

Morning Brief

Daily | Nov. 23, 2021

Today's Outlook:

Government Bonds

Early Week SUN Market Moved Mixed. The SUN market movement earlier this week was supported by positive sentiment from improving domestic economic data. Investors still responded positively to Indonesia's 3Q21 Balance of Payments (BOP) which had a surplus of USD 10.7 billion, and the current account balance which was also a surplus of USD 4.5 billion. This is proven, the two data support the rupiah exchange rate.

Corporate Bonds

PTPP Overseas Construction Expansion. PT PP (Persero) Tbk (PTPP) will expand to work on overseas projects next year, such as roads and bridges, as well as buildings with a focus on project owners from the government, State-Owned Enterprises (BUMN) and BUMN cooperation. As of 3Q21, this BUMN issuer has absorbed capex funds of IDR 1.8 trillion or equivalent to 65% of the capital expenditure target throughout the year. (Kontan)

Domestic Issue

4Q21 Economic Growth in the Range of 5.5%-6%. The government targets economic growth in 4Q21 to be in the range of 5.5%-6% YoY. In more detail, several macroeconomic indicators began to improve compared to 3Q21, such as the Indonesian Manufacturing Purchasing Managers Index (PMI) in October at 57.2. Then, the Consumer Confidence Index (IKK) at the level of 113.4 and inflation on a monthly basis of 0.12%, which is considered an indication of an increase in people's purchasing power. (Kontan)

Recommendation

UST10Y Yield Increase Sentiment. President Joe Biden announced the nomination of Jerome Powell as head of the Federal Reserve for a second term. The yield on the 10-year US Treasury (UST10Y) was observed to surge after this announcement, breaking above the 1.6% level.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.2 Bps to 101.86 (5.02%)
FR0087 (10yr): +0.6 Bps to 102.34 (6.16%)
FR0088 (15yr): -0.0 Bps to 100.29 (6.21%)
FR0083 (20yr): +0.7 Bps to 106.25 (6.89%)

FR0090 (5.5yr): -0.2 Bps to 101.20 (4.86%)
FR0091 (10.5yr): +0.4 Bps to 102.64 (6.02%)
FR0092 (20.6yr): -0.2 Bps to 104.16 (6.74%)

CDS of Indonesia Bonds

CDS 2yr: -0.18% to 29.64
CDS 5yr: -0.49% to 77.35
CDS 10yr: -0.18% to 140.99

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.04%	0.00%
USDIDR	14,248	0.07%
KRWIDR	12.02	0.11%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,619.25	17.27	0.05%
S&P 500	4,682.94	(15.02)	-0.32%
FTSE 100	7,255.46	31.89	0.44%
DAX	16,115.69	(44.28)	-0.27%
Nikkei	29,774.11	28.24	0.09%
Hang Seng	24,951.34	(98.63)	-0.39%
Shanghai	3,582.08	21.71	0.61%
KOSPI	3,013.25	42.23	1.42%
EIDO	23.76	0.07	0.30%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,804.7	(41.1)	-2.23%
Crude Oil (\$/bbl)	76.75	0.81	1.07%
Coal (\$/ton)	162.20	8.70	5.67%
Nickel LME (\$/MT)	20,044	405.0	2.06%
Tin LME (\$/MT)	38,429	(24.0)	-0.06%
CPO (MYR/Ton)	4,959	(34.0)	-0.68%

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.		57.5	58.3
	UK	16:00	Markit PMI Manufacturing	Nov.		57.4	57.8
	US	21:45	Markit Manufacturing PMI	Nov.		59.0	58.4
Wednesday 24 - Nov.	US	20:30	GDP Annualized QoQ	3Q21		2.2%	2.0%
	US	20:30	Durable Goods Orders	Oct.		0.2%	-0.3%
	US	22:00	U. of Mich. Sentiment	Nov.		66.8	66.8%
	US	22:00	New Home Sales	Oct.		801k	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

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

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

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

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

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

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

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

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

A Member of NH Investment & Securities Global Network

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