

# Morning Brief

Daily | Sept. 27 2021

## Today's Outlook:

### Government Bonds

**Minimal Weekend Sentiment.** This made most of the Government Bonds (SUN) recorded an increase in yield at the close of last Friday. On the other hand, the SUN market is relatively conducive after clear signals from the Fed are expected to start reducing bond purchases in November. The market also received fresh air from the news of the addition of liquidity to the banking system by the Chinese central bank.

### Corporate Bonds

**INKP: Issued IDR 4 Trillion Debt.** PT Indah Kiat Pulp & Paper Tbk (INKP) issues bonds and sukuk. The Sinarmas Group paper issuer offers bonds and sukuk totaling IDR 4 trillion, each consisting of three series. Based on the announcement of the Indonesian Central Securities Depository (KSEI), Friday (24/9), Indah Kiat offered the Shelf-Registered Bond II Indah Kiat Pulp & Paper Phase I 2021 with a total value of IDR 3 trillion and Sukuk Mudharabah worth IDR 1 Trillion. (Kontan)

### Domestic Issue

**Government Cuts SBN Issuance.** The government will cut the issuance of Government Securities (SBN) from the previously set target. This adjustment was made due to efforts to finance the state budget through mechanisms other than debt. Data from the State Revenue and Expenditure Budget (APBN) noted, as of the end of August 2021, the realization of net SBN issuance was IDR 567.4 trillion. This figure is equivalent to 47% of the APBN target of IDR 1,207.3 trillion. (Kontan)

### Recommendation

**Observe the Sustainability of the Evergrande Sentiment.** Market participants are keeping a close eye on 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. This week, market participants are also keeping an eye on the release of economic data from a number of countries.

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): +3.1 Bps to 101.30 (5.17%)  
FR0087 (10yr): +1.6 Bps to 102.16 (6.19%)  
FR0088 (15yr): +3.5 Bps to 99.51 (6.30%)  
FR0083 (20yr): +4.4 Bps to 105.22 (6.99%)

FR0090 (5.8yr): +3.0 Bps to 99.93 (5.13%)  
FR0091 (10.8yr): +3.7 Bps to 101.82 (6.13%)  
FR0092 (21yr): +4.6 Bps to 103.43 (6.81%)

## CDS of Indonesia Bonds

CDS 2yr: +3.26% to 32.38  
CDS 5yr: +3.10% to 79.77  
CDS 10yr: +2.27% to 138.14

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.16%	0.04%
USDIDR	14,258	0.11%
KRWIDR	12.12	0.03%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,798.00	33.18	0.10%
S&P 500	4,455.48	6.50	0.15%
FTSE 100	7,051.48	(26.87)	-0.38%
DAX	15,531.75	(112.22)	-0.72%
Nikkei	30,248.81	609.41	2.06%
Hang Seng	24,192.16	(318.82)	-1.30%
Shanghai	3,613.07	(29.15)	-0.80%
KOSPI	3,125.24	(2.34)	-0.07%
EIDO	21.28	(0.05)	-0.23%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,750.4	7.7	0.44%
Crude Oil (\$/bbl)	73.98	0.68	0.93%
Coal (\$/ton)	191.10	1.80	0.95%
Nickel LME (\$/MT)	19,387	36.0	0.19%
Tin LME (\$/MT)	36,539	1079.0	3.04%
CPO (MYR/Ton)	4,441	(6.0)	-0.13%

## 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
<b>Friday</b>	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
<b>Monday</b>	EC	15:00	M3 Money Supply YoY	Aug.		7.7%	7.6%
<i>27 - Sept.</i>							
<b>Tuesday</b>	GE	13:00	Gfk Consumer Confidence	Oct.		—	-1.2
<i>28 - Sept.</i>							
<b>Wednesday</b>	UK	15:30	Mortgage Approvals	Aug.		—	75.2k
<i>29 - Sept.</i>							
<b>Thursday</b>	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%
<b>Friday</b>	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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