

Indonesia Market Daily

November 25, 2021

Market Review

JCI ended up in the positive territory after a volatile trading session. JCI edged higher +5.40 points (+0.08%) to 6,683.28 with Technology (-1.42%) and Healthcare (-0.69%) sector limiting the upward movement of the JCI. Bank Indonesia's optimism for economic growth in 2022 became the sentiment for foreign investors to continue to perform a net buying action amounted to IDR 420.25bn on Wednesday's trading session. Meanwhile, Bank Indonesia estimates that the domestic economy will grow in the range of 4.7% to 5.5% YoY next year, up from the previous projection of 4.6% to 5.4% YoY in line with the positive vaccination development and the increase of community activities. Moreover, the government targets that 70% of Indonesians will be fully vaccinated by the end of this year.

Trading Value: IDR 13.31trn
Foreign Net Buy: IDR 420.25bn

Bond yields varied as the market remained cautious over the monetary tightening policy by the Fed.

2Y:3.964%(-2.28bp)/10Y:6.389%(+0.38bp)

Bond yields of 2-year and 10-year instruments were mixed after Bank Indonesia confirmed that it would maintain a low-interest rates environment next year until there were signs of rising inflation. Besides that, Pefindo estimates that the issuance of corporate bonds next year will reach IDR 125trn to IDR 135trn. The projection is in line with the recovery of the economy after being impacted by the Covid-19 pandemic, while currently, companies began to restart their business expansion. However, investors also continue to take a cautious approach as anticipate the tapering off of asset purchases by the Fed.

Rupiah continue to decline after Bank Indonesia revised down its 2021 economic growth projection.

FX: USD/IDR: 14,265 (+0.05%)

Indonesia Rupiah was weekend against the US Dollar after Bank Indonesia lowered its 2021 economic growth projection to only 3.2%-4.0% YoY from the initial estimate of 3.5%-4.3% YoY. Nevertheless, Bank Indonesia is quite optimistic about better economic growth in 4Q21 supported by a number of economic indicators. From the production side, the Indonesian Manufacturing PMI surged in October, while the trade balance also reached a record high. On the consumption side, consumer confidence has also improved in line with the easing of the mobility restrictions.

Company News

PT Telkom Indonesia Tbk (TLKM)

TLKM recorded a 6.11% YoY revenue increase to IDR 106.04trn in 9M21. The consumer business line became the main driver of this growth with a 22.47% YoY increase in revenue, from IDR 15.88trn to IDR 19.45trn. The second driver was the enterprise business line which grew 15.23% YoY, from IDR 26.03trn to IDR 29.99trn. Thus, TLKM's net profit was able to grow by 13.15% YoY to IDR 18.87trn.

Source: Kontan

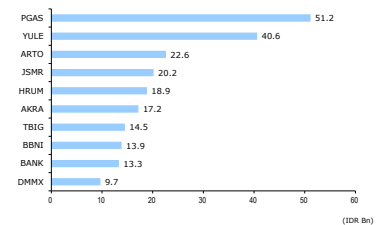
PT Siloam International Hospitals Tbk (SILO)

SILO's performance is expected to be stronger in line with the high demand for health services during the Covid-19 pandemic. Meanwhile, SILO also intensifies digital expansion or telehealth services through the MySiloam application which is connected to 1,000 doctors. Digital expansion will reach a wider range of patients, especially in areas outside Java. In its digital expansion efforts, SILO also collaborates with other platforms such as AIDO, HaloDoc, and Alodokter.

Source: Bisnis Indonesia

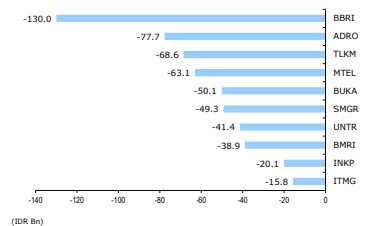
MAJOR MARKET INDICES	CHANGE	(%)	
US			
Dow Jones	35,804.38	-9.42	-0.03%
Nasdaq	15,845.23	70.09	0.44%
S&P 500	4,701.46	10.76	0.23%
Europe			
FTSE 100	7,286.32	19.63	0.27%
DAX	15,878.39	-58.61	-0.37%
CAC 40	7,042.23	-2.39	-0.03%
Asia			
Nikkei	29,302.66	-471.45	-1.58%
Hang Seng	24,685.50	33.92	0.14%
KOSPI	2,994.29	-3.04	-0.10%

FOREIGN MOST BUY (NET)



Source: IDX

FOREIGN MOST SELL (NET)



Source: IDX

JAKARTA STOCK EXCHANGE INDEX



Source: IDX

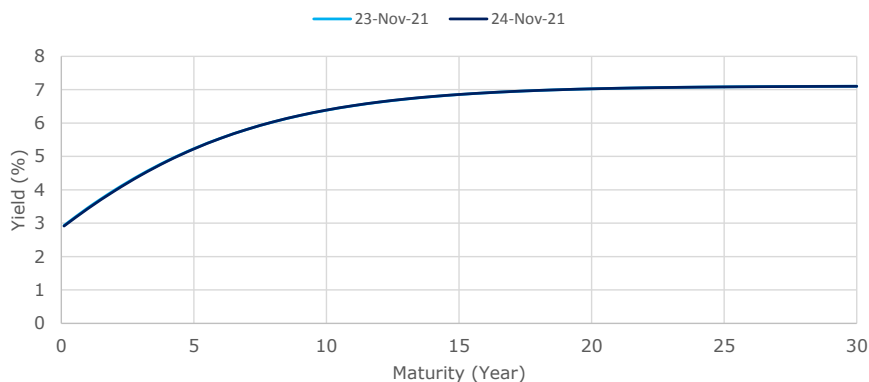
Moody's changes Lippo Karawaci's outlook to positive, affirms B3 rating. Moody's Investors Service has affirmed the B3 corporate family rating of PT Lippo Karawaci Tbk (LPKR). The rating affirmation with a change in outlook to positive reflects Moody's expectation of an improvement in LPKR's operating cash flow at the holding company level over the next 12-18 months, mainly driven by strong growth in its core marketing sales, the construction completion of its legacy projects and a reduction in rental payments to First REIT. Moody's expect LPKR net cash flow from its property development business and dividend cash flow from its key operating subsidiaries to be sufficient to meet rental and interest payments at the holding company level over the next 12-18 months, such that it does not need to rely on one-off asset sales.

Medco Energi issues bonds worth IDR 1trn. MEDC issues a sustainable bonds IV phase II with a maximum principal amount of IDR 1trn. Phase II is part of the sustainable bonds IV program with the targeted funds to be raised worth IDR 5trn. The bonds are offered in two series, Series A with a period of 36 months and Series B with a tenor of 60 months. The interest rate is 7.75% per annum for Series A with a nominal value of IDR 941.80bn, while the interest rate is 8.50% per annum for Series B with a nominal value of IDR 58.19bn.

INDONESIA GOVERNMENT BOND YIELD				
Tenor	Last (%)	Previous (%)	Change	Change (bps)
1.0	3.44	3.46	-0.023	-2.320
2.0	3.96	3.99	-0.023	-2.280
3.0	4.44	4.46	-0.019	-1.850
4.0	4.86	4.87	-0.013	-1.320
5.0	5.22	5.23	-0.008	-0.820
6.0	5.54	5.54	-0.004	-0.380
7.0	5.81	5.81	-0.001	-0.060
8.0	6.04	6.04	0.002	0.170
9.0	6.23	6.23	0.003	0.310
10.0	6.39	6.39	0.004	0.380
15.0	6.86	6.85	0.002	0.240
20.0	7.03	7.03	0.000	-0.030
30.0	7.10	7.10	-0.002	-0.250

BENCHMARK PRICE				
Series	Yield (%)	Change (bps)	Price (%)	Change (bps)
FR0086 (5Y)	5.008	-1.21	101.91	4.67
FR0087 (10Y)	6.170	0.48	102.28	-3.47
FR0088 (15Y)	6.223	0.47	100.25	-4.50
FR0083 (20Y)	6.898	0.35	106.21	-3.75

INDONESIA GOVERNMENT BOND YIELD CURVE



Source: PHEI

Government Bond Valuation (NSS) based on Closing Price: 24-Nov-21

Series	Tenor	Coupon	YTM	Yield Curve	Spread to yield Curve	Mod Dur (Mid)	Convexity	Trading Idea
FR61	0.47	7.00	3.32	2.63	0.69	0.46	0.00	Under value
FR35	0.56	12.90	2.98	2.85	0.12	0.52	0.01	Neutral
FR43	0.64	10.25	3.10	3.04	0.06	0.60	0.01	Neutral
FR63	1.47	5.63	3.72	4.14	-0.42	1.40	0.03	Neutral
FR46	1.64	9.50	3.77	4.26	-0.49	1.48	0.03	Neutral
FR39	1.72	11.75	3.83	4.32	-0.48	1.54	0.03	Neutral
FR70	2.31	8.38	4.03	4.62	-0.59	2.08	0.06	Over value
FR77	2.47	8.13	4.04	4.68	-0.64	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	4.76	5.01	-0.25	3.08	0.12	Neutral
FR40	3.81	11.00	4.92	5.07	-0.15	3.14	0.12	Neutral
FR84	4.23	7.25	4.99	5.17	-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	5.16	5.28	-0.12	3.76	0.18	Neutral
FR56	4.81	8.38	5.18	5.28	-0.10	3.94	0.19	Neutral
FR90	5.39	5.13	4.86	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	5.54	5.43	0.11	4.30	0.24	Neutral
FR47	6.23	10.00	5.66	5.53	0.13	4.69	0.28	Neutral
FR64	6.47	6.13	5.67	5.56	0.11	5.29	0.34	Neutral
FR71	7.30	9.00	6.07	5.69	0.38	5.41	0.37	Neutral
FR78	7.47	8.25	6.06	5.71	0.35	5.66	0.40	Neutral
FR52	8.72	10.50	6.30	5.88	0.42	5.94	0.47	Neutral
FR82	8.81	7.00	6.22	5.89	0.33	6.49	0.53	Neutral
FR87	9.23	6.50	6.18	5.94	0.23	6.77	0.58	Neutral
FR85	9.39	7.75	6.27	5.97	0.31	6.71	0.58	Neutral
FR73	9.47	8.75	6.31	5.98	0.33	6.64	0.57	Neutral
FR54	9.64	9.50	6.39	6.00	0.40	6.45	0.55	Neutral
FR91	10.39	6.38	6.04	6.09	-0.05	7.51	0.71	Neutral
FR58	10.56	8.25	6.49	6.11	0.39	7.00	0.66	Neutral
FR74	10.72	7.50	6.50	6.13	0.38	7.30	0.70	Neutral
FR65	11.47	6.63	6.53	6.21	0.32	7.95	0.81	Neutral
FR68	12.30	8.38	6.74	6.31	0.43	7.82	0.83	Neutral
FR80	13.56	7.50	6.71	6.44	0.27	8.36	0.96	Neutral
FR72	14.47	8.25	6.86	6.53	0.32	8.73	1.05	Neutral
FR88	14.56	6.25	6.23	6.54	-0.32	9.22	1.15	Neutral
FR45	15.47	9.75	7.11	6.63	0.48	8.70	1.07	Neutral
FR75	16.47	7.50	6.94	6.73	0.21	9.55	1.28	Neutral
FR50	16.64	10.50	7.07	6.74	0.32	8.71	1.12	Neutral
FR79	17.39	8.38	7.00	6.81	0.19	9.53	1.31	Neutral
FR83	18.39	7.50	6.90	6.90	0.00	10.07	1.46	Neutral
FR57	19.47	9.50	7.07	7.00	0.08	9.88	1.44	Neutral
FR62	20.39	6.38	6.26	7.07	-0.81	11.30	1.83	Over value
FR92	20.56	7.13	6.77	7.09	-0.32	10.58	1.68	Neutral
FR67	22.23	8.75	7.20	7.22	-0.02	10.39	1.67	Neutral
FR76	26.47	7.38	7.06	7.53	-0.46	11.79	2.18	Neutral
FR89	29.72	6.88	6.79	7.73	-0.95	12.45	2.52	Over value

Source: Bloomberg, Shinhan Sekuritas Indonesia NSS model Calculation



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