

# Morning Brief

Daily | Nov. 9, 2021

## Today's Outlook:

### Government Bonds

**GDP Below Expectations, Long Tenor Rises Significantly.** Long tenor Government Securities (SUN) FR0083 and FR0092 recorded yield reductions of up to 5.7 bps and 4.8 bps, or the deepest declines compared to other benchmark series. The release of Indonesia's 3Q21 Gross Domestic Product (GDP) data, which was below market expectations, made investors return to their interest in the safe haven instrument of Government Securities (SBN). 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.

### Corporate Bonds

**JSMR: Divestment Benefits Boost Net Profit.** PT Jasa Marga Tbk (JSMR) posted a net profit of IDR 749.42 billion during 9M21. This number rose by 375.52% YoY compared to the acquisition in the same period the previous year which was IDR 157.6 billion. The increase in net profit was driven by gains from the disposal of investments worth IDR 788.74 billion. In addition, JSMR also managed to reduce general and administrative expenses by 11.7% YoY to IDR 801.14 billion. (Kontan)

### Domestic Issue

**ESDM: November 2021 HBA to USD 215.63/MT.** The Ministry of Energy and Mineral Resources (ESDM) has set the reference coal price (HBA) in November 2021 to reach USD 215.63/MT, or up 33% compared to the previous month. This increase was influenced by the arrival of winter, the coal crisis experienced by China, demand from China continued to increase, following the onset of winter, and bad weather conditions. (Bisnis Indonesia)

### Recommendation

**US Inflation Data.** Market participants are waiting for the release of inflation data in the United States (US) from the producer price index (PPI) in October, to be released on Tuesday (9/11) morning US time. Meanwhile, inflation in terms of consumer prices (consumer price index/CPI) will be released on Wednesday (10/11) US time. In other sentiment, investors welcomed the approval of the USD 1 trillion infrastructure package bill by the US congress. Meanwhile, the energy sector was also boosted by the strengthening of crude oil prices; after Saudi Arabia raised the selling price of exports to Asian countries.

## 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): -0.3 Bps to 101.73 (5.05%)  
FR0087 (10yr): -3.3 Bps to 102.41 (6.15%)  
FR0088 (15yr): -0.5 Bps to 100.30 (6.21%)  
FR0083 (20yr): -5.7 Bps to 106.32 (6.88%)

FR0090 (5.5yr): -1.8 Bps to 101.03 (4.90%)  
FR0091 (10.5yr): -2.4 Bps to 102.68 (6.02%)  
FR0092 (20.6yr): -4.8 Bps to 104.08 (6.75%)

## CDS of Indonesia Bonds

CDS 2yr: +3.09% to 31.48  
CDS 5yr: +2.67% to 83.46  
CDS 10yr: +2.46% to 148.58

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.04%	-0.03%
USDIDR	14,258	-0.49%
KRWIDR	12.05	-0.30%

## Global Indices

Index	Last	Chg.	%
Dow Jones	36,432.22	104.27	0.29%
S&P 500	4,701.70	4.17	0.09%
FTSE 100	7,300.40	(3.56)	-0.05%
DAX	16,046.52	(7.84)	-0.05%
Nikkei	29,507.05	(104.52)	-0.35%
Hang Seng	24,763.77	(106.74)	-0.43%
Shanghai	3,498.63	7.06	0.20%
KOSPI	2,960.20	(9.07)	-0.31%
EIDO	23.77	0.22	0.93%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,824.2	5.8	0.32%
Crude Oil (\$/bbl)	81.93	0.66	0.81%
Coal (\$/ton)	151.75	10.35	7.32%
Nickel LME (\$/MT)	19,434	293.0	1.53%
Tin LME (\$/MT)	37,060	608.0	1.67%
CPO (MYR/Ton)	4,895	15.0	0.31%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	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%
<b>Monday</b>	ID	—	Consumer Confidence Index	Oct.	113.4	—	95.5
8 - Nov.	—	—	—	—	—	—	—
<b>Tuesday</b>	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%
<b>Wednesday</b>	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
<b>Thursday</b>	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%
<b>Friday</b>	US	22:00	U. Of Mich. Sentiment	Nov.		72.5	71.7
12 - Nov.	—	—	—	—	—	—	—

Source: Bloomberg

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