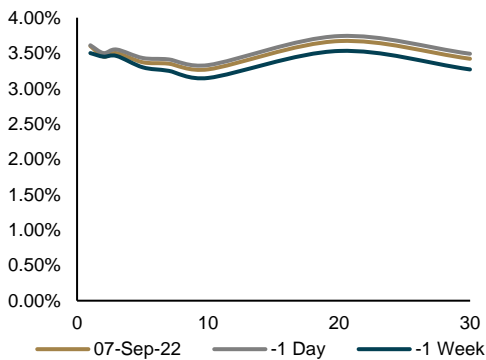


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

| Countries | 7-Sep-22 | -1 Day | -1 Week |
|-----------|----------|--------|---------|
| U.S       | 3.27%    | 3.35%  | 3.20%   |
| U.K       | 3.03%    | 3.10%  | 2.80%   |
| Germany   | 1.57%    | 1.63%  | 1.54%   |
| Japan     | 0.25%    | 0.24%  | 0.22%   |
| China     | 2.63%    | 2.62%  | 2.64%   |
| Malaysia  | 4.10%    | 4.02%  | 3.99%   |
| Thailand  | 2.66%    | 2.61%  | 2.43%   |

Source : Bloomberg

## Exhibit 3. Market Indicators

| Indicators      | Unit   | Value  |
|-----------------|--------|--------|
| U.S. Treasury   | %      | 3.27   |
| Indo 5-Year CDS | bps    | 118.37 |
| USD/IDR         | points | 14,918 |
| BI 7DRR         | %      | 3.75   |

Source : Bloomberg as of September 7, 2022

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## Global Market Update

- The benchmark 10-year note yield declined 8 bps to 3.27% on Wednesday (09/07/22).
- On the other hand, the 2-year benchmark yield also dropped 8 bps to 3.43% at the same time.
- Spread between 2/10-year UST note yield was at -16 bps indicating a yield curve inversion. However yield curve inversion slightly narrowed.
- US stock indices increased significantly. The DJI rose 1.40%; S&P 500 was up 1.83% whilst Nasdaq Composite jumped 2.14% on Wednesday.
- Elsewhere in Europe, market participants await for ECB interest rate decision this week.
- Following the probability of 75 bps rate hikes, government bond yield increased steeply.

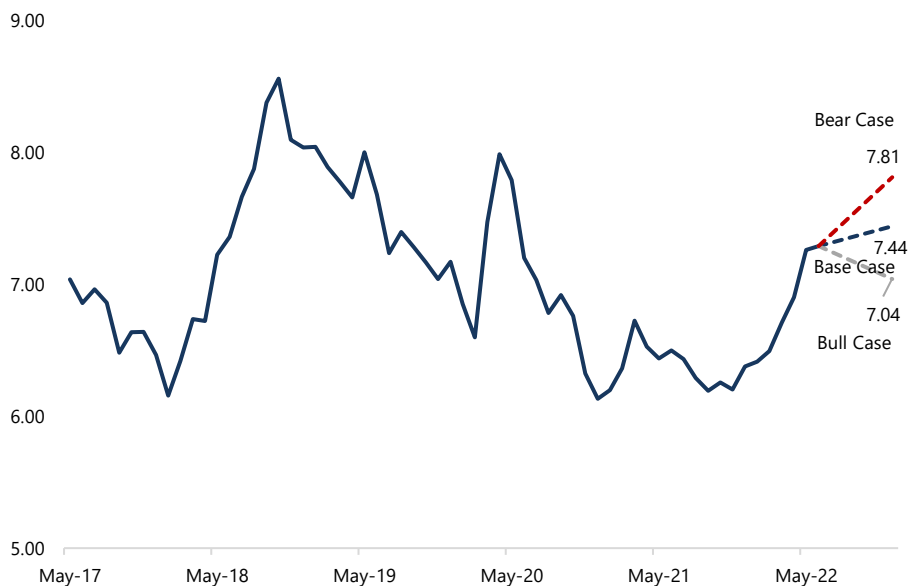
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) rose by 4 bps to 7.19% on Wednesday (09/07/22).
- The IDR weakened against USD and was closed at IDR14,918/USD on Wednesday (vs IDR14,887/USD on Tuesday).
- Indonesia's 5-year CDS declined to below 120 bps and was at 118.37 bps yesterday.
- Bank Indonesia (BI) recorded that Indonesia's foreign exchange reserves were stable at USD132.2 billion in August 2022.
- Factors affecting the position of foreign exchange reserves: 1) tax and service revenues; 2) oil and gas foreign exchange earnings & 3) the need for IDR stabilization.
- The foreign exchange reserve position is equivalent to financing 6.1 months of imports or 6.0 months of imports and servicing of government foreign debt.

## 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



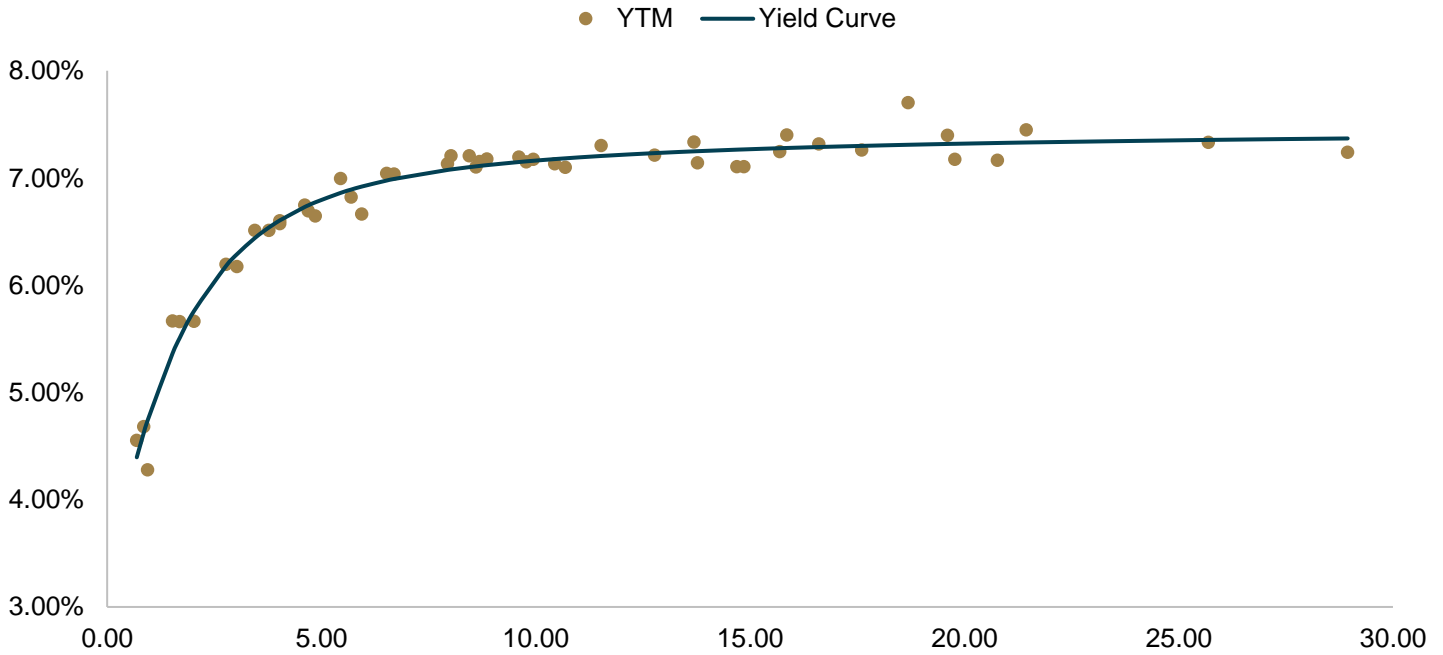
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

| Series      | Coupon       | Maturity         | TTM          | Last Price   | YTM          | Yield Curve  | Fair Price   | Notes          |
|-------------|--------------|------------------|--------------|--------------|--------------|--------------|--------------|----------------|
| FR63        | 5.625        | 15-May-23        | 0.68         | 100.70       | 4.55%        | 4.40%        | 100.82       | Discounted     |
| FR46        | 9.500        | 15-Jul-23        | 0.85         | 103.95       | 4.68%        | 4.63%        | 104.02       | Fair           |
| FR39        | 11.750       | 15-Aug-23        | 0.94         | 106.75       | 4.28%        | 4.74%        | 106.35       | Premium        |
| FR70        | 8.375        | 15-Mar-24        | 1.52         | 103.88       | 5.67%        | 5.36%        | 104.34       | Discounted     |
| FR77        | 8.125        | 15-May-24        | 1.69         | 103.89       | 5.66%        | 5.51%        | 104.15       | Discounted     |
| FR44        | 10.000       | 15-Sep-24        | 2.02         | 108.15       | 5.66%        | 5.76%        | 107.98       | Fair           |
| FR81        | 6.500        | 15-Jun-25        | 2.77         | 100.75       | 6.20%        | 6.18%        | 100.79       | Fair           |
| FR40        | 11.000       | 15-Sep-25        | 3.02         | 113.09       | 6.18%        | 6.29%        | 112.78       | Fair           |
| FR84        | 7.250        | 15-Feb-26        | 3.44         | 102.23       | 6.51%        | 6.44%        | 102.45       | Fair           |
| FR86        | 5.500        | 15-Jun-26        | 3.77         | 96.80        | 6.51%        | 6.54%        | 96.56        | Fair           |
| FR37        | 12.000       | 15-Sep-26        | 4.02         | 118.88       | 6.58%        | 6.61%        | 118.78       | Fair           |
| FR56        | 8.375        | 15-Sep-26        | 4.02         | 106.16       | 6.60%        | 6.61%        | 106.16       | Fair           |
| <b>FR90</b> | <b>5.125</b> | <b>15-Apr-27</b> | <b>4.60</b>  | <b>93.68</b> | <b>6.75%</b> | <b>6.73%</b> | <b>93.73</b> | <b>Fair</b>    |
| FR59        | 7.000        | 15-May-27        | 4.69         | 101.20       | 6.69%        | 6.75%        | 101.00       | Fair           |
| FR42        | 10.250       | 15-Jul-27        | 4.85         | 114.71       | 6.65%        | 6.77%        | 114.16       | Fair           |
| FR47        | 10.000       | 15-Feb-28        | 5.44         | 113.38       | 7.00%        | 6.86%        | 114.04       | Fair           |
| FR64        | 6.125        | 15-May-28        | 5.69         | 96.76        | 6.82%        | 6.89%        | 96.43        | Fair           |
| <b>FR95</b> | <b>6.375</b> | <b>15-Aug-28</b> | <b>5.94</b>  | <b>98.60</b> | <b>6.66%</b> | <b>6.92%</b> | <b>97.37</b> | <b>Premium</b> |
| FR71        | 9.000        | 15-Mar-29        | 6.52         | 110.09       | 7.04%        | 6.98%        | 110.45       | Fair           |
| FR78        | 8.250        | 15-May-29        | 6.69         | 106.36       | 7.04%        | 6.99%        | 106.62       | Fair           |
| FR52        | 10.500       | 15-Aug-30        | 7.94         | 120.12       | 7.13%        | 7.08%        | 120.52       | Fair           |
| FR82        | 7.000        | 15-Sep-30        | 8.02         | 98.75        | 7.21%        | 7.08%        | 99.51        | Fair           |
| FR87        | 6.500        | 15-Feb-31        | 8.44         | 95.59        | 7.21%        | 7.10%        | 96.22        | Fair           |
| FR85        | 7.750        | 15-Apr-31        | 8.60         | 104.10       | 7.10%        | 7.11%        | 104.06       | Fair           |
| FR73        | 8.750        | 15-May-31        | 8.69         | 110.17       | 7.15%        | 7.11%        | 110.46       | Fair           |
| FR54        | 9.500        | 15-Jul-31        | 8.85         | 115.01       | 7.18%        | 7.12%        | 115.41       | Fair           |
| <b>FR91</b> | <b>6.375</b> | <b>15-Apr-32</b> | <b>9.60</b>  | <b>94.39</b> | <b>7.19%</b> | <b>7.15%</b> | <b>94.67</b> | <b>Fair</b>    |
| FR58        | 8.250        | 15-Jun-32        | 9.77         | 107.63       | 7.15%        | 7.16%        | 107.58       | Fair           |
| FR74        | 7.500        | 15-Aug-32        | 9.94         | 102.28       | 7.17%        | 7.16%        | 102.37       | Fair           |
| <b>FR96</b> | <b>7.000</b> | <b>15-Feb-33</b> | <b>10.44</b> | <b>99.03</b> | <b>7.13%</b> | <b>7.18%</b> | <b>98.71</b> | <b>Fair</b>    |
| FR65        | 6.625        | 15-May-33        | 10.69        | 96.47        | 7.10%        | 7.18%        | 95.86        | Fair           |
| FR68        | 8.375        | 15-Mar-34        | 11.52        | 108.25       | 7.30%        | 7.21%        | 109.04       | Fair           |
| FR80        | 7.500        | 15-Jun-35        | 12.77        | 102.36       | 7.21%        | 7.23%        | 102.19       | Fair           |
| FR72        | 8.250        | 15-May-36        | 13.69        | 107.79       | 7.34%        | 7.25%        | 108.58       | Fair           |
| FR88        | 6.250        | 15-Jun-36        | 13.77        | 92.25        | 7.14%        | 7.25%        | 91.36        | Fair           |
| FR45        | 9.750        | 15-May-37        | 14.69        | 123.85       | 7.11%        | 7.26%        | 122.19       | Premium        |
| <b>FR93</b> | <b>6.375</b> | <b>15-Jul-37</b> | <b>14.85</b> | <b>93.36</b> | <b>7.10%</b> | <b>7.27%</b> | <b>91.96</b> | <b>Premium</b> |
| FR75        | 7.500        | 15-May-38        | 15.69        | 102.36       | 7.24%        | 7.28%        | 102.04       | Fair           |
| FR50        | 10.500       | 15-Jul-38        | 15.85        | 128.63       | 7.40%        | 7.28%        | 129.97       | Fair           |
| FR79        | 8.375        | 15-Apr-39        | 16.60        | 110.07       | 7.32%        | 7.29%        | 110.34       | Fair           |
| FR83        | 7.500        | 15-Apr-40        | 17.60        | 102.35       | 7.26%        | 7.30%        | 101.95       | Fair           |
| FR57        | 9.500        | 15-May-41        | 18.69        | 117.63       | 7.70%        | 7.31%        | 122.10       | Discounted     |
| FR62        | 6.375        | 15-Apr-42        | 19.60        | 89.50        | 7.40%        | 7.32%        | 90.25        | Fair           |
| <b>FR92</b> | <b>7.125</b> | <b>15-Jun-42</b> | <b>19.77</b> | <b>99.46</b> | <b>7.17%</b> | <b>7.32%</b> | <b>97.97</b> | <b>Premium</b> |
| <b>FR97</b> | <b>7.125</b> | <b>15-Jun-43</b> | <b>20.77</b> | <b>99.56</b> | <b>7.16%</b> | <b>7.33%</b> | <b>97.84</b> | <b>Premium</b> |
| FR67        | 8.750        | 15-Feb-44        | 21.44        | 113.82       | 7.45%        | 7.33%        | 115.20       | Fair           |
| FR76        | 7.375        | 15-May-48        | 25.69        | 100.49       | 7.33%        | 7.36%        | 100.20       | Fair           |
| FR89        | 6.875        | 15-Aug-51        | 28.94        | 95.61        | 7.24%        | 7.37%        | 94.11        | Fair           |

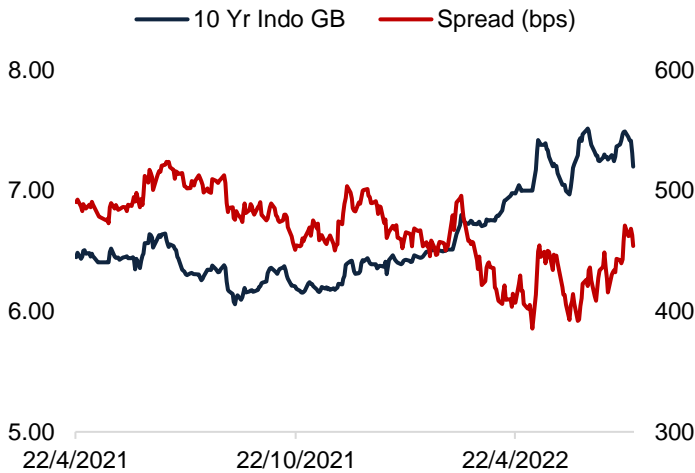
Source : Bloomberg, MNCS Calculation as of September 7, 2022

## Exhibit 6. Indo GB Yield Curve



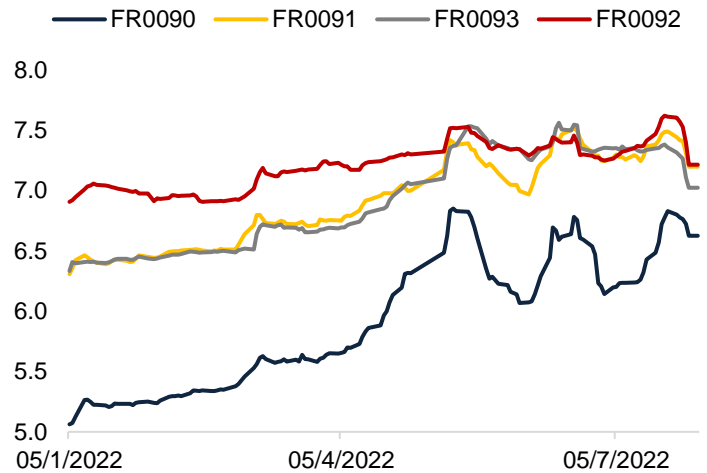
Source : Bloomberg, MNCS Calculation as of September 7, 2022

## 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

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