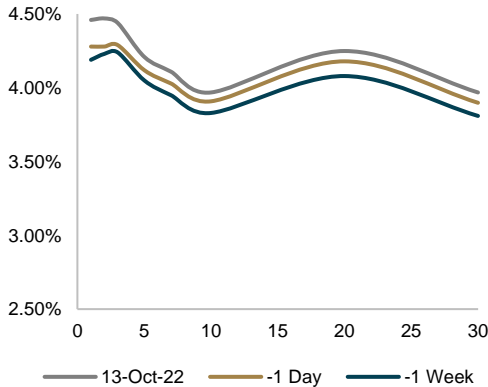


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	13-Oct-22	-1 Day	-1 Week
U.S	3.95%	3.90%	3.83%
U.K	4.19%	4.43%	4.16%
Germany	2.28%	2.31%	2.08%
Japan	0.25%	0.25%	0.25%
China	2.73%	2.73%	2.74%
Malaysia	4.44%	4.43%	4.35%
Thailand	3.15%	3.15%	3.04%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.95
Indo 5-Year CDS	bps	158.71
USD/IDR	points	15,362
BI 7DRR	%	4.25

Source : Bloomberg as of October 13, 2022

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## Global Market Update

- The benchmark 10-year UST note yield increased 5 bps to 3.95% on Thursday (10/13/22).
- On the other hand, the benchmark for short term rate of 2-year maturity jumped 18 bps at 4.47% at the same time.
- Yield curve inversion worsened and the spread of 2/10 year benchmark stood at -52 bps (vs -39 bps on the previous day).
- Despite the jump in US government bond yield, US equity indices rebounded sharply increasing more than 2%.
- The DJI jumped 2.83% and lead the gain, whilst S&P 500 and Nasdaq Composite rose 2.60% and 2.23% respectively.
- The annual inflation rate in the US slowed to 8.2% YoY in Sep-22, the lowest in seven months, compared to 8.3% YoY in Aug-22 but still above consensus estimate of 8.1% YoY.
- However, the core inflation rate increased 6.6% YoY in Sep-22, marking the highest since 1982, increasing from previous month rate of 6.3% YoY, and still above consensus estimate of 6.5% YoY.
- Majority of market participants still expect Fed will raise another 75 bps in Nov-22 meeting.

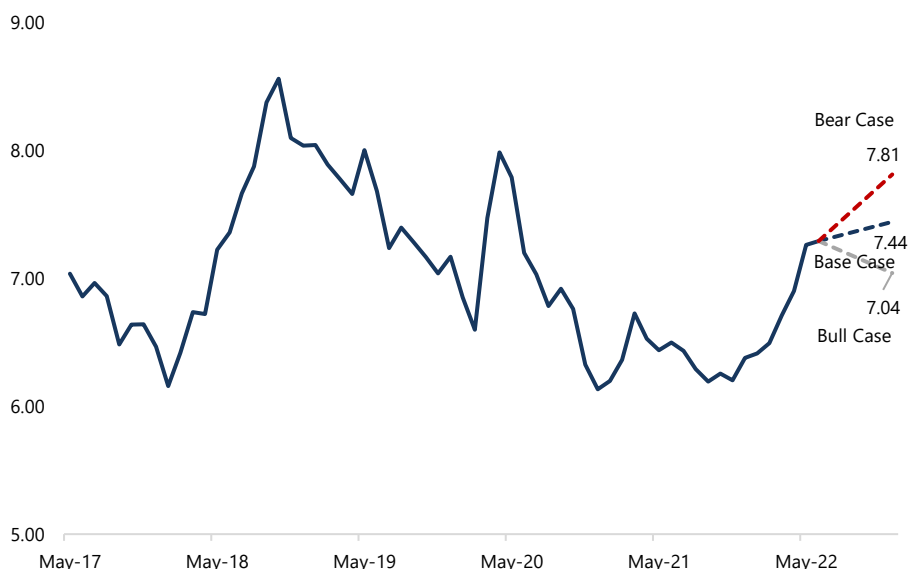
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) dropped 2 bps to 7.33% on Thursday (10/13/22).
- Indonesia's CDS is gradually declining, yet domestic currency IDR still depreciating against USD.
- Indonesia's 5-year CDS dropped below 160 bps to 159.71 bps yesterday (vs 159.77 bps on the previous day).
- The IDR weakened against USD and was closed at IDR15,362/USD yesterday (vs IDR15,357/USD previous day).
- On the data front, Domestic car sales reached 99,986 units in September-22, up from 96,956 units in August-22.
- Car sales in Indonesia grew 18.9% YoY in September-22 and has continued to increase since June-22 and indicates that the economic recovery is continuing.
- Now car sales have started to return to their normal pre-pandemic range.

## 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



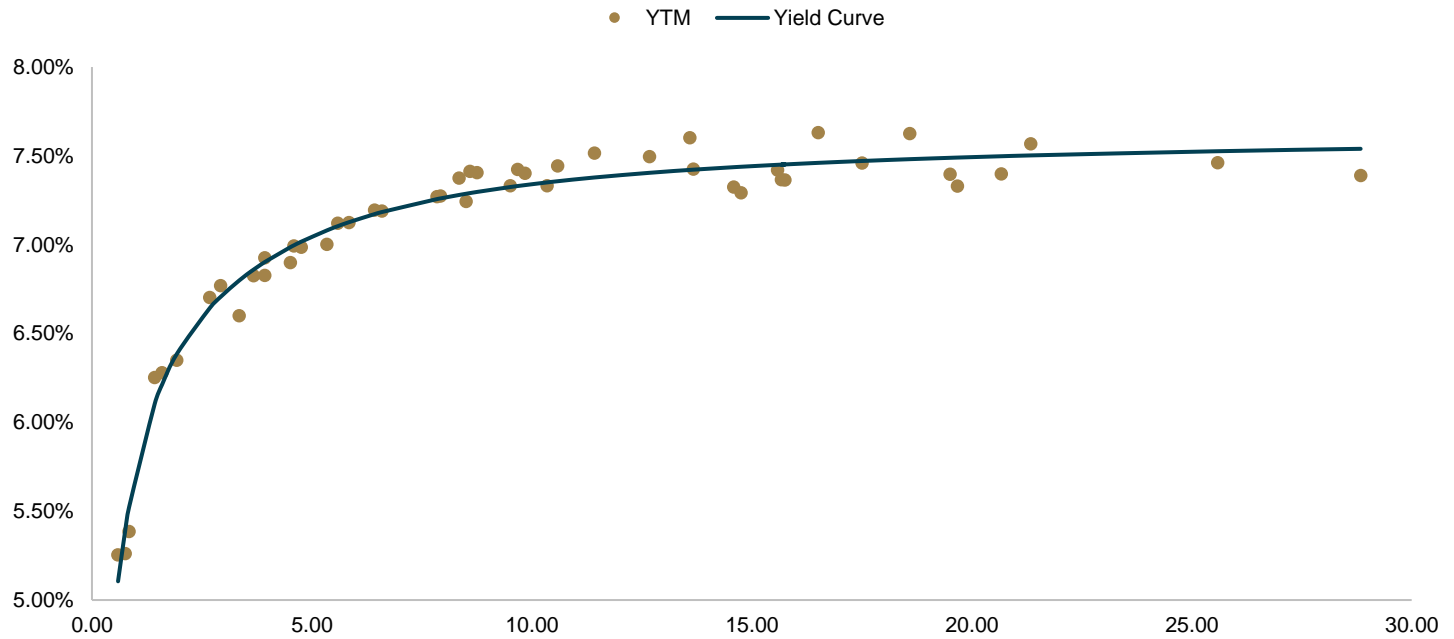
Source : Bloomberg, MNCS Calculation

## 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	100.20	5.25%	5.11%	100.29	Discounted
FR46	9.500	15-Jul-23	0.75	103.04	5.26%	5.40%	102.98	Premium
FR39	11.750	15-Aug-23	0.84	105.07	5.39%	5.52%	105.02	Premium
FR70	8.375	15-Mar-24	1.42	102.82	6.25%	6.11%	103.04	Discounted
FR77	8.125	15-May-24	1.59	102.73	6.28%	6.21%	102.84	Discounted
FR44	10.000	15-Sep-24	1.92	106.46	6.35%	6.39%	106.43	Fair
FR81	6.500	15-Jun-25	2.67	99.50	6.70%	6.64%	99.64	Discounted
FR40	11.000	15-Sep-25	2.92	111.00	6.77%	6.71%	111.21	Discounted
FR84	7.250	15-Feb-26	3.34	101.90	6.60%	6.80%	101.31	Premium
FR86	5.500	15-Jun-26	3.67	95.94	6.83%	6.86%	95.64	Fair
FR37	12.000	15-Sep-26	3.92	117.48	6.83%	6.90%	117.24	Premium
FR56	8.375	15-Sep-26	3.92	104.88	6.93%	6.90%	104.97	Fair
FR90	5.125	15-Apr-27	4.50	93.24	6.90%	6.99%	92.91	Premium
FR59	7.000	15-May-27	4.59	100.02	6.99%	7.00%	100.00	Fair
FR42	10.250	15-Jul-27	4.75	112.97	6.99%	7.02%	112.86	Fair
FR47	10.000	15-Feb-28	5.34	113.13	7.00%	7.08%	112.77	Premium
FR64	6.125	15-May-28	5.59	95.47	7.12%	7.11%	95.53	Fair
FR95	6.375	15-Aug-28	5.84	96.47	7.12%	7.13%	96.44	Fair
FR71	9.000	15-Mar-29	6.42	109.13	7.20%	7.17%	109.26	Fair
FR78	8.250	15-May-29	6.59	105.47	7.19%	7.18%	105.50	Fair
FR52	10.500	15-Aug-30	7.84	119.00	7.27%	7.26%	119.11	Fair
FR82	7.000	15-Sep-30	7.92	98.36	7.27%	7.26%	98.44	Fair
FR87	6.500	15-Feb-31	8.34	94.62	7.37%	7.28%	95.17	Discounted
FR85	7.750	15-Apr-31	8.50	103.17	7.24%	7.29%	102.89	Fair
FR73	8.750	15-May-31	8.59	108.36	7.41%	7.29%	109.18	Discounted
FR54	9.500	15-Jul-31	8.75	113.28	7.41%	7.30%	114.04	Discounted
FR91	6.375	15-Apr-32	9.51	93.54	7.33%	7.33%	93.57	Fair
FR58	8.250	15-Jun-32	9.67	105.61	7.42%	7.33%	106.27	Discounted
FR74	7.500	15-Aug-32	9.84	100.66	7.40%	7.34%	101.12	Discounted
FR96	7.000	15-Feb-33	10.34	97.61	7.33%	7.35%	97.47	Fair
FR65	6.625	15-May-33	10.59	94.07	7.44%	7.36%	94.66	Discounted
FR68	8.375	15-Mar-34	11.42	106.49	7.52%	7.38%	107.59	Discounted
FR80	7.500	15-Jun-35	12.67	100.02	7.50%	7.41%	100.75	Discounted
FR72	8.250	15-May-36	13.59	105.42	7.60%	7.42%	107.00	Discounted
FR88	6.250	15-Jun-36	13.67	90.00	7.43%	7.42%	90.02	Fair
FR45	9.750	15-May-37	14.59	121.50	7.32%	7.44%	120.37	Premium
FR93	6.375	15-Jul-37	14.75	91.78	7.29%	7.44%	90.54	Premium
FR75	7.500	15-May-38	15.59	100.72	7.42%	7.45%	100.44	Fair
FR50	10.500	15-Jul-38	15.75	128.91	7.37%	7.45%	127.95	Premium
FR98	7.125	15-Jun-38	15.67	97.444	7.37%	7.45%	96.99	Premium
FR79	8.375	15-Apr-39	16.51	106.91	7.63%	7.46%	108.59	Discounted
FR83	7.500	15-Apr-40	17.51	100.38	7.46%	7.47%	100.27	Fair
FR57	9.500	15-May-41	18.59	118.45	7.63%	7.48%	120.07	Discounted
FR62	6.375	15-Apr-42	19.51	89.54	7.40%	7.49%	88.66	Premium
FR92	7.125	15-Jun-42	19.67	97.87	7.33%	7.49%	96.25	Premium
FR97	7.125	15-Jun-43	20.67	97.47	7.40%	7.50%	96.09	Premium
FR67	8.750	15-Feb-44	21.34	112.40	7.57%	7.50%	113.14	Discounted
FR76	7.375	15-May-48	25.59	99.00	7.46%	7.53%	98.27	Premium
FR89	6.875	15-Aug-51	28.84	93.88	7.39%	7.54%	92.20	Premium

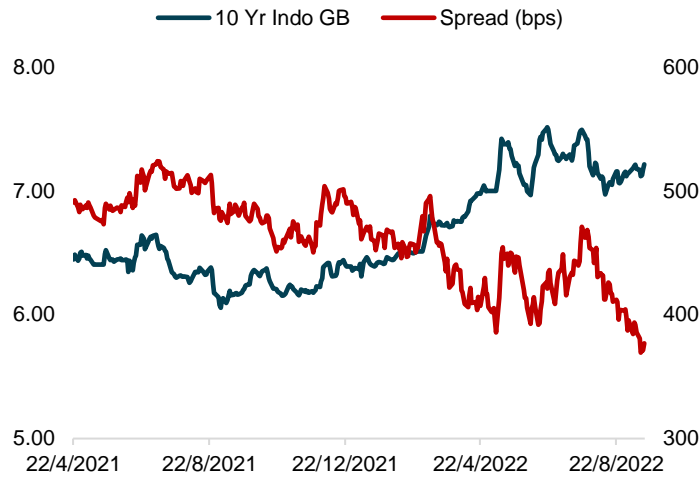
Source : Bloomberg, MNCS Calculation as of October 13, 2022

## Exhibit 6. Indo GB Yield Curve



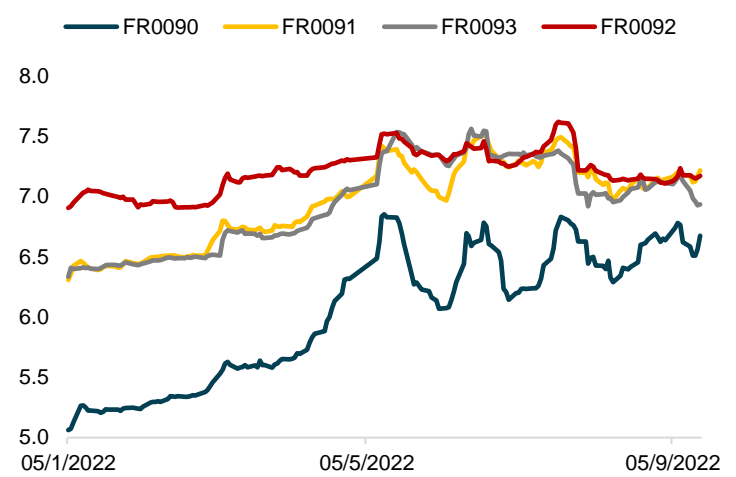
Source : Bloomberg, MNCS Calculation as of October 13, 2022

## 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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