

Morning Brief

Daily | Dec. 1, 2021

Today's Outlook:

Government Bonds

Rupiah Depreciation Hits SUN Market. Yesterday, the rupiah closed at the level of IDR 14,323/USD, down 0.13% from the weekend, based on Bloomberg data. External sentiment still colored the movement of the rupiah exchange rate. On the other hand, the Government Securities (SUN) market is currently overshadowed by the uncertainty of the impact of the new variant of Omicron's Covid-19, causing volatility in all currency exchange rates, including the rupiah.

Corporate Bonds

Bussan Auto Finance Issues IDR 500 Billion Bonds. PT Bussan Auto Finance will offer Shelf-Registered Bonds I Phase IV Year 2021 with a principal amount of IDR 500 billion. This bond offering is part of the Shelf-Registered Bonds I with a target fund to be raised of IDR 3.5 trillion. Meanwhile, the Shelf-Registered Bonds I Phase IV Year 2021 offer a fixed interest rate of 5.75% per annum with a 3-year tenor and will mature on December 15, 2024. (Bisnis Indonesia)

Domestic Issue

The contribution of the tobacco products industry to the state budget is 10.11%. Currently, the performance of the tobacco products industry in Indonesia recorded a contribution to the state budget in 2020 of 10.11%. Excise revenue throughout 2020 reached IDR 205.68 trillion rupiah with the largest proportion of Tobacco Excise (CHT) amounting to IDR 170.24 trillion rupiah, an increase of 3.24%. (Bisnis Indonesia)

Recommendation

Impact of the Omicron Variant. The head of the Federal Reserve, Jerome Powell; signaled a faster implementation of tapering in line with continued inflationary pressure. This adds to the dynamics of the market, which is still plagued by concerns about the impact of the Omicron variant of the Covid-19 virus. Market participants are worried about the effectiveness of the Covid-19 vaccine against the Omicron variant, as well as the increase in PPKM to level 2 in the DKI Jakarta area, which are some of the market-weighting sentiments.

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	1.66%	1.60%	Cons. Confidence*	113.40	77.30

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +1.1 Bps to 101.81 (5.03%)
FR0087 (10yr): +3.5 Bps to 101.70 (6.25%)
FR0088 (15yr): +0.4 Bps to 100.07 (6.24%)
FR0083 (20yr): +1.0 Bps to 105.85 (6.93%)

FR0090 (5.5yr): -2.6 Bps to 101.28 (4.84%)
FR0091 (10.5yr): +0.9 Bps to 102.19 (6.08%)
FR0092 (20.6yr): +3.1 Bps to 103.31 (6.82%)

CDS of Indonesia Bonds

CDS 2yr: +4.14% to 32.68
CDS 5yr: +4.02% to 88.45
CDS 10yr: +3.21% to 155.60

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.10%	0.01%
USDIDR	14,323	0.00%
KRWIDR	12.07	0.52%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,483.72	(652.22)	-1.86%
S&P 500	4,567.00	(88.27)	-1.90%
FTSE 100	7,059.45	(50.50)	-0.71%
DAX	15,100.13	(180.73)	-1.18%
Nikkei	27,821.76	(462.16)	-1.63%
Hang Seng	23,475.26	(376.98)	-1.58%
Shanghai	3,563.89	1.19	0.03%
KOSPI	2,839.01	(70.31)	-2.42%
EIDO	23.32	0.00	0.00%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,774.5	(10.1)	-0.56%
Crude Oil (\$/bbl)	66.18	(3.77)	-5.39%
Coal (\$/ton)	137.60	(13.40)	-8.87%
Nickel LME (\$/MT)	19,448	(126.0)	-0.64%
Tin LME (\$/MT)	36,888	1030.0	2.87%
CPO (MYR/Ton)	4,672	(185.0)	-3.81%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday 26 - Nov.	EC —	16:00 —	M3 Money Supply YoY —	Oct. —	7.7% —	7.4% —	7.4% —
Monday 29 - Nov.	UK US	16:30 22:00	Mortgage Approvals Pending Home Sales MoM	Oct. Oct.	67.2k 7.5%	70.0k 1.0%	72.6k -2.3%
Tuesday 30 - Nov.	CH US	08:00 22:00	Manufacturing PMI Conf. Board Consumer Confidence	Nov. Nov.	50.1 109.5	49.7 110.9	49.2 113.8
Wednesday 1 - Dec.	ID CH ID US	07:30 08:45 11:00 19:00	Markit Indonesia PMI Manufacturing Caixin China PMI Manufacturing CPI MoM MBA Mortgage Applications	Nov. Nov. Nov. Nov.	 —	— 50.4 0.31% —	57.2 50.6 0.12% 1.8%
Thursday 2 - Dec.	EC US	17:00 20:30	Unemployment Rate Initial Jobless Claims	Oct. Nov.	 —	7.4% —	7.4% 199k
Friday 3 - Dec.	US US US	20:30 22:00 22:00	Unemployment Rate Factory Orders Durable Goods Orders	Nov. Oct. Oct.	 0.5% —	4.5% 0.2% -0.5%	4.6% 0.2% -0.5%

Source: Bloomberg

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