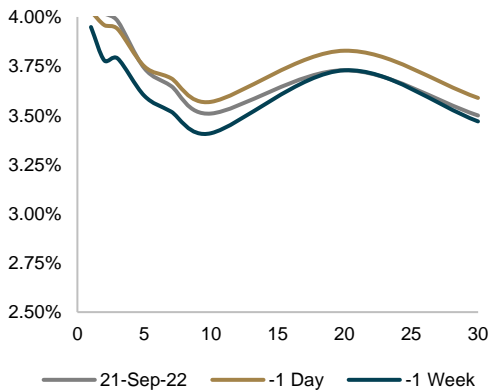


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	21-Sep-22	-1 Day	-1 Week
U.S	3.53%	3.56%	3.41%
U.K	3.31%	3.29%	3.13%
Germany	1.89%	1.92%	1.71%
Japan	0.25%	0.25%	0.25%
China	2.64%	2.66%	2.66%
Malaysia	4.21%	4.19%	4.09%
Thailand	2.95%	2.92%	2.77%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.53
Indo 5-Year CDS	bps	130.43
USD/IDR	points	14,997
BI 7DRR	%	3.75

Source : Bloomberg as of September 21, 2022

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## Global Market Update

- The benchmark 10-year note yield decreased 3 bps to 3.53% on Wednesday (09/21/22)
- On the other hand, the 2-year benchmark increased 8 bps to 4.05% at the same time.
- Yield on the benchmark 2-year government bond finally hitting above 4% level.
- Spread between 2/10-year UST note yield was at -52 bps or widening from the previous day position at -41 bps.
- US stock indices continued to fall on Wednesday. All the 3 benchmark indices dropped more than 1.7%.
- Financial market moved responding to Fed's rate hikes by 75 bps on Sep-22 meeting.
- Despite the rate hike has been anticipated, interestingly, based on FOMC Sep-22 projection, expect FFR to be raised further to 4.4% by the end of 2022. This is 100 bps higher than in Jun-22 projection.
- Furthermore, FOMC also expect that US GDP will grow only 0.2% this year, a 150 bps downgrade from Jun-22 projection.
- On the other hand, FOMC sees PCE inflation could hit 5.4% or 20 bps higher from Jun-22 projection.

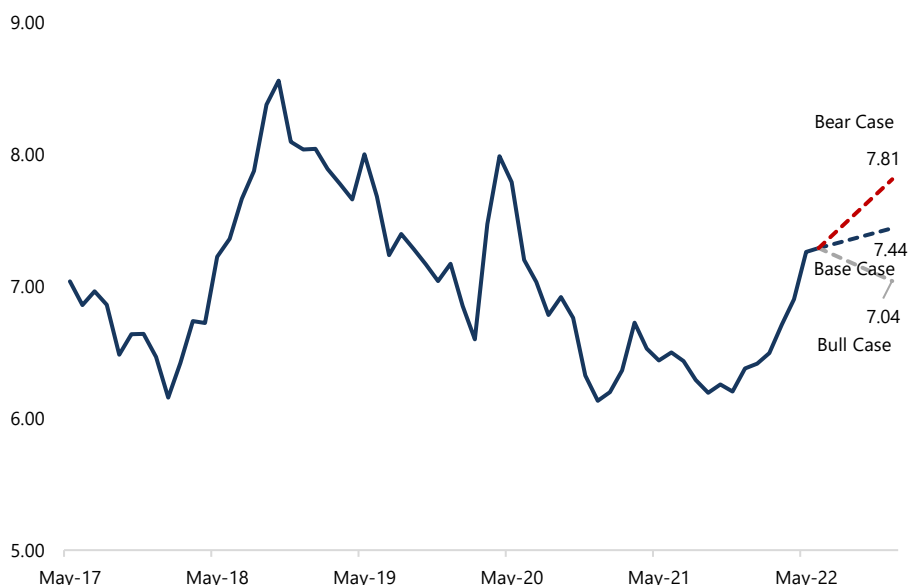
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR009) increased marginally 1 bps at 7.18% on Wednesday (09/21/22).
- Indonesia's 5-year CDS finally rose to above 130 bps yesterday and was closed at 130.43 bps.
- However, the IDR continued to depreciate against USD. The IDR was closed at IDR14,997/USD on Wednesday (vs IDR14,984/USD on Tuesday).
- We expect BI to raise 7-day reverse repo rate by 25 bps to 4.00% on Sep-22 meeting.
- The tightening of monetary policy is inevitable since the risk of higher inflation and IDR depreciation linger.

## 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, FR0077, FR0081, FR0086, FR0090, FR0064, FR0082, FR0087, FR0091, FR0096.

## Exhibit 4. 10 Year Indo GB Fair Yield



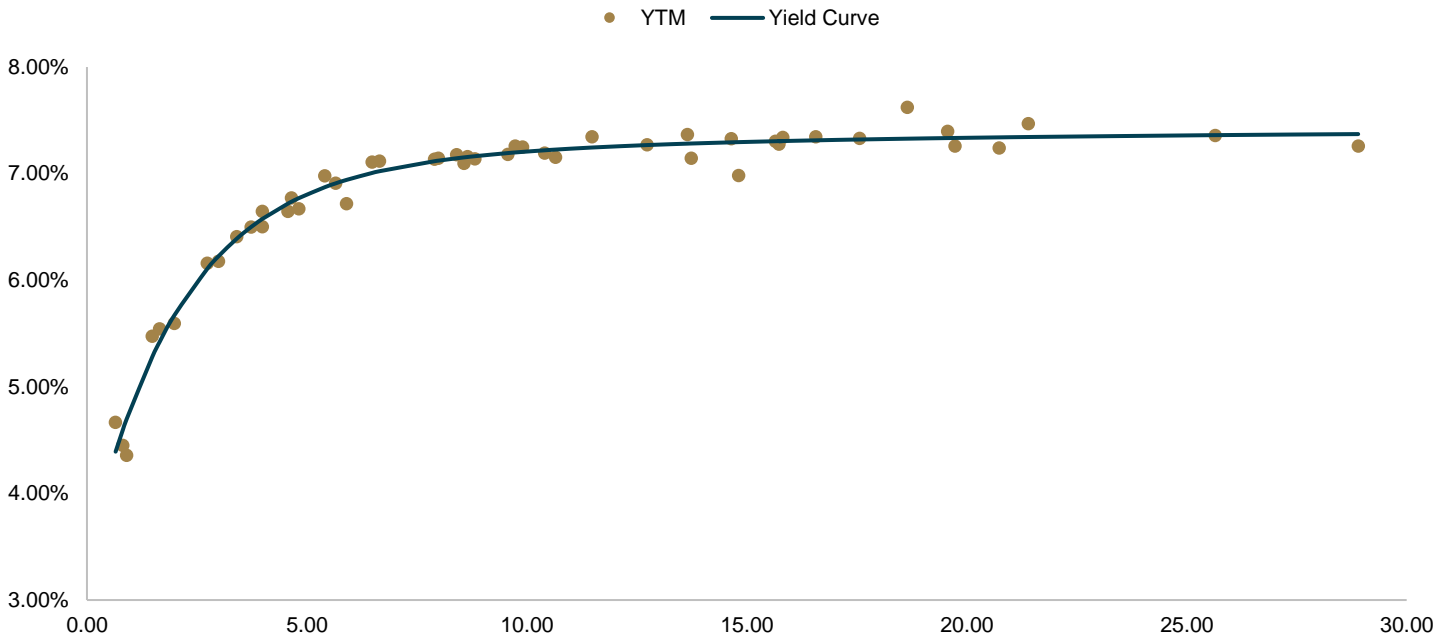
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR63	5.625	15-May-23	0.65	100.59	4.67%	4.39%	100.77	Discounted
FR46	9.500	15-Jul-23	0.81	103.96	4.45%	4.60%	103.87	Premium
FR39	11.750	15-Aug-23	0.90	106.40	4.36%	4.70%	106.13	Premium
FR70	8.375	15-Mar-24	1.48	104.06	5.48%	5.28%	104.36	Discounted
FR77	8.125	15-May-24	1.65	103.99	5.54%	5.42%	104.20	Discounted
FR44	10.000	15-Sep-24	1.98	108.14	5.60%	5.67%	108.01	Premium
FR81	6.500	15-Jun-25	2.73	100.83	6.16%	6.11%	100.96	Fair
FR40	11.000	15-Sep-25	2.98	112.94	6.18%	6.22%	112.82	Fair
FR84	7.250	15-Feb-26	3.40	102.52	6.41%	6.39%	102.58	Fair
FR86	5.500	15-Jun-26	3.73	96.87	6.50%	6.50%	96.72	Fair
FR37	12.000	15-Sep-26	3.98	119.00	6.50%	6.58%	118.74	Premium
FR56	8.375	15-Sep-26	3.98	105.95	6.65%	6.58%	106.21	Discounted
FR90	5.125	15-Apr-27	4.57	94.10	6.65%	6.72%	93.81	Premium
FR59	7.000	15-May-27	4.65	100.88	6.77%	6.74%	101.02	Fair
FR42	10.250	15-Jul-27	4.81	114.50	6.67%	6.77%	114.08	Premium
FR47	10.000	15-Feb-28	5.40	113.38	6.98%	6.87%	113.90	Discounted
FR64	6.125	15-May-28	5.65	96.36	6.91%	6.91%	96.37	Fair
FR95	6.375	15-Aug-28	5.90	98.34	6.72%	6.94%	97.28	Premium
FR71	9.000	15-Mar-29	6.48	109.68	7.11%	7.01%	110.24	Discounted
FR78	8.250	15-May-29	6.65	105.89	7.12%	7.02%	106.42	Discounted
FR52	10.500	15-Aug-30	7.90	120.03	7.13%	7.12%	120.16	Fair
FR82	7.000	15-Sep-30	7.98	99.12	7.15%	7.12%	99.26	Fair
FR87	6.500	15-Feb-31	8.40	95.77	7.18%	7.14%	95.97	Fair
FR85	7.750	15-Apr-31	8.57	104.13	7.10%	7.15%	103.77	Fair
FR73	8.750	15-May-31	8.65	110.10	7.16%	7.16%	110.13	Fair
FR54	9.500	15-Jul-31	8.81	115.23	7.14%	7.16%	115.06	Fair
FR91	6.375	15-Apr-32	9.57	94.50	7.18%	7.19%	94.40	Fair
FR58	8.250	15-Jun-32	9.73	106.80	7.26%	7.20%	107.25	Discounted
FR74	7.500	15-Aug-32	9.90	101.74	7.25%	7.20%	102.06	Fair
FR96	7.000	15-Feb-33	10.40	98.58	7.19%	7.22%	98.40	<b>Fair</b>
FR65	6.625	15-May-33	10.65	96.09	7.15%	7.23%	95.58	Premium
FR68	8.375	15-Mar-34	11.48	107.88	7.35%	7.25%	108.70	Discounted
FR80	7.500	15-Jun-35	12.73	101.87	7.27%	7.27%	101.89	Fair
FR72	8.250	15-May-36	13.65	107.50	7.37%	7.28%	108.27	Discounted
FR88	6.250	15-Jun-36	13.73	92.25	7.14%	7.28%	91.11	Premium
FR45	9.750	15-May-37	14.65	121.50	7.33%	7.29%	121.86	Fair
FR93	6.375	15-Jul-37	14.81	94.44	6.98%	7.30%	91.73	Premium
FR75	7.500	15-May-38	15.65	101.79	7.30%	7.30%	101.79	Fair
FR50	10.500	15-Jul-38	15.81	129.25	7.34%	7.31%	129.64	Fair
FR98	7.125	15-Jun-38	15.73	98.573	7.28%	7.31%	98.31	Fair
FR79	8.375	15-Apr-39	16.57	109.76	7.35%	7.31%	110.10	Fair
FR83	7.500	15-Apr-40	17.57	101.65	7.33%	7.32%	101.75	Fair
FR57	9.500	15-May-41	18.65	118.50	7.62%	7.33%	121.87	Discounted
FR62	6.375	15-Apr-42	19.57	89.50	7.40%	7.33%	90.11	Discounted
FR92	7.125	15-Jun-42	19.73	98.60	7.26%	7.34%	97.81	Premium
FR97	7.125	15-Jun-43	20.73	98.76	7.24%	7.34%	97.71	Premium
FR67	8.750	15-Feb-44	21.40	113.58	7.47%	7.34%	115.04	Discounted
FR76	7.375	15-May-48	25.65	100.18	7.36%	7.36%	100.14	Fair
FR89	6.875	15-Aug-51	28.90	95.38	7.26%	7.37%	94.09	Premium

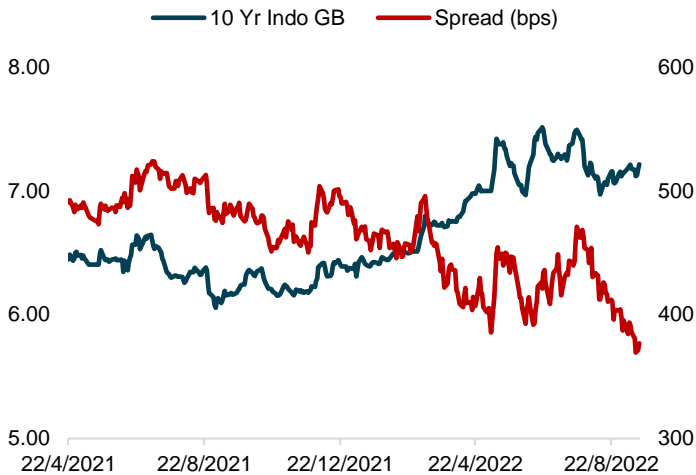
Source : Bloomberg, MNCS Calculation as of September 21, 2022

## Exhibit 6. Indo GB Yield Curve



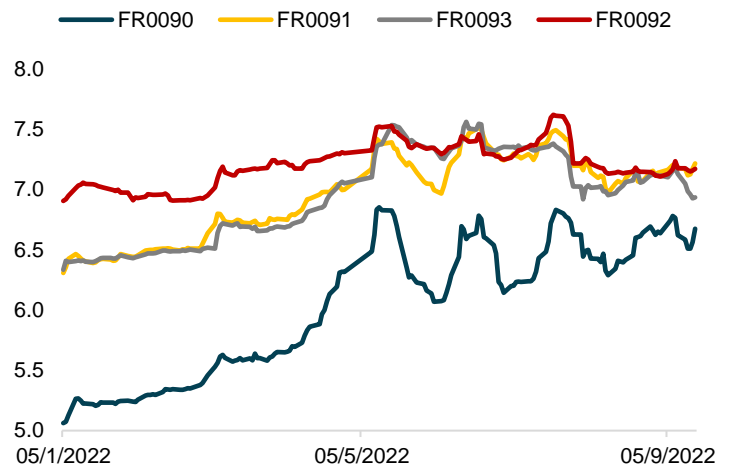
Source : Bloomberg, MNCS Calculation as of September 21, 2022

## 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	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Bank	34.77	35.63	34.01	35.47	35.82	35.03	32.81	33.85	29.55	33.54	32.08	31.70
Central Bank (Nett)	13.52	13.10	17.13	15.20	14.12	15.15	17.77	16.56	20.89	17.18	18.66	18.97
Mutual Fund	3.31	3.42	3.38	3.20	3.14	3.19	3.18	3.13	3.16	3.14	3.14	3.13
Insurance & Pension Fund	14.61	14.44	14.00	14.52	14.77	15.22	15.33	15.68	15.94	16.32	16.29	16.44
Foreign	21.24	20.55	19.05	18.97	18.82	17.57	17.03	16.56	16.09	15.36	15.24	14.93
Individuals	5.04	5.08	4.73	4.83	5.32	5.61	5.63	5.80	5.81	5.89	5.86	5.87
Others	7.50	7.78	7.70	7.82	8.01	8.22	8.26	8.42	8.56	8.55	8.73	8.96

Source : DJPPR as of September, 15 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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