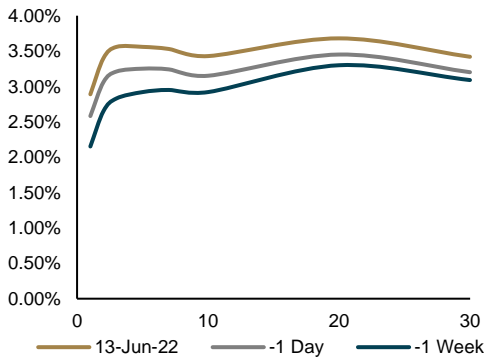


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	13-Jun-22	-1 Day	-1 Week
U.S	3.37%	3.16%	3.04%
U.K	2.53%	2.45%	2.25%
Germany	1.63%	1.51%	1.32%
Japan	0.25%	0.25%	0.24%
China	2.81%	2.79%	2.81%
Malaysia	4.36%	4.23%	4.20%
Thailand	3.02%	2.84%	2.88%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.37
Indo 5-Year CDS	bps	110.02
USD/IDR	points	14,682
BI 7DRR	%	3.50

Source : Bloomberg as of June 13, 2022

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## Global Market Update

- US financial market continued to tumble. Yields on US government bond spike 22-35 bps along the curve to start this week.
- The benchmark 10-year UST note yield jumped 21 bps and was closed at 3.37%, the highest level in a decade.
- Major US stock indices fell. DJI dropped 2.79%, S&P 500 fell 3.88% and Nasdaq Composite came at worst after losing 4.68% of its market cap.
- Given the elevated inflation, markets now expect a more hawkish Fed. Prior to May-22 inflation data release, US CB is expected to raise FFR target by +200 bps in the rest of FOMC meeting this year.
- However, based on CME FedWatch tools, markets are now start to anticipate +300 bps FFR hikes for the last 5 meeting starting from Jun-22.
- Thus the implied FFR target for FY22F would be at 3.75-4.00% by the end of the year.
- Eurozone government bond yield also increased. The 10-year Germany government bond rose 12 bps to 1.63% while 10-year UK government bond yield jumped 8 bps to 2.53%.

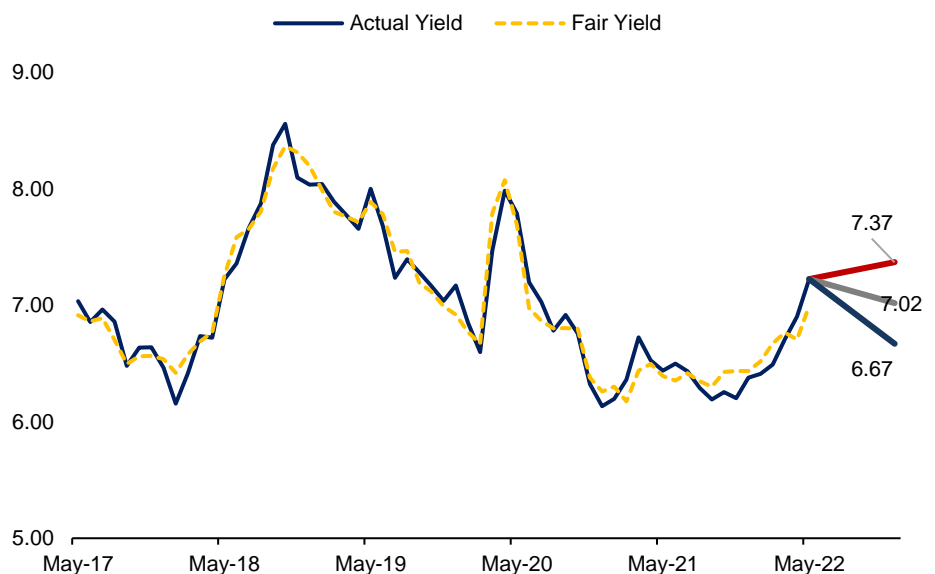
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) rose 15 bps to 7.34% on Monday (06/13/22).
- The IDR weakened against USD and was closed at IDR14,682 yesterday (vs IDR14,553) last week.
- Indonesia risk premium 5-year CDS also rose was closed at 110.02 bps from 100.36 bps last week.
- The government will conduct an auction for 6 series of SBSN: 1 SPN (new issuance) & 5 PBS (reopening) with an indicative target of IDR9 trillion today.
- In the midst of negative external sentiment with the spike in the 10-year UST note yield to the highest level in a decade and the inversion of the yield curve, we expect that investors will tend to wait & see and investor interest in this auction will be limited.

## 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 7.30-7.50% for today.
- Attractive Indo GB series to be traded today : FR0070, FR0077, FR0084, FR0090, FR0078, FR0085, FR0054, FR0091.

## Exhibit 4. 10 Year Indo GB Fair Yield



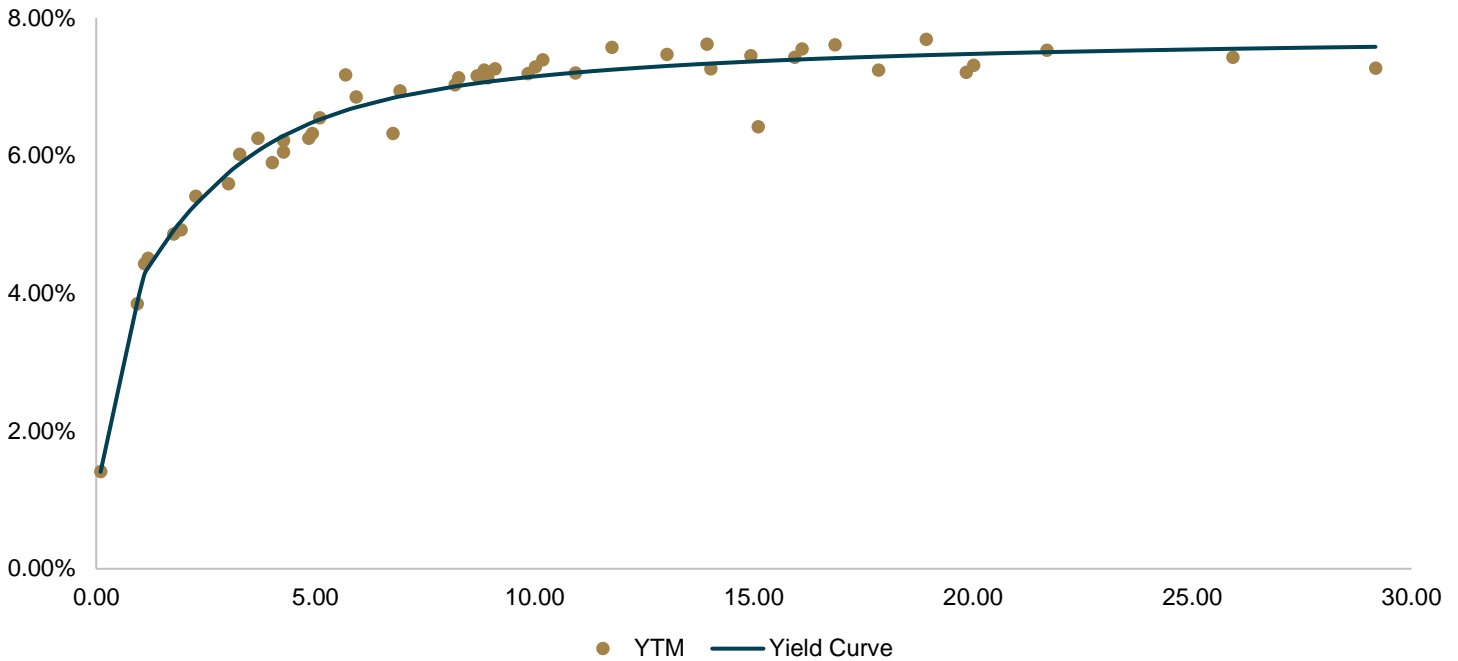
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon (%)	Maturity	TTM (Yr.)	Last Price	YTM (%)	Yield Curve (%)	Fair Price	Notes
FR43	10.250	15-Jul-22	0.09	100.63	2.57%	2.61%	100.66	Fair
FR63	5.625	15-May-23	0.92	101.49	3.95%	3.85%	101.59	Fair
FR46	9.500	15-Jul-23	1.09	105.31	4.43%	4.26%	105.51	Fair
FR39	11.750	15-Aug-23	1.17	108.16	4.51%	4.36%	108.35	Fair
FR70	8.375	15-Mar-24	1.75	105.63	4.97%	4.98%	105.63	Fair
FR77	8.125	15-May-24	1.92	105.66	4.99%	5.13%	105.41	Fair
FR44	10.000	15-Sep-24	2.26	109.58	5.41%	5.39%	109.65	Fair
FR81	6.500	15-Jun-25	3.01	102.30	5.66%	5.85%	101.77	Fair
FR40	11.000	15-Sep-25	3.26	114.25	6.05%	5.97%	114.65	Fair
FR84	7.250	15-Feb-26	3.68	103.17	6.27%	6.15%	103.54	Fair
FR86	5.500	15-Jun-26	4.01	97.99	6.09%	6.27%	97.29	Fair
FR37	12.000	15-Sep-26	4.26	122.00	6.01%	6.36%	120.73	Premium
FR56	8.375	15-Sep-26	4.26	107.66	6.29%	6.36%	107.40	Fair
FR90	5.125	15-Apr-27	4.84	94.31	6.51%	6.52%	94.28	Fair
FR59	7.000	15-May-27	4.92	102.81	6.33%	6.54%	101.90	Fair
FR42	10.250	15-Jul-27	5.09	115.78	6.55%	6.58%	115.64	Fair
FR47	10.000	15-Feb-28	5.68	113.00	7.12%	6.70%	115.32	Discounted
FR64	6.125	15-May-28	5.92	96.50	6.77%	6.75%	96.99	Fair
FR71	9.000	15-Mar-29	6.75	110.46	6.32%	6.88%	111.29	Premium
FR78	8.250	15-May-29	6.92	106.45	7.05%	6.90%	107.31	Fair
FR52	10.500	15-Aug-30	8.17	121.25	7.00%	7.04%	121.20	Fair
FR82	7.000	15-Sep-30	8.26	98.35	7.27%	7.05%	99.68	Fair
FR87	6.500	15-Feb-31	8.68	94.94	7.30%	7.09%	96.23	Fair
FR85	7.750	15-Apr-31	8.84	103.30	7.24%	7.10%	104.20	Fair
FR73	8.750	15-May-31	8.92	109.61	7.27%	7.11%	110.71	Fair
FR54	9.500	15-Jul-31	9.09	114.42	7.30%	7.12%	115.72	Fair
FR91	6.375	15-Apr-32	9.84	93.32	7.34%	7.17%	94.42	Fair
FR58	8.250	15-Jun-32	10.01	105.00	7.43%	7.18%	107.51	Fair
FR74	7.500	15-Aug-32	10.17	100.64	7.41%	7.19%	102.16	Fair
FR65	6.625	15-May-33	10.92	95.07	7.29%	7.24%	95.42	Fair
FR68	8.375	15-Mar-34	11.75	106.17	7.57%	7.28%	108.54	Discounted
FR80	7.500	15-Jun-35	13.01	100.18	7.48%	7.33%	101.40	Fair
FR72	8.250	15-May-36	13.92	104.54	7.71%	7.36%	107.63	Discounted
FR88	6.250	15-Jun-36	14.01	90.40	7.36%	7.37%	90.35	Fair
FR45	9.750	15-May-37	14.92	120.50	7.43%	7.39%	121.07	Fair
FR93	6.375	15-Jul-37	15.09	99.56	6.42%	7.40%	90.78	Premium
FR75	7.500	15-May-38	15.92	100.63	7.43%	7.42%	100.72	Fair
FR50	10.500	15-Jul-38	16.09	127.24	7.55%	7.43%	128.58	Fair
FR79	8.375	15-Apr-39	16.84	107.24	7.60%	7.44%	108.85	Fair
FR83	7.500	15-Apr-40	17.84	102.60	7.24%	7.46%	100.34	Fair
FR57	9.500	15-May-41	18.92	117.89	7.69%	7.48%	120.21	Fair
FR62	6.375	15-Apr-42	19.84	91.25	7.18%	7.50%	88.47	Premium
FR92	7.125	15-Jun-42	20.01	97.07	7.41%	7.50%	96.12	Fair
FR67	8.750	15-Feb-44	21.67	112.90	7.51%	7.53%	112.95	Fair
FR76	7.375	15-May-48	25.92	99.36	7.43%	7.58%	97.73	Fair
FR89	6.875	15-Aug-51	29.17	95.27	7.27%	7.60%	91.50	Premium

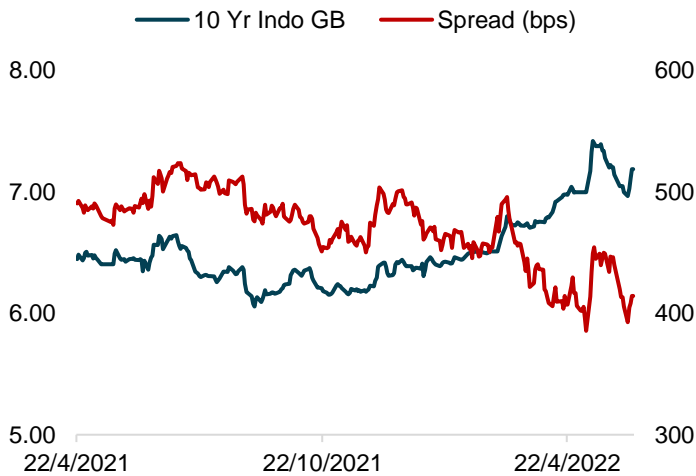
Source : Bloomberg, MNCS Calculation as of June 13, 2022

**Exhibit 6. Indo GB Yield Curve**



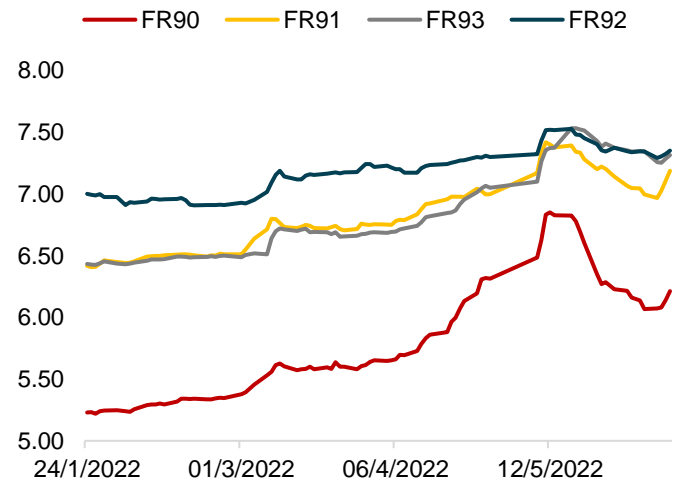
Source : Bloomberg, MNCS Calculation as of June 13, 2022

**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	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
Bank	32.5	31.92	33.45	33.69	34.77	35.63	34.01	35.47	35.82	35.03	32.81	32.25
Central Bank (Nett)	15.93	16.08	14.78	14.87	13.52	13.10	17.13	15.20	14.12	15.15	17.77	16.56
Mutual Fund	3.16	3.18	3.20	3.28	3.31	3.42	3.38	3.20	3.14	3.19	3.18	3.13
Insurance & Pension Fund	14.24	14.59	14.45	14.40	14.61	14.44	14.00	14.52	14.77	15.22	15.33	15.68
Foreign	22.82	22.53	22.44	21.56	21.24	20.55	19.05	18.97	18.82	17.57	17.03	16.56
Individuals	4.49	4.64	4.46	4.94	5.04	5.08	4.73	4.83	5.32	5.61	5.63	5.80
Others	6.95	7.07	7.21	7.25	7.50	7.78	7.70	7.82	8.01	8.22	8.26	8.42

Source : DJPPR as of 31 May 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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