

# Morning Brief

## Today's Outlook:

### Government Bonds

**Short-term Fund Needs, Government Wins Many PBS027.** This actively traded sukuk with a tenor of less than 2-years was successfully won worth IDR 6.6 trillion, from the PBS027 entry offer of almost IDR 20 trillion. In this Sukuk auction, the government won a total of IDR 10 trillion, out of a total bid of IDR 46.7 trillion. The bid for the Sukuk auction was the highest throughout 2021, driven by the high level of liquidity in the banking sector, as well as being selective in lending. The government offers a total of six series of State Sharia Securities (SBSN), namely: SPNS03122021 (0.5-year); PBS027 (1.9-years) PBS017 (4.3-years); PBS029 (12.7-years); PBS004 (15.7-years); and PBS028 (25.3-years).

### Corporate Bonds

**Full Commitment Bonds and Sukuk AGII.** Aneka Gas Industri Tbk (AGII) plans to issue Shelf-Registered Bonds II Phase III Year 2021 with a principal amount of IDR 238 billion. This is a continuation of the Shelf-Registered Bonds II Public Offering with a target fund of IDR 500 billion. AGII also offers the 2021 Sustainable Sukuk Ijarah II Phase III with a principal value of IDR 244 billion. Meanwhile, the proceeds from this public offering are for refinancing AGII bonds maturing in 3Q21. The company claims that the issuance of bonds and sukuk recorded oversubscribers and full commitment from the underwriters. (Kontan)

### Domestic Issue

**Trade Balance Surplus USD 2.36 Billion.** The Central Statistics Agency (BPS) noted that the trade balance surplus in May 2021 was USD 2.36 billion, an increase compared to the surplus in April 2021 of USD 2.19 billion. In fact, when viewed from the beginning of 2021, the surplus in May 2021 is the highest during the current year. And this is the 13th surplus since 2020. This performance was driven by the improvement in exports and imports from last year. The export value in May 2021 was recorded at USD 16.60 billion, or grew 58.76% YoY. Meanwhile, the import value was recorded at USD 14.23 billion, or grew 68.68% YoY. (Kontan)

### Recommendation

**Positive Sentiment Trade Balance Surplus.** Market participants have the opportunity to respond positively to the trade balance in May 2021, which returns to a surplus, or the highest level during the current year. Investors expect improvement in terms of exports and imports, as an indication of the recovery of the domestic economy. On the other hand, market participants remain wary of the increase in positive cases of Covid-19, which has the opportunity to hamper economic targets for the 2Q21 period. In the short term, market participants can keep a close eye on FR0086, FR0087, PBS027, and PBS017.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	-0.74%	-0.74%
FX Reserve (USD bn)	136.40	138.80	Current Acc (USD bn)	(1.00)	(1.00)
Trd Balance (USD bn)	2.36	2.19	Govt. Spending Yoy	2.96%	2.96%
Exports Yoy	58.74%	51.94%	FDI (USD bn)	4.92	4.92
Imports Yoy	68.68%	29.93%	Business Confidence	104.82	104.82
Inflation Yoy	1.68%	1.42%	Cons. Confidence*	104.40	101.50

## PRICE OF BENCHMARK SERIES

FR0086 (5yr): +1.5 Bps to 100.71 (5.32%)  
FR0087 (10yr): +4.0 Bps to 100.83 (6.38%)  
FR0088 (15yr): +0.0 Bps to 99.58 (6.29%)  
FR0083 (20yr): +2.4 Bps to 104.89 (7.02%)

FR0081 (4yr): -1.0 Bps to 104.89 (5.13%)  
FR0082 (9yr): +1.8 Bps to 104.83 (6.30%)  
FR0080 (14yr): +1.8 Bps to 105.78 (6.85%)

## CDS of Indonesia Bonds

CDS 2yr: -0.56% to 29.11  
CDS 5yr: +0.39% to 72.90  
CDS 10yr: -0.50% to 136.95

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.40%	0.04%
USDIDR	14,225	0.15%
KRWIDR	12.74	0.14%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,299.33	(94.42)	-0.27%
S&P 500	4,246.59	(8.56)	-0.20%
FTSE 100	7,172.48	25.80	0.36%
DAX	15,729.52	55.88	0.36%
Nikkei	29,441.30	279.50	0.96%
Hang Seng	28,638.53	(203.60)	-0.71%
Shanghai	3,556.56	(33.19)	-0.93%
KOSPI	3,258.63	6.50	0.20%
EIDO	21.78	(0.17)	-0.77%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,859.0	(7.2)	-0.38%
Crude Oil (\$/bbl)	72.12	1.24	1.75%
Coal (\$/ton)	119.75	(1.25)	-1.03%
Nickel LME (\$/MT)	17,739	(741.0)	-4.01%
Tin LME (\$/MT)	31,463	(188.0)	-0.59%
CPO (MYR/Ton)	3,580	205.0	6.07%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Tuesday</b>	ID	11:00	Trade Balance	May	\$2361m	\$2300m	\$2190m
<i>15 - June</i>	UK	13:00	Jobless Claims Change	May	-92.6k	--	-15.1k
	GE	13:00	CPI YoY	May	2.5%	2.5%	2.5%
	US	19:30	PPI Final Demand MoM	May	0.8%	0.4%	0.6%
	US	20:15	Industrial Production MoM	May	0.8%	0.6%	0.7%
<b>Wednesday</b>	CH	09:00	Retail Sales YoY	May		14.00%	17.70%
<i>16 - June</i>	CH	09:00	Industrial Production YoY	May		9.20%	9.80%
	UK	13:00	CPI YoY	May		1.80%	1.50%
	US	18:00	MBA Mortgage Applications	Jun		--	-3.10%
<b>Thursday</b>	ID	14:20	Bank Indonesia 7D Reverse Repo	Jun		3.50%	3.50%
<i>17 - June</i>	EC	16:00	CPI YoY	May		2.00%	1.60%
	US	19:30	Initial Jobless Claims	Jun		--	376k
	US	21:00	Leading Index	May		1.10%	1.60%
<b>Friday</b>	UK	13:00	Retail Sales Inc Auto Fuel MoM	May		--	9.20%
<i>18 - June</i>							

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