

Morning Brief

Today's Outlook:

Government Bonds

BI 7-DRRR Holds SUN Market. The Government Securities (SUN) market closed mixed, with benchmark SUN yields FR0087 and FR0088 at 6.30% respectively, based on Bloomberg data. In yesterday's trading, market participants responded to the United States' (US) monetary policy plan. Investors watched the tightening of market liquidity, in line with the minutes of the Fed's meeting. Meanwhile, positive domestic sentiment came from the release of the BI Seven Days Reverse Repo Rate (BI 7-DRRR) benchmark interest rate which remained at a low level of 3.50%. BI's decision is in the midst of 3Q21 domestic economic recovery.

Corporate Bonds

Panin Bank Bonds Achieve idAA Rating. The Indonesian Securities Rating Agency (Pefindo) has affirmed its idAA rating for Bank Pan Indonesia Tbk (Panin Bank) Shelf-Registered Bonds II Phase II Year 2016. In more detail, the value of the Panin Bank bonds reached IDR 2.1 trillion and will mature on October 27, 2021. Pefindo said the bank's readiness to pay off the maturing bonds was supported by placements with Bank Indonesia of IDR 21.6 trillion as of June 2021. (Kontan)

Domestic Issue

BI's Steps to Protect Indonesia's Economic System. In addition to holding back the BI 7-DRRR at the level of 3.50%, Bank Indonesia (BI) also maintains macroeconomic and financial system stability in Indonesia. BI continues to optimize the entire policy mix, such as: Rupiah exchange rate policy, monetary operations strategy, transparency of basic lending rates (SBDK), Quick Response Code Indonesian Standard (QRIS), digitization and Government Transaction Electronification program, and the use of Local Currency Settlement (LCS).) in cooperation with relevant agencies. (Kontan)

Recommendation

Lowest Jobless Claims. Weekend market sentiment is still affected, possibly the start of tapering later this year. Fears of tightening market liquidity have made market players return to their interest in the safe haven of government bonds. Meanwhile, US weekly jobless claims were the lowest in 17 months. This indicates a strong growth in the number of jobs, even though a surge in Covid-19 cases threatens the recovery of the labor market. Jobless claims fell to 348,000, from the previous week's 375,000 claims.

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):	-0.7 Bps to 101.48 (5.13%)
FR0087 (10yr):	+0.7 Bps to 101.35 (6.30%)
FR0088 (15yr):	+0.6 Bps to 99.36 (6.31%)
FR0083 (20yr):	+0.6 Bps to 104.75 (7.03%)
FR0090 (5.8yr):	+1.6 Bps to 99.21 (5.28%)
FR0091 (10.8yr):	+1.4 Bps to 100.40 (6.32%)
FR0092 (21yr):	+1.0 Bps to 101.94 (6.94%)

CDS of Indonesia Bonds

CDS 2yr:	-0.13% to 29.42
CDS 5yr:	+0.01% to 73.86
CDS 10yr:	-0.12% to 138.92

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.33%	0.01%
USDIDR	14,403	0.21%
KRWIDR	12.24	-0.47%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,894.12	(66.57)	-0.19%
S&P 500	4,405.80	5.53	0.13%
FTSE 100	7,058.86	(110.46)	-1.54%
DAX	15,765.81	(200.16)	-1.25%
Nikkei	27,281.17	(304.74)	-1.10%
Hang Seng	25,316.33	(550.68)	-2.13%
Shanghai	3,465.56	(19.73)	-0.57%
KOSPI	3,097.83	(61.10)	-1.93%
EIDO	20.56	(0.34)	-1.63%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,780.4	(7.4)	-0.42%
Crude Oil (\$/bbl)	63.69	(1.77)	-2.70%
Coal (\$/ton)	158.75	(3.75)	-2.31%
Nickel LME (\$/MT)	18,385	(502.0)	-2.66%
Tin LME (\$/MT)	33,118	(2265.0)	-6.40%
CPO (MYR/Ton)	4,238	(63.0)	-1.46%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	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%
Tuesday	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%
Wednesday	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%
Thursday	ID	14:20	Bank Indonesia 7D Reverse Repo	Aug	3.50%	3.50%	3.50%
<i>19 - Aug</i>	US	19:30	Initial Jobless Claims	Aug	348k	364k	375k
Thursday	ID	10:00	BoP Current Account Balance	2Q21		--	-\$997m
<i>20 - Aug</i>							

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