

Morning Brief

Daily | Dec. 6, 2021

Today's Outlook:

Government Bonds

Rupiah Depreciation Hits Weekend Market. The rupiah exchange rate touched the level of IDR 14,400/USD, before finally closing at the level of IDR 14,398/USD at the weekend, based on Bloomberg data. The sentiment of the new Covid-19 variant and the hawkish attitude of the Fed made investors interested in the safe haven of the US dollar, and provided uncertainty for the exchange rate of the rupiah. All benchmark series Government Securities (SUN) recorded an increase in yields between 0.5 bps to 2.7 bps last weekend.

Corporate Bonds

Garuda Indonesia Again Delays Sukuk Coupon Payment. PT Garuda Indonesia Tbk (GIAA) has postponed paying the sukuk coupon due in December 2021 for the Garuda Indonesia global sukuk limited (sukuk) trust certificate worth USD 500 million or IDR 7.25 trillion. The postponement of the payment of the sukuk coupon was carried out with consideration for the sustainability of the company's business in the midst of the COVID-19 pandemic situation. (Liputan 6)

Domestic Issue

Foreign Capital Leaving IDR 12.5 Trillion. There was an inflow of foreign capital out of the domestic financial market in the first week of December 2021. Based on transaction data from Bank Indonesia (BI) for the period from November 29 to December 2, non-residents in the domestic financial market made a net sale of IDR 12.5 trillion. The details are the Government Securities (SBN) market of IDR 9.82 trillion and net selling on the stock market of IDR 2.68 trillion. (Kontan)

Recommendation

Foreign Reserves and CCI. In trading this week, market participants are waiting for the release of data on Foreign Exchange Reserves (Caddev) and Consumer Confidence Index (IKK) for the period of November. For the record, the two data amounted to USD 145.5 billion and 113.4 in the previous month. From the external side, US non-farm payrolls data for the November period was reported at 212 thousand, far below the consensus projection of 550 thousand. Market participants will digest the impact of this data on the Fed's plans to accelerate policy tapering. Meanwhile, the development of the Omicron variant of the Covid-19 which has been detected in the Southeast Asia region is still a scourge for the movement of the domestic market.

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)	145.46	146.90	Current Acc (USD bn)	4.50	(1.06)
Trd Balance (USD bn)	5.73	4.37	Govt. Spending Yoy	0.66%	2.34%
Exports Yoy	53.35%	47.64%	FDI (USD bn)	4.77	4.95
Imports Yoy	51.06%	40.31%	Business Confidence	104.82	105.33
Inflation Yoy	1.75%	1.66%	Cons. Confidence*	113.40	77.30

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +2.7 Bps to 101.42 (5.12%)
FR0087 (10yr): +0.5 Bps to 100.72 (6.39%)
FR0088 (15yr): +0.7 Bps to 99.78 (6.27%)
FR0083 (20yr): +1.9 Bps to 104.34 (7.07%)

FR0090 (5.5yr): -0.1 Bps to 101.08 (4.89%)
FR0091 (10.5yr): +4.1 Bps to 101.02 (6.23%)
FR0092 (20.6yr): +3.7 Bps to 102.17 (6.92%)

CDS of Indonesia Bonds

CDS 2yr: -0.22% to 33.48
CDS 5yr: -1.40% to 86.81
CDS 10yr: -0.28% to 154.83

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.26%	0.04%
USDIDR	14,398	0.14%
KRWIDR	12.22	-0.22%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,580.08	(59.71)	-0.17%
S&P 500	4,538.43	(38.67)	-0.84%
FTSE 100	7,122.32	(6.89)	-0.10%
DAX	15,169.98	(93.13)	-0.61%
Nikkei	28,029.57	276.20	1.00%
Hang Seng	23,766.69	(22.24)	-0.09%
Shanghai	3,607.43	33.60	0.94%
KOSPI	2,968.33	23.06	0.78%
EIDO	23.08	(0.29)	-1.24%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,783.3	14.6	0.82%
Crude Oil (\$/bbl)	66.26	(0.24)	-0.36%
Coal (\$/ton)	151.50	(2.60)	-1.69%
Nickel LME (\$/MT)	20,030	77.0	0.39%
Tin LME (\$/MT)	39,335	351.0	0.90%
CPO (MYR/Ton)	4,650	(34.0)	-0.73%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	20:30	Unemployment Rate	Nov.	4.2%	4.5%	4.6%
3 - Dec.	US	22:00	Factory Orders	Oct.	1.0%	0.5%	0.2%
	US	22:00	Durable Goods Orders	Oct.	-0.4%	-0.5%	-0.5%
Monday	GE	14:00	Factory Orders MoM	Oct.		-0.2%	1.3%
6 - Dec.	—	—	—	—	—	—	—
Tuesday	ID	10:00	Foreign Reserves	Nov.		—	\$145.46Bn
7 - Dec.	CH	—	Trade Balance	Nov.		\$80.77Bn	\$84.54Bn
	EC	17:00	GDP QoQ	3Q21		2.2%	2.2%
	US	20:30	Trade Balance	Oct.		-\$66.8Bn	-\$80.9Bn
Wednesday	ID	—	Consumer Confidence Index	Nov.		—	113.4
8 - Dec.	US	19:00	MBA Mortgage Applications	Dec.		—	-7.2%
Thursday	CH	08:30	CPI YoY	Nov.		2.5%	1.5%
9 - Dec.	CH	08:30	PPI YoY	Nov.		12.1%	13.5%
	US	20:30	Initial Jobless Claims	Dec.		—	222k
	US	22:00	Wholesale Inventories MoM	Oct.		—	2.2%
Friday	UK	14:00	Industrial Production MoM	Oct.		—	-0.4%
10 - Dec.	UK	14:00	Manufacturing Production MoM	Oct.		—	-0.1%
	US	20:30	CPI MoM	Nov.		0.7%	0.9%
	US	22:00	U. of Mich. Sentiment	Dec.		68.0	67.4

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

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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

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

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

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