: Bloomberg, NHKS Research

Indonesia's GDP (YoY) | June 2020 - June 2021



Source: Bloomberg, NHKS Research

Indonesia PBS031 | July 29, 2020 - Aug. 16, 2021



Source: Bloomberg, NHKS Research

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