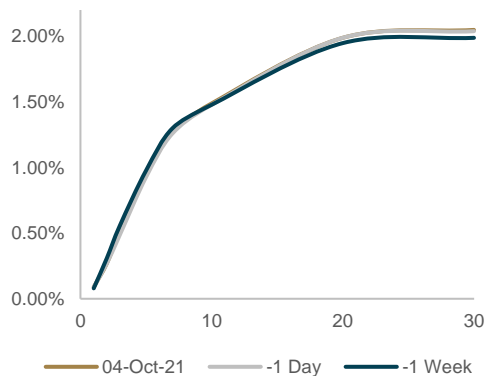


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	04-Oct-21	-1 Day	-1 Week
U.S	1.48%	1.47%	1.54%
U.K	1.01%	1.00%	0.95%
Germany	-0.21%	-0.22%	-0.22%
Australia	1.50%	1.49%	1.48%
Japan	0.05%	0.05%	0.09%
China	2.88%	2.87%	2.86%
Malaysia	3.38%	3.35%	3.43%
Thailand	1.88%	1.89%	1.82%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.48
Indo 5-Year CDS	bps	83.36
USD/IDR	points	14,267
BI 7DRR	%	3.50

Source : Bloomberg as of October 4, 2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- The 10-year U.S treasury yield slightly rose to 1.48% last night. Overall U.S. treasury yields increased by 1-3 bps along the curve.
- Markets eye on U.S. Non-Farm Payroll (NFP) data that due this week. Consensus estimated there were 475,000 jobs created last month.
- In addition, dispute over U.S debt ceiling continues with the President Biden calling for Republicans to join Democrats in voting to raise it in the next two weeks.
- Euro zone bond yields inched higher following U.S treasury notes movement.
- The benchmark 10 year government bond yields in U.K and Germany closed 1 bps higher from previous trading session.
- Energy prices remained stubbornly rising with oil price hovering at USD80/bbl, Newcastle coal price hitting another all time high above USD200/ton.
- Rising energy prices across the board was driven by supply concerns as OPEC+ stood to gradually increase production while coal stockpiles in more than 100 power plants in India can only be utilized less than 10 days.
- Soaring energy prices has forced inflationary pressure to stay high amid continuing economic recovery.
- Despite rally in the commodity markets. U.S. equity tumbled last night. DJI dropped 0.94%, S&P 500 ended 1.30% lower while at the same time tech heavy Nasdaq lead the depreciation after declining by 2.14%.

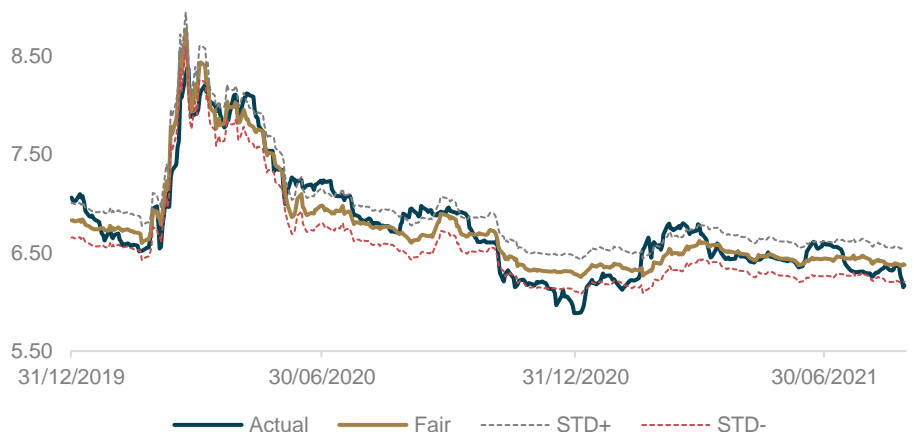
## Domestic Market Update

- The 10 year Indo GB stayed at 6.2% despite rising risk premium. However, the benchmark yield was still in our forecast range of 6.15%-6.25%.
- The 5-year Indo CDS increased by to a more than 83 bps yesterday. Rupiah gained its strength to IDR 14.267/USD in the spot market.
- The government issues a new retail bond ORI020 with a coupon of 4.95%. This 3-year bond which will mature on October 15, 2024 will be offered on October 4-21, 2021.
- In our view this bond is attractive since the coupon is higher than average banks deposit while at the same time offering safer asset for investors.

## Market Projection

- Government will conduct Sukuk Negara Auction today with lower indicative target of IDR5tn. The indicative target set for today's auction is lower than in the previous auction on the back of positive trend in government revenues.
- As of Aug 31, total government revenue has reached IDR1,177.6tn or 13.9% higher than the same period last year.
- Furthermore, the total government securities issuance as of September 29 reached IDR1,053tn.
- We expect the 10 year Indo GB yield to stay flattish tend to move within range of 6.15% - 6.25% today.
- Attractive Indo GB series to be traded today : FR0086, FR0090, FR0082, FR0087, FR0091, FR0068, FR0072, FR0062.

## Exhibit 4. 10 Year Indo GB Fair Yield



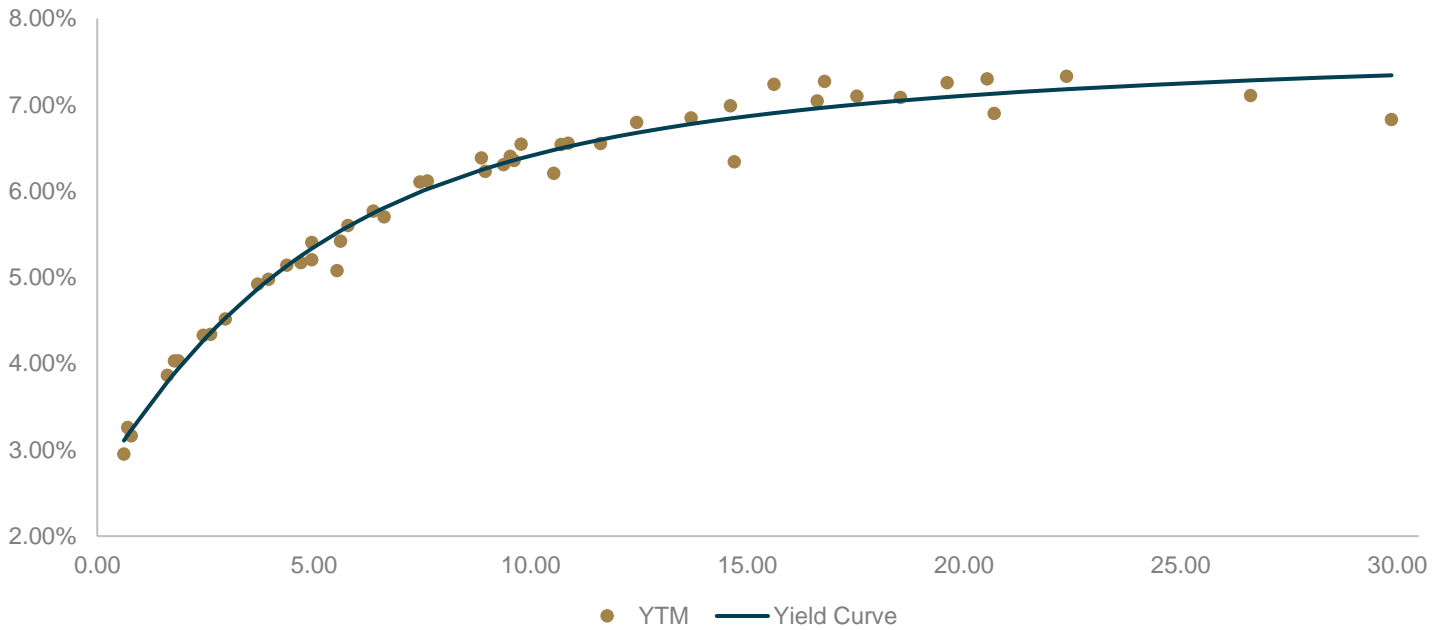
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.61	102.41	2.95%	3.11%	102.34	Fair
FR35	15-Jun-22	0.70	106.50	3.26%	3.17%	106.64	Fair
FR43	15-Jul-22	0.78	105.35	3.16%	3.23%	105.35	Fair
FR63	15-May-23	1.61	102.72	3.86%	3.79%	102.85	Fair
FR46	15-Jul-23	1.78	109.25	4.03%	3.89%	109.55	Fair
FR39	15-Aug-23	1.86	113.66	4.03%	3.94%	113.89	Fair
FR70	15-Mar-24	2.44	109.27	4.33%	4.27%	109.44	Fair
FR77	15-May-24	2.61	109.23	4.34%	4.36%	109.21	Fair
FR44	15-Sep-24	2.95	114.93	4.52%	4.53%	114.94	Fair
FR81	15-Jun-25	3.70	105.25	4.92%	4.87%	105.46	Fair
FR40	15-Sep-25	3.95	121.31	4.97%	4.97%	121.37	Fair
FR84	15-Feb-26	4.37	108.14	5.14%	5.13%	108.18	Fair
FR86	15-Jun-26	4.70	101.32	5.17%	5.25%	101.02	Fair
FR37	15-Sep-26	4.95	128.25	5.40%	5.33%	128.64	Fair
FR56	15-Sep-26	4.95	113.66	5.20%	5.33%	113.06	Fair
FR90	15-Apr-27	5.53	100.23	5.08%	5.52%	98.16	Premium
FR59	15-May-27	5.61	107.56	5.42%	5.54%	106.95	Fair
FR42	15-Jul-27	5.78	122.65	5.60%	5.59%	122.74	Fair
FR47	15-Feb-28	6.37	122.25	5.77%	5.74%	122.41	Fair
FR64	15-May-28	6.61	102.30	5.70%	5.80%	101.73	Fair
FR71	15-Mar-29	7.44	117.09	6.11%	5.99%	117.87	Fair
FR78	15-May-29	7.61	112.82	6.12%	6.02%	113.43	Fair
FR52	15-Aug-30	8.86	127.50	6.38%	6.25%	128.61	Fair
FR82	15-Sep-30	8.95	105.23	6.23%	6.26%	105.01	Fair
FR87	15-Feb-31	9.37	101.35	6.31%	6.32%	101.23	Fair
FR85	15-Apr-31	9.53	109.50	6.40%	6.35%	109.92	Fair
FR73	15-May-31	9.61	117.02	6.35%	6.36%	117.00	Fair
FR54	15-Jul-31	9.78	121.10	6.54%	6.38%	122.42	Fair
FR91	15-Apr-32	10.53	101.31	6.20%	6.48%	99.23	Premium
FR58	15-Jun-32	10.70	113.00	6.54%	6.50%	113.36	Fair
FR74	15-Aug-32	10.86	107.27	6.55%	6.52%	107.57	Fair
FR65	15-May-33	11.61	100.59	6.55%	6.60%	100.22	Fair
FR68	15-Mar-34	12.44	113.13	6.79%	6.68%	114.21	Fair
FR80	15-Jun-35	13.70	105.74	6.85%	6.78%	106.37	Fair
FR72	15-May-36	14.61	111.42	6.99%	6.84%	112.87	Fair
FR88	15-Jun-36	14.70	99.14	6.34%	6.85%	94.50	Premium
FR45	15-May-37	15.61	123.25	7.24%	6.90%	126.92	Discounted
FR75	15-May-38	16.61	104.43	7.04%	6.96%	105.27	Fair
FR50	15-Jul-38	16.78	131.00	7.27%	6.97%	134.61	Discounted
FR79	15-Apr-39	17.53	112.66	7.10%	7.00%	113.71	Fair
FR83	15-Apr-40	18.53	104.25	7.08%	7.05%	104.63	Fair
FR57	15-May-41	19.61	123.26	7.26%	7.09%	125.30	Fair
FR62	15-Apr-42	20.53	90.25	7.30%	7.12%	91.99	Fair
FR92	15-Jun-42	20.70	102.46	6.90%	7.13%	99.94	Premium
FR67	15-Feb-44	22.37	115.50	7.33%	7.18%	117.33	Fair
FR76	15-May-48	26.61	103.20	7.10%	7.28%	101.06	Premium
FR89	15-Aug-51	29.86	100.58	6.83%	7.34%	94.37	Premium

Source : Bloomberg, MNCS Calculation as of October 4, 2021

## Exhibit 6. Indo GB Yield Curve



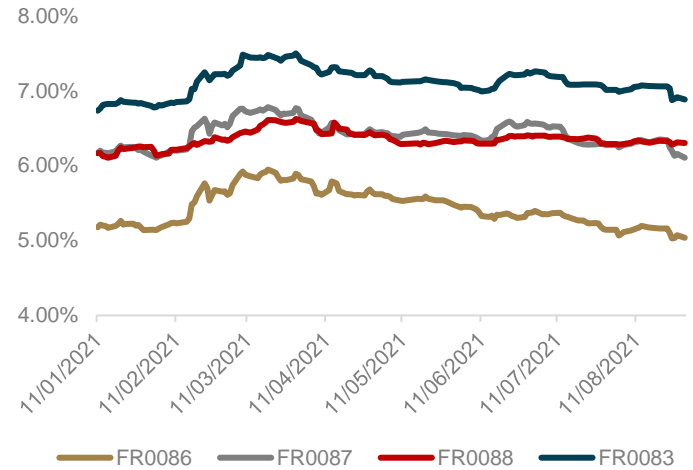
Source : Bloomberg, MNCS Calculation as of October 4, 2021

## 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	Sep-21
Bank	37.96	37.09	37.86	36	36.33	32.5	31.92	33.45	33.69
Central Bank (Nett)	9.52	10.98	10.65	12.77	11.99	15.93	16.08	14.78	14.87
Mutual Fund	4.18	4.04	3.92	3.81	3.06	3.16	3.18	3.20	3.28
Insurance & Pension Fund	14.04	14.01	14.08	14.14	14.44	14.24	14.59	14.45	13.34
Foreign	24.86	23.81	22.89	22.74	22.76	22.82	22.53	22.44	21.56
Individuals	3.51	4.11	4.56	4.49	4.61	4.49	4.64	4.46	4.94
Others	5.93	5.97	6.03	6.05	6.83	6.95	7.07	7.21	8.31

Source : DJPPR as of September 30, 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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