

Morning Brief

Daily | Nov. 25, 2021

Today's Outlook:

Government Bonds

Speculation of Accelerated Tapering Off Hits SUN Market. The Fed officially announced a gradual tapering off policy, starting at the end of this month. The current value of quantitative easing is USD 120 billion, and if done in stages it will take 8 months to zero, or end in June 2022. On the other hand, the Fed's Board of Governors calls for accelerating tapering off so that it can end April 2022, which could then raise interest rates in 2Q22.

Corporate Bonds

PNM Repays IDR 904.8 Billion Bonds. PT Permodalan Nasional Madani stated the readiness of funds to pay off the principal of the Shelf-Registered Bonds III Phase IV Year 2020 Series A of IDR 904.8 billion. The bonds will mature on December 14, 2021. PNM has several options to pay the bonds. Meanwhile, the company's cash and cash equivalent position as of October 31, 2021 was around IDR 3 trillion. (Bisnis Indonesia)

Domestic Issue

Foreign Loan Withdrawal Reaches IDR 47.3 trillion. The Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance (Kemenkeu) reported that until the end of October 2021, the withdrawal of government foreign loans had reached IDR 47.3 trillion. Most of the debt withdrawals are low-interest loan withdrawals from multilateral and bilateral institutions to support handling the impact of Covid-19 and national economic recovery. (Kontan)

Recommendation

Fed Meeting Minutes. The release of the minutes of the Fed's meeting showed some of the central bank's officials supported an early rate hike. Currently, market participants are watching whether inflation, which continues to hold at high levels, will prompt other major central banks, including the Fed, to raise interest rates sooner than planned.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -0.4 Bps to 101.88 (5.01%)
FR0087 (10yr): +0.6 Bps to 102.23 (6.17%)
FR0088 (15yr): +0.2 Bps to 100.21 (6.22%)
FR0083 (20yr): +0.3 Bps to 106.19 (6.90%)

FR0090 (5.5yr): -0.9 Bps to 101.22 (4.86%)
FR0091 (10.5yr): +0.1 Bps to 102.58 (6.03%)
FR0092 (20.6yr): +1.4 Bps to 103.93 (6.76%)

CDS of Indonesia Bonds

CDS 2yr: +1.80% to 30.51
CDS 5yr: +2.89% to 80.40
CDS 10yr: +1.34% to 143.90

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.05%	-0.00%
USDIDR	14,258	0.00%
KRWIDR	12.02	0.34%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,804.38	(9.42)	-0.03%
S&P 500	4,701.46	10.76	0.23%
FTSE 100	7,286.32	19.63	0.27%
DAX	15,878.39	(58.61)	-0.37%
Nikkei	29,302.66	(471.45)	-1.58%
Hang Seng	24,685.50	33.92	0.14%
Shanghai	3,592.70	3.61	0.10%
KOSPI	2,994.29	(3.04)	-0.10%
EIDO	23.67	(0.07)	-0.29%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,788.6	(0.6)	-0.03%
Crude Oil (\$/bbl)	78.39	(0.11)	-0.14%
Coal (\$/ton)	161.15	9.25	6.09%
Nickel LME (\$/MT)	20,044	405.0	2.06%
Tin LME (\$/MT)	38,429	(24.0)	-0.06%
CPO (MYR/Ton)	4,916	64.0	1.32%

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%	7.07%
FX Reserve (USD bn)	145.46	146.90	Current Acc (USD bn)	4.50	(2.20)
Trd Balance (USD bn)	5.73	4.37	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	53.35%	47.64%	FDI (USD bn)	4.77	6.61
Imports Yoy	51.06%	40.31%	Business Confidence	104.82	105.33
Inflation Yoy	1.66%	1.60%	Cons. Confidence*	113.40	95.50

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday 19 - Nov.	ID	10:00	BoP Current Account Balance	3Q21	\$4,500Mn	\$3,200Mn	-\$2,200Mn
	—	—	—	—	—	—	—
Monday 22 - Nov.	US	22:00	Existing Home Sales	Oct.	6.34Mn	6.20Mn	6.29Mn
	EC	22:00	Consumer Confidence	Nov.	-6.8	-5.5	-4.8
Tuesday 23 - Nov.	EC	16:00	Markit Eurozone Manufacturing	Nov.	58.6	57.4	58.3
	UK	16:00	Markit PMI Manufacturing	Nov.	58.2	57.3	57.8
	US	21:45	Markit Manufacturing PMI	Nov.	59.1	59.1	58.4
Wednesday 24 - Nov.	US	20:30	GDP Annualized QoQ	3Q21	2.1%	2.2%	2.0%
	US	20:30	Durable Goods Orders	Oct.	-0.5%	0.2%	-0.3%
	US	22:00	U. of Mich. Sentiment	Nov.	67.4	66.9	66.8
	US	22:00	New Home Sales	Oct.	745k	800k	800k
Thursday 25 - Nov.	US	02:00	FOMC Meeting Minutes	Nov.	—	—	—
	—	—	—	—	—	—	—
Friday 26 - Nov.	EC	16:00	M3 Money Supply YoY	Oct.	—	—	7.4%
	—	—	—	—	—	—	—

Source: Bloomberg

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