

# Morning Brief

Daily | 9 Sept, 2021

## Today's Outlook:

### Government Bonds

**Consumer Pessimism Presses SUN Market.** The Consumer Confidence Index (CCI) for the August period was again in the pessimistic zone, or even at a lower level than the previous month. The benchmark 10-year government bonds (SUN) series FR0087 led the yield increase, rising by 5.5 bps to 6.15%. On the other hand, the pressure on SUN yesterday amid the release of data on the increase in foreign exchange reserves in August indicated that domestic liquidity was still high.

### Corporate Bonds

**Pefindo: PNM Notes Achieve idA+ Rating.** The Indonesian Securities Rating Agency (Pefindo) has affirmed its idA+ rating for the bonds issued by Permodalan Nasional Madani (Persero) (PNM), namely the Shelf-Registered Bonds I Phase II Year 2016 Series B worth IDR 839 billion. Similar ratings were also given to the Shelf-Registered Bonds III Phase IV Year 2019 Series A worth IDR 904.8 billion and Medium Term Notes XIX Series A – Series D valued at IDR 623.5 billion, each of which will mature on November 3, 2021, 14 December 2021, and December 28, 2021. (Kontan)

### Domestic Issue

**Consumer Confidence Index Drops Again.** Based on the consumer survey of Bank Indonesia (BI), the CCI in August was 77.3 or lower than 80.2 in July 2021. Not only lower than the previous month's position, the CCI in August 2021 reflected being in the pessimistic zone, or an index below 100. In more detail, consumer confidence in economic conditions is still restrained, in line with the continued mobility restriction policy during the survey period. (Kontan)

### Recommendation

**Investors Again Observe IKK Data.** Market participants may begin to look again at FR0086, FR0087, and FR0083, after experiencing selling pressure. On the other hand, consumer confidence, which is in the pessimistic zone, remains a negative sentiment for the SUN market movement until the weekend.

## 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)	2.58	1.31	Govt. Spending Yoy	8.06%	2.96%
Exports Yoy	29.32%	54.43%	FDI (USD bn)	6.61	4.92
Imports Yoy	44.44%	60.12%	Business Confidence	104.82	105.33
Inflation Yoy	1.60%	1.52%	Cons. Confidence*	80.20	104.40

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): +3.0 Bps to 101.78 (5.06%)  
FR0087 (10yr): +5.5 Bps to 102.45 (6.15%)  
FR0088 (15yr): +0.2 Bps to 99.72 (6.27%)  
FR0083 (20yr): +1.7 Bps to 106.71 (6.85%)

FR0090 (5.8yr): +1.6 Bps to 99.91 (5.14%)  
FR0091 (10.8yr): +3.3 Bps to 102.70 (6.02%)  
FR0092 (21yr): +2.2 Bps to 104.00 (6.76%)

## CDS of Indonesia Bonds

CDS 2yr: +0.69% to 27.62  
CDS 5yr: +1.07% to 67.27  
CDS 10yr: +0.42% to 128.29

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.17%	0.06%
USDIDR	14,253	0.28%
KRWIDR	12.22	-0.47%

## Global Indices

Index	Last	Chg.	%
Dow Jones	35,031.07	(68.93)	-0.20%
S&P 500	4,514.07	(5.96)	-0.13%
FTSE 100	7,095.53	(53.84)	-0.75%
DAX	15,610.28	(232.81)	-1.47%
Nikkei	30,181.21	265.07	0.89%
Hang Seng	26,320.93	(32.70)	-0.12%
Shanghai	3,675.19	(1.40)	-0.04%
KOSPI	3,162.99	(24.43)	-0.77%
EIDO	21.19	(0.39)	-1.81%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,789.3	(5.1)	-0.28%
Crude Oil (\$/bbl)	69.30	0.95	1.39%
Coal (\$/ton)	159.55	3.25	2.08%
Nickel LME (\$/MT)	19,713	207.0	1.06%
Tin LME (\$/MT)	32,215	122.0	0.38%
CPO (MYR/Ton)	4,478	88.0	2.00%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 6 - Sept.	GE	13:00	Factory Orders MoM	Jul	3.4%	-0.7%	4.1%
<b>Tuesday</b> 7 - Sept.	ID	10:00	Foreign Reserves	Aug	\$144.80Bn	—	\$137.34Bn
	CH	10:00	Trade Balance	Aug	\$58.34Bn	\$53.20Bn	\$56.58Bn
	EC	16:00	GDP SA QoQ	2Q	2.2%	2.0%	2.0%
	EC	16:00	GDP SA YoY	2Q	14.3%	13.6%	13.6%
<b>Wednesday</b> 8 - Sept.	US	18:00	MBA Mortgage Applications	Sept	-1.9%	—	-2.4%
<b>Thursday</b> 9 - Sept.	CH	08:30	CPI YoY	Aug		1.0%	1.0%
	CH	08:30	PPI YoY	Aug		8.9%	9.0%
	EC	18:45	ECB Deposit Facility Rate	Sept		-0.5%	-0.5%
	US	19:30	Initial Jobless Claims	Sept		—	340k
<b>Friday</b> 10 - Sept.	GE	13:00	CPI MoM	Aug		0.0%	0.0%
	GE	13:00	CPI YoY	Aug		3.9%	3.9%
	UK	13:00	Manufacturing Production MoM	Jul		—	0.2%
	US	21:00	Wholesale Inventories MoM	Jul		0.6%	0.6%

Source: Bloomberg

## Research Division

### Head of Research

**Anggaraksa Arismunandar**

Market Strategy, Misc. Industry, Banking

T +62 21 5088 ext. 9134

E [anggaraksa@nhsec.co.id](mailto:anggaraksa@nhsec.co.id)

### Senior Technical Analyst

**Dimas Wahyu Putra Pratama**

Technical

T +62 21 5088 ext 9131

E [dimas.wahyu@nhsec.co.id](mailto:dimas.wahyu@nhsec.co.id)

### Economist

**Arief Machrus**

Macroeconomics

T +62 21 5088 ext 9127

E [arief.machrus@nhsec.co.id](mailto:arief.machrus@nhsec.co.id)

### Analyst

**Ajeng Kartika Hapsari**

Property, Construction, Cement

T +62 21 5088 ext 9130

E [ajeng@nhsec.co.id](mailto:ajeng@nhsec.co.id)

### Analyst

**Putu Chantika**

Consumer, Retail

T +62 21 5088 ext 9129

E [putu.chantika@nhsec.co.id](mailto:putu.chantika@nhsec.co.id)

### Research Support

**Jasmine Kusumawardani**

T +62 21 5088 ext 9132

E [jasmine.kusumawardani@nhsec.co.id](mailto:jasmine.kusumawardani@nhsec.co.id)

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

District 8 Treasury Tower 51<sup>st</sup> Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

**Branch Office BSD:**

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

**Branch Office Medan :**

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

**Branch Office Semarang:**

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

**Branch Office Jakarta Utara:**

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

**Branch Office Pekanbaru:**

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

**Branch Office Surabaya:**

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

**Branch Office Makassar:**

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

**Branch Office Bandung:**

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

**Branch Office Denpasar:**

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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