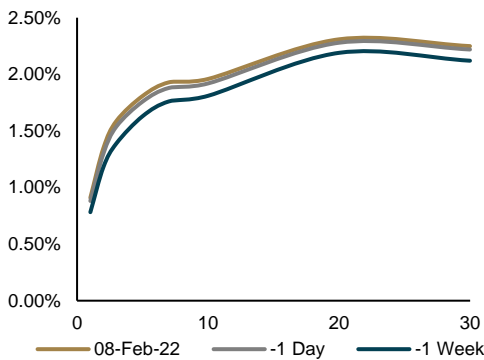


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	08-Feb-22	-1 Day	-1 Week
U.S	1.96%	1.92%	1.79%
U.K	1.49%	1.41%	1.30%
Germany	0.26%	0.23%	0.03%
Japan	0.21%	0.19%	0.18%
China	2.72%	2.89%	2.71%
Malaysia	3.70%	3.70%	3.67%
Thailand	2.19%	2.16%	2.10%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.96
Indo 5-Year CDS	bps	95.57
USD/IDR	points	14,399
BI 7DRR	%	3.50

Source : Bloomberg as of February 8, 2022

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## Global Market Update

- The benchmark 10-year UST yield jumped ahead of inflation data readings later on this week.
- Yield on 10-year UST note was up 6 bps to 1.96% last night. Meanwhile the 2-year UST yield inched 5 bps higher to 1.34%.
- Consensus estimated US inflation to rise by +0.5% MoM/+7.3% YoY in Jan-22. As inflation continued to rise, hawkish stance from the Fed is likely.
- Global central banks seem to follow the suit. After BoE increased benchmark policy rate to 0.5%, ECB decided to open the door for interest rate hikes this year.
- UK benchmark government bond yield keep on rising. Its 10-year benchmark rate rose 8 bps to 1.49%.
- Meanwhile Germany and Japan government bond yield also jumped to more than 3 years high.
- Despite the jump in UST yield, equity market inched higher. DJI and Nasdaq Composite increased 0.97% and 1% respectively. S&P 500 was up 0.68%.

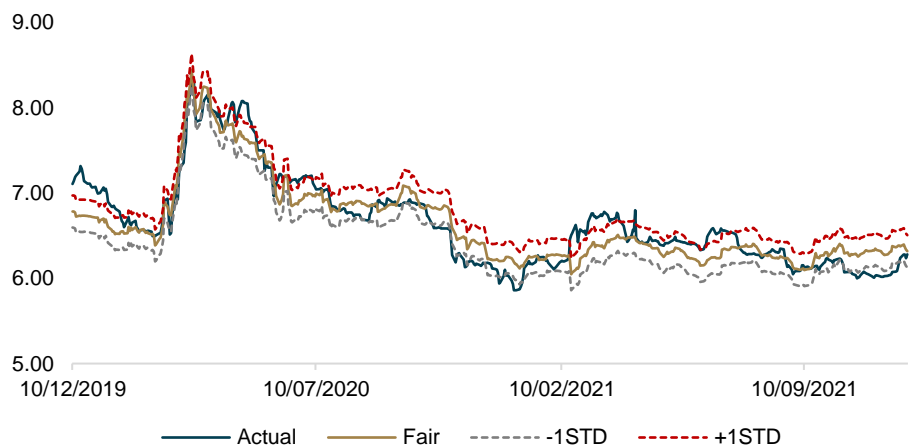
## Domestic Market Update

- The 10-year Indo GB yield increased 1 bps to 6.49% on Tuesday (02/08/22) in line with our daily forecast range of 6.40-6.50%.
- Recent increase in government bond yield was attributable to rising UST yield, IDR depreciation and rising risk premium.
- The IDR value depreciated against USD and was closed at IDR 14,399/USD yesterday (vs IDR14,397/USD in the previous day).
- Meanwhile risk premium as 5 year CDS closed at 95.57 bps. Indo 5 year CDS was up more than 10 bps only in a week.
- Bank Indonesia (BI) reported Indonesia FX reserves decreased by USD3.6bn to USD141.3bn in Jan-22.
- The decrease was attributable to : 1) government external debt payment and 2) lower bank's foreign currency placement in BI.
- Albeit declining, FX reserves position remain adequate to support the external sector resilience and maintain macroeconomic and financial system stability.
- Government successfully raised funding IDR11tn through sharia security auction yesterday.
- Total incoming bids value reached IDR29.39tn, lower than in previous auction of IDR38.2tn.
- It seem that investors were wait and see during the recent rise in global government bond yield.
- As we have expected demand for shorter maturity was robust as reflected by incoming bids on SPNS09082022 hit IDR14.48tn.

## Market Projection

- Given the increase in UST yield and risk premium as well as IDR depreciation we see that yields on domestic currency denominated bond would likely to rise with 10-year Indo GB yield is expected to move within range of 6.45-6.55% today.
- Attractive Indo GB series to be traded today: FR0070, FR0077, FR0086, FR0071, FR0078

## Exhibit 4. 10 Year Indo GB Fair Yield



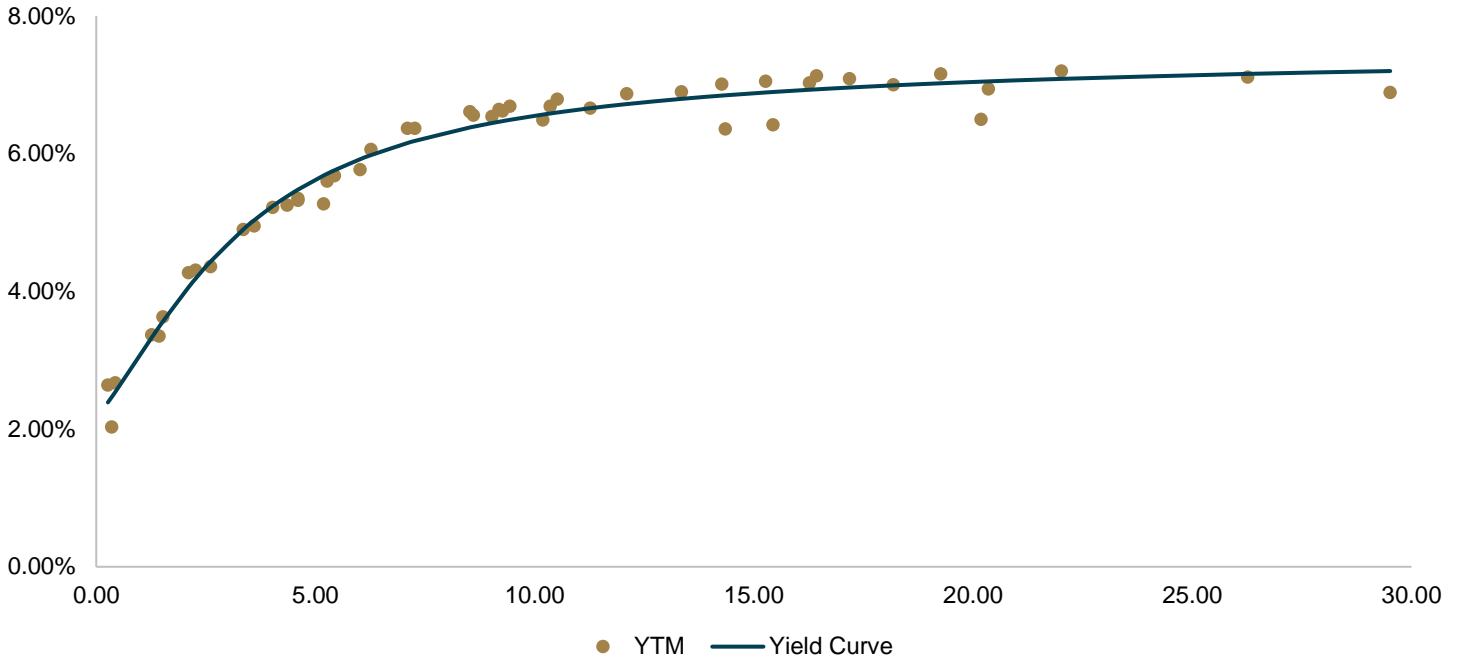
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon (%)	Maturity	TTM (Yr)	Last Price	YTM (%)	Yield Curve (%)	Fair Price	Notes
FR61	7.000	15-May-22	0.26	101.11	2.64%	2.39%	101.21	Discounted
FR35	12.900	15-Jun-22	0.35	103.72	2.03%	2.46%	103.59	Premium
FR43	10.250	15-Jul-22	0.43	103.20	2.67%	2.54%	103.30	Fair
FR63	5.625	15-May-23	1.26	102.76	3.37%	3.33%	102.82	Fair
FR46	9.500	15-Jul-23	1.43	108.50	3.35%	3.48%	108.34	Fair
FR39	11.750	15-Aug-23	1.52	111.86	3.63%	3.56%	112.01	Fair
FR70	8.375	15-Mar-24	2.10	108.13	4.27%	4.05%	108.60	Discounted
FR77	8.125	15-May-24	2.26	108.12	4.31%	4.18%	108.43	Fair
FR44	10.000	15-Sep-24	2.60	113.67	4.36%	4.43%	113.52	Fair
FR81	6.500	15-Jun-25	3.35	104.87	4.90%	4.90%	104.89	Fair
FR40	11.000	15-Sep-25	3.60	119.69	4.95%	5.03%	119.40	Fair
FR84	7.250	15-Feb-26	4.02	107.27	5.22%	5.24%	107.22	Fair
FR86	5.500	15-Jun-26	4.35	100.92	5.25%	5.38%	100.46	Fair
FR37	12.000	15-Sep-26	4.60	126.88	5.32%	5.48%	126.18	Fair
FR56	8.375	15-Sep-26	4.60	112.17	5.35%	5.48%	111.63	Fair
FR90	5.125	15-Apr-27	5.18	99.35	5.27%	5.68%	97.53	Premium
FR59	7.000	15-May-27	5.26	106.28	5.60%	5.71%	105.80	Fair
FR42	10.250	15-Jul-27	5.43	121.10	5.68%	5.76%	120.70	Fair
FR47	10.000	15-Feb-28	6.02	121.25	5.77%	5.92%	120.42	Fair
FR64	6.125	15-May-28	6.26	100.33	6.06%	5.98%	100.75	Fair
FR71	9.000	15-Mar-29	7.10	114.80	6.37%	6.15%	116.16	Discounted
FR78	8.250	15-May-29	7.26	110.79	6.37%	6.18%	111.93	Fair
FR52	10.500	15-Aug-30	8.52	125.03	6.61%	6.38%	126.76	Discounted
FR82	7.000	15-Sep-30	8.60	102.85	6.56%	6.39%	103.98	Fair
FR87	6.500	15-Feb-31	9.02	99.74	6.54%	6.44%	100.38	Fair
FR85	7.750	15-Apr-31	9.18	107.52	6.64%	6.46%	108.80	Fair
FR73	8.750	15-May-31	9.26	114.59	6.62%	6.47%	115.68	Fair
FR54	9.500	15-Jul-31	9.43	119.40	6.69%	6.49%	120.98	Fair
FR91	6.375	15-Apr-32	10.18	99.15	6.49%	6.57%	98.58	Fair
FR58	8.250	15-Jun-32	10.35	111.48	6.69%	6.58%	112.36	Fair
FR74	7.500	15-Aug-32	10.52	105.28	6.79%	6.60%	106.77	Fair
FR65	6.625	15-May-33	11.26	99.71	6.66%	6.66%	99.72	Fair
FR68	8.375	15-Mar-34	12.10	112.19	6.87%	6.72%	113.55	Fair
FR80	7.500	15-Jun-35	13.35	105.13	6.90%	6.80%	106.10	Fair
FR72	8.250	15-May-36	14.26	111.09	7.01%	6.84%	112.67	Fair
FR88	6.250	15-Jun-36	14.35	99.01	6.36%	6.85%	94.59	Premium
FR45	9.750	15-May-37	15.26	124.93	7.05%	6.89%	126.75	Fair
FR93	6.375	15-Jul-37	15.43	99.56	6.42%	6.90%	95.10	Premium
FR75	7.500	15-May-38	16.26	104.48	7.03%	6.93%	105.52	Fair
FR50	10.500	15-Jul-38	16.43	132.28	7.13%	6.93%	134.64	Fair
FR79	8.375	15-Apr-39	17.18	112.63	7.09%	6.96%	114.04	Fair
FR83	7.500	15-Apr-40	18.18	105.11	7.00%	6.99%	105.17	Fair
FR57	9.500	15-May-41	19.26	124.24	7.16%	7.02%	125.93	Fair
FR62	6.375	15-Apr-42	20.18	98.65	6.50%	7.05%	92.83	Premium
FR92	7.125	15-Jun-42	20.35	102.00	6.94%	7.05%	100.80	Fair
FR67	8.750	15-Feb-44	22.02	117.03	7.20%	7.09%	118.42	Fair
FR76	7.375	15-May-48	26.26	103.08	7.11%	7.16%	102.54	Fair
FR89	6.875	15-Aug-51	29.52	99.79	6.89%	7.20%	96.05	Premium

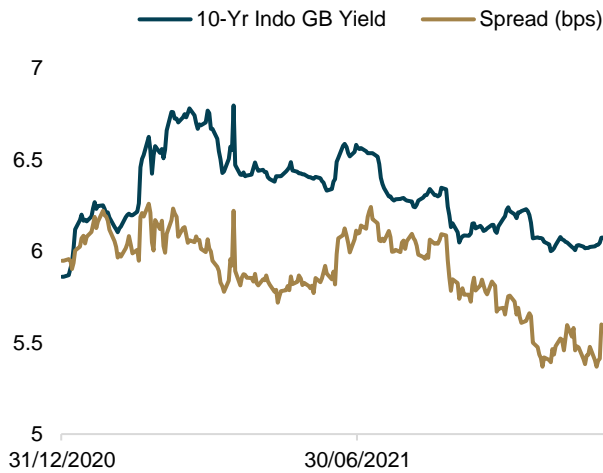
Source : Bloomberg, MNCS Calculation as of February 8, 2022

## Exhibit 6. Indo GB Yield Curve



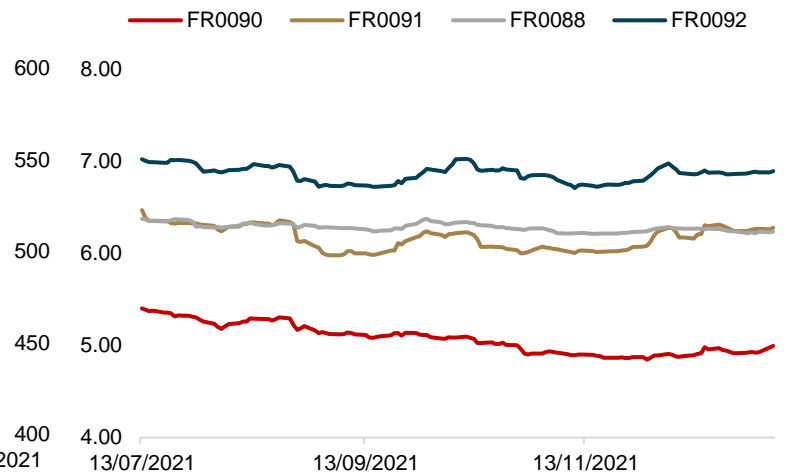
Source : Bloomberg, MNCS Calculation as of February 8, 2022

## 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	Sep-21	Oct-21	Nov-21	Dec-21
Bank	37.96	37.09	37.86	36	36.33	32.5	31.92	33.45	33.69	34.77	35.63	34.01
Central Bank (Nett)	9.52	10.98	10.65	12.77	11.99	15.93	16.08	14.78	14.87	13.52	13.10	17.13
Mutual Fund	4.18	4.04	3.92	3.81	3.06	3.16	3.18	3.20	3.28	3.31	3.42	3.38
Insurance & Pension Fund	14.04	14.01	14.08	14.14	14.44	14.24	14.59	14.45	14.40	14.61	14.44	14.00
Foreign	24.86	23.81	22.89	22.74	22.76	22.82	22.53	22.44	21.56	21.24	20.55	19.05
Individuals	3.51	4.11	4.56	4.49	4.61	4.49	4.64	4.46	4.94	5.04	5.08	4.73
Others	5.93	5.97	6.03	6.05	6.83	6.95	7.07	7.21	7.25	7.50	7.78	7.70

Source : DJPPR as of December 31, 2021

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**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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