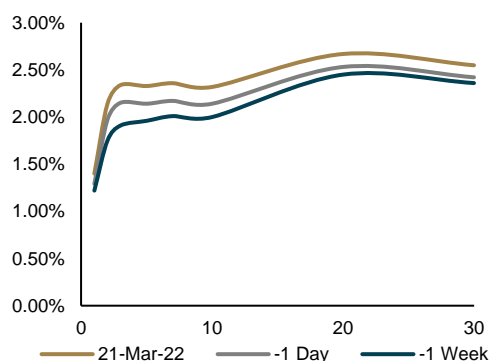


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	21-Mar-22	-1 Day	-1 Week
U.S	2.31%	2.15%	2.14%
U.K	1.64%	1.50%	1.59%
Germany	0.47%	0.37%	0.37%
Japan	0.20%	0.20%	0.19%
China	2.81%	2.80%	2.76%
Malaysia	3.69%	3.69%	3.68%
Thailand	2.27%	2.22%	2.27%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	2.31
Indo 5-Year CDS	bps	96.93
USD/IDR	points	14,337
BI 7DRR	%	3.50

Source : Bloomberg as of March 21, 2022

## Tirta Widi Gilang Citradi

Economist & Fixed Income Analyst  
tirta.citradi@mncgroup.com

## Global Market Update

- The benchmark 10-year UST yield jumped 16 bps to 2.31% to start this week after Fed's chair Powell said labor market is strong and inflation is much too high.
- Yields on US government bond increased 11-19 bps along the curve yesterday following Powell statement on labor market and inflation.
- Furthermore, Powell also signaled that US central bank needs to be more aggressive in its monetary tightening.
- A more than 25 bps rate hike is likely if necessary and balance sheet reduction could start by May-22.
- Powell statement on monetary policy pointed out more tightened financial condition.
- US equity market closed lower on Monday (03/21/22). DJI declined 0.58% while S&P 500 slightly weakened 0.04% and Nasdaq Composite fell 0.40%.

## Domestic Market Update

- The 10-year Indo GB yield fell 2 bps to 6.69% while the 5-year Indo GB yield was steady at 5.56% yesterday (03/21/22).
- The IDR value was slightly appreciated against USD to the level of IDR14,337/USD yesterday (vs IDR14,343/USD last week).
- Risk premium which is reflected by the 5-year Indo CDS was up from 87.96 bps to 96.93 bps.
- Government successfully issued IDR18.41tn of SR016 attracting 44,579 investors across generation in Indonesia.
- SR016 coupon was at 4.95%, the lowest in history of issuance of tradable retail sovereign sharia securities and in line with government policies in an effort to reduce yields and the cost of issuing bond.

## Market Projection

- Government of Indonesia is scheduled to conduct auction for sovereign sharia securities today with the indicative target set at IDR9tn.
- We think during the moment of rising government bond yields globally, investors tend to be wait and see, thus this may result in lower incoming bids from the previous auction.
- Along with the increase in interest rate, investors may rebalance their portfolio towards shorter duration asset.
- Given the recent development on global and domestic market, we expect the 10 year Indo GB yield to keep steady within a range of 6.70-6.80% for today.
- Attractive Indo GB series to be traded today : FR0086, FR0090, FR000064, FR0078, FR0087, FR0091.

## Exhibit 4. 10 Year Indo GB Fair Yield



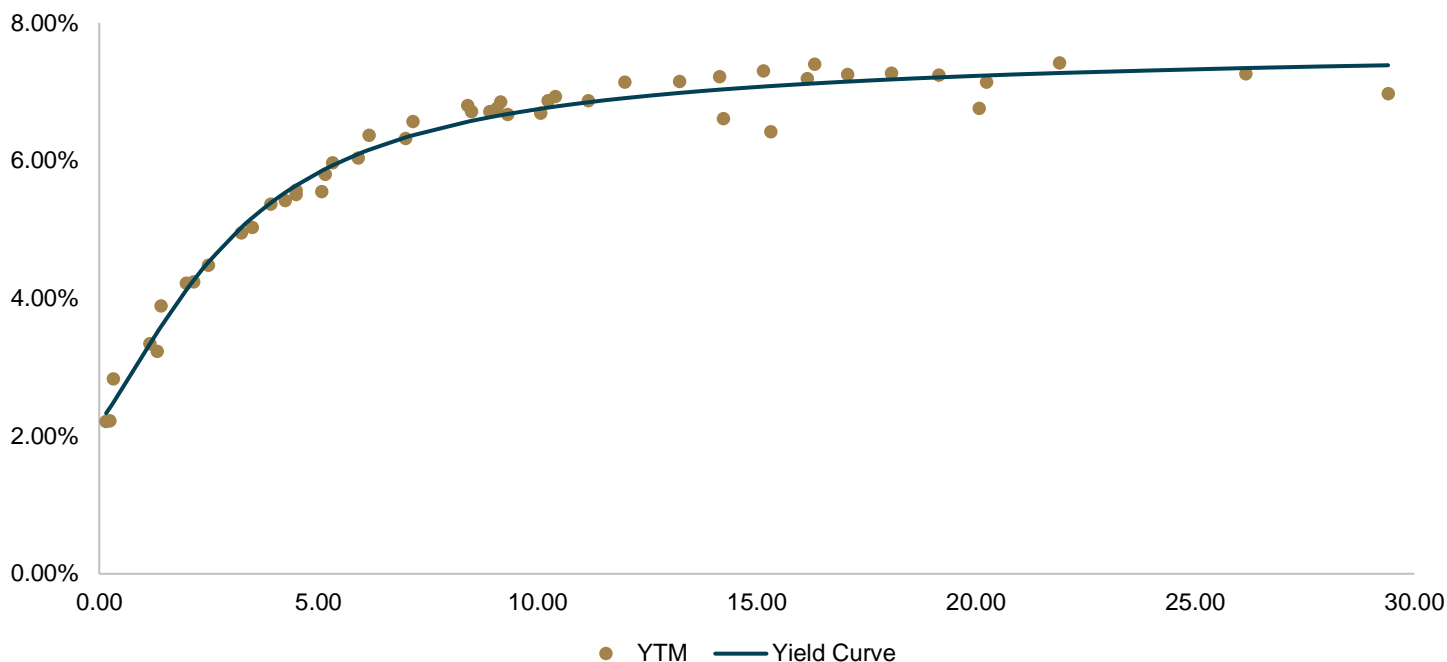
Source : Bloomberg, MNCs Calculation

## 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	0.15	100.69	2.21%	2.33%	100.70	Fair
FR35	12.900	15-Jun-22	0.24	102.44	2.22%	2.41%	102.45	Fair
FR43	10.250	15-Jul-22	0.32	102.30	2.83%	2.49%	102.45	Discounted
FR63	5.625	15-May-23	1.15	102.55	3.34%	3.34%	102.56	Fair
FR46	9.500	15-Jul-23	1.32	108.00	3.23%	3.50%	107.66	Premium
FR39	11.750	15-Aug-23	1.40	110.61	3.89%	3.59%	111.09	Discounted
FR70	8.375	15-Mar-24	1.98	107.81	4.22%	4.12%	108.02	Fair
FR77	8.125	15-May-24	2.15	107.87	4.24%	4.26%	107.86	Fair
FR44	10.000	15-Sep-24	2.49	112.81	4.48%	4.52%	112.73	Fair
FR81	6.500	15-Jun-25	3.24	104.56	4.95%	5.02%	104.35	Fair
FR40	11.000	15-Sep-25	3.49	118.83	5.03%	5.17%	118.37	Fair
FR84	7.250	15-Feb-26	3.91	106.53	5.37%	5.38%	106.49	Fair
FR86	5.500	15-Jun-26	4.24	100.27	5.42%	5.53%	99.87	Fair
FR37	12.000	15-Sep-26	4.49	125.18	5.57%	5.64%	124.90	Fair
FR56	8.375	15-Sep-26	4.49	111.23	5.51%	5.64%	110.72	Fair
FR90	5.125	15-Apr-27	5.07	98.13	5.55%	5.85%	96.86	Premium
FR59	7.000	15-May-27	5.15	105.27	5.80%	5.87%	104.93	Fair
FR42	10.250	15-Jul-27	5.32	119.25	5.97%	5.93%	119.46	Fair
FR47	10.000	15-Feb-28	5.90	119.40	6.04%	6.09%	119.13	Fair
FR64	6.125	15-May-28	6.15	98.77	6.37%	6.15%	99.84	Discounted
FR71	9.000	15-Mar-29	6.98	113.49	6.32%	6.33%	114.86	Fair
FR78	8.250	15-May-29	7.15	109.45	6.57%	6.37%	110.68	Fair
FR52	10.500	15-Aug-30	8.40	123.40	6.80%	6.56%	125.12	Discounted
FR82	7.000	15-Sep-30	8.49	101.85	6.71%	6.57%	102.73	Fair
FR87	6.500	15-Feb-31	8.91	98.60	6.71%	6.63%	99.15	Fair
FR85	7.750	15-Apr-31	9.07	106.59	6.76%	6.65%	107.42	Fair
FR73	8.750	15-May-31	9.15	112.73	6.85%	6.66%	114.17	Fair
FR54	9.500	15-Jul-31	9.32	119.43	6.67%	6.67%	119.36	Fair
FR91	6.375	15-Apr-32	10.07	97.69	6.69%	6.75%	97.27	Fair
FR58	8.250	15-Jun-32	10.24	110.00	6.87%	6.77%	110.81	Fair
FR74	7.500	15-Aug-32	10.40	104.15	6.93%	6.78%	105.29	Fair
FR65	6.625	15-May-33	11.15	98.14	6.87%	6.84%	98.29	Fair
FR68	8.375	15-Mar-34	11.98	109.83	7.14%	6.90%	111.85	Discounted
FR80	7.500	15-Jun-35	13.24	102.95	7.15%	6.98%	104.42	Fair
FR72	8.250	15-May-36	14.15	109.01	7.22%	7.03%	110.83	Fair
FR88	6.250	15-Jun-36	14.24	96.68	6.61%	7.03%	93.02	Premium
FR45	9.750	15-May-37	15.15	122.20	7.30%	7.07%	124.62	Discounted
FR93	6.375	15-Jul-37	15.32	99.56	6.42%	7.08%	93.46	Premium
FR75	7.500	15-May-38	16.15	102.95	7.19%	7.11%	103.67	Fair
FR50	10.500	15-Jul-38	16.32	129.03	7.40%	7.12%	132.31	Discounted
FR79	8.375	15-Apr-39	17.07	110.88	7.25%	7.14%	112.01	Fair
FR83	7.500	15-Apr-40	18.07	102.24	7.27%	7.18%	103.24	Fair
FR57	9.500	15-May-41	19.15	123.22	7.24%	7.21%	123.61	Fair
FR62	6.375	15-Apr-42	20.07	95.83	6.76%	7.23%	91.02	Premium
FR92	7.125	15-Jun-42	20.24	99.78	7.14%	7.23%	98.84	Fair
FR67	8.750	15-Feb-44	21.90	114.25	7.42%	7.27%	116.09	Fair
FR76	7.375	15-May-48	26.15	101.31	7.26%	7.34%	100.37	Fair
FR89	6.875	15-Aug-51	29.40	98.79	6.97%	7.38%	93.93	Premium

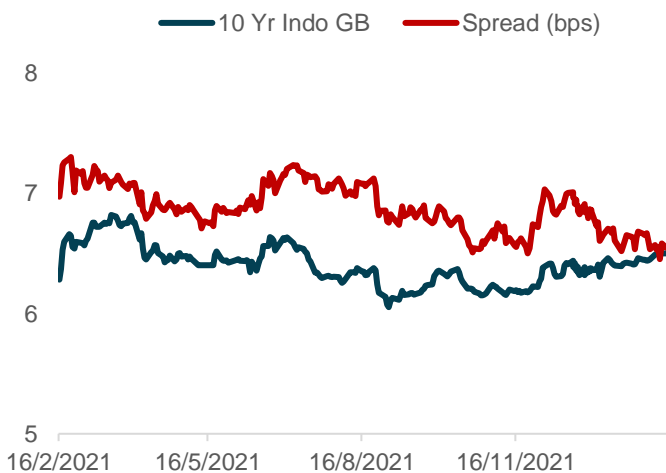
Source : Bloomberg, MNCS Calculation as of March 21, 2022

**Exhibit 6. Indo GB Yield Curve**



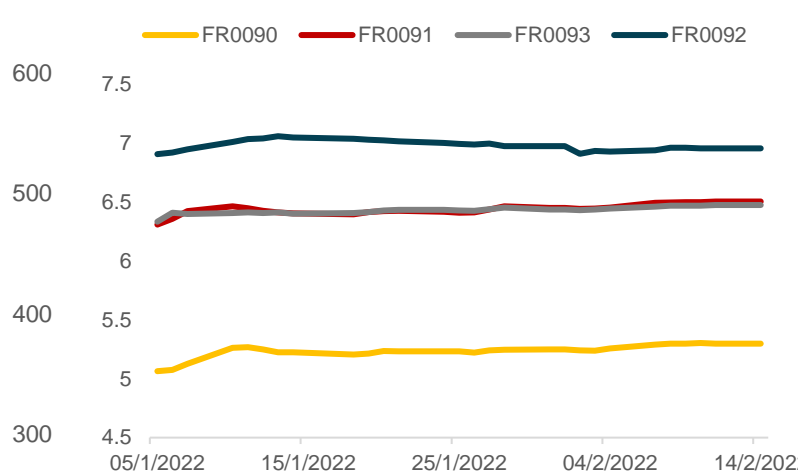
Source : Bloomberg, MNCS Calculation as of March 21, 2022

**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

## 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

## PT MNC SEKURITAS

MNC Financial Center Lt. 14 – 16

Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340

Telp : (021) 2980 3111

Fax : (021) 3983 6899

Call Center : 1500 899

### Disclaimer

*This research report has been issued by PT MNC Sekuritas, It may not be reproduced or further distributed or published, in whole or in part, for any purpose. PT MNC Sekuritas has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; PT MNC Sekuritas makes no guarantee, representation or warranty and accepts no responsibility to liability as to its accuracy or completeness. Expression of opinion herein are those of the research department only and are subject to change without notice. This document is not and should not be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment. PT MNC Sekuritas and its affiliates and/or their offices, director and employees may own or have positions in any investment mentioned herein or any investment related thereto and may from time to time add to or dispose of any such investment. PT MNC Sekuritas and its affiliates may act as market maker or have assumed an underwriting position in the securities of companies discusses herein (or investment related thereto) and may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies.*