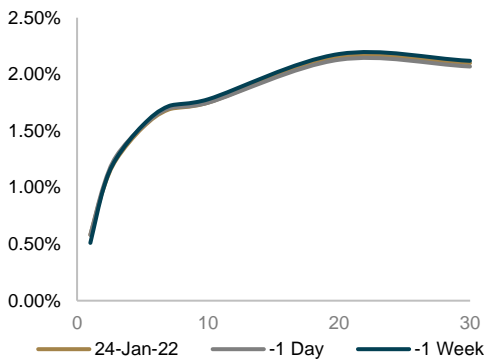


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Country	24-Jan-22	-1 Day	-1 Week
U.S	1.77%	1.76%	1.79%
U.K	1.12%	1.17%	1.15%
Germany	-0.10%	-0.07%	-0.05%
Australia	1.94%	1.92%	1.85%
Japan	0.14%	0.13%	0.14%
China	2.68%	2.71%	2.79%
Malaysia	3.68%	3.68%	3.64%
Thailand	2.15%	2.15%	2.08%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.77
Indo 5-Year CDS	bps	87.70
USD/IDR	points	14,343
BI 7DRR	%	3.50

Source : Bloomberg as of January 24, 2022

## Tirta Widi Gilang Citradi

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## Global Market Update

- Yields on UST note increased ahead of Fed's two day policy meeting due on this week.
- The 10-year UST yield rose slightly and closed at 1.77% starting this week.
- After dipping in the red zone throughout yesterday's trading period, Wall Street reversed and ending higher in the late session.
- DJI and S&P 500 rallied 0.29% and 0.28% respectively, while Nasdaq Composite lead all gain after jumping 0.63%.
- Market focus remain on monetary policy normalization amid heightened inflationary pressure.
- However approach taken by central banks vary across countries.
- The Fed is expected to aggressively tighten their monetary policy by rolling back the economic support and raise interest rates 4 times this year.
- Meanwhile China seems to loose their monetary policy by cutting interest rates.
- In the Japan, its CB (BoJ) keeps the interest rates low. BoJ Governor said that ultra-low environment is needed and should be maintained with eye on inflation risk.

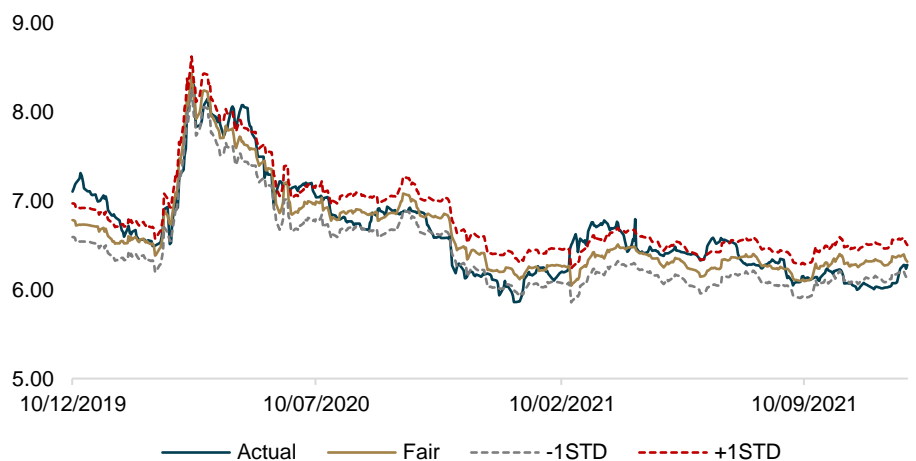
## Domestic Market Update

- The 10-year Indo GB yield closed at 6.40% on Monday (01/24/22) in line with our daily forecast range of 6.35-6.45%.
- The IDR value depreciated against USD and was closed at IDR 14,343/USD (vs IDR14,336/USD last week).
- Risk premium slightly decreased with Indonesia's 5-year CDS stood at 87.70 bps (vs 87.82 bps last week).
- On the data front, Indonesia broad money (M2) supply was reported at IDR7,867tn in Dec-21 or increasing 13.9% YoY.
- Liquidity in the economy remain ample, banking credit started to gradually recover since 1H21, and money velocity has been accelerated triggering a higher inflation yet still benign.

## Market Projection

- Government is scheduled to conduct sovereign sharia securities (SBSN) auction today with the indicative target set at IDR11tn.
- We believe the target remains achievable given the robust investor demand. However we expect shorter maturity SBSN will likely having higher demand amid monetary policy normalization as investors tend to shorten their duration.
- Given the recent development, we expect the 10-year Indo GB yield to move within range of 6.35-6.45% today.
- Attractive Indo GB series to be traded today: FR0084, FR0086, FR0090, FR0082, FR0087.

## Exhibit 4. 10 Year Indo GB Fair Yield



Source : Bloomberg, MNCS Calculation

# Fixed Income Report

MNC Sekuritas Research Division | January 25, 2022

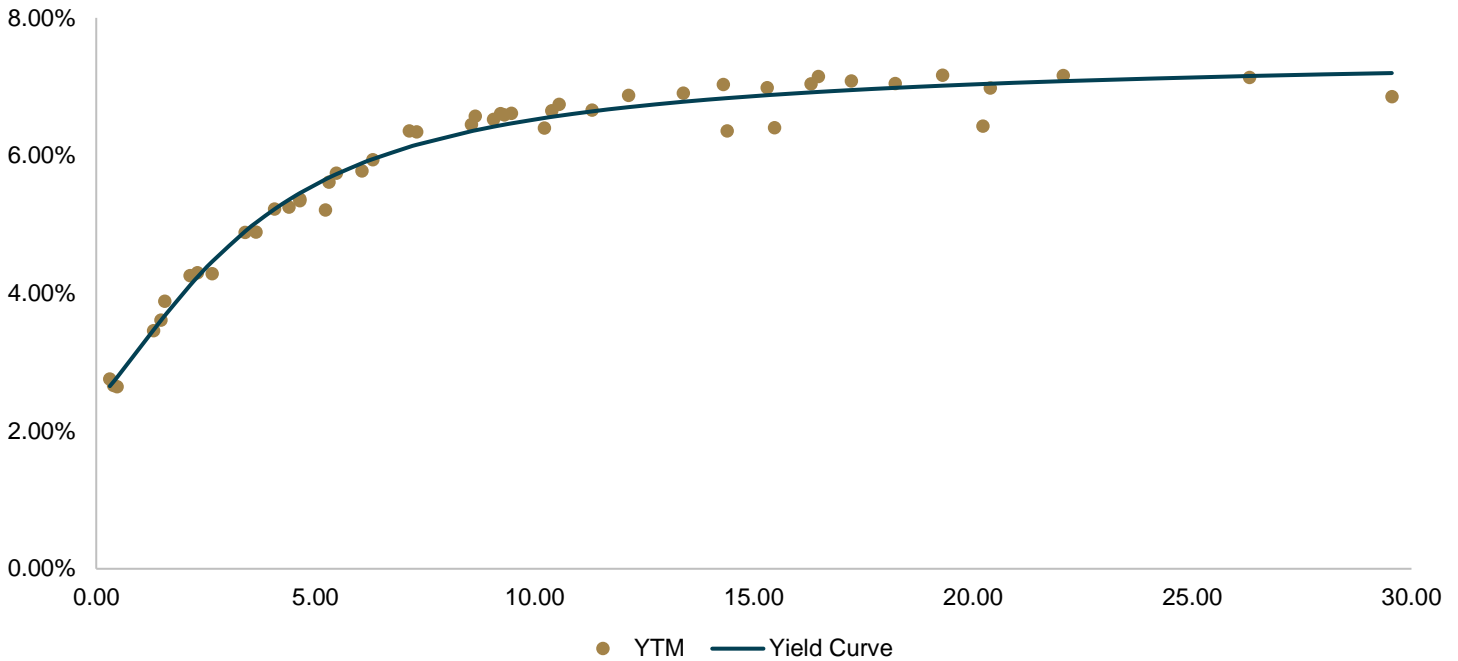


## Exhibit 5. Indo GB Series Valuation

Series	Coupon (%)	Maturity	TTM (Yr)	Last Price	YTM (%)	Yield Curve (%)	Fair Price	Notes
FR61	7.000	15-May-22	0.30	101.26	2.75%	2.65%	101.31	Fair
FR35	12.900	15-Jun-22	0.39	103.88	2.66%	2.72%	103.92	Fair
FR43	10.250	15-Jul-22	0.47	103.53	2.64%	2.78%	103.50	Fair
FR63	5.625	15-May-23	1.30	102.73	3.46%	3.47%	102.73	Fair
FR46	9.500	15-Jul-23	1.47	108.35	3.61%	3.60%	108.39	Fair
FR39	11.750	15-Aug-23	1.56	111.75	3.88%	3.67%	112.13	Discounted
FR70	8.375	15-Mar-24	2.14	108.30	4.26%	4.12%	108.62	Fair
FR77	8.125	15-May-24	2.30	108.28	4.30%	4.23%	108.45	Fair
FR44	10.000	15-Sep-24	2.64	114.07	4.29%	4.46%	113.63	Fair
FR81	6.500	15-Jun-25	3.39	104.98	4.88%	4.90%	104.95	Fair
FR40	11.000	15-Sep-25	3.64	120.10	4.89%	5.02%	119.63	Fair
FR84	7.250	15-Feb-26	4.06	107.31	5.23%	5.22%	107.34	Fair
FR86	5.500	15-Jun-26	4.39	100.91	5.25%	5.36%	100.55	Fair
FR37	12.000	15-Sep-26	4.64	126.98	5.35%	5.45%	126.50	Fair
FR56	8.375	15-Sep-26	4.64	112.18	5.37%	5.45%	111.82	Fair
FR90	5.125	15-Apr-27	5.22	99.62	5.21%	5.65%	97.64	Premium
FR59	7.000	15-May-27	5.30	106.27	5.61%	5.68%	105.97	Fair
FR42	10.250	15-Jul-27	5.47	120.88	5.75%	5.73%	120.99	Fair
FR47	10.000	15-Feb-28	6.06	121.30	5.78%	5.89%	120.70	Fair
FR64	6.125	15-May-28	6.30	100.96	5.94%	5.95%	100.91	Fair
FR71	9.000	15-Mar-29	7.14	114.94	6.36%	6.12%	116.42	Discounted
FR78	8.250	15-May-29	7.30	110.97	6.35%	6.15%	112.17	Fair
FR52	10.500	15-Aug-30	8.56	126.30	6.45%	6.35%	127.06	Fair
FR82	7.000	15-Sep-30	8.64	102.77	6.57%	6.36%	104.17	Discounted
FR87	6.500	15-Feb-31	9.06	99.81	6.53%	6.42%	100.56	Fair
FR85	7.750	15-Apr-31	9.22	107.78	6.61%	6.44%	109.01	Fair
FR73	8.750	15-May-31	9.30	114.82	6.59%	6.45%	115.92	Fair
FR54	9.500	15-Jul-31	9.47	120.05	6.62%	6.47%	121.25	Fair
FR91	6.375	15-Apr-32	10.22	99.79	6.40%	6.54%	98.74	Fair
FR58	8.250	15-Jun-32	10.39	111.83	6.65%	6.56%	112.58	Fair
FR74	7.500	15-Aug-32	10.56	105.65	6.74%	6.58%	106.95	Fair
FR65	6.625	15-May-33	11.30	99.69	6.66%	6.64%	99.88	Fair
FR68	8.375	15-Mar-34	12.14	112.20	6.87%	6.70%	113.75	Fair
FR80	7.500	15-Jun-35	13.39	105.12	6.91%	6.78%	106.27	Fair
FR72	8.250	15-May-36	14.30	110.87	7.03%	6.83%	112.84	Discounted
FR88	6.250	15-Jun-36	14.39	98.97	6.36%	6.83%	94.71	Premium
FR45	9.750	15-May-37	15.30	125.73	6.98%	6.87%	126.95	Fair
FR93	6.375	15-Jul-37	15.47	99.701	6.41%	6.88%	95.22	Premium
FR75	7.500	15-May-38	16.30	104.36	7.04%	6.92%	105.65	Fair
FR50	10.500	15-Jul-38	16.47	132.15	7.15%	6.92%	134.84	Discounted
FR79	8.375	15-Apr-39	17.22	112.73	7.08%	6.95%	114.18	Fair
FR83	7.500	15-Apr-40	18.22	104.59	7.05%	6.98%	105.29	Fair
FR57	9.500	15-May-41	19.30	124.19	7.17%	7.01%	126.08	Fair
FR62	6.375	15-Apr-42	20.22	99.40	6.43%	7.04%	92.91	Premium
FR92	7.125	15-Jun-42	20.39	101.52	6.98%	7.04%	100.90	Fair
FR67	8.750	15-Feb-44	22.06	117.45	7.16%	7.08%	118.52	Fair
FR76	7.375	15-May-48	26.30	102.82	7.13%	7.15%	102.60	Fair
FR89	6.875	15-Aug-51	29.56	100.21	6.86%	7.20%	96.09	Premium

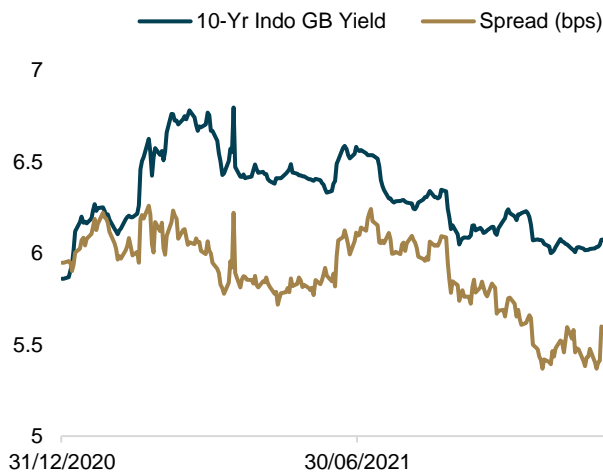
Source : Bloomberg, MNCS Calculation as of January 24, 2022

**Exhibit 6. Indo GB Yield Curve**



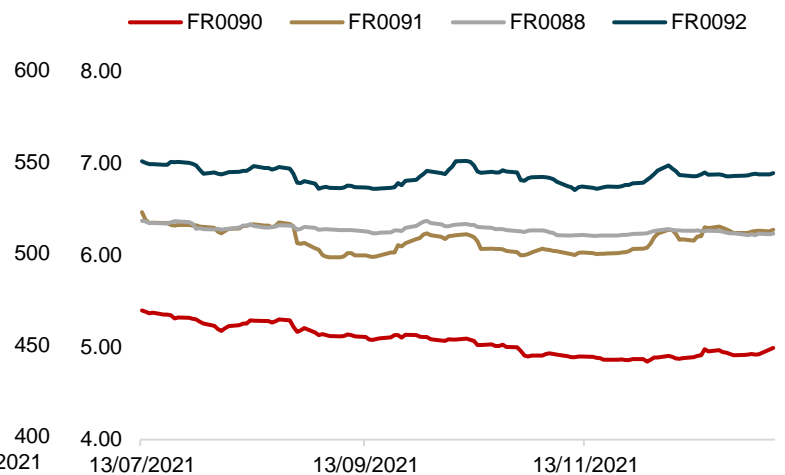
Source : Bloomberg, MNCS Calculation as of January 24, 2022

**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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