

Morning Brief

Daily | Dec. 13, 2021

Today's Outlook:

Government Bonds

Mixed Weekend Markets, Ahead of US Inflation Data. The benchmark series of Government Securities (SUN) FR0087 and FR0088 closed at the same level of 6.29% last weekend. Market participants are watching the release of US inflation data for the period of November; with consensus projection at 6.8% YoY. On the other hand, the weekly jobless claims figure fell to 184K, which is the lowest level in 52 years.

Corporate Bonds

TBIG: Completed Bond Issuance. PT Tower Bersama Infrastructure Tbk (TBIG) has completed the issuance of Shelf-Registered Bonds V Phase II Year 2021 worth IDR 1.45 trillion. This bond has a tenor of 370 days with a fixed interest rate of 3.60% per annum. The bonds are part of the IDR 15 trillion bond program, and these bonds will be listed on the Indonesia Stock Exchange on December 13, 2021. (Kontan)

Domestic Issue

BI: Inflation Throughout 2021 at 1.64% YoY. Bank Indonesia (BI) estimates that the inflation rate in 2021 will be 3% plus minus 1%, or in the range of 1.64% YoY. Based on BI's price monitoring survey, this was driven by the inflation rate in the second week of December 2021 which remained under control. So that inflation in December 2021 is estimated at 0.34% MoM. (Kontan)

Recommendation

Trade Balance and BI 7-DRRR. Market movements this week have the potential to be influenced by several releases of domestic economic data. The Central Statistics Agency (BPS) will announce the Trade Balance data for the November period; after the previous month was at a record high position at the level of USD 5.73 billion. The economists' consensus projected that the Trade Balance position would decline to USD 4.5 billion. On the other hand, Bank Indonesia is also scheduled to hold a monthly Board of Governors Meeting (RDG); where market participants will wait for the direction of the central bank's policy in anticipating the plan to accelerate the tapering-off program from The Federal Reserve.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	3.51%	7.07%
FX Reserve (USD bn)	145.90	145.46	Current Acc (USD bn)	4.50	(1.97)
Trd Balance (USD bn)	5.73	4.37	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	53.35%	47.64%	FDI (USD bn)	4.77	6.52
Imports Yoy	51.06%	40.31%	Business Confidence	104.82	105.33
Inflation Yoy	1.75%	1.66%	Cons. Confidence*	118.50	113.40

PRICE OF BENCHMARK SERIES

FR0086 (5yr): +2.6 Bps to 101.42 (5.12%)
FR0087 (10yr): +0.7 Bps to 101.41 (6.29%)
FR0088 (15yr): -0.2 Bps to 99.79 (6.27%)
FR0083 (20yr): +0.0 Bps to 104.39 (7.06%)

FR0090 (5.5yr): +0.9 Bps to 101.10 (4.88%)
FR0091 (10.5yr): +0.5 Bps to 101.49 (6.17%)
FR0092 (20.6yr): -0.4 Bps to 102.75 (6.87%)

CDS of Indonesia Bonds

CDS 2yr: -1.10% to 30.05
CDS 5yr: -4.39% to 75.42
CDS 10yr: -0.86% to 142.01

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.31%	0.01%
USDIDR	14,373	0.14%
KRWIDR	12.17	-0.58%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,970.99	216.30	0.60%
S&P 500	4,712.02	44.57	0.95%
FTSE 100	7,291.78	(29.48)	-0.40%
DAX	15,623.31	(15.95)	-0.10%
Nikkei	28,437.77	(287.70)	-1.00%
Hang Seng	23,995.72	(259.14)	-1.07%
Shanghai	3,666.35	(6.69)	-0.18%
KOSPI	3,010.23	(19.34)	-0.64%
EIDO	23.49	(0.05)	-0.21%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,782.8	7.5	0.42%
Crude Oil (\$/bbl)	71.67	0.73	1.03%
Coal (\$/ton)	163.25	5.05	3.19%
Nickel LME (\$/MT)	19,746	(129.0)	-0.65%
Tin LME (\$/MT)	39,400	(100.0)	-0.25%
CPO (MYR/Ton)	4,800	22.0	0.46%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	UK	14:00	Industrial Production MoM	Oct.	-0.6%	0.1%	-0.4%
<i>10 - Dec.</i>	UK	14:00	Manufacturing Production MoM	Oct.	0.0%	0.2%	-0.1%
	US	20:30	CPI MoM	Nov.	0.8%	0.7%	0.9%
	US	22:00	U. of Mich. Sentiment	Dec.	70.4	68.0	67.4
Monday	—	—	—	—	—	—	—
<i>13 - Dec.</i>	—	—	—	—	—	—	—
Tuesday	UK	14:00	Jobless Claims Change	Nov.		—	-14.9k
<i>14 - Dec.</i>	US	20:30	PPI Final Demand MoM	Nov.		0.6%	0.6%
Wednesday	ID	11:00	Trade Balance	Nov.		\$4,500Mn	\$5,733Mn
<i>15 - Dec.</i>	ID	11:00	Exports YoY	Nov.		44.20%	53.35%
	ID	11:00	Imports YoY	Nov.		38.20%	51.06%
	ID	19:00	MBA Mortgage Applications	Dec.		—	2.0%
Thursday	US	02:00	FOMC Rate Decision	Dec.		0.25%	0.25%
<i>16 - Dec.</i>	ID	14:20	Bank Indonesia 7D Reverse Repo Rate	Dec.		3.50%	3.50%
	US	20:30	Initial Jobless Claims	Dec.		—	—
	US	21:45	Markit US Manufacturing PMI	Dec.		—	58.3
Friday	—	—	—	—	—	—	—
<i>17 - Dec.</i>	—	—	—	—	—	—	—

Source: Bloomberg

Research Division

Head of Research

Anggaraksa Arismunandar

Equity Strategy

T +62 21 5088 ext. 9134

E anggaraksa@nhsec.co.id

Senior Technical Analyst

Dimas Wahyu Putra Pratama

Technical

T +62 21 5088 ext 9131

E dimas.wahyu@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Ajeng Kartika Hapsari

Property, Construction, Cement

T +62 21 5088 ext 9130

E ajeng@nhsec.co.id

Analyst

Putu Chantika

Consumer, Retail

T +62 21 5088 ext 9129

E putu.chantika@nhsec.co.id

Analyst

Glenn Samuael Tanuwidjaja

Telco, Mining

T +62 21 5088 ext 9128

E glenn.samuael@nhsec.co.id

Research Support

Jasmine Kusumawardani

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

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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

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
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