

# Morning Brief

Daily | Oct. 25, 2021

## Today's Outlook:

### Government Bonds

**Weekend Selective Buying Action.** A number of market players took selective buying, amid the increase in the yield of UST10Y which had touched the level of 1.7%. Over the weekend, the benchmark series of Government Bonds (SUN) FR0087 and FR0083 recorded a yield decline of nearly 2 bps, to 6.15% and 7.08%, respectively. The increase in the UST10Y yield was also amid the appreciation of the rupiah exchange rate.

### Corporate Bonds

**Telkom Indonesia is Ready to Enter Digital Business.** PT Telkom Indonesia Tbk (TLKM) plans to enter digital streaming services, one of which is over the top (OTT) services. This digital business is a separate business that comes out of the Telkom pattern, and is under Telkomsel. TLKM's plan to enter digital streaming services is the reason for the Company to cooperate with Microsoft, namely to strengthen the digital business ecosystem. (Kontan)

### Domestic Issue

**Indonesia-Pacific Trade Deficit USD 3.42 Billion.** Indonesia's Trade Balance for the Pacific Region experienced a relatively wide deficit of USD 3.74 billion in the January to August period this year. The record came from the oil and gas balance deficit which reached USD 0.32 billion and the non-oil and gas balance deficit of USD 3.42 billion. The realization of Indonesia's imports from the Pacific region is dominated by raw material goods that are processed for finished products in the country. The increase in imports is because most of the raw materials imported, such as wheat, raw sugar, materials related to the coal industry, and live animals. (Bisnis Indonesia)

### Recommendation

**Investors Watch US GDP.** In addition to movements in global commodity prices, market players are closely watching the release of data on Gross Domestic Product (GDP) of the United States (US) for the 3Q21 period, which consensus is projected to grow 3%. As for other global sentiment, US business activity increased in October. This shows that economic growth began to pick up in 4Q21 as the spread of Covid-19 decreased. IHS Markit said the US flash Composite PMI Output Index, which tracks both the manufacturing and services sectors, rebounded to 57.3 in the first half of the month from 55.0 in September.

## 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): -1.0 Bps to 101.67 (5.07%)  
FR0087 (10yr): -1.7 Bps to 102.40 (6.15%)  
FR0088 (15yr): -1.0 Bps to 99.73 (6.27%)  
FR0083 (20yr): -1.9 Bps to 104.22 (7.08%)

FR0090 (5.8yr): -2.2 Bps to 100.55 (5.00%)  
FR0091 (10.8yr): -1.8 Bps to 102.47 (6.05%)  
FR0092 (21yr): -1.4 Bps to 102.29 (6.91%)

## CDS of Indonesia Bonds

CDS 2yr: -0.63% to 31.23  
CDS 5yr: -0.26% to 82.99  
CDS 10yr: -0.58% to 147.58

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.07%	-0.02%
USDIDR	14,123	0.00%
KRWIDR	12.00	0.01%

## Global Indices

Index	Last	Chg.	%
Dow Jones	35,677.02	73.94	0.21%
S&P 500	4,544.90	(4.88)	-0.11%
FTSE 100	7,204.55	14.25	0.20%
DAX	15,542.98	70.42	0.46%
Nikkei	28,804.85	96.27	0.34%
Hang Seng	26,126.93	109.40	0.42%
Shanghai	3,582.60	(12.18)	-0.34%
KOSPI	3,006.16	(1.17)	-0.04%
EIDO	24.38	(0.06)	-0.25%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,792.7	9.8	0.55%
Crude Oil (\$/bbl)	83.76	1.26	1.53%
Coal (\$/ton)	170.50	10.00	6.23%
Nickel LME (\$/MT)	19,739	(191.0)	-0.96%
Tin LME (\$/MT)	37,350	100.0	0.27%
CPO (MYR/Ton)	4,924	(44.0)	-0.89%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	UK	15:30	Markit UK PMI Manufacturing	Oct.	57.7	56.0	57.1
22 - Oct.	GE	14:30	Markit/ BME Germany Manufacturing	Oct.	58.2	56.6	58.4
	EC	15:00	Markit Eurozone Manufacturing	Oct.	58.5	57.1	58.6
	US	20:45	Markit US Manufacturing PMI	Oct.	59.2	60.5	60.7
<b>Monday</b>	GE	15:00	IFO Expectations	Oct.		96.6	97.3
25 - Oct.	GE	15:00	IFO Current Assessment	Oct.		99.4	100.4
	GE	15:00	IFO Business Climate	Oct.		98.0	98.8
<b>Tuesday</b>	US	21:00	New Home Sales	Sept.		756k	740k
26 - Oct.	US	21:00	Conf. Board Consumer Confidence	Oct.		108.5	109.3
<b>Wednesday</b>	EC	15:00	M3 Money Supply YoY	Sept.		—	7.9%
27 - Oct.	US	18:00	MBA Mortgage Applications	Oct.		—	-6.3%
	US	19:30	Wholesale Inventories MoM	Sept.		—	1.2%
	US	19:30	Durable Goods Orders	Sept.		-0.7%	1.8%
<b>Thursday</b>	GE	19:00	CPI MoM	Oct.		—	0.0%
28 - Oct.	GE	19:00	CPI YoY	Oct.		—	4.1%
	US	19:30	Initial Jobless Claims	Oct.		—	290k
	US	19:30	GDP Annualized QoQ	3Q21		3.0%	6.7%
<b>Friday</b>	US	19:30	Personal Income	Sept.		0.0%	0.2%
29 - Oct.	US	19:30	Personal Spending	Sept.		0.5%	0.8%
	US	20:45	MNI Chicago PMI	Oct.		64.2	64.7
	US	21:00	U. Of Mich. Sentiment	Oct.		71.4	71.4

Source: Bloomberg

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