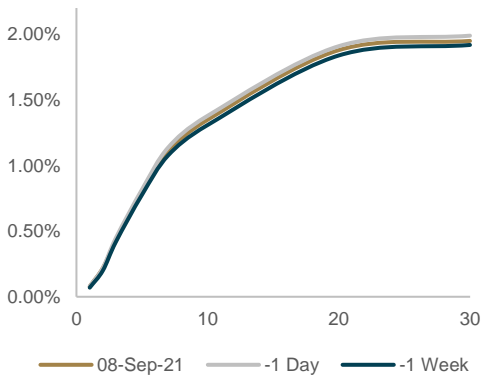


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	08-Sep-21	-1 Day	-1 Week
U.S	1.34%	1.37%	1.29%
U.K	0.73%	0.74%	0.69%
Germany	-0.33%	-0.32%	-0.37%
Australia	1.30%	1.26%	1.24%
Japan	0.05%	0.04%	0.03%
China	2.87%	2.86%	2.82%
Malaysia	3.23%	3.22%	3.20%
Thailand	1.70%	1.66%	1.60%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.34
Indo 5-Year CDS	bps	67.23
USD/IDR	points	14,253
BI 7DRR	%	3.50

Source : Bloomberg as of September 8, 2021



**Tirta Widi Gilang Citradi**

Economist & Fixed Income Analyst

## Global Market Update

- U.S. saw an increase of job openings by 749,000 from a month earlier to a new series high of 10.934 mn in July-21.
- The number of job openings were well above market expectation of 10 mn indicating a labor supply constraint.
- However U.S. IBD/TIPP economic optimism index plunged by 5.1 points to 48.5 in September-21. The drop in optimism was primarily driven by latest Covid-19 wave.
- The 10 year U.S. treasury yield declined by 3 bps to 1.34% yet still posting an increase of 5 bps from a week earlier.
- Overall the U.S. treasury yields dropped 1-4 bps along the curve on Wednesday (09/08/21).
- Government bond yields across DM & EM countries saw an upward pressure on a weekly basis.
- Last night, U.S. stock market tumbled with DJI dropped 0.2%, S&P 500 plunged 0.13% and Nasdaq Composite fell 0.57%.

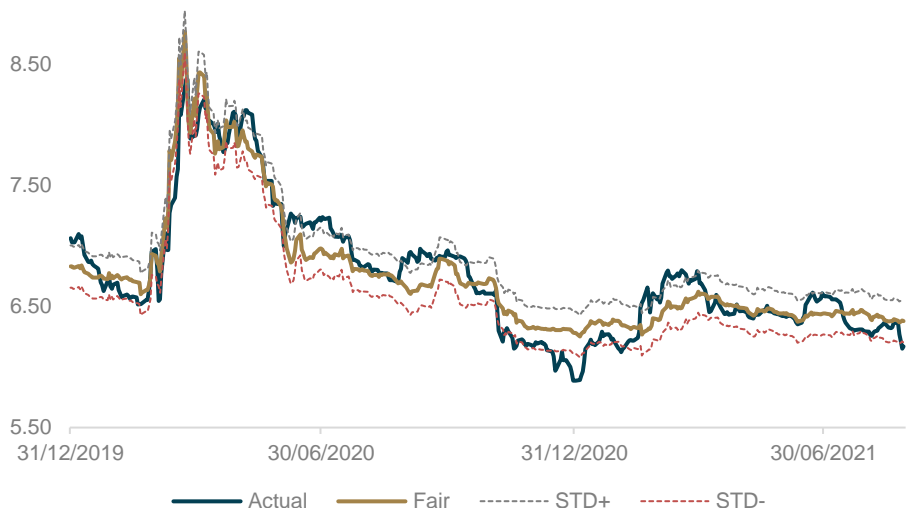
## Domestic Market Update

- ICBI closed at 327.83 yesterday after contracting by 0.1% from the previous trading session.
- The 10 year Indo GB yield rose by 5.8 bps to 6.17% in line with our expectation.
- All the Indo GB benchmark series (FR0086, FR0087, FR0088 & FR0083) saw a price correction.
- The domestic financial market was under pressured yesterday with IDR fell 0.28% to IDR 14,253/USD and JCI dropped by 1.41%.
- Bank Indonesia (BI) reported the domestic consumer sentiment remained in a contractionary zone in August-21.
- The consumer confidence index declined 2.9 points to 77.3 in August-21 from 80.2 in the previous month. It was the weakest reading since October-05.
- The consumer sentiment was deteriorated during the implementation of social restriction (PPKM leveling) in Java & Bali.

## Market Projection

- We expect the 10 year Indo GB yield to move within range of 6.10%-6.20% following the global yields trend.
- Attractive Indo GB series to be traded : FR0086, FR0064, FR0071, FR0078, FR0082, FR0087, FR0085, FR0068 & FR0072.

## Exhibit 4. 10 Year Indo GB Fair Yield



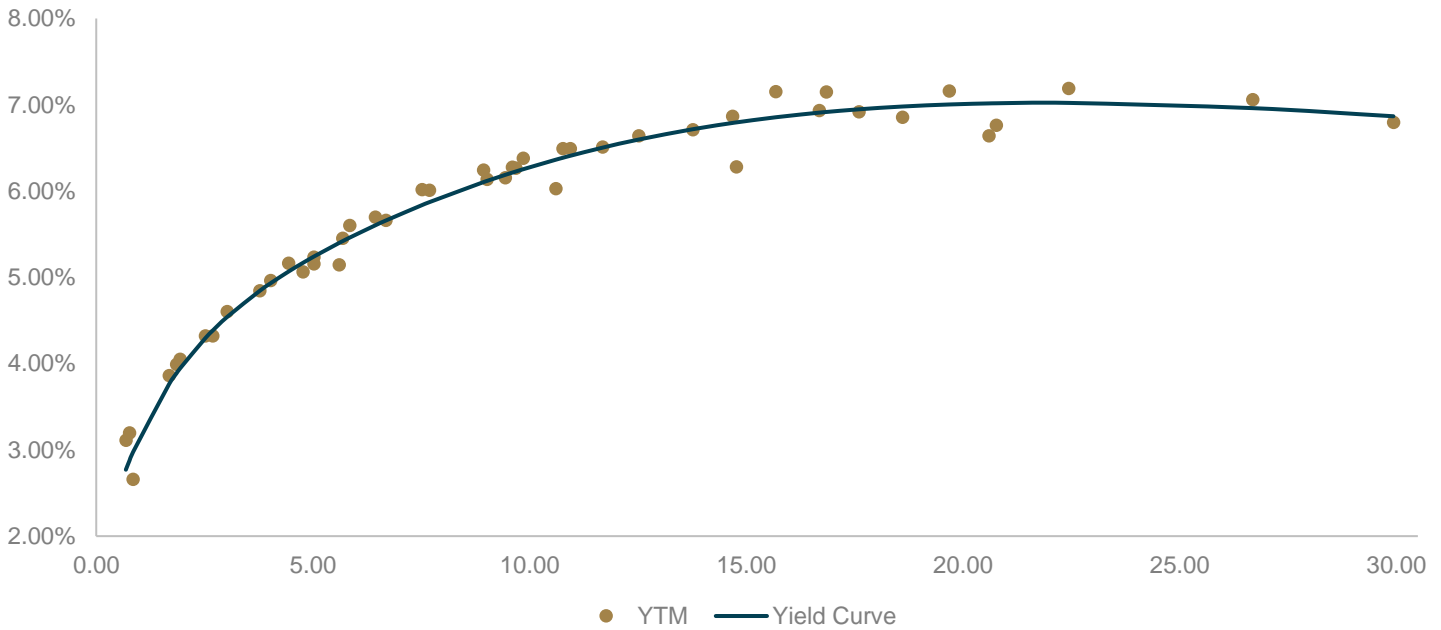
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.68	102.59	3.11%	2.77%	102.86	Discounted
FR35	15-Jun-22	0.77	107.24	3.20%	2.88%	107.57	Discounted
FR43	15-Jul-22	0.85	106.30	2.66%	2.97%	106.08	Premium
FR63	15-May-23	1.68	102.84	3.86%	3.76%	103.01	Fair
FR46	15-Jul-23	1.85	109.70	3.99%	3.88%	109.94	Fair
FR39	15-Aug-23	1.93	114.15	4.05%	3.94%	114.42	Fair
FR70	15-Mar-24	2.52	109.56	4.32%	4.29%	109.66	Fair
FR77	15-May-24	2.68	109.52	4.32%	4.38%	109.39	Fair
FR44	15-Sep-24	3.02	115.03	4.60%	4.54%	115.25	Fair
FR81	15-Jun-25	3.77	105.63	4.84%	4.84%	105.65	Fair
FR40	15-Sep-25	4.02	121.73	4.96%	4.93%	121.90	Fair
FR84	15-Feb-26	4.44	108.16	5.16%	5.07%	108.57	Fair
FR86	15-Jun-26	4.77	101.78	5.06%	5.17%	101.38	Fair
FR37	15-Sep-26	5.02	129.50	5.23%	5.24%	129.51	Fair
FR56	15-Sep-26	5.02	114.07	5.15%	5.24%	113.68	Fair
FR90	15-Apr-27	5.60	99.92	5.14%	5.40%	98.69	Premium
FR59	15-May-27	5.68	107.47	5.45%	5.42%	107.64	Fair
FR42	15-Jul-27	5.85	122.90	5.60%	5.46%	123.71	Fair
FR47	15-Feb-28	6.44	122.90	5.69%	5.60%	123.49	Fair
FR64	15-May-28	6.68	102.55	5.66%	5.66%	102.56	Fair
FR71	15-Mar-29	7.52	117.83	6.02%	5.84%	119.03	Discounted
FR78	15-May-29	7.68	113.61	6.01%	5.87%	114.54	Fair
FR52	15-Aug-30	8.93	128.82	6.24%	6.10%	129.94	Fair
FR82	15-Sep-30	9.02	105.92	6.13%	6.12%	106.04	Fair
FR87	15-Feb-31	9.44	102.46	6.15%	6.19%	102.20	Fair
FR85	15-Apr-31	9.60	110.49	6.28%	6.21%	110.98	Fair
FR73	15-May-31	9.68	117.82	6.26%	6.23%	118.13	Fair
FR54	15-Jul-31	9.85	122.54	6.38%	6.25%	123.61	Fair
FR91	15-Apr-32	10.60	102.71	6.02%	6.36%	100.08	Premium
FR58	15-Jun-32	10.77	113.45	6.49%	6.39%	114.34	Fair
FR74	15-Aug-32	10.93	107.81	6.49%	6.41%	108.48	Fair
FR65	15-May-33	11.68	100.93	6.51%	6.50%	100.97	Fair
FR68	15-Mar-34	12.52	114.58	6.64%	6.60%	114.99	Fair
FR80	15-Jun-35	13.77	107.00	6.71%	6.72%	106.95	Fair
FR72	15-May-36	14.68	112.65	6.87%	6.79%	113.42	Fair
FR88	15-Jun-36	14.77	99.72	6.28%	6.80%	94.95	Premium
FR45	15-May-37	15.68	124.25	7.15%	6.86%	127.53	Discounted
FR75	15-May-38	16.68	105.57	6.93%	6.91%	105.78	Fair
FR50	15-Jul-38	16.85	132.50	7.15%	6.92%	135.31	Discounted
FR79	15-Apr-39	17.60	114.71	6.92%	6.95%	114.36	Fair
FR83	15-Apr-40	18.60	106.72	6.85%	6.98%	105.36	Fair
FR57	15-May-41	19.68	124.50	7.16%	7.00%	126.43	Fair
FR62	15-Apr-42	20.60	97.05	6.64%	7.02%	93.06	Premium
FR92	15-Jun-42	20.77	104.00	6.76%	7.02%	101.15	Premium
FR67	15-Feb-44	22.44	117.25	7.19%	7.02%	119.37	Fair
FR76	15-May-48	26.68	103.76	7.06%	6.96%	104.97	Fair
FR89	15-Aug-51	29.93	101.01	6.79%	6.87%	100.09	Fair

Source : Bloomberg, MNCS Calculation as of September 8, 2021

## Exhibit 6. Indo GB Yield Curve



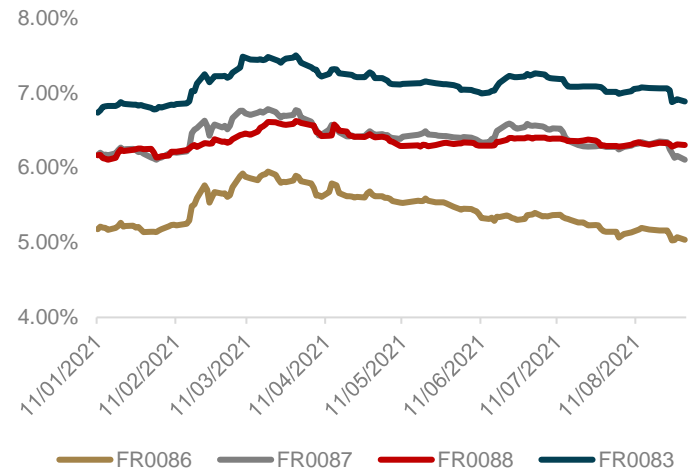
Source : Bloomberg, MNCS Calculation as of September 8, 2021

## 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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