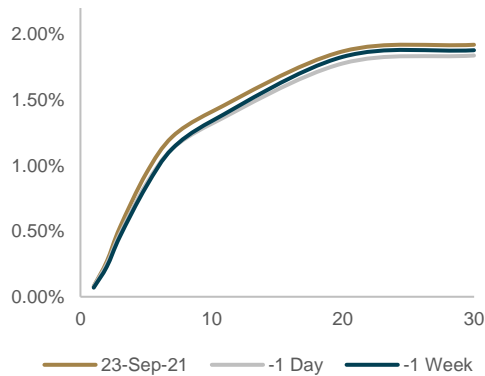


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	23-Sep-21	-1 Day	-1 Week
U.S	1.43%	1.30%	1.34%
U.K	0.81%	0.80%	0.82%
Germany	-0.31%	-0.32%	-0.30%
Australia	1.26%	1.26%	1.26%
Japan	0.04%	0.04%	0.05%
China	2.86%	2.86%	2.89%
Malaysia	3.37%	3.35%	3.29%
Thailand	1.78%	1.79%	1.68%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.43
Indo 5-Year CDS	bps	77.65
USD/IDR	points	14,243
BI 7DRR	%	3.50

Source : Bloomberg as of September 23, 2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- The U.S. treasury yield climbed to a two month high after the Fed said they may soon start the bond tapering.
- The 10 year U.S. treasury yield jumped 10 bps to 1.43% while yield for 30 year U.S. treasury bond rose 9 bps to 1.94%.
- The Fed said that U.S. economy has made a substantial progress since the depths of the pandemic, therefore the central bank may be able to slow the pace of asset purchase.
- Weekly jobless claims for the week ended September 18, totaled 351,000 or higher than consensus estimate of 320,000.
- The U.S. stock market jumped more than 1% for all 3 indices last night with DJI rose by 1.48% and lead the appreciation while S&P 500 and Nasdaq Composite increased by 1.21% and 1.04% respectively.
- Bank of England (BoE) decided to keep the interest rate unchanged and maintaining its asset purchase target of GBP875bn (USD1.2tn).
- Elsewhere, Norges Bank reported to be the first Western central bank to tighten its monetary policy by rising the interest rate. The Norwegian central bank decided to raise interest rate to 0.25% from 0%.

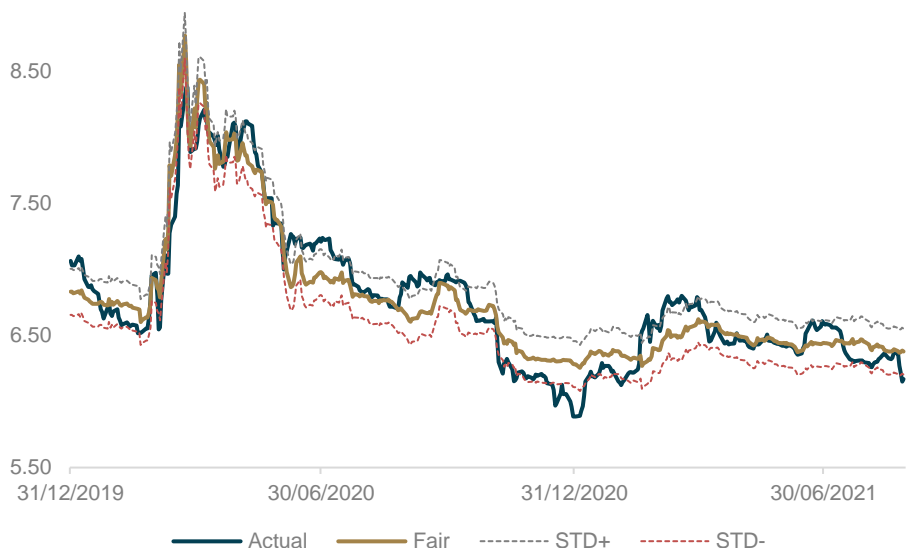
## Domestic Market Update

- The 10 year Indo GB yield declined to 6.11% on Thursday (09/23/21) and remained within our forecast range of 6.10%-6.20% so far.
- 5 year Indo CDS declined to below 80 bps while rupiah was stable at IDR 14,243/USD.
- As of Aug-21 government financing program through securities issuance (SBN) reached IDR567.4tn or equivalent to 47% from the budget target. The value of government securities issuance decreased by 15.5% YoY.
- The adjustment in government securities issuance affected by 1) government budget reallocation and refocusing program; 2) burden sharing scheme between BI and government and also 3) budget deficit projection.

## Market Projection

- We expect the 10 year Indo GB yield to rise and moving within range of 6.15% - 6.25% today on the back of rising U.S. treasury yield and monetary policy normalization that have already started globally.
- Attractive Indo GB series to be traded today : FR0086, FR0090, FR0071, FR0078, FR0082, FR0087, FR0091, FR0088, FR0050.

## Exhibit 4. 10 Year Indo GB Fair Yield



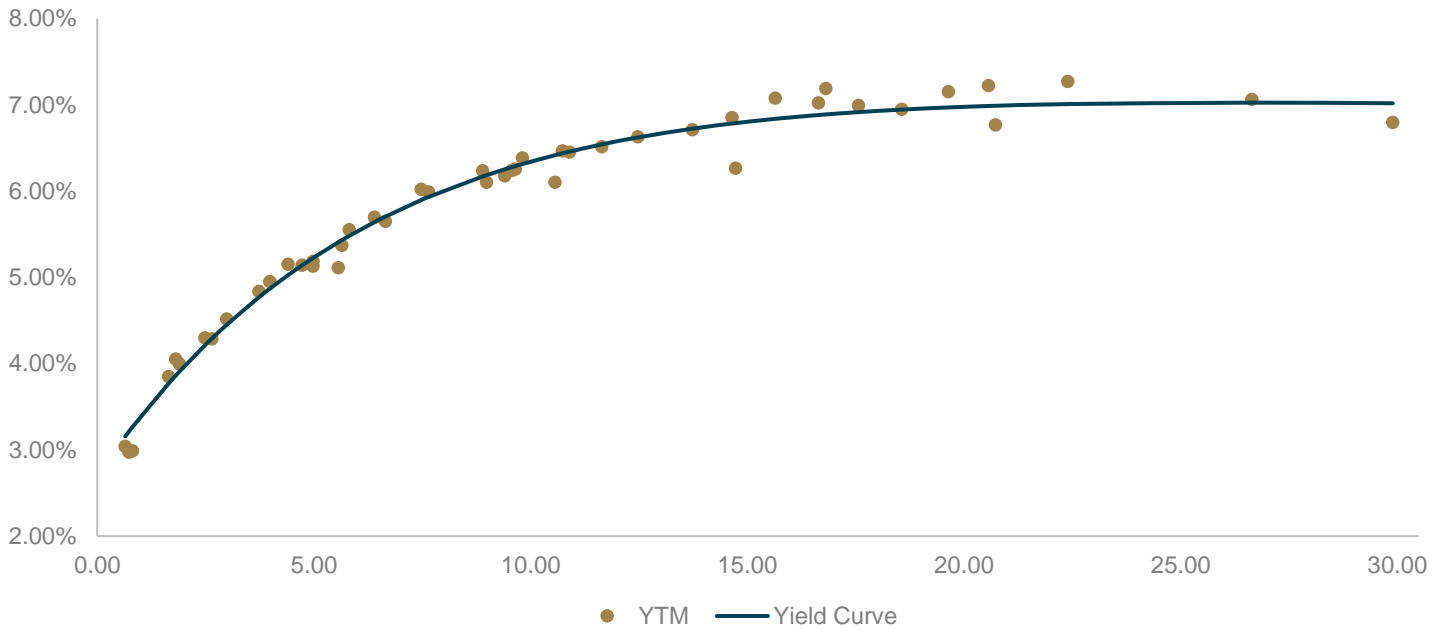
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.64	102.46	3.04%	3.16%	102.43	Fair
FR35	15-Jun-22	0.73	106.97	2.97%	3.21%	106.89	Premium
FR43	15-Jul-22	0.81	105.68	2.99%	3.27%	105.53	Premium
FR63	15-May-23	1.64	102.78	3.85%	3.77%	102.93	Fair
FR46	15-Jul-23	1.81	109.35	4.05%	3.86%	109.75	Discounted
FR39	15-Aug-23	1.89	113.93	3.99%	3.91%	114.17	Fair
FR70	15-Mar-24	2.48	109.45	4.30%	4.21%	109.70	Fair
FR77	15-May-24	2.64	109.46	4.29%	4.29%	109.48	Fair
FR44	15-Sep-24	2.98	115.06	4.52%	4.45%	115.32	Fair
FR81	15-Jun-25	3.73	105.59	4.84%	4.77%	105.83	Fair
FR40	15-Sep-25	3.98	121.54	4.95%	4.87%	121.93	Fair
FR84	15-Feb-26	4.40	108.14	5.15%	5.03%	108.66	Fair
FR86	15-Jun-26	4.73	101.44	5.14%	5.14%	101.48	Fair
FR37	15-Sep-26	4.98	129.50	5.19%	5.23%	129.35	Fair
FR56	15-Sep-26	4.98	114.07	5.13%	5.23%	113.64	Fair
FR90	15-Apr-27	5.56	100.07	5.11%	5.41%	98.65	Premium
FR59	15-May-27	5.64	107.83	5.37%	5.43%	107.52	Fair
FR42	15-Jul-27	5.81	123.00	5.55%	5.48%	123.44	Fair
FR47	15-Feb-28	6.40	122.75	5.70%	5.64%	123.11	Fair
FR64	15-May-28	6.64	102.61	5.65%	5.70%	102.29	Fair
FR71	15-Mar-29	7.47	117.73	6.02%	5.90%	118.54	Fair
FR78	15-May-29	7.64	113.67	5.99%	5.93%	114.06	Fair
FR52	15-Aug-30	8.89	128.75	6.23%	6.17%	129.28	Fair
FR82	15-Sep-30	8.98	106.13	6.10%	6.19%	105.54	Fair
FR87	15-Feb-31	9.40	102.28	6.18%	6.25%	101.72	Fair
FR85	15-Apr-31	9.56	110.74	6.24%	6.28%	110.45	Fair
FR73	15-May-31	9.64	117.84	6.25%	6.29%	117.57	Fair
FR54	15-Jul-31	9.81	122.44	6.38%	6.32%	123.01	Fair
FR91	15-Apr-32	10.56	102.12	6.10%	6.42%	99.67	Premium
FR58	15-Jun-32	10.73	113.65	6.46%	6.44%	113.86	Fair
FR74	15-Aug-32	10.89	108.11	6.45%	6.46%	108.04	Fair
FR65	15-May-33	11.64	100.91	6.51%	6.54%	100.65	Fair
FR68	15-Mar-34	12.47	114.68	6.63%	6.62%	114.71	Fair
FR80	15-Jun-35	13.73	107.01	6.71%	6.72%	106.86	Fair
FR72	15-May-36	14.64	112.80	6.85%	6.78%	113.45	Fair
FR88	15-Jun-36	14.73	99.85	6.26%	6.79%	95.01	Premium
FR45	15-May-37	15.64	125.03	7.08%	6.84%	127.68	Discounted
FR75	15-May-38	16.64	104.66	7.02%	6.88%	106.04	Fair
FR50	15-Jul-38	16.81	132.00	7.19%	6.89%	135.59	Discounted
FR79	15-Apr-39	17.56	113.86	6.99%	6.92%	114.69	Fair
FR83	15-Apr-40	18.56	105.70	6.95%	6.95%	105.72	Fair
FR57	15-May-41	19.64	124.57	7.15%	6.97%	126.82	Discounted
FR62	15-Apr-42	20.56	91.00	7.22%	6.99%	93.36	Discounted
FR92	15-Jun-42	20.73	103.95	6.77%	6.99%	101.45	Premium
FR67	15-Feb-44	22.40	116.25	7.27%	7.01%	119.50	Discounted
FR76	15-May-48	26.64	103.74	7.06%	7.03%	104.16	Fair
FR89	15-Aug-51	29.89	101.00	6.80%	7.02%	98.19	Premium

Source : Bloomberg, MNCS Calculation as of September 23, 2021

## Exhibit 6. Indo GB Yield Curve



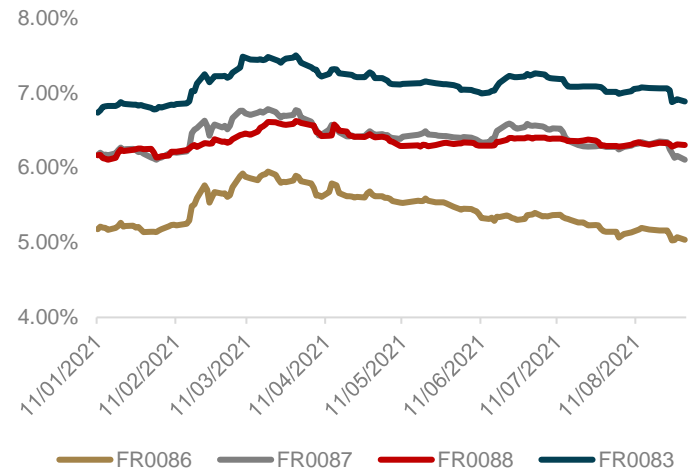
Source : Bloomberg, MNCS Calculation as of September 23, 2021

## 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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