

Morning Brief

Today's Outlook:

Government Bonds

Low Coupon Rate, Government Aggressive Wins PBS017. The yield for a 5-year PBS017 tenor sukuk was only 6.125% or the smallest among the Sukuk auctions yesterday, between 6.50% (PBS027) to 7.75% (PBS028). The smaller the reward, the lower the cost of funds will be for the government. The government won almost all incoming bids for PBS017, namely winning IDR 2.85 trillion (1x bid to cover ratio) from IDR 2.88 trillion incoming bids. On the other hand, market players are also interested in this 5-year PBS017 because it offers a yield of up to 5.45%, relatively higher than the Government Securities (SUN) with the same tenor. For the record, both the SUN benchmark FR0081 and FR0086 offer low yields that are close to the psychological level of 5%.

Corporate Bonds

Eight Issuers Issued IDR 9.25 Trillion Bonds. A total of 8 issuers are offering bonds with a total of IDR 9.25 trillion in November 2020. The eight issuers are Bank Sulselbar which issued Continuous Bonds II Bank Sulselbar Phase I Year 2019 worth IDR 750 billion; J Resources Asia Pasifik Tbk (PSAB), which issued Sustainable Bonds I J Resources Asia Pacific Phase VI Year 2020 totaling IDR 500 billion; Adhi Karya Tbk (ADHI) which issued Continuous Bonds III Adhi Karya Phase I Year 2020 worth IDR 600 billion; Tower Bersama Infrastructure Tbk (TBIG), which offers Continuous Bond IV Tower Bersama Infrastructure Phase II Year 2020 worth IDR 750 billion; Barito Pacific Tbk (BRPT) also offers sustainable bonds I phase III worth IDR 386.52 billion; Permodalan Nasional Madani and PT Mandala Multifinance Tbk (MFIN) offer bonds amounting to IDR 2.71 trillion; and Indah Kiat Pulp & Paper Tbk (INKP) which held a Phase III sustainable bond offering worth IDR 3.55 trillion. (Investor Daily)

Macroeconomy

LPS Lower Guarantee Interest Rate. The deposit guarantee interest rate (LPS) in the banking sector will decline starting November 25, 2020. The guarantee interest rate is reduced in line with the decline in the deposit rate at banks. LPS lowered the guarantee interest rate at commercial banks and rural banks (BPR) by 50 basis points (bps) or 0.5% for deposits denominated in rupiah. Meanwhile, deposits in foreign currency fell 0.25%. With this decrease, the LPS guarantee interest rate in the banking sector will be: The rupiah deposit guarantee interest rate at commercial banks from 5% to 4.5%, foreign currency deposits at commercial banks from 1.25% to 1%, and rupiah deposits at BPRs down from 7.50% to 7%. (Kontan)

Recommendation

Investors are interested in long tenors, amidst the low yield trend. This interest is influenced by the easing of external pressure along with a number of positive catalysts such as the corona virus vaccine. On the other hand, bond yields have been on a downward trend in recent weeks. This makes investors interested in high yields, namely debt securities with long tenors. Yesterday, the exchange rate on the spot market weakened 0.04% to IDR 14,155 / USD. Meanwhile, BI's middle rate weakened 0.23% to IDR 14,196 / USD. Investors can watch the FR0080 and FR0083.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.75%	4.00%	Real GDP	-3.49%	-5.32%
FX Reserve (USD bn)	133.66	135.15	Current Acc (USD bn)	0.96	(2.94)
Trd Balance (USD bn)	3.61	2.44	Govt. Spending Yoy	9.76%	-6.90%
Exports Yoy	-3.29%	-0.51%	FDI (USD bn)	3.92	4.56
Imports Yoy	-26.93%	-18.88%	Business Confidence	104.82	105.33
Inflation Yoy	1.44%	1.42%	Cons. Confidence*	79.00	83.40

PRICE OF BENCHMARK SERIES

FR0081 (5yr): -2.8 Bps to 105.53 (5.11%)
FR0082 (10yr): -1.0 Bps to 105.84 (6.19%)
FR0080 (15yr): -1.5 Bps to 107.63 (6.67%)
FR0083 (20yr): -2.5 Bps to 105.56 (6.97%)

FR0086 (6yr): -1.4 Bps to 101.54 (5.16%)
FR0087 (11yr): -0.8 Bps to 102.38 (6.18%)

CDS of Indonesia Bonds

CDS 2yr: -4.86% to 27.86
CDS 5yr: +13.13% to 89.60 (as of Nov. 23)
CDS 10yr: -3.80% to 135.83

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.21%	-0.01%
USDIDR	14,155	0.04%
KRWIDR	12.74	0.00%

Global Indices

Index	Last	Chg.	%
Dow Jones	30,046.24	454.97	1.54%
S&P 500	3,635.41	57.82	1.62%
FTSE 100	6,432.17	98.33	1.55%
DAX	13,292.44	165.47	1.26%
Nikkei	26,165.59	638.22	2.50%
Hang Seng	26,588.20	102.00	0.39%
Shanghai	3,402.82	(11.67)	-0.34%
KOSPI	2,617.76	15.17	0.58%
EIDO	22.46	0.50	2.28%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,807.6	(30.3)	-1.65%
Crude Oil (USD/B)	44.91	1.85	4.30%
ICE NewCastle (USD/ton)	69.10	2.00	2.98%
LME Nickel (USD/MT)	16,242	307.0	1.93%
LME Tin (USD/MT)	18,693	53.0	0.28%
CPO (MYR/ton)	3,249	(77.0)	-2.32%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	EC	16:00	Markit Eurozone Manufacturing PMI	Nov		--	54.8
23 - Nov	EC	16:00	Markit Eurozone Composite PMI	Nov		--	50
	UK	16:30	Markit UK PMI Manufacturing SA	Nov		--	53.7
	US	21:45	Markit US Manufacturing PMI	Nov		52.5	53.4
Wednesday	GE	14:00	GDP SA QoQ	3Q20		--	8.20%
24 - Nov	GE	16:00	IFO Expectations	Nov		--	95
	US	22:00	Conf. Board Consumer Confidence	Nov		98	100.9
Thursday	US	19:00	MBA Mortgage Applications	Nov		--	-0.30%
25 - Nov	US	20:30	GDP Annualized QoQ	3Q20		33.10%	33.10%
	US	20:30	GDP Price Index	3Q20		3.60%	3.60%
	US	20:30	Initial Jobless Claims	Nov		--	--
	US	20:30	Durable Goods Orders	Oct		1.30%	1.90%
	US	22:00	Personal Spending	Oct		0.60%	1.40%
	US	22:00	New Home Sales	Oct		968k	959k
Friday	EC	16:00	M3 Money Supply YoY	Oct		--	10.40%
26 - Nov							

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia Member of Indonesia Stock Exchange

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

A Member of NH Investment & Securities Global Network

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