

# Morning Brief

Daily | Nov. 1, 2021

## Today's Outlook:

### Government Bonds

**Investors Return to Interest in Long Tenors.** The long tenor yield FR0083 was stable below the psychological 7% level, as market sentiment worsened and sparked buying of safe-haven assets. The decline in yield on FR0083 was in contrast to the increase in yield on other benchmark series of Government Securities (SUN), which rose in the range of 0.3 bps to 2.6 bps. Market participants responded in the form of an increase in Covid-19 cases in China and Europe, as well as a slowdown in the United States (US) economy ahead of the tapering off.

### Corporate Bonds

**TBIG: To Release USD 400 Million Notes.** PT Tower Bersama Infrastructure Tbk (TBIG) is in the process of offering USD 400 million worth of bonds with an interest rate of 2.80%. The unsecured note has a term of 5.5 years and will mature in 2027. Fitch Ratings Ltd. assigned a BBB- rating to this note, and the bond offering is expected to close on November 2, 2021. TBIG plans to use the proceeds for refinancing. (Kontan)

### Domestic Issue

**Foreign Capital of IDR 0.78 Trillion Flows Out of Indonesia.** Foreign capital flows appeared to be leaving the domestic financial market. Based on Bank Indonesia (BI) transaction data from October 25, 2021 to October 28, 2021, the domestic financial market recorded a net sale of IDR 0.78 trillion. In detail, the net sell in the state securities (SBN) market amounted to IDR 4.32 trillion. In addition, net purchases on the stock market amounted to IDR 3.54 trillion. Thus, based on data during the current year or from early January to the fourth week of October 2021, there were recorded net purchases of IDR 8.91 trillion. (Bisnis Indonesia)

### Recommendation

**Looking forward to this week's FOMC meeting.** SUN market movements are relatively limited, ahead of the Federal Open Market Committee (FOMC) meeting on November 2-3, 2021. Market participants take a wait and see attitude until the FOMC results hit tapering off. From within the country, market participants will pay close attention to the release of routine economic data such as the inflation rate and the Manufacturing PMI.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	7.07%	-0.74%
FX Reserve (USD bn)	146.90	144.80	Current Acc (USD bn)	(2.20)	(1.00)
Trd Balance (USD bn)	4.37	4.74	Govt. Spending Yoy	8.06%	2.96%
Exports Yoy	47.64%	64.10%	FDI (USD bn)	6.61	4.92
Imports Yoy	40.31%	55.26%	Business Confidence	104.82	105.33
Inflation Yoy	1.60%	1.59%	Cons. Confidence*	95.50	77.30

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.3 Bps to 101.70 (5.06%)  
FR0087 (10yr): +2.6 Bps to 102.25 (6.17%)  
FR0088 (15yr): +0.5 Bps to 99.76 (6.27%)  
FR0083 (20yr): -0.1 Bps to 105.19 (6.99%)

FR0090 (5.5yr): +1.3 Bps to 100.99 (4.91%)  
FR0091 (10.5yr): +1.8 Bps to 102.61 (6.03%)  
FR0092 (20.6yr): +0.8 Bps to 103.00 (6.85%)

## CDS of Indonesia Bonds

CDS 2yr: +2.45% to 31.11  
CDS 5yr: +2.60% to 82.05  
CDS 10yr: +1.95% to 147.42

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.06%	0.02%
USDIDR	14,168	-0.04%
KRWIDR	12.13	0.07%

## Global Indices

Index	Last	Chg.	%
Dow Jones	35,819.56	89.08	0.25%
S&P 500	4,605.38	8.96	0.19%
FTSE 100	7,237.57	(11.90)	-0.16%
DAX	15,688.77	(7.56)	-0.05%
Nikkei	28,892.69	72.60	0.25%
Hang Seng	25,377.24	(178.49)	-0.70%
Shanghai	3,547.34	28.92	0.82%
KOSPI	2,970.68	(38.87)	-1.29%
EIDO	23.93	0.06	0.25%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,783.4	(15.5)	-0.86%
Crude Oil (\$/bbl)	83.57	0.76	0.92%
Coal (\$/ton)	129.20	(15.80)	-10.90%
Nickel LME (\$/MT)	19,448	(126.0)	-0.64%
Tin LME (\$/MT)	36,888	1030.0	2.87%
CPO (MYR/Ton)	5,026	97.0	1.97%

# Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	US	19:30	Personal Income	Sept.	-1.0%	-0.3%	0.2%
29 - Oct.	US	19:30	Personal Spending	Sept.	0.6%	0.6%	0.8%
	US	20:45	MNI Chicago PMI	Oct.	68.4	63.7	64.7
	US	21:00	U. Of Mich. Sentiment	Oct.	71.7	71.4	71.4
	US	21:00	ISM Manufacturing	Oct.		60.5	61.1
<b>Monday</b>	ID	07:30	Markit Indonesia PMI Mfg	Oct.		—	52.2
1 - Nov.	CH	08:45	Caixin China PMI Mfg	Oct.		50.0	50.0
	ID	11:00	CPI YoY	Oct.		1.65%	1.60%
	US	21:00	ISM Manufacturing	Oct.		60.5	61.1
	US	21:00	ISM Manufacturing	Oct.		60.5	61.1
<b>Tuesday</b>	—	—	—	—	—	—	—
2 - Nov.	—	—	—	—	—	—	—
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Oct.		—	0.3%
3 - Nov.	US	19:15	ADP Employment Change	Oct.		400k	568k
	US	21:00	Factory Orders	Sept.		-0.1%	1.2%
	US	21:00	Durable Goods Orders	Sept.		—	-0.4%
	US	21:00	Durable Goods Orders	Sept.		—	-0.4%
<b>Thursday</b>	US	01:00	FOMC Rate Decision (Upper)	Nov.		0.25%	0.25%
4 - Nov.	UK	19:00	Bank of England Bank Rate	Nov.		0.175%	0.100%
	US	19:30	Initial Jobless Claims	Oct.		—	281k
	US	19:30	Trade Balance	Sept.		-\$74.2Bn	-\$73.3Bn
	US	19:30	Trade Balance	Sept.		-\$74.2Bn	-\$73.3Bn
<b>Friday</b>	ID	10:00	Foreign Reserves	Oct.		—	\$146.90Bn
5 - Nov.	ID	11:00	GDP YoY	Oct.		3.56%	7.07%
	ID	11:00	GDP QoQ	Oct.		1.53%	3.31%
	US	19:30	Unemployment Rate	Oct.		4.7%	4.8%
	US	19:30	Unemployment Rate	Oct.		4.7%	4.8%

Source: Bloomberg

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