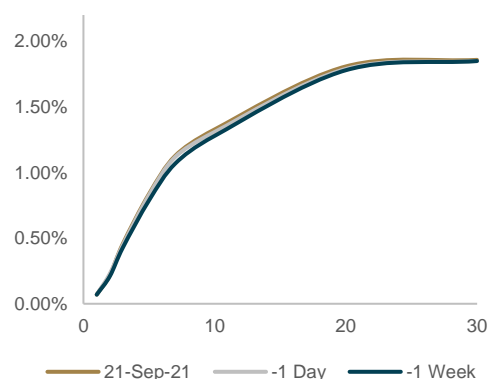


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	21-Sep-21	-1 Day	-1 Week
U.S	1.31%	1.31%	1.28%
U.K	0.79%	0.79%	0.74%
Germany	-0.32%	-0.32%	-0.34%
Australia	1.27%	1.30%	1.25%
Japan	0.04%	0.05%	0.05%
China	2.88%	2.89%	2.87%
Malaysia	3.36%	3.34%	3.29%
Thailand	1.79%	1.80%	1.68%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.32
Indo 5-Year CDS	bps	80.61
USD/IDR	points	14,238
BI 7DRR	%	3.50

Source : Bloomberg as of September 21, 2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- The U.S. treasury yields slightly rose 1-2 bps along the curve ahead of the Fed's September policy meeting.
- The Fed is expected to give a further detail on its plan to slowdown the pace of asset purchase or QE on Thursday (09/23/21) announcement.
- Last night the 10 year U.S. treasury yield stayed at 1.32% while the U.S. equity market closed varied.
- DJI and S&P 500 slightly fell 0.15% and 0.08% respectively. Meanwhile Nasdaq Composite rose 0.22% after previous sell off with more than 1.5% correction.
- The Reserve Bank of Australia (RBA) kept the cash rate unchanged at a record low of 0.1% during its September meeting, as widely expected.
- RBA also confirmed plans to trim the purchase of government bonds to AUD4bn a week and determining to do it until at least mid-February 2022.
- Now it's time to normalize the monetary policy by trimming the pace of central bank asset purchase.
- The potential default on Chinese second largest property developer Evergrande & U.S. government shut down due to failure to increase debt ceiling that might trigger default are risks stemming the market.

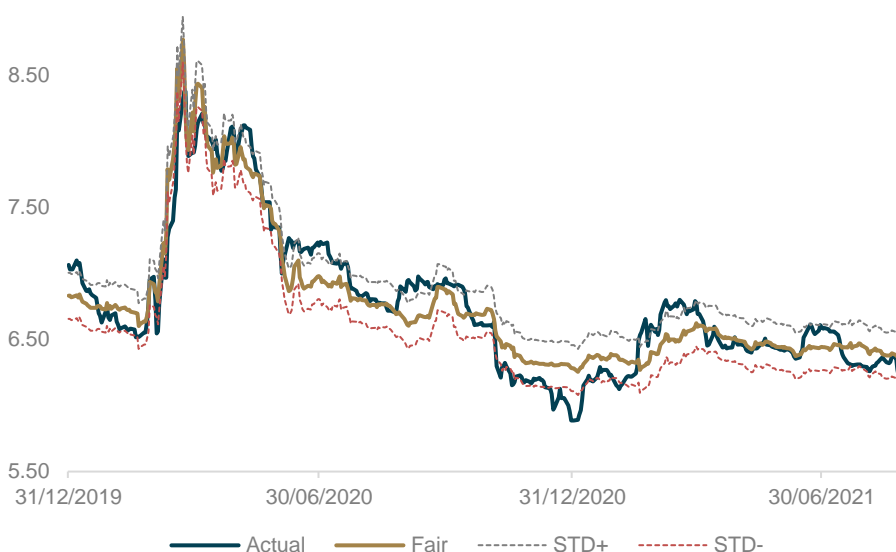
## Domestic Market Update

- The 10 year Indo GB yield stayed at 6.16% on Tuesday (09/21/21) and remained within our forecast range of 6.10%-6.20% so far.
- 5 year Indo CDS was still above 80 bps while rupiah slightly appreciated against USD to IDR 14,238/USD from previously at IDR 14,243/USD.
- Government successfully raised IDR6.1tn from sovereign sharia securities auction yesterday. The total incoming bids were at IDR45.4tn or below the last 4 auctions which were consistently above IDR50tn ahead of the Fed's policy meeting announcement that due on Thursday (09/23/21).
- As we already expected, Bank Indonesia (BI) kept its 7-day reverse repo rate unchanged at 3.5% to maintain rupiah stability and supporting economic recovery momentum.

## Market Projection

- We expect the 10 year Indo GB yield to move within range of 6.10% - 6.20% today.
- Attractive Indo GB series to be traded today : FR0086, FR0064, FR0071, FR0078 FR0082, FR0087, FR0068, FR0080, FR0072, FR0057 & FR0062.

## Exhibit 4. 10 Year Indo GB Fair Yield



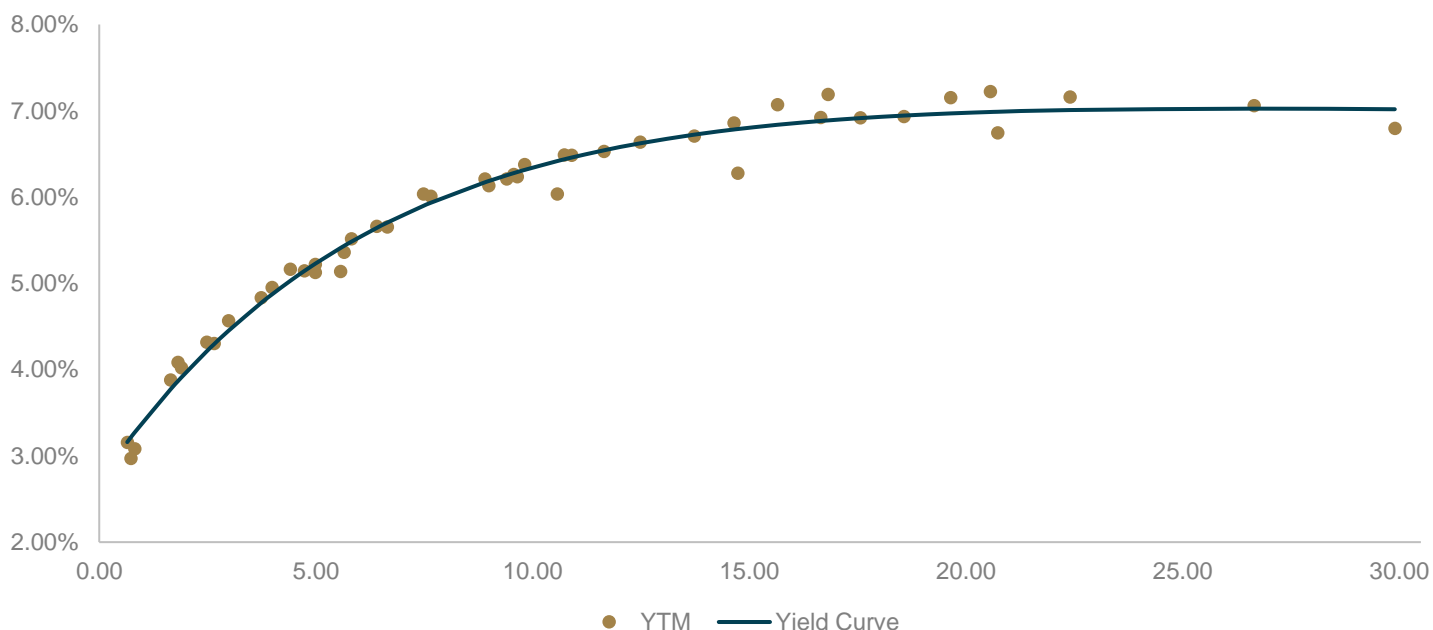
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.65	102.43	3.16%	3.16%	102.44	Fair
FR35	15-Jun-22	0.73	107.08	2.97%	3.22%	106.94	Premium
FR43	15-Jul-22	0.81	105.68	3.08%	3.27%	105.56	Premium
FR63	15-May-23	1.65	102.75	3.88%	3.77%	102.93	Fair
FR46	15-Jul-23	1.81	109.35	4.08%	3.87%	109.77	Discounted
FR39	15-Aug-23	1.90	113.96	4.02%	3.91%	114.21	Fair
FR70	15-Mar-24	2.48	109.45	4.31%	4.21%	109.71	Fair
FR77	15-May-24	2.65	109.45	4.30%	4.29%	109.49	Fair
FR44	15-Sep-24	2.98	114.98	4.56%	4.45%	115.34	Fair
FR81	15-Jun-25	3.73	105.62	4.83%	4.77%	105.83	Fair
FR40	15-Sep-25	3.98	121.61	4.95%	4.87%	121.95	Fair
FR84	15-Feb-26	4.40	108.11	5.16%	5.03%	108.66	Fair
FR86	15-Jun-26	4.73	101.43	5.14%	5.14%	101.47	Fair
FR37	15-Sep-26	4.98	129.40	5.22%	5.23%	129.37	Fair
FR56	15-Sep-26	4.98	114.12	5.12%	5.23%	113.65	Fair
FR90	15-Apr-27	5.56	99.94	5.14%	5.41%	98.64	Premium
FR59	15-May-27	5.65	107.90	5.36%	5.43%	107.52	Fair
FR42	15-Jul-27	5.81	123.25	5.52%	5.48%	123.45	Fair
FR47	15-Feb-28	6.40	123.00	5.66%	5.64%	123.12	Fair
FR64	15-May-28	6.65	102.59	5.65%	5.71%	102.28	Fair
FR71	15-Mar-29	7.48	117.64	6.03%	5.90%	118.54	Fair
FR78	15-May-29	7.65	113.58	6.01%	5.93%	114.06	Fair
FR52	15-Aug-30	8.90	128.99	6.21%	6.17%	129.28	Fair
FR82	15-Sep-30	8.98	105.95	6.13%	6.19%	105.54	Fair
FR87	15-Feb-31	9.40	102.06	6.21%	6.25%	101.72	Fair
FR85	15-Apr-31	9.57	110.59	6.26%	6.28%	110.45	Fair
FR73	15-May-31	9.65	118.01	6.24%	6.29%	117.57	Fair
FR54	15-Jul-31	9.81	122.50	6.38%	6.32%	123.01	Fair
FR91	15-Apr-32	10.57	102.63	6.03%	6.42%	99.67	Premium
FR58	15-Jun-32	10.73	113.48	6.49%	6.44%	113.86	Fair
FR74	15-Aug-32	10.90	107.86	6.48%	6.46%	108.04	Fair
FR65	15-May-33	11.65	100.78	6.53%	6.54%	100.65	Fair
FR68	15-Mar-34	12.48	114.62	6.63%	6.62%	114.71	Fair
FR80	15-Jun-35	13.73	107.05	6.71%	6.73%	106.86	Fair
FR72	15-May-36	14.65	112.72	6.86%	6.79%	113.45	Fair
FR88	15-Jun-36	14.73	99.76	6.27%	6.79%	95.01	Premium
FR45	15-May-37	15.65	125.13	7.07%	6.84%	127.68	Discounted
FR75	15-May-38	16.65	105.64	6.92%	6.88%	106.04	Fair
FR50	15-Jul-38	16.81	132.00	7.19%	6.89%	135.60	Discounted
FR79	15-Apr-39	17.57	114.69	6.92%	6.92%	114.69	Fair
FR83	15-Apr-40	18.57	105.89	6.93%	6.95%	105.72	Fair
FR57	15-May-41	19.65	124.57	7.15%	6.97%	126.82	Discounted
FR62	15-Apr-42	20.57	91.00	7.22%	6.99%	93.36	Discounted
FR92	15-Jun-42	20.73	104.23	6.74%	6.99%	101.45	Premium
FR67	15-Feb-44	22.40	117.60	7.16%	7.01%	119.50	Fair
FR76	15-May-48	26.65	103.78	7.06%	7.03%	104.16	Fair
FR89	15-Aug-51	29.90	101.01	6.79%	7.02%	98.19	Premium

Source : Bloomberg, MNCS Calculation as of September 21, 2021

**Exhibit 6. Indo GB Yield Curve**



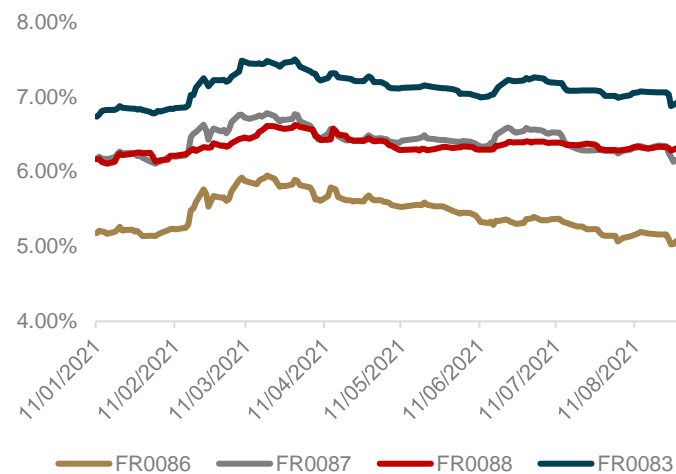
Source : Bloomberg, MNCS Calculation as of September 21, 2021

**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

## 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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