

# Morning Brief

Daily | Oct. 26, 2021

## Today's Outlook:

### Government Bonds

**SUN Market Strengthens.** In addition to keeping an eye on global commodity prices, market participants are waiting for the release of the United States (US) Gross Domestic Product (GDP) for the 3Q21 period, which consensus is projected to grow 3% QoQ. The movement of the Government Bond (SUN) market earlier this week also responded to comments from the Fed Chair last Friday, which stated that it was not yet time to raise interest rates.

### Corporate Bonds

**Lautan Luas Issues IDR 450 Billion Bonds.** The chemical distribution company PT Lautan Luas Tbk (LTLS) is ready to offer its Shelf-Registered Bond III Phase II in 2021 with a principal amount of IDR 450 billion. The bonds issuance will be divided into two series. Series A is offered at IDR 315 billion with an interest rate of 9% with a 3-year term. Meanwhile, Series B amounted to IDR 135 billion, with an interest rate of 9.75% bonds, with a term of 5 years. (Bisnis Indonesia)

### Domestic Issue

**The 2021 State Budget Deficit Reaches IDR 452 Trillion.** The 2021 State Revenue and Expenditure Budget deficit reached Rp 452 trillion by the end of September 2021, an increase compared to the previous month of Rp 383.2 trillion. However, compared to last year, the budget deficit in September 2021 fell by 33.7%. As an illustration, in September last year, the budget deficit reached Rp 681.4 trillion. On the other hand, the current 2021 APBN deficit is also still lower than the government's projection of 5.7% of GDP. (Kontan)

### Recommendation

**Home Sales Data and Consumer Confidence.** Today's SUN market moves, observing the release of external data, home sales and consumer confidence. By consensus, September's new home sales grew more than 2%. On the other hand, the consumer confidence index survey for the October period by consensus dropped to 108.5 from 109.3 in the previous month. In addition to SPN03220126 and SPN12220707, the government again offered FR0090, FR0091, FR0088, FR0092, and FR0089 in today's SUN auction.

## 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): -0.6 Bps to 101.69 (5.07%)  
FR0087 (10yr): -1.2 Bps to 102.48 (6.14%)  
FR0088 (15yr): -0.9 Bps to 99.81 (6.26%)  
FR0083 (20yr): +0.0 Bps to 104.22 (7.08%)

FR0090 (5.8yr): -0.3 Bps to 100.56 (5.00%)  
FR0091 (10.8yr): -1.5 Bps to 102.59 (6.03%)  
FR0092 (21yr): -1.1 Bps to 102.40 (6.90%)

## CDS of Indonesia Bonds

CDS 2yr: -0.17% to 31.18  
CDS 5yr: -0.27% to 82.77  
CDS 10yr: -0.08% to 147.46

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.05%	-0.01%
USDIDR	14,158	0.25%
KRWIDR	12.12	1.00%

## Global Indices

Index	Last	Chg.	%
Dow Jones	35,741.15	64.13	0.18%
S&P 500	4,566.48	21.58	0.47%
FTSE 100	7,222.82	18.27	0.25%
DAX	15,599.23	56.25	0.36%
Nikkei	28,600.41	(204.44)	-0.71%
Hang Seng	26,132.03	5.10	0.02%
Shanghai	3,609.86	27.26	0.76%
KOSPI	3,020.54	14.38	0.48%
EIDO	24.24	(0.14)	-0.57%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,807.7	15.1	0.84%
Crude Oil (\$/bbl)	83.76	0.00	0.00%
Coal (\$/ton)	195.45	14.45	7.98%
Nickel LME (\$/MT)	20,306	567.0	2.87%
Tin LME (\$/MT)	37,457	107.0	0.29%
CPO (MYR/Ton)	4,969	45.0	0.91%

## 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.	95.4	96.6	97.3
25 - Oct.	GE	15:00	IFO Current Assessment	Oct.	100.1	99.4	100.4
	GE	15:00	IFO Business Climate	Oct.	97.7	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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