

Morning Brief

Today's Outlook:

Government Bonds

Profit Taking Action Anticipation of Foreign Exchange Reserves Data. Investors are starting to pay close attention to the release of domestic economic data next week, such as: November foreign exchange reserves, consumer surveys and retail sales. This data indicates the health of the domestic economy, with consumer spending contributing up to 60% of the Indonesian economy. For the record, foreign exchange reserves for the October period fell to USD 133.7 billion from USD 135.2 billion in the previous month. Yesterday, all SUN benchmark series recorded yield increases of between 1 bps to 3 bps.

Corporate Bonds

WIKA Bonds and Sukuk Oversubscribed. Wijaya Karya Tbk (WIKA) has successfully received 2.5 times (oversubscribed) requests for Phase I Sustainable Bonds & Sukuk Mudharabah worth IDR 2 Trillion for 3-year, 5-year and 7-year tenors with coupons respectively. also 8.60%; 9.25% and 9.85%. This offer is also driven by WIKA's optimism to achieve the new contract target 2020 which has been set at IDR 21.37 trillion. As of November, the Company's new contracts have reached IDR 18 trillion or 84.22% of the target. The largest contribution of new contracts respectively came from the Infrastructure and Building segment with IDR 7.78 trillion, Energy and Industrial Plant IDR 5.62 trillion, Industry IDR 4.1 trillion and Property IDR 509 billion. (Kontan)

Domestic Issue

BI Keeps Interest Rates Low in 2021. Bank Indonesia (BI) emphasized that the monetary policy stimulus that has been carried out by the central bank will be continued in 2021 to support the national economic recovery. These monetary policy stimuli: First, maintain the stability of the rupiah exchange rate and market mechanisms. Second, interest rates remain low, until signs of increasing inflationary pressure appear. Third, continue the purchase of SBN (Government Securities) from the primary market to finance the 2021 State Budget as a non-competitive bidder. Also, macroprudential policies will remain accommodative in 2021. (Investor Daily)

Recommendation

Investors Interested in Last Sukuk Auction in 2020. NHKSI Research projects that the interest in the auction of State Sharia Securities (SBSN / Sukuk) on Tuesday will increase significantly from the previous one. Last week, the Government Securities (SBN) market was quite aggressive as reflected in the auction of SUN which reached IDR 94.3 trillion. This investor interest was also supported by November inflation data of 0.28% and the Purchasing Manager Index (PMI) of Indonesian Manufacturing in November which was at the level of 50.6. Yesterday, the rupiah exchange rate on the spot market weakened 0.11% to the level of IDR 14,140 / USD. Meanwhile, BI's middle rate weakened 0.99% to the level of IDR 14,177 / USD. In the short term, investors can look at the short tenors FR0081 and FR0086, as the 2-year CDS declines.

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): +3.0 Bps to 105.73 (5.06%)
FR0082 (10yr): +2.7 Bps to 105.91 (6.18%)
FR0080 (15yr): +1.6 Bps to 107.92 (6.64%)
FR0083 (20yr): +1.0 Bps to 106.52 (6.88%)

FR0086 (6yr): +2.9 Bps to 101.91 (5.08%)
FR0087 (11yr): +4.2 Bps to 102.85 (6.11%)

CDS of Indonesia Bonds

CDS 2yr: -4.92% to 24.79
CDS 5yr: +13.13% to 89.60 (as of Nov. 23)
CDS 10yr: -1.32% to 128.29

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.20%	0.03%
USDIDR	14,140	0.11%
KRWIDR	12.92	0.74%

Global Indices

Index	Last	Chg.	%
Dow Jones	29,969.52	85.73	0.29%
S&P 500	3,666.72	(2.29)	-0.06%
FTSE 100	6,490.27	26.88	0.42%
DAX	13,252.86	(60.38)	-0.45%
Nikkei	26,809.37	8.39	0.03%
Hang Seng	26,728.50	195.92	0.74%
Shanghai	3,442.14	(7.25)	-0.21%
KOSPI	2,696.22	20.32	0.76%
EIDO	22.72	(0.03)	-0.13%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,841.1	9.8	0.54%
Crude Oil (USD/B)	45.64	0.36	0.80%
ICE NewCastle (USD/ton)	74.30	2.85	3.99%
LME Nickel (USD/MT)	15,954	(46.0)	-0.29%
LME Tin (USD/MT)	18,895	105.0	0.56%
CPO (MYR/ton)	3,332	16.0	0.48%

Date	Country	Hour	Event	Period	Actual	Consensus	Previous
Monday 30 - Nov	CH	08:00	Manufacturing PMI	Nov		51.5	51.4
	GE	20:00	CPI YoY	Nov		-0.10%	-0.20%
Tuesday 01 - Dec	ID	07:00	Markit Indonesia PMI Mfg	Nov		--	47.8
	ID	11:00	CPI YoY	Nov		1.53%	1.44%
	GE	15:55	Unemployment Change (000's)	Nov		15.0k	-35.0k
	UK	16:30	Markit UK PMI Manufacturing SA	Nov		55.2	55.2
	US	21:45	Markit US Manufacturing PMI	Nov		--	56.7
Wednesday 02 - Dec	US	19:00	MBA Mortgage Applications	Nov		--	3.90%
Thursday 03 - Dec	US	20:30	Initial Jobless Claims	Nov		--	778k
Friday 04 - Dec	GE	14:00	Factory Orders MoM	Oct		2.00%	0.50%
	US	20:30	Unemployment Rate	Nov		6.80%	6.90%
	US	22:00	Factory Orders	Oct		0.80%	1.10%
	US	22:00	Durable Goods Orders	Oct		--	1.30%

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 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.



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