

Morning Brief

Today's Outlook:

Government Bonds

China Data Press SUN Benchmark. Market participants responded negatively to China's August retail sales which only grew 2.5%, as well as consumer spending data, which was far below the 7% growth forecast. The benchmark short tenor Government Securities (SUN) FR0086 recorded a yield increase of nearly 2 bps to 5.04%. Meanwhile, the 15-year benchmark FR0088 is flat at par with a yield of 6.24%.

Corporate Bonds

Timah Ready to Pay Bonds 27 September 2021. PT Timah Tbk. (TINS) will soon pay bonds with a total value of IDR 16.27 billion. TINS announced that it is ready to pay interest on its Shelf-Registered Bonds I Timah Phase I Year 2017 Series B and Shelf Registration Sukuk Ijarah I Timah Phase I 2017 Series B. Both will mature on September 28. (Bisnis Indonesia)

Domestic Issue

Imports of Raw Materials and Capital Goods Rise. The performance of the processing industry did show improvement in August 2021. One of them was shown by an increase in imports of raw/auxiliary materials and an increase in imports of capital goods. The Central Statistics Agency (BPS) recorded that imports of raw/auxiliary materials in August 2021 amounted to USD 12.38 billion. This number increased 8.39% on a monthly basis and skyrocketed 59.59% when compared to August 2020. (Kontan)

Recommendation

Wait and See Fed meeting. Investors tend to be cautious ahead of the Fed meeting next week, which is expected to give a clearer signal on the direction of monetary policy. Meanwhile, retail sales in the United States (US) reportedly grew 0.7% in August, exceeding the consensus forecast for a 0.8% contraction. Meanwhile, the number of US weekly jobless claims increased by 20 thousand a week. Investors can start looking at PBS030, or one of the series that will be offered at the Sukuk auction next Tuesday.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +1.8 Bps to 101.83(5.04%)
FR0087 (10yr): +0.5 Bps to 102.69 (6.11%)
FR0088 (15yr): +0.1 Bps to 100.05 (6.24%)
FR0083 (20yr): +0.3 Bps to 106.77 (6.84%)

FR0090 (5.8yr): +1.1 Bps to 100.13 (5.09%)
FR0091 (10.8yr): +0.6 Bps to 102.95 (5.99%)
FR0092 (21yr): +0.2 Bps to 104.40 (6.72%)

CDS of Indonesia Bonds

CDS 2yr: +0.43% to 27.51
CDS 5yr: -0.38% to 67.04
CDS 10yr: +0.29% to 130.10

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.13%	0.01%
USDIDR	14,253	0.07%
KRWIDR	12.16	-0.03%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,751.32	(63.07)	-0.18%
S&P 500	4,473.75	(6.95)	-0.16%
FTSE 100	7,027.48	10.99	0.16%
DAX	15,651.75	35.75	0.23%
Nikkei	30,323.34	(188.37)	-0.62%
Hang Seng	24,667.85	(365.36)	-1.46%
Shanghai	3,607.09	(49.13)	-1.34%
KOSPI	3,130.09	(23.31)	-0.74%
EIDO	21.46	(0.16)	-0.74%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,753.8	(40.3)	-2.25%
Crude Oil (\$/bbl)	72.61	0.00	0.00%
Coal (\$/ton)	164.20	(7.15)	-4.17%
Nickel LME (\$/MT)	19,401	(615.0)	-3.07%
Tin LME (\$/MT)	34,050	4.0	0.01%
CPO (MYR/Ton)	4,440	100.0	2.30%

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

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	—	—	—	—	—	—	—
<i>13 - Sept.</i>							
Tuesday	UK	13:00	Claimant Count Rate	Aug	5.4%	—	5.7%
<i>14 - Sept.</i>							
	UK	13:00	Jobless Claims Change	Aug	-58.6k	—	-7.8k
	US	19:30	CPI MoM	Aug	0.3%	0.4%	0.5%
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Wednesday	CH	09:00	Retail Sales YoY	Aug	2.5%	7.0%	8.5%
<i>15 - Sept.</i>							
	ID	11:00	Trade Balance	Aug	\$4,740m	\$2,317Mn	\$2,589Mn
	UK	13:00	CPI YoY	Aug	3.2%	2.9%	2.0%
	US	18:00	MBA Mortgage Applications	Sept	0.3%	—	-1.9%
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Thursday	US	19:30	Retail Sales Advance MoM	Aug	0.7%	-0.7%	-1.1%
<i>16 - Sept.</i>							
	US	19:30	Initial Jobless Claims	Aug	332k	322k	310k
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Friday	US	21:00	U. Of Mich. Sentiment	Sept		72.0	70.3
<i>17 - Sept.</i>							

Source: Bloomberg

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