

Morning Brief

Daily | Nov. 29, 2021

Today's Outlook:

Government Bonds

Rupiah Depreciation Hits 10-Year Benchmark. The weekend rupiah exchange rate closed at IDR 14,303/USD or 0.25% lower than the previous day's trading. The depreciation of the rupiah over the weekend, in line with the Fed's policy outlook which will take the policy of a faster FFR increase. Externally, the 10-year US Treasury yield fell to 1.4%. Investors began to turn to safer asset instruments, amid fears of the emergence of the Omicron Covid-19 variant in South Africa.

Corporate Bonds

POWR: Listed in Three Indexes. PT Cikarang Listrindo Tbk (POWR) is again a constituent of the SRI-KEHATI index (December 2021 to May 2022), and is also included in the PEFINDO25 and KOMPAS100 indexes (until January 2022). In more detail, POWR is included in the three indices, supported by good performance in efforts to Sustainable and Responsible Investment, finance and liquidity, as well as a large market capitalization value. (Kontan)

Domestic Issue

Indonesia's Debt Drawdown Contracted 32.5%. The Minister of Finance reported that Indonesia's debt withdrawals until October 2021 contracted by 32.5%, recorded at IDR 645.8 trillion or 54.9% of the State Budget (APBN) of IDR 1,177.4 trillion. In more detail, this contraction in debt withdrawal is a very sharp decline, even though the current economic condition is still in the Covid-19 situation. (Kontan)

Recommendation

Tapering Off Acceleration and Omicron Variants. The negative sentiment will still color trading earlier this week. Investors are still worried about the new variant of Omicron Covid-19, after the spread of the virus in the European region has increased. Market participants can start looking at the attractive yield of FR0087, which is the same as the benchmark 15-year Government Bond (SUN) FR0088.

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +0.3 Bps to 101.88 (5.01%)
FR0087 (10yr): +4.2 Bps to 101.92 (6.22%)
FR0088 (15yr): +0.8 Bps to 100.12 (6.23%)
FR0083 (20yr): +1.5 Bps to 105.97 (6.92%)

FR0090 (5.5yr): +1.0 Bps to 101.16 (4.87%)
FR0091 (10.5yr): +2.7 Bps to 102.28 (6.07%)
FR0092 (20.6yr): +1.5 Bps to 103.74 (6.78%)

CDS of Indonesia Bonds

CDS 2yr: +10.72% to 34.00
CDS 5yr: +10.08% to 88.34
CDS 10yr: +8.19% to 156.49

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.09%	0.03%
USDIDR	14,303	0.25%
KRWIDR	12.03	0.20%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,899.34	(905.04)	-2.53%
S&P 500	4,594.62	(106.84)	-2.27%
FTSE 100	7,044.03	(266.34)	-3.64%
DAX	15,257.04	(660.94)	-4.15%
Nikkei	28,751.62	(747.66)	-2.53%
Hang Seng	24,080.52	(659.64)	-2.67%
Shanghai	3,564.09	(20.09)	-0.56%
KOSPI	2,936.44	(43.83)	-1.47%
EIDO	22.96	(0.71)	-3.00%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,802.6	13.7	0.77%
Crude Oil (\$/bbl)	68.15	(10.24)	-13.06%
Coal (\$/ton)	160.05	(6.60)	-3.96%
Nickel LME (\$/MT)	19,897	(770.0)	-3.73%
Tin LME (\$/MT)	38,652	(1057.0)	-2.66%
CPO (MYR/Ton)	4,849	(78.0)	-1.58%

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

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%
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Monday 29 - Nov.	UK	16:30	Mortgage Approvals	Oct.		70.0k	72.6k
	US	22:00	Pending Home Sales MoM	Oct.		0.8%	-2.3%
Tuesday 30 - Nov.	CH	08:00	Manufacturing PMI	Nov.		49.8	49.2
	US	22:00	Conf. Board Consumer Confidence	Nov.		110.0	113.8
Wednesday 1 - Dec.	ID	07:30	Markit Indonesia PMI Manufacturing	Nov.		—	57.2
	CH	08:45	Caixin China PMI Manufacturing	Nov.		50.4	50.6
	ID	11:00	CPI MoM	Nov.		—	0.12%
	US	19:00	MBA Mortgage Applications	Nov.		—	1.8%
Thursday 2 - Dec.	EC	17:00	Unemployment Rate	Oct.		7.4%	7.4%
	US	20:30	Initial Jobless Claims	Nov.		—	199k
Friday 3 - Dec.	US	20:30	Unemployment Rate	Nov.		4.5%	4.6%
	US	22:00	Factory Orders	Oct.		0.5%	0.2%
	US	22:00	Durable Goods Orders	Oct.		—	-0.5%

Source: Bloomberg

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