

Morning Brief

Daily | Nov. 8, 2021

Today's Outlook:

Government Bonds

Government Cancels SBN Auction for Remaining 2021. Benchmark series of Government Bonds (SUN) moved higher, with the steepest decline in yields in long tenors. Market participants responded to the government's decision to cancel the auction of Government Securities (SBN) in the remainder of 2021. This cancellation reduced the supply of SBN and made investors hunt for it in the secondary market. Yields FR0088 and FR0092 fell 2.5 bps and 3 bps to 6.22% and 6.80%, respectively.

Corporate Bonds

PPRO: Pay Off Due Debt. PT PP (Persero) Tbk (PTPP) encourages its subsidiary, PT PP Properti Tbk (PPRO) to divest its assets for debt repayment. PPRO has an MTN that will mature on November 15, 2021, amounting to IDR 200 billion. In addition, PPRO also still has a number of obligations. Among others, Continuous Bonds II Phase II 2021 worth IDR 300 billion with a maturity on February 15, 2022, Bonds I Phase II 2019 worth IDR 800 billion with a maturity date of 22 February 2022, and Bonds I Phase III 2019 worth IDR 534 billion with maturity due on July 19, 2022. (Kontan)

Domestic Issue

BPS: 3Q21 Exports Grow 50.9% YoY. The Central Statistics Agency (BPS) announced that exports for the 3Q21 period reached USD 61.42 billion (around IDR 872.16 trillion, at an exchange rate of IDR 14,200/USD). This figure grew 50.9% on an annual basis, compared to the previous USD 40.7 billion. Meanwhile, on a quarterly basis, exports grew 13.18% QoQ from the previous USD 53.97 billion. BPS assesses that the development of food or mining commodity prices has significantly affected export performance. On the other hand, Indonesia's 3Q21 economic growth was 3.51%YoY. (Bisnis Indonesia)

Recommendation

GDP Sentiment Still Colors the Market Movement at the Beginning of the Week. The release of Indonesia's 3Q21 Gross Domestic Product (GDP) data, which was below market expectations, has the opportunity to make investors return to interest in the safe haven of SBN instruments. Indonesia's GDP in 3Q21 was 3.51% YoY and 1.55% QoQ, or lower than market expectations of 3.88% YoY and 1.90% QoQ. Meanwhile, external sentiment came from the United States (US), employment data recorded 531 thousand new jobs were created last month. This figure, exceeds the consensus estimate of 450 thousand. The unemployment rate managed to drop from 4.8% to 4.6%.

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	1.66%	1.60%	Cons. Confidence*	95.50	77.30

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -1.1 Bps to 101.72 (5.06%)
FR0087 (10yr): -1.4 Bps to 102.18 (6.18%)
FR0088 (15yr): -2.5 Bps to 100.25 (6.22%)
FR0083 (20yr): -0.2 Bps to 105.70 (6.94%)

FR0090 (5.5yr): -0.8 Bps to 100.95 (4.92%)
FR0091 (10.5yr): -0.4 Bps to 102.50 (6.04%)
FR0092 (20.6yr): -3.0 Bps to 103.54 (6.80%)

CDS of Indonesia Bonds

CDS 2yr: +1.29% to 30.54
CDS 5yr: +0.76% to 81.28
CDS 10yr: +1.14% to 145.01

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.06%	-0.01%
USDIDR	14,328	-0.07%
KRWIDR	12.09	-0.49%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,327.95	203.72	0.56%
S&P 500	4,697.53	17.47	0.37%
FTSE 100	7,303.96	24.05	0.33%
DAX	16,054.36	24.71	0.15%
Nikkei	29,611.57	(182.80)	-0.61%
Hang Seng	24,870.51	(354.68)	-1.41%
Shanghai	3,491.57	(35.30)	-1.00%
KOSPI	2,969.27	(13.95)	-0.47%
EIDO	23.55	0.20	0.86%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,818.4	26.3	1.47%
Crude Oil (\$/bbl)	81.27	2.46	3.12%
Coal (\$/ton)	147.75	2.75	1.90%
Nickel LME (\$/MT)	19,434	293.0	1.53%
Tin LME (\$/MT)	37,060	608.0	1.67%
CPO (MYR/Ton)	4,880	(191.0)	-3.77%

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.		—	95.5
8 - Nov.	—	—	—	—	—	—	—
Tuesday	GE	17:00	ZEW Survey Expectations	Nov.		20.00	22.3
9 - Nov.	GE	17:00	ZEW Survey Current Situations	Nov.		18.0	21.6
	US	20:30	PPI Final Demand MoM	Oct.		0.6%	0.5%
Wednesday	CH	08:30	CPI YoY	Oct.		1.4%	0.7%
10 - Nov.	US	19:00	MBA Mortgage Applications	Nov.		—	-3.3%
	US	20:30	CPI MoM	Oct.		0.6%	0.4%
	US	20:30	Initial Jobless Claims	Nov.		—	269k
Thursday	UK	14:00	GDP QoQ	3Q21		1.5%	5.5%
11 - Nov.	UK	14:00	GDP YoY	3Q21		—	23.6%
	UK	14:00	Industrial Production MoM	Sept.		—	0.8%
	UK	14:00	Manufacturing Production MoM	Sept.		—	0.5%
Friday	US	22:00	U. Of Mich. Sentiment	Nov.		72.5	71.7
12 - Nov.	—	—	—	—	—	—	—

Source: Bloomberg

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