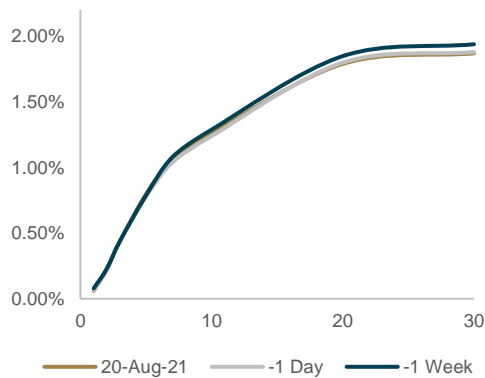


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	20-Aug-21	-1 Day	-1 Week
U.S	1.26%	1.24%	1.28%
U.K	0.52%	0.54%	0.57%
Germany	-0.49%	-0.49%	-0.47%
Australia	1.08%	1.08%	1.22%
Japan	0.01%	0.02%	0.03%
China	2.85%	2.84%	2.89%
Malaysia	3.23%	3.25%	3.24%
Thailand	1.52%	1.53%	1.53%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.26
Indo 5-Year CDS	bps	74.32
USD/IDR	points	14,453
BI 7DRR	%	3.50

Source : Bloomberg as of August 20, 2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- Market concerns remained on the possible end year of 2021 tapering bond purchase as the discussion to rollback the stimulus was pictured in the Fed July-21 minutes of meeting.
- The 10 year U.S. treasury yield dipped by 2 bps on a weekly basis despite the tapering debates.
- In the last day of trading, the government benchmark yield closed at 1.26% after rising 2 bps from the previous day trading session.
- There was no data released scheduled on Friday (08/20/21).
- Global bonds yield remained low following a limited movement of U.S. treasury yield last week.
- What has limited the movement of yield to rise is still the risk of slower than expected growth due to Delta variant of Covid-19 widespread.
- The U.S. equity market finished higher in the last day of trading last week with DJI rose 0.65%; S&P 500 added 0.81% and Nasdaq Composite lead with 1.19% appreciation.

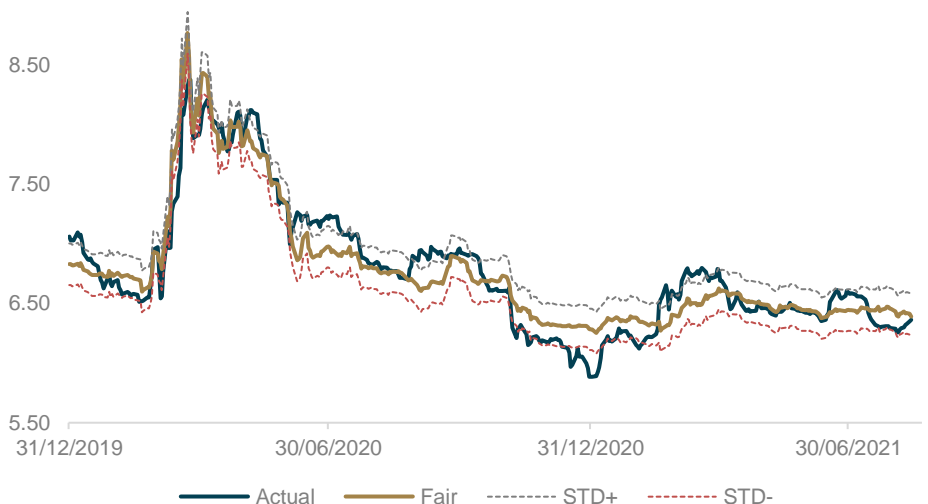
## Domestic Market Update

- On Friday (08/20/21) the 10 year Indo GB yield jumped 4 bps higher to 6.37%, yet on the weekly basis the benchmark stayed flat.
- However the value of IDR depreciated against USD after declining by 0.49% to IDR 14,453/USD.
- Along with the risk premium, rupiah reacted negatively to possible the Fed tapering by the end of this year. However the declines of rupiah was not significant. As market participants have expected BI kept its 7 day reverse repo rate unchanged at a historically low of 3.5%.
- The domestic stock market ebbed lower by 1.8% on a weekly basis, yet the market recorded a net inflow of IDR2.34tn.

## Market Projection

- We see that external pressures hiked recently but with a non-significant rate. We expect the 10 year Indo GB yield to move within range of 6.32%-6.38% on Monday (08/23/21).
- Given the potential circumstance, the Indo GB series such as FR0086, FR0078, FR0087, FR0091, FR0072, FR0083, and FR0092 remain attractive to be traded.

## Exhibit 4. 10 Year Indo GB Fair Yield



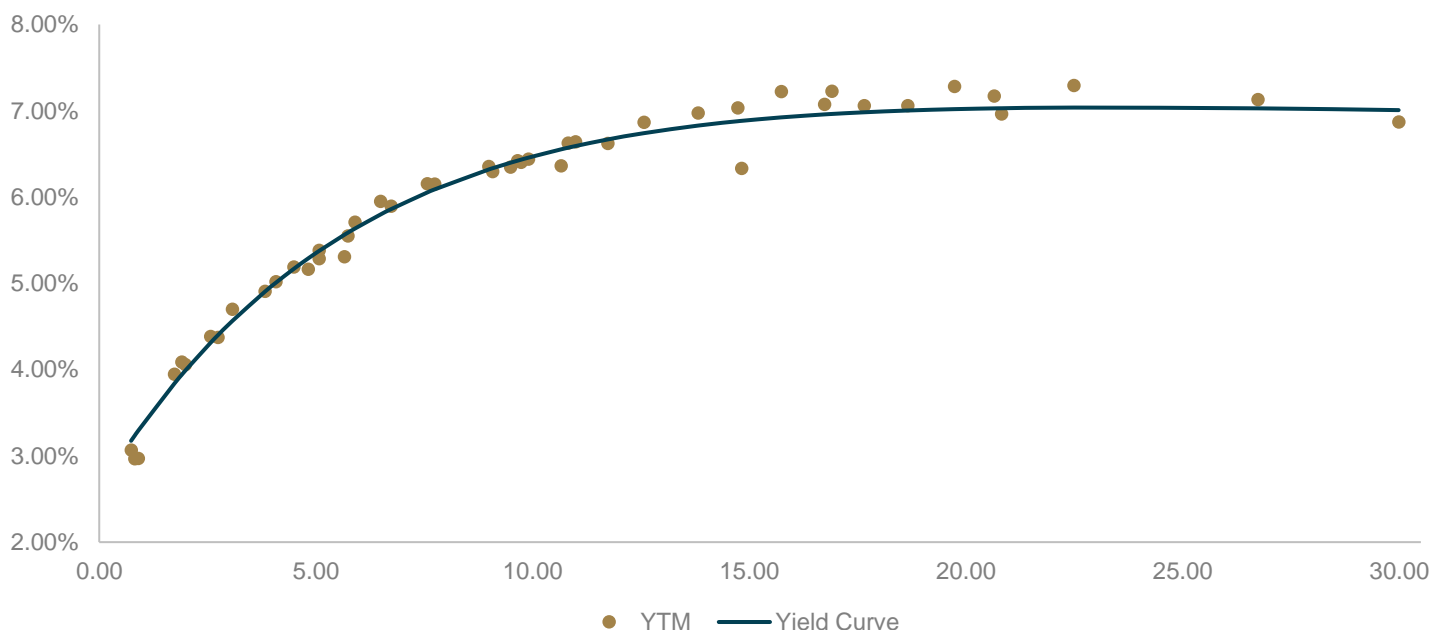
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.73	102.80	3.06%	3.17%	102.76	Fair
FR35	15-Jun-22	0.82	107.87	2.96%	3.23%	107.75	Premium
FR43	15-Jul-22	0.90	106.35	2.97%	3.29%	106.13	Premium
FR63	15-May-23	1.73	102.77	3.94%	3.84%	102.97	Fair
FR46	15-Jul-23	1.90	109.75	4.09%	3.94%	110.09	Fair
FR39	15-Aug-23	1.99	114.47	4.06%	3.99%	114.68	Fair
FR70	15-Mar-24	2.57	109.57	4.38%	4.31%	109.79	Fair
FR77	15-May-24	2.74	109.54	4.37%	4.40%	109.50	Fair
FR44	15-Sep-24	3.07	114.94	4.70%	4.56%	115.41	Fair
FR81	15-Jun-25	3.82	105.47	4.90%	4.90%	105.50	Fair
FR40	15-Sep-25	4.07	121.72	5.02%	5.01%	121.82	Fair
FR84	15-Feb-26	4.49	108.14	5.19%	5.17%	108.24	Fair
FR86	15-Jun-26	4.82	101.38	5.16%	5.29%	100.88	Fair
FR37	15-Sep-26	5.07	128.98	5.38%	5.38%	129.05	Fair
FR56	15-Sep-26	5.07	113.56	5.28%	5.38%	113.15	Fair
FR90	15-Apr-27	5.65	99.12	5.31%	5.56%	97.90	Premium
FR59	15-May-27	5.73	107.03	5.55%	5.59%	106.84	Fair
FR42	15-Jul-27	5.90	122.44	5.71%	5.64%	122.88	Fair
FR47	15-Feb-28	6.49	121.50	5.95%	5.80%	122.45	Fair
FR64	15-May-28	6.74	101.26	5.89%	5.86%	101.44	Fair
FR71	15-Mar-29	7.57	117.01	6.15%	6.05%	117.68	Fair
FR78	15-May-29	7.74	112.75	6.15%	6.09%	113.16	Fair
FR52	15-Aug-30	8.99	128.02	6.35%	6.32%	128.32	Fair
FR82	15-Sep-30	9.07	104.83	6.29%	6.33%	104.53	Fair
FR87	15-Feb-31	9.49	101.07	6.35%	6.40%	100.71	Fair
FR85	15-Apr-31	9.65	109.44	6.42%	6.42%	109.43	Fair
FR73	15-May-31	9.73	116.80	6.40%	6.43%	116.54	Fair
FR54	15-Jul-31	9.90	122.14	6.44%	6.46%	121.99	Fair
FR91	15-Apr-32	10.65	100.11	6.36%	6.55%	98.63	Premium
FR58	15-Jun-32	10.82	112.39	6.63%	6.57%	112.82	Fair
FR74	15-Aug-32	10.99	106.64	6.64%	6.59%	107.02	Fair
FR65	15-May-33	11.74	100.02	6.62%	6.67%	99.63	Fair
FR68	15-Mar-34	12.57	112.55	6.87%	6.74%	113.69	Fair
FR80	15-Jun-35	13.82	104.60	6.97%	6.83%	105.92	Fair
FR72	15-May-36	14.74	111.05	7.03%	6.88%	112.54	Fair
FR88	15-Jun-36	14.82	99.21	6.33%	6.88%	94.15	Premium
FR45	15-May-37	15.74	123.50	7.22%	6.92%	126.80	Discounted
FR75	15-May-38	16.74	104.15	7.07%	6.96%	105.28	Fair
FR50	15-Jul-38	16.90	131.63	7.23%	6.96%	134.79	Discounted
FR79	15-Apr-39	17.65	113.14	7.06%	6.98%	113.97	Fair
FR83	15-Apr-40	18.65	104.52	7.06%	7.00%	105.10	Fair
FR57	15-May-41	19.74	123.00	7.28%	7.02%	126.25	Discounted
FR62	15-Apr-42	20.65	91.50	7.17%	7.03%	92.91	Fair
FR92	15-Jun-42	20.82	101.76	6.96%	7.03%	101.00	Fair
FR67	15-Feb-44	22.49	116.00	7.29%	7.04%	119.18	Discounted
FR76	15-May-48	26.74	102.93	7.13%	7.03%	104.12	Fair
FR89	15-Aug-51	29.99	100.08	6.87%	7.01%	98.33	Fair

Source : Bloomberg, MNCS Calculation as of August 20, 2021

## Exhibit 6. Indo GB Yield Curve



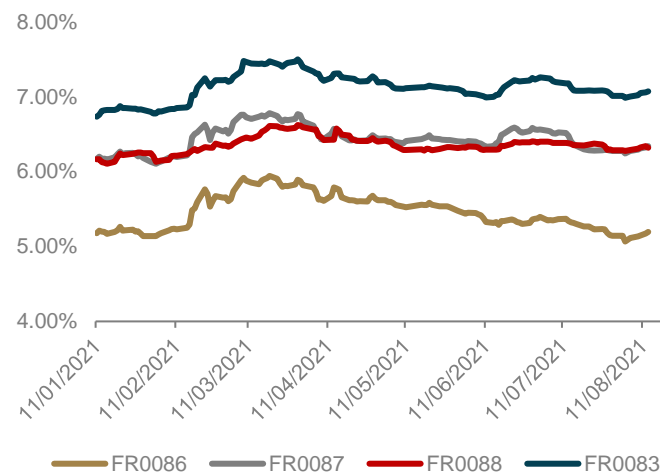
Source : Bloomberg, MNCS Calculation as of August 20, 2021

## Exhibit 7. 10 Year U.S. Treasury & Indo GB Spread



Source : Bloomberg, MNCS Calculation

## Exhibit 8. Indo GB Benchmark Series Yield



Source : Bloomberg

## Exhibit 9. Indo GB Ownership by Type of Investors (%)

Bond Holder	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
Bank	37.96	37.09	37.86	36.00	36.33	32.50	31.92	34.85
Central Bank (Nett)	9.52	10.98	10.65	12.77	11.99	15.93	16.08	13.17
Mutual Fund	4.18	4.04	3.92	3.81	3.06	3.16	3.18	3.17
Insurance & Pension Fund	14.04	14.01	14.08	14.14	14.44	14.24	14.59	14.59
Foreign	24.86	23.81	22.89	22.74	22.76	22.82	22.53	22.55
Individuals	3.51	4.11	4.56	4.49	4.61	4.49	4.64	4.60
Others	5.93	5.97	6.03	6.05	6.83	6.95	7.07	7.07

Source : DJPPR as of August 19, 2021

## MNC Research Industry Ratings Guidance

**OVERWEIGHT:** Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months

**NEUTRAL:** Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months

**UNDERWEIGHT:** Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

## MNC Research Investment Ratings Guidance

**BUY :** Share price may exceed 10% over the next 12 months

**HOLD :** Share price may fall within the range of +/- 10% of the next 12 months

**SELL :** Share price may fall by more than 10% over the next 12 months

**Not Rated :** Stock is not within regular research coverage

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