

Morning Brief

Daily | Oct. 18, 2021

Today's Outlook:

Government Bonds

Strengthening the SUN Market Along with the Appreciation of the Rupiah. Market participants responded positively to the September trade balance which recorded a surplus of USD 4.3 billion. This figure is higher than the market consensus of USD 3.8 billion. On the other hand, the surplus trade balance position throughout 2021 will strengthen the rupiah's position ahead of the Fed's tapering off.

Corporate Bonds

Pefindo: idA Rating for Barito Pacific Bonds. Rating agency PT Pemeringkat Efek Indonesia (Pefindo) maintains its idA rating for its Shelf-Registered Bonds I Phase III Year 2020 Series A of IDR 167.52 billion which will mature on December 18, 2021, issued by PT Barito Pacific Tbk (BRPT). Pefindo said, as part of its financial planning and debt management, the company plans to pay off the maturing bonds using some of the new credit facilities from PT Bank Negara Indonesia (Persero) Tbk. (Bisnis Indonesia)

Domestic Issue

Indonesia: September Trade Balance Surplus. Indonesia's goods trade balance in September 2021 again recorded a surplus, although it decreased from the surplus in August 2021. The Central Statistics Agency (BPS) stated that the trade balance surplus in September was USD 4.37 billion, or down from USD 4.74 billion in the previous month. The commodities that contributed to the largest surplus came from non-oil and gas (non-oil and gas) commodities, namely mineral fuels, animal/vegetable fats and oils, as well as iron and steel. (Kontan)

Recommendation

Investors Data BI 7-DRRR This Week. Based on market consensus, the BI 7-DRRR for the October 2021 period is projected to remain at the level of 3.50%. Meanwhile, external positive sentiment came from US retail sales data which surprisingly grew by 0.7% last September. This figure, far exceeded consensus expectations projecting a 0.2% contraction. This indicates that the impact of the delta variant on the economy has begun to subside.

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)	146.90	144.80	Current Acc (USD bn)	(2.20)	(1.00)
Trd Balance (USD bn)	4.37	4.74	Govt. Spending Yoy	8.06%	2.96%
Exports Yoy	47.64%	64.10%	FDI (USD bn)	6.61	4.92
Imports Yoy	40.31%	55.26%	Business Confidence	104.82	105.33
Inflation Yoy	1.60%	1.59%	Cons. Confidence*	95.50	77.30

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -1.9 Bps to 101.70 (5.07%)
FR0087 (10yr): -8.6 Bps to 102.08 (6.20%)
FR0088 (15yr): -0.6 Bps to 99.44 (6.30%)
FR0083 (20yr): -3.0 Bps to 104.02 (7.10%)

FR0090 (5.8yr): +0.1 Bps to 100.46 (5.02%)
FR0091 (10.8yr): -8.5 Bps to 102.33 (6.07%)
FR0092 (21yr): -1.3 Bps to 102.43 (6.90%)

CDS of Indonesia Bonds

CDS 2yr: -6.25% to 34.92
CDS 5yr: -6.58% to 86.50
CDS 10yr: -4.88% to 146.21

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.09%	-0.08%
USDIDR	14,075	-0.30%
KRWIDR	11.90	0.07%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,294.76	382.20	1.09%
S&P 500	4,471.37	33.11	0.75%
FTSE 100	7,234.03	26.32	0.37%
DAX	15,587.36	124.64	0.81%
Nikkei	29,068.63	517.70	1.81%
Hang Seng	25,330.96	368.37	1.48%
Shanghai	3,572.37	14.09	0.40%
KOSPI	3,015.06	26.42	0.88%
EIDO	24.69	0.10	0.41%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,767.6	(28.3)	-1.57%
Crude Oil (\$/bbl)	82.28	0.97	1.19%
Coal (\$/ton)	222.55	(11.70)	-4.99%
Nickel LME (\$/MT)	20,020	726.0	3.76%
Tin LME (\$/MT)	37,200	277.0	0.75%
CPO (MYR/Ton)	4,961	84.0	1.72%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	09:00	Trade Balance	Sept.	\$4,370Mn	\$3,865Mn	\$4,740Mn
<i>15 - Oct.</i>	US	19:30	Empire Manufacturing	Oct.	19.8	25.0	34.3
	US	19:30	Retail Sales Advance MoM	Sept.	0.7%	-0.2%	0.7%
	US	21:00	U. of Mich. Sentiment	Oct.	71.4	73.1	72.8
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Monday	CH	09:00	GDP YoY	3Q		5.0%	7.9%
<i>18 - Oct.</i>	CH	09:00	Retail Sales YoY	Sept.		3.5%	2.5%
	CH	09:00	Industrial Production YoY	Sept.		3.8%	5.3%
	US	20:15	Industrial Production MoM	Sept.		—	0.4%
	US	20:15	Industrial Production MoM	Sept.		—	0.4%
Tuesday	ID	14:20	Bank Indonesia 7D Reverse Repo Rate	Oct.		3.50%	3.50%
<i>19 - Oct.</i>	US	19:30	Housing Starts	Sept.		1,610k	1,615k
Wednesday	UK	13:00	CPI MoM	Sept.		—	0.7%
<i>20 - Oct.</i>	UK	13:00	CPI YoY	Sept.		—	3.2%
	EC	16:00	CPI YoY	Sept.		—	3.0%
	US	18:00	MBA Mortgage Applications	Oct.		—	0.2%
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Thursday	US	19:30	Initial Jobless Claims	Oct.		—	293k
<i>21 - Oct.</i>	US	21:00	Leading Index	Sept.		0.5%	0.9%
	US	21:00	Existing Home Sales	Sept.		6.02m	5.88m
	US	21:00	Existing Home Sales	Sept.		6.02m	5.88m
Friday	UK	15:30	Markit UK PMI Manufacturing	Oct.		—	57.1
<i>22 - Oct.</i>	GE	14:30	Markit/ BME Germany Manufacturing	Oct.		—	58.4
	EC	15:00	Markit Eurozone Manufacturing	Oct.		—	58.6
	US	20:45	Markit US Manufacturing PMI	Oct.		60.5	60.7
	US	20:45	Markit US Manufacturing PMI	Oct.		60.5	60.7

Source: Bloomberg

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