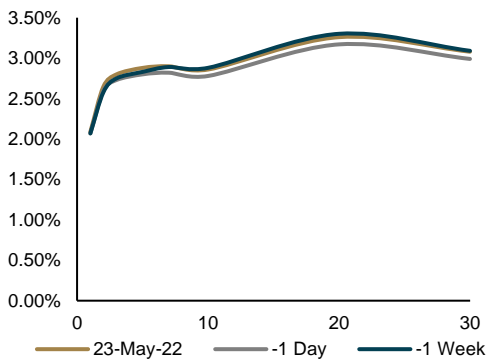


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	23-May-22	-1 Day	-1 Week
U.S	2.86%	2.78%	2.88%
U.K	1.97%	1.89%	1.73%
Germany	1.01%	0.94%	0.94%
Japan	0.23%	0.23%	0.23%
China	2.80%	2.81%	2.82%
Malaysia	4.26%	4.35%	4.43%
Thailand	3.06%	3.15%	3.29%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	2.85
Indo 5-Year CDS	bps	122.60
USD/IDR	points	14,674
BI 7DRR	%	3.50

Source : Bloomberg as of May 23, 2022

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## Global Market Update

- Yields on UST note were traded higher to start this week (05/23/22) . Yield curve rose 2-9 bps from the last position on Friday (05/20/22).
- The benchmark 10-year UST note yield increased 8 bps to 2.86%, still 2 bps lower than a week ago.
- US government bond moved in the opposite direction to equity. US stock market rebounded to start this week.
- All the 3 US equity benchmark indexes moved >1,5% higher than the last closing position last week.
- Eurozone government bond yield also increased after ECB President Christine Lagarde made a comment on the path of CB interest rates in the coming months.
- Lagarde said that ECB is likely to exit negative interest rates by the end of 3Q22.
- Markets now see +110 basis points of rate hikes for FY22F, more than a quarter of a percentage point at each of the ECB's policy meetings from July.

## Domestic Market Update

- The benchmark 10-year Indo GB yield started lower at 7.16% in the beginning of this week (05/23/22).
- The IDR weakened against USD to IDR14,674/USD from IDR14,652/USD on the previous day.
- Indonesia 5-year CDS was closed at 122.60 bps yesterday rising from 112.50 on the previous day.
- As of Apr-22, the government recorded a budget surplus of IDR103.1tn (+0.58% of GDP). The surplus was driven by an increase in state income +45.9% YoY.
- The budget surplus makes the debt outlook and SBN issuance lower for FY22F which should be positive catalyst for government bond prices, yet aggressive tightening put another downside risk.

## Market Projection

- We expect BI to maintain its benchmark interest rate steady at 3.5% as core CPI remains in-line with ITF and the needs to support growth.
- Given the recent development on global and domestic market and after a high yield spike, we expect the 10 year Indo GB yield to move within a range of 7.10-7.30% for today.
- Attractive Indo GB series to be traded today : FR0070, FR0077, FR0084, FR0064, FR0078, FR0091, FR0068, FR0072.

## Exhibit 4. 10 Year Indo GB Fair Yield



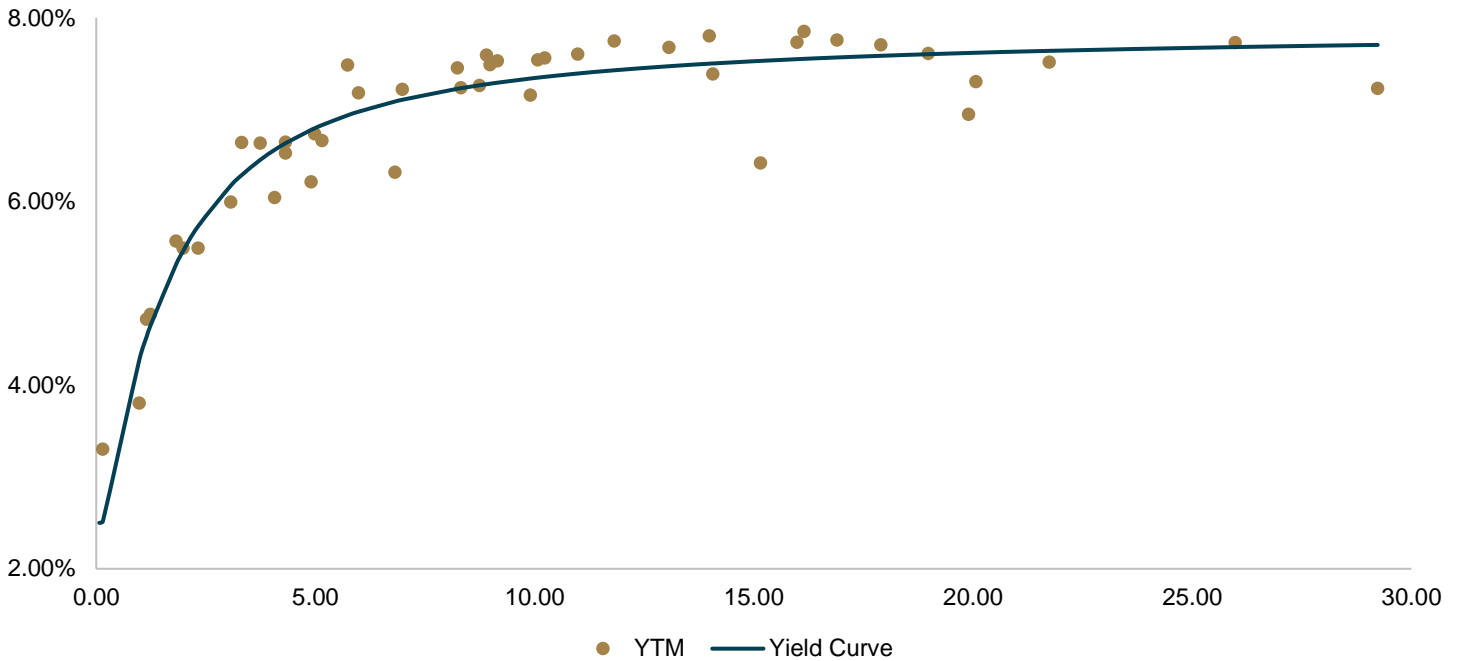
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon (%)	Maturity	TTM (Yr)	Last Price	YTM (%)	Yield Curve (%)	Fair Price	Notes
FR35	12.900	15-Jun-22	0.06	100.65	1.63%	2.50%	100.65	Premium
FR43	10.250	15-Jul-22	0.15	100.96	3.30%	2.52%	101.11	Discounted
FR63	5.625	15-May-23	0.98	101.72	3.80%	4.28%	101.28	Premium
FR46	9.500	15-Jul-23	1.15	105.24	4.72%	4.53%	105.48	Fair
FR39	11.750	15-Aug-23	1.23	108.20	4.77%	4.65%	108.39	Fair
FR70	8.375	15-Mar-24	1.81	104.75	5.57%	5.31%	105.22	Fair
FR77	8.125	15-May-24	1.98	104.85	5.49%	5.46%	104.93	Fair
FR44	10.000	15-Sep-24	2.32	109.63	5.49%	5.73%	109.11	Fair
FR81	6.500	15-Jun-25	3.06	101.39	5.99%	6.17%	100.90	Fair
FR40	11.000	15-Sep-25	3.32	112.73	6.64%	6.29%	113.87	Discounted
FR84	7.250	15-Feb-26	3.73	101.98	6.64%	6.45%	102.59	Fair
FR86	5.500	15-Jun-26	4.06	98.13	6.04%	6.56%	96.26	Premium
FR37	12.000	15-Sep-26	4.32	119.75	6.65%	6.64%	119.81	Fair
FR56	8.375	15-Sep-26	4.32	106.83	6.53%	6.64%	106.42	Fair
FR90	5.125	15-Apr-27	4.90	95.46	6.21%	6.78%	93.20	Premium
FR59	7.000	15-May-27	4.98	101.09	6.74%	6.80%	100.84	Fair
FR42	10.250	15-Jul-27	5.15	115.38	6.66%	6.83%	114.61	Fair
FR47	10.000	15-Feb-28	5.73	111.50	7.49%	6.94%	114.26	Discounted
FR64	6.125	15-May-28	5.98	94.92	7.18%	6.98%	95.89	Fair
FR71	9.000	15-Mar-29	6.81	109.75	6.32%	7.09%	110.17	Premium
FR78	8.250	15-May-29	6.98	105.55	7.22%	7.11%	106.20	Fair
FR52	10.500	15-Aug-30	8.23	118.45	7.46%	7.23%	120.02	Fair
FR82	7.000	15-Sep-30	8.32	98.50	7.24%	7.23%	98.55	Fair
FR87	6.500	15-Feb-31	8.73	95.12	7.26%	7.27%	95.10	Fair
FR85	7.750	15-Apr-31	8.90	100.98	7.60%	7.28%	103.05	Discounted
FR73	8.750	15-May-31	8.98	108.11	7.49%	7.28%	109.55	Fair
FR54	9.500	15-Jul-31	9.15	112.81	7.53%	7.29%	114.53	Fair
FR91	6.375	15-Apr-32	9.90	94.49	7.16%	7.34%	93.29	Fair
FR58	8.250	15-Jun-32	10.06	104.93	7.54%	7.35%	106.33	Fair
FR74	7.500	15-Aug-32	10.23	99.53	7.56%	7.36%	101.00	Fair
FR65	6.625	15-May-33	10.98	92.79	7.61%	7.39%	94.29	Fair
FR68	8.375	15-Mar-34	11.81	104.78	7.75%	7.43%	107.34	Discounted
FR80	7.500	15-Jun-35	13.06	98.55	7.68%	7.47%	100.22	Fair
FR72	8.250	15-May-36	13.98	103.76	7.80%	7.50%	106.42	Discounted
FR88	6.250	15-Jun-36	14.06	90.14	7.39%	7.50%	89.22	Fair
FR45	9.750	15-May-37	14.98	113.98	8.12%	7.53%	119.77	Discounted
FR93	6.375	15-Jul-37	15.15	99.56	6.42%	7.53%	89.65	Premium
FR75	7.500	15-May-38	15.98	97.87	7.73%	7.55%	99.54	Fair
FR50	10.500	15-Jul-38	16.15	123.95	7.85%	7.55%	127.21	Discounted
FR79	8.375	15-Apr-39	16.90	105.73	7.76%	7.57%	107.61	Fair
FR83	7.500	15-Apr-40	17.90	98.01	7.71%	7.59%	99.15	Fair
FR57	9.500	15-May-41	18.98	118.78	7.61%	7.60%	118.89	Fair
FR62	6.375	15-Apr-42	19.90	93.83	6.95%	7.62%	87.37	Premium
FR92	7.125	15-Jun-42	20.06	98.09	7.31%	7.62%	94.95	Premium
FR67	8.750	15-Feb-44	21.73	113.08	7.52%	7.64%	111.66	Fair
FR76	7.375	15-May-48	25.98	96.04	7.73%	7.68%	96.57	Fair
FR89	6.875	15-Aug-51	29.23	95.66	7.23%	7.70%	90.39	Premium

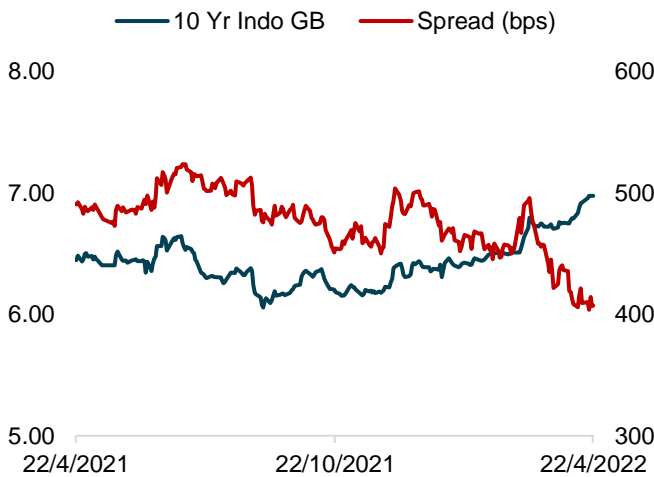
Source : Bloomberg, MNCS Calculation as of May 23, 2022

**Exhibit 6. Indo GB Yield Curve**



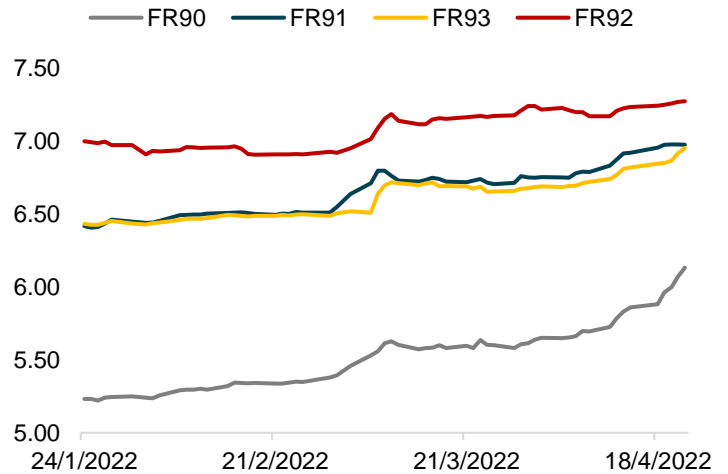
Source : Bloomberg, MNCS Calculation as of May 23, 2022

**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	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Bank	36.33	32.5	31.92	33.45	33.69	34.77	35.63	34.01	35.47	35.82	35.03	33.36
Central Bank (Nett)	11.99	15.93	16.08	14.78	14.87	13.52	13.10	17.13	15.20	14.12	15.15	16.90
Mutual Fund	3.06	3.16	3.18	3.20	3.28	3.31	3.42	3.38	3.20	3.14	3.19	3.24
Insurance & Pension Fund	14.44	14.24	14.59	14.45	14.40	14.61	14.44	14.00	14.52	14.77	15.22	15.28
Foreign	22.76	22.82	22.53	22.44	21.56	21.24	20.55	19.05	18.97	18.82	17.57	17.37
Individuals	4.61	4.49	4.64	4.46	4.94	5.04	5.08	4.73	4.83	5.32	5.61	5.60
Others	6.83	6.95	7.07	7.21	7.25	7.50	7.78	7.70	7.82	8.01	8.22	8.26

Source : DJPPR as of Apr 21, 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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