

Indonesia Market Daily

September 24, 2021

Market Review

JCI Index: +0.56%

JCI was closed higher by +34.45 points (+0.56%) to 6,142.72 in line with most Asian stock markets as the Fed holds interest rate steady as expected and the tapering of bond-buying to begin as soon as November. The Fed estimated that the unwind of monthly bond purchases process could conclude around the middle of next year, as long as the recovery remains on track. Besides that, the Fed hinted at possible rate hikes next year. Meanwhile, the higher closing of the Technology (+1.77%) sector also supports the JCI, along with the gain of BUKA (+4.12%) shares as the company will be included in the LQ45, IDX30, IDX80, JII, and JII70 indexes. The Financials (+1.28%) sector followed the positive closing on the back of BBRI (+4.43%) shares after the bank is estimated to get IDR 27trn from the public in the rights issue. Besides that, BBKA (+0.38%) get shareholders' approval for its 1:5 stock split which is expected to conclude in October.

Trading Value: IDR 13.22trn
Foreign Net Buy: IDR 870.98bn

Bond: 2Y: 4.089% (+1.39bp) / 10Y: 6.322% (-1.94bp)

The bond yields of 2-year and 10-year instruments continue to be mixed as Bank Indonesia is expected to keep the key rate unchanged this year despite the Fed taper that is likely to start in November. Meanwhile, the government received IDR 11.24trn of bids for debt switch. The government swaps IDR 7.07trn of bonds due 2022 through 2025 with notes maturing in 2027 through 2051. Besides that, Indonesia bond sales this year as of 22 September reached USD 382.6bn, up 475% YoY. Local currency bond sales reached USD 371.6bn, up 567% YoY or the highest issuance since 2010.

FX: USD/IDR: 14,243 (0.00%)

Indonesia Rupiah was stagnant after the hawkish comment from the Fed to begin tapering soon. From inside the country, the currency also weighs down by the national economic outlook that is expected to grow by 4%-5% in 3Q21, lower than the growth of 7.07% in 2Q21.

Company News

PT Bank Central Asia Tbk (BBKA)

BBKA's plan to perform a stock split with 1:5 ratios has been approved by its shareholders on 23 September 2021. The stock split would change the face value of the shares from IDR 62.5 to IDR 12.5 per share. BBKA's share price is currently at around IDR 32,000 per share, which means the stock price after the stock split will be at IDR 6,400 per share. This corporate action aims to make BBKA's stock price more affordable for retail investors.

Source: IQ Plus

PT Bukit Asam Tbk (PTBA)

PTBA managed to record total revenue of IDR 15.91trn from January to August 2021, almost reach the full-year revenue realization in 2020 of IDR 17.3trn. Moreover, the company's net profit also reached IDR 3.58trn until August 2021, which already exceeded the full-year 2020 net profit amounted to IDR 2.4trn. The solid earnings performance was driven by higher coal sales volume until August 2021 that recorded at 18.21 million tons with a production volume of 19.6 million tons.

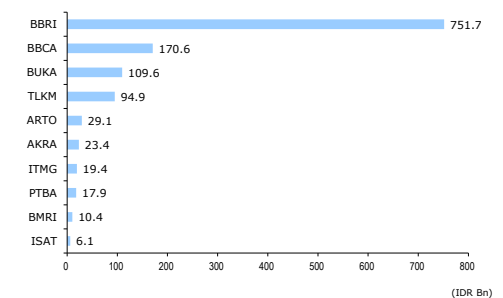
Source: CNBC Indonesia

Indices

	Last	Change	Change (%)
US 30 Futures	34,825.10	60.30	0.17%
US 500 Futures	4,458.10	9.10	0.20%
Dow Jones	34,764.82	506.50	1.48%
S&P 500	4,448.98	53.34	1.21%
Nasdaq	15,052.20	155.40	1.04%
S&P 500 VIX	18.63	-2.24	-10.73%
Dollar Index	93.058	-0.04	-0.05%

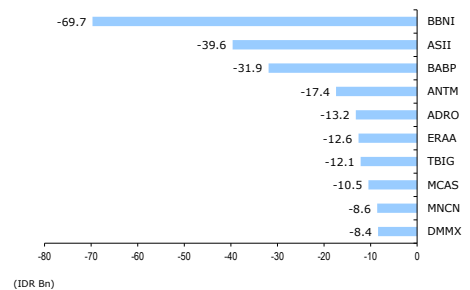
Source: Investing.com, Shinhan Sekuritas Indonesia

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

The Government will conduct a Government Debt Securities (SUN) Auction in Rupiah denomination to finance the 2021 State Budget on 28 September 2021.

The SUN to be auctioned are SPN03211229 (new issuance) at discount, SPN12220707 (reopening) at discount, FR0090 (reopening) at 5.125%, FR0091 (reopening) at 6.375%, FR0088 (reopening) at 6.25%, FR0092 (reopening) at 7.125%, and FR0089 at 6.875%. The government has set an indicative target at IDR 12trn, significantly lower than IDR 21trn set at the previous SUN auction on 16 September 2021. The lower debt issuance is in line with the government uses of accumulated cash surplus (SAL) from 2020, higher tax collection, and burden-sharing with Bank Indonesia to finance the 2021 state budget.

Pefindo has affirmed its "idAA+" rating for PT Angkasa Pura I (APAI)'s Bond I Year 2016 of IDR 622.0bn and APAI's Sukuk Ijarah I Year 2016 Serie A of IDR 268.0bn that will mature on November 22, 2021.

The company plans to repay the maturing bond and sukuk using the cash generated from the realization of Shelf-Registered Bond I Year 2021 and Shelf-Registered Sukuk Ijarah I Year 2021 in September 2021.

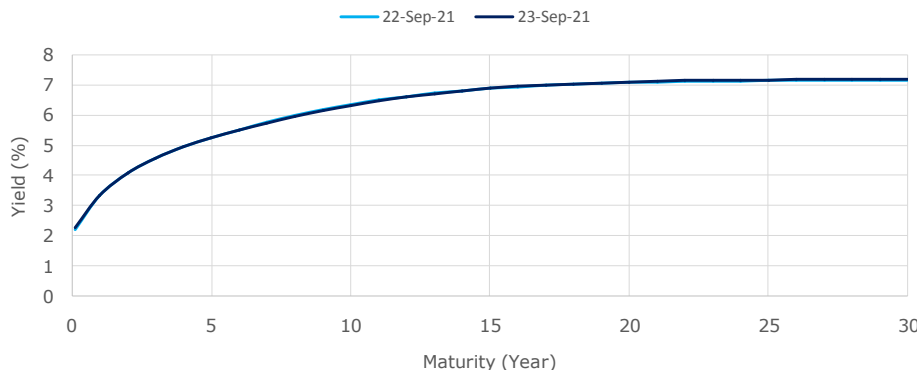
Indonesia Government Bond Yield					
Tenor	Last (%)	Previous (%)	Change	Change (bps)	
1.0	3.35	3.33	0.020	2.030	
2.0	4.09	4.07	0.014	1.390	
3.0	4.58	4.57	0.010	0.950	
4.0	4.95	4.94	0.004	0.370	
5.0	5.25	5.25	-0.003	-0.310	
6.0	5.51	5.52	-0.010	-0.980	
7.0	5.74	5.76	-0.015	-1.520	
8.0	5.96	5.98	-0.019	-1.850	
9.0	6.15	6.17	-0.020	-1.990	
10.0	6.32	6.34	-0.019	-1.940	
15.0	6.88	6.88	0.000	0.000	
20.0	7.10	7.08	0.020	1.980	
30.0	7.19	7.15	0.034	3.380	

Source: PHEI

Benchmark Price				
Series	Yield (%)	Change (bps)	Price (%)	Change (bps)
FR0086 (5Y)	5.144	-1.90	101.43	7.63
FR0087 (10Y)	6.173	-3.61	102.30	25.74
FR0088 (15Y)	6.263	-0.97	99.86	9.23
FR0083 (20Y)	6.943	0.28	105.76	-3.04

Source: PHEI

Indonesia Government Bond Yield Curve



Source: PHEI



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