

Morning Brief

Daily | Dec. 3, 2021

Today's Outlook:

Government Bonds

High Yield Inflation Rise Expected. The benchmark 20-year government bonds (SUN) yield touched the psychological level of 7%. Meanwhile, yield inversion occurred between FR0087 and FR0088, with yields at 6.38% and 6.26%, respectively. Market participants are keeping an eye on inflation for the November period, which was recorded at the highest level in 2021. In more detail, the Central Statistics Agency (BPS) recorded inflation in November 2021 at 0.37% MoM and 1.75% YoY. This increase in inflation has made investors expect more attractive yields at this time.

Corporate Bonds

Bank Sulselbar Pays Off IDR 467 Billion Bonds. PT Bank Pembangunan Daerah Sulawesi Selatan & Sulawesi Barat (Bank Sulselbar) is ready to pay off the Bonds II Phase I of 2018 with a nominal value of IDR 467 billion. The notes will mature on December 28, 2021. Previously, PT Pemeringkat Efek Indonesia (Pefindo) affirmed its idA+ rating for the Shelf-Registered Bonds II Phase I Year 2018 Series A of IDR 467 billion issued by Bank Sulselbar. (Kontan)

Domestic Issue

November Manufacturing Performance Down. The performance of the Indonesian manufacturing industry in November 2021 fell, compared to October 2021. IHS Markit noted that the Indonesian Manufacturing Purchasing Managers' Index (PMI) in November 2021 was at 53.9, down from the 57.2 level printed in the previous month. Despite the decline, the manufacturing industry is still in the expansion zone or index above 50. (Kontan)

Recommendation

Investors Interested in US Dollar Safe Haven. The rupiah exchange rate closed at IDR 14,378/USD yesterday, down 0.2% from the previous day. The sentiment of the new variant of Covid-19 and the hawkish attitude of the Fed created uncertainty for the rupiah exchange rate. Another opinion says that the optimism arises from the initial indication that the majority of cases of the Omicron variant do not have severe symptoms. Meanwhile, weekly jobless claims data was reported at 222 thousand; or lower than the consensus estimate of 240K.

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): +5.5 Bps to 101.53 (5.10%)
FR0087 (10yr): +6.9 Bps to 100.75 (6.38%)
FR0088 (15yr): +1.1 Bps to 99.84 (6.26%)
FR0083 (20yr): +7.1 Bps to 104.54 (7.05%)

FR0090 (5.5yr): +2.7 Bps to 101.07 (4.89%)
FR0091 (10.5yr): +6.5 Bps to 101.33 (6.19%)
FR0092 (20.6yr): +3.4 Bps to 102.58 (6.88%)

CDS of Indonesia Bonds

CDS 2yr: -0.98% to 33.56
CDS 5yr: -1.61% to 88.04
CDS 10yr: -0.66% to 155.27

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.22%	0.07%
USDIDR	14,378	0.24%
KRWIDR	12.25	0.65%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,639.79	617.75	1.82%
S&P 500	4,577.10	64.06	1.42%
FTSE 100	7,129.21	(39.47)	-0.55%
DAX	15,263.11	(209.56)	-1.35%
Nikkei	27,753.37	(182.25)	-0.65%
Hang Seng	23,788.93	130.01	0.55%
Shanghai	3,573.84	(3.05)	-0.09%
KOSPI	2,945.27	45.55	1.57%
EIDO	23.37	0.33	1.43%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,768.7	(13.0)	-0.73%
Crude Oil (\$/bbl)	66.50	0.93	1.42%
Coal (\$/ton)	154.10	1.85	1.22%
Nickel LME (\$/MT)	19,448	(126.0)	-0.64%
Tin LME (\$/MT)	36,888	1030.0	2.87%
CPO (MYR/Ton)	4,650	(34.0)	-0.73%

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.	53.9 49.9 0.37% -7.2%	— 50.6 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.	7.3% 222k	7.3% 240k	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.	 —	4.5% 0.5% -0.5%	4.6% 0.2% -0.5%

Source: Bloomberg

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