

# Morning Brief

Daily | 14 Sept, 2021

## Today's Outlook:

### Government Bonds

**SUN Mixed As Dollar Index Rises.** The United States (US) dollar strengthened to its highest in two weeks compared to other major currencies on Monday, as market expectations about the possibility of the Federal Reserve starting tapering stimulus increased. The US Dollar Index rose 0.3% to 92.88 in early trade, its highest level since Aug. 27. The benchmark 10-year government bond yield FR0087 closed up 1.3 bps to 6.13%.

### Corporate Bonds

**WSKT Ready to Pay Two Bonds to Maturity.** Waskita Karya (Persero) Tbk (WSKT) has prepared funds to redeem two bonds that will mature in September 2021. Both bonds have a total principal value of IDR 1.62 trillion. First, Shelf-Registered Bonds II Phase II Year 2016 Series B amounting to IDR 900 billion which will mature on September 28, 2021. Second, Shelf-Registered Bonds III Phase III Year 2018 Series A worth IDR 761 billion which will mature on the same date. (Kontan)

### Domestic Issue

**Sri Mulyani Submits VAT for Basic Foods to Schools.** Minister of Finance (Menkeu) Sri Mulyani has officially submitted a policy of levying value added tax (VAT) on basic goods or basic necessities, education or school services, and health services to Commission XI of the DPR. Even so, the Minister of Finance said the government still opened the option that these goods and services could not be taxed. In addition, the government also has the opportunity to provide compensation for the poor. (CNN Indonesia)

### Recommendation

**Domestic and Global Sentiment.** Investors are looking forward to the release of US Inflation data scheduled for today, which has the potential to influence the direction of the Fed's policy. On the other hand, there are expectations that the \$3.5 trillion budget package proposed by the Joe Biden administration will soon be passed. The Indonesian government decided to extend the PPKM until September 20, 2021, with a decrease to level 3 for the Bali area. Today, the government is offering SPN03211215 (New Issue), SPN12220915 (New Issue), FR0090, FR0091, FR0088, FR0092, and FR0089 in the SUN auction.

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.9 Bps to 101.82 (5.04%)  
FR0087 (10yr): +1.3 Bps to 102.54 (6.13%)  
FR0088 (15yr): -1.0 Bps to 99.85 (6.26%)  
FR0083 (20yr): -0.2 Bps to 106.71 (6.85%)

FR0090 (5.8yr): -0.7 Bps to 100.05 (5.11%)  
FR0091 (10.8yr): -0.1 Bps to 102.88 (6.00%)  
FR0092 (21yr): -0.3 Bps to 104.25 (6.74%)

## CDS of Indonesia Bonds

CDS 2yr: -0.40% to 27.32  
CDS 5yr: -0.45% to 66.50  
CDS 10yr: -0.41% to 128.19

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.16%	0.02%
USDIDR	14,253	0.35%
KRWIDR	12.12	-0.24%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,869.63	261.91	0.76%
S&P 500	4,468.73	10.15	0.23%
FTSE 100	7,068.43	39.23	0.56%
DAX	15,701.42	91.61	0.59%
Nikkei	30,447.37	65.53	0.22%
Hang Seng	25,813.81	(392.10)	-1.50%
Shanghai	3,715.37	12.26	0.33%
KOSPI	3,127.86	2.10	0.07%
EIDO	21.47	0.10	0.47%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,793.8	6.2	0.35%
Crude Oil (\$/bbl)	70.45	0.73	1.05%
Coal (\$/ton)	165.80	3.85	2.38%
Nickel LME (\$/MT)	19,726	(666.0)	-3.27%
Tin LME (\$/MT)	33,498	(85.0)	-0.25%
CPO (MYR/Ton)	4,318	40.0	0.94%

## 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*	77.30	80.20

# Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> <i>13 - Sept.</i>	—	—	—	—	—	—	—
<b>Tuesday</b> <i>14 - Sept.</i>	UK	13:00	Claimant Count Rate	Aug		—	5.7%
	UK	13:00	Jobless Claims Change	Aug		—	-7.8k
	US	19:30	CPI MoM	Aug		0.4%	0.5%
<b>Wednesday</b> <i>15 - Sept.</i>	CH	09:00	Retail Sales YoY	Aug		7.0%	8.5%
	ID	11:00	Trade Balance	Aug		\$2,665Mn	\$2,589Mn
	UK	13:00	CPI YoY	Aug		2.9%	2.0%
	US	18:00	MBA Mortgage Applications	Sept		—	-1.9%
<b>Thursday</b> <i>16 - Sept.</i>	US	19:30	Retail Sales Advance MoM	Aug		-0.8%	-1.1%
	US	19:30	Initial Jobless Claims	Aug		323k	310k
<b>Friday</b> <i>17 - Sept.</i>	US	21:00	U. Of Mich. Sentiment	Sept		72.0	70.3

Source: Bloomberg

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