

Morning Brief

Today's Outlook:

Government Bonds

Risk Appetite Rise and Rupiah Depreciation Press SUN. All benchmark government bonds (SUN) prices closed under pressure in line with the rising risk appetite of market players, amid optimism for the development of the Covid-19 vaccine. The Food and Drug Administration (BPOM) released an emergency distribution permit for the Sinovac vaccine from China, triggering stock buying and closing the JCI up 125 points. In addition, pressure on the domestic bond market was also influenced by the appreciation of the US dollar, after global investors began to become interested in high yields of US bonds. The Jakarta Interbank Spot Dollar Rate (JISDOR) reference rate depreciated 0.69% to IDR 14,155 / USD. Investors are interested in the 10-year UST, which is currently at a high of 1.15% or 23 bps higher than the end of 2020.

Corporate Bonds

J Resources Offers Up to 10.25% Interest. J Resources Asia Pasifik Tbk (PSAB) will issue Sustainable Bonds I Phase VII Year 2021 amounting to IDR 384.09 billion. These bonds have an interest rate of 9.25% - 10.25%. The ceiling of the company's Sustainable Bond I reaches IDR 3 trillion. For this bond, it is divided into two series. Series A has an interest rate of 9.25% and a tenor of 370 days. Series B with an interest rate of 10.25% and a 3-year tenor. The principal amount of series A bonds is IDR 250.1 billion, which will be guaranteed with full commitment. The remaining principal amount or IDR 133.99 billion will be guaranteed with the best ability and can be issued in series A or series B. In the issuance of these bonds, the Indonesian Securities Rating Agency (Pefindo) assigns a rating A. (Investor Daily)

Domestic Issue

December Consumer Confidence Index Raised to 96.5. Bank Indonesia reported that the Consumer Confidence Index (IKK) in December 2020 improved again to the level of 96.5. This realization increased from the IKK in November 2020 which was in the position of 92.0. The IKK has increased in all categories of the level of expenditure of the survey respondents, especially those with an expenditure of IDR 4.1 million to IDR 5 million per month. Meanwhile, from the age group, the increase in CCI also occurred in the majority of age groups, especially respondents aged 20-30 years. Consumer confidence was recorded to have increased in 14 cities, with the highest increase occurring in Bandar Lampung, up 10.2 points, followed by DKI Jakarta with 9.1 points and Denpasar up 9.0 points. The improvement in consumer confidence in December 2020 was driven by stronger perceptions of current economic conditions and expectations for the future. (Kontan)

Recommendation

PBS029 New Issuance Opens Initial Sukuk Auction. The need for funds and low yields of short tenor sukuk, have the opportunity to make the government aggressively win PBS027 and PBS017. In a year-end Sukuk auction, the government was aggressively winning a short 4-year tenor. On the other hand, market players also have the opportunity to be interested in the 3-year PBS027 because it offers a rate of return of up to 6.625%. For the record, the government is offering a new issuance PBS029 with a 14-year tenor in the initial Sukuk auction today. Yesterday, the rupiah depreciated 0.75% to IDR 14,125 / USD on the spot market.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.75%	3.75%	Real GDP	-3.49%	-5.32%
FX Reserve (USD bn)	133.60	133.66	Current Acc (USD bn)	0.96	(2.94)
Trd Balance (USD bn)	2.61	3.61	Govt. Spending Yoy	9.76%	-6.90%
Exports Yoy	9.54%	-3.29%	FDI (USD bn)	3.92	4.56
Imports Yoy	-17.46%	-26.93%	Business Confidence	104.82	105.33
Inflation Yoy	1.59%	1.44%	Cons. Confidence*	92.00	79.00

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +1.0 Bps to 101.45 (5.17%)
FR0087 (10yr): +5.1 Bps to 102.44 (6.17%)
FR0088 (15yr): +4.5 Bps to 100.83 (6.16%)
FR0083 (20yr): +4.3 Bps to 108.19 (6.73%)
FR0081 (4yr): +5.0 Bps to 104.37 (5.37%)
FR0082 (9yr): +5.5 Bps to 105.49 (6.23%)
FR0080 (14yr): +9.5 Bps to 107.50 (6.68%)

CDS of Indonesia Bonds

CDS 2yr: +3.92% to 25.04
CDS 5yr: +3.28% to 69.67
CDS 10yr: +2.79% to 132.70

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.20%	0.05%
USDIDR	14,125	0.75%
KRWIDR	12.87	0.23%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,008.69	(89.28)	-0.29%
S&P 500	3,799.61	(25.07)	-0.66%
FTSE 100	6,798.48	(74.78)	-1.09%
DAX	13,936.66	(112.87)	-0.80%
Nikkei	28,139.03	648.90	2.36%
Hang Seng	27,908.22	30.00	0.11%
Shanghai	3,531.50	(38.61)	-1.08%
KOSPI	3,148.45	(3.73)	-0.12%
EIDO	24.38	(0.14)	-0.57%

Commodities

Commodity	Last	Chg.	%
Gold (USD/t oz)	1,843.9	(5.1)	-0.28%
Crude Oil (USD/B)	52.25	0.01	0.02%
ICE NewCastle (USD/ton)	85.30	1.30	1.55%
LME Nickel (USD/MT)	17,667	(442.0)	-2.44%
LME Tin (USD/MT)	21,000	(110.0)	-0.52%
CPO (MYR/ton)	3,797	(33.0)	-0.86%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	08:30	PPI YoY	Dec		-0.7%	-1.5%
11 - Jan	CH	08:30	CPI YoY	Dec		0.0%	-0.5%
Wednesday	US	19:00	MBA Mortgage Applications	Jan		--	1.7%
13 - Jan	US	20:30	CPI MoM	Dec		0.4%	0.2%
Thursday	US	02:00	Monthly Budget Statement	Dec		--	-\$145.3b
14 - Jan	US	20:30	Initial Jobless Claims	Jan		--	787k
	CH		Trade Balance	Dec		\$71.00b	\$75.43b
	US	20:30	Import Price Index MoM	Dec		0.7%	0.1%
Friday	ID	11:00	Trade Balance	Dec		\$2287m	\$2613m
15 - Jan	UK	14:00	Industrial Production MoM	Nov		--	1.3%
	UK	14:00	Manufacturing Production MoM	Nov		--	1.7%
	US	21:15	Industrial Production MoM	Dec		0.3%	0.4%

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.



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