

Morning Brief

Daily | Oct. 4, 2021

Today's Outlook:

Government Bonds

Positive Sentiment of Manufacturing Supports the SUN Market. Market participants responded positively to the performance of domestic manufacturing which expanded again in the September 2021 period. Indonesia's Manufacturing PMI was at the level of 52.2 or much better than the previous month which contracted at the level of 43.7. The same thing also happened to the United States (US) manufacturing which continued to grow in the same period. The Institute for Supply Management (ISM) said that its national index of US factory activity rose to 61.1 last month, compared to 59.9 in August.

Corporate Bonds

Sinar Mas Agro Issues IDR 2.5 Trillion Bonds. Sinar Mas Agro Resources and Technology Tbk (SMAR) will issue Shelf-Registered Bonds III Phase II 2021 worth IDR 2.5 trillion. The Company issued these bonds in three series: Series A worth IDR 477 billion, 370-day tenor and 6% coupon; Series B IDR 1.065 trillion 3-year tenor with 8.5% coupon; and Series C IDR 958 billion 5-year tenor with a coupon of 9% per annum. (Kontan)

Domestic Issue

Indonesia's Manufacturing PMI Rises to 52.2 in September 2021. Indonesia's manufacturing performance will return to the expansion zone in September 2021. IHS Markit noted that Indonesia's Manufacturing Purchasing Managers' Index (PMI) in September 2021 was 52.2, up from 43.7 in August 2021. There was easing at the end of August 2021 and continued in September 2021, causing manufacturing performance to grow again in September 2021. (Kontan)

Recommendation

The US Infrastructure Stimulus and China's Energy Crisis. Investors are watching the progress of the infrastructure stimulus package negotiations which are currently being debated in the US parliament. This week, market players are also paying close attention to the sentiment of the energy crisis in China, which has raised commodity prices. Investors can start to look closely at PBS031 (2.8-year); PBS032 (4.8-years); PBS029 (12.4-years); PBS004 (15.4-years) and PBS028 (25-years). The five project-based sukuk will be offered at the Sukuk auction tomorrow.

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)	144.80	137.34	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%	1.52%	Cons. Confidence*	77.30	80.20

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -0.7 Bps to 101.19 (5.20%)
FR0087 (10yr): -2.2 Bps to 101.17 (6.33%)
FR0088 (15yr): -2.5 Bps to 99.00 (6.35%)
FR0083 (20yr): +1.0 Bps to 104.31 (7.07%)

FR0090 (5.8yr): -2.4 Bps to 100.16 (5.08%)
FR0091 (10.8yr): -2.1 Bps to 101.18 (6.22%)
FR0092 (21yr): -0.8 Bps to 102.28 (6.91%)

CDS of Indonesia Bonds

CDS 2yr: -0.98% to 32.83
CDS 5yr: -5.53% to 76.97
CDS 10yr: -0.71% to 139.53

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.24%	-0.02%
USDIDR	14,308	-0.03%
KRWIDR	12.04	-0.41%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,326.46	482.54	1.43%
S&P 500	4,357.04	49.50	1.15%
FTSE 100	7,027.07	(59.35)	-0.84%
DAX	15,156.44	(104.25)	-0.68%
Nikkei	28,771.07	(681.59)	-2.31%
Hang Seng	24,575.64	(87.86)	-0.36%
Shanghai	3,568.17	31.87	0.90%
KOSPI	3,019.18	(49.64)	-1.62%
EIDO	21.87	0.18	0.83%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,761.0	4.0	0.23%
Crude Oil (\$/bbl)	75.88	0.85	1.13%
Coal (\$/ton)	161.45	4.20	2.67%
Nickel LME (\$/MT)	17,971	35.0	0.20%
Tin LME (\$/MT)	33,835	(86.0)	-0.25%
CPO (MYR/Ton)	4,505	(90.0)	-1.96%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	07:30	Markit Indonesia PMI Mfg	Sept.	52.2	—	43.7
<i>1 - Oct.</i>	ID	11:00	CPI MoM	Sept.	-0.04%	0.01%	0.03%
	ID	11:00	CPI YoY	Sept.	1.60%	1.66%	1.59%
	UK	13:00	Markit UK PMI Mfg SA	Sept.	57.1	56.3	56.3
Monday	—	—	—	—	—	—	—
<i>4 - Oct.</i>	—	—	—	—	—	—	—
Tuesday	FR	14:50	Markit France Services PMI	Sept.		56.0	56.0
<i>5 - Oct.</i>	GE	14:55	Markit Germany Services PMI	Sept.		56.0	56.0
	EC	15:00	Markit Eurozone Services	Sept.		56.3	56.3
	EC	15:00	Markit Eurozone Composite	Sept.		56.1	56.1
Wednesday	GE	13:00	Factory Orders MoM	Aug.		-1.5%	3.4%
<i>6 - Oct.</i>	EC	16:00	Retail Sales MoM	Aug.		0.7%	-2.3%
Thursday	ID	10:00	Foreign Reserves	Sept.		—	\$144.80Bn
<i>7 - Oct.</i>	GE	13:00	Industrial Production SA MoM	Aug.		-0.1%	0.1%
Friday	CH	08:45	Caixin China PMI Composite	Sept.		—	47.2
<i>8 - Oct.</i>	CH	08:45	Caixin China PMI Services	Sept.		49.2	46.7

Source: Bloomberg

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