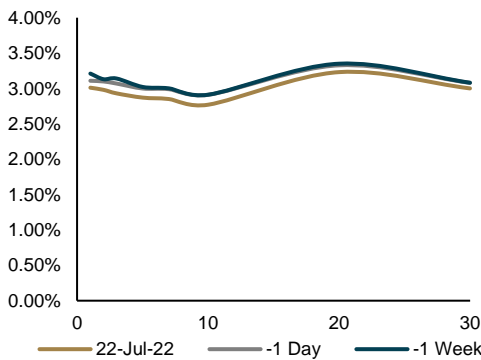


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	22-Jul-22	-1 Day	-1 Week
U.S	2.75%	2.88%	2.92%
U.K	1.93%	2.04%	2.09%
Germany	1.02%	1.21%	1.13%
Japan	0.19%	0.22%	0.24%
China	2.78%	2.76%	2.79%
Malaysia	4.04%	4.06%	4.05%
Thailand	2.63%	2.63%	2.48%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	2.75
Indo 5-Year CDS	bps	128.39
USD/IDR	points	15,013
BI 7DRR	%	3.50

Source : Bloomberg as of July 22, 2022

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## Global Market Update

- The yield on 10-year UST note dropped by 13 bps to 2.75%, while yield on the 2-year UST note fell to 2.97% on Friday (07/22/22)
- Yield curve on 2/10-year UST note remained inverted and the spread between two securities was at -22 bps last week.
- Focus remains on FOMC meeting this week as market participants also anticipate +100 bps rate hikes for Jul-22 meeting.
- Based on CME Fed Watch data, the probability of Fed would raise 75 bps stood at 78.7%, while 21.3% probability for 100 bps hike.
- US majority stock indices dipped in red last Friday. Dow Jones was down 0.43%; S&P 500 fell 0.93% whereas Nasdaq Composite declined by 1.87%.
- Elsewhere, ECB decided to raise interest rate for the first time in the last 11 years to tame inflation.
- ECB raised benchmark policy rate by 50 bps. It is not only beating the market consensus of 25 bps rate hike but also ending Euro Zone a decade long ZLB environment.
- Concern of rising stagflation due to high inflation and bleak output growth probability has made investors appetite to become risk off.

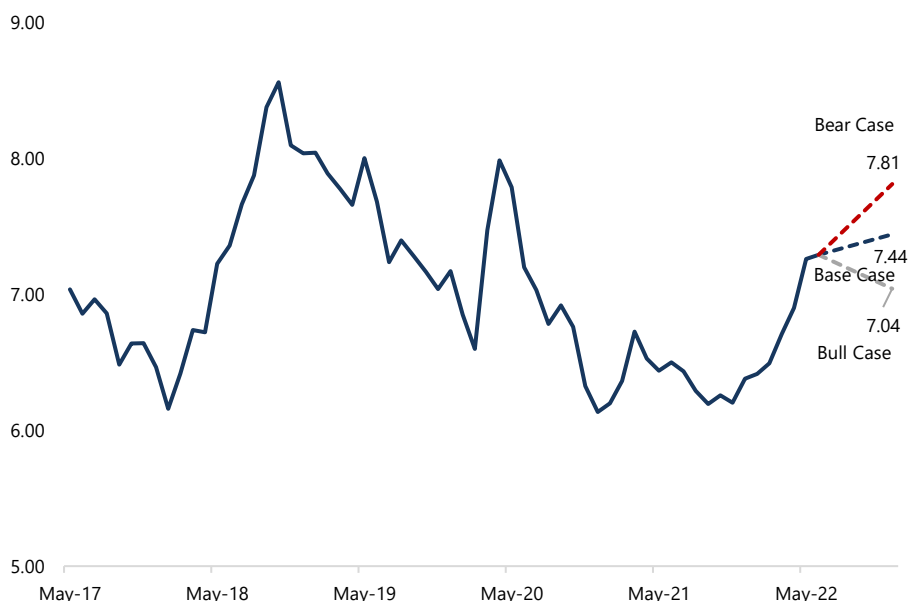
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) was flat at 7.47% on Friday (07/22/22).
- The IDR slightly strengthened to IDR15,018/USD last week and remained hovering around IDR15,000/USD level.
- On the other hand, Indonesia's risk premium 5-year CDS continue to decline and was close at 128.39 bps.
- On the data front, BI reported broad money (M2) supply grew 10.6% YoY in Jun-22 driven by loan growth.
- Banking loan continued to accelerate and it grew +10.3% YoY in Jun-22. BI expect FY22F loan growth at 9-10% at an annual pace, higher than previous projection of 6-8%.

## 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 7.40-7.60% 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



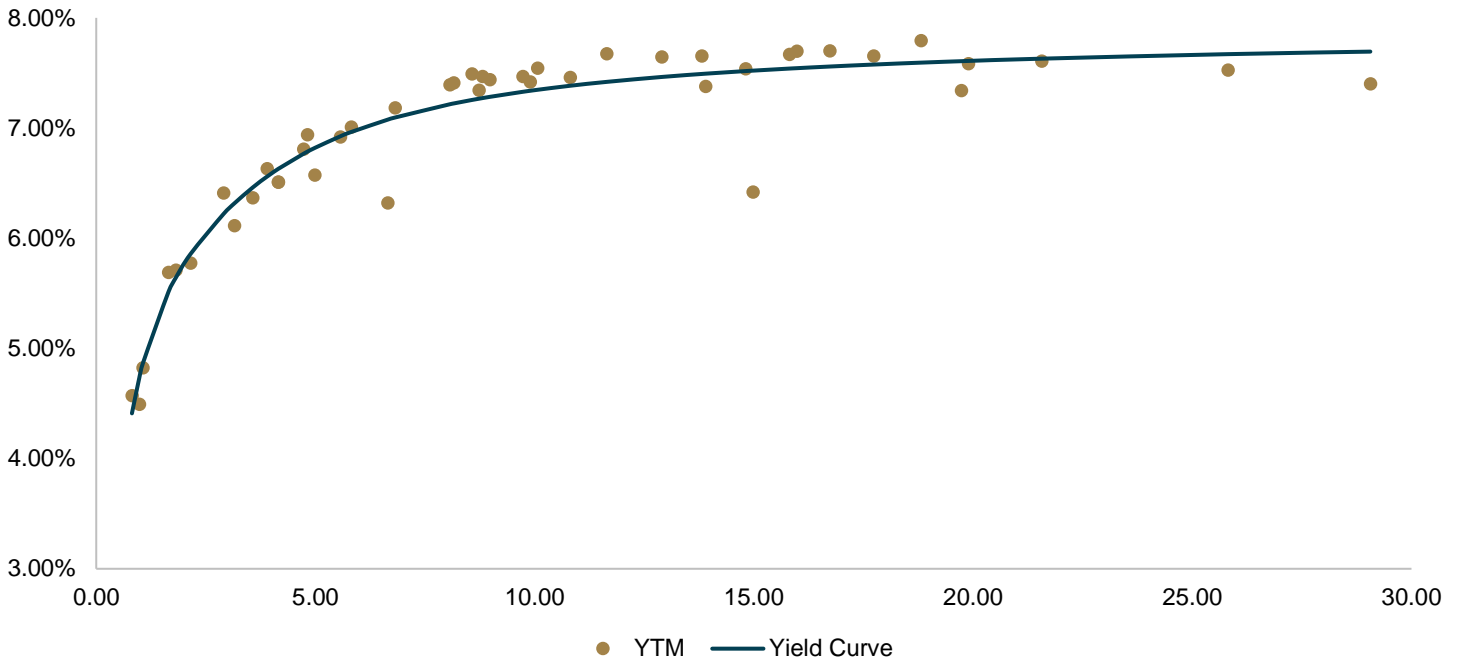
Source : Bloomberg, MNCS Calculation

## 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	0.81	100.82	4.57%	4.41%	100.96	Fair
FR46	9.500	15-Jul-23	0.98	104.70	4.49%	4.73%	104.52	Fair
FR39	11.750	15-Aug-23	1.07	107.04	4.82%	4.87%	107.06	Fair
FR70	8.375	15-Mar-24	1.65	104.13	5.69%	5.51%	104.44	Fair
FR77	8.125	15-May-24	1.81	104.07	5.71%	5.64%	104.22	Fair
FR44	10.000	15-Sep-24	2.15	108.38	5.77%	5.86%	108.24	Fair
FR81	6.500	15-Jun-25	2.90	100.22	6.41%	6.22%	100.73	Fair
FR40	11.000	15-Sep-25	3.15	113.75	6.11%	6.32%	113.17	Fair
FR84	7.250	15-Feb-26	3.57	102.77	6.37%	6.46%	102.47	Fair
FR86	5.500	15-Jun-26	3.90	96.31	6.63%	6.56%	96.40	Fair
FR37	12.000	15-Sep-26	4.15	119.63	6.51%	6.63%	119.19	Fair
FR56	8.375	15-Sep-26	4.15	106.66	6.51%	6.63%	106.23	Fair
FR90	5.125	15-Apr-27	4.73	93.29	6.81%	6.77%	93.43	Fair
FR59	7.000	15-May-27	4.81	100.24	6.94%	6.78%	100.86	Fair
FR42	10.250	15-Jul-27	4.98	115.38	6.57%	6.82%	114.29	Fair
FR47	10.000	15-Feb-28	5.57	114.00	6.92%	6.92%	114.00	Fair
FR64	6.125	15-May-28	5.81	95.83	7.01%	6.96%	96.03	Fair
FR71	9.000	15-Mar-29	6.65	109.37	6.32%	7.08%	110.05	Premium
FR78	8.250	15-May-29	6.81	105.64	7.18%	7.09%	106.14	Fair
FR52	10.500	15-Aug-30	8.07	118.60	7.39%	7.22%	119.81	Fair
FR82	7.000	15-Sep-30	8.15	97.52	7.41%	7.22%	98.64	Fair
FR87	6.500	15-Feb-31	8.57	93.82	7.49%	7.25%	95.24	Fair
FR85	7.750	15-Apr-31	8.73	102.58	7.34%	7.27%	103.07	Fair
FR73	8.750	15-May-31	8.81	108.15	7.47%	7.27%	109.48	Fair
FR54	9.500	15-Jul-31	8.98	113.30	7.44%	7.28%	114.43	Fair
FR91	6.375	15-Apr-32	9.73	92.53	7.47%	7.33%	93.43	Fair
FR58	8.250	15-Jun-32	9.90	105.75	7.42%	7.34%	106.33	Fair
FR74	7.500	15-Aug-32	10.07	99.68	7.54%	7.35%	101.07	Fair
FR65	6.625	15-May-33	10.81	93.87	7.46%	7.38%	94.41	Fair
FR68	8.375	15-Mar-34	11.65	105.31	7.68%	7.42%	107.36	Discounted
FR80	7.500	15-Jun-35	12.90	98.80	7.65%	7.46%	100.29	Fair
FR72	8.250	15-May-36	13.81	105.00	7.65%	7.49%	106.45	Fair
FR88	6.250	15-Jun-36	13.90	90.29	7.38%	7.49%	89.37	Fair
FR45	9.750	15-May-37	14.81	119.50	7.54%	7.52%	119.74	Fair
FR93	6.375	15-Jul-37	14.98	99.56	6.42%	7.52%	89.81	Premium
FR75	7.500	15-May-38	15.81	98.45	7.67%	7.54%	99.63	Fair
FR50	10.500	15-Jul-38	15.98	125.50	7.70%	7.54%	127.20	Fair
FR79	8.375	15-Apr-39	16.73	106.25	7.70%	7.56%	107.67	Fair
FR83	7.500	15-Apr-40	17.73	98.50	7.65%	7.58%	99.25	Fair
FR57	9.500	15-May-41	18.81	116.67	7.79%	7.59%	118.92	Fair
FR62	6.375	15-Apr-42	19.73	90.00	7.34%	7.61%	87.51	Premium
FR92	7.125	15-Jun-42	19.90	95.31	7.58%	7.61%	95.07	Fair
FR67	8.750	15-Feb-44	21.57	112.00	7.61%	7.63%	111.76	Fair
FR76	7.375	15-May-48	25.81	98.27	7.53%	7.67%	96.69	Fair
FR89	6.875	15-Aug-51	29.07	93.75	7.40%	7.69%	90.55	Premium

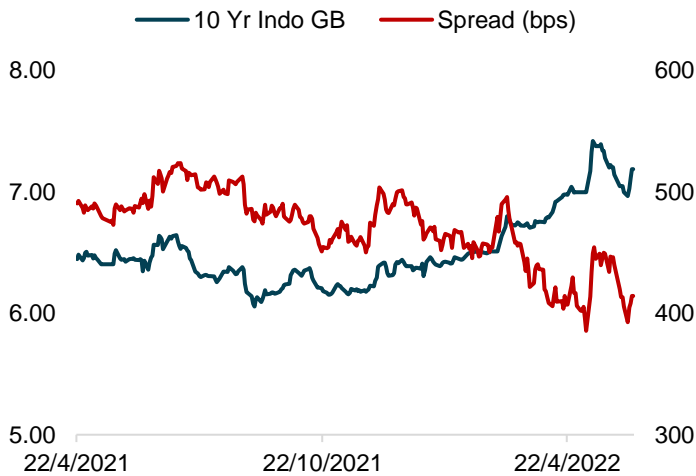
Source : Bloomberg, MNCS Calculation as of July 22, 2022

**Exhibit 6. Indo GB Yield Curve**



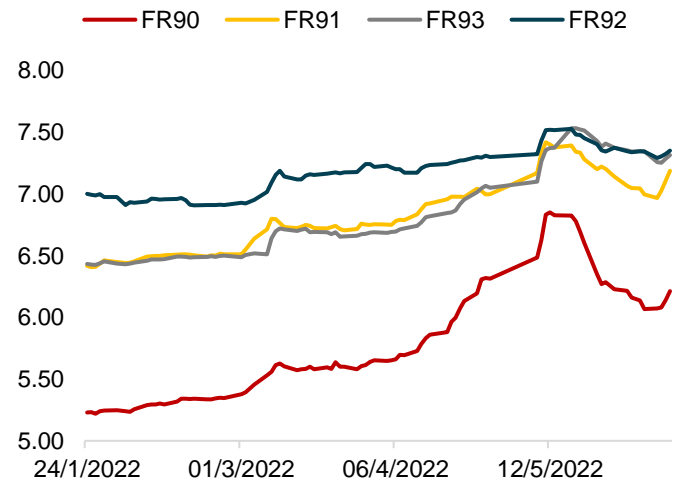
Source : Bloomberg, MNCS Calculation as of July 22, 2022

**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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