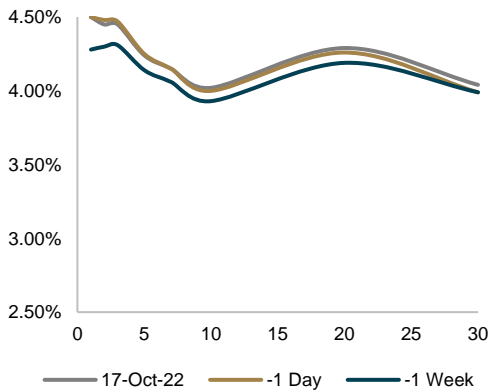


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

| Countries | 17-Oct-22 | -1 Day | -1 Week |
|-----------|-----------|--------|---------|
| U.S       | 4.01%     | 4.02%  | 3.88%   |
| U.K       | 3.97%     | 4.32%  | 4.47%   |
| Germany   | 2.27%     | 2.34%  | 2.34%   |
| Japan     | 0.25%     | 0.25%  | 0.25%   |
| China     | 2.70%     | 2.71%  | 2.72%   |
| Malaysia  | 4.47%     | 4.46%  | 4.38%   |
| Thailand  | 3.17%     | 3.15%  | 3.07%   |

Source : Bloomberg

## Exhibit 3. Market Indicators

| Indicators      | Unit   | Value  |
|-----------------|--------|--------|
| U.S. Treasury   | %      | 4.01   |
| Indo 5-Year CDS | bps    | 159.17 |
| USD/IDR         | points | 15,488 |
| BI 7DRR         | %      | 4.25   |

Source : Bloomberg as of October 17, 2022

## Tirta Widi Gilang Citradi

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

## Global Market Update

- The benchmark 10-year UST note yield was relatively flat at 4.01% on Monday (10/17/22).
- On the other hand, the benchmark for short term rate of 2-year maturity dropped 5 bps to 4.45% at the same time.
- Yield curve inversion narrowed and the spread of 2/10 year benchmark stood at -44 bps (vs -48 bps last week).
- US equity indices rebounded sharply to start this week. The DJI was up 1.86%; S&P 500 rose 2,65% and Nasdaq Composite jumped 3.43%.
- ECB policymakers said that inflation will likely stay above the central bank's target for an extended period and that growth concerns should not prevent a needed increase in interest rates.

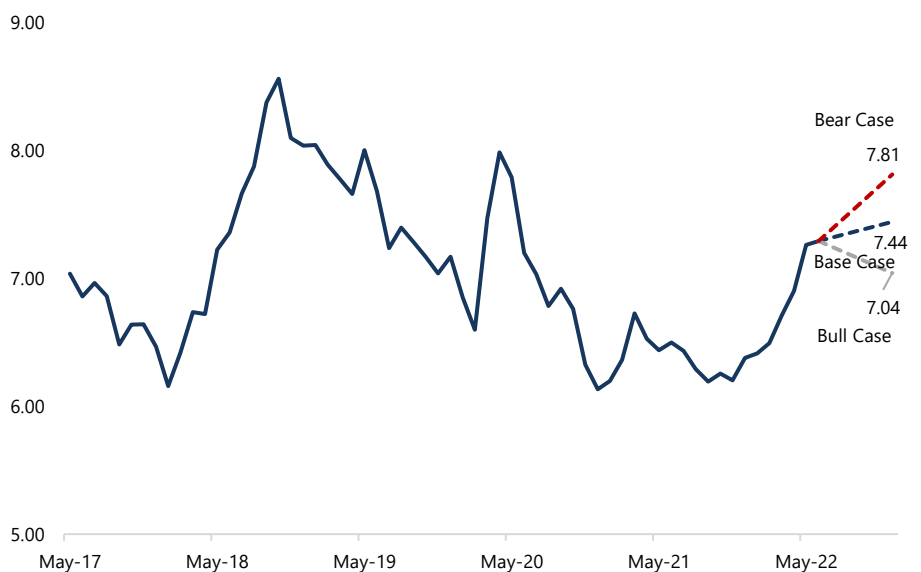
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) rose 7 bps to 7.42% on Monday (10/17/22).
- Indonesia's CDS was relatively flat but domestic currency IDR still depreciating against USD.
- Indonesia's 5-year CDS stood at 159,17 bps yesterday (vs 160 bps last week).
- The IDR weakened against USD and was closed at IDR15,488/USD on Monday (vs IDR15,423/USD last week).
- At the end of August 2022, the position of external debt in Indonesia stood at USD397.4 billion, down from USD400.2 billion in the previous month.
- The position of government external debt retreated to USD184.9 billion in August 2022 from USD185.6 billion in July 2022.
- The position of private external debt decreased to USD204.1 billion from USD206.1 billion in the previous month.
- External debt was still manageable in August 2022, as reflected by a lower ratio of external debt to gross domestic product (GDP) from 30,7% in July 2022 to 30.4% in August 2022.

## 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



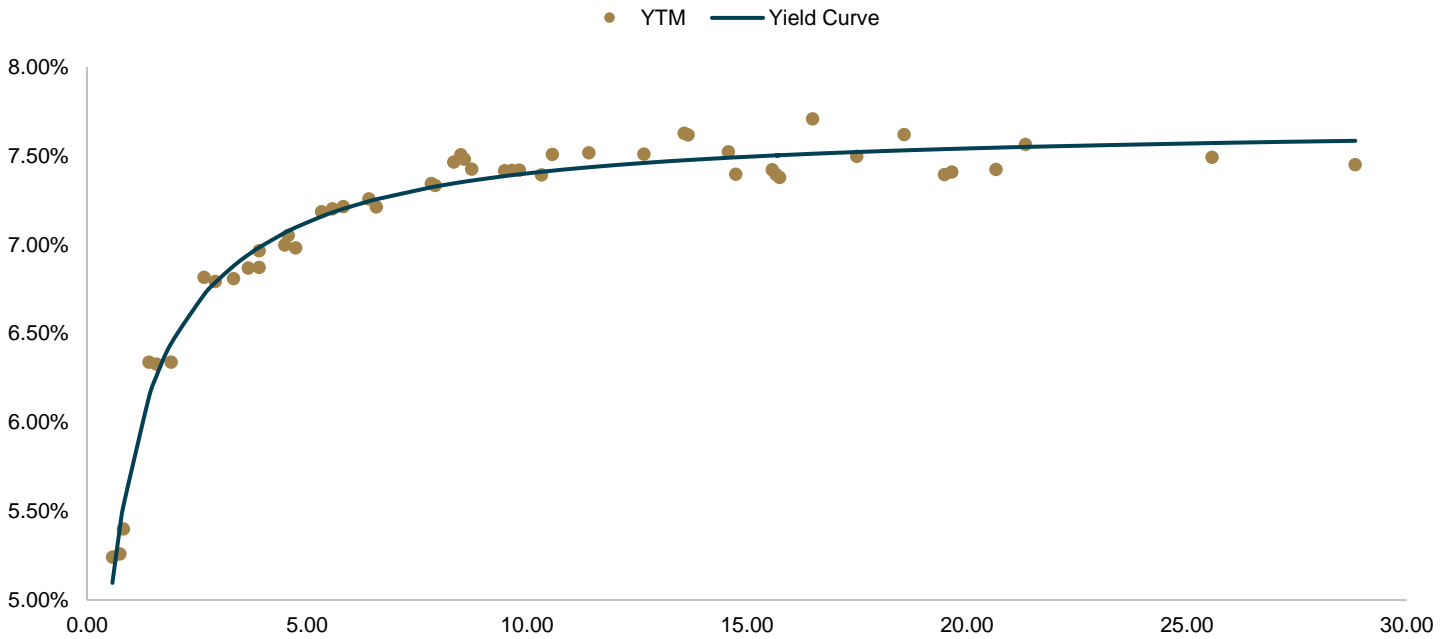
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

| Series | Coupon | Maturity  | TTM   | Last Price | YTM   | Yield Curve | Fair Price | Notes      |
|--------|--------|-----------|-------|------------|-------|-------------|------------|------------|
| FR63   | 5.625  | 15-May-23 | 0.58  | 100.21     | 5.24% | 5.10%       | 100.29     | Discounted |
| FR46   | 9.500  | 15-Jul-23 | 0.74  | 103.02     | 5.26% | 5.40%       | 102.94     | Premium    |
| FR39   | 11.750 | 15-Aug-23 | 0.83  | 105.03     | 5.40% | 5.53%       | 104.95     | Premium    |
| FR70   | 8.375  | 15-Mar-24 | 1.41  | 102.69     | 6.34% | 6.15%       | 102.96     | Discounted |
| FR77   | 8.125  | 15-May-24 | 1.58  | 102.64     | 6.33% | 6.26%       | 102.75     | Discounted |
| FR44   | 10.000 | 15-Sep-24 | 1.91  | 106.46     | 6.34% | 6.45%       | 106.29     | Premium    |
| FR81   | 6.500  | 15-Jun-25 | 2.66  | 99.23      | 6.82% | 6.72%       | 99.46      | Discounted |
| FR40   | 11.000 | 15-Sep-25 | 2.91  | 110.91     | 6.79% | 6.79%       | 110.95     | Fair       |
| FR84   | 7.250  | 15-Feb-26 | 3.33  | 101.28     | 6.81% | 6.88%       | 101.06     | Premium    |
| FR86   | 5.500  | 15-Jun-26 | 3.66  | 95.81      | 6.87% | 6.94%       | 95.39      | Premium    |
| FR37   | 12.000 | 15-Sep-26 | 3.91  | 117.29     | 6.87% | 6.99%       | 116.89     | Premium    |
| FR56   | 8.375  | 15-Sep-26 | 3.91  | 104.74     | 6.97% | 6.99%       | 104.67     | Fair       |
| FR90   | 5.125  | 15-Apr-27 | 4.49  | 92.89      | 7.00% | 7.07%       | 92.63      | Premium    |
| FR59   | 7.000  | 15-May-27 | 4.58  | 99.79      | 7.05% | 7.08%       | 99.69      | Fair       |
| FR42   | 10.250 | 15-Jul-27 | 4.74  | 112.97     | 6.98% | 7.10%       | 112.49     | Premium    |
| FR47   | 10.000 | 15-Feb-28 | 5.33  | 112.25     | 7.19% | 7.16%       | 112.38     | Fair       |
| FR64   | 6.125  | 15-May-28 | 5.58  | 95.12      | 7.20% | 7.18%       | 95.20      | Fair       |
| FR95   | 6.375  | 15-Aug-28 | 5.83  | 96.05      | 7.22% | 7.20%       | 96.10      | Fair       |
| FR71   | 9.000  | 15-Mar-29 | 6.41  | 108.79     | 7.26% | 7.25%       | 108.86     | Fair       |
| FR78   | 8.250  | 15-May-29 | 6.58  | 105.35     | 7.21% | 7.26%       | 105.11     | Fair       |
| FR52   | 10.500 | 15-Aug-30 | 7.83  | 118.50     | 7.35% | 7.32%       | 118.65     | Fair       |
| FR82   | 7.000  | 15-Sep-30 | 7.91  | 98.01      | 7.33% | 7.33%       | 98.04      | Fair       |
| FR87   | 6.500  | 15-Feb-31 | 8.33  | 94.08      | 7.47% | 7.35%       | 94.78      | Discounted |
| FR85   | 7.750  | 15-Apr-31 | 8.49  | 101.50     | 7.51% | 7.35%       | 102.48     | Discounted |
| FR73   | 8.750  | 15-May-31 | 8.58  | 107.91     | 7.48% | 7.36%       | 108.74     | Discounted |
| FR54   | 9.500  | 15-Jul-31 | 8.74  | 113.14     | 7.43% | 7.36%       | 113.59     | Discounted |
| FR91   | 6.375  | 15-Apr-32 | 9.49  | 92.99      | 7.42% | 7.39%       | 93.18      | Fair       |
| FR58   | 8.250  | 15-Jun-32 | 9.66  | 105.65     | 7.42% | 7.39%       | 105.83     | Fair       |
| FR74   | 7.500  | 15-Aug-32 | 9.83  | 100.53     | 7.42% | 7.40%       | 100.69     | Fair       |
| FR96   | 7.000  | 15-Feb-33 | 10.33 | 97.18      | 7.39% | 7.41%       | 97.05      | Fair       |
| FR65   | 6.625  | 15-May-33 | 10.58 | 93.62      | 7.51% | 7.42%       | 94.25      | Discounted |
| FR68   | 8.375  | 15-Mar-34 | 11.41 | 106.47     | 7.52% | 7.44%       | 107.12     | Discounted |
| FR80   | 7.500  | 15-Jun-35 | 12.66 | 99.89      | 7.51% | 7.46%       | 100.30     | Discounted |
| FR72   | 8.250  | 15-May-36 | 13.58 | 105.20     | 7.63% | 7.48%       | 106.52     | Discounted |
| FR88   | 6.250  | 15-Jun-36 | 13.66 | 88.50      | 7.62% | 7.48%       | 89.59      | Discounted |
| FR45   | 9.750  | 15-May-37 | 14.58 | 119.50     | 7.52% | 7.49%       | 119.83     | Fair       |
| FR93   | 6.375  | 15-Jul-37 | 14.74 | 90.91      | 7.40% | 7.49%       | 90.11      | Premium    |
| FR75   | 7.500  | 15-May-38 | 15.58 | 100.71     | 7.42% | 7.50%       | 99.96      | Premium    |
| FR50   | 10.500 | 15-Jul-38 | 15.74 | 128.75     | 7.38% | 7.50%       | 127.37     | Premium    |
| FR98   | 7.125  | 15-Jun-38 | 15.66 | 97.155     | 7.39% | 7.50%       | 96.53      | Premium    |
| FR79   | 8.375  | 15-Apr-39 | 16.49 | 106.15     | 7.71% | 7.51%       | 108.07     | Discounted |
| FR83   | 7.500  | 15-Apr-40 | 17.49 | 100.02     | 7.50% | 7.52%       | 99.78      | Fair       |
| FR57   | 9.500  | 15-May-41 | 18.58 | 118.50     | 7.62% | 7.53%       | 119.50     | Discounted |
| FR62   | 6.375  | 15-Apr-42 | 19.49 | 89.55      | 7.40% | 7.54%       | 88.21      | Premium    |
| FR92   | 7.125  | 15-Jun-42 | 19.66 | 97.06      | 7.41% | 7.54%       | 95.76      | Premium    |
| FR97   | 7.125  | 15-Jun-43 | 20.66 | 97.25      | 7.42% | 7.55%       | 95.60      | Premium    |
| FR67   | 8.750  | 15-Feb-44 | 21.33 | 112.45     | 7.56% | 7.55%       | 112.58     | Fair       |
| FR76   | 7.375  | 15-May-48 | 25.58 | 98.67      | 7.49% | 7.57%       | 97.76      | Premium    |
| FR89   | 6.875  | 15-Aug-51 | 28.83 | 93.20      | 7.45% | 7.59%       | 91.71      | Premium    |

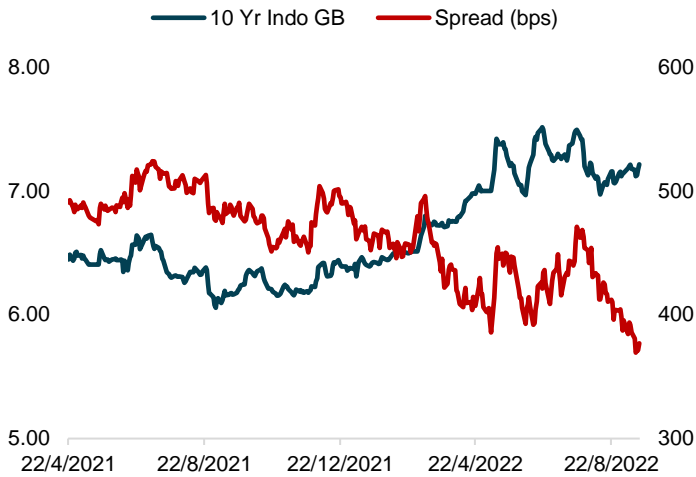
Source : Bloomberg, MNCS Calculation as of October 17, 2022

## Exhibit 6. Indo GB Yield Curve



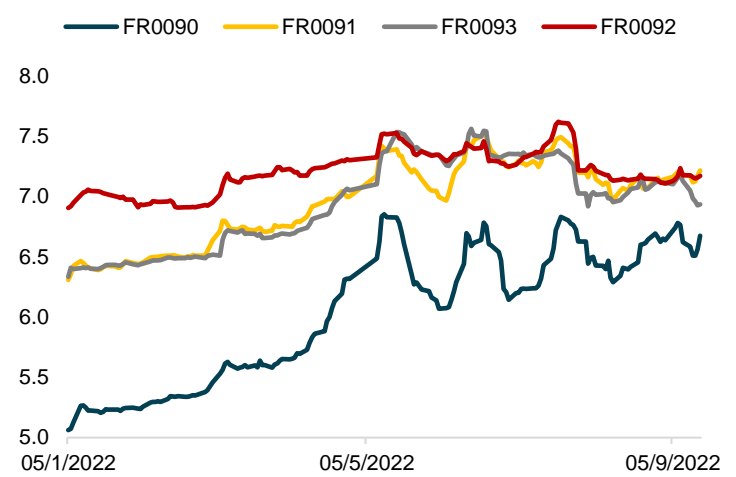
Source : Bloomberg, MNCS Calculation as of October 17, 2022

## 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

## 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.*