

Morning Brief

Daily | Nov. 12, 2021

Today's Outlook:

Government Bonds

Speculation of Faster FFR Increase. Benchmark FR0087's yield rose nearly 2bps, in line with UST10Y yields. Market participants responded negatively to the increase in inflation in the United States (US) last October. The release of US Consumer Price Index (CPI) data showed an inflation rate of 0.9% last October or 6.2% YoY. The rapid increase in inflation has again raised expectations that the Fed will accelerate the increase in the Fed Funds Rate (FFR) interest rate in 2022.

Corporate Bonds

BBRI: Pay Bonds Maturity IDR 193 Billion. PT Bank Rakyat Indonesia (Persero) Tbk has prepared funds to pay the Shelf-Registered Bonds II Phase I Year 2016 Series C which will mature on December 1, 2021, with a principal amount of IDR 193 billion. For the record, BRI managed to record a net profit of Rp 19.07 trillion until the third quarter of 2021. This realization shot up 34.74% compared to the same period last year. (Kontan)

Domestic Issue

PEN Budget Realization Reached IDR 456.35 Trillion. The realization of the 2021 National Economic Recovery (PEN) program budget as of 5 November 2021 has reached IDR 456.35 trillion or 61.3% of the ceiling. The Coordinating Minister for Economic Affairs said that the lowest realization was in the support cluster for Micro, Small and Medium Enterprises (MSMEs) and corporations. Although this is not a positive thing, the government is trying to use the realization of the budget for the infrastructure and financial sectors. (Bisnis Indonesia)

Recommendation

USD Index Rise Hits Weekend Markets. Yesterday the US dollar index (DXY) rose 0.32% to 95.178 or the highest level in 16 months. The movement of DXY is in line with the high inflation in the US, making market participants project that the Fed can raise interest rates 3 times next year. Some investors see a 43.2% probability that the Fed will raise interest rates 25 bps to 0.25% - 0.5% in July 2022.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.5 Bps to 101.72 (5.05%)
FR0087 (10yr): +1.8 Bps to 102.32 (6.16%)
FR0088 (15yr): -0.1 Bps to 100.26 (6.22%)
FR0083 (20yr): +0.3 Bps to 106.30 (6.89%)

FR0090 (5.5yr): +0.5 Bps to 101.05 (4.90%)
FR0091 (10.5yr): +2.4 Bps to 102.62 (6.03%)
FR0092 (20.6yr): +3.3 Bps to 104.20 (6.74%)

CDS of Indonesia Bonds

CDS 2yr: +1.97% to 32.28
CDS 5yr: +2.50% to 85.27
CDS 10yr: +1.32% to 151.10

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.04%	0.03%
USDIDR	14,263	0.07%
KRWIDR	12.09	0.16%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,921.23	(158.71)	-0.44%
S&P 500	4,649.27	2.56	0.06%
FTSE 100	7,384.18	44.03	0.60%
DAX	16,083.11	15.28	0.10%
Nikkei	29,277.86	171.08	0.59%
Hang Seng	25,247.99	251.85	1.01%
Shanghai	3,532.79	40.32	1.16%
KOSPI	2,924.92	(5.25)	-0.18%
EIDO	24.01	0.23	0.97%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,862.1	12.5	0.68%
Crude Oil (\$/bbl)	81.59	0.25	0.31%
Coal (\$/ton)	144.00	(0.10)	-0.07%
Nickel LME (\$/MT)	19,434	293.0	1.53%
Tin LME (\$/MT)	37,060	608.0	1.67%
CPO (MYR/Ton)	4,881	(39.0)	-0.79%

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)	4.37	4.74	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	47.64%	64.10%	FDI (USD bn)	6.61	4.95
Imports Yoy	40.31%	55.26%	Business Confidence	104.82	105.33
Inflation Yoy	1.66%	1.60%	Cons. Confidence*	113.40	95.50

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	10:00	Foreign Reserves	Oct.	\$145.46Bn	—	\$146.90Bn
5 - Nov.	ID	11:00	GDP YoY	Oct.	3.51%	3.88%	7.07%
	ID	11:00	GDP QoQ	Oct.	1.55%	1.90%	3.31%
	US	19:30	Unemployment Rate	Oct.	4.6%	4.7%	4.8%
Monday	ID	—	Consumer Confidence Index	Oct.	113.4	—	95.5
8 - Nov.	—	—	—	—	—	—	—
Tuesday	GE	17:00	ZEW Survey Expectations	Nov.	31.7	20.00	22.3
9 - Nov.	GE	17:00	ZEW Survey Current Situations	Nov.	12.5	18.3	21.6
	US	20:30	PPI Final Demand MoM	Oct.	0.6%	0.6%	0.5%
Wednesday	CH	08:30	CPI YoY	Oct.	1.5%	1.4%	0.7%
10 - Nov.	US	19:00	MBA Mortgage Applications	Nov.	5.5%	—	-3.3%
	US	20:30	CPI MoM	Oct.	0.9%	0.6%	0.4%
	US	20:30	Initial Jobless Claims	Nov.	267k	260k	269k
Thursday	UK	14:00	GDP QoQ	3Q21	1.3%	1.5%	5.5%
11 - Nov.	UK	14:00	GDP YoY	3Q21	6.6%	6.8%	23.6%
	UK	14:00	Industrial Production MoM	Sept.	-0.4%	0.2%	0.8%
	UK	14:00	Manufacturing Production MoM	Sept.	-0.1%	0.2%	0.5%
Friday	US	22:00	U. Of Mich. Sentiment	Nov.	—	72.5	71.7
12 - Nov.	—	—	—	—	—	—	—

Source: Bloomberg

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