

Morning Brief

Daily | Nov. 17, 2021

Today's Outlook:

Government Bonds

Market Support Economic Data. From the release of economic data, the trade balance surplus became a positive sentiment for yesterday's SUN market movement. Trade balance as of October was a surplus of USD 5.73 billion, exceeding the previous month's USD 4.37 billion, encouraging optimism on Indonesia's fundamental outlook. On the other hand, the increase in the 10-year UST yield, which broke through the 1.6% level again, became a negative external sentiment.

Corporate Bonds

Pefindo: idAAA rating for SMF Bonds. PT Pemeringkat Efek Indonesia (Pefindo) has affirmed its idAAA rating for the Sarana Multigriya Finansial (SMF) Shelf-Registered Bond IV Phase VII Year 2019 Series B worth IDR 748.5 billion which will mature on February 12, 2022. Then the same rating for Shelf-Registered Bonds V Phase V 2021 Series A worth IDR 1,500.084 billion which will mature on February 20, 2022. Pefindo has also affirmed its idAAA(sy) rating for the Sustainable Sukuk Mudharabah I Phase III Year 2021 worth IDR 100.01 billion which will mature on February 20, 2022. (Kontan)

Domestic Issue

The 2021 State Budget Deficit was recorded at 3.29% of GDP. The 2021 State Revenue and Expenditure Budget deficit reached IDR 548.9 trillion as of October 2021, equivalent to 3.29% of Gross Domestic Product (GDP). This figure is down compared to October 2020 which had a deficit of IDR 764.8 trillion or 4.67% of GDP. The deficit occurred because state spending was recorded at IDR 2,058.9 trillion, higher than state revenues of IDR 1,510 trillion. (Kontan)

Recommendation

BI Board of Governors Meeting. Market participants will tend to take a wait and see attitude ahead of the start of the Bank Indonesia (BI) Board of Governors' Meeting today. As for external sentiment, the release of retail sales data showed growth of 1.7% last month; higher than the consensus estimate of 1.4%. This at the same time eased concerns about changes in the Fed's policy in the face of high inflation rates.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	3.51%	7.07%
FX Reserve (USD bn)	145.46	146.90	Current Acc (USD bn)	(2.20)	(1.06)
Trd Balance (USD bn)	5.73	4.37	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	53.35%	47.64%	FDI (USD bn)	6.61	4.95
Imports Yoy	51.06%	40.31%	Business Confidence	104.82	105.33
Inflation Yoy	1.66%	1.60%	Cons. Confidence*	113.40	95.50

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -1.2 Bps to 101.80 (5.03%)
FR0087 (10yr): -1.4 Bps to 102.35 (6.16%)
FR0088 (15yr): +0.1 Bps to 100.32 (6.21%)
FR0083 (20yr): -0.9 Bps to 106.46 (6.87%)

FR0090 (5.5yr): -1.1 Bps to 101.11 (4.88%)
FR0091 (10.5yr): -0.8 Bps to 102.73 (6.01%)
FR0092 (20.6yr): -0.8 Bps to 104.38 (6.72%)

CDS of Indonesia Bonds

CDS 2yr: -0.98% to 31.30
CDS 5yr: -1.08% to 82.45
CDS 10yr: -0.81% to 147.19

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.03%	-0.01%
USDIDR	14,222	0.06%
KRWIDR	12.05	-0.03%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,142.22	54.77	0.15%
S&P 500	4,700.90	18.10	0.39%
FTSE 100	7,326.97	(24.89)	-0.34%
DAX	16,247.86	99.22	0.61%
Nikkei	29,808.12	31.32	0.11%
Hang Seng	25,713.78	322.87	1.27%
Shanghai	3,521.79	(11.52)	-0.33%
KOSPI	2,997.21	(2.31)	-0.08%
EIDO	23.58	(0.05)	-0.21%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,850.6	(12.2)	-0.66%
Crude Oil (\$/bbl)	80.76	(0.12)	-0.15%
Coal (\$/ton)	140.60	5.25	3.88%
Nickel LME (\$/MT)	19,979	220.0	1.11%
Tin LME (\$/MT)	37,845	137.0	0.36%
CPO (MYR/Ton)	4,788	22.0	0.46%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday <i>12 - Nov.</i>	US	22:00	U. Of Mich. Sentiment	Nov.	66.8	72.5	71.7
	—	—	—	—	—	—	—
Monday <i>15 - Nov.</i>	CH	09:00	Industrial Production YoY	Oct.	3.5%	3.0%	3.1%
	ID	11:00	Trade Balance	Oct.	\$5,740Mn	\$3,849Mn	\$4,370Mn
	ID	11:00	Exports YoY	Oct.	53.35%	44.37%	47.64%
	ID	11:00	Imports YoY	Oct.	51.06%	55.40%	40.31%
Tuesday <i>16 - Nov.</i>	EC	17:00	GDP SA QoQ	3Q21	2.2%	2.2%	2.2%
	EC	17:00	GDP SA YoY	3Q21	3.7%	3.7%	3.7%
	US	20:30	Retail Sales Advance MoM	Oct.	1.7%	1.4%	0.7%
	US	21:15	Industrial Production MoM	Oct.	1.6%	0.9%	-1.3%
Wednesday <i>17 - Nov.</i>	UK	14:00	CPI MoM	Oct.		0.8%	0.3%
	UK	14:00	CPI YoY	Oct.		3.9%	3.1%
	US	19:00	MBA Mortgage Applications	Nov.		—	5.5%
	US	20:30	Housing Starts	Oct.		1,580k	1,555k
Thursday <i>18 - Nov.</i>	ID	14:20	Bank Indonesia 7D Reverse Repo Rate	Nov.		3.50%	3.50%
	US	20:30	Initial Jobless Claims	Nov.		—	267k
Friday <i>19 - Nov.</i>	ID	10:00	BoP Current Account Balance	3Q21		—	\$2,200Mn
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Source: Bloomberg

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