

Morning Brief

Daily | Nov. 19, 2021

Today's Outlook:

Government Bonds

BI 7-DRRR Remains at 3.50% Level. Bank Indonesia again held the benchmark BI Seven Days Reverse Repo Rate (BI 7-DRRR) interest rate in November at 3.50%. This decision is in line with low and controlled inflation. For the record, the inflation rate as of October 2021 is 0.93% YtD or 1.66% YoY. This figure is still lower than the BI projection, inflation in 2021 is 2% - 4%. Market participants are still keeping an eye on the potential increase in US and Chinese interest rates, along with rising inflation in the two countries, having the opportunity to make BI raise its benchmark interest rate in the second half of 2022.

Corporate Bonds

SSMS: Net Profit Reaches IDR 1.02 Trillion. PT Sawit Sumbermas Sarana Tbk (SSMS) managed to record sales increasing 34.68% YoY to IDR 3.68 trillion in 9M21 period. The skyrocketing sales of related parties as well as third party sales have driven the Company's sales and profit in 2021. Furthermore, profit for the period attributable to owners of the parent company also increased significantly from IDR 264.97 billion to IDR 1.02 trillion. (Kontan)

Domestic Issue

BI: SBN Purchases Reached IDR 143.32 Trillion. Bank Indonesia (BI) has purchased Government Securities (SBN) in the primary market for IDR 143.32 trillion until November 16, 2021. This purchase was through the main auction mechanism worth IDR 67.87 trillion and Greenshoe Option (GSO) IDR 75.46 trillion. Meanwhile, this BI policy is in accordance with the joint decision of the Minister of Finance and BI dated April 16, 2020 which was extended until December 31, 2021. (Kontan)

Recommendation

Current Account Surplus. The Central Bureau of Statistics (BPS) is scheduled to release data for the current account balance for the 3Q21 period; which has the potential to turn into a surplus. On the other hand, weekly jobless claims data is reported at 268K; slightly above the estimate of 260 thousand.

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): -1.4 Bps to 101.85 (5.02%)
FR0087 (10yr): -1.1 Bps to 102.34 (6.16%)
FR0088 (15yr): -0.2 Bps to 100.30 (6.21%)
FR0083 (20yr): +0.2 Bps to 106.34 (6.88%)

FR0090 (5.5yr): -1.5 Bps to 101.19 (4.86%)
FR0091 (10.5yr): -0.1 Bps to 102.71 (6.01%)
FR0092 (20.6yr): +1.1 Bps to 104.19 (6.74%)

CDS of Indonesia Bonds

CDS 2yr: -1.70% to 29.90
CDS 5yr: -1.54% to 78.71
CDS 10yr: -1.27% to 142.02

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.03%	0.00%
USDIDR	14,228	-0.11%
KRWIDR	12.05	0.06%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,870.95	(60.10)	-0.17%
S&P 500	4,704.54	15.87	0.34%
FTSE 100	7,255.96	(35.24)	-0.48%
DAX	16,221.73	(29.40)	-0.18%
Nikkei	29,598.66	(89.67)	-0.30%
Hang Seng	25,319.72	(330.36)	-1.29%
Shanghai	3,520.71	(16.66)	-0.47%
KOSPI	2,947.38	(15.04)	-0.51%
EIDO	23.52	(0.14)	-0.59%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,858.9	(8.5)	-0.46%
Crude Oil (\$/bbl)	79.01	0.65	0.83%
Coal (\$/ton)	151.60	4.60	3.13%
Nickel LME (\$/MT)	19,979	220.0	1.11%
Tin LME (\$/MT)	37,845	137.0	0.36%
CPO (MYR/Ton)	4,998	99.0	2.02%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday 12 - Nov.	US	22:00	U. Of Mich. Sentiment	Nov.	66.8	72.5	71.7
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Monday 15 - Nov.	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 16 - Nov.	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 17 - Nov.	UK	14:00	CPI MoM	Oct.	1.1%	0.8%	0.3%
	UK	14:00	CPI YoY	Oct.	4.2%	3.9%	3.1%
	US	19:00	MBA Mortgage Applications	Nov.	-2.8%	—	5.5%
	US	20:30	Housing Starts	Oct.	1,520k	1,580k	1,555k
Thursday 18 - Nov.	ID	14:20	Bank Indonesia 7D Reverse Repo Rate	Nov.	3.50%	3.50%	3.50%
	US	20:30	Initial Jobless Claims	Nov.	268k	260k	267k
Friday 19 - Nov.	ID	10:00	BoP Current Account Balance	3Q21		\$3,200Mn	\$2,200Mn
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Source: Bloomberg

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