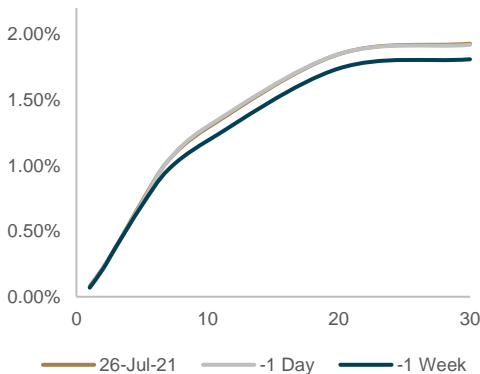


Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

Exhibit 2. Global Gov't Bond Yield

Country	26-Jul-21	-1 Day	-1 Week
U.S	1.29%	1.28%	1.19%
U.K	0.57%	0.58%	0.56%
Germany	-0.42%	-0.42%	-0.39%
Australia	1.17%	1.20%	1.25%
Japan	0.00%	0.02%	0.02%
China	2.89%	2.91%	2.95%
Malaysia	3.13%	3.13%	3.15%
Thailand	1.61%	1.61%	1.65%
Philippines	3.90%	3.93%	3.86%

Source : Bloomberg

Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.29
Indo 5-Year CDS	bps	80.03
USD/IDR	points	14,483
BI 7DRR	%	3.50

Source : Bloomberg as of July 26,2021



Tirta Widi Gilang Citradi

Economist & Fixed Income Analyst

Global Market Update

- 10 year U.S. treasury yield closed higher to 1.29% in July 26, 2021 ahead of the Fed FOMC policy meeting that is due to begin on Tuesday (07/27/21).
- The Fed is expected to stay on its accommodative stance despite higher inflationary pressure lingers. Rising Covid-19 infection associated with widespread of Delta variant posing a downside risk for U.S. economic recovery momentum.
- U.S. new home sales dropped 6.6% MoM in June-21, slightly better than previous month (-7.8% MoM) but weaker than consensus estimate (+3.5% MoM).
- Stronger than expected second-quarter reporting season has bolstered U.S. equity market. Last night DJI closed 0.24% higher. Meanwhile S&P 500 and Nasdaq Composite added 0.24% and 0.03% respectively.
- According to FactSet, 88% of S&P 500 companies have reported higher positive EPS.

Domestic Market Update

- Domestic bond market closed flat yesterday. ICBI settled at 322.48. 10 Year Indo GB yield rose 1 bps to 6.31% or 3 bps higher than -1STD of its fair yield.
- Rupiah appreciated against USD to 14,483/USD yesterday, while Indonesia risk premium increased to 80 bps at the same period. U.S.-Indo spread was relatively stable at 500 bps.
- Liquidity in the economy remained ample as indicated by money supply (M2) which grew 11.4% YoY in June-21. However we believe money velocity to stay low due to the extended social restriction measures. Therefore inflationary pressure to be steadily low. We see Indo GB offers attractive valuation in terms of real yield amid low yield environment globally.

Market Projection

- We expect market to consolidate for today's trading activity. 10 year Indo GB yield will likely to move within range of 6.29-6.33%.
- We see FR0086, FR0087, FR0083 an FR0092 are attractive for trading purpose.
- We are optimistic that government will likely to reach its indicative target of IDR12tn from 6 series of Islamic debt securities auction today on the back of investors appetite toward domestic fixed income instruments that remain high.

Exhibit 4. 10 Year Indo GB Fair Yield



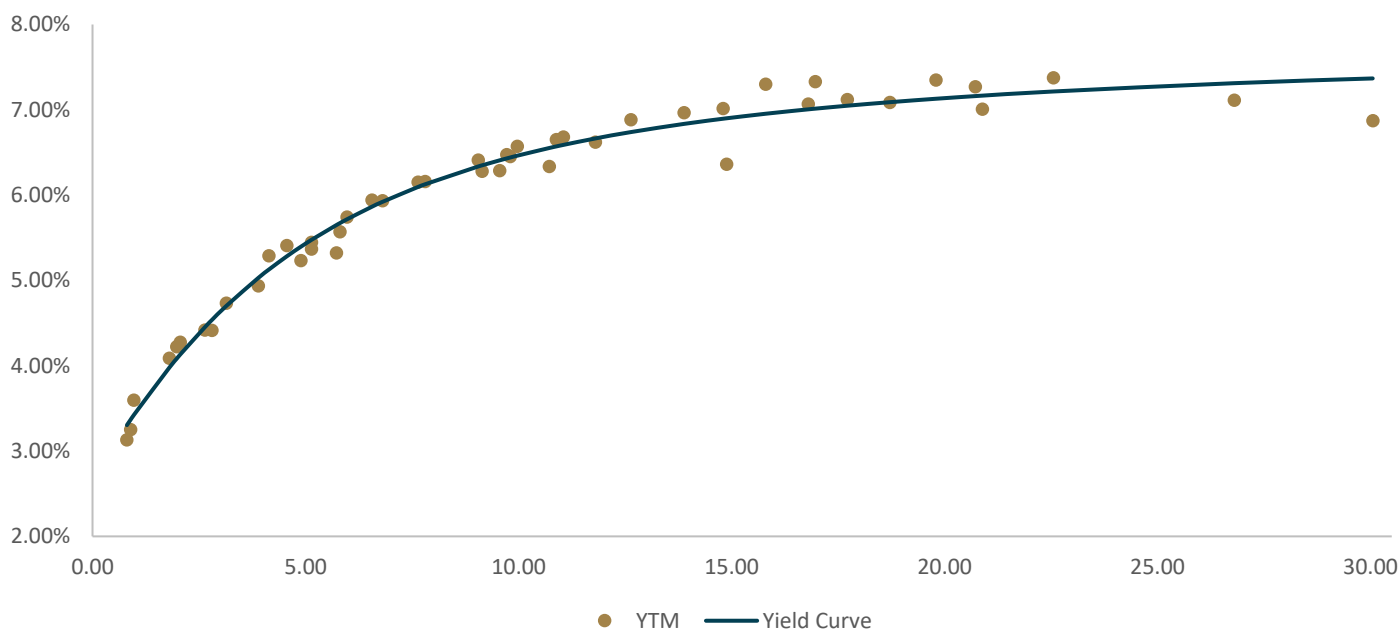
Source : Bloomberg, MNCS Calculation

Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.80	103.03	3.13%	3.30%	102.90	Fair
FR35	15-Jun-22	0.89	108.32	3.25%	3.37%	108.26	Fair
FR43	15-Jul-22	0.97	106.25	3.60%	3.43%	106.45	Fair
FR63	15-May-23	1.80	102.64	4.09%	3.98%	102.83	Fair
FR46	15-Jul-23	1.97	109.85	4.22%	4.08%	110.15	Fair
FR39	15-Aug-23	2.05	114.52	4.27%	4.13%	114.86	Fair
FR70	15-Mar-24	2.64	109.73	4.42%	4.45%	109.65	Fair
FR77	15-May-24	2.80	109.66	4.41%	4.54%	109.33	Fair
FR44	15-Sep-24	3.14	115.16	4.73%	4.70%	115.28	Fair
FR81	15-Jun-25	3.89	105.46	4.93%	5.03%	105.13	Fair
FR40	15-Sep-25	4.14	120.95	5.29%	5.13%	121.63	Fair
FR84	15-Feb-26	4.56	107.34	5.41%	5.28%	107.86	Fair
FR86	15-Jun-26	4.89	101.10	5.23%	5.40%	100.44	Fair
FR37	15-Sep-26	5.14	129.00	5.44%	5.48%	128.86	Fair
FR56	15-Sep-26	5.14	113.34	5.37%	5.48%	112.82	Fair
FR90	15-Apr-27	5.72	99.03	5.32%	5.65%	97.46	Premium
FR59	15-May-27	5.80	107.00	5.57%	5.67%	106.48	Fair
FR42	15-Jul-27	5.97	122.50	5.74%	5.72%	122.65	Fair
FR47	15-Feb-28	6.56	121.75	5.94%	5.86%	122.23	Fair
FR64	15-May-28	6.80	101.05	5.93%	5.92%	101.12	Fair
FR71	15-Mar-29	7.64	117.13	6.15%	6.10%	117.52	Fair
FR78	15-May-29	7.80	112.80	6.16%	6.13%	113.00	Fair
FR52	15-Aug-30	9.06	127.74	6.41%	6.34%	128.35	Fair
FR82	15-Sep-30	9.14	104.96	6.28%	6.35%	104.45	Fair
FR87	15-Feb-31	9.56	101.51	6.29%	6.41%	100.64	Fair
FR85	15-Apr-31	9.72	109.08	6.47%	6.43%	109.42	Fair
FR73	15-May-31	9.80	116.50	6.45%	6.44%	116.58	Fair
FR54	15-Jul-31	9.97	121.15	6.57%	6.46%	122.07	Fair
FR91	15-Apr-32	10.72	100.30	6.33%	6.55%	98.63	Premium
FR58	15-Jun-32	10.89	112.25	6.65%	6.57%	112.90	Fair
FR74	15-Aug-32	11.06	106.33	6.68%	6.59%	107.07	Fair
FR65	15-May-33	11.80	100.03	6.62%	6.66%	99.67	Fair
FR68	15-Mar-34	12.64	112.43	6.88%	6.74%	113.76	Fair
FR80	15-Jun-35	13.89	104.72	6.96%	6.84%	105.89	Fair
FR72	15-May-36	14.80	111.24	7.02%	6.90%	112.42	Fair
FR88	15-Jun-36	14.89	98.92	6.36%	6.90%	93.99	Premium
FR45	15-May-37	15.80	122.75	7.30%	6.95%	126.54	Discounted
FR75	15-May-38	16.80	104.20	7.07%	7.01%	104.82	Fair
FR50	15-Jul-38	16.97	130.50	7.33%	7.01%	134.27	Discounted
FR79	15-Apr-39	17.72	112.54	7.12%	7.05%	113.29	Fair
FR83	15-Apr-40	18.72	104.24	7.09%	7.09%	104.20	Fair
FR57	15-May-41	19.80	122.25	7.35%	7.13%	124.92	Discounted
FR62	15-Apr-42	20.72	90.50	7.27%	7.16%	91.57	Fair
FR92	15-Jun-42	20.89	101.26	7.01%	7.17%	99.55	Fair
FR67	15-Feb-44	22.56	115.00	7.37%	7.22%	116.97	Fair
FR76	15-May-48	26.80	103.13	7.11%	7.31%	100.72	Premium
FR89	15-Aug-51	30.06	100.04	6.87%	7.37%	94.07	Premium

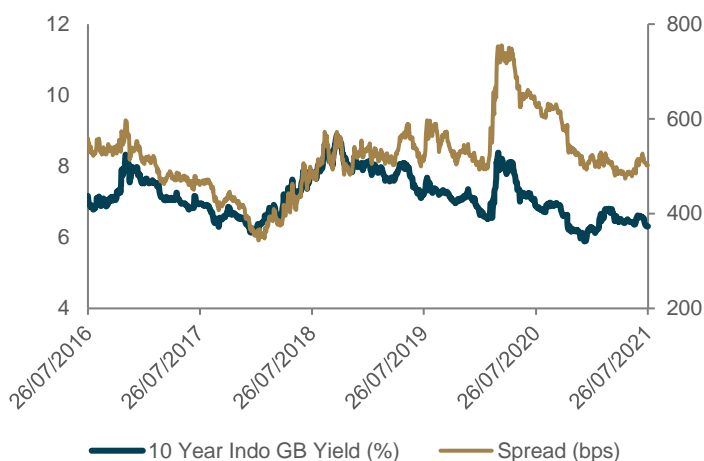
Source : Bloomberg, MNCS Calculation as of July 26, 2021

Exhibit 6. Indo GB Yield Curve



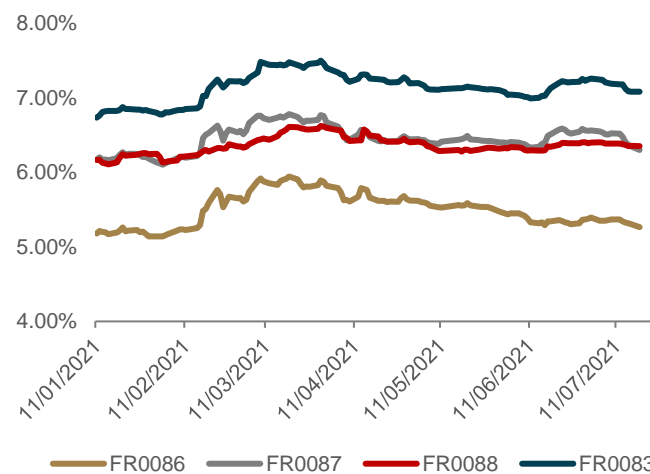
Source : Bloomberg, MNCS Calculation as of July 26, 2021

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

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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

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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

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