

Morning Brief

Today's Outlook:

Government Bonds

Moderate US Inflation Hits SUN Market. US (US) inflation in July rose 5.4% YoY, exceeding the market projection of 5.3%. Meanwhile, monthly inflation was 0.5% or in line with market expectations. Yesterday, all benchmark series Government Securities (SUN) recorded yield increases, with the short tenor FR0086 rising 2.5 bps to 5.17%.

Corporate Bonds

Waskita Mau Rights Issue & Bonds IDR 17.5 Trillion. PT Waskita Karya (Persero) Tbk (WSKT) will carry out two corporate actions with a target of raising funds to reach IDR 17.5 trillion in the next September-December period. The company estimates that according to the PMN (State Capital Participation) portion and rights issue, Waskita will get fresh money of approximately IDR 12 trillion. Meanwhile, the issuance of bonds will be carried out faster, namely in September 2021, it is targeted to get IDR 5.6 trillion from here. (CNBC Indonesia)

Domestic Issue

Investment realization up to 2Q21 Reached IDR 442.7 Trillion. The development of Indonesia's investment realization until 2Q21 or January to June 2021, in addition to the upstream oil and gas sector and financial services of IDR 442.7 trillion or 49.2% of the 2021 target. Currently, Indonesia's foreign direct investment (FDI) is in the range of 52.4% and Domestic Investment (PMDN) of 47.6%. On the other hand, from 3Q20 to date, investment has been dominated outside Java by IDR 113.8 trillion or 51.0%. While in Java alone, it was only IDR 109.2 trillion or 49.0%. (Kontan)

Recommendation

Weekend Tapering Sentiment. The focus of market participants began to focus on the possibility of the Fed's tapering start, after inflation data indicated that it had reached a peak. The Fed has the potential to raise interest rates twice in 2023, each by 24 bps to 0.75%. Next week, the SUN auction will be held on Wednesday (18/08), offering SPN03211118, SPN12220819, FR0090, FR0091, FR0088, FR0092, and FR0089.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +2.5 Bps to 101.33 (5.17%)
FR0087 (10yr): +1.5 Bps to 101.25 (6.32%)
FR0088 (15yr): +1.5 Bps to 99.12 (6.34%)
FR0083 (20yr): +0.6 Bps to 104.52 (7.05%)

FR0090 (5.8yr): +3.7 Bps to 99.15 (5.29%)
FR0091 (10.8yr): +1.5 Bps to 100.27 (6.33%)
FR0092 (21yr): +2.6 Bps to 101.93 (6.94%)

CDS of Indonesia Bonds

CDS 2yr: -2.72% to 30.30
CDS 5yr: -2.49% to 75.28
CDS 10yr: -2.04% to 135.36

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.35%	0.02%
USDIDR	14,383	0.00%
KRWIDR	12.38	-0.50%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,499.85	14.88	0.04%
S&P 500	4,460.83	13.13	0.30%
FTSE 100	7,193.23	(26.91)	-0.37%
DAX	15,937.51	111.42	0.70%
Nikkei	28,015.02	(55.49)	-0.20%
Hang Seng	26,517.82	(142.34)	-0.53%
Shanghai	3,524.74	(7.88)	-0.22%
KOSPI	3,208.38	(12.24)	-0.38%
EIDO	20.60	0.22	1.08%

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)	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.)	1,752.9	1.2	0.07%
Crude Oil (\$/bbl)	69.09	(0.16)	-0.23%
Coal (\$/ton)	141.80	2.40	1.72%
Nickel LME (\$/MT)	18,620	(594.0)	-3.09%
Tin LME (\$/MT)	34,600	(150.0)	-0.43%
CPO (MYR/Ton)	4,474	(37.0)	-0.82%

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	40.4	50.0	63.3
<i>10 - Aug</i>	GE	16:00	ZEW Survey Current Situation	Aug	29.3	31.0	21.9
Thursday	US	01:00	Monthly Budget Statement	Jul	-\$302.1b	-\$255.0b	-\$174.2b
<i>12 - Aug</i>	UK	13:00	GDP YoY	2Q21	22.2%	22.1%	-6.1%
	UK	13:00	Industrial Production YoY	Jun	8.3%	9.4%	20.6%
	UK	13:00	Manufacturing Production MoM	Jun	0.2%	0.4%	-0.1%
	UK	13:00	Trade Balance GBP/Mn	Jun	£2514m	£400m	£884m

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