

Morning Brief

Today's Outlook:

Government Bonds

Profit Taking Ahead of Announcement of PPKM Extension. Most of the yields on Government Bonds (SUN) posted gains yesterday, with yields on FR0087 rising 1.5 bps to 6.29%. In more detail, PPKM Level 4 ended yesterday as of August 9, 2021. On the other hand, whether the PPKM Level 4 policy was extended or relaxed, the addition of Covid-19 cases in Indonesia was still relatively high.

Corporate Bonds

Sinar Mas Multiartha Issues IDR 1.5 Trillion Bonds. Sinar Mas Multiartha Tbk (SMMA) plans to issue IDR 1.5 trillion worth of bonds. This issuance is part of the Shelf-Registered Public Offering (PUB) II of Shelf-Registered Bonds with a target fund of IDR 5 trillion. The funds are planned to be used to increase investment in subsidiary companies. The bonds are offered in three series, and have obtained a bond rating result from Kredit Rating Indonesia, namely idAA (double A). (Investor Daily)

Domestic Issue

First Half HPTL Excise Deposits Drop 28%. The other tobacco product industry (HPTL), which mostly relies on sales from retail stores, is one of those whose excise contribution is also expected to decline this year. Up to semester I-2021, the realization of HPTL excise was only Rp 298 billion. This revenue decreased by 28% compared to the first semester of 2020 which was valued at Rp 415 billion. Meanwhile, until the end of 2021, a revenue target of Rp 680 billion is sought. If the decline does occur at the end of the year, then this could be the first time that HPTL excise has not recorded growth since it was first legalized in October 2018. (Kontan)

Recommendation

PBS031 and PBS032 Reopening. Starting in August 2021, the government again offered PBS031 (3-years) and PBS032 (5-years), to meet short-term funding needs. This bid, at the same time replaces PBS027 (1.8-years), and PBS017 (4.2-years) which are not offered in the same auction opportunity. In more detail, in this Sukuk auction, the government offered SPNS12022022 (0.5-year); PBS031 (2.9-years); PBS032 (4.9-years); PBS029 (12.6-years); PBS004 (15.5-years) and PBS028 (25.2-years).

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +2.1 Bps to 101.48 (5.13%)
FR0087 (10yr): +1.5 Bps to 101.46 (6.29%)
FR0088 (15yr): +1.5 Bps to 99.46 (6.30%)
FR0083 (20yr): +2.1 Bps to 104.93 (7.02%)

FR0090 (5.8yr): +1.1 Bps to 99.40 (5.24%)
FR0091 (10.8yr): +0.5 Bps to 100.59 (6.29%)
FR0092 (21yr): +0.5 Bps to 102.32 (6.91%)

CDS of Indonesia Bonds

CDS 2yr: -0.01% to 31.57
CDS 5yr: -2.56% to 77.01
CDS 10yr: -0.15% to 141.85

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.32%	0.02%
USDIDR	14,363	0.07%
KRWIDR	12.55	-0.15%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,101.85	(106.66)	-0.30%
S&P 500	4,432.35	(4.17)	-0.09%
FTSE 100	7,132.30	9.35	0.13%
DAX	15,745.41	(16.04)	-0.10%
Nikkei	27,820.04	91.92	0.33%
Hang Seng	26,283.40	104.00	0.40%
Shanghai	3,494.64	36.41	1.05%
KOSPI	3,260.42	(9.94)	-0.30%
EIDO	20.10	(0.34)	-1.66%

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)	137.09	136.40	Current Acc (USD bn)	(1.00)	(1.00)
Trd Balance (USD bn)	1.31	2.36	Govt. Spending Yoy	8.06%	2.96%
Exports Yoy	54.43%	58.74%	FDI (USD bn)	4.92	4.92
Imports Yoy	60.12%	68.68%	Business Confidence	104.82	105.33
Inflation Yoy	1.52%	1.33%	Cons. Confidence*	80.20	104.40

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,729.9	(33.1)	-1.88%
Crude Oil (\$/bbl)	66.48	(1.80)	-2.64%
Coal (\$/ton)	148.00	6.55	4.63%
Nickel LME (\$/MT)	18,620	(594.0)	-3.09%
Tin LME (\$/MT)	34,600	(150.0)	-0.43%
CPO (MYR/Ton)	4,200	(74.0)	-1.73%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID		Consumer Confidence Index	Jul	80.2	--	107.4
<i>09 - Aug</i>	CH	08:30	CPI YoY	Jul	1.0%	0.8%	1.1%
	CH	08:30	PPI YoY	Jul	9.0%	8.6%	8.8%
Tuesday	GE	16:00	ZEW Survey Expectations	Aug		--	63.3
<i>10 - Aug</i>	GE	16:00	ZEW Survey Current Situation	Aug		--	21.9
Wednesday	GE	13:00	CPI YoY	Jul		3.80%	3.80%
<i>11 - Aug</i>	US	18:00	MBA Mortgage Applications	Aug		--	-1.70%
	US	19:30	CPI Ex Food and Energy MoM	Jul		0.40%	0.90%
	US	19:30	CPI YoY	Jul		5.30%	5.40%
Thursday	US	01:00	Monthly Budget Statement	Jul		-\$255.0b	-\$174.2b
<i>12 - Aug</i>	UK	13:00	GDP YoY	2Q21		--	-6.10%
	UK	13:00	Industrial Production YoY	Jun		--	20.60%
	UK	13:00	Manufacturing Production MoM	Jun		--	-0.10%
	UK	13:00	Trade Balance GBP/Mn	Jun		--	£884m

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