

Morning Brief

Daily | Nov. 10, 2021

Today's Outlook:

Government Bonds

Consumer Optimism Holds SUN Market. Bank Indonesia (BI) recorded the Consumer Confidence Index (IKK) in October at 113.4, up from 95.5 in the previous month. A reading of more than 100 in the IKK reflects optimism, as economic activity and people's incomes improve after the easing of the mobility restriction policy. The economic recovery made investors reduce the portion of bonds, and look for riskier instruments such as stocks. Previously, Indonesia was in the pessimistic zone for three months until September.

Corporate Bonds

BBKP: Sixth Limited Public Offering Effective. PT Bank KB Bukopin Tbk (BBKP) will soon realize its Sixth Limited Public Offering (PUT VI), through the issuance of new shares by granting Pre-emptive Rights (HMETD) to shareholders. BBKP has submitted a Registration Statement in connection with the Limited Public Offering in the context of issuing Preemptive Rights to the Financial Services Authority (OJK) and was declared effective last Monday (08/11). During the PUT VI, the Company will issue 35,214,288,984 new class B shares. (Kontan)

Domestic Issue

BI: October CCI Rises. After being stuck in the pessimistic zone for three months until September, consumer perceptions of economic conditions crept into the optimistic zone in October. Bank Indonesia (BI) reported last month's Consumer Confidence Index (CCI) of 113.4, up from 95.5 in the previous month. A reading of more than 100 in the ICC reflects optimism. According to BI, economic activity and people's incomes have improved in line with the easing of mobility restrictions. (Bisnis Indonesia)

Recommendation

IHigh Inflation Holds IKK Sentiment. In addition to re-observing the optimistic sentiment of domestic consumers, concerns over the inflation rate in the United States (US) which remains high are another sentiment. The release of IKK data for the October 2021 period was recorded to return to the optimistic zone at the level of 113.4. Market participants are waiting for the US Consumer Price Index (CPI) data for October which is projected at 0.6% MoM or higher than 0.4% in the previous month.

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%	-0.71%
FX Reserve (USD bn)	146.90	144.80	Current Acc (USD bn)	(2.20)	(1.06)
Trd Balance (USD bn)	4.37	4.74	Govt. Spending Yoy	0.66%	2.34%
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	77.30

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -0.7 Bps to 101.76 (5.05%)
FR0087 (10yr): -0.3 Bps to 102.43 (6.14%)
FR0088 (15yr): +0.2 Bps to 100.28 (6.21%)
FR0083 (20yr): -0.6 Bps to 106.39 (6.88%)

FR0090 (5.5yr): -0.9 Bps to 101.07 (4.89%)
FR0091 (10.5yr): -0.8 Bps to 102.74 (6.01%)
FR0092 (20.6yr): -1.2 Bps to 104.22 (6.74%)

CDS of Indonesia Bonds

CDS 2yr: +2.73% to 32.34
CDS 5yr: +2.04% to 85.17
CDS 10yr: +2.00% to 151.56

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.03%	-0.01%
USDIDR	14,243	-0.11%
KRWIDR	12.11	0.45%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,319.98	(112.24)	-0.31%
S&P 500	4,685.25	(16.45)	-0.35%
FTSE 100	7,274.04	(26.36)	-0.36%
DAX	16,040.47	(6.05)	-0.04%
Nikkei	29,285.46	(221.59)	-0.75%
Hang Seng	24,813.13	49.36	0.20%
Shanghai	3,507.00	8.37	0.24%
KOSPI	2,962.46	2.26	0.08%
EIDO	23.83	0.06	0.25%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,831.9	7.7	0.42%
Crude Oil (\$/bbl)	84.15	2.22	2.71%
Coal (\$/ton)	159.20	(4.80)	-2.93%
Nickel LME (\$/MT)	19,434	293.0	1.53%
Tin LME (\$/MT)	37,060	608.0	1.67%
CPO (MYR/Ton)	4,792	(103.0)	-2.10%

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.		1.4%	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.		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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