

# Indonesia Market Daily

November 24, 2021

## Market Review

**JCI was down as under pressure by external sentiment.** JCI was closed lower by -45.51 (-0.68%) to 6,677.88 while the other Asian stock market were closed mixed. Investors digesting the latest external sentiment after Federal Reserve Chairman Jerome Powell was nominated for a second term, which increased the expectation that the US central bank will keep its course on tapering economic support. The consensus expected the Fed to raise interest rates by 25 basis points by next June. Besides that, the concern about Covid-19 cases also still persists in the market as the surging new cases in Europe has triggered another lockdown and mobility restriction, which hampered the optimism of a quicker recovery in consumption and growth globally. From inside the country, the JCI was weighed down by the negative closing by most of the Industrial Sectors, led by Transportation (-2.02%) as the worst-performing sector.

Trading Value: IDR 14.83trn  
Foreign Net Buy: IDR 94.05bn

## Bond yields are supported by Fitch's affirmation on Indonesia's rating at BBB/stable outlook.

**2Y:3.987%(-1.31bp)/10Y:6.385%(-0.06bp)**

Bond yields of 2-year and 10-year instruments managed to be lower after Fitch Ratings affirmed Indonesia's Sovereign Credit Rating at BBB with a stable outlook. The rating reflects the acknowledgment of Fitch for Indonesia's macroeconomic and financial system stability that is maintained as well as medium-term economic prospects which remain strong amid uneven global economic recovery and uncertainty in the global financial market.

## Rupiah was weakened due to the increased probabilities of quicker rate hikes by the Fed next year.

**FX: USD/IDR: 14,258 (+0.06%)**

Indonesia Rupiah was depreciated amid growing concern over tighter monetary policies by central banks around the world in an effort to stem inflation. The reappointment of Jerome Powell for a second term also added pressure to emerging market currencies due to the potential of a faster than expected rate hike by the Fed in 2022.

## Company News

### PT Bank Ina Tbk (BINA)

BINA would offer 282,718,750 shares for IDR 4,200 per share in a rights issue scheduled for next week, from December 3 to 9, 2021. BINA is estimated to gain IDR 1.18trn of proceeds from this corporate action. The funds from the rights issue would be used as working capital to expand its business and meet the minimum core capital requirement. BINA's current authorized capital amounted to IDR 2trn, while it's issued and paid-up capital was stood at IDR 565.43bn.

Source: *Investor Daily*

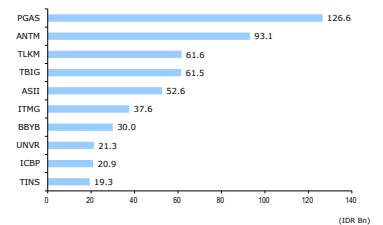
### PT Chandra Asri Petrochemical Tbk (TPIA)

TPIA has appointed four contractors namely Toyo Engineering Corporation, Samsung Engineering, Wood, and PT Haskoning Indonesia to work on the Front-End Engineering Design (FEED) for its second world-scale petrochemical complex in Indonesia (CAP2). The CAP2 complex will increase the company's total production capacity from 4.2 million tons to more than 8 million tons per year.

Source: *EmitenNews*

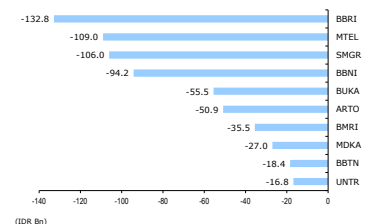
MAJOR MARKET INDICES	CHANGE	(%)
<b>US</b>		
Dow Jones	35,813.80	194.55 0.55%
Nasdaq	15,775.14	-79.62 -0.50%
S&P 500	4,690.70	7.76 0.17%
<b>Europe</b>		
FTSE 100	7,266.69	11.23 0.15%
DAX	15,937.00	-178.69 -1.11%
CAC 40	7,044.62	-60.38 -0.85%
<b>Asia</b>		
Nikkei	29,774.11	28.24 0.09%
Hang Seng	24,651.58	-299.76 -1.20%
KOSPI	2,997.33	-15.92 -0.53%

## FOREIGN MOST BUY (NET)



Source: *IDX*

## FOREIGN MOST SELL (NET)



Source: *IDX*

## JAKARTA STOCK EXCHANGE INDEX

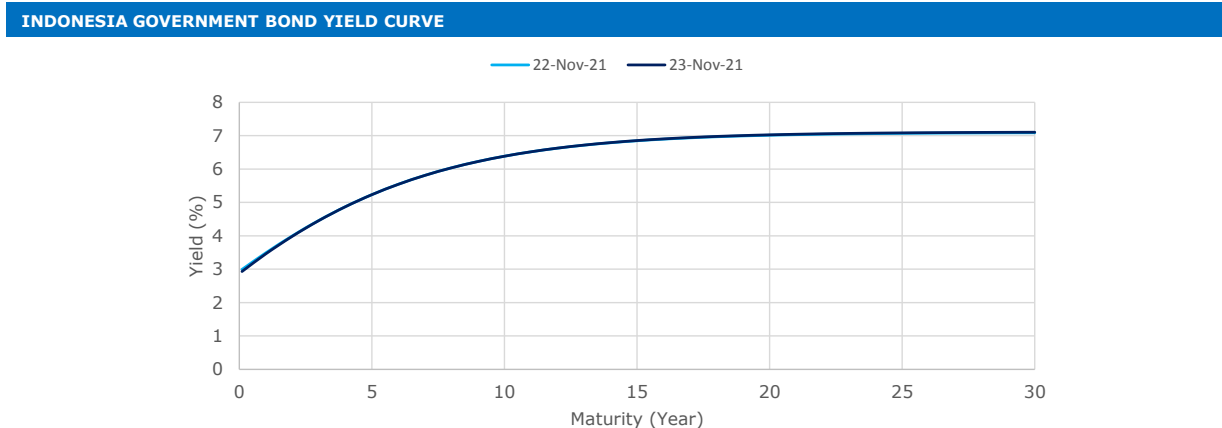


Source: *IDX*

**Fitch Affirms Indonesia at “BBB”; Outlook Stable.** Fitch Ratings has affirmed Indonesia’s Long-Term Foreign-Currency Issuer Default Rating (IDR) at ‘BBB’ with a Stable Outlook. Indonesia’s rating balances a favorable medium-term growth outlook and a still low, but rising, government debt/GDP ratio against a high dependence on external financing, low government revenue, and lagging structural features such as governance indicators and GDP per capita compared with ‘BBB’ category peers. Fitch expects real GDP to grow by 3.2% in 2021, although there is upside potential to Fitch forecast from a swift recovery in mobility in 4Q21 and continued high prices of Indonesia’s export commodities. Fitch forecast growth to accelerate to 6.8% in 2022, with the main risks relating to the evolution of the pandemic. Thereafter, Fitch expects growth to remain at around 6% over the next few years, as the negative output gap from the pandemic closes gradually. Moreover, Fitch forecasts the fiscal deficit to 4.5% in 2022 from 5.4% in 2021. These are slightly narrower than the targets presented in the government’s 2022 budget of 4.9% and 5.8%, respectively, which exclude the positive impact of the tax reform. Meanwhile, Fitch forecast Indonesia’s general government debt to rise to 43.1% of GDP by the end of 2021, from a pre-pandemic level of 30.6% in 2019, still well below the ‘BBB’ category median (60.3%). Fitch expects the debt ratio to peak at 45.1% of GDP in 2022 before declining gradually, facilitated by the resumption of strong GDP growth and tighter fiscal policy.

INDONESIA GOVERNMENT BOND YIELD				
Tenor	Last (%)	Previous (%)	Change	Change (bps)
1.0	3.46	3.49	-0.031	-3.080
2.0	3.99	4.00	-0.013	-1.310
3.0	4.46	4.46	-0.005	-0.520
4.0	4.87	4.87	-0.002	-0.230
5.0	5.23	5.23	-0.002	-0.170
6.0	5.54	5.55	-0.002	-0.200
7.0	5.81	5.81	-0.002	-0.210
8.0	6.04	6.04	-0.002	-0.200
9.0	6.23	6.23	-0.002	-0.150
10.0	6.39	6.39	-0.001	-0.060
15.0	6.85	6.85	0.006	0.650
20.0	7.03	7.01	0.012	1.230
30.0	7.10	7.09	0.017	1.660

BENCHMARK PRICE				
Series	Yield (%)	Change (bps)	Price (%)	Change (bps)
FR0086 (5Y)	5.021	-0.31	101.86	1.05
FR0087 (10Y)	6.165	0.47	102.32	-3.39
FR0088 (15Y)	6.218	0.32	100.30	-3.00
FR0083 (20Y)	6.894	0.56	106.25	-6.16



Source: PHEI

## Government Bond Valuation (NSS) based on Closing Price: 23-Nov-21

Series	Tenor	Coupon	YTM	Yield Curve	Spread to yield Curve	Mod Dur (Mid)	Convexity	Trading Idea
FR61	0.47	7.00	3.33	2.69	0.63	0.47	0.00	Under value
FR35	0.56	12.90	2.94	2.91	0.04	0.52	0.01	Neutral
FR43	0.64	10.25	3.15	3.09	0.06	0.61	0.01	Neutral
FR63	1.47	5.63	3.73	4.15	-0.41	1.41	0.03	Neutral
FR46	1.64	9.50	3.78	4.27	-0.49	1.49	0.03	Neutral
FR39	1.72	11.75	3.84	4.32	-0.48	1.54	0.03	Neutral
FR70	2.31	8.38	4.04	4.61	-0.58	2.08	0.06	Over value
FR77	2.48	8.13	4.07	4.68	-0.61	2.25	0.06	Over value
FR44	2.81	10.00	4.50	4.80	-0.30	2.44	0.08	Neutral
FR81	3.56	6.50	4.78	5.01	-0.23	3.08	0.12	Neutral
FR40	3.81	11.00	4.93	5.07	-0.14	3.14	0.12	Neutral
FR84	4.23	7.25	4.99	5.16	-0.17	3.58	0.16	Neutral
FR86	4.39	5.50	5.02	5.20	-0.18	3.84	0.18	Neutral
FR37	4.81	12.00	5.21	5.28	-0.07	3.76	0.18	Neutral
FR56	4.81	8.38	5.18	5.28	-0.11	3.95	0.19	Neutral
FR90	5.39	5.13	4.87	5.39	-0.52	4.64	0.26	Over value
FR59	5.47	7.00	5.39	5.40	-0.01	4.54	0.25	Neutral
FR42	5.64	10.25	5.59	5.43	0.16	4.30	0.24	Neutral
FR47	6.23	10.00	5.70	5.53	0.17	4.69	0.28	Neutral
FR64	6.48	6.13	5.67	5.57	0.10	5.30	0.34	Neutral
FR71	7.31	9.00	6.07	5.70	0.38	5.42	0.37	Neutral
FR78	7.47	8.25	6.07	5.72	0.35	5.66	0.40	Neutral
FR52	8.73	10.50	6.27	5.90	0.37	5.95	0.47	Neutral
FR82	8.81	7.00	6.21	5.91	0.30	6.49	0.53	Neutral
FR87	9.23	6.50	6.17	5.97	0.21	6.78	0.58	Neutral
FR85	9.39	7.75	6.27	5.99	0.29	6.71	0.58	Neutral
FR73	9.47	8.75	6.31	6.00	0.31	6.65	0.57	Neutral
FR54	9.64	9.50	6.39	6.02	0.37	6.45	0.55	Neutral
FR91	10.39	6.38	6.03	6.11	-0.08	7.51	0.71	Neutral
FR58	10.56	8.25	6.47	6.13	0.34	7.01	0.66	Neutral
FR74	10.73	7.50	6.51	6.16	0.35	7.30	0.70	Neutral
FR65	11.47	6.63	6.53	6.25	0.28	7.95	0.81	Neutral
FR68	12.31	8.38	6.73	6.34	0.39	7.82	0.83	Neutral
FR80	13.56	7.50	6.71	6.48	0.23	8.36	0.96	Neutral
FR72	14.48	8.25	6.85	6.58	0.27	8.74	1.05	Neutral
FR88	14.56	6.25	6.22	6.59	-0.37	9.22	1.15	Neutral
FR45	15.47	9.75	7.11	6.68	0.43	8.70	1.07	Neutral
FR75	16.47	7.50	6.94	6.78	0.15	9.56	1.28	Neutral
FR50	16.64	10.50	7.07	6.80	0.27	8.72	1.12	Neutral
FR79	17.39	8.38	6.99	6.87	0.12	9.54	1.31	Neutral
FR83	18.39	7.50	6.90	6.97	-0.07	10.08	1.46	Neutral
FR57	19.47	9.50	7.07	7.06	0.01	9.88	1.44	Neutral
FR62	20.39	6.38	6.43	7.14	-0.71	11.21	1.81	Over value
FR92	20.56	7.13	6.75	7.16	-0.41	10.59	1.68	Neutral
FR67	22.23	8.75	7.20	7.30	-0.09	10.39	1.67	Neutral
FR76	26.48	7.38	7.07	7.62	-0.55	11.79	2.18	Over value
FR89	29.72	6.88	6.79	7.84	-1.05	12.45	2.52	Over value

Source: Bloomberg, Shinhan Sekuritas Indonesia NSS model Calculation



Research Team		
<b>Helmi Therik, FRM</b>	Head of Research	helmi@shinhan.com
<b>Billy Ibrahim Djaya</b>	Research Analyst	billy.Ibrahim@shinhan.com
<b>Anissa Septiwijaya</b>	Research Analyst	anissa.septiwijaya@shinhan.com

Office
<p><b>PT. Shinhan Sekuritas Indonesia</b> Member of Indonesia Stock Exchange</p>
<p><b>Head Office :</b> Equity Tower Floor. 50 Sudirman Central Business District Lot 9 Jl. Jend. Sudirman Kav. 52-53 Senayan Jakarta 12920 Indonesia Telp.: (+62-21) 80869900 Fax : (+62-21) 22057925</p>

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