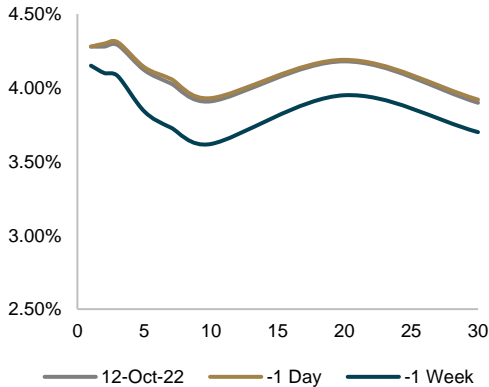


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	12-Oct-22	-1 Day	-1 Week
U.S	3.90%	3.88%	3.76%
U.K	4.43%	4.43%	4.03%
Germany	2.31%	2.29%	2.03%
Japan	0.25%	0.25%	0.25%
China	2.73%	2.74%	2.74%
Malaysia	4.43%	4.42%	4.33%
Thailand	3.15%	3.12%	3.02%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.90
Indo 5-Year CDS	bps	159.77
USD/IDR	points	15,357
BI 7DRR	%	4.25

Source : Bloomberg as of October 12, 2022

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## Global Market Update

- The benchmark 10-year UST note yield decreased 5 bps to 3.90% on Wednesday (10/12/22).
- On the other hand, the benchmark for short term rate of 2-year maturity fell 2 bps at 4.29% bringing the spread of 2/10 year benchmark at -39 bps.
- Volatility in the US stock market remained high. All the 3 benchmark indices for US equity dropped, although yields on government bond declined.
- The DJI fell 0.10%; S&P 500 declined 0.33% and Nasdaq Composite lost 0.09% on Wednesday.
- UK's GDP contracted 0.3% MoM in Aug-22 after experiencing an expansion of 0.1% MoM in Jul-22.
- Bank of Korea (BoK) decided to raise the benchmark policy rate by 50 bps to 3.00%, in-line with consensus forecast.
- BoK's rate hike in Oct-22 meeting was the 8<sup>th</sup> rise in the country's borrowing cost since the central bank lifted the key rate in Aug-21.

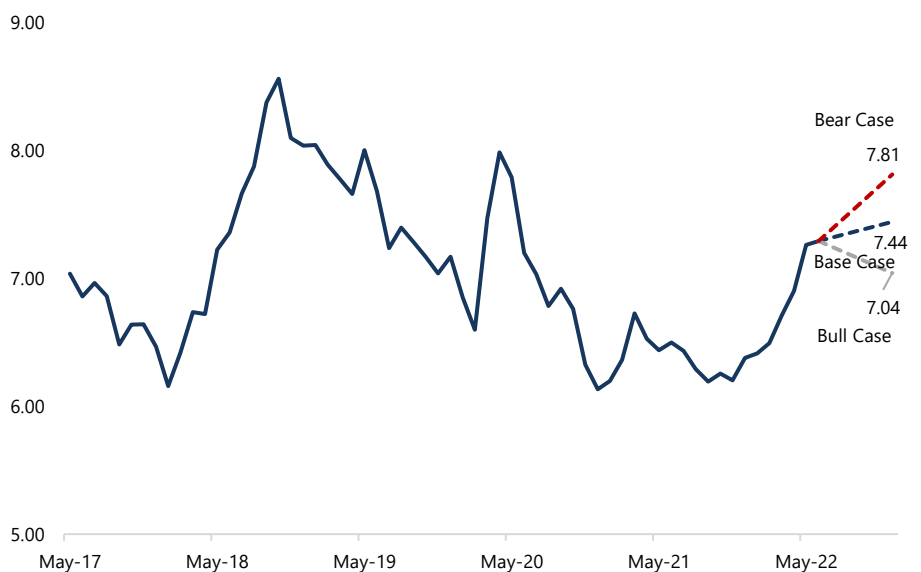
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) stayed flat at 7.35% on Wednesday (10/12/22).
- Indonesia's CDS fell slightly but the domestic currency was flat yesterday.
- Indonesia's 5-year CDS dropped below 160 bps to 159.77 bps yesterday (vs 161.57 bps on the previous day).
- The IDR was flat and closed at IDR15,357/USD on Wednesday.
- On the data front, domestic motorcycle sales reached 514,460 units in Sep-22, lower than August-22 with sales of 524,821 units. However it grew +10.7% YoY.
- Domestic motorcycle sales continue to show an increase which reflects the ongoing economic recovery. Motorcycle sales are now back to near pre-pandemic levels.

## 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 : FR0070, FR0077, FR0081, FR0095, FR0052, FR0073, FR0054, FR0091, FR0096.

## Exhibit 4. 10 Year Indo GB Fair Yield



Source : Bloomberg, MNCS Calculation

# Fixed Income Report

MNC Sekuritas Research Division | October 13, 2022

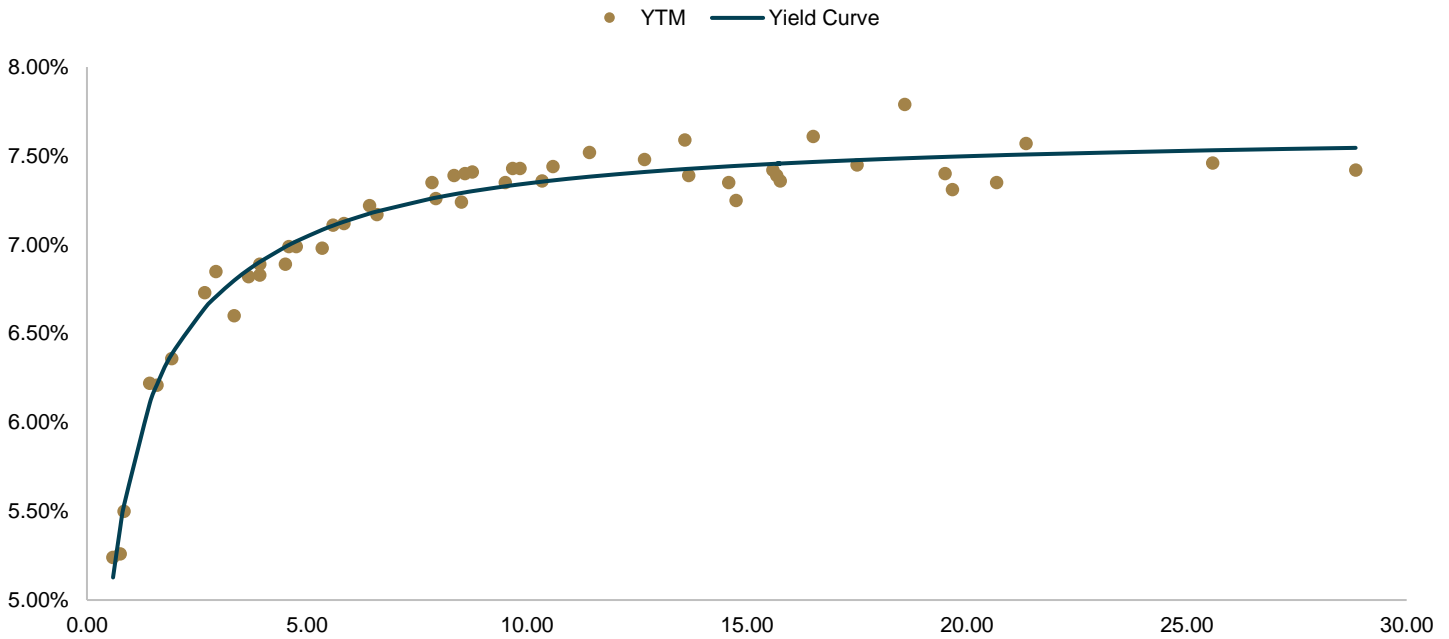


## Exhibit 5. Indo GB Series Valuation

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR63	5.625	15-May-23	0.59	100.22	5.24%	5.13%	100.28	Discounted
FR46	9.500	15-Jul-23	0.76	103.05	5.26%	5.41%	102.98	Premium
FR39	11.750	15-Aug-23	0.84	105.03	5.50%	5.54%	105.03	Fair
FR70	8.375	15-Mar-24	1.42	102.88	6.22%	6.11%	103.04	Discounted
FR77	8.125	15-May-24	1.59	102.85	6.21%	6.21%	102.85	Fair
FR44	10.000	15-Sep-24	1.93	106.47	6.36%	6.39%	106.44	Fair
FR81	6.500	15-Jun-25	2.67	99.44	6.73%	6.64%	99.64	Discounted
FR40	11.000	15-Sep-25	2.93	110.81	6.85%	6.71%	111.22	Discounted
FR84	7.250	15-Feb-26	3.35	101.90	6.60%	6.80%	101.31	Premium
FR86	5.500	15-Jun-26	3.67	95.94	6.82%	6.86%	95.63	Fair
FR37	12.000	15-Sep-26	3.93	117.25	6.83%	6.90%	117.25	Premium
FR56	8.375	15-Sep-26	3.93	105.02	6.89%	6.90%	104.97	Fair
FR90	5.125	15-Apr-27	4.51	93.25	6.89%	6.99%	92.90	Premium
FR59	7.000	15-May-27	4.59	100.02	6.99%	7.00%	99.99	Fair
FR42	10.250	15-Jul-27	4.76	112.97	6.99%	7.02%	112.85	Fair
FR47	10.000	15-Feb-28	5.34	113.00	6.98%	7.08%	112.76	Premium
FR64	6.125	15-May-28	5.59	95.53	7.11%	7.11%	95.52	Fair
FR95	6.375	15-Aug-28	5.84	96.46	7.12%	7.13%	96.43	Fair
FR71	9.000	15-Mar-29	6.42	109.02	7.22%	7.18%	109.25	Fair
FR78	8.250	15-May-29	6.59	105.58	7.17%	7.19%	105.49	Fair
FR52	10.500	15-Aug-30	7.84	118.25	7.35%	7.26%	119.09	Discounted
FR82	7.000	15-Sep-30	7.93	98.42	7.26%	7.27%	98.41	Fair
FR87	6.500	15-Feb-31	8.35	94.54	7.39%	7.28%	95.14	Discounted
FR85	7.750	15-Apr-31	8.51	103.17	7.24%	7.29%	102.87	Fair
FR73	8.750	15-May-31	8.59	108.44	7.40%	7.30%	109.15	Discounted
FR54	9.500	15-Jul-31	8.76	113.26	7.41%	7.30%	114.02	Discounted
FR91	6.375	15-Apr-32	9.51	93.44	7.35%	7.33%	93.54	Fair
FR58	8.250	15-Jun-32	9.67	105.59	7.43%	7.34%	106.24	Discounted
FR74	7.500	15-Aug-32	9.84	100.46	7.43%	7.34%	101.09	Discounted
FR96	7.000	15-Feb-33	10.35	97.44	7.36%	7.36%	97.44	Fair
FR65	6.625	15-May-33	10.59	94.07	7.44%	7.36%	94.63	Discounted
FR68	8.375	15-Mar-34	11.42	106.46	7.52%	7.38%	107.55	Discounted
FR80	7.500	15-Jun-35	12.67	100.16	7.48%	7.41%	100.71	Discounted
FR72	8.250	15-May-36	13.59	105.51	7.59%	7.43%	106.96	Discounted
FR88	6.250	15-Jun-36	13.67	90.00	7.39%	7.43%	89.98	Fair
FR45	9.750	15-May-37	14.59	121.00	7.35%	7.44%	120.32	Premium
FR93	6.375	15-Jul-37	14.76	92.12	7.25%	7.44%	90.50	Premium
FR75	7.500	15-May-38	15.59	100.71	7.42%	7.46%	100.39	Fair
FR50	10.500	15-Jul-38	15.76	128.75	7.36%	7.46%	127.90	Premium
FR98	7.125	15-Jun-38	15.67	97.53	7.39%	7.46%	96.95	Premium
FR79	8.375	15-Apr-39	16.51	107.17	7.61%	7.47%	108.54	Discounted
FR83	7.500	15-Apr-40	17.51	100.48	7.45%	7.48%	100.22	Fair
FR57	9.500	15-May-41	18.59	116.50	7.79%	7.49%	120.01	Discounted
FR62	6.375	15-Apr-42	19.51	89.50	7.40%	7.50%	88.61	Premium
FR92	7.125	15-Jun-42	19.67	98.08	7.31%	7.50%	96.19	Premium
FR97	7.125	15-Jun-43	20.67	97.58	7.35%	7.50%	96.03	Premium
FR67	8.750	15-Feb-44	21.34	112.40	7.57%	7.51%	113.08	Discounted
FR76	7.375	15-May-48	25.59	98.99	7.46%	7.53%	98.21	Premium
FR89	6.875	15-Aug-51	28.84	93.00	7.42%	7.55%	92.14	Premium

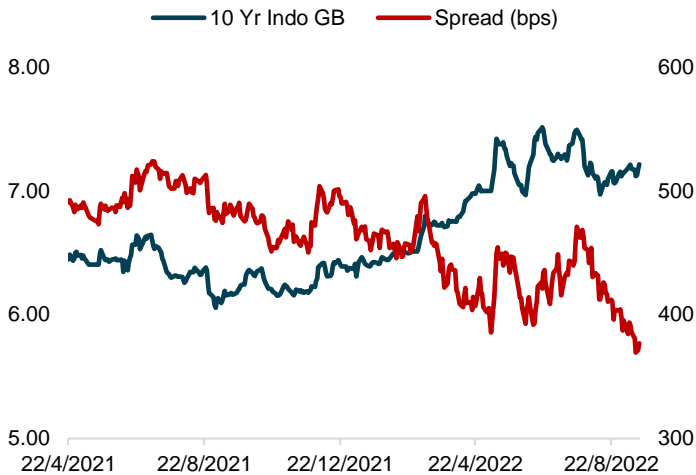
Source : Bloomberg, MNCS Calculation as of October 12, 2022

## Exhibit 6. Indo GB Yield Curve



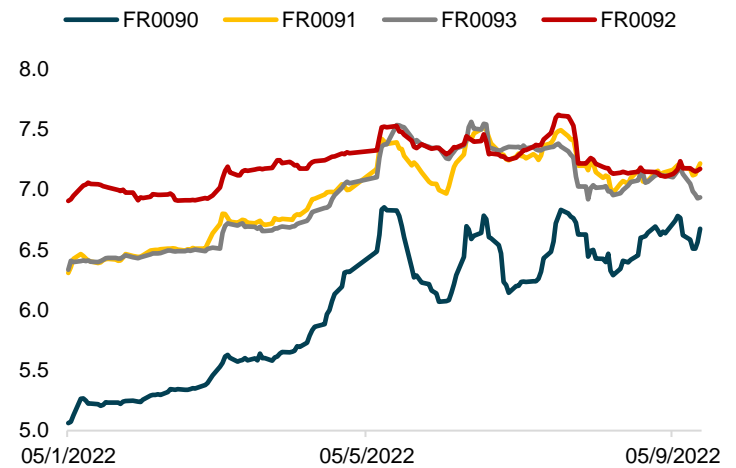
Source : Bloomberg, MNCS Calculation as of October 12, 2022

## 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	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
Bank	35.63	34.01	35.47	35.82	35.03	32.81	33.85	29.55	33.54	32.08	31.42	31.93
Central Bank (Nett)	13.10	17.13	15.20	14.12	15.15	17.77	16.56	20.89	17.18	18.66	19.38	18.79
Mutual Fund	3.42	3.38	3.20	3.14	3.19	3.18	3.13	3.16	3.14	3.14	3.06	3.04
Insurance & Pension Fund	14.44	14.00	14.52	14.77	15.22	15.33	15.68	15.94	16.32	16.29	16.54	16.63
Foreign	20.55	19.05	18.97	18.82	17.57	17.03	16.56	16.09	15.36	15.24	14.31	14.19
Individuals	5.08	4.73	4.83	5.32	5.61	5.63	5.80	5.81	5.89	5.86	6.37	6.39
Others	7.78	7.70	7.82	8.01	8.22	8.26	8.42	8.56	8.55	8.73	8.92	9.01

Source : DJPPR as of October, 10 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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