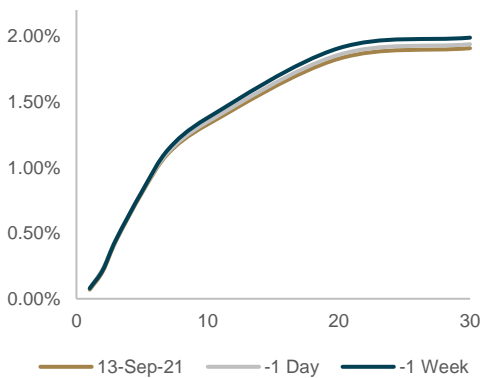


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	13-Sep-21	-1 Day	-1 Week
U.S	1.33%	1.34%	1.32%
U.K	0.75%	0.76%	0.69%
Germany	-0.33%	-0.33%	-0.37%
Australia	1.27%	1.22%	1.26%
Japan	0.05%	0.05%	0.05%
China	2.89%	2.87%	2.83%
Malaysia	3.25%	3.23%	3.20%
Thailand	1.67%	1.70%	1.62%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.33
Indo 5-Year CDS	bps	66.90
USD/IDR	points	14,253
BI 7DRR	%	3.50

Source : Bloomberg as of September 13, 2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- U.S. consumer inflation expectations increased for the 10<sup>th</sup> straight month to 5.2% in August-21. The reading marked the highest expectation in a more than decade.
- U.S. Consumer Price Index (CPI) data would be released today. CPI is expected to grow 5.3% YoY in August-21.
- So far inflation continuing to run hot, putting central banks response on the eyes of investors.
- Should the inflation to run hot and job reports are solid, the time to start tapering asset purchase would come.
- The 10 year U.S. treasury yield closed lower to 1.33% from 1.34% in the previous trading day.
- Overall yields remained low despite inflation data is still running hot,
- U.S. stock market closed mixed. DJI and S&P 500 recorded an increase of 0.76% and 0.23% while Nasdaq Composite declined by 0.07%.

## Domestic Market Update

- Government decided to extend the PPKM leveling implementation in Java & Bali up until September 20, 2021.
- The 10 year Indo GB yield increased by 1 bps 6.15%, in line with our expectation to move within range of 6.10%-6.20%.
- The IDR value against USD also declined to IDR 14,253/USD but the 5 year CDS Indonesia remained stable and below 70 bps.
- Foreign ownership of tradable government securities has increased by IDR4.5tn last week indicating an inflows that support Indo GB price appreciation.

## Market Projection

- Government will conduct an auction for government debt securities for 7 series of different maturity with the indicative target set at IDR21-31.5tn today.
- We are still confident that government can reach the target that already set, however we foresee that the incoming bids would not as much as in the previous auction as investors keep an eye on September Fed's policy meeting.
- We expect the 10 year Indo GB yield to move sideways today within range of 6.10%-6.20%.
- Attractive Indo GB series to be traded today : FR0086, FR0078, FR0082, FR0087, FR0068, FR0088 & FR0083.

## Exhibit 4. 10 Year Indo GB Fair Yield



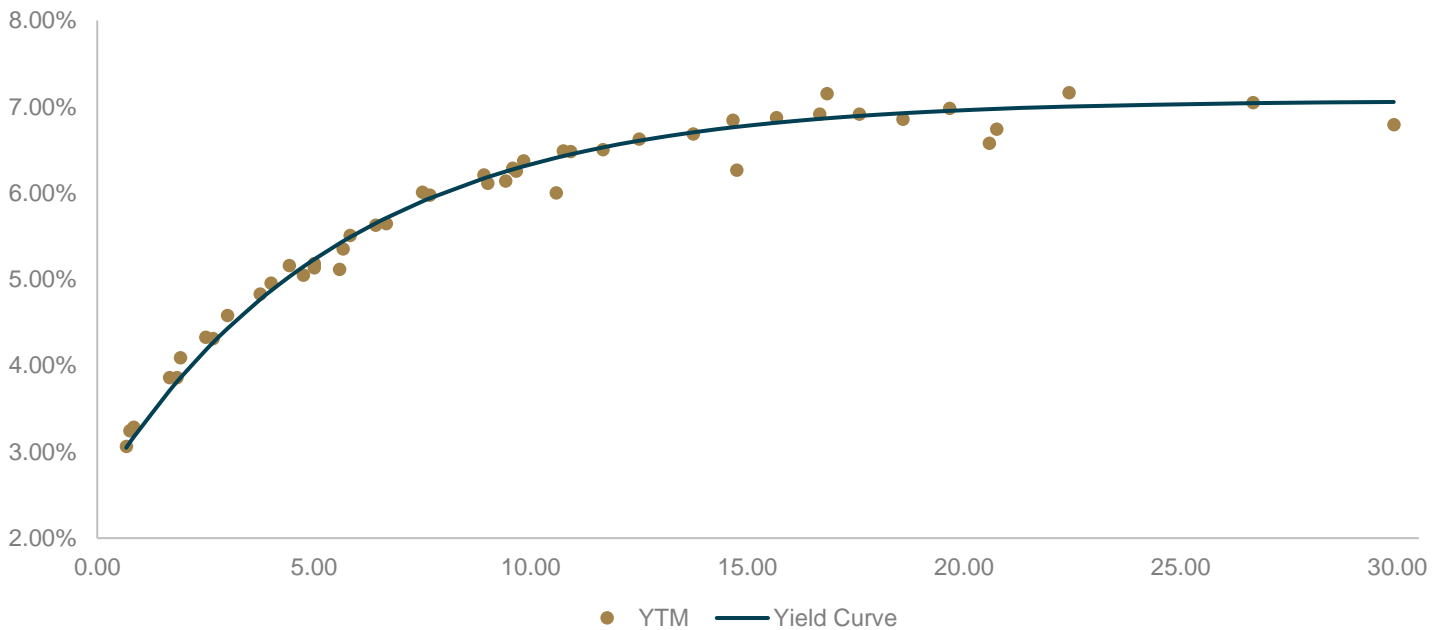
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.67	102.57	3.06%	3.05%	102.60	Fair
FR35	15-Jun-22	0.75	107.07	3.24%	3.11%	107.23	Fair
FR43	15-Jul-22	0.84	105.66	3.28%	3.17%	105.80	Fair
FR63	15-May-23	1.67	102.82	3.86%	3.71%	103.07	Fair
FR46	15-Jul-23	1.84	109.88	3.86%	3.81%	110.00	Fair
FR39	15-Aug-23	1.92	113.97	4.09%	3.86%	114.47	Discounted
FR70	15-Mar-24	2.50	109.50	4.33%	4.18%	109.89	Fair
FR77	15-May-24	2.67	109.50	4.31%	4.26%	109.64	Fair
FR44	15-Sep-24	3.01	115.03	4.58%	4.43%	115.52	Fair
FR81	15-Jun-25	3.75	105.67	4.83%	4.76%	105.90	Fair
FR40	15-Sep-25	4.01	121.70	4.95%	4.87%	122.08	Fair
FR84	15-Feb-26	4.43	108.16	5.16%	5.03%	108.71	Fair
FR86	15-Jun-26	4.75	101.83	5.05%	5.15%	101.47	Fair
FR37	15-Sep-26	5.01	129.71	5.18%	5.23%	129.47	Fair
FR56	15-Sep-26	5.01	114.15	5.13%	5.23%	113.69	Fair
FR90	15-Apr-27	5.59	100.05	5.11%	5.42%	98.61	Premium
FR59	15-May-27	5.67	107.96	5.35%	5.44%	107.51	Fair
FR42	15-Jul-27	5.84	123.38	5.51%	5.49%	123.49	Fair
FR47	15-Feb-28	6.42	123.28	5.63%	5.65%	123.15	Fair
FR64	15-May-28	6.67	102.64	5.64%	5.71%	102.26	Fair
FR71	15-Mar-29	7.50	117.86	6.01%	5.90%	118.56	Fair
FR78	15-May-29	7.67	113.82	5.97%	5.94%	114.06	Fair
FR52	15-Aug-30	8.92	129.05	6.21%	6.17%	129.35	Fair
FR82	15-Sep-30	9.01	106.07	6.11%	6.18%	105.56	Fair
FR87	15-Feb-31	9.43	102.56	6.14%	6.25%	101.75	Fair
FR85	15-Apr-31	9.59	110.42	6.28%	6.27%	110.50	Fair
FR73	15-May-31	9.67	117.91	6.25%	6.29%	117.63	Fair
FR54	15-Jul-31	9.84	122.57	6.37%	6.31%	123.10	Fair
FR91	15-Apr-32	10.59	102.89	6.00%	6.41%	99.73	Premium
FR58	15-Jun-32	10.75	113.49	6.49%	6.43%	113.96	Fair
FR74	15-Aug-32	10.92	107.88	6.48%	6.45%	108.14	Fair
FR65	15-May-33	11.67	101.00	6.50%	6.53%	100.76	Fair
FR68	15-Mar-34	12.50	114.71	6.63%	6.61%	114.88	Fair
FR80	15-Jun-35	13.75	107.24	6.68%	6.70%	107.06	Fair
FR72	15-May-36	14.67	112.89	6.84%	6.76%	113.68	Fair
FR88	15-Jun-36	14.75	99.85	6.26%	6.77%	95.20	Premium
FR45	15-May-37	15.67	127.33	6.87%	6.82%	127.96	Fair
FR75	15-May-38	16.67	105.73	6.91%	6.86%	106.27	Fair
FR50	15-Jul-38	16.84	132.45	7.15%	6.87%	135.90	Discounted
FR79	15-Apr-39	17.59	114.73	6.91%	6.90%	114.93	Fair
FR83	15-Apr-40	18.59	106.71	6.85%	6.93%	105.93	Fair
FR57	15-May-41	19.67	126.70	6.98%	6.95%	127.05	Fair
FR62	15-Apr-42	20.59	97.75	6.58%	6.97%	93.50	Premium
FR92	15-Jun-42	20.75	104.26	6.74%	6.98%	101.59	Premium
FR67	15-Feb-44	22.42	117.60	7.16%	7.00%	119.59	Fair
FR76	15-May-48	26.67	103.88	7.05%	7.04%	103.95	Fair
FR89	15-Aug-51	29.92	101.06	6.79%	7.06%	97.73	Premium

Source : Bloomberg, MNCS Calculation as of September 13, 2021

## Exhibit 6. Indo GB Yield Curve



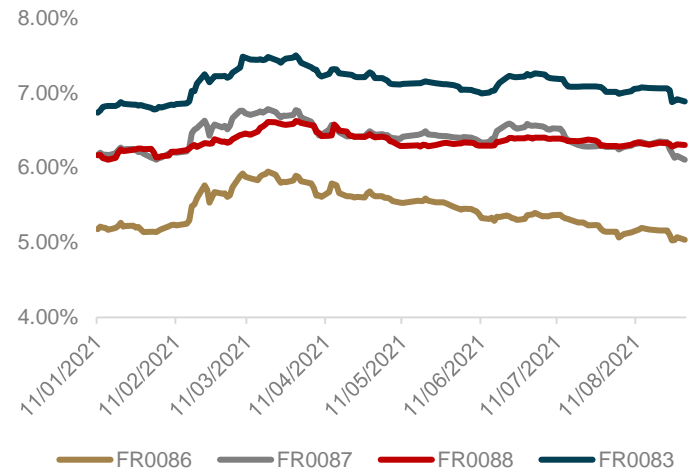
Source : Bloomberg, MNCS Calculation as of September 13, 2021

## 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	33.53
Central Bank (Nett)	9.52	10.98	10.65	12.77	11.99	15.93	16.08	14.69
Mutual Fund	4.18	4.04	3.92	3.81	3.06	3.16	3.18	3.22
Insurance & Pension Fund	14.04	14.01	14.08	14.14	14.44	14.24	14.59	14.45
Foreign	24.86	23.81	22.89	22.74	22.76	22.82	22.53	22.37
Individuals	3.51	4.11	4.56	4.49	4.61	4.49	4.64	4.52
Others	5.93	5.97	6.03	6.05	6.83	6.95	7.07	7.22

Source : DJPPR as of August 27, 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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