

Morning Brief

Daily | Nov. 2, 2021

Today's Outlook:

Government Bonds

Markets Mixed Ahead Of This Week's FOMC Meeting. The Fed is expected to approve the start of a reduction in debt purchases at its meeting this week. The SUN market movement at the beginning of the week was relatively limited. Meanwhile, the Federal Open Market Committee (FOMC) meeting will be held on November 2-3, 2021. Market participants are waiting and see until the FOMC results are confirmed regarding tapering off.

Corporate Bonds

BRI Stops Offering Continuous Bonds III. PT Bank Rakyat Indonesia (Persero) Tbk. (BBRI) announced the termination of the Shelf Registration Bond III worth IDR 20 trillion. Meanwhile, the realization of the funds collected in the Shelf-Registered Bonds III Phase I Year 2019 is worth IDR 5 trillion. Meanwhile, PUB Sustainable Bonds III which are not issued are worth IDR 15 trillion. The Company takes into account the growth of Third Party Funds (TPF) and the results of Capital Increase by Providing Pre-emptive Rights, both of which increase the company's liquidity. (Bisnis Indonesia)

Domestic Issue

Indonesian Manufacturing PMI Record Highest. Indonesia's manufacturing conditions rose again in October 2021. IHS Markit recorded Indonesia's Manufacturing Purchasing Managers' Index (PMI) at 57.2, up from 52.2 in September 2021. Not only increased, but even the growth rate in the month under review is the highest. This development cannot be separated from further easing of Covid-19 restrictions which will allow Indonesia's manufacturing sector to grow more rapidly. (Kontan)

Recommendation

FOMC and Indonesia GDP. Market participants still tend to wait and see ahead of the announcement of the results of the Fed meeting and the release of the Indonesia Gross Domestic Product (GDP) for the 3Q21 period. Meanwhile, the Indonesian Manufacturing PMI, which once again hit a record high, became a positive sentiment for the bond market today. Today, the government is offering SPNS 03052022, PBS031, PBS032, PBS029, and PBS028, in the Sukuk auction.

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): +1.4 Bps to 101.64 (5.08%)
FR0087 (10yr): +4.2 Bps to 101.95 (6.21%)
FR0088 (15yr): -0.0 Bps to 99.76 (6.27%)
FR0083 (20yr): +1.3 Bps to 105.05 (7.00%)

FR0090 (5.5yr): -0.1 Bps to 100.99 (4.91%)
FR0091 (10.5yr): +4.3 Bps to 102.27 (6.07%)
FR0092 (20.6yr): +0.6 Bps to 102.93 (6.85%)

CDS of Indonesia Bonds

CDS 2yr: +0.43% to 31.25
CDS 5yr: +0.35% to 82.34
CDS 10yr: +0.24% to 147.79

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.10%	0.04%
USDIDR	14,248	0.56%
KRWIDR	12.13	0.07%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,913.84	94.28	0.26%
S&P 500	4,613.67	8.29	0.18%
FTSE 100	7,288.62	51.05	0.71%
DAX	15,806.29	117.52	0.75%
Nikkei	29,647.08	754.39	2.61%
Hang Seng	25,154.32	(222.92)	-0.88%
Shanghai	3,544.48	(2.86)	-0.08%
KOSPI	2,978.94	8.26	0.28%
EIDO	23.63	(0.30)	-1.25%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,793.3	9.9	0.56%
Crude Oil (\$/bbl)	84.05	0.48	0.57%
Coal (\$/ton)	120.75	(8.45)	-6.54%
Nickel LME (\$/MT)	19,448	(126.0)	-0.64%
Tin LME (\$/MT)	36,888	1030.0	2.87%
CPO (MYR/Ton)	4,961	(65.0)	-1.29%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	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	U. Of Mich. Sentiment	Oct.	71.7	71.4	71.4
Monday	ID	07:30	Markit Indonesia PMI Mfg	Oct.	57.2	—	52.2
1 - Nov.	CH	08:45	Caixin China PMI Mfg	Oct.	50.6	50.0	50.0
	ID	11:00	CPI YoY	Oct.	1.66%	1.65%	1.60%
	US	21:00	ISM Manufacturing	Oct	60.8	60.5	61.1
	US	21:00	ISM Manufacturing	Oct	60.8	60.5	61.1
Tuesday	—	—	—	—	—	—	—
2 - Nov.	—	—	—	—	—	—	—
Wednesday	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%	-0.4%
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Thursday	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
Friday	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%
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Source: Bloomberg

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