

Morning Brief

Daily | Nov. 11, 2021

Today's Outlook:

Government Bonds

High Inflation Sentiment, Mixed SUN Market. In addition to concerns that the inflation rate of the United States (US) remains high, yesterday's market movement was amid the release of China's inflation data. China's Consumer Price Index (CPI) data for October rose 1.5% YoY, or higher than the previous month's 0.7% YoY. Meanwhile, China's Producer Price Index (PPI) in the same period rose 13.5% YoY, or higher than the previous month's 10.7% YoY. The yield on the benchmark 10-year government bonds (SUN) series FR0087 was relatively flat at 6.14%.

Corporate Bonds

TBLA: Moody's Review Debt Ratings. Moody's Investors Service is currently reviewing PT Tunas Baru Lampung Tbk's (TBLA) B1 corporate family rating (CFR) for a downgrade. Likewise with the B1 rating for senior unsecured notes issued by its subsidiary, namely TBLA International Pte. Ltd. Moody's said a rating downgrade is possible if TBLA fails to refinance large bonds maturing in 1Q23, at least 12 months before their scheduled maturity. (Kontan)

Domestic Issue

Bali Economy Minus, DKI Declines in the Third Quarter. Indonesia's economy in the third quarter - 2021 is still able to grow positively by 3.51%. However, when viewed by region, only Bali and West Papua experienced economic contraction. Data from the Central Statistics Agency (BPS) shows that Bali's economy experienced a natural -2.91%, whereas in the second quarter it was able to grow 2.88%. Meanwhile, West Papua recorded -1.76% and -2.39% in the previous quarter. Meanwhile, Jakarta experienced a drastic decline to 2.43% from 10.9% in the second quarter. (CNBC)

Recommendation

Faster FFR Increase. 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.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.3 Bps to 101.74 (5.05%)
FR0087 (10yr): -0.2 Bps to 102.45 (6.14%)
FR0088 (15yr): +0.4 Bps to 100.25 (6.22%)
FR0083 (20yr): +0.5 Bps to 106.33 (6.88%)

FR0090 (5.5yr): -0.0 Bps to 101.07 (4.89%)
FR0091 (10.5yr): -0.9 Bps to 102.81 (6.00%)
FR0092 (20.6yr): -3.1 Bps to 104.57 (6.71%)

CDS of Indonesia Bonds

CDS 2yr: -2.13% to 31.65
CDS 5yr: -2.33% to 83.18
CDS 10yr: -1.60% to 149.13

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.02%	-0.01%
USDIDR	14,253	0.07%
KRWIDR	12.07	-0.29%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,079.94	(240.04)	-0.66%
S&P 500	4,646.71	(38.54)	-0.82%
FTSE 100	7,340.15	66.11	0.91%
DAX	16,067.83	27.36	0.17%
Nikkei	29,106.78	(178.68)	-0.61%
Hang Seng	24,996.14	183.01	0.74%
Shanghai	3,492.46	(14.54)	-0.42%
KOSPI	2,930.17	(32.29)	-1.09%
EIDO	23.78	(0.05)	-0.21%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,849.6	17.7	0.97%
Crude Oil (\$/bbl)	81.34	(2.81)	-3.34%
Coal (\$/ton)	149.95	(9.25)	-5.81%
Nickel LME (\$/MT)	19,434	293.0	1.53%
Tin LME (\$/MT)	37,060	608.0	1.67%
CPO (MYR/Ton)	4,920	128.0	2.67%

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		1.5%	5.5%
11 - Nov.	UK	14:00	GDP YoY	3Q21		6.8%	23.6%
	UK	14:00	Industrial Production MoM	Sept.		0.2%	0.8%
	UK	14:00	Manufacturing Production MoM	Sept.		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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