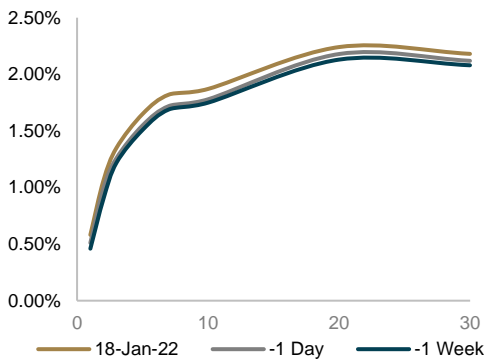


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	18-Jan-22	-1 Day	-1 Week
U.S	1.87%	1.79%	1.74%
U.K	1.22%	1.18%	1.17%
Germany	-0.02%	-0.03%	-0.03%
Australia	1.92%	1.85%	1.92%
Japan	0.14%	0.14%	0.15%
China	2.74%	2.91%	2.80%
Malaysia	3.65%	3.65%	3.66%
Thailand	2.18%	2.13%	2.05%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.87
Indo 5-Year CDS	bps	87.72
USD/IDR	points	14,336
BI 7DRR	%	3.50

Source : Bloomberg as of January 18, 2022

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## Global Market Update

- US financial market tumbled the day after Martin Luther King Jr holiday. UST yield spiked and equity market dropped.
- The 10-year UST yield rose 10 bps to 1.87% on Tuesday (01/18/22). The longer term 30-year UST note yield climbed nearly 8 bps to 2.19%.
- Meanwhile the shorter interest rates indicated by 2-year UST yield topping 1%. Yields have risen 6-10 bps along the curve to start this week.
- Rising yields in US government bond triggered sell off in equity market. DJI declined 1.51%; S&P 500 dropped 1.84% and Nasdaq Composite was corrected 2.60%.
- Market participant keep an eye on Fed's policy meeting for Jan-22. Last week Fed's Chair Powell said that central bank sees a series of interest rate hikes this year along with a pullback in pandemic support measures.
- Inflation is running hot in US and seems to be more persistent than initially thought.
- Now market participants have anticipated earlier rate hike as soon as Mar-22.

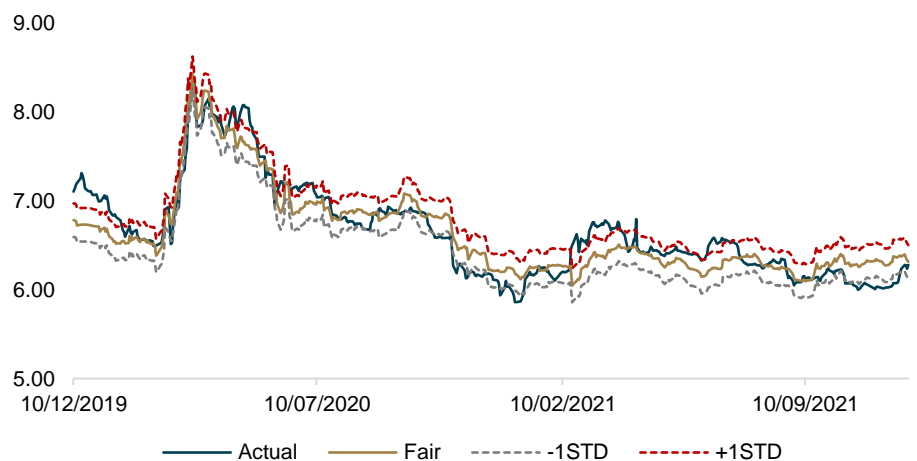
## Domestic Market Update

- The 10-year Indo GB yield slightly increased to 6.38% on Tuesday (01/17/22) in line with our daily forecast range of 6.35-6.45%.
- The IDR value depreciated and closed at IDR14,336/USD (vs IDR14,318/USD on Monday).
- Risk premium continued to uptrend. Indonesia's 5-year CDS rose to 87.72 bps and higher than on the previous trading day of 87.25 bps.
- Government of Indonesia successfully raised funding of IDR25tn from yesterday's securities auction. The total incoming bids were IDR84.84tn.
- The total incoming bids increased from the previous auction on Jan.4, 2022 that were recorded at IDR77.58tn.
- Investors demand for fixed income instrument remained robust as we have expected before.
- The preference for maturity has also shifted towards shorter duration as it can be seen that demand for bills (SPN03220420 and SPN12230105) were cumulatively the highest in yesterday's auction contributing 38.73% of all the incoming bids.

## Market Projection

- Given the recent development, we expect the 10-year Indo GB yield to increase and move within range of 6.35-6.45% today.
- Attractive Indo GB series to be traded today: FR0046, FR0070, FR0090, FR0071 and FR0052.

## Exhibit 4. 10 Year Indo GB Fair Yield



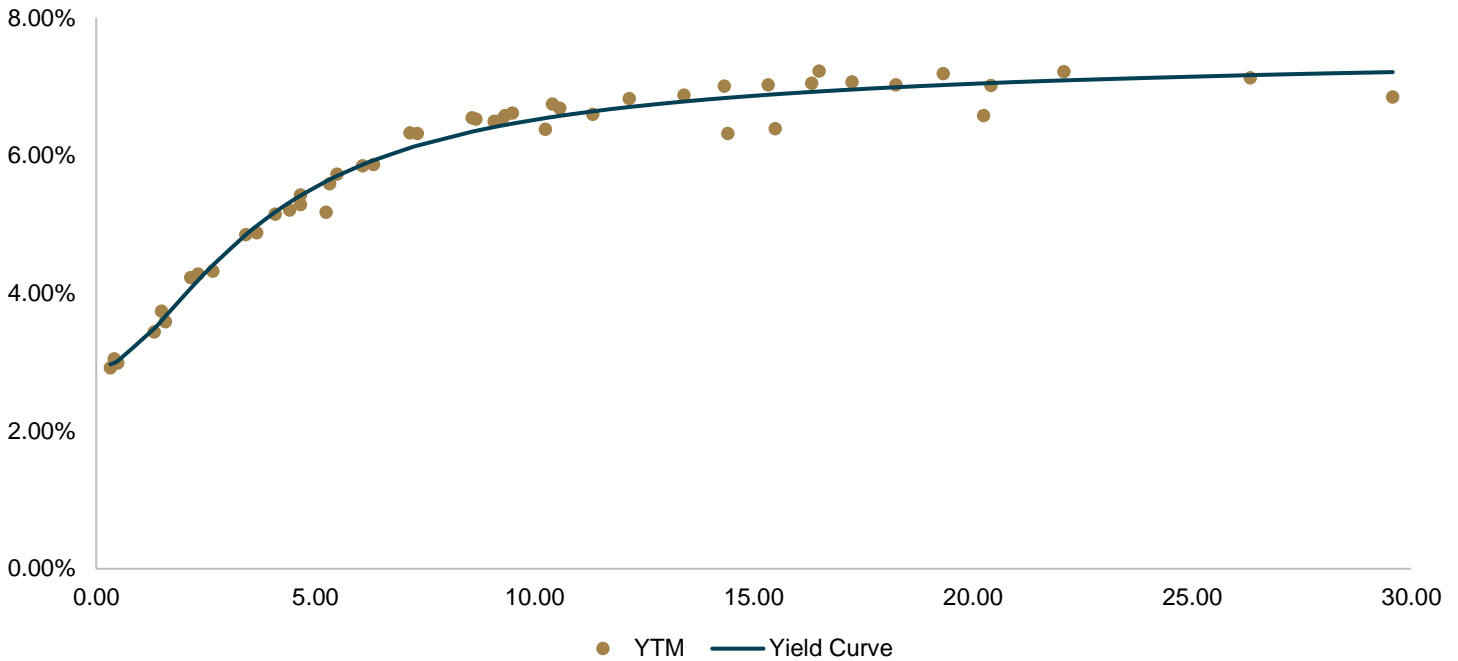
Source : Bloomberg, MNCS Calculation

## 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	0.32	101.27	2.92%	2.97%	101.28	Fair
FR35	12.900	15-Jun-22	0.41	103.89	3.05%	2.99%	103.97	Fair
FR43	10.250	15-Jul-22	0.49	103.48	2.99%	3.02%	103.50	Fair
FR63	5.625	15-May-23	1.32	102.79	3.44%	3.49%	102.73	Fair
FR46	9.500	15-Jul-23	1.49	108.28	3.74%	3.61%	108.48	Fair
FR39	11.750	15-Aug-23	1.57	112.35	3.59%	3.67%	112.26	Fair
FR70	8.375	15-Mar-24	2.15	108.42	4.23%	4.08%	108.77	Fair
FR77	8.125	15-May-24	2.32	108.40	4.28%	4.19%	108.62	Fair
FR44	10.000	15-Sep-24	2.66	114.06	4.32%	4.41%	113.85	Fair
FR81	6.500	15-Jun-25	3.41	105.12	4.85%	4.85%	105.12	Fair
FR40	11.000	15-Sep-25	3.66	120.20	4.88%	4.98%	119.87	Fair
FR84	7.250	15-Feb-26	4.08	107.62	5.15%	5.18%	107.51	Fair
FR86	5.500	15-Jun-26	4.41	101.08	5.21%	5.32%	100.69	Fair
FR37	12.000	15-Sep-26	4.66	126.65	5.43%	5.42%	126.73	Fair
FR56	8.375	15-Sep-26	4.66	112.56	5.29%	5.42%	112.00	Fair
FR90	5.125	15-Apr-27	5.24	99.74	5.18%	5.63%	97.74	Premium
FR59	7.000	15-May-27	5.32	106.41	5.59%	5.65%	106.11	Fair
FR42	10.250	15-Jul-27	5.49	121.00	5.73%	5.70%	121.17	Fair
FR47	10.000	15-Feb-28	6.07	120.99	5.85%	5.87%	120.85	Fair
FR64	6.125	15-May-28	6.32	101.33	5.87%	5.93%	101.00	Fair
FR71	9.000	15-Mar-29	7.15	115.16	6.33%	6.11%	116.52	Discounted
FR78	8.250	15-May-29	7.32	111.16	6.32%	6.15%	112.25	Fair
FR52	10.500	15-Aug-30	8.57	125.64	6.55%	6.35%	127.12	Discounted
FR82	7.000	15-Sep-30	8.66	103.03	6.53%	6.36%	104.20	Fair
FR87	6.500	15-Feb-31	9.08	100.03	6.50%	6.42%	100.57	Fair
FR85	7.750	15-Apr-31	9.24	108.40	6.52%	6.44%	109.03	Fair
FR73	8.750	15-May-31	9.32	114.91	6.58%	6.45%	115.95	Fair
FR54	9.500	15-Jul-31	9.49	120.03	6.62%	6.46%	121.28	Fair
FR91	6.375	15-Apr-32	10.24	99.94	6.38%	6.55%	98.73	Fair
FR58	8.250	15-Jun-32	10.41	111.10	6.75%	6.56%	112.58	Fair
FR74	7.500	15-Aug-32	10.57	106.04	6.69%	6.58%	106.94	Fair
FR65	6.625	15-May-33	11.32	100.18	6.60%	6.64%	99.85	Fair
FR68	8.375	15-Mar-34	12.15	112.60	6.83%	6.71%	113.71	Fair
FR80	7.500	15-Jun-35	13.41	105.37	6.88%	6.79%	106.21	Fair
FR72	8.250	15-May-36	14.32	111.11	7.01%	6.84%	112.77	Fair
FR88	6.250	15-Jun-36	14.41	99.34	6.32%	6.84%	94.64	Premium
FR45	9.750	15-May-37	15.32	125.29	7.03%	6.88%	126.86	Fair
FR93	6.375	15-Jul-37	15.49	99.86	6.39%	6.89%	95.13	Premium
FR75	7.500	15-May-38	16.32	104.27	7.05%	6.93%	105.55	Fair
FR50	10.500	15-Jul-38	16.49	131.18	7.23%	6.93%	134.74	Discounted
FR79	8.375	15-Apr-39	17.24	112.85	7.07%	6.96%	114.06	Fair
FR83	7.500	15-Apr-40	18.24	104.75	7.03%	6.99%	105.16	Fair
FR57	9.500	15-May-41	19.32	123.88	7.19%	7.03%	125.93	Fair
FR62	6.375	15-Apr-42	20.24	97.73	6.58%	7.05%	92.77	Premium
FR92	7.125	15-Jun-42	20.41	101.17	7.02%	7.05%	100.75	Fair
FR67	8.750	15-Feb-44	22.07	116.78	7.22%	7.09%	118.34	Fair
FR76	7.375	15-May-48	26.32	102.92	7.13%	7.17%	102.40	Fair
FR89	6.875	15-Aug-51	29.57	100.36	6.85%	7.21%	95.88	Premium

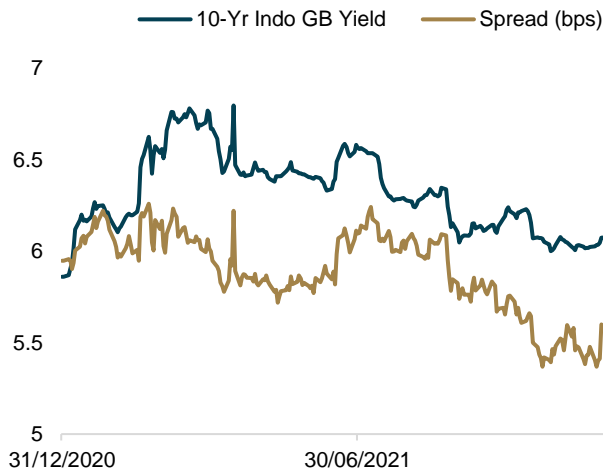
Source : Bloomberg, MNCS Calculation as of January 18, 2022

## Exhibit 6. Indo GB Yield Curve



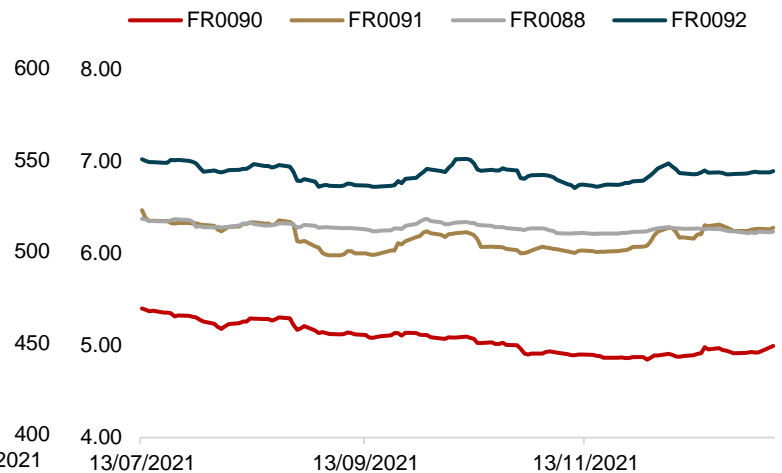
Source : Bloomberg, MNCS Calculation as of January 18, 2022

## 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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