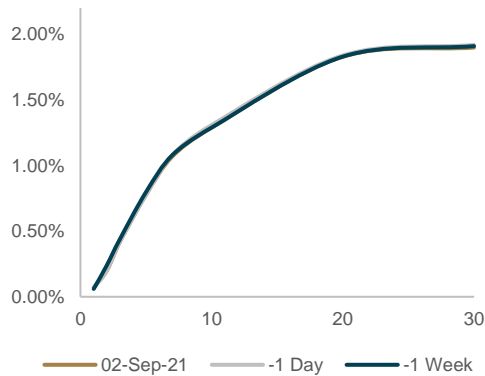


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	02-Sep-21	-1 Day	-1 Week
U.S	1.29%	1.29%	1.35%
U.K	0.67%	0.69%	0.60%
Germany	-0.39%	-0.37%	-0.41%
Australia	1.21%	1.24%	1.19%
Japan	0.04%	0.03%	0.03%
China	2.83%	2.82%	2.89%
Malaysia	3.20%	3.20%	3.24%
Thailand	1.60%	1.58%	1.59%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.29
Indo 5-Year CDS	bps	66.84
USD/IDR	points	14,273
BI 7DRR	%	3.50

Source : Bloomberg as of September 2, 2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- U.S. job market report come with a solid number again. The initial jobless claims as of Aug 28, 2021 were at 340,000.
- The number of jobless claims were lower than previous figure at 354,000 and consensus estimate at 345,000.
- U.S. also reported a lower trade deficit in July-21 with a negative USD70bn compared to previous month of negative USD73.2bn, in line with consensus forecast.
- The movement of U.S. treasury yield remained flattish last night despite the solid job report released.
- Last night, the 10 year U.S. treasury yield closed at 1.29%. On a weekly basis the benchmark yield has fallen by 6 bps.
- Non-Farm Payroll data will be released today. Consensus estimated the NFP would add 743,000 additional jobs in Aug-21 making the unemployment rate to fall by 20 bps to 5.2% from previously 5.4%.
- Markets also anticipate the Fed taper announcement in September meeting. We believe that bond taper would come as early as November-21 with the pace of asset purchase reduction by USD15bn.

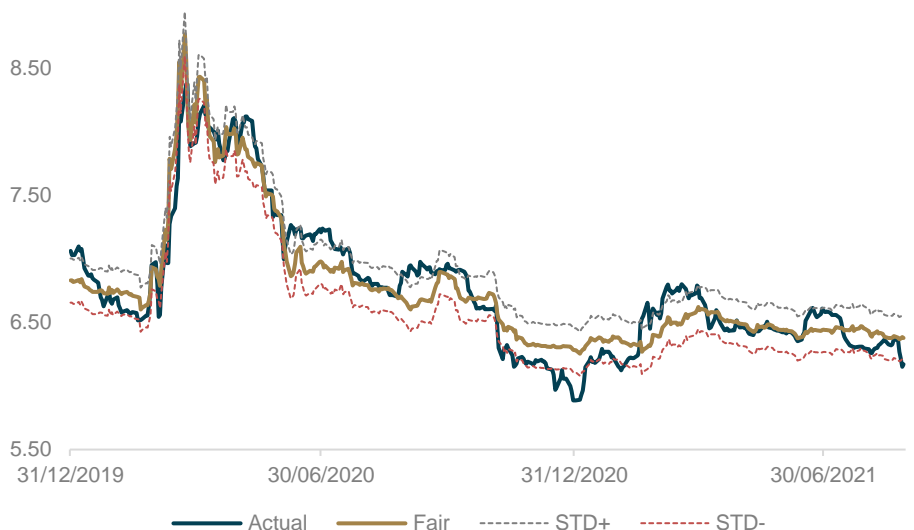
## Domestic Market Update

- There was a correction of 0.06% in ICBI yesterday. The 10 year Indo GB yield rose 1 bps to 6.10% on Thursday (09/02/21), in line with our expectation.
- The benchmark government bond yield now traded near its -1STD fair yield valuation. This was attributable to limited movement in U.S. treasury yield and low external pressure.
- Indonesia 5 year CDS was stable and consistently below 70 bps this week. Rupiah also strengthened 1.02% against USD on a weekly basis.
- In August-21, foreign ownership in domestic tradable government debt securities increased to IDR980tn implying a nearly IDR14tn inflow.

## Market Projection

- Given the U.S. treasury yield limited movement, the 10 year Indo GB yield will likely to move within range of 6.05%-6.15% on Friday (09/03/21).
- The attractive government bond series to be traded are : FR0086, FR0064, FR0082, FR0087, FR0068, FR0072, FR0083, FR0076.

## Exhibit 4. 10 Year Indo GB Fair Yield



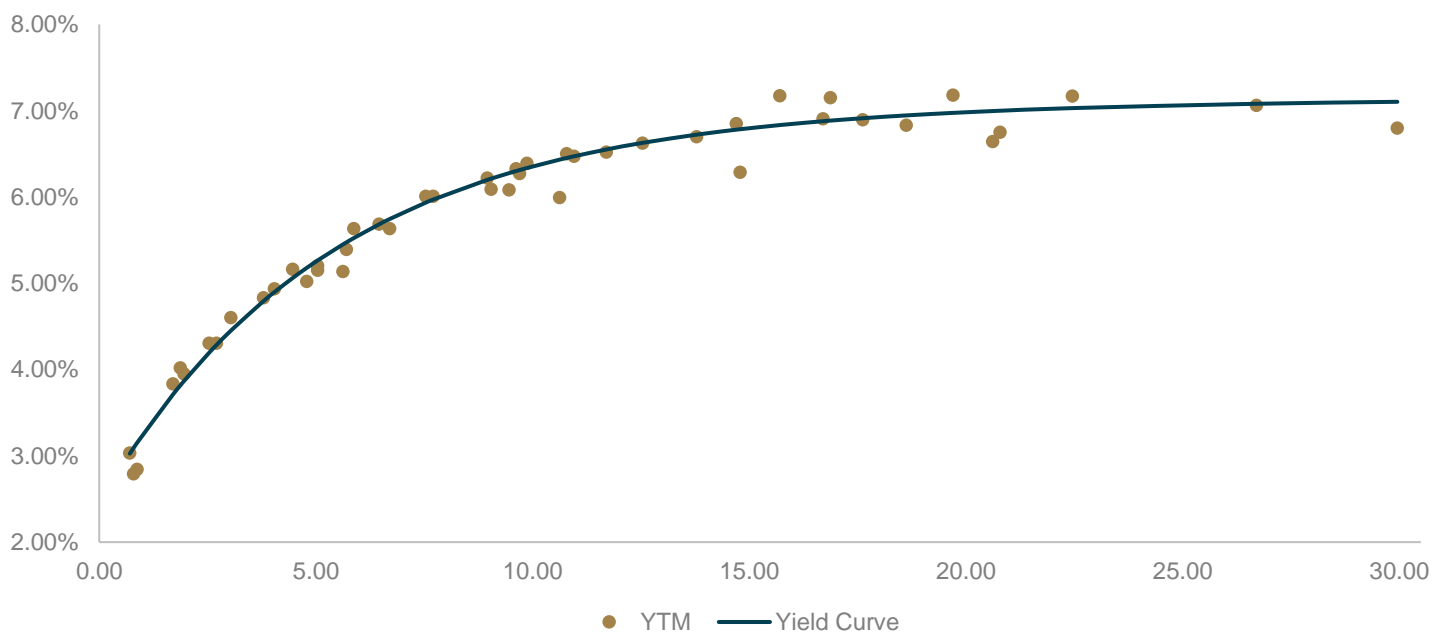
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.70	102.68	3.03%	3.02%	102.76	Fair
FR35	15-Jun-22	0.78	107.67	2.79%	3.09%	107.61	Premium
FR43	15-Jul-22	0.87	106.21	2.84%	3.15%	106.07	Premium
FR63	15-May-23	1.70	102.90	3.83%	3.71%	103.13	Fair
FR46	15-Jul-23	1.87	109.70	4.02%	3.82%	110.18	Discounted
FR39	15-Aug-23	1.95	114.43	3.95%	3.87%	114.73	Fair
FR70	15-Mar-24	2.53	109.63	4.31%	4.20%	109.98	Fair
FR77	15-May-24	2.70	109.60	4.31%	4.28%	109.72	Fair
FR44	15-Sep-24	3.04	115.08	4.60%	4.45%	115.62	Fair
FR81	15-Jun-25	3.78	105.69	4.83%	4.79%	105.85	Fair
FR40	15-Sep-25	4.04	121.88	4.94%	4.90%	122.14	Fair
FR84	15-Feb-26	4.46	108.19	5.16%	5.06%	108.64	Fair
FR86	15-Jun-26	4.78	101.94	5.02%	5.18%	101.34	Fair
FR37	15-Sep-26	5.04	129.71	5.20%	5.27%	129.49	Fair
FR56	15-Sep-26	5.04	114.12	5.15%	5.27%	113.61	Fair
FR90	15-Apr-27	5.62	99.94	5.14%	5.45%	98.44	Premium
FR59	15-May-27	5.70	107.78	5.39%	5.47%	107.38	Fair
FR42	15-Jul-27	5.87	122.75	5.63%	5.52%	123.43	Fair
FR47	15-Feb-28	6.45	123.00	5.68%	5.68%	123.07	Fair
FR64	15-May-28	6.70	102.71	5.63%	5.74%	102.08	Fair
FR71	15-Mar-29	7.53	117.89	6.01%	5.93%	118.42	Fair
FR78	15-May-29	7.70	113.63	6.01%	5.97%	113.91	Fair
FR52	15-Aug-30	8.95	129.01	6.22%	6.20%	129.23	Fair
FR82	15-Sep-30	9.04	106.26	6.09%	6.21%	105.38	Fair
FR87	15-Feb-31	9.46	102.96	6.08%	6.28%	101.57	Premium
FR85	15-Apr-31	9.62	110.11	6.33%	6.30%	110.33	Fair
FR73	15-May-31	9.70	117.78	6.27%	6.31%	117.48	Fair
FR54	15-Jul-31	9.87	122.48	6.39%	6.34%	122.95	Fair
FR91	15-Apr-32	10.62	102.96	5.99%	6.43%	99.55	Premium
FR58	15-Jun-32	10.78	113.39	6.50%	6.45%	113.81	Fair
FR74	15-Aug-32	10.95	107.97	6.47%	6.47%	107.98	Fair
FR65	15-May-33	11.70	100.84	6.52%	6.55%	100.59	Fair
FR68	15-Mar-34	12.53	114.73	6.63%	6.63%	114.73	Fair
FR80	15-Jun-35	13.78	107.11	6.70%	6.72%	106.91	Fair
FR72	15-May-36	14.70	112.83	6.85%	6.78%	113.53	Fair
FR88	15-Jun-36	14.78	99.65	6.29%	6.78%	95.04	Premium
FR45	15-May-37	15.70	124.00	7.17%	6.83%	127.81	Discounted
FR75	15-May-38	16.70	105.80	6.91%	6.88%	106.11	Fair
FR50	15-Jul-38	16.87	132.50	7.15%	6.88%	135.74	Discounted
FR79	15-Apr-39	17.62	114.96	6.89%	6.91%	114.75	Fair
FR83	15-Apr-40	18.62	106.95	6.83%	6.95%	105.74	Fair
FR57	15-May-41	19.70	124.25	7.18%	6.97%	126.81	Discounted
FR62	15-Apr-42	20.62	97.00	6.64%	7.00%	93.27	Premium
FR92	15-Jun-42	20.78	104.15	6.75%	7.00%	101.35	Premium
FR67	15-Feb-44	22.45	117.50	7.17%	7.03%	119.28	Fair
FR76	15-May-48	26.70	103.71	7.06%	7.08%	103.50	Fair
FR89	15-Aug-51	29.95	100.98	6.80%	7.10%	97.18	Premium

Source : Bloomberg, MNCS Calculation as of September 2, 2021

## Exhibit 6. Indo GB Yield Curve



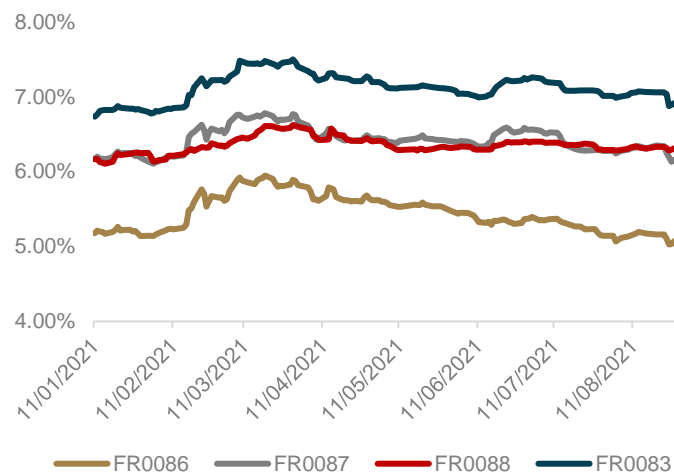
Source : Bloomberg, MNCS Calculation as of September 2, 2021

## 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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