

Morning Brief

Daily | 8 Sept, 2021

Today's Outlook:

Government Bonds

The Fed's Dovish Support Sukuk Auction. Based on data from the Directorate General of Financing and Risk Management, it recorded an incoming bid of IDR 56.6 trillion. This figure exceeds the previous sukuk auction value of IDR 52.46 trillion. Market participants responded positively to the Fed's dovish stance, and the United States (US) employment data lower market expectations. Domestically, investors' interest was supported by positive sentiment on the reduction in income tax (PPH) on bond yields from 15% to 10%.

Corporate Bonds

KIJA to Release USD 350 Million Bonds. Jababeka Industrial Estate Tbk (KIJA) will repurchase or prepay USD 300 million of senior debt securities which will mature in 2023 (Bond 2023) issued by its subsidiary, Jababeka International B.V. To finance the corporate action, Jababeka will issue new debt securities worth USD 350 million through Jababeka International. (Kontan)

Domestic Issue

BI: Foreign Exchange Reserves USD 144.8 billion. Bank Indonesia (BI) recorded a position of foreign exchange reserves (cadev) of USD 144.8 billion at the end of August 2021, an increase of 5.5% from the position at the end of July, USD 137.3 billion. This position is equivalent to financing 9.1 months of imports, or the equivalent of 8.7 months of imports and payment of government foreign debt. Meanwhile, the increase in the position of foreign exchange reserves in September 2021 was mainly due to the additional allocation of Special Drawing Rights (SDR) of 4.46 billion SDR or the equivalent of USD 6.31 billion received by Indonesia from the IMF. (CNN Indonesia)

Recommendation

Positive Sentiment Increase in Cadev. Market participants have the opportunity to respond positively to the reserve fund for the August 2021 period, which rose by USD 7.5 billion to USD 144.8 billion. This increase indicates that domestic liquidity is still high. In the short term, investors can look back at FR0086, FR0087, and FR0083.

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): +0.3 Bps to 101.90 (5.03%)
FR0087 (10yr): +1.2 Bps to 102.85 (6.09%)
FR0088 (15yr): -0.2 Bps to 99.73 (6.27%)
FR0083 (20yr): +0.5 Bps to 106.91 (6.83%)
FR0090 (5.8yr): +0.4 Bps to 99.99 (5.12%)
FR0091 (10.8yr): +1.0 Bps to 102.96 (5.99%)
FR0092 (21yr): +0.6 Bps to 104.25 (6.74%)

CDS of Indonesia Bonds

CDS 2yr: -0.47% to 27.43
CDS 5yr: -0.23% to 66.55
CDS 10yr: -0.38% to 127.74

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.11%	0.01%
USDIDR	14,213	-0.07%
KRWIDR	12.28	-0.19%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,100.00	(269.09)	-0.76%
S&P 500	4,520.03	(15.40)	-0.34%
FTSE 100	7,149.37	(37.81)	-0.53%
DAX	15,843.09	(89.03)	-0.56%
Nikkei	29,916.14	256.25	0.86%
Hang Seng	26,353.63	190.00	0.73%
Shanghai	3,676.59	54.73	1.51%
KOSPI	3,187.42	(15.91)	-0.50%
EIDO	21.58	0.02	0.09%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,794.4	(28.9)	-1.59%
Crude Oil (\$/bbl)	68.35	(0.94)	-1.36%
Coal (\$/ton)	175.00	(3.35)	-1.88%
Nickel LME (\$/MT)	19,542	(112.0)	-0.41%
Tin LME (\$/MT)	31,910	(980.0)	-2.85%
CPO (MYR/Ton)	4,390	59.0	1.36%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday <i>6 - Sept.</i>	GE	13:00	Factory Orders MoM	Jul	3.4%	-0.7%	4.1%
Tuesday <i>7 - Sept.</i>	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%
Wednesday <i>8 - Sept.</i>	US	18:00	MBA Mortgage Applications	Sept		—	-2.4%
Thursday <i>9 - Sept.</i>	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 <i>10 - Sept.</i>	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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