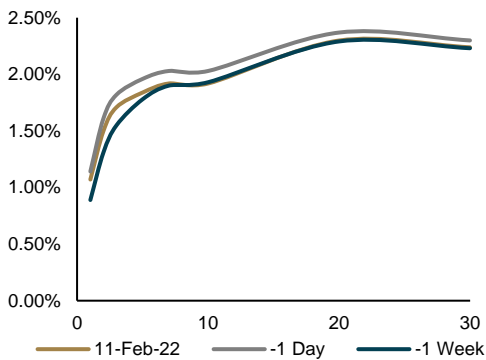


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	11-Feb-22	-1 Day	-1 Week
U.S	1.94%	2.04%	1.91%
U.K	1.54%	1.52%	1.41%
Germany	0.29%	0.28%	0.20%
Japan	0.23%	0.23%	0.19%
China	2.79%	2.75%	2.71%
Malaysia	3.71%	3.68%	3.67%
Thailand	2.19%	2.16%	2.14%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.94
Indo 5-Year CDS	bps	95.79
USD/IDR	points	14,353
BI 7DRR	%	3.50

Source : Bloomberg as of February 11, 2022

## Tirta Widi Gilang Citradi

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## Global Market Update

- UST yields retreated in the last day of trading last week. Yields fell 6-12 bps along the curve with the 2-year UST yield at 1.50% (-11bps) and benchmark 10-year UST yield at 1.94% (-10 bps).
- Lowering the US government bond yield came after US National Security Advisor warned that there were signs of possibilities Russia to invade Ukraine.
- Previously UST yields jumped after inflation in US rose to a 4 decades high of 7.50% YoY in Jan-22.
- Given the rise in UST yields, market started to anticipate an aggressive move by the Fed in tightening monetary policy.
- Based on CME Futures data, the Fed is expected to hike FFR by 50 bps in Mar-22 with the probability of more than 80%.
- On the other hand, US Michigan consumer sentiment fell to 61.7 in Feb-22 (vs 67.2 in Jan-22) based on preliminary readings.
- The figure or weakening US consumer sentiment was below market forecast of 67.5 and primarily due to rising inflation that deteriorate personal finance.
- US equity market dropped with DJI fell 1.43%; S&P 500 declined 1.90% and Nasdaq Composite decreased 2.78% in the last day of trading last week.

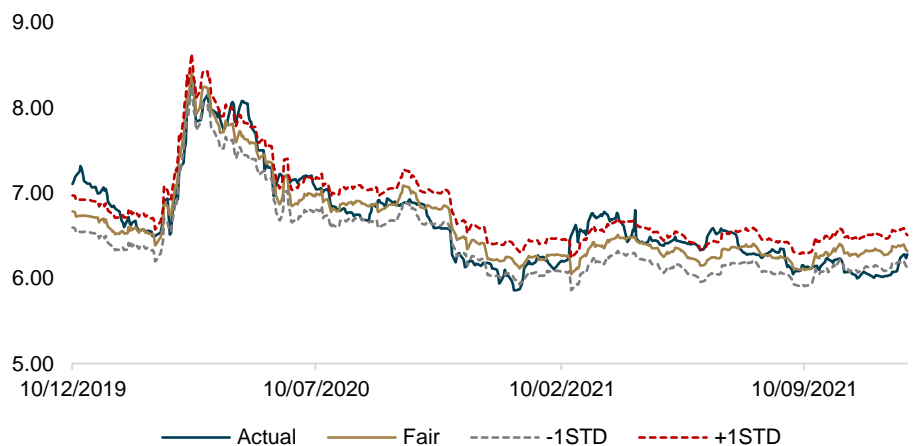
## Domestic Market Update

- The 10-year Indo GB yield was up by 2 bps to 6.50% on Friday (02/11/22) in line with our daily forecast range of 6.45-6.55%.
- Declining benchmark government bond yield was attributable to : 1) rising UST yield; 2) IDR depreciation and 3) rising risk premium.
- The IDR value depreciated against USD and was closed at IDR 14,353/USD on Friday (vs IDR14,343/USD in the previous day).
- Meanwhile risk premium also rose, reflected by 5 year Indo CDS that stood at 95.79 bps last week (vs 91.29 bps in the previous day).
- Albeit the recent spread of Omicron variant that trigger 3<sup>rd</sup> wave outbreak, Indonesia consumer sentiment remained optimistic.
- Indonesia Consumer Confidence Index (CCI) strengthened 1.3 points to 119.6 in Jan-22 from 118.3 in Dec-21.
- Higher CCI was observed across most spending and age brackets. We believe this could be a key positive catalyst for Indonesia's economy to continue its recovery.

## Market Projection

- Given the recent development on global and domestic market, we expect the 10 year Indo GB yield to move within a range of 6.45-6.55% for today.
- Attractive Indo GB series to be traded today: FR0070, FR0090, FR0071, FR0052 and FR0091.

## Exhibit 4. 10 Year Indo GB Fair Yield



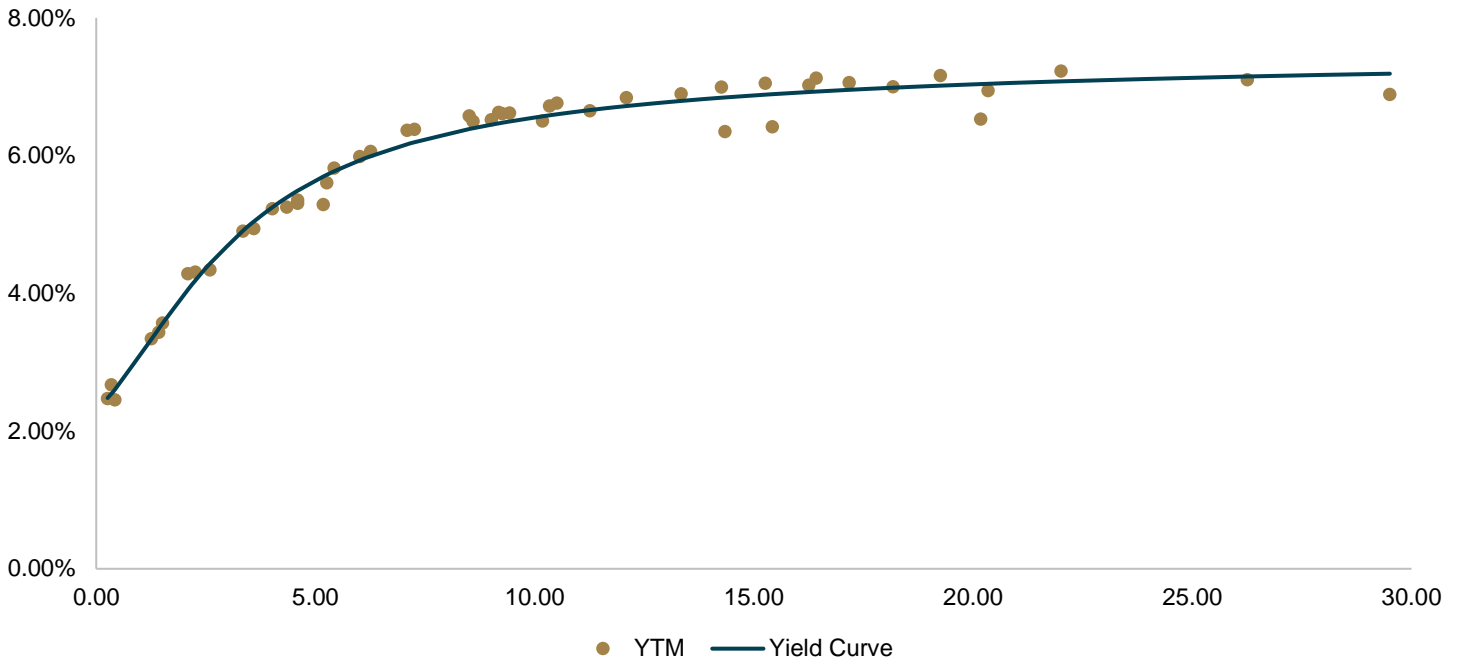
Source : Bloomberg, MNCS Calculation

## 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	0.25	101.10	2.47%	2.48%	101.14	Fair
FR35	12.900	15-Jun-22	0.34	103.44	2.67%	2.54%	103.48	Fair
FR43	10.250	15-Jul-22	0.42	103.19	2.45%	2.60%	103.21	Fair
FR63	5.625	15-May-23	1.25	102.76	3.34%	3.33%	102.79	Fair
FR46	9.500	15-Jul-23	1.42	108.30	3.43%	3.49%	108.29	Fair
FR39	11.750	15-Aug-23	1.51	111.84	3.57%	3.56%	111.94	Fair
FR70	8.375	15-Mar-24	2.09	108.05	4.28%	4.05%	108.56	Discounted
FR77	8.125	15-May-24	2.26	108.08	4.31%	4.19%	108.39	Fair
FR44	10.000	15-Sep-24	2.59	113.65	4.34%	4.43%	113.46	Fair
FR81	6.500	15-Jun-25	3.34	104.86	4.90%	4.91%	104.85	Fair
FR40	11.000	15-Sep-25	3.59	119.64	4.94%	5.04%	119.32	Fair
FR84	7.250	15-Feb-26	4.01	107.22	5.23%	5.25%	107.15	Fair
FR86	5.500	15-Jun-26	4.34	100.90	5.25%	5.39%	100.41	Fair
FR37	12.000	15-Sep-26	4.59	126.88	5.31%	5.49%	126.07	Fair
FR56	8.375	15-Sep-26	4.59	112.13	5.35%	5.49%	111.55	Fair
FR90	5.125	15-Apr-27	5.17	99.27	5.29%	5.69%	97.47	Premium
FR59	7.000	15-May-27	5.26	106.26	5.60%	5.72%	105.73	Fair
FR42	10.250	15-Jul-27	5.42	120.33	5.82%	5.77%	120.60	Fair
FR47	10.000	15-Feb-28	6.01	119.99	5.99%	5.93%	120.32	Fair
FR64	6.125	15-May-28	6.26	100.33	6.06%	5.99%	100.68	Fair
FR71	9.000	15-Mar-29	7.09	114.82	6.37%	6.16%	116.08	Discounted
FR78	8.250	15-May-29	7.26	110.70	6.38%	6.19%	111.86	Fair
FR52	10.500	15-Aug-30	8.51	125.23	6.58%	6.39%	126.69	Discounted
FR82	7.000	15-Sep-30	8.59	102.90	6.50%	6.40%	103.93	Fair
FR87	6.500	15-Feb-31	9.01	99.86	6.52%	6.45%	100.35	Fair
FR85	7.750	15-Apr-31	9.17	107.56	6.63%	6.47%	108.76	Fair
FR73	8.750	15-May-31	9.26	114.59	6.61%	6.48%	115.63	Fair
FR54	9.500	15-Jul-31	9.42	119.95	6.62%	6.49%	120.93	Fair
FR91	6.375	15-Apr-32	10.17	99.10	6.50%	6.57%	98.56	Fair
FR58	8.250	15-Jun-32	10.34	111.25	6.72%	6.59%	112.33	Fair
FR74	7.500	15-Aug-32	10.51	105.49	6.76%	6.60%	106.74	Fair
FR65	6.625	15-May-33	11.26	99.82	6.65%	6.66%	99.71	Fair
FR68	8.375	15-Mar-34	12.09	112.45	6.84%	6.72%	113.55	Fair
FR80	7.500	15-Jun-35	13.34	105.21	6.90%	6.79%	106.12	Fair
FR72	8.250	15-May-36	14.26	111.18	7.00%	6.84%	112.69	Fair
FR88	6.250	15-Jun-36	14.34	99.08	6.35%	6.84%	94.61	Premium
FR45	9.750	15-May-37	15.26	124.93	7.05%	6.88%	126.78	Fair
FR93	6.375	15-Jul-37	15.42	99.56	6.42%	6.89%	95.14	Premium
FR75	7.500	15-May-38	16.26	104.55	7.02%	6.92%	105.56	Fair
FR50	10.500	15-Jul-38	16.42	132.33	7.13%	6.93%	134.69	Discounted
FR79	8.375	15-Apr-39	17.17	112.94	7.06%	6.95%	114.09	Fair
FR83	7.500	15-Apr-40	18.17	105.06	7.00%	6.99%	105.23	Fair
FR57	9.500	15-May-41	19.26	124.20	7.16%	7.02%	126.01	Fair
FR62	6.375	15-Apr-42	20.17	98.25	6.53%	7.04%	92.90	Premium
FR92	7.125	15-Jun-42	20.34	101.97	6.94%	7.04%	100.88	Fair
FR67	8.750	15-Feb-44	22.01	116.63	7.23%	7.08%	118.51	Fair
FR76	7.375	15-May-48	26.26	103.23	7.10%	7.15%	102.65	Fair
FR89	6.875	15-Aug-51	29.51	99.83	6.89%	7.19%	96.17	Premium

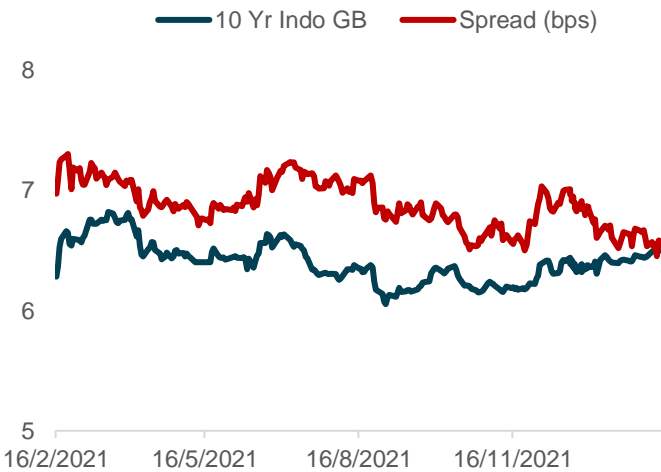
Source : Bloomberg, MNCS Calculation as of February 11, 2022

## Exhibit 6. Indo GB Yield Curve



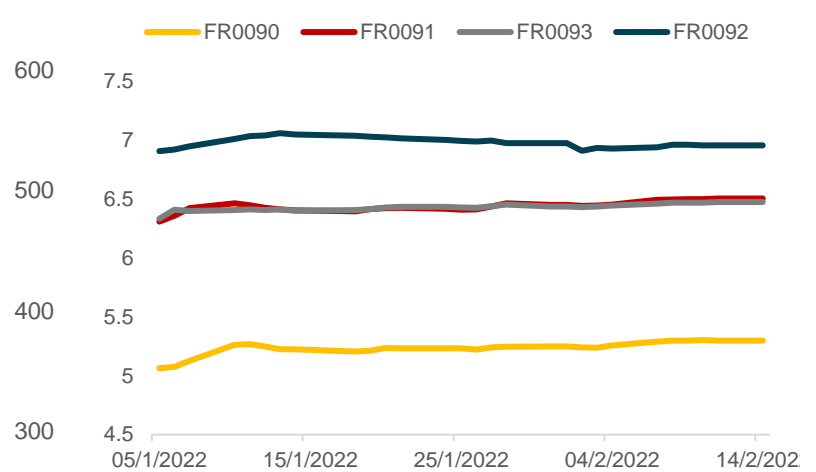
Source : Bloomberg, MNCS Calculation as of February 11, 2022

## 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	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
Bank	37.86	36	36.33	32.5	31.92	33.45	33.69	34.77	35.63	34.01	35.47	36.41
Central Bank (Nett)	10.65	12.77	11.99	15.93	16.08	14.78	14.87	13.52	13.10	17.13	15.20	14.04
Mutual Fund	3.92	3.81	3.06	3.16	3.18	3.20	3.28	3.31	3.42	3.38	3.20	3.17
Insurance & Pension Fund	14.08	14.14	14.44	14.24	14.59	14.45	14.40	14.61	14.44	14.00	14.52	14.66
Foreign	22.89	22.74	22.76	22.82	22.53	22.44	21.56	21.24	20.55	19.05	18.97	18.99
Individuals	4.56	4.49	4.61	4.49	4.64	4.46	4.94	5.04	5.08	4.73	4.83	4.81
Others	6.03	6.05	6.83	6.95	7.07	7.21	7.25	7.50	7.78	7.70	7.82	7.93

Source : DJPPR as of Feb 10, 2022

## 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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