

Morning Brief

Daily | Oct. 14, 2021

Today's Outlook:

Government Bonds

SUN Market Successfully Strengthened. Yesterday, the benchmark 20-year government bonds (SUN) FR0083 recorded a yield reduction of up to 2.3 bps. Investors are again interested in Government Securities (SBN), amid negative sentiment concerning the energy crisis that has penetrated the United States (US). This can be seen from the limited gas supply for the US winter. On the other hand, bond investors are keeping a close eye on developments in China's Evergrande bond coupon payments.

Corporate Bonds

Panin Bank Pays IDR 2.125 Trillion Bonds. Bank Pan Indonesia Tbk. (PNBN) will repay the Shelf-Registered Bonds II Phase II Year 2016 worth IDR 2.125 trillion which has matured. The bonds have a coupon of 8.75%, and are part of the Shelf-Registered Bonds II with a total fund target of IDR 10 trillion. (Bisnis Indonesia)

Domestic Issue

BI: Manufacturing Performance Declined in 3Q21. The performance of the manufacturing sector or manufacturing industry in 3Q21 indicated a decline. This is reflected in Bank Indonesia's Prompt Manufacturing Index (PMI-BI) which was 48.75%, or lower than 51.4% in 2Q21. This figure is in line with the decline in business activities due to the mobility restriction policy. (Kontan)

Recommendation

Investors Pay Attention to External Sentiments. The release of the minutes of the Fed's September meeting shows that most central bank officials see that the tapering process will begin in mid-November. Meanwhile, US inflation last month rose 0.4%; so that on an annual basis the position of the Consumer Price Index (CPI) is at the level of 5.4%. Next week, the government will again offer PBS031, PBS032, PBS029, and PBS028 in the Sukuk auction on Tuesday (19/10).

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -2.6 Bps to 101.36 (5.15%)
FR0087 (10yr): -1.9 Bps to 101.20 (6.32%)
FR0088 (15yr): -0.2 Bps to 99.21 (6.33%)
FR0083 (20yr): -2.3 Bps to 102.82 (7.22%)

FR0090 (5.8yr): -0.9 Bps to 100.24 (5.07%)
FR0091 (10.8yr): -2.0 Bps to 101.34 (6.19%)
FR0092 (21yr): -3.7 Bps to 101.55 (6.98%)

CDS of Indonesia Bonds

CDS 2yr: +0.35% to 38.02
CDS 5yr: +0.56% to 93.55
CDS 10yr: +0.35% to 156.10

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.21%	-0.02%
USDIDR	14,218	0.00%
KRWIDR	11.91	0.42%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,377.81	(0.53)	0.00%
S&P 500	4,363.80	13.15	0.30%
FTSE 100	7,141.82	11.59	0.16%
DAX	15,249.38	102.51	0.68%
Nikkei	28,140.28	(90.33)	-0.32%
Hang Seng	24,962.59	(362.50)	-1.43%
Shanghai	3,561.76	14.83	0.42%
KOSPI	2,944.41	28.03	0.96%
EIDO	24.16	0.48	2.03%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,793.0	32.8	1.86%
Crude Oil (\$/bbl)	80.44	(0.20)	-0.25%
Coal (\$/ton)	234.85	(4.80)	-2.00%
Nickel LME (\$/MT)	18,918	(60.0)	-0.32%
Tin LME (\$/MT)	36,386	(87.0)	-0.24%
CPO (MYR/Ton)	5,021	166.0	3.42%

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)	4.74	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%	1.59%	Cons. Confidence*	95.50	77.30

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	CH	08:45	Caixin China PMI Composite	Sept.	51.4	—	47.2
8 - Oct.	CH	08:45	Caixin China PMI Services	Sept.	53.4	49.2	46.7
Monday	—	—	—	—	—	—	—
11 - Oct.	—	—	—	—	—	—	—
Tuesday	UK	13:00	Claimant Count Rate	Sept.	5.2%	—	5.4%
12 - Oct.	UK	13:00	Jobless Claims Change	Sept.	-51.1k	—	-58.6k
	GE	16:00	ZEW Survey Expectations	Oct.	22.3	23.5	26.5
	GE	16:00	ZEW Survey Current Situations	Oct.	21.6	28.0	31.9
Wednesday	CH	10:07	Trade Balance	Sept.	\$66.76Bn	\$45.00Bn	\$58.34Bn
13 - Oct.	GE	13:00	CPI MoM	Sept.	0.0%	0.0%	0.0%
	US	18:00	MBA Mortgage Applications	Oct. 8	0.2%	—	-6.9%
	US	19:30	CPI MoM	Sept.	0.4%	0.3%	0.3%
Thursday	CH	08:30	CPI YoY	Sept.		0.9%	0.8%
14 - Oct.	CH	08:30	PPI YoY	Sept.		10.6%	9.5%
	US	19:30	Initial Jobless Claims	Oct. 9		—	326k
	US	19:30	PPI Final Demand MoM	Sept.		0.6%	0.7%
Friday	ID	09:00	Trade Balance	Sept.		—	\$4,740Mn
15 - Oct.	US	19:30	Empire Manufacturing	Oct.		23.8	34.3
	US	19:30	Retail Sales Advance MoM	Sept.		-0.2%	0.7%
	US	21:00	U. of Mich. Sentiment	Oct.		73.8	72.8

Source: Bloomberg

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