

**Exhibit 1. Daily Market Updates**

Equity	Last	%
JCI	6,866.03	+0.09%
STI	3,154.03	-0.63%
HSI	17,623.29	-1.82%
SSEC	3,092.98	-1.24%
FTSE	7,257.82	-0.06%
GDAX	15,603.28	+0.19%
DJI	34,463.69	-0.11%
S&P 500	4,399.77	+0.69%
NDX	13,497.59	+1.56%
10-yr Bond	Last	Bps
ID	6.63	+2.65
US	4.35	+1.20
UK	4.73	+5.40
JP	0.66	+1.10
CN	2.55	+0.50
MY	3.87	+0.40
TH	2.74	+2.40
Exchange Rate	Last	%
USD/IDR	15,325	+0.26%
EUR/IDR	16,682	+0.31%
GBP/IDR	19,486	+0.12%
HKD/IDR	1,956	+0.17%
SGD/IDR	11,287	+0.19%
AUD/IDR	9,806	+0.23%

Sources : Bloomberg, MNCS

**Exhibit 2. Risk Indicators**

Category	Last	%
5-yr CDS	89.66	-0.29%
VIX	17.13	-1.0%

Sources : Bloomberg, MNCS

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**Global Market Updates**

- Wall Street indexes continued its bear run starting the week (Aug 21, 2023) amid yield hikes as the US Treasury resumed its sell-offs.
- The 10-year US Treasury yields have reached its 15-year high, jumping by c. 1.2 bps to 4.35%, followed by the 2-year UST's c. 5 bps hike to 4.97%. Global bonds followed suit: 10-year German bunds rebounded 9 bps to 2.7%, 10-year UK gilt rose 5 bps to 4.72% and Japanese GB increased by 1.1 bps to 0.66%.
- The soft-landing narrative continues to be echoed given supporting data. The labor market has substantially cooled, with the vacancies-to-unemployed-persons ratio moderating to 1.6 from a hot 2.0, though without tempering the unemployment rate (remained 3.5% vs previous year).
- Moreover, the PCE price index have dropped from its 7% peak in Jun-22 to 3% in Jun-23 without having incurred notable damages to the economy; in fact the economy remains strong.
- Labor-market specialists still insist that vacancy-to-unemployed ratio should soften to 1.2, a level that would seem fit with low and stable inflation, like the Fed's 2% target, which would call for a higher-for-longer scenario indeed.

**Domestic Market Updates**

- Yesterday's INDO GB movements surpassed our expectations, as the benchmark series of LCY government bonds soared unanimously, with the 10-year benchmark series (FR0096) yield jumping by almost 11 bps and reached 6.60%.
- We hold the view that domestic bonds could depreciate further under the perceived continuing US Treasury pressures, but at the same time the rising yields should provide enough allure for bond inflows as the real yield in Indonesia is competitive within the EM landscape.
- The IDR further depreciated against the USD (USD/IDR rose +0.26%) spurred by strengthening in DXY as USTs resumed their sell-offs.
- Till Aug 18, 2023, on a weekly basis the Indonesian government securities booked a net outflow of IDR23.59tn with foreign outflows accruing up to IDR2.3tn, followed with outflows from domestic banks (IDR14tn) and insurance and pension funds (IDR6.7tn).
- On a daily basis (Aug 18), Bank Indonesia was seen to intervene and booked a net buy of IDR10.46tn, and at the same time inflows have started to reign in from mutual, insurance and pension funds (IDR3.4tn).

**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 6.55-6.65% for today.
- Attractive Indo GB series to be traded today : FR0070, FR0077, FR0082, FR0087, FR0096.

**Exhibit 3. Benchmark LCY Government Bond Prices (Aug 21, 2023)**

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	100.43	6.27%	100.45	6.27%
FR0096	10-year	102.58	6.63%	102.77	6.60%
FR0098	15-year	103.23	6.77%	103.39	6.76%
FR0097	20-year	103.32	6.82%	103.36	6.81%

Sources : Bloomberg, MNCS

**Exhibit 4. Corporate Bond Credit Spread Matrices (Aug 21, 2023)**

Rating	0.1	1	3	5	10
AAA	26.86	44.76	56.68	67.97	84.18
AA	58.94	96.34	127.10	151.05	183.47
A	143.81	198.87	247.22	288.05	353.91
BBB	345.23	407.73	457.56	506.75	590.87

Sources : IBPA, MNCS

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

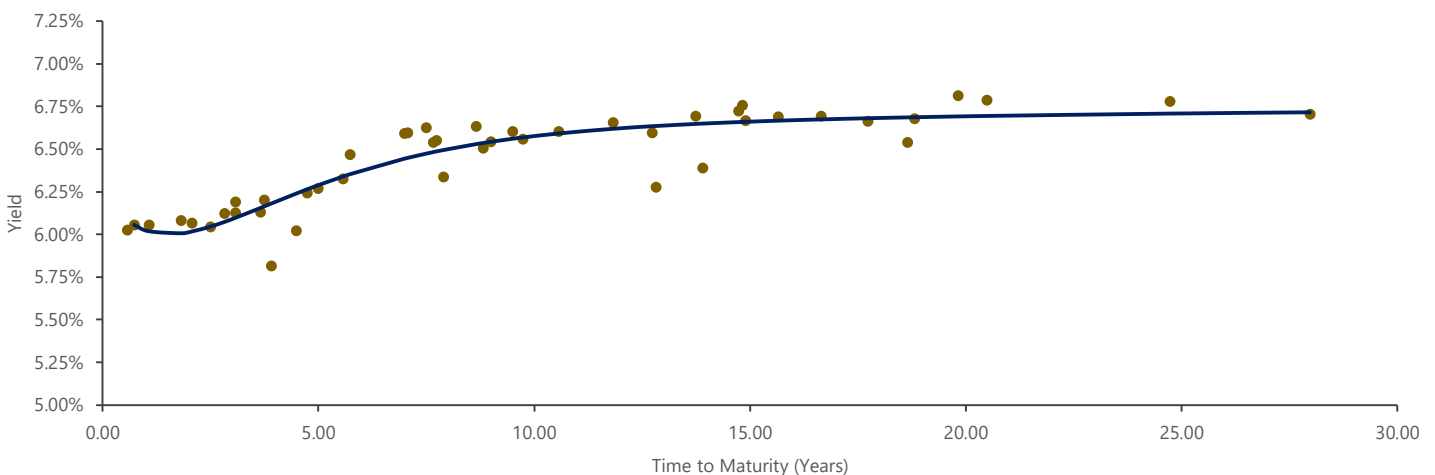
Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56
MF, IF & PF	18.99	19.39	19.86	19.81	20.28	20.50	20.92

Sources : DJPPR, MNCS

**Exhibit 06. LCY Government Bond Valuation (Aug 21, 2023)**

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.57	101.27	6.02%	6.08%	101.25	Premium
FR77	8.125	15-May-24	0.73	101.44	6.06%	6.06%	101.45	Fair
FR44	10.000	15-Sep-24	1.07	103.99	6.05%	6.02%	104.05	Discounted
FR81	6.500	15-Jun-25	1.82	100.70	6.08%	6.01%	100.83	Discounted
FR40	11.000	15-Sep-25	2.07	109.42	6.07%	6.02%	109.54	Discounted
FR84	7.250	15-Feb-26	2.49	102.73	6.05%	6.05%	102.74	Fair
FR86	5.500	15-Jun-26	2.82	98.49	6.12%	6.07%	98.53	Discounted
FR37	12.000	15-Sep-26	3.07	116.16	6.13%	6.10%	116.28	Discounted
FR56	8.375	15-Sep-26	3.07	106.00	6.19%	6.10%	106.28	Discounted
FR90	5.125	15-Apr-27	3.65	96.75	6.13%	6.15%	96.67	Premium
FR59	7.000	15-May-27	3.73	102.61	6.20%	6.16%	102.74	Discounted
FR42	10.250	15-Jul-27	3.90	115.25	5.81%	6.18%	113.90	Premium
FR47	10.000	15-Feb-28	4.49	115.42	6.02%	6.24%	114.51	Premium
FR64	6.125	15-May-28	4.73	99.52	6.24%	6.26%	99.43	Premium
FR95	6.375	15-Aug-28	4.98	100.45	6.27%	6.29%	100.37	Premium
FR71	9.000	15-Mar-29	5.57	112.37	6.33%	6.34%	112.31	Premium
FR78	8.250	15-May-29	5.73	108.40	6.47%	6.35%	108.98	Discounted
FR52	10.500	15-Aug-30	6.98	121.57	6.59%	6.44%	122.53	Discounted
FR82	7.000	15-Sep-30	7.07	102.25	6.60%	6.45%	103.09	Discounted
FR87	6.500	15-Feb-31	7.49	99.28	6.62%	6.47%	100.16	Discounted
FR85	7.750	15-Apr-31	7.65	107.19	6.54%	6.48%	107.54	Discounted
FR73	8.750	15-May-31	7.73	113.15	6.55%	6.49%	113.58	Discounted
FR54	9.500	15-Jul-31	7.90	119.40	6.34%	6.49%	118.33	Premium
FR91	6.375	15-Apr-32	8.65	98.31	6.63%	6.53%	98.99	Discounted
FR58	8.250	15-Jun-32	8.82	111.55	6.50%	6.54%	111.34	Premium
FR74	7.500	15-Aug-32	8.98	106.42	6.54%	6.54%	106.43	Fair
FR96	7.000	15-Feb-33	9.49	102.77	6.60%	6.56%	103.07	Discounted
FR65	6.625	15-May-33	9.73	100.46	6.56%	6.57%	100.39	Premium
FR68	8.375	15-Mar-34	10.57	113.31	6.60%	6.59%	113.42	Discounted
FR80	7.500	15-Jun-35	11.82	106.81	6.66%	6.62%	107.13	Discounted
FR72	8.250	15-May-36	12.73	114.08	6.60%	6.63%	113.73	Premium
FR88	6.250	15-Jun-36	12.82	99.75	6.28%	6.63%	96.70	Premium
FR45	9.750	15-May-37	13.73	127.17	6.69%	6.65%	127.64	Discounted
FR93	6.375	15-Jul-37	13.90	99.86	6.39%	6.65%	97.53	Premium
FR75	7.500	15-May-38	14.73	107.18	6.72%	6.66%	107.81	Discounted
FR50	10.500	15-Jul-38	14.90	135.83	6.67%	6.66%	135.93	Discounted
FR98	7.125	15-Jun-38	14.82	103.39	6.76%	6.66%	104.34	Discounted
FR79	8.375	15-Apr-39	15.65	116.20	6.69%	6.67%	116.43	Discounted
FR83	7.500	15-Apr-40	16.65	108.02	6.69%	6.67%	108.22	Discounted
FR57	9.500	15-May-41	17.73	129.25	6.66%	6.68%	129.03	Premium
FR62	6.375	15-Apr-42	18.65	98.25	6.54%	6.69%	96.71	Premium
FR92	7.125	15-Jun-42	18.82	104.75	6.68%	6.69%	104.64	Premium
FR97	7.125	15-Jun-43	19.82	103.36	6.81%	6.69%	104.71	Discounted
FR67	8.750	15-Feb-44	20.49	121.56	6.79%	6.69%	122.74	Discounted
FR76	7.375	15-May-48	24.73	107.07	6.78%	6.71%	107.99	Discounted
FR89	6.875	15-Aug-51	27.98	102.15	6.70%	6.72%	102.00	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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