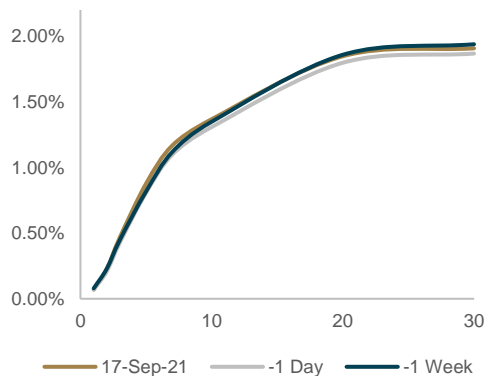


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	17-Sep-21	-1 Day	-1 Week
U.S	1.36%	1.34%	1.34%
U.K	0.82%	0.82%	0.76%
Germany	-0.28%	-0.30%	-0.33%
Australia	1.30%	1.26%	1.22%
Japan	0.05%	0.05%	0.05%
China	2.88%	2.89%	2.87%
Malaysia	3.33%	3.29%	3.23%
Thailand	1.68%	1.65%	1.70%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.36
Indo 5-Year CDS	bps	68.53
USD/IDR	points	14,223
BI 7DRR	%	3.50

Source : Bloomberg as of September 17, 2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- The 10 year U.S. treasury yield rose by 2 bps to 1.34% on Friday (09/17/21) ahead of the Fed's September meeting that will be held this week.
- The Fed's policy meeting is expected to give the further details on when it may start to slow its asset purchases worth of USD120bn .
- Preliminary Michigan consumer sentiment and expectation data looked better than the previous month.
- September-21 preliminary consumer expectation rose by 2 points to 67.1. Meanwhile preliminary Michigan consumer sentiment increased by 0.7 point to 71.
- Those figures were still at the lowest point in a year despite improving. Overall the government benchmark yield across DM countries saw an upward pressure.
- However the upward pressure on the benchmark government bond is considered low.

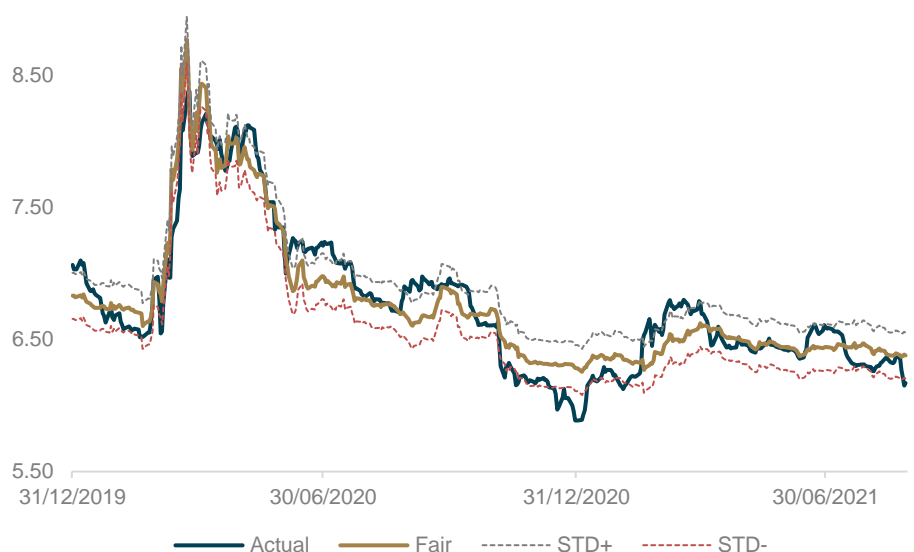
## Domestic Market Update

- The 10 year Indo GB yield was nearly flat at 6.14% on Friday (09/17/21).
- The movement of 10 year Indo GB yield remained within our forecast range of 6.10%-6.20% so far.
- The benchmark price of Indo GB series (FR0086, FR0087, FR0088 and FR0083) price were slightly corrected.
- This was attributable to the limited movement of global government bond yields and low external pressure.
- The IDR value consistently stayed below IDR 14,300/USD while 5 year Indo CDS was stable below 70 bps.

## Market Projection

- We still expect the 10 year Indo GB yield to move within range of 6.10%-6.20% on Friday (09/17/21) despite rising the U.S. treasury yield.
- Attractive Indo GB series to be traded today : FR0086, FR0064, FR0071, FR0078 FR0082, FR0087, FR0065, FR0068, FR0080, FR0062 & FR0067.

## Exhibit 4. 10 Year Indo GB Fair Yield



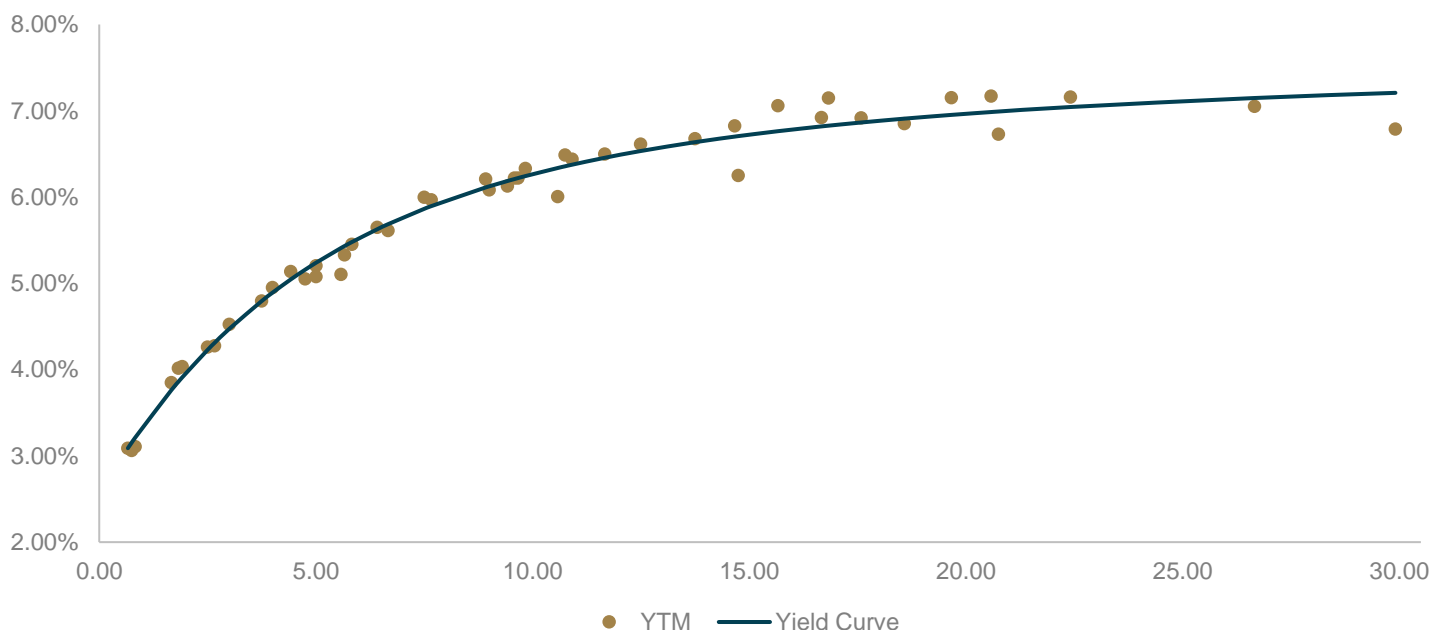
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.66	102.49	3.09%	3.09%	102.53	Fair
FR35	15-Jun-22	0.74	107.06	3.06%	3.15%	107.09	Fair
FR43	15-Jul-22	0.82	105.70	3.10%	3.21%	105.69	Fair
FR63	15-May-23	1.66	102.81	3.85%	3.76%	102.97	Fair
FR46	15-Jul-23	1.82	109.50	4.01%	3.86%	109.85	Fair
FR39	15-Aug-23	1.91	113.97	4.03%	3.91%	114.29	Fair
FR70	15-Mar-24	2.49	109.60	4.26%	4.22%	109.73	Fair
FR77	15-May-24	2.66	109.54	4.28%	4.31%	109.49	Fair
FR44	15-Sep-24	3.00	115.13	4.52%	4.47%	115.34	Fair
FR81	15-Jun-25	3.74	105.76	4.79%	4.79%	105.78	Fair
FR40	15-Sep-25	4.00	121.63	4.95%	4.89%	121.92	Fair
FR84	15-Feb-26	4.41	108.23	5.13%	5.04%	108.62	Fair
FR86	15-Jun-26	4.74	101.81	5.05%	5.16%	101.42	Fair
FR37	15-Sep-26	4.99	129.50	5.20%	5.24%	129.39	Fair
FR56	15-Sep-26	4.99	114.37	5.08%	5.24%	113.64	Premium
FR90	15-Apr-27	5.58	100.11	5.10%	5.41%	98.64	Premium
FR59	15-May-27	5.66	108.06	5.33%	5.43%	107.54	Fair
FR42	15-Jul-27	5.83	123.63	5.45%	5.48%	123.52	Fair
FR47	15-Feb-28	6.41	123.10	5.65%	5.63%	123.26	Fair
FR64	15-May-28	6.66	102.80	5.61%	5.68%	102.41	Fair
FR71	15-Mar-29	7.49	117.89	6.00%	5.86%	118.81	Fair
FR78	15-May-29	7.66	113.85	5.97%	5.89%	114.34	Fair
FR52	15-Aug-30	8.91	129.01	6.21%	6.11%	129.81	Fair
FR82	15-Sep-30	9.00	106.27	6.08%	6.12%	105.99	Fair
FR87	15-Feb-31	9.41	102.64	6.13%	6.19%	102.21	Fair
FR85	15-Apr-31	9.58	110.90	6.22%	6.21%	111.00	Fair
FR73	15-May-31	9.66	118.15	6.22%	6.22%	118.15	Fair
FR54	15-Jul-31	9.83	122.90	6.33%	6.24%	123.64	Fair
FR91	15-Apr-32	10.58	102.88	6.00%	6.34%	100.29	Premium
FR58	15-Jun-32	10.74	113.48	6.49%	6.36%	114.57	Fair
FR74	15-Aug-32	10.91	108.22	6.44%	6.38%	108.74	Fair
FR65	15-May-33	11.66	101.02	6.50%	6.45%	101.37	Fair
FR68	15-Mar-34	12.49	114.82	6.61%	6.53%	115.56	Fair
FR80	15-Jun-35	13.74	107.32	6.68%	6.64%	107.70	Fair
FR72	15-May-36	14.66	113.07	6.82%	6.70%	114.31	Fair
FR88	15-Jun-36	14.74	100.01	6.25%	6.71%	95.75	Premium
FR45	15-May-37	15.66	125.23	7.06%	6.76%	128.56	Discounted
FR75	15-May-38	16.66	105.68	6.92%	6.82%	106.71	Fair
FR50	15-Jul-38	16.83	132.50	7.15%	6.83%	136.39	Discounted
FR79	15-Apr-39	17.58	114.67	6.92%	6.86%	115.28	Fair
FR83	15-Apr-40	18.58	106.76	6.85%	6.91%	106.12	Fair
FR57	15-May-41	19.66	124.58	7.15%	6.95%	127.07	Discounted
FR62	15-Apr-42	20.58	91.50	7.17%	6.99%	93.38	Discounted
FR92	15-Jun-42	20.74	104.40	6.73%	6.99%	101.44	Premium
FR67	15-Feb-44	22.41	117.60	7.16%	7.04%	119.07	Fair
FR76	15-May-48	26.66	103.88	7.05%	7.15%	102.67	Fair
FR89	15-Aug-51	29.91	101.10	6.79%	7.21%	95.92	Premium

Source : Bloomberg, MNCS Calculation as of September 17, 2021

## Exhibit 6. Indo GB Yield Curve



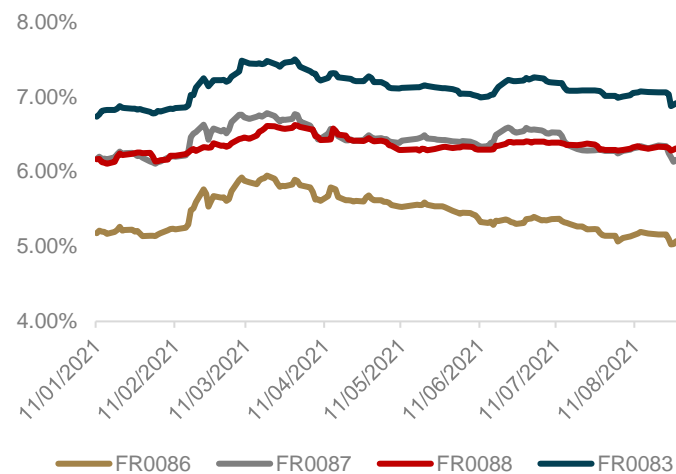
Source : Bloomberg, MNCS Calculation as of September 17, 2021

## 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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