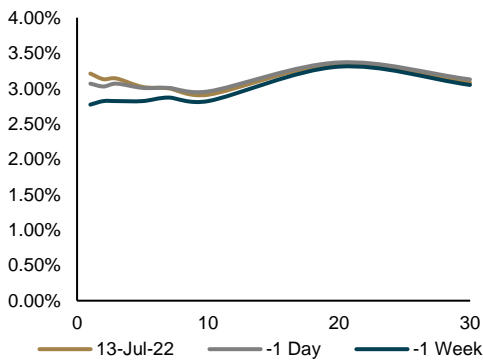


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	12-Jul-22	-1 Day	-1 Week
U.S	2.93%	2.97%	2.93%
U.K	2.06%	2.07%	2.09%
Germany	1.14%	1.13%	1.21%
Japan	0.22%	0.24%	0.24%
China	2.81%	2.81%	2.84%
Malaysia	4.04%	4.05%	4.14%
Thailand	2.46%	2.46%	2.71%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	2.93
Indo 5-Year CDS	bps	156.97
USD/IDR	points	14,988
BI 7DRR	%	3.50

Source : Bloomberg as of July 13, 2022

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## Global Market Update

- The benchmark 10-year UST note yield fell 4 bps to 2.93% on Wednesday (07/13/22).
- Meanwhile the benchmark for shorter rate 2-year UST note yield jumped 10 bps to 3.15%
- US short rates (<5 years) spiked while longer rates declined causing the yield curve inversion.
- The spread between 2-10 year UST note yield widened in negative territory to -22 bps reaching the biggest level since 2000.
- Spread between short and long maturity UST note widened in negative territory after US reported an increase of annual CPI by 9.1% in Jun-22.
- The actual inflation rate was higher than market estimate as well as previous month figure of 8.8% YoY/8.6% YoY and marking the fastest pace since Nov-81.
- Given the yield curve inversion, market participants now expect that Fed would likely to increase FFR by 100 bps on Jul-22 meeting.
- US stock market tumbled. DJI fell 0.67% while S&P 500 and Nasdaq Composite was down 0.45% and 0.15% respectively.

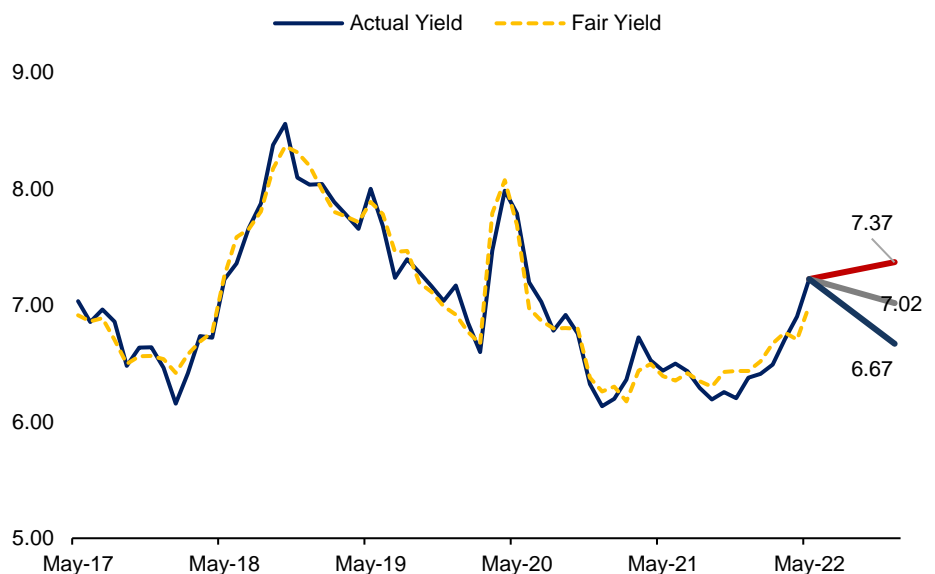
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) fell 4 bps to 7.22% on Wednesday (07/13/22).
- The IDR was closed at IDR14,988/USD in the spot market and keeping the level near IDR15,000/USD.
- Indonesia's risk premium 5-year CDS increased to 156.97 bps yesterday. Indonesia's risk premium was still above 150 bps.
- JCI fell 1.15% to 6,641 and recorded outflows of >IDR850bn yesterday. Fed's aggressive tightening would cause outflows and potentially depreciating IDR further.

## 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 7.20-7.40% for today.
- Attractive Indo GB series to be traded today : FR0063, FR0070, FR0077, FR0056, FR0078, FR0052, FR0073, FR0091..

## Exhibit 4. 10 Year Indo GB Fair Yield



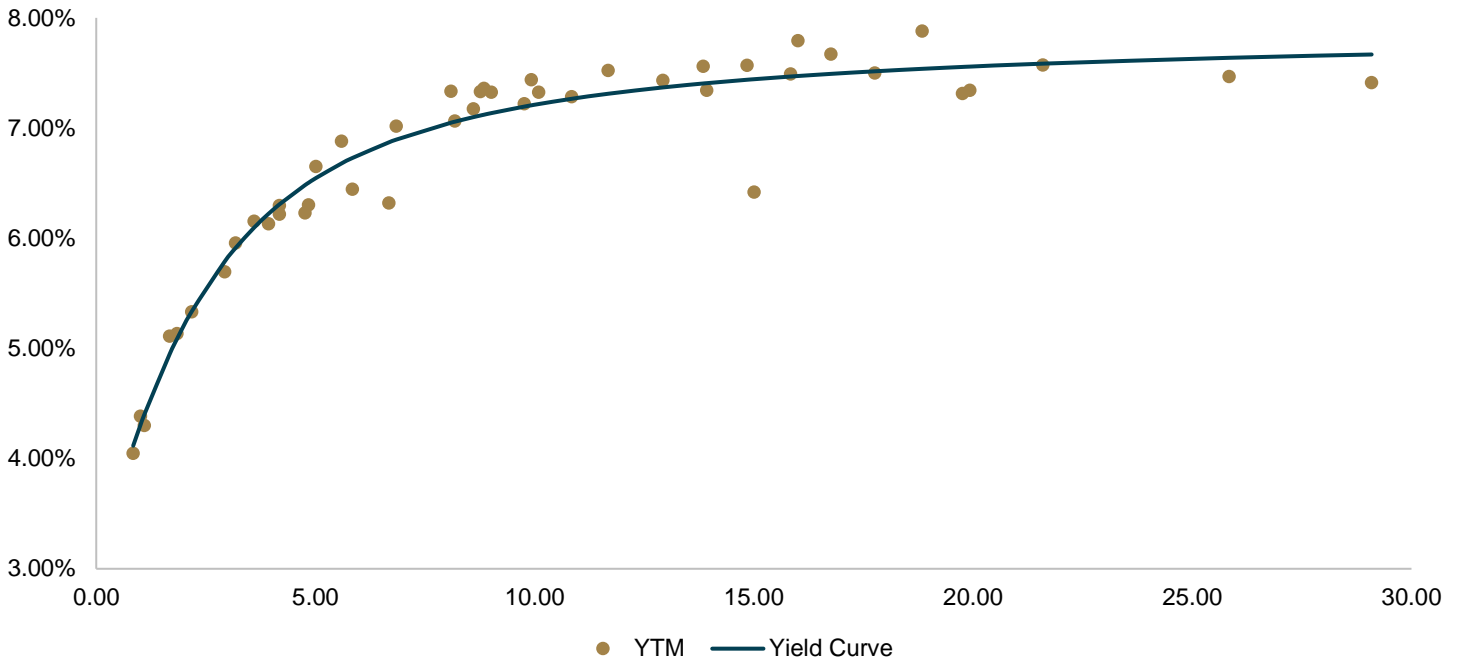
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon (%)	Maturity	TTM (Yr.)	Last Price	YTM (%)	Yield Curve (%)	Fair Price	Notes
FR63	5.625	15-May-23	0.84	101.27	4.05%	4.12%	101.23	Fair
FR46	9.500	15-Jul-23	1.01	104.95	4.39%	4.30%	105.06	Fair
FR39	11.750	15-Aug-23	1.09	107.81	4.30%	4.40%	107.74	Fair
FR70	8.375	15-Mar-24	1.67	105.15	5.11%	4.95%	105.43	Fair
FR77	8.125	15-May-24	1.84	105.16	5.14%	5.09%	105.26	Fair
FR44	10.000	15-Sep-24	2.18	109.42	5.33%	5.34%	109.44	Fair
FR81	6.500	15-Jun-25	2.92	102.13	5.70%	5.79%	101.89	Fair
FR40	11.000	15-Sep-25	3.18	114.35	5.96%	5.91%	114.52	Fair
FR84	7.250	15-Feb-26	3.60	103.47	6.15%	6.09%	103.67	Fair
FR86	5.500	15-Jun-26	3.92	97.90	6.13%	6.22%	97.52	Fair
FR37	12.000	15-Sep-26	4.18	120.60	6.30%	6.31%	120.59	Fair
FR56	8.375	15-Sep-26	4.18	107.80	6.22%	6.31%	107.47	Fair
FR90	5.125	15-Apr-27	4.76	95.50	6.23%	6.48%	94.52	Premium
FR59	7.000	15-May-27	4.84	102.86	6.30%	6.50%	102.03	Fair
FR42	10.250	15-Jul-27	5.01	115.10	6.65%	6.54%	115.60	Fair
FR47	10.000	15-Feb-28	5.59	114.25	6.88%	6.68%	115.28	Fair
FR64	6.125	15-May-28	5.84	98.46	6.44%	6.73%	97.12	Premium
FR71	9.000	15-Mar-29	6.67	110.49	6.32%	6.87%	111.24	Premium
FR78	8.250	15-May-29	6.84	106.59	7.02%	6.89%	107.28	Fair
FR52	10.500	15-Aug-30	8.09	119.04	7.33%	7.05%	121.00	Discounted
FR82	7.000	15-Sep-30	8.18	99.59	7.06%	7.06%	99.64	Fair
FR87	6.500	15-Feb-31	8.60	95.72	7.17%	7.10%	96.20	Fair
FR85	7.750	15-Apr-31	8.76	102.65	7.33%	7.11%	104.09	Fair
FR73	8.750	15-May-31	8.84	108.88	7.36%	7.12%	110.54	Discounted
FR54	9.500	15-Jul-31	9.01	114.14	7.33%	7.13%	115.52	Fair
FR91	6.375	15-Apr-32	9.76	94.13	7.22%	7.19%	94.32	Fair
FR58	8.250	15-Jun-32	9.92	105.60	7.44%	7.21%	107.31	Fair
FR74	7.500	15-Aug-32	10.09	101.21	7.33%	7.22%	102.00	Fair
FR65	6.625	15-May-33	10.84	95.11	7.28%	7.26%	95.25	Fair
FR68	8.375	15-Mar-34	11.67	106.51	7.52%	7.31%	108.25	Fair
FR80	7.500	15-Jun-35	12.92	100.53	7.43%	7.37%	101.08	Fair
FR72	8.250	15-May-36	13.84	105.84	7.56%	7.40%	107.24	Fair
FR88	6.250	15-Jun-36	13.92	90.56	7.34%	7.41%	90.05	Fair
FR45	9.750	15-May-37	14.84	119.21	7.57%	7.44%	120.56	Fair
FR93	6.375	15-Jul-37	15.01	99.56	6.42%	7.44%	90.45	Premium
FR75	7.500	15-May-38	15.84	100.05	7.49%	7.47%	100.29	Fair
FR50	10.500	15-Jul-38	16.01	124.50	7.79%	7.47%	128.01	Discounted
FR79	8.375	15-Apr-39	16.76	106.55	7.67%	7.49%	108.34	Fair
FR83	7.500	15-Apr-40	17.76	99.98	7.50%	7.51%	99.85	Fair
FR57	9.500	15-May-41	18.84	115.75	7.88%	7.54%	119.57	Discounted
FR62	6.375	15-Apr-42	19.76	90.25	7.31%	7.55%	87.99	Fair
FR92	7.125	15-Jun-42	19.92	97.73	7.34%	7.56%	95.58	Fair
FR67	8.750	15-Feb-44	21.59	112.39	7.57%	7.58%	112.29	Fair
FR76	7.375	15-May-48	25.84	98.93	7.47%	7.64%	97.06	Fair
FR89	6.875	15-Aug-51	29.09	93.59	7.41%	7.67%	90.82	Premium

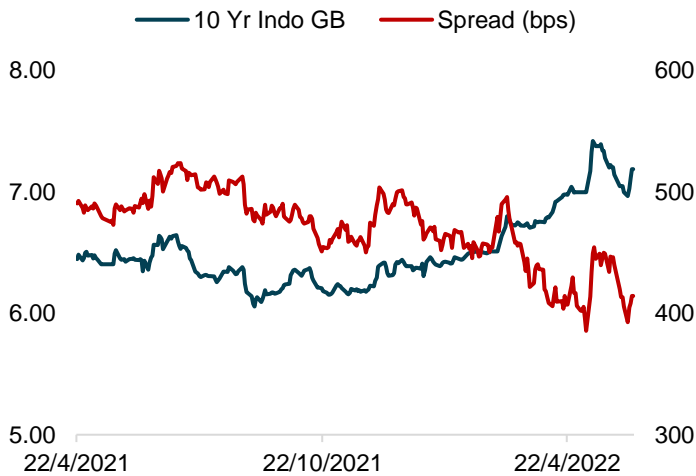
Source : Bloomberg, MNCS Calculation as of July 13, 2022

**Exhibit 6. Indo GB Yield Curve**



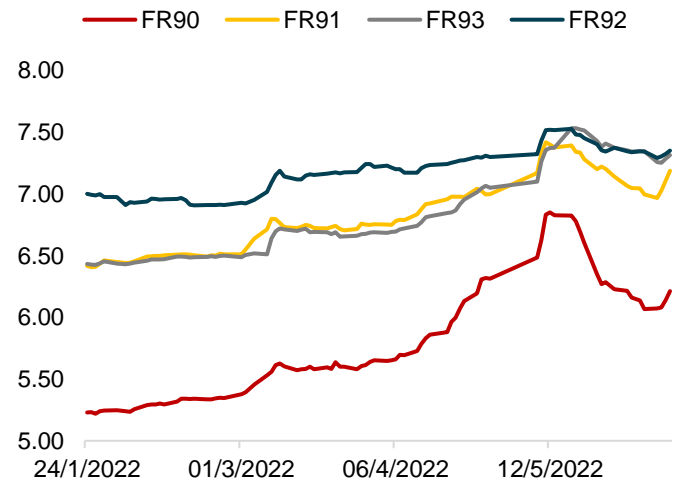
Source : Bloomberg, MNCS Calculation as of July 13, 2022

**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	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
Bank	32.5	31.92	33.45	33.69	34.77	35.63	34.01	35.47	35.82	35.03	32.81	32.25
Central Bank (Nett)	15.93	16.08	14.78	14.87	13.52	13.10	17.13	15.20	14.12	15.15	17.77	16.56
Mutual Fund	3.16	3.18	3.20	3.28	3.31	3.42	3.38	3.20	3.14	3.19	3.18	3.13
Insurance & Pension Fund	14.24	14.59	14.45	14.40	14.61	14.44	14.00	14.52	14.77	15.22	15.33	15.68
Foreign	22.82	22.53	22.44	21.56	21.24	20.55	19.05	18.97	18.82	17.57	17.03	16.56
Individuals	4.49	4.64	4.46	4.94	5.04	5.08	4.73	4.83	5.32	5.61	5.63	5.80
Others	6.95	7.07	7.21	7.25	7.50	7.78	7.70	7.82	8.01	8.22	8.26	8.42

Source : DJPPR as of 31 May 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

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