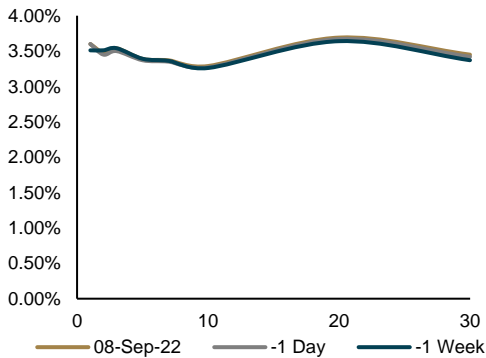


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	8-Sep-22	-1 Day	-1 Week
U.S	3.32%	3.27%	3.26%
U.K	3.14%	3.03%	2.88%
Germany	1.71%	1.57%	1.56%
Japan	0.25%	0.25%	0.24%
China	2.63%	2.63%	2.63%
Malaysia	4.05%	4.10%	4.00%
Thailand	2.59%	2.66%	2.47%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.32
Indo 5-Year CDS	bps	113.60
USD/IDR	points	14,901
BI 7DRR	%	3.75

Source : Bloomberg as of September 8, 2022

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## Global Market Update

- The benchmark 10-year note yield rose 5 bps to 3.32% on Thursday (09/08/22).
- On the other hand, the 2-year benchmark yield also increased 8 bps to 3.51% at the same time.
- Spread between 2/10-year UST note yield was at -19 bps, widening from previous position at -16 bps indicating a yield curve inversion.
- US stock indices were volatile before ended higher. The DJI rose 0.61%; S&P 500 was up 0.66%; whilst Nasdaq Composite increased 0.60%.
- ECB decided to raise its benchmark policy rate with the magnitude of 75 bps, in-line with market expectation.
- Furthermore, ECB also set the hawkish tone and will do rate hikes in the upcoming meeting as policy makers see inflation could hit >10% in the near future.
- After increasing the benchmark rates, EUR strengthened against USD and traded above 1/USD again.

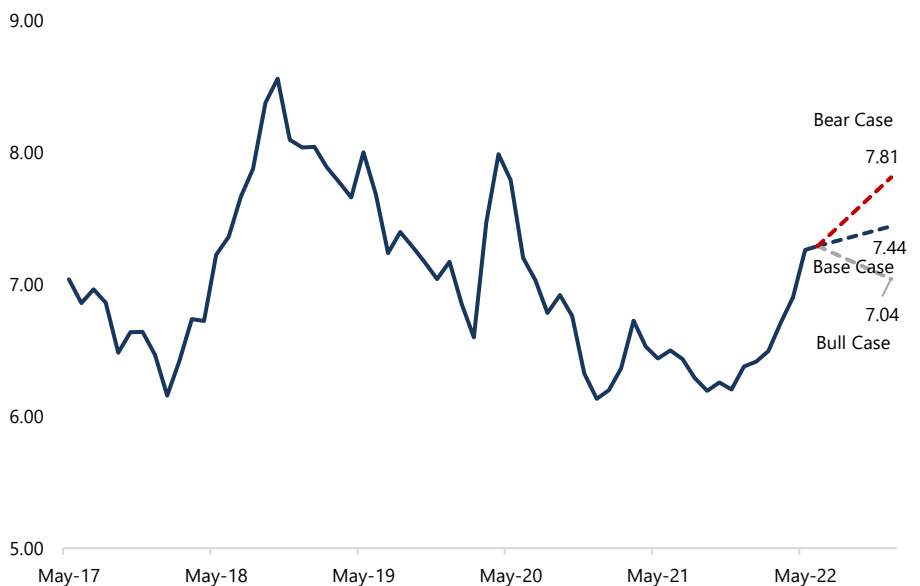
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) declined by 3 bps to 7.16% on Thursday (09/08/22).
- The decline in the benchmark government bond yield was in-line with IDR appreciation and lower CDS.
- The IDR strengthened slightly against USD and was closed at IDR14,901/USD on Thursday (vs IDR14,918/USD on Wednesday).
- Indonesia's 5-year CDS declined to below 120 bps and was at 113.60 bps yesterday (vs 118.37 bps on the previous day).
- On the data front, Bank Indonesia (BI) noted that consumer optimism for the economy increased as reflected in the Consumer Confidence Index (CCI) which increased 1.5 points MoM to 124.7 in August-22.
- The increase in consumer optimism in August 2022 was driven by increased consumer confidence in current economic conditions and expectations for the future economy.

## 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



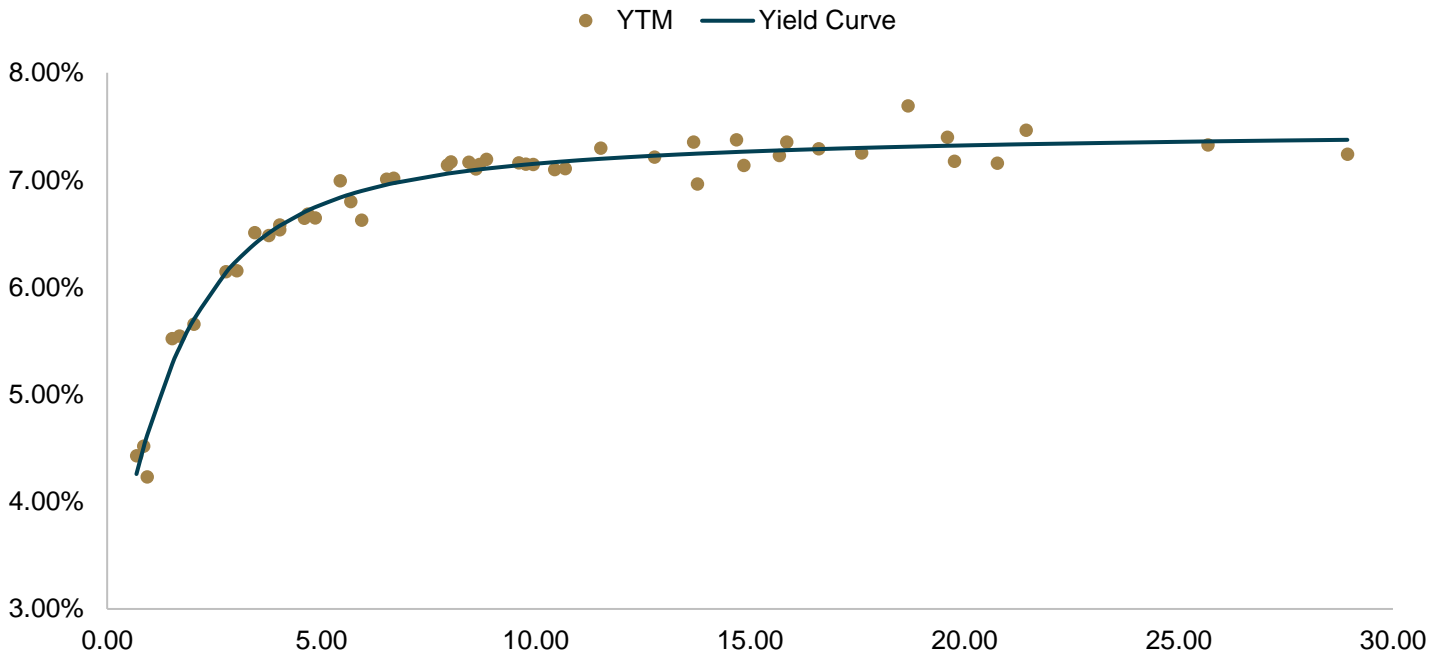
Source : Bloomberg, MNCS Calculation

## 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	100.78	4.43%	4.26%	100.91	Discounted
FR46	9.500	15-Jul-23	0.85	104.05	4.52%	4.51%	104.11	Fair
FR39	11.750	15-Aug-23	0.93	106.74	4.23%	4.62%	106.44	Premium
FR70	8.375	15-Mar-24	1.52	104.08	5.52%	5.28%	104.46	Discounted
FR77	8.125	15-May-24	1.68	104.06	5.54%	5.43%	104.27	Fair
FR44	10.000	15-Sep-24	2.02	108.14	5.65%	5.70%	108.09	Fair
FR81	6.500	15-Jun-25	2.77	100.88	6.14%	6.14%	100.90	Fair
FR40	11.000	15-Sep-25	3.02	113.13	6.15%	6.25%	112.89	Fair
FR84	7.250	15-Feb-26	3.44	102.23	6.51%	6.40%	102.57	Fair
FR86	5.500	15-Jun-26	3.77	96.90	6.48%	6.51%	96.68	Fair
FR37	12.000	15-Sep-26	4.02	119.00	6.53%	6.57%	118.90	Fair
FR56	8.375	15-Sep-26	4.02	106.24	6.58%	6.57%	106.27	Fair
<b>FR90</b>	<b>5.125</b>	<b>15-Apr-27</b>	<b>4.60</b>	<b>94.08</b>	<b>6.64%</b>	<b>6.70%</b>	<b>93.84</b>	<b>Fair</b>
FR59	7.000	15-May-27	4.68	101.25	6.68%	6.72%	101.11	Fair
FR42	10.250	15-Jul-27	4.85	114.69	6.65%	6.75%	114.27	Fair
FR47	10.000	15-Feb-28	5.44	113.38	6.99%	6.84%	114.15	Discounted
FR64	6.125	15-May-28	5.68	96.87	6.80%	6.87%	96.54	Fair
<b>FR95</b>	<b>6.375</b>	<b>15-Aug-28</b>	<b>5.94</b>	<b>98.78</b>	<b>6.63%</b>	<b>6.90%</b>	<b>97.48</b>	<b>Premium</b>
FR71	9.000	15-Mar-29	6.52	110.27	7.01%	6.96%	110.56	Fair
FR78	8.250	15-May-29	6.68	106.47	7.02%	6.97%	106.72	Fair
FR52	10.500	15-Aug-30	7.93	120.06	7.14%	7.06%	120.62	Fair
FR82	7.000	15-Sep-30	8.02	98.99	7.17%	7.06%	99.61	Fair
FR87	6.500	15-Feb-31	8.44	95.85	7.16%	7.09%	96.31	Fair
FR85	7.750	15-Apr-31	8.60	104.10	7.10%	7.10%	104.15	Fair
FR73	8.750	15-May-31	8.68	110.24	7.14%	7.10%	110.55	Fair
FR54	9.500	15-Jul-31	8.85	114.89	7.19%	7.11%	115.51	Fair
<b>FR91</b>	<b>6.375</b>	<b>15-Apr-32</b>	<b>9.60</b>	<b>94.61</b>	<b>7.16%</b>	<b>7.14%</b>	<b>94.75</b>	<b>Fair</b>
FR58	8.250	15-Jun-32	9.77	107.63	7.15%	7.14%	107.66	Fair
FR74	7.500	15-Aug-32	9.94	102.49	7.14%	7.15%	102.45	Fair
<b>FR96</b>	<b>7.000</b>	<b>15-Feb-33</b>	<b>10.44</b>	<b>99.28</b>	<b>7.10%</b>	<b>7.17%</b>	<b>98.78</b>	<b>Fair</b>
FR65	6.625	15-May-33	10.68	96.43	7.11%	7.18%	95.93	Fair
FR68	8.375	15-Mar-34	11.52	108.30	7.30%	7.20%	109.10	Fair
FR80	7.500	15-Jun-35	12.77	102.36	7.21%	7.23%	102.23	Fair
FR72	8.250	15-May-36	13.68	107.63	7.35%	7.25%	108.61	Fair
FR88	6.250	15-Jun-36	13.77	93.75	6.96%	7.25%	91.39	Premium
FR45	9.750	15-May-37	14.68	121.05	7.38%	7.26%	122.22	Fair
<b>FR93</b>	<b>6.375</b>	<b>15-Jul-37</b>	<b>14.85</b>	<b>93.10</b>	<b>7.13%</b>	<b>7.26%</b>	<b>91.98</b>	<b>Fair</b>
FR75	7.500	15-May-38	15.68	102.50	7.23%	7.28%	102.05	Fair
FR50	10.500	15-Jul-38	15.85	129.13	7.35%	7.28%	129.98	Fair
FR79	8.375	15-Apr-39	16.60	110.33	7.29%	7.29%	110.35	Fair
FR83	7.500	15-Apr-40	17.60	102.45	7.25%	7.30%	101.95	Fair
FR57	9.500	15-May-41	18.68	117.75	7.69%	7.31%	122.09	Discounted
FR62	6.375	15-Apr-42	19.60	89.50	7.40%	7.32%	90.24	Fair
<b>FR92</b>	<b>7.125</b>	<b>15-Jun-42</b>	<b>19.77</b>	<b>99.47</b>	<b>7.17%</b>	<b>7.32%</b>	<b>97.95</b>	<b>Premium</b>
<b>FR97</b>	<b>7.125</b>	<b>15-Jun-43</b>	<b>20.77</b>	<b>99.66</b>	<b>7.16%</b>	<b>7.33%</b>	<b>97.82</b>	<b>Premium</b>
FR67	8.750	15-Feb-44	21.44	113.65	7.46%	7.33%	115.17	Fair
FR76	7.375	15-May-48	25.68	100.56	7.33%	7.36%	100.15	Fair
FR89	6.875	15-Aug-51	28.93	95.61	7.24%	7.38%	94.04	Premium

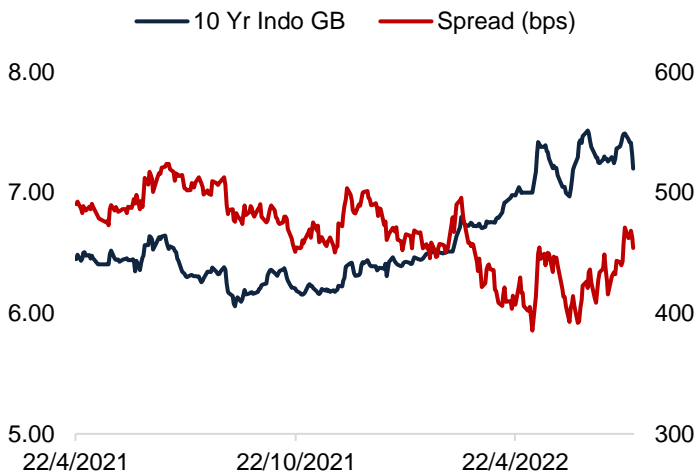
Source : Bloomberg, MNCS Calculation as of September 8, 2022

## Exhibit 6. Indo GB Yield Curve



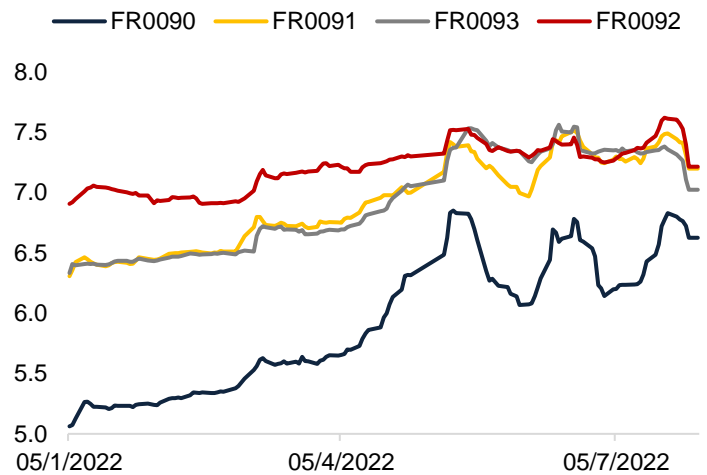
Source : Bloomberg, MNCS Calculation as of September 8, 2022

## 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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