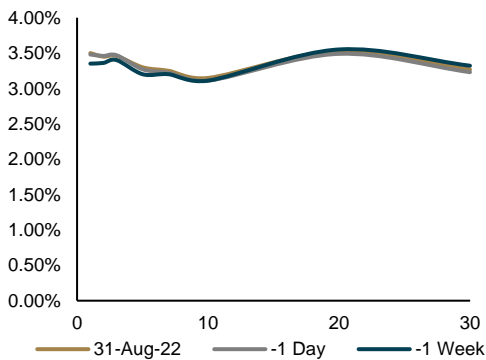


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	31-Aug-22	-1 Day	-1 Week
U.S	3.19%	3.11%	3.11%
U.K	2.80%	2.70%	2.70%
Germany	1.54%	1.51%	1.37%
Japan	0.22%	0.22%	0.22%
China	2.64%	2.64%	2.63%
Malaysia	3.99%	3.99%	3.99%
Thailand	2.43%	2.40%	2.48%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.19
Indo 5-Year CDS	bps	110.66
USD/IDR	points	14,843
BI 7DRR	%	3.75

Source : Bloomberg as of August 31, 2022

## Tirta Widi Gilang Citradi

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## Global Market Update

- The benchmark 10-year UST note yield rose 8 bps to 3.19% on Wednesday (08/31/22).
- Meanwhile the benchmark 2-year UST note yield rose by 6 bps to 3.50% at the same time.
- The spread between 2/10-year UST note yield slightly narrowed to -31 bps from previously -33 bps.
- US stock indices extended declines on Wednesday. DJI dropped 0.88%; S&P 500 fell 0.78% whilst Nasdaq Composite lost 0.56%.
- ECB policy maker is said to consider a 75 bps rate hike in Sep-22 meeting given high inflationary pressure.
- Euro Area inflation rate increased by 9.1% YoY in Aug-22, slightly higher than previous month figure of 8.9% YoY and 10 bps higher than consensus estimate.

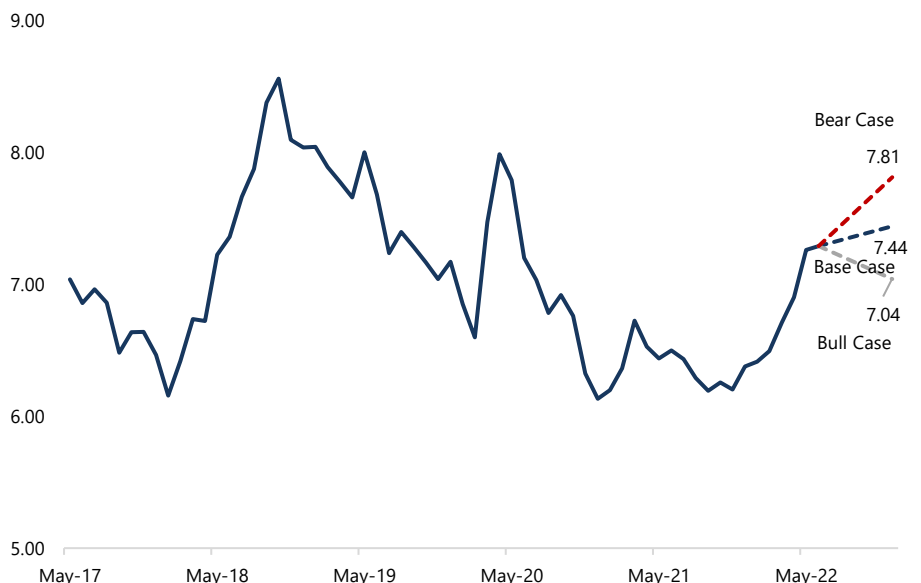
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) rose marginally by 1 bps to 7.11% on Wednesday (08/31/22).
- The IDR was unchanged against USD and was closed at IDR14,843/USD on Wednesday.
- Indonesia's 5-year CDS rose to 110.66 bps on Wednesday (vs 107.94 bps on Tuesday).
- Indonesia S&P manufacturing PMI increased 0.4 MoM to 51.7 in Aug-22, marking the highest figure since Apr-22 and 12-straight month of growth boosted by further economic recovery.
- However we believe that challenge remains on inflation side. Bank Indonesia (BI) estimates a deflation of -0.13% MoM in August 2022. However, annual inflation is at +4.77% YoY.
- We estimate deflation to occur at -0.05% MoM indicating an increase in an annual inflation of 4.85% YoY in August 2022 in line with the decline in prices of several food commodities such as shallots, red chilies, cooking oil and cayenne pepper.

## 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 7.10-7.30% for today.
- Attractive Indo GB series to be traded today : FR0063, FR0070, FR0042, FR0047, FR0052, FR0085, FR0091 and FR0096.

## Exhibit 4. 10 Year Indo GB Fair Yield



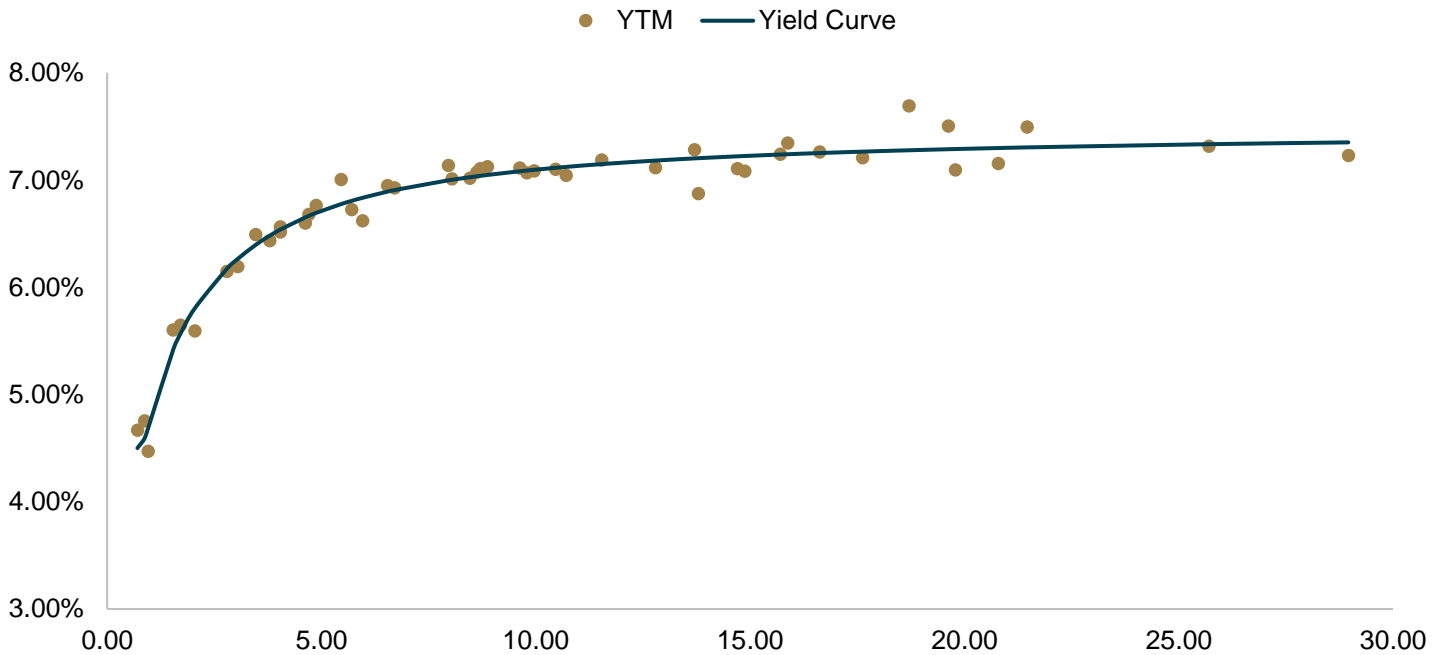
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR63	5.625	15-May-23	0.70	100.65	4.67%	4.50%	100.77	Discounted
FR46	9.500	15-Jul-23	0.87	103.98	4.75%	4.59%	104.14	Discounted
FR39	11.750	15-Aug-23	0.96	106.70	4.47%	4.69%	106.53	Premium
FR70	8.375	15-Mar-24	1.54	104.03	5.60%	5.42%	104.31	Discounted
FR77	8.125	15-May-24	1.71	103.96	5.65%	5.56%	104.10	Fair
FR44	10.000	15-Sep-24	2.04	108.37	5.59%	5.80%	107.96	Premium
FR81	6.500	15-Jun-25	2.79	100.88	6.15%	6.17%	100.82	Fair
FR40	11.000	15-Sep-25	3.04	113.12	6.19%	6.26%	112.92	Fair
FR84	7.250	15-Feb-26	3.46	102.31	6.49%	6.40%	102.61	Fair
FR86	5.500	15-Jun-26	3.79	97.02	6.43%	6.48%	96.74	Fair
FR37	12.000	15-Sep-26	4.04	119.00	6.56%	6.54%	119.11	Fair
FR56	8.375	15-Sep-26	4.04	106.51	6.51%	6.54%	106.42	Fair
<b>FR90</b>	<b>5.125</b>	<b>15-Apr-27</b>	<b>4.62</b>	<b>94.21</b>	<b>6.60%</b>	<b>6.65%</b>	<b>94.00</b>	<b>Fair</b>
FR59	7.000	15-May-27	4.70	101.27	6.68%	6.67%	101.31	Fair
FR42	10.250	15-Jul-27	4.87	114.25	6.76%	6.69%	114.56	Fair
FR47	10.000	15-Feb-28	5.46	113.38	7.00%	6.78%	114.49	Discounted
FR64	6.125	15-May-28	5.71	97.19	6.72%	6.81%	96.81	Fair
<b>FR95</b>	<b>6.375</b>	<b>15-Aug-28</b>	<b>5.96</b>	<b>98.81</b>	<b>6.62%</b>	<b>6.84%</b>	<b>97.77</b>	<b>Premium</b>
FR71	9.000	15-Mar-29	6.54	110.63	6.95%	6.89%	110.94	Fair
FR78	8.250	15-May-29	6.70	106.99	6.93%	6.91%	107.09	Fair
FR52	10.500	15-Aug-30	7.96	120.13	7.14%	7.00%	121.08	Discounted
FR82	7.000	15-Sep-30	8.04	99.94	7.01%	7.00%	99.98	Fair
FR87	6.500	15-Feb-31	8.46	96.75	7.02%	7.03%	96.68	Fair
FR85	7.750	15-Apr-31	8.62	104.30	7.07%	7.04%	104.55	Fair
FR73	8.750	15-May-31	8.70	110.51	7.11%	7.04%	110.97	Fair
FR54	9.500	15-Jul-31	8.87	115.42	7.12%	7.05%	115.95	Fair
<b>FR91</b>	<b>6.375</b>	<b>15-Apr-32</b>	<b>9.62</b>	<b>94.92</b>	<b>7.11%</b>	<b>7.08%</b>	<b>95.11</b>	<b>Fair</b>
FR58	8.250	15-Jun-32	9.79	108.24	7.07%	7.09%	108.08	Fair
FR74	7.500	15-Aug-32	9.96	102.93	7.08%	7.10%	102.84	Fair
<b>FR96</b>	<b>7.000</b>	<b>15-Feb-33</b>	<b>10.46</b>	<b>99.28</b>	<b>7.10%</b>	<b>7.11%</b>	<b>99.16</b>	<b>Fair</b>
FR65	6.625	15-May-33	10.70	96.88	7.04%	7.12%	96.30	Fair
FR68	8.375	15-Mar-34	11.54	109.21	7.19%	7.15%	109.51	Fair
FR80	7.500	15-Jun-35	12.79	103.20	7.11%	7.18%	102.61	Fair
FR72	8.250	15-May-36	13.71	108.30	7.28%	7.20%	109.01	Fair
FR88	6.250	15-Jun-36	13.79	94.50	6.87%	7.20%	91.73	Premium
FR45	9.750	15-May-37	14.70	123.85	7.11%	7.22%	122.65	Fair
<b>FR93</b>	<b>6.375</b>	<b>15-Jul-37</b>	<b>14.87</b>	<b>93.55</b>	<b>7.08%</b>	<b>7.23%</b>	<b>92.32</b>	<b>Premium</b>
FR75	7.500	15-May-38	15.70	102.41	7.24%	7.24%	102.41	Fair
FR50	10.500	15-Jul-38	15.87	129.25	7.35%	7.24%	130.43	Fair
FR79	8.375	15-Apr-39	16.62	110.64	7.26%	7.25%	110.73	Fair
FR83	7.500	15-Apr-40	17.62	102.89	7.21%	7.27%	102.29	Fair
FR57	9.500	15-May-41	18.70	117.75	7.69%	7.28%	122.49	Discounted
FR62	6.375	15-Apr-42	19.62	88.50	7.50%	7.29%	90.53	Discounted
<b>FR92</b>	<b>7.125</b>	<b>15-Jun-42</b>	<b>19.79</b>	<b>100.33</b>	<b>7.09%</b>	<b>7.29%</b>	<b>98.27</b>	<b>Premium</b>
<b>FR97</b>	<b>7.125</b>	<b>15-Jun-43</b>	<b>20.79</b>	<b>99.69</b>	<b>7.15%</b>	<b>7.30%</b>	<b>98.13</b>	<b>Premium</b>
FR67	8.750	15-Feb-44	21.46	113.30	7.49%	7.31%	115.53	Discounted
FR76	7.375	15-May-48	25.71	100.67	7.32%	7.34%	100.44	Fair
FR89	6.875	15-Aug-51	28.96	95.75	7.23%	7.35%	94.31	Fair

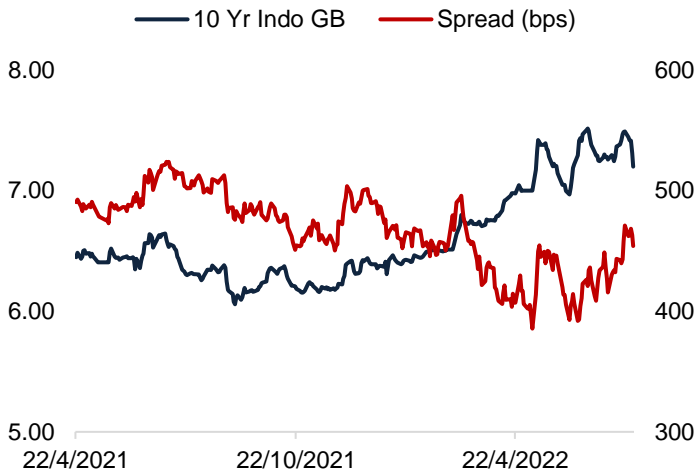
Source : Bloomberg, MNCS Calculation as of August 31, 2022

## Exhibit 6. Indo GB Yield Curve



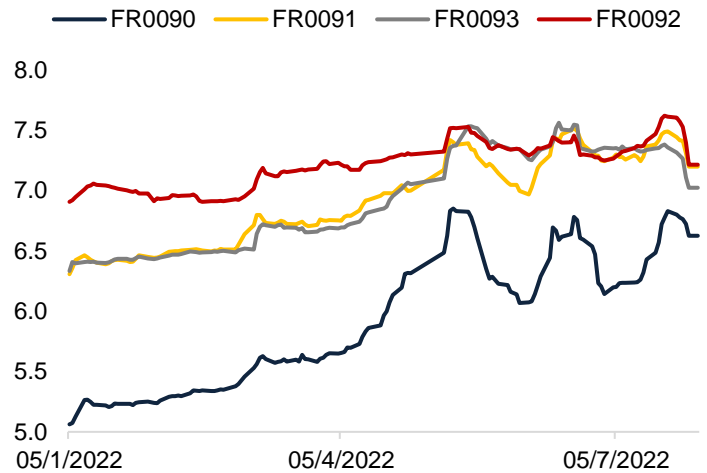
Source : Bloomberg, MNCS Calculation as of August 31, 2022

## 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	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Bank	33.45	33.69	34.77	35.63	34.01	35.47	35.82	35.03	32.81	33.85	29.55	34.21
Central Bank (Nett)	14.78	14.87	13.52	13.10	17.13	15.20	14.12	15.15	17.77	16.56	20.89	16.55
Mutual Fund	3.20	3.28	3.31	3.42	3.38	3.20	3.14	3.19	3.18	3.13	3.16	3.14
Insurance & Pension Fund	14.45	14.40	14.61	14.44	14.00	14.52	14.77	15.22	15.33	15.68	15.94	16.31
Foreign	22.44	21.56	21.24	20.55	19.05	18.97	18.82	17.57	17.03	16.56	16.09	15.35
Individuals	4.46	4.94	5.04	5.08	4.73	4.83	5.32	5.61	5.63	5.80	5.81	5.88
Others	7.21	7.25	7.50	7.78	7.70	7.82	8.01	8.22	8.26	8.42	8.56	8.54

Source : DJPPR as of 26 July 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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