

# Morning Brief

## Today's Outlook:

### Government Bonds

**Low Inflation and Increase in Prices for Medium Tenors.** The benchmark 10-year FR0087 mid-tenor Government Bond (SUN) recorded a drop in yield of up to 8.5 bps, or the deepest drop in yield compared to other benchmark tenors. Attractive yields that surpass FR0088, make market players actively transact SUN benchmarks to replace the FR0082 series. On the other hand, the yield on the 10-year US Treasury (UST) at the weekend returned to the level of 1.71% or the highest level since January 2020. Investors are also wary of the Fed's decision to allow inflation to rise higher than the conventional target of 2%. This decision is in order to achieve the target of US full employment opening.

### Corporate Bonds

**ABMM Releases IDR 5.8 Trillion Bonds with Interest of 9.5%.** ABM Investama Tbk. (ABMM IJ) designed a global bond worth USD 400 million or the equivalent of IDR 5.83 trillion with an assumption based on the Jisdor exchange rate Thursday (01/04) of IDR 14,577 / USD. The ABMM bonds will be released on the Singapore Exchange Securities Trading Limited, with a tenor until 2026 with a maximum interest rate of up to 9.5%. Meanwhile, the debt securities will be guaranteed unconditionally and irrevocably with corporate guarantees by certain controlled companies from the company. The issuance plan aims to refinance both part and all of the USD 350 million bond with a fixed interest rate of 7.125% which will mature in 2022. (Bisnis Indonesia)

### Domestic Issue

**Group of Goods Contributing to Inflation in March.** The Central Statistics Agency (BPS) recorded inflation in March 2021 of 0.08% MoM or 1.37% YoY. This March 2021 inflation was lower than February 2021 inflation of 0.10% MoM or 1.38% YoY. Several categories of goods that contributed to inflation, namely the food, beverage and tobacco group contributed 0.1% to the inflation in March 2021. This category of goods experienced inflation of 0.4% MoM. Meanwhile, the commodity driving the highest inflation in this group was cayenne pepper with a 0.04% share. (Kontan)

### Recommendation

**Investors Pay Attention to Cadev and Retail Sales.** Trading this week, market players are waiting for the release of March data on foreign exchange reserves (Cadev). Based on data from Bank Indonesia (BI), the national foreign exchange reserves were recorded to have increased by USD 800 million to USD 138.8 billion, as of February. This figure, at the same time, made Indonesia score the highest cadev record in the last two months. Another sentiment came from the Indonesian Retail Sales Index in March, after falling 16.4% in the previous month. NHKSI Research sees the potential for a cadev decline, in line with BI intervention on the volatility of the rupiah exchange rate against the US dollar. Investors can start looking at PBS027, PBS017, PBS029, PBS004, and PBS028. The five series will open the initial Sukuk auction for the 2Q21 period, with an indicative target of IDR 10 trillion.

## 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)	138.80	138.00	Current Acc (USD bn)	0.80	(2.94)
Trd Balance (USD bn)	2.01	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	1.38%	1.55%	Cons. Confidence*	85.80	84.90

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): -5.4 Bps to 98.62 (5.82%)  
FR0087 (10yr): -8.5 Bps to 98.77 (6.67%)  
FR0088 (15yr): -1.8 Bps to 96.70 (6.59%)  
FR0083 (20yr): -6.2 Bps to 101.01 (7.39%)

FR0081 (4yr): -4.9 Bps to 102.77 (5.74%)  
FR0082 (9yr): -7.0 Bps to 102.09 (6.69%)  
FR0080 (14yr): -3.3 Bps to 102.57 (7.20%)

## CDS of Indonesia Bonds

CDS 2yr: -3.41% to 33.91  
CDS 5yr: -3.13% to 85.76  
CDS 10yr: -2.75% to 149.66

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.69%	-0.09%
USDIDR	14,525	0.00%
KRWIDR	12.83	0.00%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,153.21	171.66	0.52%
S&P 500	4,019.87	46.98	1.18%
FTSE 100	6,737.30	23.67	0.35%
DAX	15,107.17	98.83	0.66%
Nikkei	29,388.87	210.07	0.72%
Hang Seng	28,938.74	560.39	1.97%
Shanghai	3,466.33	24.42	0.71%
KOSPI	3,087.40	25.98	0.85%
EIDO	21.93	0.08	0.37%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,729.3	21.6	1.26%
Crude Oil (\$/bbl)	61.45	2.29	3.87%
Coal (\$/ton)	91.90	1.45	1.60%
Nickel LME (\$/MT)	16,214	146.0	0.91%
Tin LME (\$/MT)	25,123	(265.0)	-1.04%
CPO (MYR/Ton)	3,741	129.0	3.57%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 05 - Apr	US	21:00	Factory Orders	Feb		-0.5%	2.6%
	US	21:00	Durable Goods Orders	Feb		--	-1.1%
<b>Wednesday</b> 07 - Apr	ID	10:00	Foreign Reserves	Mar		--	\$138.80b
	EC	15:00	Markit Eurozone Composite PMI	Mar		--	52.5
	US	18:00	MBA Mortgage Applications	Apr		--	-2.2%
	US	19:30	Trade Balance	Feb		-\$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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