

Morning Brief

Daily | Nov. 16, 2021

Today's Outlook:

Government Bonds

Positive Sentiment Economic Data Supports SUN Market. A number of market players responded positively to Indonesia's export performance for the October 2021 period, which grew 6.89% on a monthly basis. Meanwhile, the BI 7-DRRR sentiment still overshadows the movement of the Government Bond (SUN) market this week. SUN yields, which are still in a low trend, and bank credits that have just begun to expand, have the opportunity to make BI again hold the BI 7-DRRR benchmark interest rate on the results of the BI Board of Governors Meeting (RDG) next Thursday.

Corporate Bonds

MFIN: Issued IDR 650 Billion Bonds. PT Mandala Multifinance Tbk (MFIN) will offer Shelf -Registered Bonds IV Phase IV Year 2021 worth IDR 650 billion. These bonds are divided into two series and are part of the Continuous Public Offering of Bonds IV with a target fund raised of IDR 1.5 trillion. The Series A bonds have a principal amount of IDR 300 billion, bear a fixed interest rate of 8.35% and a 367-day tenor. Meanwhile, series B bonds amounted to IDR 350 billion with a fixed interest rate of 9.25% and a 3-year tenor. (Kontan)

Domestic Issue

October 2021 Exports Record High in History. The Central Statistics Agency (BPS) noted that the export value in the month under review was USD 22.03 billion. This amount increased by 6.89% MoM from September 2021 which at that time was recorded at USD 20.61 billion and when compared to the surplus in October 2020 which at that time was recorded at USD 14.36 billion, this was an increase of 53.35% YoY. (Kontan)

Recommendation

Economic Data Still Supports the Market. The trade balance surplus is a positive sentiment for the movement of the rupiah exchange rate this week. For the record, the trade balance as of October was a surplus of USD 5.73 billion, exceeding the previous month's USD 4.37 billion. A number of market participants see optimism in Indonesia's prospects and fundamentals. We also see that the trade balance surplus is still occurring in line with the high global commodity prices. As for external sentiment, the 10-year UST yield rose again to penetrate the 1.6% level. Investors are still waiting for the release of retail sales data to get a clearer picture of the impact of high inflation.

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

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -0.6 Bps to 101.75 (5.05%)
FR0087 (10yr): -0.2 Bps to 102.25 (6.17%)
FR0088 (15yr): -1.0 Bps to 100.32 (6.21%)
FR0083 (20yr): -0.9 Bps to 106.36 (6.88%)

FR0090 (5.5yr): -0.5 Bps to 101.06 (4.89%)
FR0091 (10.5yr): -0.9 Bps to 102.67 (6.02%)
FR0092 (20.6yr): -1.6 Bps to 104.29 (6.73%)

CDS of Indonesia Bonds

CDS 2yr: -1.01% to 31.61
CDS 5yr: -1.41% to 83.36
CDS 10yr: -0.94% to 148.40

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.04%	-0.01%
USDIDR	14,213	-0.16%
KRWIDR	12.05	-0.02%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,087.45	(12.86)	-0.04%
S&P 500	4,682.80	(0.05)	0.00%
FTSE 100	7,351.86	3.95	0.05%
DAX	16,148.64	54.57	0.34%
Nikkei	29,776.80	166.83	0.56%
Hang Seng	25,390.91	62.94	0.25%
Shanghai	3,533.30	(5.80)	-0.16%
KOSPI	2,999.52	30.72	1.03%
EIDO	23.63	(0.31)	-1.29%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,862.8	(2.1)	-0.11%
Crude Oil (\$/bbl)	80.88	0.09	0.11%
Coal (\$/ton)	141.05	(0.20)	-0.14%
Nickel LME (\$/MT)	19,979	220.0	1.11%
Tin LME (\$/MT)	37,845	137.0	0.36%
CPO (MYR/Ton)	4,966	31.0	0.63%

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%
	EC	17:00	GDP SA YoY	3Q21		3.7%	3.7%
	US	20:30	Retail Sales Advance MoM	Oct.		1.5%	0.7%
	US	21:15	Industrial Production MoM	Oct.		0.8%	-1.3%
Wednesday <i>17 - Nov.</i>	UK	14:00	CPI MoM	Oct.		—	0.3%
	UK	14:00	CPI YoY	Oct.		—	3.1%
	US	19:00	MBA Mortgage Applications	Nov.		—	5.5%
	US	20:30	Housing Starts	Oct.		1,573k	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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