

**Exhibit 1. Daily Market Updates**

Equity	Last	%
JCI	6,900.54	-0.21%
STI	3,196.75	-0.52%
HSI	18,326.63	-0.01%
SSEC	3,163.74	+0.43%
FTSE	7,310.21	-0.63%
GDAX	15,676.90	-0.71%
DJI	34,474.83	-0.84%
S&P 500	4,370.36	-0.77%
NDX	13,316.93	-1.17%

10-yr Bond	Last	Bps
ID	6.42	+1.58
US	4.27	+2.37
UK	4.75	+10.0
JP	0.65	+1.60
CN	2.57	-0.10
MY	3.89	+1.50
TH	2.67	+2.10

Exchange Rate	Last	%
USD/IDR	15,283	-0.37%
EUR/IDR	16,659	-0.26%
GBP/IDR	19,476	-0.11%
HKD/IDR	1,952	-0.01%
SGD/IDR	11,257	-0.03%
AUD/IDR	9,774	-1.20%

Sources : Bloomberg, MNCS

**Exhibit 2. Risk Indicators**

Category	Last	%
5-yr CDS	86.92	+0.7%
VIX	17.89	+6.6%

Sources : Bloomberg, MNCS

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**Global Market Updates**

- Wall Street indexes continued its losing spree Thursday (Aug 16, 2023) amid yields' continued escalations as the selloff in the bond market carried on, still overshadowed by Fed fears and risk-off behaviours in the summer trading.
- The 10-year US Treasury yield was sent 2.4 bps upwards to 4.27%, well poised to reach 2007 levels, while the 2-year UST declined by 3.8 bps, steepening the 2s10s curve to -65 bps.
- We view the UST curve steepening (which has shown to be a bad sign for stocks) to continue onwards given the fact that labor data remains tight (weekly initial unemployment claims fell to 239k vs consensus of 240k) and therefore keeping in store further tightening options from the Fed, lingering pressures from Japan's YCC policy tweak, increases in treasury supply.
- The PBoC's abrupt move Tuesday was a little overdue in our view, and will probably do little to revive the shattered consumer confidence, hence we anticipate further rate cuts of 10 bps to follow up in 3Q23 and 4Q23, rendering the MLF rate to likely stand at 2.3% by FY23E with a 50 bps cut in RRR.
- With those assumptions, baseline forecasts point to China's CPI in 3Q23 to trail at 0.1% and could pick up to 0.6% in 4Q23, or bringing the average growth to 0.5% YoY while having risks skewed to the downside (35% chance of deflationary trend to carry into 1Q24).

**Domestic Market Updates**

- Indonesia's benchmark series of LCY government further depreciated Thursday (Aug 16, 2023), aligned with the USTs sell-off trend. The 10-year (FR0096) yield have penetrated through the 6.40% JIBOR-1M floor and now stands at 6.42%.
- The IDR regained some composure against the USD (USD/IDR fell -0.37%), in line with DXY slight correction, but we might see further DXY strengthening that has been raging since mid-July 2023, carried by US yields' uprising.
- Till Aug 15, 2023, on an MTD basis the Indonesian government securities booked a net outflow of IDR7.94tn with foreign funds seeping out due to uprisings in UST and JGB yields.
- In Aug 15 alone, foreign exits of IDR890bn was seen, along with insurance and pension funds (IDR10.7tn) and banks (IDR9.2tn) amid fears of further yield escalation to come.

**Market Forecast**

- Given the recent developments that unfolded within the global and domestic markets, we expect the 10 year Indo GB yield to move within the range of 6.40-6.50% for today.
- Attractive Indo GB series to be traded today : FR0070, FR0077, FR0082, FR0087, FR0096.

**Exhibit 3. Benchmark LCY Government Bond Prices (Aug 16, 2023)**

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	101.10	6.12%	101.21	6.09%
FR0096	10-year	104.09	6.42%	104.20	6.40%
FR0098	15-year	105.20	6.57%	105.53	6.54%
FR0097	20-year	105.04	6.66%	105.48	6.62%

Sources : Bloomberg, MNCS

**Exhibit 4. Corporate Bond Credit Spread Matrices (Aug 16, 2023)**

Rating	0.1	1	3	5	10
AAA	30.65	49.54	58.25	66.13	79.26
AA	59.63	94.73	125.00	148.94	182.68
A	140.88	201.63	248.29	288.24	353.96
BBB	345.32	405.87	459.31	507.03	591.27

Sources : IBPA, MNCS

**Exhibit 5. Government Bond Ownership by Type (%) (Jul 31, 2023)**

Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56
MF, IF & PF	18.99	19.39	19.86	19.81	20.28	20.50	20.92

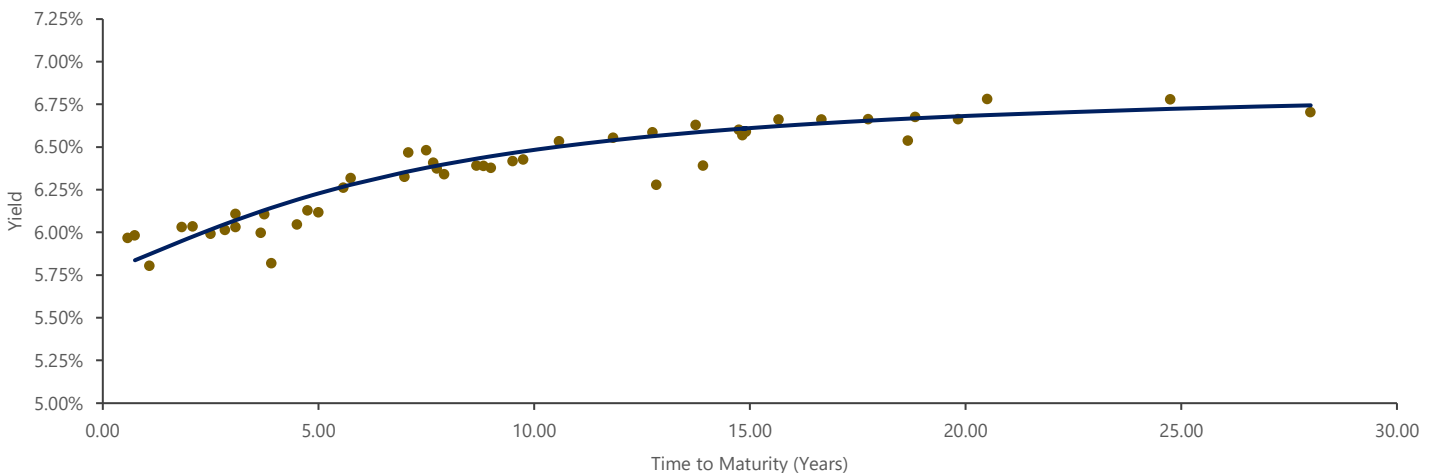
Sources : DJPPR, MNCS

## Exhibit 06. LCY Government Bond Valuation (Aug 16, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.58	101.32	5.97%	5.82%	101.43	Discounted
FR77	8.125	15-May-24	0.75	101.50	5.98%	5.84%	101.64	Discounted
FR44	10.000	15-Sep-24	1.08	104.28	5.80%	5.87%	104.26	Premium
FR81	6.500	15-Jun-25	1.83	100.79	6.03%	5.95%	100.93	Discounted
FR40	11.000	15-Sep-25	2.08	109.51	6.03%	5.98%	109.69	Discounted
FR84	7.250	15-Feb-26	2.50	102.86	5.99%	6.02%	102.82	Premium
FR86	5.500	15-Jun-26	2.83	98.75	6.01%	6.05%	98.58	Premium
FR37	12.000	15-Sep-26	3.08	116.48	6.03%	6.07%	116.42	Premium
FR56	8.375	15-Sep-26	3.08	106.25	6.11%	6.07%	106.38	Discounted
FR90	5.125	15-Apr-27	3.66	97.17	6.00%	6.12%	96.76	Premium
FR59	7.000	15-May-27	3.75	102.94	6.10%	6.13%	102.86	Premium
FR42	10.250	15-Jul-27	3.91	115.25	5.82%	6.14%	114.08	Premium
FR47	10.000	15-Feb-28	4.50	115.33	6.05%	6.19%	114.75	Premium
FR64	6.125	15-May-28	4.75	99.97	6.13%	6.21%	99.64	Premium
FR95	6.375	15-Aug-28	5.00	101.10	6.12%	6.23%	100.62	Premium
FR71	9.000	15-Mar-29	5.58	112.70	6.26%	6.27%	112.69	Premium
FR78	8.250	15-May-29	5.75	109.16	6.32%	6.28%	109.37	Discounted
FR52	10.500	15-Aug-30	7.00	123.28	6.32%	6.35%	123.14	Premium
FR82	7.000	15-Sep-30	7.08	102.97	6.47%	6.36%	103.61	Discounted
FR87	6.500	15-Feb-31	7.50	100.11	6.48%	6.38%	100.71	Discounted
FR85	7.750	15-Apr-31	7.66	108.01	6.41%	6.39%	108.15	Discounted
FR73	8.750	15-May-31	7.75	114.31	6.37%	6.39%	114.22	Premium
FR54	9.500	15-Jul-31	7.91	119.39	6.34%	6.40%	119.01	Premium
FR91	6.375	15-Apr-32	8.66	99.89	6.39%	6.43%	99.61	Premium
FR58	8.250	15-Jun-32	8.83	112.38	6.39%	6.44%	112.04	Premium
FR74	7.500	15-Aug-32	9.00	107.58	6.38%	6.45%	107.11	Premium
FR96	7.000	15-Feb-33	9.50	104.09	6.42%	6.47%	103.75	Premium
FR65	6.625	15-May-33	9.75	101.41	6.43%	6.47%	101.06	Premium
FR68	8.375	15-Mar-34	10.58	113.90	6.53%	6.50%	114.15	Discounted
FR80	7.500	15-Jun-35	11.83	107.68	6.55%	6.54%	107.81	Discounted
FR72	8.250	15-May-36	12.75	114.18	6.59%	6.56%	114.40	Discounted
FR88	6.250	15-Jun-36	12.83	99.75	6.28%	6.57%	97.28	Premium
FR45	9.750	15-May-37	13.75	127.85	6.63%	6.59%	128.30	Discounted
FR93	6.375	15-Jul-37	13.91	99.86	6.39%	6.59%	98.05	Premium
FR75	7.500	15-May-38	14.75	108.37	6.60%	6.61%	108.32	Premium
FR50	10.500	15-Jul-38	14.91	136.74	6.59%	6.61%	136.53	Premium
FR98	7.125	15-Jun-38	14.83	105.20	6.57%	6.61%	104.83	Premium
FR79	8.375	15-Apr-39	15.66	116.50	6.66%	6.62%	116.90	Discounted
FR83	7.500	15-Apr-40	16.66	108.35	6.66%	6.64%	108.59	Discounted
FR57	9.500	15-May-41	17.75	129.25	6.66%	6.65%	129.36	Discounted
FR62	6.375	15-Apr-42	18.66	98.27	6.54%	6.67%	96.90	Premium
FR92	7.125	15-Jun-42	18.83	104.75	6.68%	6.67%	104.84	Discounted
FR97	7.125	15-Jun-43	19.83	105.04	6.66%	6.68%	104.84	Premium
FR67	8.750	15-Feb-44	20.50	121.62	6.78%	6.69%	122.83	Discounted
FR76	7.375	15-May-48	24.75	107.08	6.78%	6.72%	107.78	Discounted
FR89	6.875	15-Aug-51	28.00	102.15	6.70%	6.74%	101.63	Premium

Sources : Bloomberg, MNCS

## Exhibit 07. Indonesia Government Bond Yield Curve



Sources : Bloomberg, MNCS

### 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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