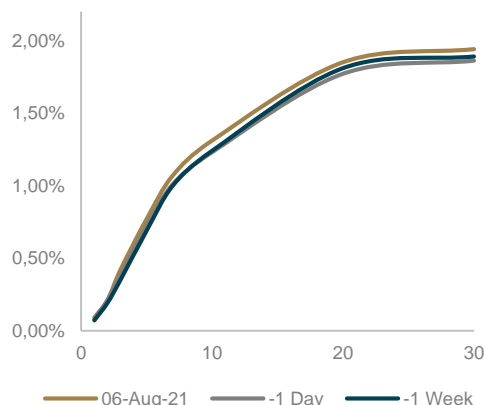


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	06-Aug-21	-1 Day	-1 Week
U.S	1.31%	1.22%	1.22%
U.K	0.56%	0.52%	0.57%
Germany	-0.48%	-0.50%	-0.46%
Australia	1.19%	1.16%	1.18%
Japan	0.02%	0.01%	0.02%
China	2.82%	2.83%	2.86%
Malaysia	3.19%	3.18%	3.17%
Thailand	1.44%	1.47%	1.55%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.31
Indo 5-Year CDS	bps	79.73
USD/IDR	points	14,353
BI 7DRR	%	3.50

Source : Bloomberg as of August 6,2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- U.S. strong job market data backed the idea of the Fed's substantial progress in economic recovery.
- U.S. Non Farm Payrolls added 943,000 in July-21, well above consensus estimate at 870,000.
- Unemployment rate dropped to 5.4% or lower than the market forecast of 5.7%.
- The Fed is expected to begin to pullback the stimulus by the end of this year.
- 10 year U.S. treasury yield rose to 1.31% or increased by 8 bps from previous trading day.
- The stock market response varied with tech-heavy Nasdaq Composite declined by 0.4% while DJI and S&P 500 rose 0.41% and 0.17% respectively.

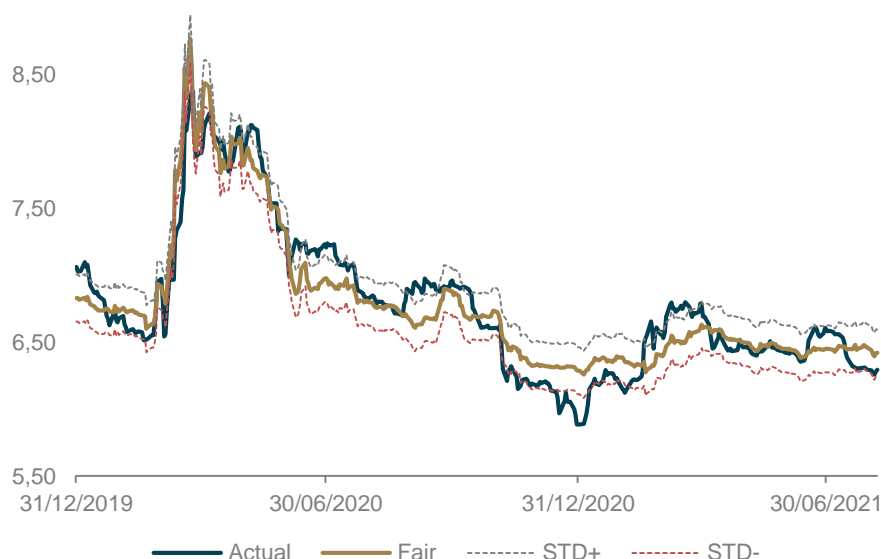
## Domestic Market Update

- Domestic bond market saw a correction on the last day of trading with ICBI closed lower to 324.36 (-0.08%).
- 10 year Indo GB declined by 2 bps to 6.3% or 5 bps higher than -1STD of its fair yield valuation.
- Rupiah closed lower to 14,353 against USD in the last session while risk premium increased to a near of 80 bps, yet U.S.-Indo spread dropped to 499 bps.

## Market Projection

- Today (08/09/21) market is waiting for Consumer Confidence Index (CCI) data to be released and government decision for PPKM Level 4 announcement.
- We expect CCI will decelerate and government to extend PPKM Level 4 in hot zone area while carefully loosening area which Covid-19 epidemiological indicators showed an improvement at least for another week.
- Combined with rising U.S. treasury yield, 10 year Indo GB will likely to rise within range of 6.28%-6.32% today.
- Given the potential of market correction today, we like FR0086, FR0071, FR0087, FR0083, FR0057, FR0067, FR0076 and FR0089.

## Exhibit 4. 10 Year Indo GB Fair Yield



Source : Bloomberg, MNCS Calculation

# Fixed Income Report

MNC Sekuritas Research Division | August 9, 2021

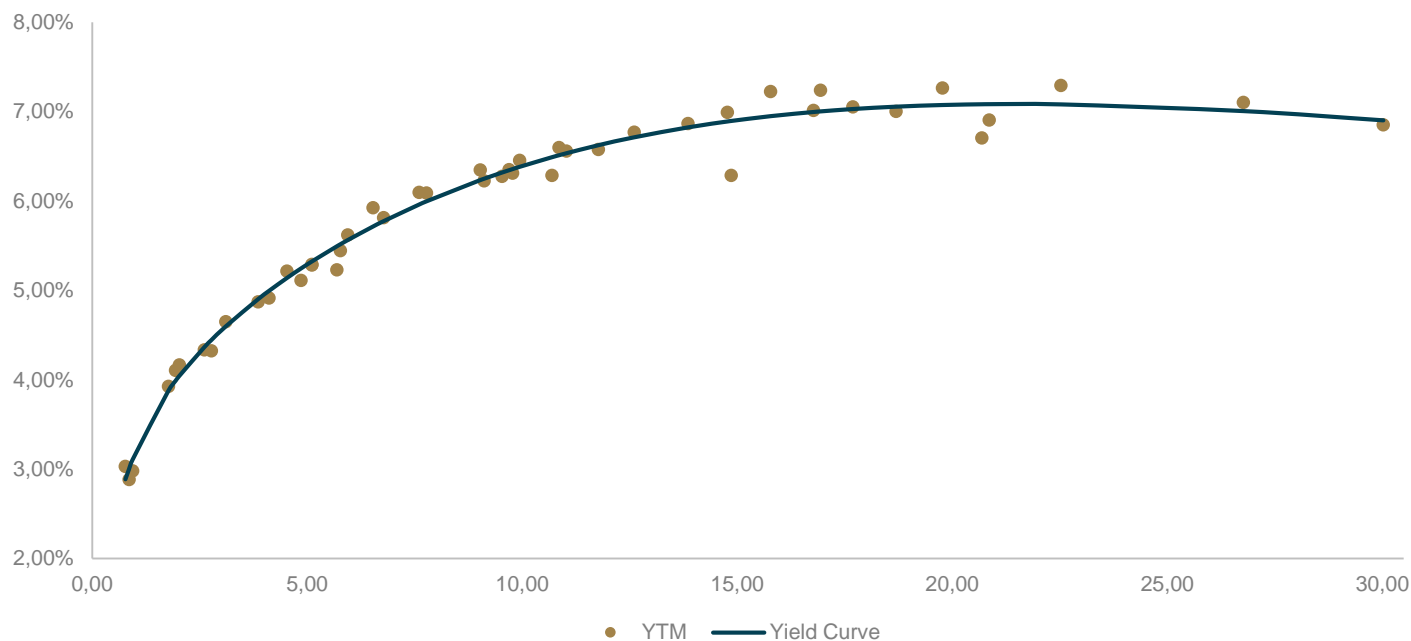


## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.77	102.97	3.03%	2.89%	103.12	Fair
FR35	15-Jun-22	0.86	108.31	2.88%	3.00%	108.31	Fair
FR43	15-Jul-22	0.94	106.61	2.98%	3.11%	106.57	Fair
FR63	15-May-23	1.77	102.86	3.93%	3.88%	102.96	Fair
FR46	15-Jul-23	1.94	109.90	4.11%	3.99%	110.19	Fair
FR39	15-Aug-23	2.02	114.50	4.17%	4.04%	114.84	Fair
FR70	15-Mar-24	2.61	109.81	4.34%	4.36%	109.78	Fair
FR77	15-May-24	2.77	109.79	4.32%	4.45%	109.49	Fair
FR44	15-Sep-24	3.11	115.26	4.65%	4.60%	115.47	Fair
FR81	15-Jun-25	3.86	105.64	4.87%	4.90%	105.55	Fair
FR40	15-Sep-25	4.11	122.32	4.92%	4.99%	122.05	Fair
FR84	15-Feb-26	4.53	108.09	5.22%	5.14%	108.42	Fair
FR86	15-Jun-26	4.86	101.59	5.11%	5.25%	101.07	Fair
FR37	15-Sep-26	5.11	129.62	5.29%	5.33%	129.50	Fair
FR56	15-Sep-26	5.11	113.64	5.29%	5.33%	113.48	Fair
FR90	15-Apr-27	5.69	99.47	5.23%	5.49%	98.21	Premium
FR59	15-May-27	5.77	107.59	5.45%	5.52%	107.23	Fair
FR42	15-Jul-27	5.94	123.05	5.62%	5.56%	123.43	Fair
FR47	15-Feb-28	6.53	121.75	5.93%	5.71%	123.07	Discounted
FR64	15-May-28	6.77	101.71	5.81%	5.77%	101.93	Fair
FR71	15-Mar-29	7.61	117.43	6.10%	5.96%	118.35	Fair
FR78	15-May-29	7.77	113.18	6.09%	6.00%	113.82	Fair
FR52	15-Aug-30	9.03	128.17	6.35%	6.24%	129.09	Fair
FR82	15-Sep-30	9.11	105.31	6.23%	6.25%	105.14	Fair
FR87	15-Feb-31	9.53	101.58	6.28%	6.32%	101.27	Fair
FR85	15-Apr-31	9.69	109.98	6.35%	6.35%	110.04	Fair
FR73	15-May-31	9.77	117.55	6.31%	6.36%	117.20	Fair
FR54	15-Jul-31	9.94	122.05	6.46%	6.38%	122.67	Fair
FR91	15-Apr-32	10.69	100.66	6.29%	6.49%	99.10	Premium
FR58	15-Jun-32	10.86	112.63	6.60%	6.51%	113.35	Fair
FR74	15-Aug-32	11.03	107.27	6.56%	6.54%	107.49	Fair
FR65	15-May-33	11.77	100.37	6.58%	6.63%	99.98	Fair
FR68	15-Mar-34	12.61	113.44	6.77%	6.71%	113.96	Fair
FR80	15-Jun-35	13.86	105.56	6.87%	6.83%	105.97	Fair
FR72	15-May-36	14.77	111.42	7.00%	6.89%	112.45	Fair
FR88	15-Jun-36	14.86	99.62	6.29%	6.90%	94.03	Premium
FR45	15-May-37	15.77	123.50	7.23%	6.95%	126.54	Discounted
FR75	15-May-38	16.77	104.74	7.01%	7.00%	104.90	Fair
FR50	15-Jul-38	16.94	131.50	7.24%	7.00%	134.35	Discounted
FR79	15-Apr-39	17.69	113.22	7.05%	7.03%	113.47	Fair
FR83	15-Apr-40	18.69	105.13	7.00%	7.06%	104.54	Fair
FR57	15-May-41	19.77	123.25	7.26%	7.08%	125.58	Discounted
FR62	15-Apr-42	20.69	96.30	6.71%	7.08%	92.35	Premium
FR92	15-Jun-42	20.86	102.38	6.91%	7.08%	100.42	Premium
FR67	15-Feb-44	22.53	116.00	7.29%	7.08%	118.63	Discounted
FR76	15-May-48	26.77	103.20	7.10%	7.01%	104.40	Fair
FR89	15-Aug-51	30.03	100.27	6.85%	6.90%	99.63	Fair

Source : Bloomberg, MNCS Calculation as of August 6, 2021

**Exhibit 6. Indo GB Yield Curve**



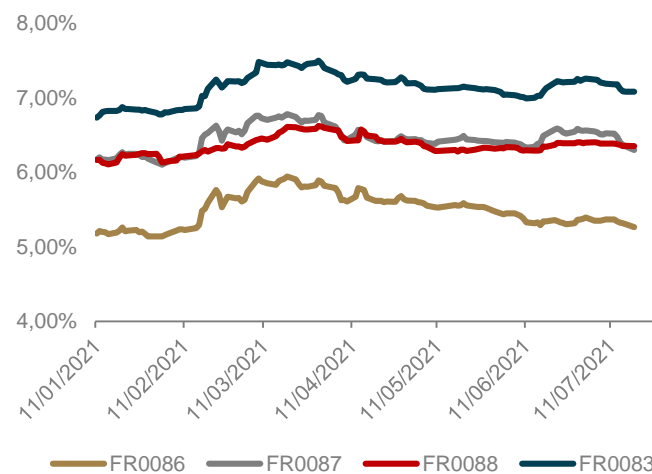
Source : Bloomberg, MNCS Calculation as of August 6, 2021

**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	32.15
Central Bank (Nett)	9.52	10.98	10.65	12.77	11.99	15.93	16.08	15.83
Mutual Fund	4.18	4.04	3.92	3.81	3.06	3.16	3.18	3.18
Insurance & Pension Fund	14.04	14.01	14.08	14.14	14.44	14.24	14.59	14.58
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	4.64
Others	5.93	5.97	6.03	6.05	6.83	6.95	7.07	7.07

Source : DJPPR as of August 5, 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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