

Indonesia Market Daily

October 13, 2021

Market Review

JCI maintains the upward movement amid the decline in most Asian stock markets. JCI was closed higher by +26.57 points (+0.41%) to 6,486.27, while touched the 6,500 level in the early trading session, on the back of positive Covid-19 development in the country as the number of new cases continues to decrease. Indonesia recorded 620 new Covid-19 cases on 11 October 2021, the lowest since June 2020, and 1,261 new cases on 12 October 2021. The lower new infections helped the government to ease the mobility restriction to support the economy. The positive closing of the Industrials (+0.66%) was also supported the JCI, in line with the gain of ASII (+1.73%) shares after the announcement of Indonesia's domestic auto sales that surged 73% YoY to 84,113 units in September 2021, and higher than 83,319 units recorded in August 2021.

Trading Value: IDR 19.03trn
Foreign Net Sell: IDR 428.62bn

The concern on inflation increases the expectation for higher interest rates globally.

Bond: 2Y: 4.132% (+1.27bp) / 10Y: 6.467% (-0.22bp)

Bond yields of 2-year and 10-year instruments continue to be mixed amid a global sell-off in fixed income products due to external sentiment. Nevertheless, the domestic bond market is considered to be still attractive given ample liquidity in the market and the stability of the Rupiah exchange rate. Meanwhile, the government was able to sell IDR 8trn of bonds in Tuesday's auction, in line with the indicative target. The total incoming bids were recorded at IDR 50.15trn, or lower compared to IDR 58.83trn recorded in the previous auction. The total amount awarded for the seven series offered was also declined from IDR 12trn on the SUN auction two weeks ago. The awarded weighted average yield is mostly higher, especially in the longer tenor. The strongest demand went for the FR0090 series that will mature on 15 April 2027, with incoming bids of IDR 13.72trn and an awarded weighted average yield of 5.06%.

EM currency under pressure ahead of US inflation rate announcement for clues on the Fed tapering timeline

FX: USD/IDR: 14,218 (+0.07%)

Indonesia Rupiah was slightly depreciated against the US Dollar as investors took a wait-and-see stance ahead of the US inflation data and the release of the Fed meeting minutes, which may solidify the expectation of the US central bank to announce the tapering of asset purchases in November. However, the resilience of the Rupiah currency underscores the positive impact of the commodity boom on Indonesia's trade performance.

Company News

PT Delta Dunia Makmur Tbk (DOID)

DOID acquired an Australian mining business company called Open Cut Mining East for IDR 1.56trn through its subsidiary PT Bukit Makmur Mandiri Utama (BUMA). Open Cut Mining East is one of the biggest mining contractors in Australia and the subsidiary of Downer EDI Ltd. BUMA has paid an initial deposit of AUD 16mn, while the remaining amount will be transferred once the transaction is concluded, which is estimated by the end of this year.

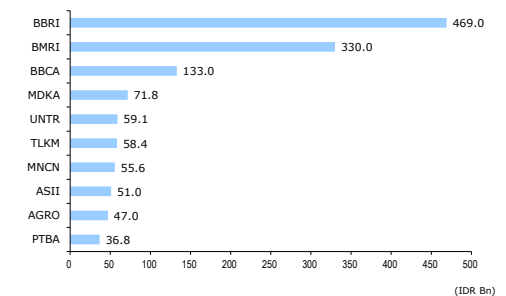
Source: Katadata

Indices

	Last	Change	Change (%)
US 30 Futures	34,353.60	-24.70	-0.07%
US 500 Futures	4,344.20	-6.40	-0.15%
Dow Jones	34,378.34	-117.72	-0.34%
S&P 500	4,350.64	-10.55	-0.24%
Nasdaq	14,465.90	-20.30	-0.14%
S&P 500 VIX	19.85	-0.15	-0.75%
Dollar Index	94.498	-0.03	-0.03%

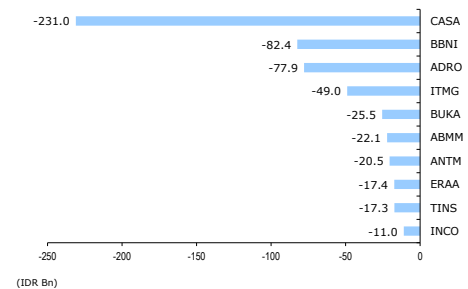
Source: Investing.com, Shinhan Sekuritas Indonesia

Foreigner Most Buy (Net)



Source: IDX, Shinhan Sekuritas Indonesia

Foreigner Most Sell (Net)



Source: IDX, Shinhan Sekuritas Indonesia

Jakarta Stock Exchange Composite Index



Source: IDX, Shinhan Sekuritas Indonesia

PT Chandra Asri Petrochemical Tbk (TPIA) would issue a Shelf-Registration Bond III Phase IV Year 2021, with a face value of IDR 1 trillion and the highest annual interest rate of 9%.

The issuance of this bond is a continuation of the bigger Shelf-Registration Bond Public Offering III of TPIA, which targets IDR 5trn of return in total. Previously, TPIA had released three bonds of the same program, with a total value of IDR 2.6trn. For this fourth phase, TPIA would release the bonds in three series. Series A would be offered for IDR 266.95bn, with an annual fixed interest rate of 7.20% and a 5-year tenor. Then, the value of Series B would amount to IDR 581.5bn, equipped with an 8.20% annual fixed interest rate and a 7-year tenor. Lastly, Series C would have a face value of IDR 151.55bn, a fixed annual interest rate of 9%, and a 10-year tenor. The public offering is set from October 22 to 26, 2021. The entire proceeds from the bond issuance would go to its working capital. Bond Phase IV of TPIA had obtained an "idAA-" rating from Pefindo.

Indonesia Government Bond Yield

Tenor	Last (%)	Previous (%)	Change	Change (bps)
1.0	3.48	3.47	0.005	0.530
2.0	4.13	4.12	0.013	1.270
3.0	4.61	4.60	0.010	0.970
4.0	4.99	4.99	0.004	0.400
5.0	5.32	5.32	-0.001	-0.110
6.0	5.60	5.61	-0.004	-0.440
7.0	5.86	5.87	-0.006	-0.570
8.0	6.09	6.09	-0.006	-0.550
9.0	6.29	6.29	-0.004	-0.420
10.0	6.47	6.47	-0.002	-0.220
15.0	7.02	7.01	0.009	0.920
20.0	7.22	7.20	0.015	1.510
30.0	7.30	7.28	0.018	1.780

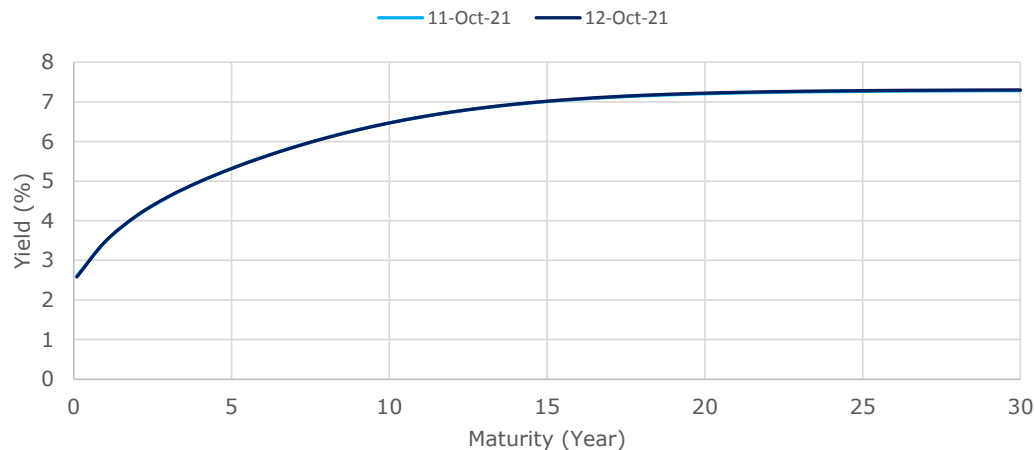
Source: PHEI

Benchmark Price

Series	Yield (%)	Change (bps)	Price (%)	Change (bps)
FR0086 (5Y)	5.186	-1.69	101.25	6.71
FR0087 (10Y)	6.329	-2.99	101.18	20.96
FR0088 (15Y)	6.331	-1.59	99.23	15.00
FR0083 (20Y)	7.238	-1.09	102.65	11.24

Source: PHEI

Indonesia Government Bond Yield Curve



Source: PHEI



Research Team		
Helmi Therik, FRM	Head of Research	helmi@shinhan.com
Billy Ibrahim Djaya	Research Analyst	billy.ibrahim@shinhan.com

Office
<p>PT Shinhan Sekuritas Indonesia Member of Indonesia Stock Exchange</p>
<p>Head Office: 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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