

Morning Brief

Daily | 6 Sept, 2021

Today's Outlook:

Government Bonds

SUN Market Mixed Ahead of US Non-Farm Payrolls Data. The movement of Government Bond (SUN) yield at the end of the week, relatively followed the UST yield which rose to the level of 1.29%. Market participants look forward to the release of US Non-Farm Payrolls data, which is projected lower. The pressure on the US Non-Farm Payrolls data could hold the Fed from starting tapering off for a while.

Corporate Bonds

Pefindo: BCA Finance Bonds Achieve idAAA Rating. The Indonesian Securities Rating Agency (Pefindo) has affirmed its idAAA rating for BCA Finance's IDR 160 billion Shelf-Registered Bond III Phase I/2019 which will mature on November 5, 2021. Pefindo said the company's readiness to repay the bonds was supported by cash and time deposits, amounting to Rp 304.2 billion at the end of June 2021. (Kontan)

Domestic Issue

Government Lowers Bond Interest Income Tax Rates. The government lowered the income tax rate (PPH) on bond interest obtained by local investors to 10%, from the previous rate of 15%. The policy is contained in Government Regulation (PP) Number 91 of 2021 concerning Income Tax on Income in the Form of Interest on Bonds Received or Obtained by Domestic Taxpayers and Permanent Establishments. This regulation is effective as of August 30, 2021. (Kontan)

Recommendation

US Non-Farm Payrolls Below Expectations. Market participants will respond to data on non-farm payrolls in the United States (US) in August, which only increased by 235 thousand. This figure is far below market expectations of 733 thousand. This data will influence the Fed's decision-making, or have the potential to hold the Federal Reserve from starting tapering for a while.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.3 Bps to 101.93 (5.02%)
FR0087 (10yr): +0.4 Bps to 102.93 (6.08%)
FR0088 (15yr): -0.2 Bps to 99.66 (6.28%)
FR0083 (20yr): -0.2 Bps to 106.97 (6.83%)

FR0090 (5.8yr): -1.2 Bps to 99.99 (5.12%)
FR0091 (10.8yr): -0.8 Bps to 103.04 (5.98%)
FR0092 (21yr): -1.2 Bps to 104.30 (6.73%)

CDS of Indonesia Bonds

CDS 2yr: +0.56% to 27.62
CDS 5yr: -0.12% to 66.74
CDS 10yr: +0.42% to 128.58

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.10%	0.00%
USDIDR	14,263	-0.07%
KRWIDR	12.33	0.31%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,369.09	(74.73)	-0.21%
S&P 500	4,535.43	(1.52)	-0.03%
FTSE 100	7,138.35	(25.55)	-0.36%
DAX	15,781.20	(59.39)	-0.37%
Nikkei	29,128.11	584.60	2.05%
Hang Seng	25,901.99	(188.44)	-0.72%
Shanghai	3,581.73	(15.31)	-0.43%
KOSPI	3,201.06	25.21	0.79%
EIDO	21.56	0.34	1.60%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,827.7	18.1	1.00%
Crude Oil (\$/bbl)	69.29	(0.70)	-1.00%
Coal (\$/ton)	178.75	3.70	2.11%
Nickel LME (\$/MT)	19,789	325.0	1.67%
Tin LME (\$/MT)	33,055	(445.0)	-1.33%
CPO (MYR/Ton)	4,310	69.0	1.63%

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)	(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

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 6 - Sept.	GE	13:00	Factory Orders MoM	Jul		-1.0%	4.1%
Tuesday 7 - Sept.	ID	10:00	Foreign Reserves	Aug		—	\$137.34Bn
	CH	—	Trade Balance	Aug		\$50.50Bn	\$56.58Bn
	GE	16:00	GDP SA QoQ	2Q		2.0%	2.0%
	GE	16:00	GDP SA YoY	2Q		13.6%	13.6%
Wednesday 8 - Sept.	US	18:00	MBA Mortgage Applications	Sept		—	-2.4%
Thursday 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
Friday 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

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