

Morning Brief

Daily | Oct. 15, 2021

Today's Outlook:

Government Bonds

Yield FR0086 Close to 5%. All benchmark series of Government Securities (SUN) closed higher, with yields on FR0086 approaching the 5% level yesterday. SUN movement amid external sentiment. 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.

Corporate Bonds

ADHI: Optimistic New Contract Target Achieved. PT Adhi Karya (Persero) Tbk. (ADHI) is optimistic that the new contract value target of IDR 25 trillion can be achieved by the end of the year, as the company is participating in a number of tender processes. ADHI is currently participating in the tender process for several railway, infrastructure, building and other projects. ADHI targets an increase in the number of new contracts by 20-25 percent this year, or a maximum of IDR 25 trillion. (Bisnis Indonesia)

Domestic Issue

Government Receives IDR 779.61 Trillion Funds from SBN. Starting from the beginning of the year until 3Q21, the government conducted 19 auctions of Government Securities (SUN), with five additional SUN auctions and three private placements. Meanwhile, for the auction of State Sharia Securities (SBSN), the government held 18 auctions, with seven additional auctions and four private placements. The government managed to pocket as much as IDR 766.61 trillion, with details of IDR 561.37 trillion from the SUN auction, and IDR 205.24 trillion from the SBSN auction. If calculated until the second week of October 2021, the government has conducted 20 SUN auctions and 19 SBSN auctions with a total absorption of IDR 779.61 trillion. (Kontan)

Recommendation

Investors Waiting for Trade Balance. Market participants are watching the trade balance for the September period, which is projected to have a surplus of USD 3.8 billion. This projection is lower than the previous month's surplus of USD 4.7 billion. A surplus trade balance position will strengthen the rupiah's position. As for external sentiment, it came from the FOMC minutes which made UST yields move down. Meanwhile, weekly jobless claims fell to 293,000, much better than the estimate of 320K.

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

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -6.7 Bps to 101.63 (5.08%)
FR0087 (10yr): -3.9 Bps to 101.48 (6.28%)
FR0088 (15yr): -1.9 Bps to 99.39 (6.31%)
FR0083 (20yr): -8.6 Bps to 103.71 (7.13%)

FR0090 (5.8yr): -4.6 Bps to 100.46 (5.02%)
FR0091 (10.8yr): -4.3 Bps to 101.67 (6.15%)
FR0092 (21yr): -6.6 Bps to 102.29 (6.91%)

CDS of Indonesia Bonds

CDS 2yr: -2.03% to 37.25
CDS 5yr: -1.01% to 92.60
CDS 10yr: -1.52% to 153.72

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.17%	-0.04%
USDIDR	14,118	-0.70%
KRWIDR	11.90	-0.11%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,912.56	534.75	1.56%
S&P 500	4,438.26	74.46	1.71%
FTSE 100	7,207.71	65.89	0.92%
DAX	15,462.72	213.34	1.40%
Nikkei	28,550.93	410.65	1.46%
Hang Seng	24,962.59	(362.50)	-1.43%
Shanghai	3,558.28	(3.48)	-0.10%
KOSPI	2,988.64	44.23	1.50%
EIDO	24.59	0.43	1.78%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,795.9	2.9	0.16%
Crude Oil (\$/bbl)	81.31	0.87	1.08%
Coal (\$/ton)	219.80	3.00	1.38%
Nickel LME (\$/MT)	19,294	376.0	1.99%
Tin LME (\$/MT)	36,923	537.0	1.48%
CPO (MYR/Ton)	4,877	(144.0)	-2.87%

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.	0.7%	0.8%	0.8%
14 - Oct.	CH	08:30	PPI YoY	Sept.	10.7%	10.5%	9.5%
	US	19:30	Initial Jobless Claims	Oct. 9	293k	320k	326k
	US	19:30	PPI Final Demand MoM	Sept.	0.5%	0.6%	0.7%
Friday	ID	09:00	Trade Balance	Sept.		\$3,865Mn	\$4,740Mn
15 - Oct.	US	19:30	Empire Manufacturing	Oct.		25.0	34.3
	US	19:30	Retail Sales Advance MoM	Sept.		-0.2%	0.7%
	US	21:00	U. of Mich. Sentiment	Oct.		73.0	72.8

Source: Bloomberg

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