

Morning Brief

Daily | Nov. 3, 2021

Today's Outlook:

Government Bonds

Wait and see before the FOMC. Based on data from the Directorate General of Risk Financing and Management (DJPPR), the total Sukuk auction bids are worth IDR 48.7 trillion. This figure is lower than the previous Sukuk auction of IDR 53.4 trillion. In addition to the wait and see attitude ahead of the results of the Federal Open Market Committee (FOMC), the decline was in line with the lower indicative target. In this auction, PBS029 became the series that attracted the most investors with the number of incoming bids up to IDR 14.4 trillion.

Corporate Bonds

MEDC: Issued IDR 1 Trillion Bonds with 8.5% Interest. PT Medco Energi Internasional Tbk (MEDC) will issue Shelf-Registered Bonds IV Phase II Year 2021 worth IDR 1 trillion. This issuance is part of the Shelf-Registered Bonds IV with a total value of IDR 5 trillion. Previously, the Company issued bonds with a value of IDR 1 trillion in the first phase, on September 9, 2021. This time, MEDC offers two series of bonds, namely: Series A worth IDR 941.80 billion with a 36-month tenor with an interest of 7.75%, and a Series B of IDR 58.19 billion in a 60-month tenor with a fixed interest rate of 8.5%. (Kontan)

Domestic Issue

October Inflation Under Control. The inflation rate in October 2021 was recorded at 0.12 percent on a monthly basis (month-to-month/mtm) or reaching 1.66 percent on an annual basis (year-on-year/yoy). The stable inflation rate was driven by improving conditions in the health sector, so that public activity resumed and increased consumption. (Bisnis Indonesia)

Recommendation

Fed Meeting Focus. Investors are still focused on the results of the meeting of the Federal Reserve which is expected to approve the start of the tapering program by reducing the purchase of debt securities by USD 15 billion per month. Market participants are also waiting for the release of Indonesia's Gross Domestic Product (GDP) data on Friday.

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): -1.0 Bps to 101.68 (5.07%)
FR0087 (10yr): -0.5 Bps to 101.98 (6.21%)
FR0088 (15yr): -0.8 Bps to 99.83 (6.26%)
FR0083 (20yr): -1.0 Bps to 105.15 (6.99%)

FR0090 (5.5yr): +1.8 Bps to 100.91 (4.93%)
FR0091 (10.5yr): -1.2 Bps to 102.36 (6.06%)
FR0092 (20.6yr): -0.6 Bps to 102.99 (6.85%)

CDS of Indonesia Bonds

CDS 2yr: +1.32% to 31.66
CDS 5yr: +1.76% to 83.80
CDS 10yr: +1.03% to 149.31

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.08%	-0.02%
USDIDR	14,253	0.04%
KRWIDR	12.13	-0.01%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,052.63	138.79	0.39%
S&P 500	4,630.65	16.98	0.37%
FTSE 100	7,274.81	(13.81)	-0.19%
DAX	15,954.45	148.16	0.94%
Nikkei	29,520.90	(126.18)	-0.43%
Hang Seng	25,099.67	(54.65)	-0.22%
Shanghai	3,505.63	(38.85)	-1.10%
KOSPI	3,013.49	34.55	1.16%
EIDO	23.31	(0.32)	-1.35%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,787.8	(5.5)	-0.31%
Crude Oil (\$/bbl)	83.91	(0.14)	-0.17%
Coal (\$/ton)	126.10	(0.40)	-0.32%
Nickel LME (\$/MT)	19,448	(126.0)	-0.64%
Tin LME (\$/MT)	36,888	1030.0	2.87%
CPO (MYR/Ton)	4,970	9.0	0.18%

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
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
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%
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
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%

Source: Bloomberg

Research Division

Head of Research

Anggaraksa Arismunandar

Equity Strategy

T +62 21 5088 ext. 9134

E anggaraksa@nhsec.co.id

Senior Technical Analyst

Dimas Wahyu Putra Pratama

Technical

T +62 21 5088 ext 9131

E dimas.wahyu@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Ajeng Kartika Hapsari

Property, Construction, Cement

T +62 21 5088 ext 9130

E ajeng@nhsec.co.id

Analyst

Putu Chantika

Consumer, Retail

T +62 21 5088 ext 9129

E putu.chantika@nhsec.co.id

Analyst

Glenn Samuael Tanuwidjaja

Telco, Mining

T +62 21 5088 ext 9128

E glenn.samuael@nhsec.co.id

Research Support

Jasmine Kusumawardani

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta