

Morning Brief

Today's Outlook:

Government Bonds

Strengthening Weekend Ahead of Sukuk Auction. Most of the SUN recorded a drop in yields, with FR0087 at 6.10% or lower than the current 10-year benchmark FR0082 at 6.17% level. Strengthening this weekend, ahead of the last Sukuk auction in 2020 on Tuesday. For the record, the attractiveness of Indonesian bonds can be seen from the last SUN auction which recorded incoming bids of up to a total of IDR 94.3 trillion. On Tuesday, the government through DJPPR will offer SPNS 09062021 (new issuance), PBS027, PBS026, PBS017, and PBS028.

Corporate Bonds

PNM Releases IDR 1.73 Trillion Bonds. Permodalan Nasional Madani (Persero) Tbk. receive new capital support to finance PNM Mekar and other financing models through the 2020 PNM Phase IV Sustainable Bonds III Year 2020 (Bond III Phase IV). The new bonds from PNM were recorded at IDR 1.73 trillion. These PNM bonds consist of several series, namely PNM Series A bonds with a nominal value of IDR 904.80 billion with an interest rate of 6.50% and a period of 370-calendar days from the date of issuance. Furthermore, Series B PNM bonds with a nominal value of IDR 537 billion with an interest rate of 7.75%, and a 3-year term from the issuance date. Meanwhile, the Series C PNM bonds with a nominal value of IDR 292 billion have an interest rate of 8.75%, and a term of 5 years from the date of issuance. (Bisnis Indonesia)

Domestic Issue

The Consumer Confidence Index Raised in November 2020. The Danareksa Research Institute (DRI) survey showed that consumer confidence rose in November 2020. This can be seen from the Consumer Confidence Index (IKK) for the same period which was 78.0 or increased 9.7% MoM after two consecutive months of decline. The strengthening of the IKK was driven by increased realization of the social safety net program, as well as the strengthening of two main components of the IKK, namely the current Economic Condition Index (IKE) which rose 22.5% MoM to 44.4 and the Consumer Expectation Index (IEK) which rose 6.1% MoM to 103.1. Consumers also appear to be more optimistic about future economic conditions as well as job availability conditions. (Kontan)

Recommendation

Positive Signals of US Economic Recovery. The improvement in US employment data has prompted market players to be interested in risky assets from emerging markets. As of November 2020, data on the average hourly earnings of workers in the US rose 0.3%. This figure is higher than the market consensus of 0.1%. Other data states, the unemployment rate in the US is only 6.7% or lower than the market consensus of 6.8%. At the end of last week, the rupiah strengthened 0.25% to IDR 14,105, or still responding to developments in the US fiscal stimulus and the approval of the use of vaccines in the UK. Investors can start looking at PBS027, PBS026, PBS017, and PBS028.

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 105.85 (5.03%)
FR0082 (10yr): -0.8 Bps to 105.98 (6.17%)
FR0080 (15yr): -3.4 Bps to 108.25 (6.60%)
FR0083 (20yr): -2.1 Bps to 106.76 (6.86%)

FR0086 (6yr): -0.4 Bps to 101.93 (5.08%)
FR0087 (11yr): -1.8 Bps to 102.98 (6.10%)

CDS of Indonesia Bonds

CDS 2yr: -0.50% to 24.66
CDS 5yr: +13.13% to 89.60 (as of Nov. 23)
CDS 10yr: -0.35% to 127.84

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.19%	-0.01%
USDIDR	14,105	-0.25%
KRWIDR	13.03	0.85%

Global Indices

Index	Last	Chg.	%
Dow Jones	30,218.26	248.74	0.83%
S&P 500	3,699.12	32.40	0.88%
FTSE 100	6,550.23	59.96	0.92%
DAX	13,298.96	46.10	0.35%
Nikkei	26,751.24	(58.13)	-0.22%
Hang Seng	26,835.92	107.42	0.40%
Shanghai	3,444.58	2.45	0.07%
KOSPI	2,731.45	35.23	1.31%
EIDO	22.74	0.02	0.09%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,838.9	(2.2)	-0.12%
Crude Oil (USD/B)	46.26	0.62	1.36%
ICE NewCastle (USD/ton)	75.80	1.50	2.02%
LME Nickel (USD/MT)	16,399	445.0	2.79%
LME Tin (USD/MT)	18,955	60.0	0.32%
CPO (MYR/ton)	3,437	105.0	3.15%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 07 - Dec	ID	10:00	Foreign Reserves	Nov		--	\$133.66b
	GE	14:00	Industrial Production SA MoM	Oct		0.70%	1.60%
Tuesday 08 - Dec	ID		Consumer Confidence Index	Nov		--	79
	GE	17:00	ZEW Survey Expectations	Dec		35	39
	EC	17:00	GDP SA QoQ	3Q20		12.60%	12.60%
	EC	17:00	GDP SA YoY	3Q20		-4.30%	-4.40%
Wednesday 09 - Dec	CH	08:30	PPI YoY	Nov		-1.80%	-2.10%
	CH	08:30	CPI YoY	Nov		0.00%	0.50%
	US	19:00	MBA Mortgage Applications	Dec		--	-0.60%
Thursday 10 - Dec	UK	14:00	Industrial Production MoM	Oct		0.30%	0.50%
	EC	19:45	ECB Deposit Facility Rate	Dec		-0.50%	-0.50%
	US	20:30	CPI MoM	Nov		0.10%	0.00%
	US	20:30	Initial Jobless Claims	Dec		--	712k
Friday 11 - Dec	US	20:30	PPI Final Demand MoM	Nov		0.10%	0.30%
	US	22:00	U. of Mich. Sentiment	Dec		76.3	76.9

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