

Morning Brief

Daily | Nov. 22, 2021

Today's Outlook:

Government Bonds

Positive Economic Data Drives Interest in Short Tenors. The benchmark series of Government Bonds (SUN) FR0086 and FR0087 recorded a decline in yields to 5.01% and 6.15%, respectively, based on Bloomberg data. Market participants responded positively to the surplus in Indonesia's Balance of Payments (BOP) and current account balance for the 3Q21 period. Meanwhile, the rupiah exchange rate at the weekend was slightly depressed to the level of IDR 14,232/USD, weakening 0.08% in a day or 0.09% in a week.

Corporate Bonds

Indomobil Finance Lists IDR 1.92 Trillion Bonds. PT Indomobil Finance Indonesia listed the issuance of bonds in the form of bonds worth a total of IDR 1.92 trillion on the Indonesia Stock Exchange today, Monday (22/11). The bonds, namely Shelf Registration Bonds IV Phase II Year 2021, consist of three series: Series A IDR 1.28 trillion with an interest rate of 4.90% and a tenor of 370-days; Series B IDR 52.8 billion with an interest rate of 6.50% and a 3-year tenor, and Series C IDR 593.54 billion with an interest rate of 7.50% and a 5-year tenor. (Bisnis Indonesia)

Domestic Issue

3Q21 Current Account Surplus. Bank Indonesia (BI) recorded a surplus in Indonesia's Balance of Payments (BOP) in 3Q21 of USD 10.7 billion, after experiencing a deficit of USD 0.4 billion in 2Q21. Meanwhile, the 3Q21 current account balance recorded a surplus of USD 4.5 billion or 1.5% of Gross Domestic Product (GDP). Whereas in 2Q21, it recorded a deficit of USD 2.0 billion or 0.7% of GDP. (Kontan)

Recommendation

Economic Data Back to Support the SUN Market. The movement of the government securities market at the beginning of the week was still supported by positive sentiment from improving domestic economic data. Investors still responded positively to the 3Q21 BOP which had a surplus of USD 10.7 billion, and the current account balance which was also a surplus of USD 4.5 billion. This is evident, the two data support the rupiah exchange rate in the range of IDR 14,200/USD.

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)	4.50	(2.20)
Trd Balance (USD bn)	5.73	4.37	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	53.35%	47.64%	FDI (USD bn)	4.77	6.61
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): -0.4 Bps to 101.87 (5.01%)
FR0087 (10yr): -0.6 Bps to 102.38 (6.15%)
FR0088 (15yr): +0.2 Bps to 100.28 (6.21%)
FR0083 (20yr): +0.1 Bps to 106.33 (6.88%)

FR0090 (5.5yr): +0.0 Bps to 101.19 (4.86%)
FR0091 (10.5yr): +0.6 Bps to 102.67 (6.02%)
FR0092 (20.6yr): +0.5 Bps to 104.14 (6.74%)

CDS of Indonesia Bonds

CDS 2yr: -0.68% to 29.69
CDS 5yr: -1.23% to 77.74
CDS 10yr: -0.54% to 141.25

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.04%	0.01%
USDIDR	14,238	0.07%
KRWIDR	12.01	-0.33%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,601.98	(268.97)	-0.75%
S&P 500	4,697.96	(6.58)	-0.14%
FTSE 100	7,223.57	(32.39)	-0.45%
DAX	16,159.97	(61.76)	-0.38%
Nikkei	29,745.87	147.21	0.50%
Hang Seng	25,049.97	(269.75)	-1.07%
Shanghai	3,560.37	39.66	1.13%
KOSPI	2,971.02	23.64	0.80%
EIDO	23.69	0.17	0.72%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,845.7	(13.2)	-0.71%
Crude Oil (\$/bbl)	75.94	(2.47)	-3.15%
Coal (\$/ton)	153.50	1.90	1.25%
Nickel LME (\$/MT)	20,044	405.0	2.06%
Tin LME (\$/MT)	38,429	(24.0)	-0.06%
CPO (MYR/Ton)	4,993	(5.0)	-0.10%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday 19 - Nov.	ID	10:00	BoP Current Account Balance	3Q21	\$4,500Mn	\$3,200Mn	-\$2,200Mn
	—	—	—	—	—	—	—
Monday 22 - Nov.	US	22:00	Existing Home Sales	Oct.		6.18Mn	6.29Mn
	EC	22:00	Consumer Confidence	Nov.		-5.5	-4.8
Tuesday 23 - Nov.	EC	16:00	Markit Eurozone Manufacturing	Nov.		57.5	58.3
	UK	16:00	Markit PMI Manufacturing	Nov.		57.4	57.8
	US	21:45	Markit Manufacturing PMI	Nov.		59.0	58.4
Wednesday 24 - Nov.	US	20:30	GDP Annualized QoQ	3Q21		2.2%	2.0%
	US	20:30	Durable Goods Orders	Oct.		0.2%	-0.3%
	US	22:00	U. of Mich. Sentiment	Nov.		66.8	66.8%
	US	22:00	New Home Sales	Oct.		801k	800k
Thursday 25 - Nov.	US	02:00	FOMC Meeting Minutes	Nov.	—	—	—
	—	—	—	—	—	—	—
Friday 26 - Nov.	EC	16:00	M3 Money Supply YoY	Oct.		—	7.4%
	—	—	—	—	—	—	—

Source: Bloomberg

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