

Morning Brief

Daily | Oct. 21, 2021

Today's Outlook:

Government Bonds

Investors Interested in PBS031 and PBS029. Market participants were interested in the PBS031 and PBS029 series in the Sukuk auction last Tuesday. Short tenors and high returns have made both series record entry offers of up to IDR 10.5 trillion and IDR 14.4 trillion. Meanwhile, the government won IDR 5 trillion, out of a total of IDR 53.4 trillion in bids. Sukuk auction this time, in the midst of movement in yield of UST10Y which again touched the level of 1.60%.

Corporate Bonds

Pefindo: INKP Bonds Get idA Rating. PT Indah Kiat Pulp and Paper Tbk. (INKP) received an idA+ rating from Pefindo for its Shelf-Registered Bonds Phase III Year 2020 Series A. The IDR 504.635 billion bonds will mature on December 21, 2021. INKP will repay the bonds using internal cash. As of June 30, 2021, the company has a cash balance of USD 807.7 million or around IDR 11.7 trillion. (Bisnis Indonesia)

Domestic Issue

BI Holds Reference Interest Rate. The meeting of the Board of Governors of Bank Indonesia (BI) decided to maintain the BI 7-day reserve repo rate (BI-7DRR) at the level of 3.50 percent. The central bank also maintains the deposit facility interest rate at 2.75 percent and the lending facility rate at 4.25 percent. This decision is in line with the need to maintain exchange rate stability and the financial system, amid forecasts for low inflation and efforts to support economic growth. (Bisnis Indonesia)

Recommendation

Positive Sentiment Rupiah Appreciation. Apart from BI 7-DRRR remaining at 3.50%, market players are also keeping a close eye on the positive sentiment of rupiah exchange rate appreciation. Based on Bloomberg data, the rupiah closed at IDR 14,076/USD last Tuesday, or strengthened 0.2% the day before. In the short term, investors can look back at FR0086, FR0087, FR0090, and FR0091.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -1.0 Bps to 101.70 (5.06%)
FR0087 (10yr): -3.8 Bps to 102.35 (6.16%)
FR0088 (15yr): -1.2 Bps to 99.62 (6.28%)
FR0083 (20yr): -0.7 Bps to 104.08 (7.10%)

FR0090 (5.8yr): -1.8 Bps to 100.51 (5.01%)
FR0091 (10.8yr): -0.4 Bps to 102.31 (6.07%)
FR0092 (21yr): -0.6 Bps to 102.39 (6.90%)

CDS of Indonesia Bonds

CDS 2yr: -8.35% to 31.15
CDS 5yr: -1.47% to 82.79
CDS 10yr: +3.25% to 147.58

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.09%	-0.01%
USDIDR	14,076	-0.24%
KRWIDR	11.95	0.53%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,609.34	152.03	0.43%
S&P 500	4,536.19	16.56	0.37%
FTSE 100	7,223.10	5.57	0.08%
DAX	15,522.92	7.09	0.05%
Nikkei	29,255.55	40.03	0.14%
Hang Seng	26,136.02	348.81	1.35%
Shanghai	3,587.00	(6.15)	-0.17%
KOSPI	3,013.13	(15.91)	-0.53%
EIDO	24.69	(0.03)	-0.12%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,782.1	12.8	0.72%
Crude Oil (\$/bbl)	83.42	0.98	1.19%
Coal (\$/ton)	193.00	(6.10)	-3.06%
Nickel LME (\$/MT)	20,963	913.0	4.55%
Tin LME (\$/MT)	38,215	505.0	1.34%
CPO (MYR/Ton)	5,071	127.0	2.57%

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

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
	US	21:00	U. of Mich. Sentiment	Oct.	71.4	73.1	72.8
Monday	CH	09:00	GDP YoY	3Q	4.9%	5.0%	7.9%
<i>18 - Oct.</i>	CH	09:00	Retail Sales YoY	Sept.	4.4%	3.5%	2.5%
	CH	09:00	Industrial Production YoY	Sept.	3.1%	3.8%	5.3%
	US	20:15	Industrial Production MoM	Sept.	-1.3%	0.1%	0.4%
	US	20:15	Industrial Production MoM	Sept.	-1.3%	0.1%	0.4%
Tuesday	ID	14:20	Bank Indonesia 7D Reverse Repo Rate	Oct.	3.50%	3.50%	3.50%
<i>19 - Oct.</i>	US	19:30	Housing Starts	Sept.	1,555k	1,615k	1,615k
Wednesday	UK	13:00	CPI MoM	Sept.	0.3%	0.4%	0.7%
<i>20 - Oct.</i>	UK	13:00	CPI YoY	Sept.	3.1%	3.2%	3.2%
	EC	16:00	CPI YoY	Sept.	3.4%	3.4%	3.4%
	US	18:00	MBA Mortgage Applications	Oct.	-6.3%	—	0.2%
	US	18:00	MBA Mortgage Applications	Oct.	-6.3%	—	0.2%
Thursday	US	19:30	Initial Jobless Claims	Oct.		297k	293k
<i>21 - Oct.</i>	US	21:00	Leading Index	Sept.		0.4%	0.9%
	US	21:00	Existing Home Sales	Sept.		6.09m	5.88m
	US	21:00	Existing Home Sales	Sept.		6.09m	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

Research Division

Head of Research

Anggaraksa Arismunandar

Equity Strategy

T +62 21 5088 ext. 9134

E anggaraksa@nhsec.co.id

Senior Technical Analyst

Dimas Wahyu Putra Pratama

Technical

T +62 21 5088 ext 9131

E dimas.wahyu@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Ajeng Kartika Hapsari

Property, Construction, Cement

T +62 21 5088 ext 9130

E ajeng@nhsec.co.id

Analyst

Putu Chantika

Consumer, Retail

T +62 21 5088 ext 9129

E putu.chantika@nhsec.co.id

Analyst

Glenn Samuael Tanuwidjaja

Telco, Mining

T +62 21 5088 ext 9128

E glenn.samuael@nhsec.co.id

Research Support

Jasmine Kusumawardani

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta