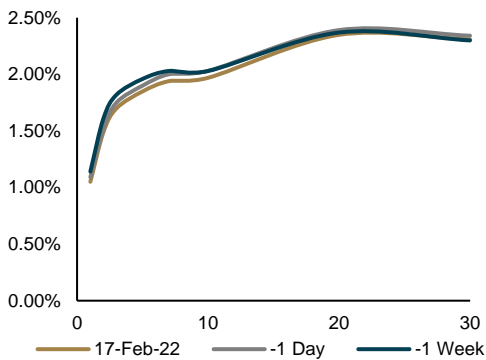


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	17-Feb-22	-1 Day	-1 Week
U.S	1.96%	2.03%	2.03%
U.K	1.46%	1.52%	1.52%
Germany	0.23%	0.27%	0.28%
Japan	0.22%	0.21%	0.23%
China	2.78%	2.78%	2.75%
Malaysia	3.66%	3.67%	3.68%
Thailand	2.17%	2.18%	2.16%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.96
Indo 5-Year CDS	bps	97.21
USD/IDR	points	14,318
BI 7DRR	%	3.50

Source : Bloomberg as of February 17, 2022

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## Global Market Update

- Yields on US government bond decreased 3-6 bps along the curve on Thursday (02/17/22) as Russia-Ukraine geopolitical tensions continued to be in focus.
- The benchmark 10-year UST yield fell 8 bps to 1.96%. Meanwhile 2-year UST yield dropped 5 bps to 1.47% at the same time.
- Ukraine has accused pro-Russian separatists of attacking a village near the border.
- On the data front, US labor market condition was disappointing. US weekly jobless claims data came in worse than expected with initial claims reached 248k higher than consensus estimate at 218k.
- However Fed's Jan-22 minutes release helped to limit the drop in UST yields. The benchmark US government bond remained in the highest level in a month.
- Fed is ready to start tightening anytime soon. Interest rate hike is likely in Mar-22 and followed by balance sheet reduction afterwards.
- US equity market tumbled with DJI fell 1.78%, S&P 500 drop 2.12% and Nasdaq Composite was down 2.88% last night.

## Domestic Market Update

- Domestic government bond yields were still flattish yesterday (02/16/22).
- The benchmark 10-year Indo GB yield stayed at 6.50% while 5-year Indo GB yield rose slightly 1 bps to 5.31% at the same time.
- The IDR value depreciated against USD and was closed at IDR 14,318/USD on Thursday (vs IDR 14,256/USD in the previous day).
- Furthermore, country's risk premium also increased. The 5-year Indo CDS rose nearly 2 bps to 97.21 bps.
- Indo government bond market started to record an inflows of IDR3.13tn in the last two weeks.
- On the data front, Indonesia Property Price Index rose 1.47% YoY in 4Q21 higher than previous quarter of 1.41% YoY. Property sales contracted 11.6% YoY in 4Q21, improving from previous quarter contraction of 15.2% YoY.
- We see the improvement was attributable to favorable condition including : 1) lower interest rate; 2) government tax relax and 3) better mobility in 4Q21 along with the decrease in Covid-19 daily cases.

## Market Projection

- Given the recent development on global and domestic market, we expect the 10 year Indo GB yield to move within a range of 6.45-6.55% for today.
- Attractive Indo GB series to be traded today: FR0070, FR0077, FR0090, FR0071, FR0078, FR0054 and FR0091.

## Exhibit 4. 10 Year Indo GB Fair Yield



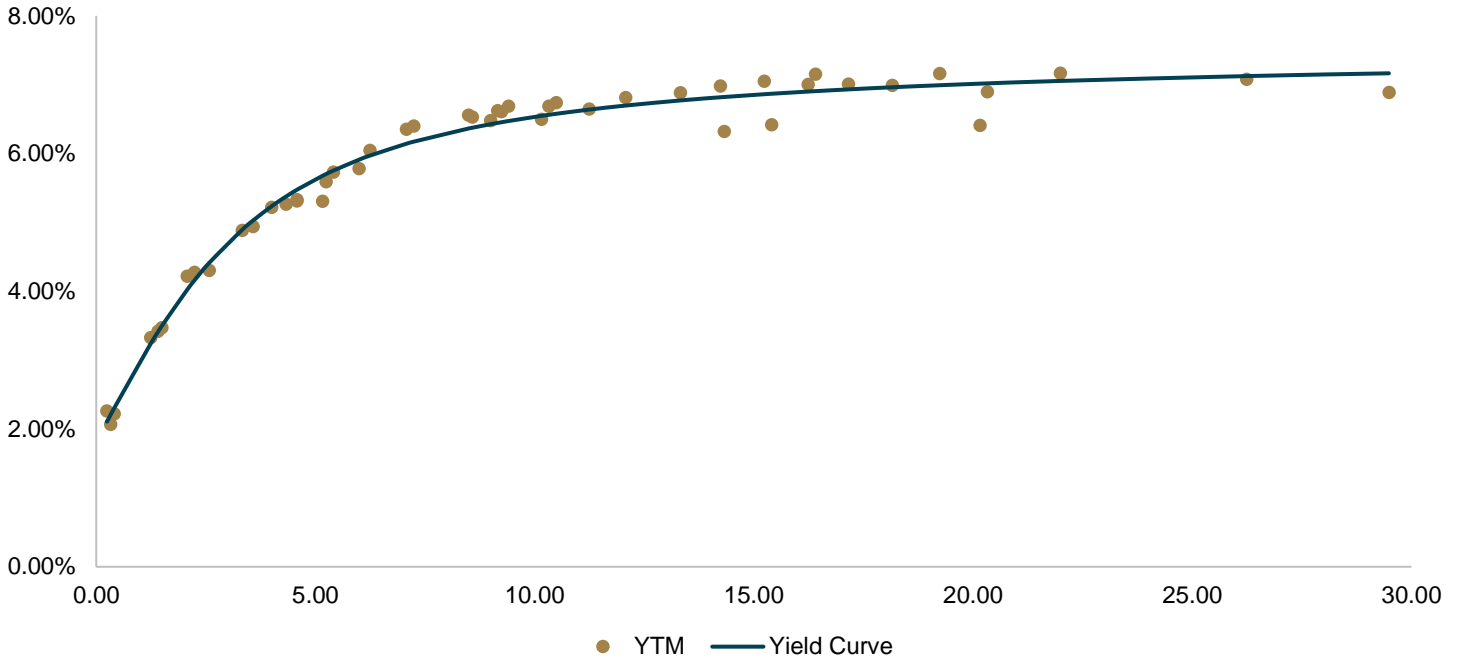
Source : Bloomberg, MNCS Calculation

## 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	0.24	101.07	2.26%	2.11%	101.16	Fair
FR35	12.900	15-Jun-22	0.32	103.36	2.07%	2.21%	103.43	Fair
FR43	10.250	15-Jul-22	0.41	103.16	2.22%	2.31%	103.21	Fair
FR63	5.625	15-May-23	1.24	102.74	3.33%	3.24%	102.87	Fair
FR46	9.500	15-Jul-23	1.41	108.23	3.42%	3.41%	108.30	Fair
FR39	11.750	15-Aug-23	1.49	111.87	3.47%	3.50%	111.91	Fair
FR70	8.375	15-Mar-24	2.07	108.11	4.22%	4.03%	108.56	Fair
FR77	8.125	15-May-24	2.24	108.09	4.28%	4.16%	108.38	Fair
FR44	10.000	15-Sep-24	2.58	113.67	4.30%	4.42%	113.43	Fair
FR81	6.500	15-Jun-25	3.32	104.89	4.88%	4.89%	104.86	Fair
FR40	11.000	15-Sep-25	3.58	119.58	4.94%	5.03%	119.28	Fair
FR84	7.250	15-Feb-26	4.00	107.22	5.22%	5.24%	107.18	Fair
FR86	5.500	15-Jun-26	4.32	100.84	5.27%	5.38%	100.46	Fair
FR37	12.000	15-Sep-26	4.58	126.68	5.33%	5.48%	126.06	Fair
FR56	8.375	15-Sep-26	4.58	112.27	5.31%	5.48%	111.57	Fair
FR90	5.125	15-Apr-27	5.16	99.19	5.31%	5.68%	97.55	Premium
FR59	7.000	15-May-27	5.24	106.30	5.59%	5.70%	105.79	Fair
FR42	10.250	15-Jul-27	5.41	120.73	5.73%	5.75%	120.63	Fair
FR47	10.000	15-Feb-28	5.99	121.08	5.78%	5.91%	120.38	Fair
FR64	6.125	15-May-28	6.24	100.39	6.05%	5.97%	100.78	Fair
FR71	9.000	15-Mar-29	7.07	114.83	6.36%	6.14%	116.17	Discounted
FR78	8.250	15-May-29	7.24	110.55	6.40%	6.17%	111.95	Discounted
FR52	10.500	15-Aug-30	8.49	125.35	6.56%	6.37%	126.81	Fair
FR82	7.000	15-Sep-30	8.58	103.04	6.53%	6.38%	104.06	Fair
FR87	6.500	15-Feb-31	9.00	100.13	6.48%	6.43%	100.48	Fair
FR85	7.750	15-Apr-31	9.16	107.59	6.63%	6.45%	108.89	Fair
FR73	8.750	15-May-31	9.24	114.59	6.61%	6.46%	115.76	Fair
FR54	9.500	15-Jul-31	9.41	119.40	6.69%	6.47%	121.06	Discounted
FR91	6.375	15-Apr-32	10.16	99.10	6.50%	6.55%	98.71	Fair
FR58	8.250	15-Jun-32	10.32	111.48	6.69%	6.56%	112.48	Fair
FR74	7.500	15-Aug-32	10.49	105.66	6.74%	6.58%	106.90	Fair
FR65	6.625	15-May-33	11.24	99.80	6.65%	6.64%	99.87	Fair
FR68	8.375	15-Mar-34	12.07	112.70	6.81%	6.70%	113.72	Fair
FR80	7.500	15-Jun-35	13.32	105.28	6.89%	6.77%	106.30	Fair
FR72	8.250	15-May-36	14.24	111.37	6.98%	6.82%	112.89	Fair
FR88	6.250	15-Jun-36	14.32	99.30	6.32%	6.82%	94.80	Premium
FR45	9.750	15-May-37	15.24	124.92	7.05%	6.86%	127.00	Fair
FR93	6.375	15-Jul-37	15.41	99.56	6.42%	6.87%	95.33	Premium
FR75	7.500	15-May-38	16.24	104.72	7.01%	6.90%	105.77	Fair
FR50	10.500	15-Jul-38	16.41	132.00	7.15%	6.91%	134.92	Discounted
FR79	8.375	15-Apr-39	17.16	113.54	7.01%	6.93%	114.31	Fair
FR83	7.500	15-Apr-40	18.16	105.24	6.99%	6.96%	105.45	Fair
FR57	9.500	15-May-41	19.24	124.19	7.16%	6.99%	126.26	Fair
FR62	6.375	15-Apr-42	20.16	99.65	6.41%	7.02%	93.12	Premium
FR92	7.125	15-Jun-42	20.32	102.44	6.90%	7.02%	101.10	Fair
FR67	8.750	15-Feb-44	21.99	117.40	7.17%	7.06%	118.77	Fair
FR76	7.375	15-May-48	26.24	103.52	7.08%	7.13%	102.91	Fair
FR89	6.875	15-Aug-51	29.49	99.85	6.89%	7.17%	96.43	Premium

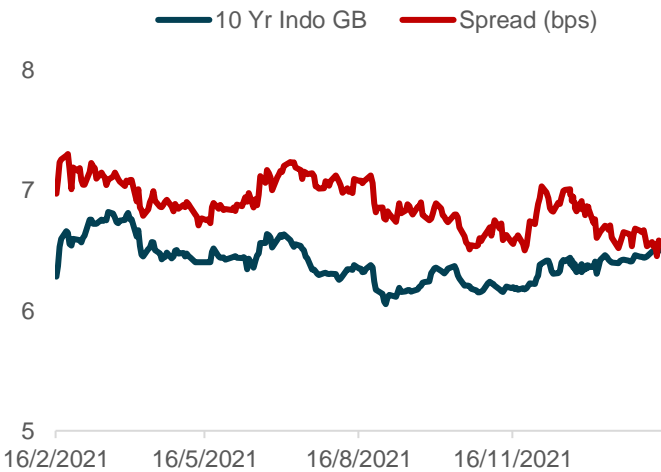
Source : Bloomberg, MNCS Calculation as of February 17, 2022

**Exhibit 6. Indo GB Yield Curve**



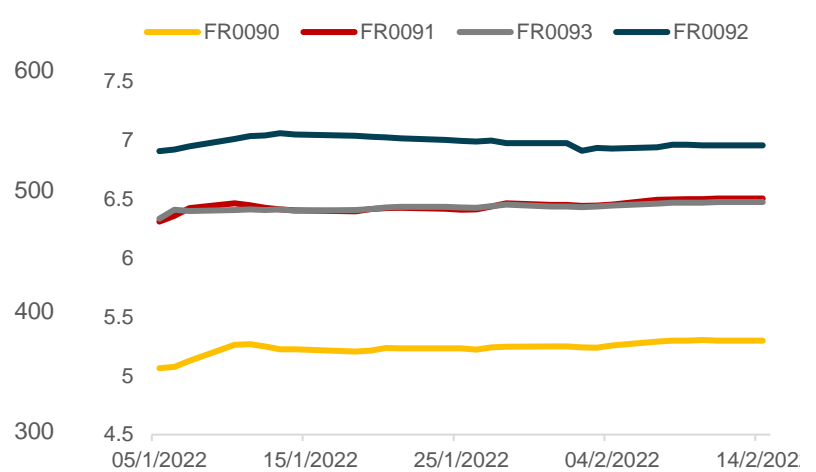
Source : Bloomberg, MNCS Calculation as of February 17, 2022

**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	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
Bank	37.86	36	36.33	32.5	31.92	33.45	33.69	34.77	35.63	34.01	35.47	36.41
Central Bank (Nett)	10.65	12.77	11.99	15.93	16.08	14.78	14.87	13.52	13.10	17.13	15.20	14.04
Mutual Fund	3.92	3.81	3.06	3.16	3.18	3.20	3.28	3.31	3.42	3.38	3.20	3.17
Insurance & Pension Fund	14.08	14.14	14.44	14.24	14.59	14.45	14.40	14.61	14.44	14.00	14.52	14.66
Foreign	22.89	22.74	22.76	22.82	22.53	22.44	21.56	21.24	20.55	19.05	18.97	18.99
Individuals	4.56	4.49	4.61	4.49	4.64	4.46	4.94	5.04	5.08	4.73	4.83	4.81
Others	6.03	6.05	6.83	6.95	7.07	7.21	7.25	7.50	7.78	7.70	7.82	7.93

Source : DJPPR as of Feb 10, 2022

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**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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