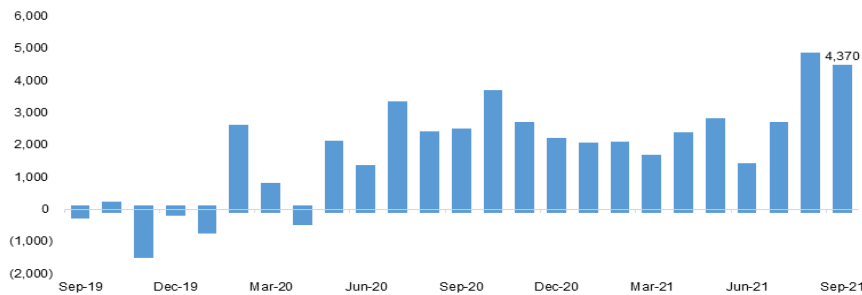


# Macroeconomic Report

## Trade Surplus Supports Rupiah Appreciation

### Trade Balance (USD Mn)



Source: Bloomberg, NHKS Research

### Commodity Price Increase Supports Rupiah Appreciation

Statistics Indonesia (BPS) recorded a trade balance surplus of USD 4.3 billion, or a total calendar year surplus of USD 23.5 billion. Meanwhile, the surplus this time was still supported by the increase in export commodity prices, which boosted the rupiah appreciation. After the announcement of the trade balance surplus, the rupiah moved closer to the psychological level of IDR 14,000/USD, or better than the previous day of IDR 14,208/USD. Furthermore, rupiah appreciation was in line with the UST10Y yield which continued to decline after touching the high of 1.6%. UST10Y Yield fell after US producer inflation data was recorded at 0.5% MoM and 8.6% YoY. This figure is lower than the market consensus of 0.6% MoM and 8.7% YoY.

### August Retail Sales Go Up

Based on the Retail Sales Survey, Bank Indonesia increased in August 2021. This can be seen from the August Real Sales Index (RSI) of 192.5, growing more than 2% MoM from 188.5 in the previous month. The increase in RSI indicates that people's purchasing power is starting to strengthen. The easing of the Implementation of Restriction on Community Activities encouraging public demand and sales in a number of areas. In more detail, retail sales in August 2021 improved, growing minus 2.1% on an annual basis. This contraction is better than in July 2021 which was minus 2.9% YoY.

### Energy Crisis Sentiment Impacts SUN Auction

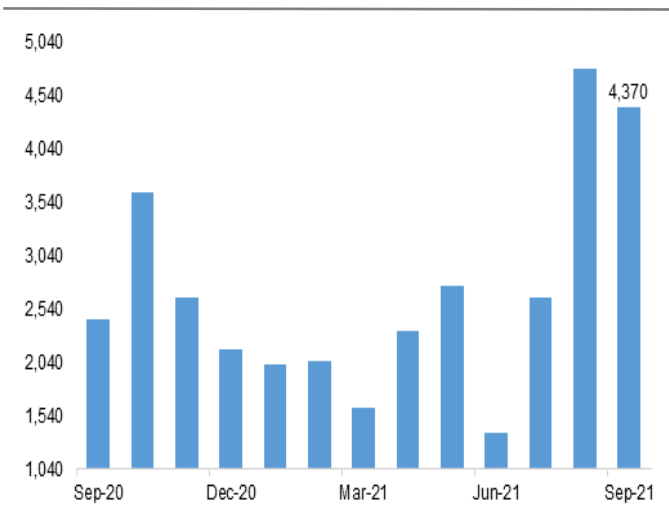
The government managed to absorb IDR 8 trillion, winning seven series in the Government Bond auction last Tuesday. Market participants are still interested in the auction, with incoming bid at more than IDR 50 trillion, amid rising energy and commodity prices that will push up the inflation rate in the United States. Meanwhile, the absorption of the SUN auction is lower than the maximum indicative target of IDR 12 trillion, in line with the improving realization of state revenues. Optimization of state spending, and non-debt payments, resulted in lower projection of budget deficit. In addition, the government's selective attitude amid rising UST10 yield to 1.6%.

**Arief Machrus**

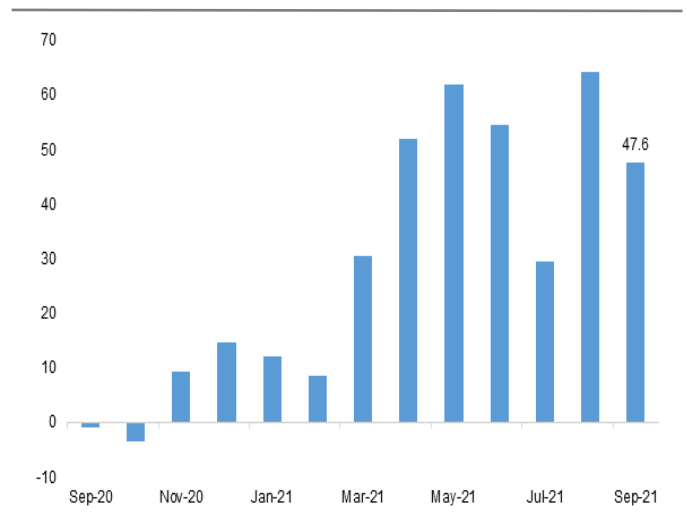
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Please consider important disclaimer

Trade Balance (USD Mn) | Sept. 2020 - Sept. 2021



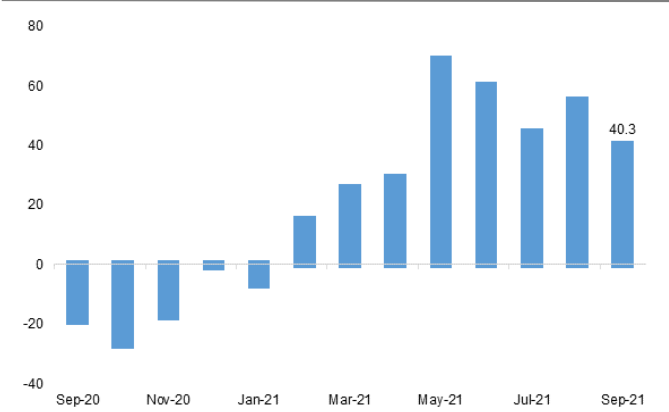
Export Growth | Sept. 2020 - Sept. 2021



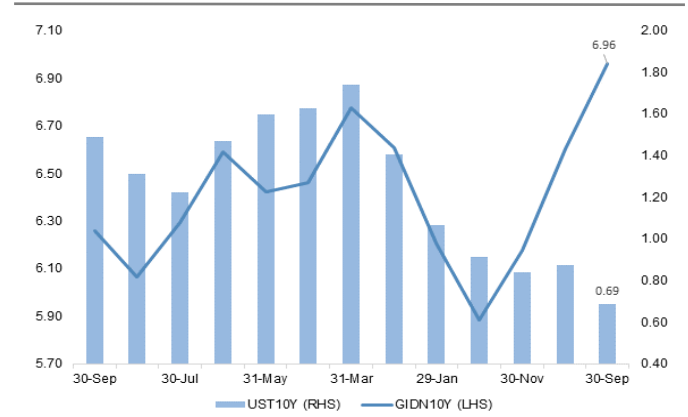
Source: Bloomberg, NHKS Research

Source: Bloomberg, NHKS Research

Import Growth | Sept. 2020 - Sept. 2021



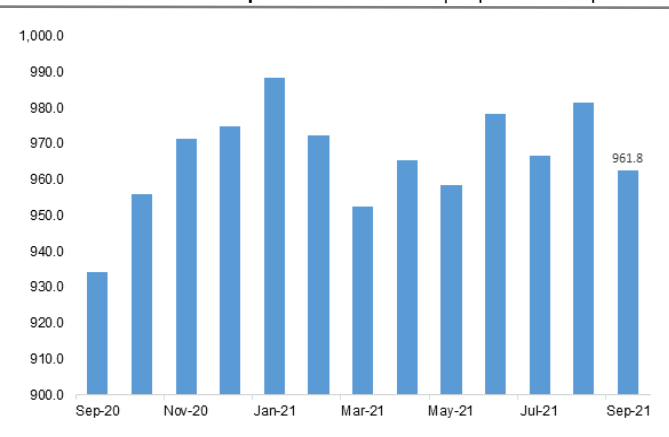
GIDN10Y (%) | Sept. 2020 - Sept. 2021



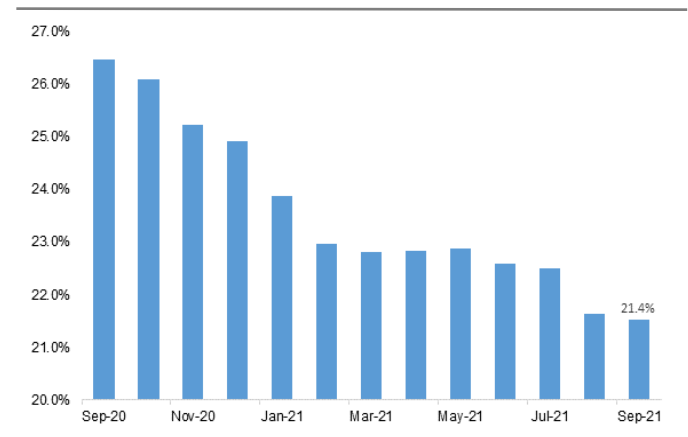
Source: Indonesia Statistics, NHKS Research

Source: Bloomberg, NHKS Research

Non-Residence Ownership in Govt. Securities | Sept. 2020 - Sept. 2021



Non-Residence Ownership in Govt. Securities (%) | Sept. 2020 - Sept. 2021



Source: Bloomberg, NHKS Research

Source: Bloomberg, NHKS Research

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