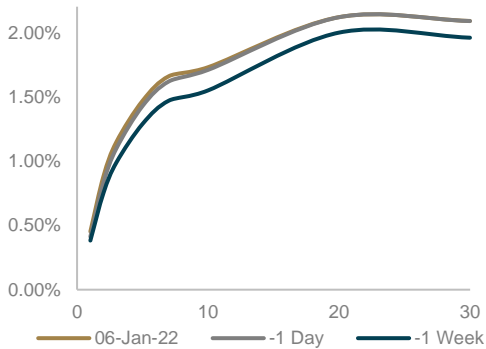


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	06-Jan-22	-1 Day	-1 Week
U.S	1.71%	1.71%	1.51%
U.K	1.13%	1.09%	0.98%
Germany	-0.06%	-0.08%	-0.18%
Australia	1.87%	1.79%	1.63%
Japan	0.12%	0.09%	0.07%
China	2.82%	2.81%	2.78%
Malaysia	3.65%	3.62%	3.58%
Thailand	1.97%	1.96%	1.88%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.71
Indo 5-Year CDS	bps	79.61
USD/IDR	points	14,393
BI 7DRR	%	3.50

Source : Bloomberg as of January 06, 2022

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## Global Market Update

- U.S. treasury yield climbed 2-5 bps along the curve on Thursday (01/06/22). The 10-year U.S. treasury note yield rose 1 bps to 1.71%.
- Markets keep digesting on the U.S. central bank's plan to normalize its balance sheet.
- Majority of local currency denominated government bond edged up globally, bringing the rates to a multi-month highs.
- The ISM Services PMI in the U.S. fell to 62 in Dec-21 from a record high of 69.1 in Nov-21, well below market forecasts of 66.9. but still pointing to the 19th consecutive month of expansion.
- U.S. stock market fell with DJI dropped 0.47% while S&P 500 and Nasdaq Composite slipped 0.10% and 0.13% respectively.
- Hawkish Fed and German inflation pushed 10-year Bund yield up closer to 0%.
- According to Germany's Federal Statistical Office, CPI rose 5.3% YoY in Dec-21, slightly above previous month and consensus forecast figure at 5.2% YoY.
- In addition, Eurostat reported that Producer Price Index (PPI) in EA rose 23.7% YoY in Nov-21. The figure was above previous month and consensus forecast at 21.9% YoY and 22.9% YoY respectively.
- The EA's PPI now hit an all time high since the first reported in the last 4 decades.
- Global Covid-19 cases keep continue rising. As of Jan 3, the daily Covid-19 infection has hit 2.5mn cases reaching an all time high since the start of the pandemic.
- Surging Covid-19 cases recently was attributable to the spread of Omicron variant that has been found in more than 110 countries now.

## Domestic Market Update

- The 10 year Indo GB yield closed at 6.39% on Thursday (01/05/22) in line with our daily forecast range of 6.30-6.40%.
- The move in benchmark Indo GB yield was also followed by IDR depreciation and rising risk premium.
- The IDR depreciated against USD and closed at IDR14,393/USD yesterday (vs IDR14,358/USD on Wednesday).
- Meanwhile the 5-year Indo CDS nudged up to 79.6 bps (vs 73.4 bps in the previous day).
- From the equity market, JCI also dipped 0.13% to 6,653.35 yesterday. We think this was attributable to the Fed's more hawkish stance in fighting persistently high inflation as shown in FOMC's minutes of meeting.
- MoF reported government revenue (IDR2,003tn/114.9%) and spending (IDR2,878.7tn/) hit more than 100% target of APBN 2021 bringing budget deficit to IDR783.7tn.

## Market Projection

- Given the recent development, we expect the 10-year Indo GB yield to increase within range of 6.35-6.45% today.
- Attractive Indo GB series to be traded today: FR0081, FR0084, FR0086, FR0090, FR0071, FR0078.

## Exhibit 4. 10 Year Indo GB Fair Yield



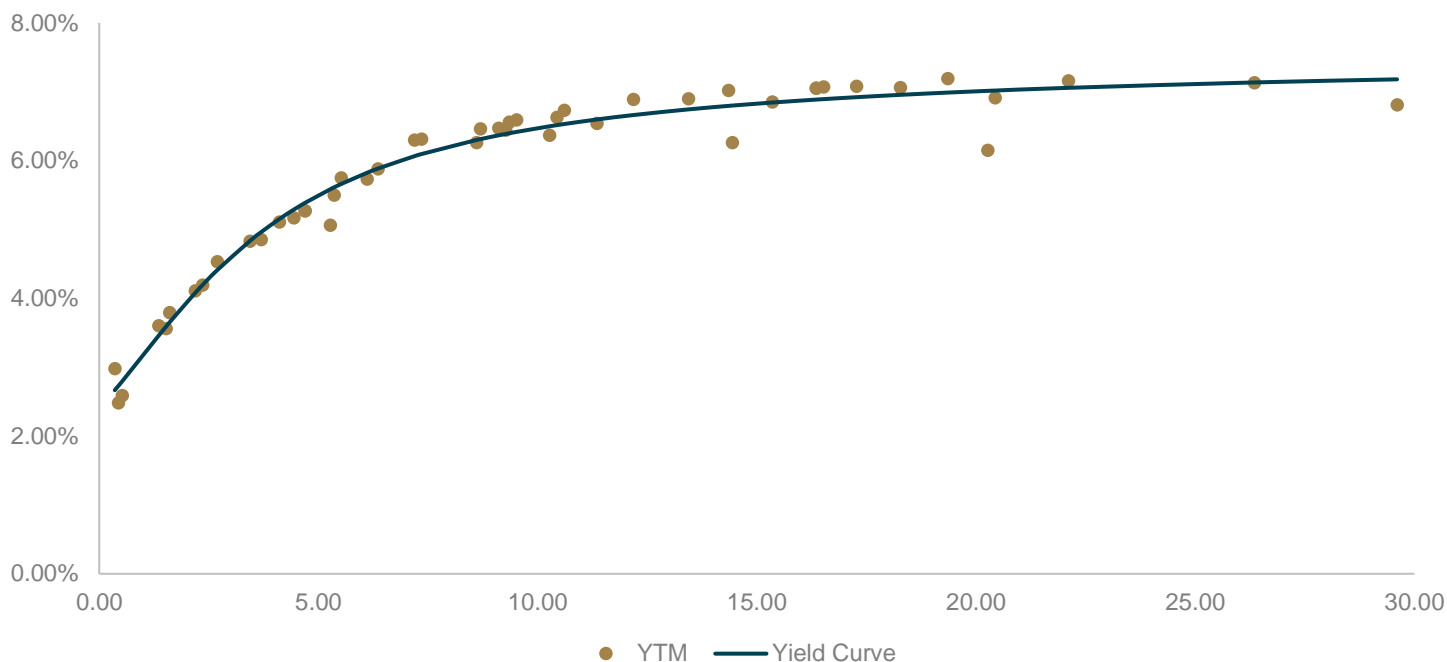
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon (%)	Maturity	TTM (Yr)	Last Price	YTM (%)	Yield Curve (%)	Fair Price	Notes
FR61	7.000	15-May-22	0.35	101.36	2.98%	2.67%	101.52	Discounted
FR35	12.900	15-Jun-22	0.44	104.41	2.48%	2.73%	104.41	Premium
FR43	10.250	15-Jul-22	0.52	103.88	2.59%	2.79%	103.85	Fair
FR63	5.625	15-May-23	1.35	102.63	3.60%	3.46%	102.84	Fair
FR46	9.500	15-Jul-23	1.52	108.68	3.56%	3.59%	108.69	Fair
FR39	11.750	15-Aug-23	1.61	112.23	3.79%	3.65%	112.53	Fair
FR70	8.375	15-Mar-24	2.19	108.79	4.11%	4.08%	108.90	Fair
FR77	8.125	15-May-24	2.35	108.69	4.19%	4.19%	108.73	Fair
FR44	10.000	15-Sep-24	2.69	113.65	4.53%	4.41%	114.01	Fair
FR81	6.500	15-Jun-25	3.44	105.23	4.83%	4.83%	105.22	Fair
FR40	11.000	15-Sep-25	3.69	120.47	4.85%	4.96%	120.12	Fair
FR84	7.250	15-Feb-26	4.11	107.84	5.11%	5.15%	107.67	Fair
FR86	5.500	15-Jun-26	4.44	101.26	5.17%	5.29%	100.83	Fair
FR37	12.000	15-Sep-26	4.69	127.59	5.27%	5.38%	127.07	Fair
FR56	8.375	15-Sep-26	4.69	112.70	5.27%	5.38%	112.23	Fair
FR90	5.125	15-Apr-27	5.27	100.27	5.06%	5.58%	97.92	Premium
FR59	7.000	15-May-27	5.35	106.87	5.50%	5.61%	106.35	Fair
FR42	10.250	15-Jul-27	5.52	121.03	5.75%	5.66%	121.52	Fair
FR47	10.000	15-Feb-28	6.11	121.70	5.73%	5.82%	121.21	Fair
FR64	6.125	15-May-28	6.35	101.29	5.88%	5.88%	101.26	Fair
FR71	9.000	15-Mar-29	7.19	115.40	6.30%	6.06%	116.90	Discounted
FR78	8.250	15-May-29	7.35	111.26	6.31%	6.09%	112.62	Fair
FR52	10.500	15-Aug-30	8.61	127.83	6.26%	6.30%	127.59	Fair
FR82	7.000	15-Sep-30	8.69	103.55	6.46%	6.31%	104.55	Fair
FR87	6.500	15-Feb-31	9.11	100.18	6.47%	6.37%	100.91	Fair
FR85	7.750	15-Apr-31	9.27	108.99	6.44%	6.39%	109.42	Fair
FR73	8.750	15-May-31	9.35	115.10	6.56%	6.40%	116.37	Fair
FR54	9.500	15-Jul-31	9.52	120.30	6.59%	6.42%	121.73	Fair
FR91	6.375	15-Apr-32	10.27	100.03	6.37%	6.50%	99.09	Fair
FR58	8.250	15-Jun-32	10.44	112.05	6.63%	6.51%	113.00	Fair
FR74	7.500	15-Aug-32	10.61	105.75	6.73%	6.53%	107.34	Fair
FR65	6.625	15-May-33	11.35	100.66	6.54%	6.60%	100.22	Fair
FR68	8.375	15-Mar-34	12.19	112.06	6.89%	6.66%	114.15	Discounted
FR80	7.500	15-Jun-35	13.44	105.22	6.90%	6.74%	106.63	Fair
FR72	8.250	15-May-36	14.35	110.96	7.02%	6.79%	113.22	Discounted
FR88	6.250	15-Jun-36	14.44	99.90	6.26%	6.80%	95.01	Premium
FR45	9.750	15-May-37	15.35	127.28	6.85%	6.84%	127.37	Fair
FR75	7.500	15-May-38	16.35	104.32	7.05%	6.88%	105.98	Fair
FR50	10.500	15-Jul-38	16.52	133.15	7.07%	6.89%	135.28	Fair
FR79	8.375	15-Apr-39	17.27	112.81	7.08%	6.92%	114.53	Fair
FR83	7.500	15-Apr-40	18.27	104.50	7.06%	6.95%	105.59	Fair
FR57	9.500	15-May-41	19.35	123.97	7.19%	6.99%	126.45	Fair
FR62	6.375	15-Apr-42	20.27	102.63	6.15%	7.01%	93.16	Premium
FR92	7.125	15-Jun-42	20.44	102.37	6.91%	7.02%	101.18	Fair
FR67	8.750	15-Feb-44	22.11	117.53	7.16%	7.05%	118.83	Fair
FR76	7.375	15-May-48	26.35	102.90	7.13%	7.13%	102.84	Fair
FR89	6.875	15-Aug-51	29.61	100.87	6.81%	7.18%	96.29	Premium

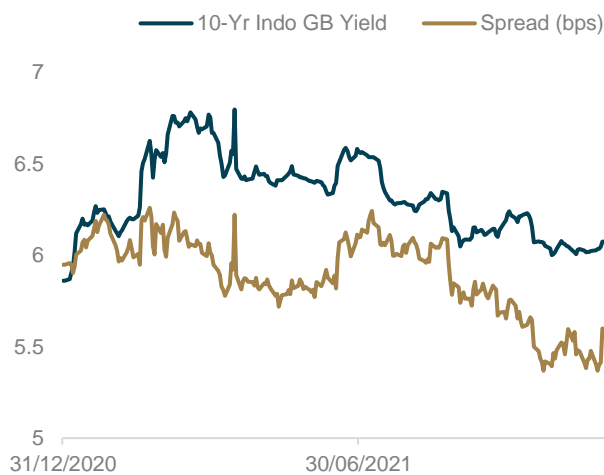
Source : Bloomberg, MNCS Calculation as of January 06, 2022

## Exhibit 6. Indo GB Yield Curve



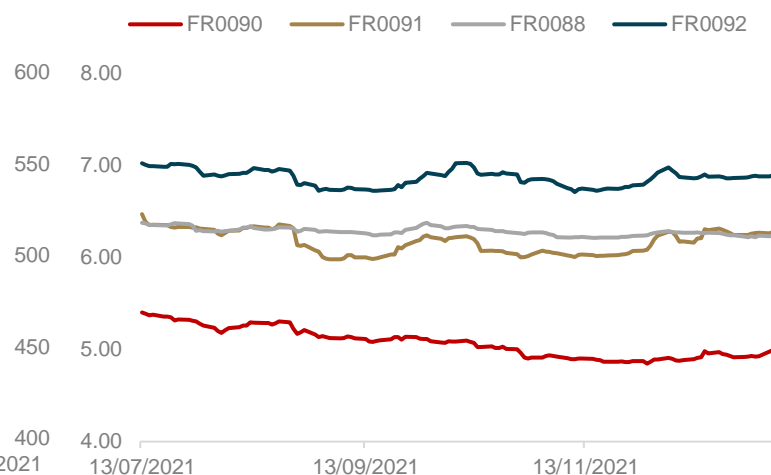
Source : Bloomberg, MNCS Calculation as of January 06, 2022

## 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	Sep-21	Oct-21	Nov-21	Dec-21
Bank	37.96	37.09	37.86	36	36.33	32.5	31.92	33.45	33.69	34.77	35.63	34.01
Central Bank (Nett)	9.52	10.98	10.65	12.77	11.99	15.93	16.08	14.78	14.87	13.52	13.10	17.13
Mutual Fund	4.18	4.04	3.92	3.81	3.06	3.16	3.18	3.20	3.28	3.31	3.42	3.38
Insurance & Pension Fund	14.04	14.01	14.08	14.14	14.44	14.24	14.59	14.45	14.40	14.61	14.44	14.00
Foreign	24.86	23.81	22.89	22.74	22.76	22.82	22.53	22.44	21.56	21.24	20.55	19.05
Individuals	3.51	4.11	4.56	4.49	4.61	4.49	4.64	4.46	4.94	5.04	5.08	4.73
Others	5.93	5.97	6.03	6.05	6.83	6.95	7.07	7.21	7.25	7.50	7.78	7.70

Source : DJPPR as of December 31, 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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