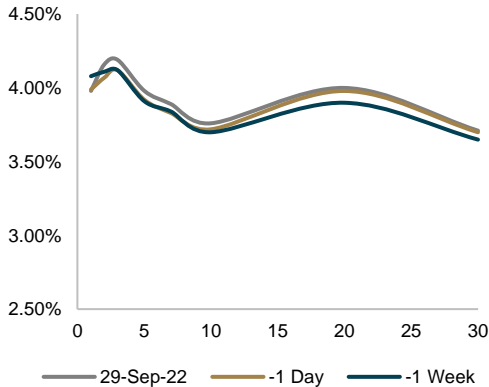


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	29-Sep-22	-1 Day	-1 Week
U.S	3.78%	3.73%	3.71%
U.K	4.13%	4.00%	3.50%
Germany	2.17%	2.11%	1.97%
Japan	0.24%	0.23%	0.24%
China	2.72%	2.71%	2.65%
Malaysia	4.44%	4.47%	4.24%
Thailand	3.18%	3.16%	2.96%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.78
Indo 5-Year CDS	bps	166.18
USD/IDR	points	15,263
BI 7DRR	%	4.25

Source : Bloomberg as of September 29, 2022

## Tirta Widi Gilang Citradi

Economist & Fixed Income Analyst  
tirta.citradi@mncgroup.com

## Global Market Update

- The benchmark 10-year note yield increased 5 bps to 3.78% on Thursday (09/29/22).
- On the other hand, the 2-year benchmark yield gained 7 bps to 4.20% at the same time.
- Spread between 2/10-year UST note yield was at -42 bps, widening from the previous day position at -40 bps.
- The USD index fell to 111.89 after hitting its peak this year at 114.00, whilst, oil price continued to drop amidst unfavorable macro environment.
- The Brent crude future price has been traded consistently below USD90/bbl 23 September 2022.
- Oil prices have declined more than 30% from its peak this year, yet on average Brent crude price stayed high at USD102.53/bbl.
- Following the rise in the risk free rate, US stock market tumbled erasing its gain from the previous day's rebound.
- All the 3 major indices for US equity market dipped more than 1% (DJI -1.54%; S&P 500 -2.11%; Nasdaq Composite -2.84%).

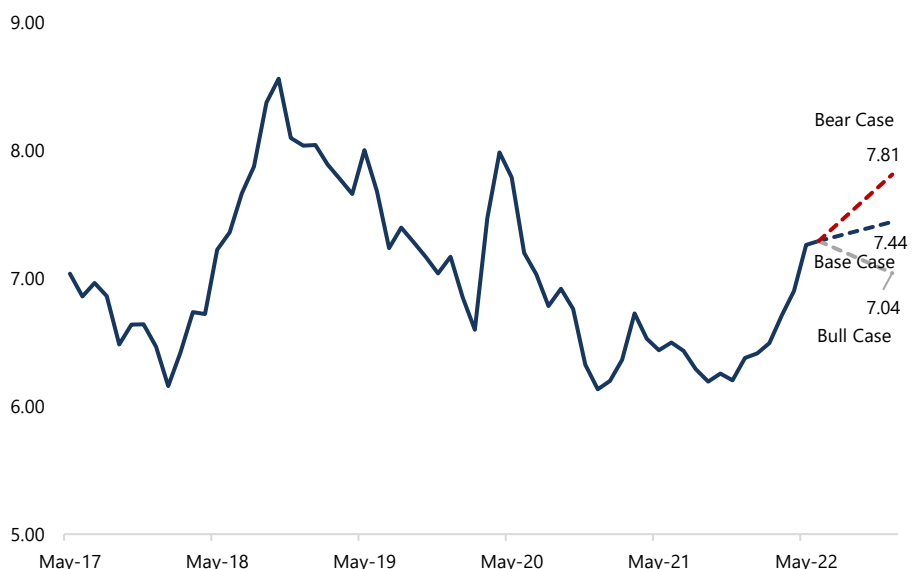
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) stayed at 7.39% on Thursday (09/29/22).
- Indonesia's 5-year CDS remained above 160 bps yesterday. The risk premium rose to 166.18 bps.
- The IDR remained above 15,260.USD and was closed at IDR15,263/USD yesterday.
- Since BI decided to increase the benchmark interest rate, IndONIA's interest rate rose 28 bps to 3.83% and the 1-week JIBOR rate rose 46 bps to 4.52%.
- We view that the increase in money market interest rates reflects the ongoing transmission of monetary policy.
- Currently, there is sufficient liquidity in the banking system. However, with the increase in Statutory Reserves and an rising loan demand, we estimate that loan interest rates will begin to increase 3-6 months after the benchmark interest rate hike (1Q23).

## 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 7.25-7.45% for today.
- Attractive Indo GB series to be traded today : FR0063, FR0070, FR0077, FR0081, FR0090, FR0064, FR0095, FR0082, FR0087, FR0091, FR0096.

## Exhibit 4. 10 Year Indo GB Fair Yield



Source : Bloomberg, MNCS Calculation

# Fixed Income Report

MNC Sekuritas Research Division | September 30, 2022

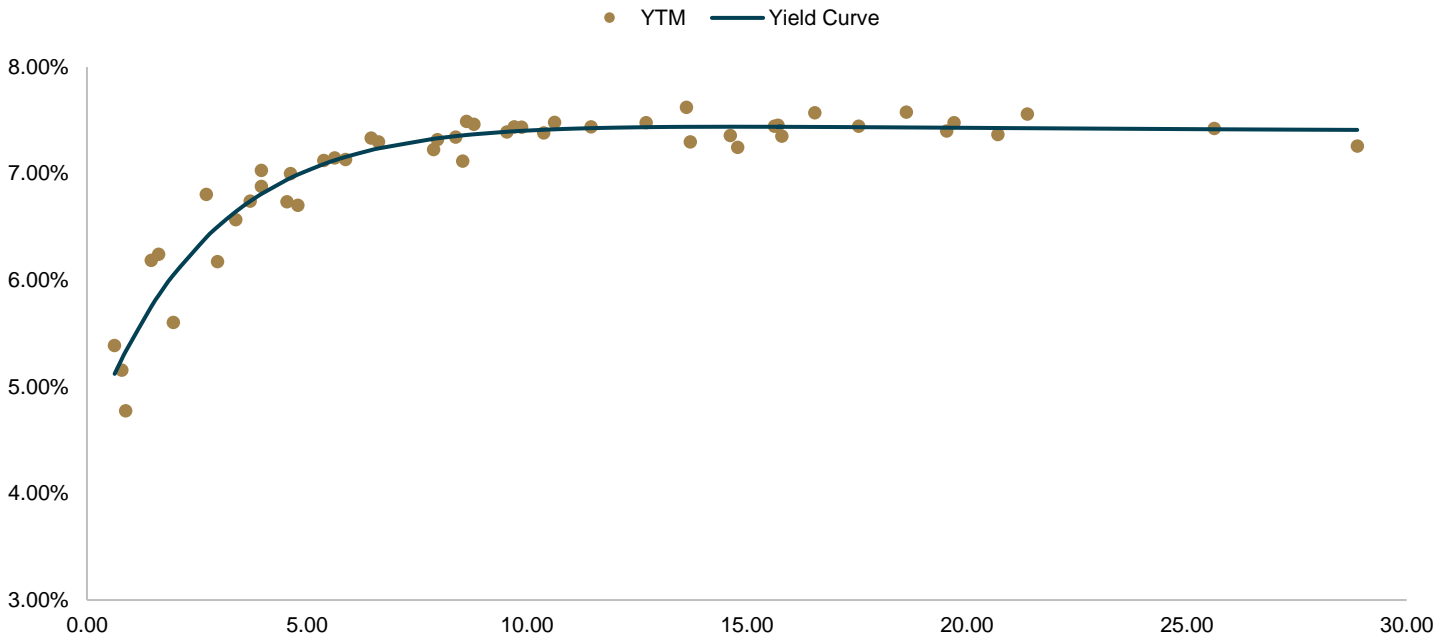


## Exhibit 5. Indo GB Series Valuation

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR63	5.625	15-May-23	0.62	100.14	5.39%	5.12%	100.30	Discounted
FR46	9.500	15-Jul-23	0.79	103.28	5.16%	5.26%	103.24	Premium
FR39	11.750	15-Aug-23	0.88	105.84	4.78%	5.33%	105.42	Premium
FR70	8.375	15-Mar-24	1.46	102.99	6.19%	5.75%	103.62	Discounted
FR77	8.125	15-May-24	1.63	102.84	6.24%	5.86%	103.46	Discounted
FR44	10.000	15-Sep-24	1.96	108.01	5.61%	6.05%	107.20	Premium
FR81	6.500	15-Jun-25	2.71	99.25	6.80%	6.40%	100.23	Discounted
FR40	11.000	15-Sep-25	2.96	112.83	6.18%	6.50%	111.94	Premium
FR84	7.250	15-Feb-26	3.38	102.01	6.57%	6.64%	101.80	Fair
FR86	5.500	15-Jun-26	3.71	96.15	6.74%	6.74%	95.97	Fair
FR37	12.000	15-Sep-26	3.96	116.88	7.03%	6.81%	117.75	Discounted
FR56	8.375	15-Sep-26	3.96	105.08	6.88%	6.81%	105.35	Fair
FR90	5.125	15-Apr-27	4.54	93.79	6.74%	6.94%	93.01	Premium
FR59	7.000	15-May-27	4.63	99.99	7.00%	6.96%	100.15	Fair
FR42	10.250	15-Jul-27	4.79	114.28	6.70%	6.99%	113.06	Premium
FR47	10.000	15-Feb-28	5.38	112.63	7.12%	7.09%	112.81	Fair
FR64	6.125	15-May-28	5.63	95.32	7.15%	7.12%	95.42	Fair
FR95	6.375	15-Aug-28	5.88	96.41	7.13%	7.16%	96.29	Fair
FR71	9.000	15-Mar-29	6.46	108.43	7.33%	7.22%	109.05	Discounted
FR78	8.250	15-May-29	6.63	104.92	7.30%	7.24%	105.25	Fair
FR52	10.500	15-Aug-30	7.88	119.37	7.23%	7.33%	118.72	Premium
FR82	7.000	15-Sep-30	7.96	98.10	7.32%	7.33%	98.02	Fair
FR87	6.500	15-Feb-31	8.38	94.78	7.34%	7.35%	94.73	Fair
FR85	7.750	15-Apr-31	8.54	103.98	7.12%	7.36%	102.44	Premium
FR73	8.750	15-May-31	8.63	107.87	7.49%	7.36%	108.73	Discounted
FR54	9.500	15-Jul-31	8.79	112.93	7.46%	7.37%	113.60	Discounted
FR91	6.375	15-Apr-32	9.54	93.13	7.39%	7.39%	93.11	Fair
FR58	8.250	15-Jun-32	9.71	105.52	7.44%	7.40%	105.82	Fair
FR74	7.500	15-Aug-32	9.88	100.43	7.44%	7.40%	100.67	Fair
FR96	7.000	15-Feb-33	10.38	97.25	7.38%	7.41%	97.05	Fair
FR65	6.625	15-May-33	10.63	93.80	7.48%	7.42%	94.24	Fair
FR68	8.375	15-Mar-34	11.46	107.13	7.44%	7.43%	107.23	Fair
FR80	7.500	15-Jun-35	12.71	100.17	7.48%	7.44%	100.51	Fair
FR72	8.250	15-May-36	13.63	105.24	7.62%	7.44%	106.86	Discounted
FR88	6.250	15-Jun-36	13.71	91.00	7.30%	7.44%	89.88	Premium
FR45	9.750	15-May-37	14.63	121.18	7.36%	7.44%	120.37	Fair
FR93	6.375	15-Jul-37	14.79	92.17	7.25%	7.44%	90.53	Premium
FR75	7.500	15-May-38	15.63	100.48	7.45%	7.44%	100.54	Fair
FR50	10.500	15-Jul-38	15.79	129.09	7.35%	7.44%	128.14	Fair
FR98	7.125	15-Jun-38	15.71	96.965	7.45%	7.44%	97.10	Fair
FR79	8.375	15-Apr-39	16.54	107.50	7.57%	7.44%	108.83	Discounted
FR83	7.500	15-Apr-40	17.54	100.54	7.44%	7.44%	100.62	Fair
FR57	9.500	15-May-41	18.63	119.00	7.58%	7.43%	120.65	Discounted
FR62	6.375	15-Apr-42	19.54	89.50	7.40%	7.43%	89.20	Fair
FR92	7.125	15-Jun-42	19.71	96.38	7.48%	7.43%	96.85	Fair
FR97	7.125	15-Jun-43	20.71	97.44	7.37%	7.43%	96.81	Fair
FR67	8.750	15-Feb-44	21.38	112.50	7.56%	7.43%	114.06	Discounted
FR76	7.375	15-May-48	25.63	99.42	7.42%	7.42%	99.52	Fair
FR89	6.875	15-Aug-51	28.88	95.38	7.26%	7.41%	93.65	Premium

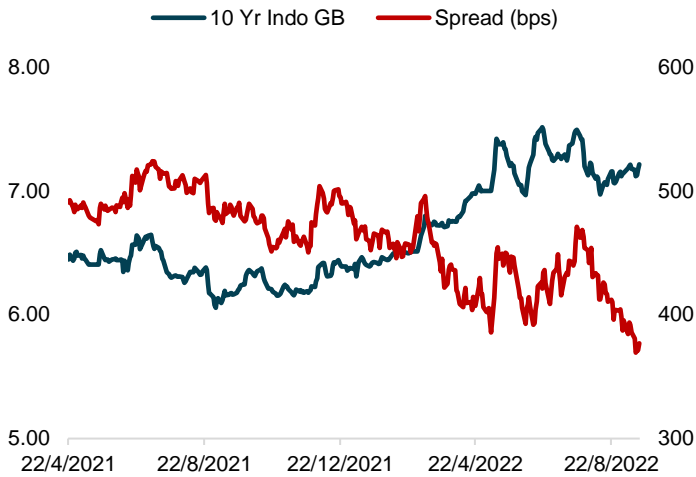
Source : Bloomberg, MNCS Calculation as of September 29, 2022

## Exhibit 6. Indo GB Yield Curve



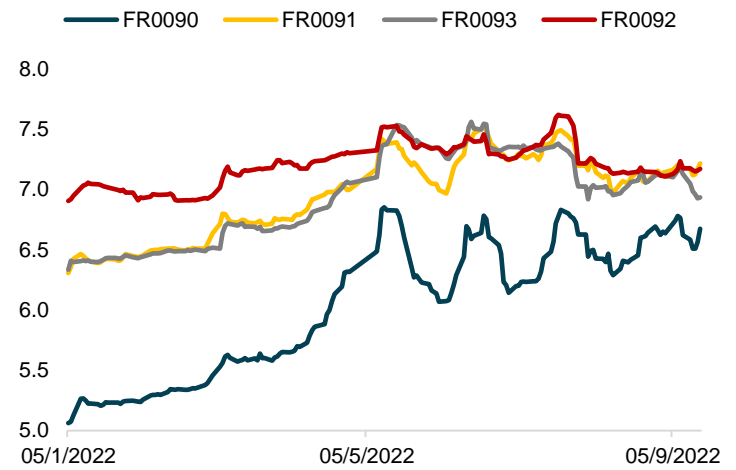
Source : Bloomberg, MNCS Calculation as of September 29, 2022

## 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

## PT MNC SEKURITAS

MNC Financial Center Lt. 14 – 16

Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340

Telp : (021) 2980 3111

Fax : (021) 3983 6899

Call Center : 1500 899

### Disclaimer

*This research report has been issued by PT MNC Sekuritas, It may not be reproduced or further distributed or published, in whole or in part, for any purpose. PT MNC Sekuritas has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; PT MNC Sekuritas makes no guarantee, representation or warranty and accepts no responsibility to liability as to its accuracy or completeness. Expression of opinion herein are those of the research department only and are subject to change without notice. This document is not and should not be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment. PT MNC Sekuritas and its affiliates and/or their offices, director and employees may own or have positions in any investment mentioned herein or any investment related thereto and may from time to time add to or dispose of any such investment. PT MNC Sekuritas and its affiliates may act as market maker or have assumed an underwriting position in the securities of companies discusses herein (or investment related thereto) and may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies.*