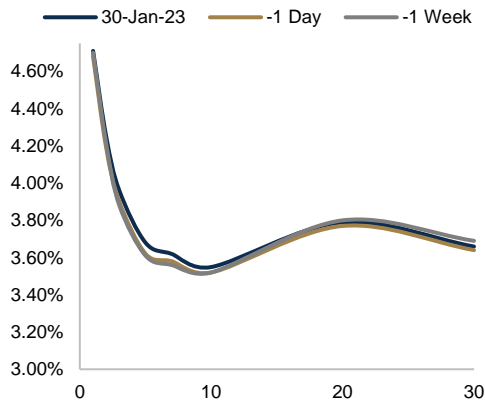


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	30-Jan-23	-1 Day	-1 Week
U.S	%	3.51%	3.51%
U.K	%	3.32%	3.36%
Germany	%	2.24%	2.21%
Japan	0.48%	0.48%	0.39%
China	2.92%	2.92%	2.93%
Malaysia	3.78%	3.77%	3.74%
Thailand	2.50%	2.49%	2.48%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	
Indo 5-Year CDS	bps	85.76
USD/IDR	points	14,970
BI 7DRR	%	5.75

Source : Bloomberg as of January 30, 2023

## Tirta Widi Gilang Citradi

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## Global Market Update

- Yields on the short-term UST note increased slightly higher than its long-term maturity ahead of US FOMC meeting.
- The benchmark 2-year yield rose 4 bps to 4.24% while the benchmark 10-year yield increased 2 bps to 3.54% starting this week.
- The US stock market fell after recorded a gain last week. The DJI dropped 0.77%, while S&P 500 and Nasdaq Composite declined 1.29% and 1.96% respectively.
- Albeit increasing yield in the government bond and falling stock indices, majority of market participants still expect 25 bps hike for FFR in early Feb-23 as reflected by 98.1% probability of FFR to be brought at 4.50-4.75% according to CME FedWatch data.
- In Europe, Germany's output shrank by -0.25% QoQ in 4Q22 according to flash reading.
- The contraction in Europe's largest economy was mainly driven by a decline in household consumption, amidst rising interest rates and high inflation.
- Annually, the Germany's output growth slowed to 1.1% YoY in 4Q22, marking the weakest growth since 1Q21 which recorded a contraction of -2.1% YoY.
- The disappointing macro data could further reiterate ECB to slowdown the pace of interest rate hike.

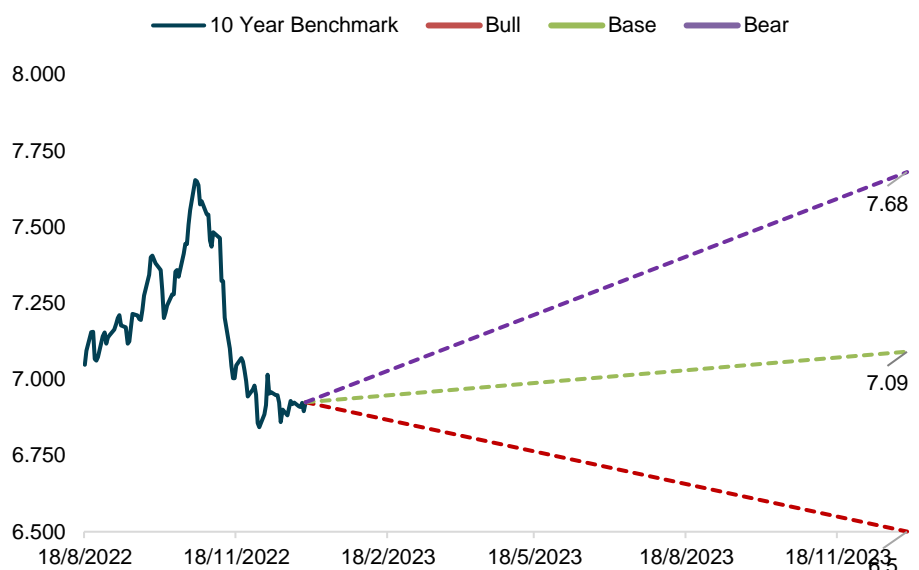
## Domestic Market Update

- Yield on the benchmark 10-year (FR0096) increased 2 bps 6.74% on Monday (01/30/23).
- After rallied earlier this year, government bond prices seemed to start reverting its trend.
- The IDR strengthened against USD and was closed at IDR14,970/USD after previously closed at IDR14,986/USD.
- Indonesia's 5-year CDS was consistently below 90 bps recently and closed at 85.76 bps.
- Government of Indonesia plans to conduct SUN auction today offering 8 series targeting an issuance of IDR23-34.5tn.
- We believe, in spite of rising yield trend recently, investors appetite on government bonds to remain high given the probability of slower interest rate hikes.

## 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 6.65-6.85% for today.
- Attractive Indo GB series to be traded today : FR0070, FR0077, FR040, FR0078, FR0085, FR0054, FR0096, FR0045, FR0050.

## Exhibit 4. 10 Year Indo GB Fair Yield



Source : Bloomberg, MNCS Calculation

# Fixed Income Report

MNC Sekuritas Research Division | January 31, 2023

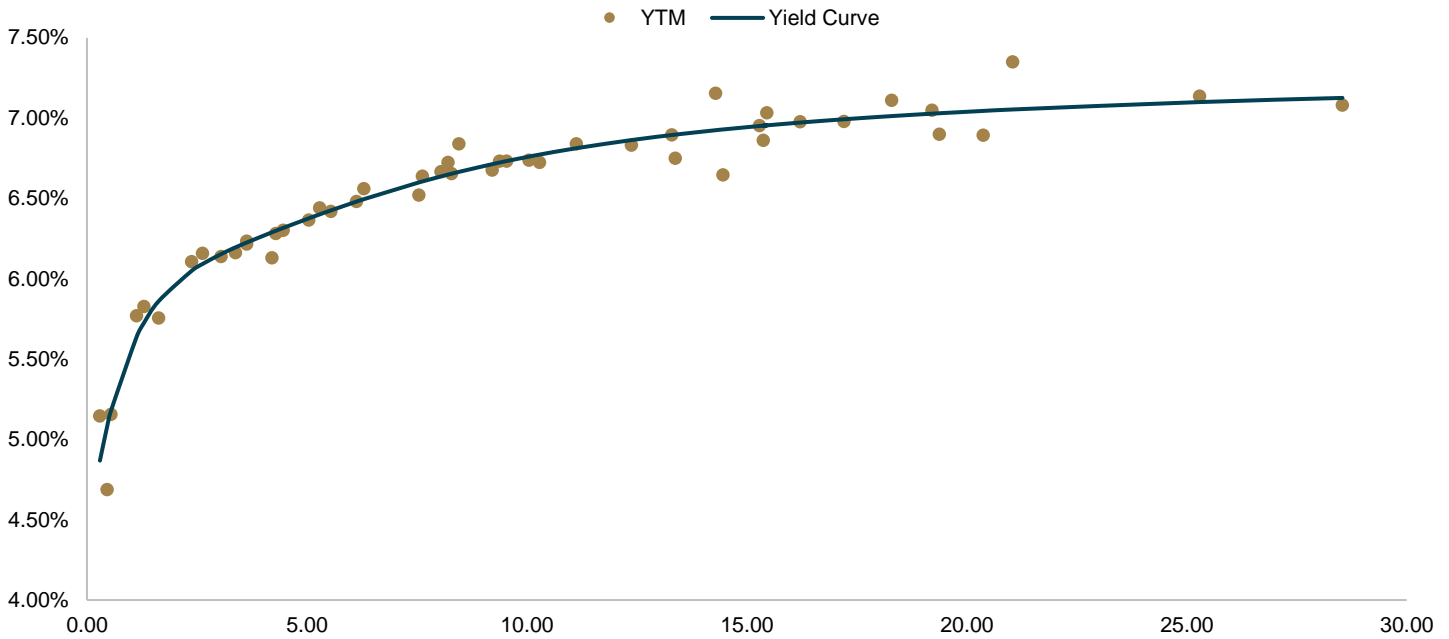


## Exhibit 5. Indo GB Series Valuation

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR63	5.625	15-May-23	0.29	100.117	5.15%	4.87%	100.20	Discounted
FR46	9.500	15-Jul-23	0.45	102.125	4.69%	5.08%	101.97	Premium
FR39	11.750	15-Aug-23	0.54	103.45	5.16%	5.18%	103.47	Fair
FR70	8.375	15-Mar-24	1.12	102.768	5.77%	5.64%	102.92	Discounted
FR77	8.125	15-May-24	1.29	102.79	5.83%	5.72%	102.93	Discounted
FR44	10.000	15-Sep-24	1.63	106.449	5.76%	5.86%	106.30	Premium
FR81	6.500	15-Jun-25	2.37	100.848	6.11%	6.05%	100.97	Fair
FR40	11.000	15-Sep-25	2.63	111.519	6.16%	6.09%	111.71	Discounted
FR84	7.250	15-Feb-26	3.04	103.034	6.14%	6.15%	103.00	Fair
FR86	5.500	15-Jun-26	3.37	98.092	6.16%	6.20%	97.90	Fair
FR37	12.000	15-Sep-26	3.62	118.393	6.23%	6.23%	118.45	Fair
FR56	8.375	15-Sep-26	3.62	106.886	6.22%	6.23%	106.86	Fair
FR90	5.125	15-Apr-27	4.21	96.313	6.13%	6.29%	95.74	Premium
FR59	7.000	15-May-27	4.29	102.646	6.28%	6.30%	102.59	Fair
FR42	10.250	15-Jul-27	4.46	115.119	6.30%	6.32%	115.07	Fair
FR47	10.000	15-Feb-28	5.04	115.45	6.37%	6.38%	115.41	Fair
FR64	6.125	15-May-28	5.29	98.59	6.44%	6.40%	98.77	Fair
FR95	6.375	15-Aug-28	5.54	99.794	6.42%	6.43%	99.76	Fair
FR71	9.000	15-Mar-29	6.12	112.538	6.48%	6.48%	112.56	Fair
FR78	8.250	15-May-29	6.29	108.57	6.56%	6.50%	108.93	Discounted
FR52	10.500	15-Aug-30	7.54	123.4	6.52%	6.60%	122.88	Premium
FR82	7.000	15-Sep-30	7.62	102.124	6.64%	6.61%	102.32	Fair
FR87	6.500	15-Feb-31	8.04	98.979	6.67%	6.64%	99.15	Fair
FR85	7.750	15-Apr-31	8.21	106.375	6.72%	6.65%	106.87	Discounted
FR73	8.750	15-May-31	8.29	113.168	6.65%	6.65%	113.17	Fair
FR54	9.500	15-Jul-31	8.46	116.858	6.84%	6.67%	118.10	Discounted
FR91	6.375	15-Apr-32	9.21	97.945	6.68%	6.71%	97.69	Fair
FR58	8.250	15-Jun-32	9.37	110.405	6.73%	6.72%	110.48	Fair
FR74	7.500	15-Aug-32	9.54	105.338	6.73%	6.73%	105.33	Fair
FR96	7.000	15-Feb-33	10.04	101.887	6.74%	6.76%	101.72	Fair
FR65	6.625	15-May-33	10.29	99.266	6.72%	6.77%	98.90	Fair
FR68	8.375	15-Mar-34	11.12	111.801	6.84%	6.81%	112.04	Fair
FR80	7.500	15-Jun-35	12.37	105.505	6.83%	6.86%	105.24	Fair
FR72	8.250	15-May-36	13.29	111.653	6.89%	6.89%	111.66	Fair
FR88	6.250	15-Jun-36	13.37	95.625	6.75%	6.90%	94.40	Premium
FR45	9.750	15-May-37	14.29	122.975	7.15%	6.92%	125.36	Discounted
FR93	6.375	15-Jul-37	14.46	97.493	6.65%	6.93%	94.99	Premium
FR75	7.500	15-May-38	15.29	105.075	6.95%	6.95%	105.11	Fair
FR50	10.500	15-Jul-38	15.46	132.354	7.03%	6.95%	133.25	Discounted
FR98	7.125	15-Jun-38	15.37	102.47	6.86%	6.95%	101.60	Premium
FR79	8.375	15-Apr-39	16.21	113.413	6.98%	6.97%	113.48	Fair
FR83	7.500	15-Apr-40	17.21	105.162	6.98%	6.99%	105.02	Fair
FR57	9.500	15-May-41	18.29	124.218	7.11%	7.01%	125.40	Discounted
FR62	6.375	15-Apr-42	19.21	92.958	7.05%	7.03%	93.17	Fair
FR92	7.125	15-Jun-42	19.37	102.387	6.90%	7.03%	100.99	Premium
FR97	7.125	15-Jun-43	20.37	102.503	6.89%	7.04%	100.85	Premium
FR67	8.750	15-Feb-44	21.04	114.884	7.35%	7.05%	118.45	Discounted
FR76	7.375	15-May-48	25.29	102.753	7.14%	7.10%	103.20	Fair
FR89	6.875	15-Aug-51	28.54	97.492	7.08%	7.13%	96.96	Fair

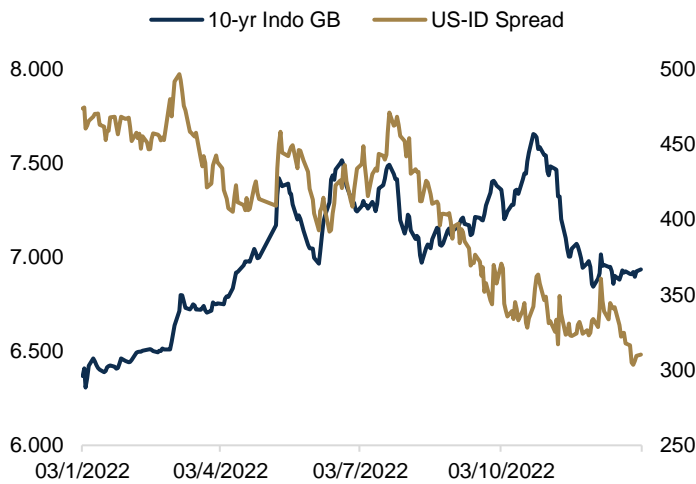
Source : Bloomberg, MNCS Calculation as of January 30, 2023

## Exhibit 6. Indo GB Yield Curve



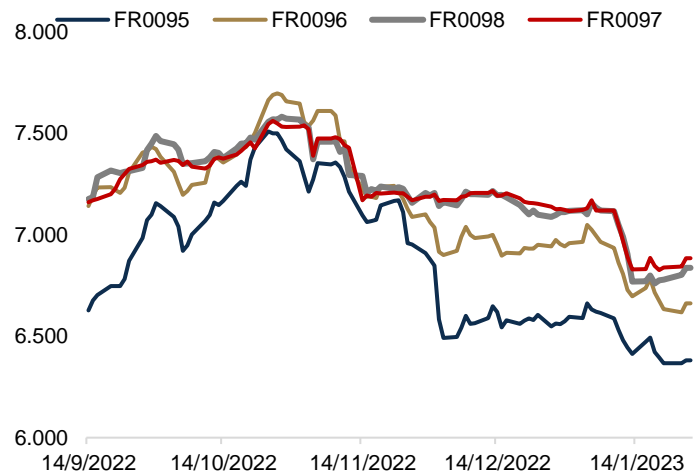
Source : Bloomberg, MNCS Calculation as of January 30, 2023

## 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	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Bank	35.82	35.03	32.81	33.85	29.55	33.54	32.08	31.42	32.09	35.02	31.97	33.50
Central Bank (Nett)	14.12	15.15	17.77	16.56	20.89	17.18	18.66	19.38	18.56	15.49	19.21	17.37
Mutual Fund	3.14	3.19	3.18	3.13	3.16	3.14	3.14	3.06	2.98	2.88	2.75	2.72
Insurance & Pension Fund	14.77	15.22	15.33	15.68	15.94	16.32	16.29	16.54	16.81	16.87	16.44	16.27
Foreign	18.82	17.57	17.03	16.56	16.09	15.36	15.24	14.31	13.90	14.05	14.36	15.01
Individuals	5.32	5.61	5.63	5.80	5.81	5.89	5.86	6.37	6.64	6.66	6.48	6.39
Others	8.01	8.22	8.26	8.42	8.56	8.55	8.73	8.92	9.03	9.03	8.79	8.75

Source : DJPPR as of January 24, 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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