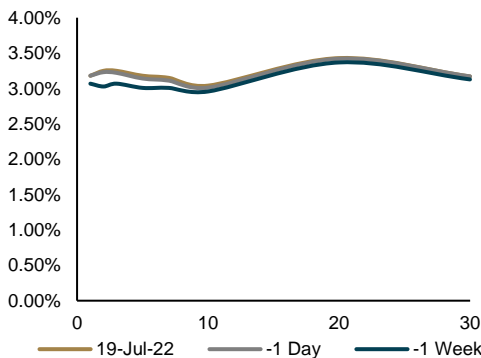


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	20-Jul-22	-1 Day	-1 Week
U.S	3.03%	3.02%	2.94%
U.K	2.14%	2.18%	2.06%
Germany	1.25%	1.27%	1.14%
Japan	0.24%	0.23%	0.23%
China	2.77%	2.79%	2.81%
Malaysia	4.06%	4.04%	4.04%
Thailand	2.62%	2.51%	2.46%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.03
Indo 5-Year CDS	bps	145.71
USD/IDR	points	14,990
BI 7DRR	%	3.50

Source : Bloomberg as of July 20, 2022

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## Global Market Update

- Yield on shorter and longer term UST note remains inverted. The benchmark 10-year UST note yield was up by +1bps to 3.03% on Wednesday (07/20/22).
- Meanwhile, yield on 2-year UST slightly fell -1 bps to 3.23% yesterday.
- Spread between 2-year and 10-year now stood at -20 bps as investors anticipate another 75-100 bps FFR hikes.
- Most of US stock indices recorded an appreciation. DJIA strengthened by +0.15%; S&P 500 was up +0.59% and the Nasdaq Composite gained +1.58%.
- The driving catalyst was from the release of the company's financial statements in 2Q22 that performed well and exceeded estimates.

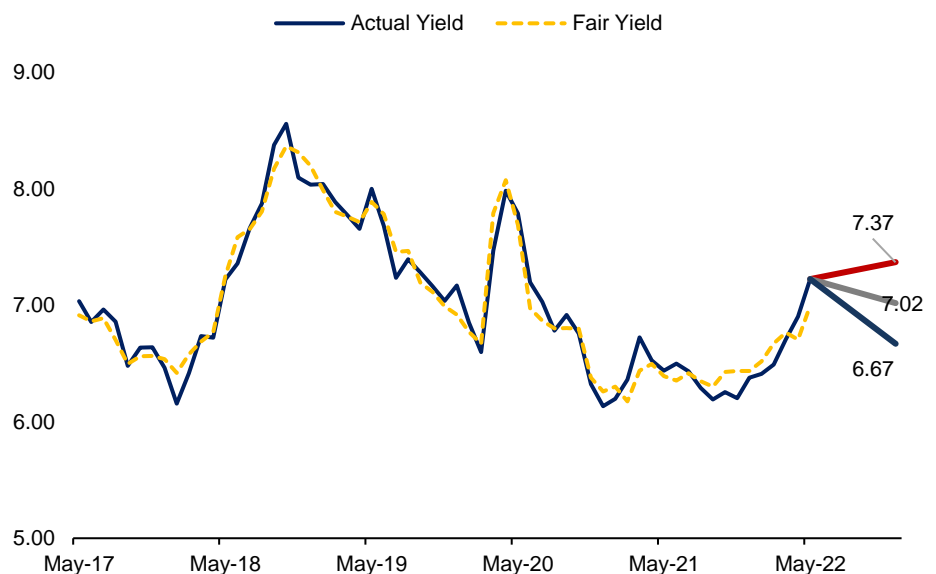
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) rose 1 bps to 7.45% on Wednesday (07/20/22).
- The IDR weakened to IDR14,990/USD yesterday compared to IDR14,977/USD in the previous day.
- Indonesia's risk premium 5-year CDS fell to 145.71 from 155.74 bps yesterday.
- The bloomberg survey shows the majority of economists (22/61%) expect BI to hold the 7-day reverse repo rate at 3.5% in the July-22 RDG.
- We view BI raising the benchmark interest rate by 25 bps to 3.75% as a pre-emptive measure to anchor inflation in line with: 1) oil price of USD100/bbl; 2) IDR weakening trend; 3) strengthening consumption & accelerating credit growth; 4) potential pass-on increase in input costs as well as 5) the increase in inflation expectations.

## 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 7.30-7.50% 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



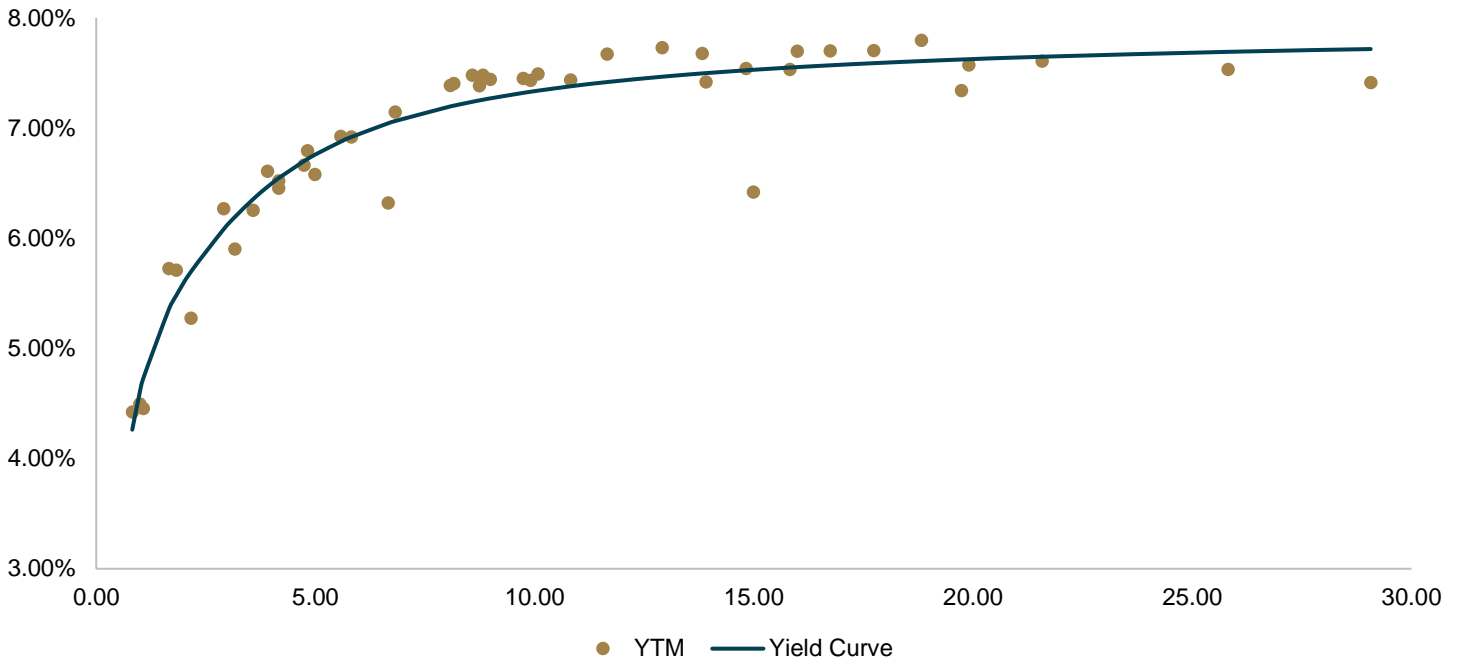
Source : Bloomberg, MNCS Calculation

## 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	0.82	100.95	4.42%	4.26%	101.08	Fair
FR46	9.500	15-Jul-23	0.99	104.75	4.49%	4.59%	104.68	Fair
FR39	11.750	15-Aug-23	1.07	107.51	4.45%	4.73%	107.25	Premium
FR70	8.375	15-Mar-24	1.65	104.10	5.72%	5.35%	104.71	Discounted
FR77	8.125	15-May-24	1.82	104.09	5.71%	5.48%	104.52	Fair
FR44	10.000	15-Sep-24	2.16	109.47	5.27%	5.69%	108.60	Premium
FR81	6.500	15-Jun-25	2.90	100.60	6.27%	6.08%	101.09	Fair
FR40	11.000	15-Sep-25	3.16	114.44	5.90%	6.19%	113.58	Premium
FR84	7.250	15-Feb-26	3.58	103.14	6.25%	6.35%	102.82	Fair
FR86	5.500	15-Jun-26	3.90	96.37	6.61%	6.47%	96.71	Fair
FR37	12.000	15-Sep-26	4.16	119.63	6.52%	6.54%	119.55	Fair
FR56	8.375	15-Sep-26	4.16	106.88	6.46%	6.54%	106.56	Fair
FR90	5.125	15-Apr-27	4.74	93.84	6.66%	6.70%	93.69	Fair
FR59	7.000	15-May-27	4.82	100.82	6.79%	6.72%	101.13	Fair
FR42	10.250	15-Jul-27	4.99	115.38	6.58%	6.76%	114.58	Fair
FR47	10.000	15-Feb-28	5.57	114.00	6.92%	6.87%	114.26	Fair
FR64	6.125	15-May-28	5.82	96.24	6.92%	6.92%	96.24	Fair
FR71	9.000	15-Mar-29	6.65	109.32	6.32%	7.04%	110.25	Premium
FR78	8.250	15-May-29	6.82	105.86	7.15%	7.06%	106.33	Fair
FR52	10.500	15-Aug-30	8.07	118.65	7.39%	7.19%	119.97	Fair
FR82	7.000	15-Sep-30	8.16	97.54	7.41%	7.20%	98.76	Fair
FR87	6.500	15-Feb-31	8.58	93.88	7.48%	7.24%	95.35	Fair
FR85	7.750	15-Apr-31	8.74	102.30	7.39%	7.25%	103.18	Fair
FR73	8.750	15-May-31	8.82	108.08	7.48%	7.26%	109.60	Fair
FR54	9.500	15-Jul-31	8.99	113.30	7.44%	7.27%	114.54	Fair
FR91	6.375	15-Apr-32	9.74	92.64	7.45%	7.32%	93.50	Fair
FR58	8.250	15-Jun-32	9.90	105.64	7.43%	7.33%	106.41	Fair
FR74	7.500	15-Aug-32	10.07	100.05	7.49%	7.34%	101.14	Fair
FR65	6.625	15-May-33	10.82	94.02	7.44%	7.38%	94.45	Fair
FR68	8.375	15-Mar-34	11.65	105.35	7.67%	7.42%	107.38	Fair
FR80	7.500	15-Jun-35	12.90	98.14	7.73%	7.46%	100.28	Fair
FR72	8.250	15-May-36	13.82	104.80	7.68%	7.49%	106.42	Fair
FR88	6.250	15-Jun-36	13.90	89.96	7.42%	7.50%	89.34	Fair
FR45	9.750	15-May-37	14.82	119.50	7.54%	7.52%	119.68	Fair
FR93	6.375	15-Jul-37	14.99	99.56	6.42%	7.53%	89.75	Premium
FR75	7.500	15-May-38	15.82	99.68	7.53%	7.55%	99.55	Fair
FR50	10.500	15-Jul-38	15.99	125.50	7.70%	7.55%	127.11	Fair
FR79	8.375	15-Apr-39	16.74	106.28	7.70%	7.57%	107.57	Fair
FR83	7.500	15-Apr-40	17.74	98.04	7.70%	7.59%	99.14	Fair
FR57	9.500	15-May-41	18.82	116.65	7.80%	7.61%	118.77	Fair
FR62	6.375	15-Apr-42	19.74	90.00	7.34%	7.62%	87.38	Premium
FR92	7.125	15-Jun-42	19.90	95.42	7.57%	7.62%	94.93	Fair
FR67	8.750	15-Feb-44	21.57	112.00	7.61%	7.65%	111.57	Fair
FR76	7.375	15-May-48	25.82	98.20	7.53%	7.69%	96.47	Fair
FR89	6.875	15-Aug-51	29.07	93.63	7.41%	7.72%	90.31	Premium

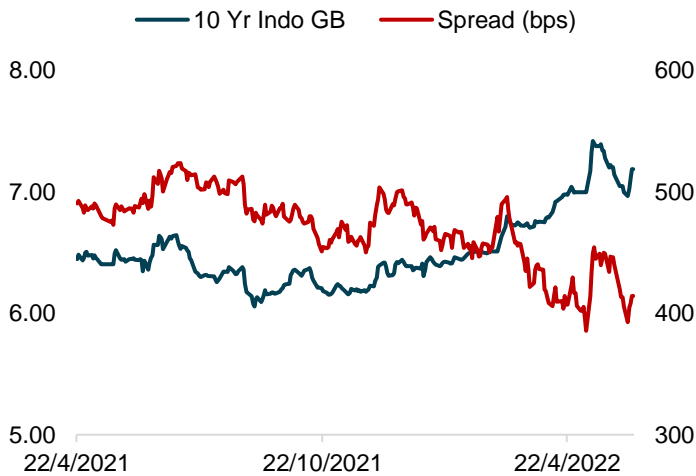
Source : Bloomberg, MNCS Calculation as of July 20, 2022

## Exhibit 6. Indo GB Yield Curve



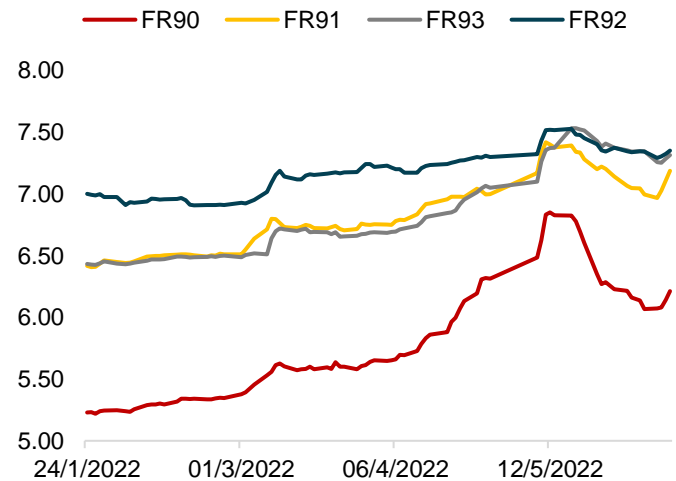
Source : Bloomberg, MNCS Calculation as of July 20, 2022

## 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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