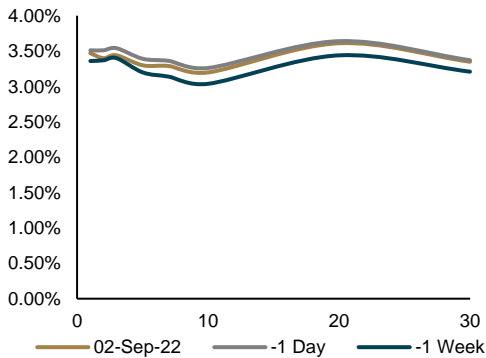


Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

Exhibit 2. Global Gov't Bond Yield

Countries	2-Sep-22	-1 Day	-1 Week
U.S	3.20%	3.26%	3.04%
U.K	2.91%	2.88%	2.60%
Germany	1.52%	1.56%	1.39%
Japan	0.23%	0.24%	0.22%
China	2.64%	2.63%	2.66%
Malaysia	4.00%	4.00%	3.96%
Thailand	2.58%	2.47%	2.39%

Source : Bloomberg

Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.20
Indo 5-Year CDS	bps	123.48
USD/IDR	points	14,897
BI 7DRR	%	3.75

Source : Bloomberg as of September 2, 2022

Tirta Widi Gilang Citradi

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

Global Market Update

- The benchmark 10-year UST note yield declined by 6 bps to 3.20% on Friday (09/02/22).
- Meanwhile the benchmark 2-year UST note yield declined by 11 bps at 3.39% at the same time.
- The spread between 2/10-year UST note yield narrowed to -19 bps from previously -24 bps.
- US stock indices dropped on Friday. DJI and S&P 500 was down 1.07% while Nasdaq Composite loss 1.37% on Friday last week.
- US unemployment rate inched up by 20 bps to 3.7% in Aug-22 (vs 3.5% in the previous month).
- US economy added 315k payrolls in Aug-22, above consensus estimate of 300k, yet significantly lower than previous month figure of 526k in Jul-22.
- Elsewhere, UK's benchmark government bond yield extended an increase and for the 10-year maturity already hit 2.91% as inflation continued to rise coupled with political uncertainty.

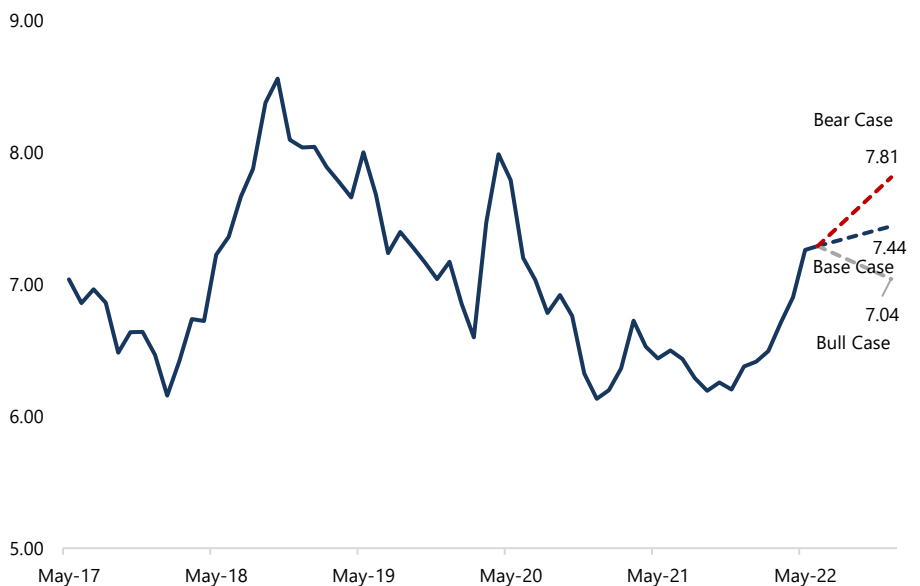
Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) rose marginally by 2 bps to 7.13% on Friday (09/02/22).
- The IDR weakened against USD and was closed at IDR14,897/USD on Friday (vs IDR18,883/USD on Thursday).
- Indonesia's 5-year CDS was still above 120 bps and closed at 123.48 bps on Friday last week.
- Government set to increase subsidized fuel price : Peralite to IDR10,000/L (+31%) & Diesel to IDR6,800 (+32%) on Saturday (03/09/22).
- An increase in subsidized fuel price of 31-32% will provide additional inflation of 2.72 percentage points (ppt) so that it can push FY22E inflation to >6.4%.
- Despite the increase in subsidized fuel prices, the energy subsidy budget burden is still estimated to increase by IDR137-151 trillion by the end of the year.

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 : FR0070, FR0081, FR0086, FR0090, FR0064, FR0082, FR0087, FR0091, FR0096.

Exhibit 4. 10 Year Indo GB Fair Yield



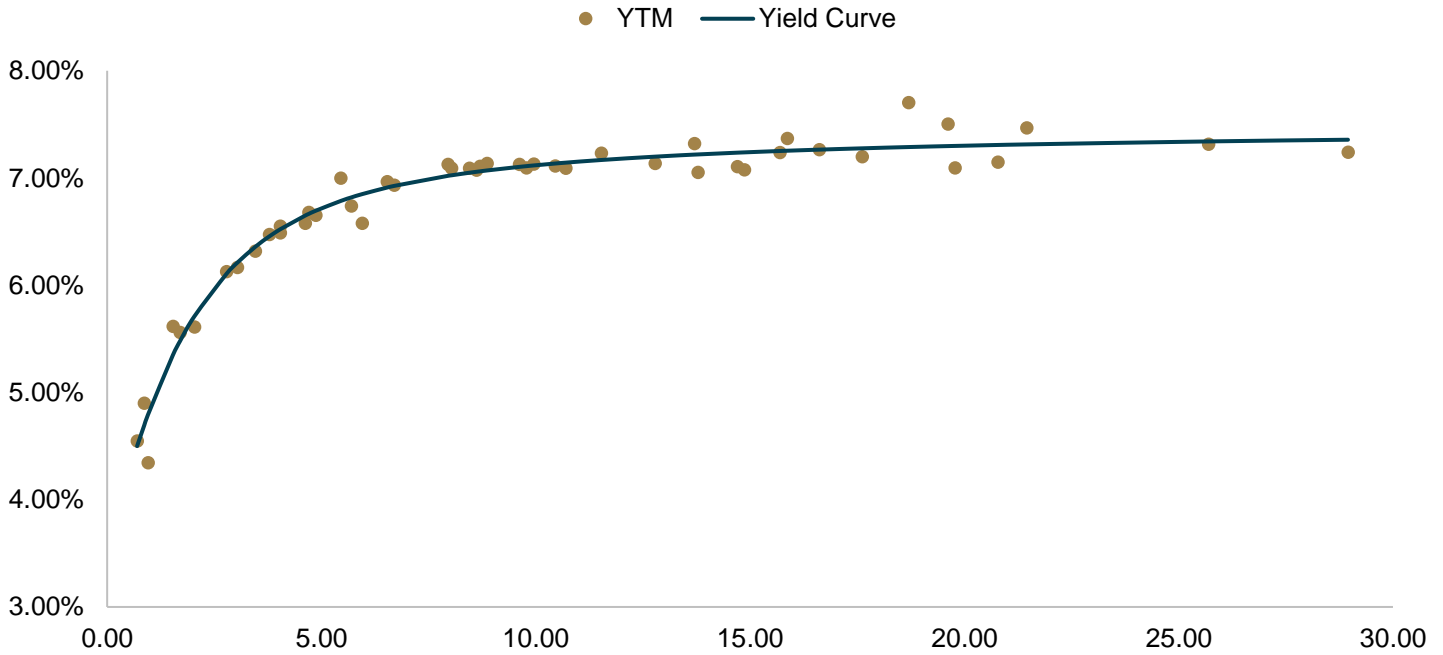
Source : Bloomberg, MNCS Calculation

Exhibit 5. Indo GB Series Valuation

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR63	5.625	15-May-23	0.70	100.72	4.55%	4.50%	100.76	Fair
FR46	9.500	15-Jul-23	0.87	103.80	4.90%	4.69%	104.03	Discounted
FR39	11.750	15-Aug-23	0.95	106.75	4.34%	4.79%	106.39	Premium
FR70	8.375	15-Mar-24	1.53	103.98	5.62%	5.35%	104.40	Discounted
FR77	8.125	15-May-24	1.70	104.07	5.56%	5.48%	104.23	Fair
FR44	10.000	15-Sep-24	2.04	108.29	5.61%	5.71%	108.13	Fair
FR81	6.500	15-Jun-25	2.78	100.93	6.13%	6.11%	100.98	Fair
FR40	11.000	15-Sep-25	3.04	113.16	6.16%	6.21%	113.06	Fair
FR84	7.250	15-Feb-26	3.46	102.83	6.32%	6.36%	102.72	Fair
FR86	5.500	15-Jun-26	3.78	96.91	6.47%	6.46%	96.82	Fair
FR37	12.000	15-Sep-26	4.04	119.00	6.55%	6.52%	119.16	Fair
FR56	8.375	15-Sep-26	4.04	106.59	6.49%	6.52%	106.48	Fair
FR90	5.125	15-Apr-27	4.62	94.30	6.58%	6.65%	94.02	Fair
FR59	7.000	15-May-27	4.70	101.27	6.68%	6.67%	101.32	Fair
FR42	10.250	15-Jul-27	4.87	114.71	6.65%	6.70%	114.54	Fair
FR47	10.000	15-Feb-28	5.45	113.38	7.00%	6.79%	114.43	Discounted
FR64	6.125	15-May-28	5.70	97.13	6.74%	6.82%	96.75	Fair
FR95	6.375	15-Aug-28	5.95	99.01	6.58%	6.85%	97.70	Premium
FR71	9.000	15-Mar-29	6.53	110.52	6.97%	6.91%	110.83	Fair
FR78	8.250	15-May-29	6.70	106.94	6.93%	6.93%	106.98	Fair
FR52	10.500	15-Aug-30	7.95	120.17	7.13%	7.02%	120.92	Fair
FR82	7.000	15-Sep-30	8.04	99.46	7.09%	7.03%	99.84	Fair
FR87	6.500	15-Feb-31	8.46	96.29	7.09%	7.05%	96.54	Fair
FR85	7.750	15-Apr-31	8.62	104.30	7.07%	7.06%	104.40	Fair
FR73	8.750	15-May-31	8.70	110.50	7.11%	7.06%	110.81	Fair
FR54	9.500	15-Jul-31	8.87	115.31	7.14%	7.07%	115.78	Fair
FR91	6.375	15-Apr-32	9.62	94.83	7.13%	7.10%	94.97	Fair
FR58	8.250	15-Jun-32	9.78	108.04	7.09%	7.11%	107.91	Fair
FR74	7.500	15-Aug-32	9.95	102.60	7.13%	7.12%	102.69	Fair
FR96	7.000	15-Feb-33	10.46	99.18	7.11%	7.14%	99.01	Fair
FR65	6.625	15-May-33	10.70	96.54	7.09%	7.14%	96.15	Fair
FR68	8.375	15-Mar-34	11.53	108.84	7.23%	7.17%	109.35	Fair
FR80	7.500	15-Jun-35	12.78	103.00	7.14%	7.20%	102.46	Fair
FR72	8.250	15-May-36	13.70	107.93	7.32%	7.22%	108.86	Fair
FR88	6.250	15-Jun-36	13.78	93.00	7.05%	7.22%	91.60	Premium
FR45	9.750	15-May-37	14.70	123.85	7.11%	7.24%	122.49	Fair
FR93	6.375	15-Jul-37	14.87	93.62	7.08%	7.24%	92.19	Premium
FR75	7.500	15-May-38	15.70	102.44	7.24%	7.25%	102.28	Fair
FR50	10.500	15-Jul-38	15.87	129.00	7.37%	7.26%	130.27	Fair
FR79	8.375	15-Apr-39	16.62	110.61	7.26%	7.27%	110.59	Fair
FR83	7.500	15-Apr-40	17.62	102.98	7.20%	7.28%	102.18	Fair
FR57	9.500	15-May-41	18.70	117.63	7.70%	7.29%	122.36	Discounted
FR62	6.375	15-Apr-42	19.62	88.50	7.50%	7.30%	90.44	Discounted
FR92	7.125	15-Jun-42	19.78	100.32	7.09%	7.30%	98.17	Premium
FR97	7.125	15-Jun-43	20.78	99.76	7.15%	7.31%	98.04	Premium
FR67	8.750	15-Feb-44	21.45	113.62	7.47%	7.31%	115.42	Discounted
FR76	7.375	15-May-48	25.70	100.67	7.32%	7.34%	100.36	Fair
FR89	6.875	15-Aug-51	28.95	95.58	7.24%	7.36%	94.24	Fair

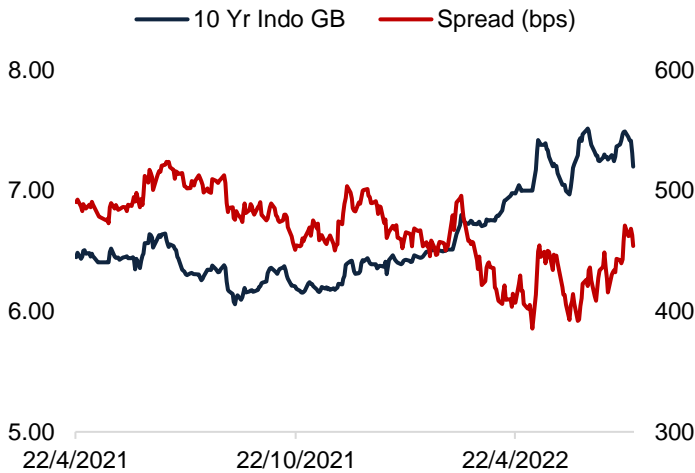
Source : Bloomberg, MNCS Calculation as of September 2, 2022

Exhibit 6. Indo GB Yield Curve



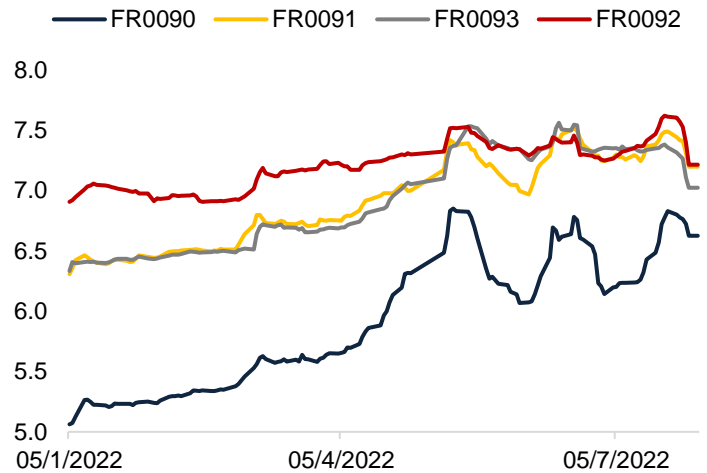
Source : Bloomberg, MNCS Calculation as of September 2, 2022

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

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.