

Morning Brief

Daily | Sept. 28 2021

Today's Outlook:

Government Bonds

Lack of Sentiment Drives Yield FR0087. The benchmark 10-year government bonds (SUN) series FR0087 posted a yield increase of up to 7 bps yesterday, based on Bloomberg data. In addition to the lack of sentiment earlier this week, market participants are still closely watching the sentiment of Evergrande, which is scheduled to pay interest on debt worth USD 47.5 million. Investors anticipate that if negotiations do not go smoothly, or the Chinese government does not anticipate it, there will be turmoil in global financial markets.

Corporate Bonds

Global Bond Cikarang Listrindo and Bank BNI. Cikarang Listrindo Tbk (POWR) will hold an extraordinary general meeting of shareholders (EGMS) in October to seek approval for global bond issuance of USD 600 million or equivalent to IDR 8.5 trillion. Meanwhile, Bank Negara Indonesia Tbk (BBNI) will register an additional tier-1 perpetual bond worth USD 600 million on September 27, 2021. (Investor Daily)

Domestic Issue

Easing PPKM Increase Shopping Center Visits by 10%. The easing of the Implementation of Community Activity Restrictions (PPKM) increases community activities, resulting in increased visits to shopping centers and malls. In this PPKM relaxation, the government allows children under the age of 12 to visit malls and shopping centers. The General Chairperson of the Indonesian Shopping Center Management Association (APPBI) said that until yesterday there was an increase in visits of 5% - 10% compared to before the easing of easing for those aged less than 12 years. (Kontan)

Recommendation

Last SUN Auction 3Q21. Continuing the buy back through last week's debt switch, the government again offered FR0090 (5.5-year); FR0091 (10.5-years); FR0088 (14.7-years); FR0092 (20.7-years); and FR0089 (29.9-year) at today's SUN auction. This SUN auction also closes the auction of Government Securities (SBN) for the 3Q21 period. In the short term, investors can observe FR0087 which has wide volatility compared to other benchmark series.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +1.3 Bps to 101.25 (5.18%)
FR0087 (10yr): +6.9 Bps to 101.67 (6.26%)
FR0088 (15yr): +2.3 Bps to 99.29 (6.32%)
FR0083 (20yr): +1.6 Bps to 105.06 (7.00%)

FR0090 (5.8yr): -0.2 Bps to 99.94 (5.13%)
FR0091 (10.8yr): +4.3 Bps to 101.50 (6.17%)
FR0092 (21yr): +1.3 Bps to 103.29 (6.82%)

CDS of Indonesia Bonds

CDS 2yr: +0.69% to 32.61
CDS 5yr: +0.41% to 80.10
CDS 10yr: +0.51% to 138.84

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.20%	0.04%
USDIDR	14,253	-0.04%
KRWIDR	12.11	-0.03%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,869.37	71.37	0.21%
S&P 500	4,443.11	(12.37)	-0.28%
FTSE 100	7,063.40	11.92	0.17%
DAX	15,573.88	42.13	0.27%
Nikkei	30,240.06	(8.75)	-0.03%
Hang Seng	24,208.78	16.62	0.07%
Shanghai	3,582.83	(30.24)	-0.84%
KOSPI	3,133.64	8.40	0.27%
EIDO	21.16	(0.12)	-0.56%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,750.2	(0.3)	-0.01%
Crude Oil (\$/bbl)	75.45	1.47	1.99%
Coal (\$/ton)	202.95	14.85	7.89%
Nickel LME (\$/MT)	18,946	(441.0)	-2.27%
Tin LME (\$/MT)	35,100	(1439.0)	-3.94%
CPO (MYR/Ton)	4,394	(47.0)	-1.06%

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)	144.80	137.34	Current Acc (USD bn)	(2.20)	(1.00)
Trd Balance (USD bn)	4.74	2.59	Govt. Spending Yoy	8.06%	2.96%
Exports Yoy	64.10%	29.32%	FDI (USD bn)	6.61	4.92
Imports Yoy	55.26%	44.44%	Business Confidence	104.82	105.33
Inflation Yoy	1.60%	1.52%	Cons. Confidence*	77.30	80.20

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	GE	15:00	IFO Expectations	Sept.	97.3	96.5	97.5
<i>24 - Sept.</i>	GE	15:00	IFO Business Climate	Sept.	98.8	99.0	99.4
	US	21:00	New Home Sales	Aug.	740k	715k	708k
Monday	EC	15:00	M3 Money Supply YoY	Aug.	7.9%	7.7%	7.6%
<i>27 - Sept.</i>							
Tuesday	GE	13:00	Gfk Consumer Confidence	Oct.		—	-1.2
<i>28 - Sept.</i>							
Wednesday	UK	15:30	Mortgage Approvals	Aug.		—	75.2k
<i>29 - Sept.</i>							
Thursday	CH	08:00	Manufacturing PMI	Sept.		—	50.1
<i>30 - Sept.</i>	CH	08:45	Caixin China PMI Mfg	Sept.		—	49.2
	UK	13:00	GDP YoY	2Q		—	22.2%
	GE	19:00	CPI YoY	Sept.		4.0%	3.9%
Friday	ID	07:30	Markit Indonesia PMI Mfg	Sept.		—	43.7
<i>1 - Oct.</i>	ID	11:00	CPI YoY	Sept		—	1.59%
	UK	13:00	Markit UK PMI Mfg SA	Sept		—	56.3

Source: Bloomberg

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