

Morning Brief

Daily | 10 Sept, 2021

Today's Outlook:

Government Bonds

Consumer Confidence's Negative Sentiment. Market participants again responded negatively, the Consumer Confidence Index which is still in the pessimistic zone. Investors also responded negatively to the release of retail sales data. This can be seen from the July 2021 Real Sales Index (IPR) which was 196.5 or decreased by 5.0% MoM. All benchmark series Government Securities (SUN) recorded a slight increase in yields in yesterday's trading.

Corporate Bonds

Indonesia Eximbank Bonds Achieve idAAA Rating. The Indonesian Securities Rating Agency (Pefindo) has affirmed its idAAA rating for bonds owned by the Indonesian Export Financing Agency (LPEI), otherwise known as Indonesia Eximbank. The two notes are Shelf-Registered Bonds IV Phase III Year 2018 Series B valued at IDR 81 billion and Shelf-Registered Bonds III Phase III Year 2016 Series C valued at IDR 282 billion, which will mature on November 8, 2021 and November 22, 2021, respectively. (Kontan)

Domestic Issue

Indonesian Retail Sales Drop Again. Bank Indonesia (BI) said retail sales fell again in July 2021. This can be seen from the July 2021 Real Sales Index (IPR) which was 196.5 or down 5.0% MoM. Even so, BI said this contraction was lower than the contraction in the previous month, namely in June 2021 which fell to 12.8% MoM. In more detail, the improvements mainly came from the Food, Beverage and Tobacco group. (Kontan)

Recommendation

US Jobless Claims External Sentiment. Market participants watched the United States (US) weekly jobless claims figure drop to 310,000, which is the lowest level since the pandemic. However, this has also raised concerns that the Fed will start easing its accommodative policy more quickly. In the short term, investors can look back at FR0086, FR0087, and FR0083.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.4 Bps to 101.75 (5.06%)
FR0087 (10yr): +0.1 Bps to 102.44 (6.15%)
FR0088 (15yr): +0.0 Bps to 99.72 (6.27%)
FR0083 (20yr): +0.9 Bps to 106.62 (6.86%)

FR0090 (5.8yr): -0.4 Bps to 99.93 (5.13%)
FR0091 (10.8yr): +0.2 Bps to 102.68 (6.02%)
FR0092 (21yr): -0.4 Bps to 104.05 (6.75%)

CDS of Indonesia Bonds

CDS 2yr: +1.37% to 28.00
CDS 5yr: +0.80% to 67.81
CDS 10yr: +1.04% to 129.62

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.17%	-0.00%
USDIDR	14,253	0.00%
KRWIDR	12.19	-0.26%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,879.38	(151.69)	-0.43%
S&P 500	4,493.28	(20.79)	-0.46%
FTSE 100	7,024.21	(71.32)	-1.01%
DAX	15,623.15	12.87	0.08%
Nikkei	30,008.19	(173.02)	-0.57%
Hang Seng	25,716.00	(604.93)	-2.30%
Shanghai	3,693.13	17.94	0.49%
KOSPI	3,114.70	(48.29)	-1.53%
EIDO	21.37	0.18	0.85%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,794.6	5.3	0.30%
Crude Oil (\$/bbl)	68.14	(1.16)	-1.67%
Coal (\$/ton)	175.15	(1.40)	-0.79%
Nickel LME (\$/MT)	20,185	472.0	2.39%
Tin LME (\$/MT)	33,190	975.0	3.02%
CPO (MYR/Ton)	4,392	(86.0)	-1.92%

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

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 6 - Sept.	GE	13:00	Factory Orders MoM	Jul	3.4%	-0.7%	4.1%
Tuesday 7 - Sept.	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 8 - Sept.	US	18:00	MBA Mortgage Applications	Sept	-1.9%	—	-2.4%
Thursday 9 - Sept.	CH	08:30	CPI YoY	Aug	0.8%	1.0%	1.0%
	CH	08:30	PPI YoY	Aug	9.5%	9.0%	9.0%
	EC	18:45	ECB Deposit Facility Rate	Sept	-0.5%	-0.5%	-0.5%
	US	19:30	Initial Jobless Claims	Sept	310k	335k	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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