

# Morning Brief

## Today's Outlook:

### Government Bonds

**FR0087 Towards Par.** The majority of market players tend to collect short and medium tenor Government Securities (SUN), compared to long tenors. The 5-year benchmark FR0086 posted a yield decline of more than 10 bps, outpacing the 4.5 bps and 9 bps losses of the FR0087 and FR0088, according to Bloomberg data. In more detail, both the 10-year and 15-year benchmark yields recorded relatively the same yield at 6.50%. The good liquidity of FR0087, which has outstanding up to IDR 121 trillion, has made investors interested in this series again. The other outstanding benchmarks are in the range of IDR 36 trillion to IDR 102 trillion. The strengthening of the domestic SUN market amidst the continuing decline in US Treasury (UST) yields to the level of 1.65%, after the International Monetary Fund (IMF) raised its global economic projection. In a press conference, the IMF said that the global economic growth projection is at 6% in 2021. This figure is up from the previous projection of 5.5%.

### Corporate Bonds

**As Many as 16 Companies Released IDR 20.8 Trillion Debt Securities.** The Indonesia Stock Exchange (IDX) stated that 16 companies will issue 20 bonds or bonds in the form of bonds and sukuk (EBUS), with a total value of IDR 20.82 trillion. Of these, as many as 7 emissions from 6 issuers will be issued in April this year, worth IDR 6.67 trillion. As of 1Q21, the IDX recorded 19 issuances with a value of IDR 20.58 trillion that were listed on the stock exchange, as the 7-Day Reverse Repo Rate (BI 7-DRRR) was still held at 3.5%. One of the issuers that will issue corporate debt securities is Astra Sedaya Finance, a subsidiary of Astra International Tbk (ASII), which plans to issue bonds worth IDR 2.5 trillion. These bonds are part of the Sustainable Bonds V with a total value of IDR 10 trillion. Then, Tower Bersama Infrastructure Tbk (TBIG) which held a Continuous Public Offering (PUB) IV Phase IV worth IDR 970 billion. (Investor Daily)

### Domestic Issue

**Cause of Declining Indonesian Foreign Exchange Reserves.** Bank Indonesia (BI) recorded that Indonesia's foreign exchange reserve (cadev) at the end of March 2021 was recorded at USD 137.1 billion. Cadev was down USD 1.7 billion compared to Cadev's position at the end of February 2021 which was USD 138.8 billion. This decline was influenced by the payment of government external debt according to the payment maturity pattern. BI noted, the position of foreign reserves is equivalent to financing 10.1 months of imports or 9.7 months of imports and servicing of government external debt, and is above the international adequacy standard of around 3 months of imports. (Kontan)

### Recommendation

**Projections of the IMF and the Fed's Minutes Meeting.** Apart from upgrading the global growth projection by the IMF, market players are also watching the release of the Fed minutes meeting in the Federal Open Market Committee (FOMC). The results of the minutes of the meeting will show the attitude of the Fed officials regarding the possibility of a benchmark interest rate hike. Yesterday, the additional government sukuk auction (Greenshoe Option) recorded a total incoming bid of IDR 3.38 trillion. Meanwhile, the total nominal won was IDR 2.65 trillion. In the short term, investors can take advantage of the volatility of FR0086 and FR0087.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	-2.19%	-5.32%
FX Reserve (USD bn)	137.10	138.80	Current Acc (USD bn)	0.80	(2.94)
Trd Balance (USD bn)	2.00	1.96	Govt. Spending Yoy	1.76%	-6.90%
Exports Yoy	8.56%	12.24%	FDI (USD bn)	4.26	4.56
Imports Yoy	14.86%	-6.49%	Business Confidence	104.82	105.33
Inflation Yoy	1.37%	1.38%	Cons. Confidence*	85.80	84.90

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): -10.3 Bps to 99.45 (5.62%)  
FR0087 (10yr): -4.5 Bps to 99.96 (6.50%)  
FR0088 (15yr): -9.0 Bps to 97.86 (6.47%)  
FR0083 (20yr): -0.7 Bps to 101.96 (7.30%)

FR0081 (4yr): -7.6 Bps to 103.40 (5.57%)  
FR0082 (9yr): -6.6 Bps to 103.39 (6.51%)  
FR0080 (14yr): -14.1 Bps to 104.52 (6.99%)

## CDS of Indonesia Bonds

CDS 2yr: -0.00% to 33.42  
CDS 5yr: -0.38% to 84.04  
CDS 10yr: +0.09% to 149.77

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.52%	-0.06%
USDIDR	14,495	-0.07%
KRWIDR	12.99	0.23%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,446.26	16.02	0.05%
S&P 500	4,079.95	6.01	0.15%
FTSE 100	6,885.32	61.77	0.91%
DAX	15,176.36	(36.32)	-0.24%
Nikkei	29,730.79	34.16	0.12%
Hang Seng	28,674.80	(263.94)	-0.91%
Shanghai	3,479.63	(3.34)	-0.10%
KOSPI	3,137.41	10.33	0.33%
EIDO	21.66	(0.25)	-1.14%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,737.7	(5.6)	-0.32%
Crude Oil (\$/bbl)	59.77	0.44	0.74%
Coal (\$/ton)	88.50	(1.60)	-1.78%
Nickel LME (\$/MT)	16,636	(104.0)	-0.62%
Tin LME (\$/MT)	25,790	(25.0)	-0.10%
CPO (MYR/Ton)	3,845	43.0	1.13%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 05 - Apr	US	21:00	Factory Orders	Feb	-0.8%	-0.5%	2.6%
	US	21:00	Durable Goods Orders	Feb	-1.2%	--	-1.1%
<b>Wednesday</b> 07 - Apr	ID	10:00	Foreign Reserves	Mar	\$137.10b	--	\$138.80b
	EC	15:00	Markit Eurozone Composite PMI	Mar	53.2	52.5	52.5
	US	18:00	MBA Mortgage Applications	Apr	-5.1%	--	-2.2%
	US	19:30	Trade Balance	Feb	-\$71.1b	-\$69.9b	-\$68.2b
<b>Thursday</b> 08 - Apr	GE	13:00	Factory Orders MoM	Feb		1.0%	1.4%
	US	19:30	Initial Jobless Claims	Apr		--	--
<b>Friday</b> 09 - Apr	ID		Consumer Confidence Index	Mar		--	85.8
	CH	08:30	CPI YoY	Mar		0.4%	-0.2%
	CH	08:30	PPI YoY	Mar		3.3%	1.7%
	GE	13:00	Industrial Production SA MoM	Feb		1.2%	-2.5%
	US	19:30	PPI Final Demand MoM	Mar		0.5%	0.5%
	US	21:00	Wholesale Inventories MoM	Feb		--	0.5%

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