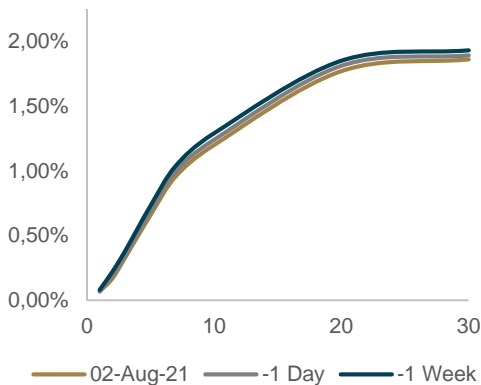


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	2-Aug-21	-1 Day	-1 Week
U.S	1.18%	1.22%	1.29%
U.K	0.52%	0.57%	0.57%
Germany	-0.49%	-0.46%	-0.42%
Australia	1.13%	1.18%	1.18%
Japan	0.01%	0.02%	0.01%
China	2.82%	2.86%	2.88%
Malaysia	3.19%	3.17%	3.13%
Thailand	1.54%	1.55%	1.61%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.18
Indo 5-Year CDS	bps	80.99
USD/IDR	points	14,423
BI 7DRR	%	3.50

Source : Bloomberg as of August 2,2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- U.S. ISM Manufacturing PMI decrease 1.1 points from previous month to 59.5 in July-21.
- 10 year U.S. treasury yield dipped to 1.18%. In the last 7 days U.S. reported an average of 63,000 daily Covid-19.
- Last month China factory activity grew at its slowest pace in 17 months. Caixin Manufacturing PMI for July-21 reading was at 50.3 or 1 point lower than previous month.
- Ongoing concern about the widespread of Delta variant and slower than expected China economy have pushed down government bond yield further.
- U.S. equity market closed mixed with DJI slipped 0.28%, S&P 500 fell 0.18% while tech heavy Nasdaq Composite gained 0.06%.

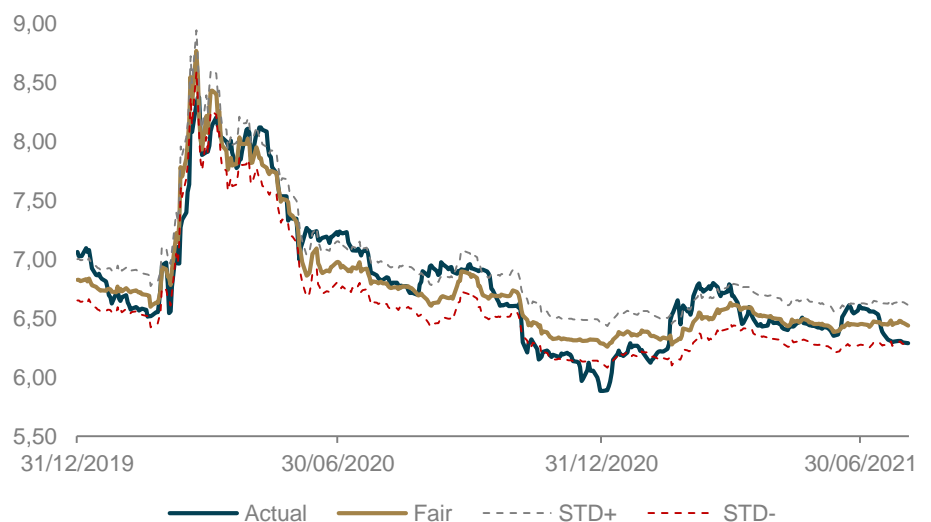
## Domestic Market Update

- The implementation of PPKM Darurat in July-21 has caused manufacturing activity to contract and inflationary pressure low.
- In July-21 Markit Manufacturing PMI was at 40.1 while CPI grew 1.52% YoY below central bank target.
- 10 year Indo GB yield stayed flat at 6.29% or 3 bps higher than -1STD fair yield valuation.

## Market Projection

- Today's market sentiment is coming from the extension of PPKM Level 4 up until Aug 9, 2021 as announced by President Joko Widodo.
- The decline in 10 year U.S. treasury yield could be a positive catalyst for Indo GB price. We expect 10 year benchmark yield to stay traded within narrow range of 6.28-6.30% for today.
- Short term trading strategy may be applicable during potential sideways of market movement. In our view, FR0086, FR0078, FR0082, FR0087, FR0068 and FR0083 to remain attractive for trading purpose.
- We believe government would achieve its indicative target of IDR33tn for today's auction on the back of banks liquidity that remained ample, low external pressure that keep rupiah and risk premium stable and investor preference toward safer asset such as government bond.

## Exhibit 4. 10 Year Indo GB Fair Yield



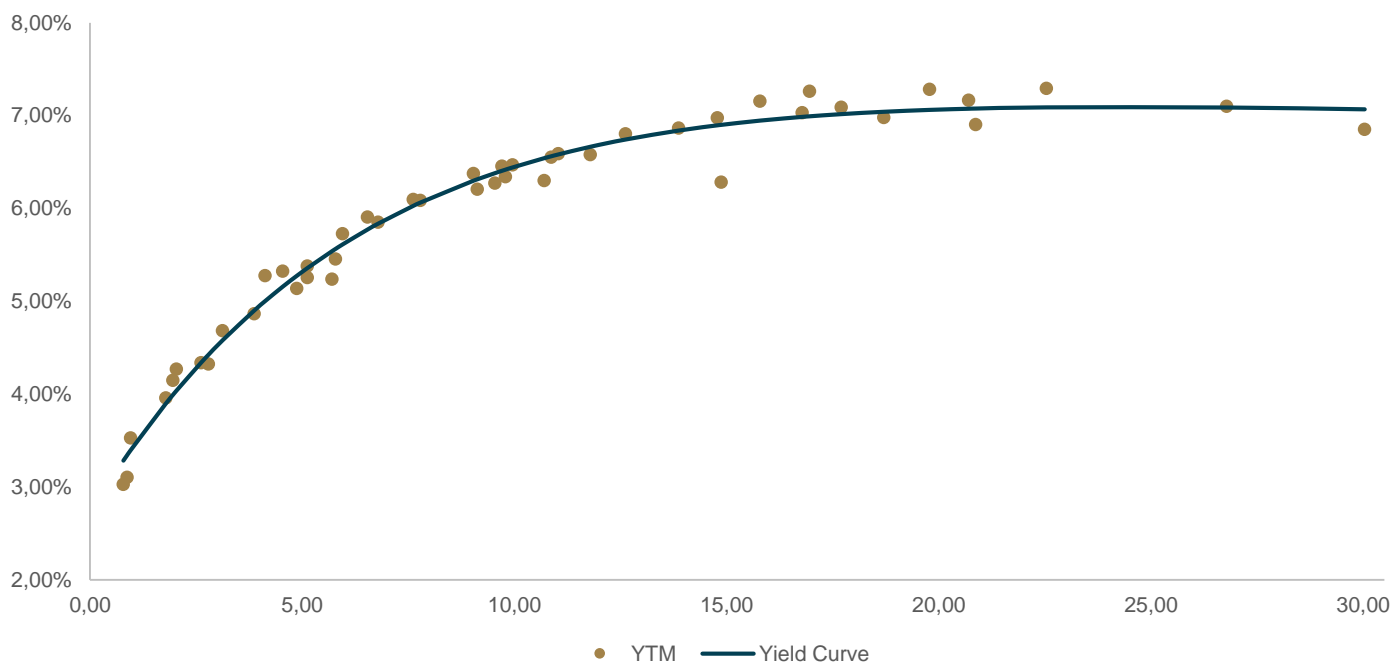
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.79	103.04	3.04%	3.28%	102.88	Premium
FR35	15-Jun-22	0.88	108.33	3.07%	3.34%	108.18	Premium
FR43	15-Jul-22	0.96	106.20	3.54%	3.40%	106.41	Fair
FR63	15-May-23	1.79	102.78	3.99%	3.91%	102.94	Fair
FR46	15-Jul-23	1.96	109.90	4.16%	4.00%	110.26	Fair
FR39	15-Aug-23	2.04	114.40	4.28%	4.05%	114.96	Discounted
FR70	15-Mar-24	2.63	109.83	4.36%	4.35%	109.88	Fair
FR77	15-May-24	2.79	109.80	4.34%	4.43%	109.59	Fair
FR44	15-Sep-24	3.13	115.21	4.69%	4.59%	115.58	Fair
FR81	15-Jun-25	3.88	105.69	4.87%	4.92%	105.52	Fair
FR40	15-Sep-25	4.13	120.91	5.28%	5.02%	122.05	Discounted
FR84	15-Feb-26	4.55	107.58	5.34%	5.17%	108.31	Discounted
FR86	15-Jun-26	4.88	101.46	5.14%	5.29%	100.89	Fair
FR37	15-Sep-26	5.13	129.25	5.38%	5.37%	129.34	Fair
FR56	15-Sep-26	5.13	113.67	5.29%	5.37%	113.28	Fair
FR90	15-Apr-27	5.71	99.33	5.26%	5.56%	97.90	Premium
FR59	15-May-27	5.79	107.35	5.50%	5.58%	106.93	Fair
FR42	15-Jul-27	5.96	122.50	5.73%	5.63%	123.11	Fair
FR47	15-Feb-28	6.55	121.90	5.91%	5.79%	122.66	Fair
FR64	15-May-28	6.79	101.40	5.87%	5.85%	101.50	Fair
FR71	15-Mar-29	7.63	117.36	6.11%	6.04%	117.84	Fair
FR78	15-May-29	7.79	113.13	6.10%	6.08%	113.30	Fair
FR52	15-Aug-30	9.04	127.97	6.38%	6.31%	128.50	Fair
FR82	15-Sep-30	9.13	105.20	6.24%	6.33%	104.59	Fair
FR87	15-Feb-31	9.55	101.58	6.28%	6.40%	100.73	Fair
FR85	15-Apr-31	9.71	109.36	6.44%	6.42%	109.49	Fair
FR73	15-May-31	9.79	117.19	6.36%	6.43%	116.64	Fair
FR54	15-Jul-31	9.96	121.97	6.47%	6.46%	122.10	Fair
FR91	15-Apr-32	10.71	100.48	6.31%	6.56%	98.61	Premium
FR58	15-Jun-32	10.88	112.87	6.57%	6.58%	112.85	Fair
FR74	15-Aug-32	11.04	106.86	6.61%	6.60%	107.01	Fair
FR65	15-May-33	11.79	100.26	6.59%	6.68%	99.57	Fair
FR68	15-Mar-34	12.63	112.89	6.83%	6.75%	113.61	Fair
FR80	15-Jun-35	13.88	105.15	6.92%	6.85%	105.76	Fair
FR72	15-May-36	14.79	111.49	6.99%	6.91%	112.33	Fair
FR88	15-Jun-36	14.88	99.63	6.29%	6.91%	93.92	Premium
FR45	15-May-37	15.79	124.27	7.16%	6.95%	126.52	Discounted
FR75	15-May-38	16.79	104.53	7.03%	6.99%	104.94	Fair
FR50	15-Jul-38	16.96	131.25	7.26%	7.00%	134.42	Discounted
FR79	15-Apr-39	17.71	112.68	7.10%	7.02%	113.56	Fair
FR83	15-Apr-40	18.71	105.03	7.01%	7.05%	104.64	Fair
FR57	15-May-41	19.79	123.00	7.29%	7.07%	125.69	Discounted
FR62	15-Apr-42	20.71	91.50	7.17%	7.08%	92.39	Fair
FR92	15-Jun-42	20.88	102.58	6.89%	7.08%	100.46	Premium
FR67	15-Feb-44	22.55	116.00	7.29%	7.09%	118.49	Discounted
FR76	15-May-48	26.79	103.20	7.11%	7.09%	103.36	Fair
FR89	15-Aug-51	30.04	100.19	6.86%	7.07%	97.55	Premium

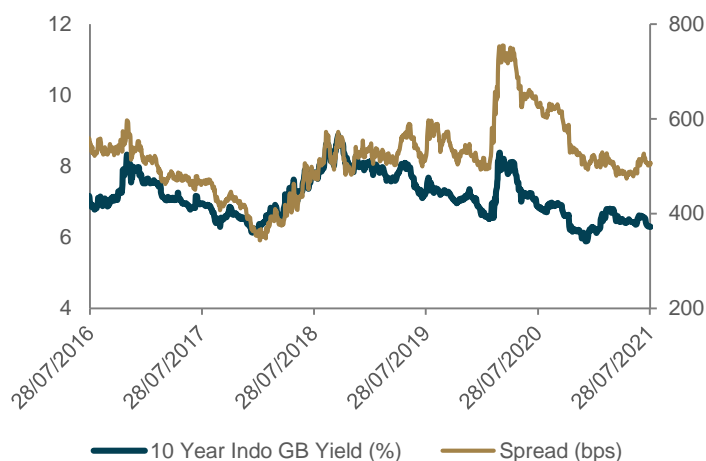
Source : Bloomberg, MNCS Calculation as of Aug 2, 2021

## Exhibit 6. Indo GB Yield Curve



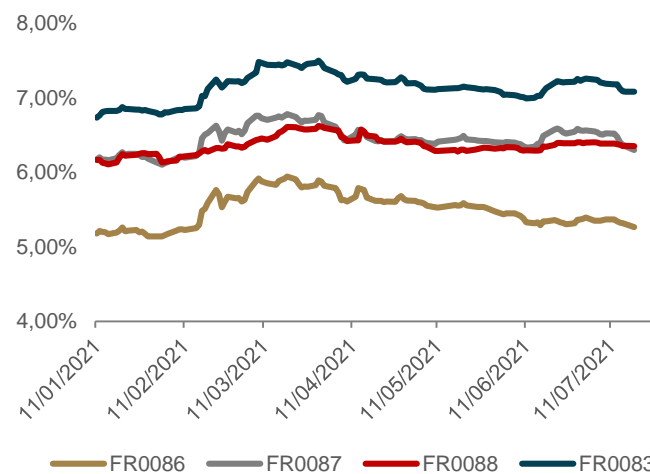
Source : Bloomberg, MNCS Calculation as of Aug 2, 2021

## 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
Bank	37.96	37.09	37.86	36	36.33	32.5	31.07
Central Bank (Nett)	9.52	10.98	10.65	12.77	11.99	15.93	16.96
Mutual Fund	4.18	4.04	3.92	3.81	3.06	3.16	3.12
Insurance & Pension Fund	14.04	14.01	14.08	14.14	14.44	14.24	14.49
Foreign	24.86	23.81	22.89	22.74	22.76	22.82	22.74
Individuals	3.51	4.11	4.56	4.49	4.61	4.49	4.65
Others	5.93	5.97	6.03	6.05	6.83	6.95	6.98

Source : DJPPR as of July 21, 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

## PT MNC SEKURITAS

MNC Financial Center Lt. 14 – 16

Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340

Telp : (021) 2980 3111

Fax : (021) 3983 6899

Call Center : 1500 899

### Disclaimer

*This research report has been issued by PT MNC Sekuritas, It may not be reproduced or further distributed or published, in whole or in part, for any purpose. PT MNC Sekuritas has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; PT MNC Sekuritas makes no guarantee, representation or warranty and accepts no responsibility to liability as to its accuracy or completeness. Expression of opinion herein are those of the research department only and are subject to change without notice. This document is not and should not be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment. PT MNC Sekuritas and its affiliates and/or their offices, director and employees may own or have positions in any investment mentioned herein or any investment related thereto and may from time to time add to or dispose of any such investment. PT MNC Sekuritas and its affiliates may act as market maker or have assumed an underwriting position in the securities of companies discusses herein (or investment related thereto) and may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies.*