

Exhibit 1. Daily Market Updates

| Equity | Last | % |
|---------|-----------|--------|
| JCI | 6,921.41 | +0.07% |
| STI | 3,174.18 | +0.45% |
| HSI | 17,845.92 | +0.31% |
| SSEC | 3,078.40 | -1.34% |
| FTSE | 7,320.53 | +0.68% |
| GDAX | 15,728.41 | +0.15% |
| DJI | 34,472.98 | +0.54% |
| S&P 500 | 4,436.01 | +1.10% |
| NDX | 13,721.03 | +1.59% |

| 10-yr Bond | Last | Bps |
|------------|------|--------|
| ID | 6.59 | -0.18 |
| US | 4.19 | -13.20 |
| UK | 4.47 | -17.70 |
| JP | 0.67 | -0.80 |
| CN | 2.55 | +0.00 |
| MY | 3.86 | -1.70 |
| TH | 2.79 | +3.50 |

| Exchange Rate | Last | % |
|---------------|--------|--------|
| USD/IDR | 15,295 | -0.13% |
| EUR/IDR | 16,553 | -0.98% |
| GBP/IDR | 19,398 | -0.95% |
| HKD/IDR | 1,951 | -0.19% |
| SGD/IDR | 11,270 | -0.31% |
| AUD/IDR | 9,834 | -0.28% |

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

| Category | Last | % |
|----------|-------|--------|
| 5-yr CDS | 82.46 | -0.83% |
| VIX | 15.98 | -5.8% |

Sources : Bloomberg, MNCS

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Global Market Updates

- Wall Street indexes managed to post a gain Wednesday (Aug 23, 2023), hoisted by the tech sector in positive anticipations of NVIDIA's performance amid a continued AI frenzy, as well as a series of lackluster economic readings that support the case for a rate pause scenario by the Fed.
- The high rates' bite have started to reflect on the economy as Aug-23's flash PMI reading came in weaker than the consensus, as well as mortgage applications that have tumbled to near 30-year lows.
- Equities might struggle to find sustained momentum approaching year's end as the higher-for-longer narrative continues to price in. Investors are expected to accrue more bonds positions than equities given the attractive yields and half the volatility.
- To illustrate, global bonds average offers a yield of 4% compared to MSCI's All Country World Index's dividend yield of 2%. The latest EPFR Global data even confirmed the shift to bonds, albeit pricy in recent weeks, have sustained for the 21th consecutive week while stocks have posted outflows of USD2.2bn.
- The longer termed US Treasuries closed higher Wednesday, with 10-year UST yield plummeted 13bps to 4.19%, whereas the 2-year UST yield went down c. 6 bps to 4.95%. Global bonds followed suit: 10-year German bunds fell 12.7 bps to 2.52%, 10-year UK gilt slipped 17.7 bps to 4.47% while the Japanese GB remained muted at 0.67%, all widely due to rate pause sentiments on global central banks.

Domestic Market Updates

- Indonesian Tuesday benchmark series of LCY government bonds rebounded Wednesday, with the 10-year benchmark series' (FR0096) yield slipping by 2.3 bps to 6.62%.
- The IDR slightly strengthened against the USD (USD/IDR ticked down -0.13%) supported by DXY's slip from UST's retreat.
- Bank Indonesia is expected to maintain its 7DRR rate at 5.75% in today's Board of Governor's meeting. Only 2 out of 30 surveyed economists by Bloomberg holds the view of a rate hike decision to be passed.
- BI's focus remains fixated on exchange rate stability, hence they have been willing to send bond yields soaring (10-year to have reached April's high of 6.75%) to contend with UST's yields.
- We are of the view that BI will hold their rates for this meeting, with possibilities of adjustments if the pressure on IDR becomes uncontainable in the face of further exports contraction and imports swelling in the face of El Nino threats or if the Fed offer policy surprises.
- As of Aug 21, local banks accrued their Indo gov't bond positions on a DtD basis as yields soar above the money market rates, as have mutual, insurance and pension funds. Foreign funds have yet to post a net inflow, as mounting risk perceptions and historically low UST/Indo GB 10-year spreads weigh on appetite for EMS' bonds.

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 6.55-6.60% for today.
- Attractive Indo GB series to be traded today : FR0070, FR0082, FR0087, FR0096.

Exhibit 3. Benchmark LCY Government Bond Prices (Aug 23, 2023)

| Series | Benchmark | Last Price | YTM | -1D Price | -1D YTM |
|--------|-----------|------------|-------|-----------|---------|
| FR0095 | 5-year | 100.36 | 6.29% | 100.28 | 6.31% |
| FR0096 | 10-year | 102.66 | 6.62% | 102.42 | 6.65% |
| FR0098 | 15-year | 103.25 | 6.77% | 103.08 | 6.79% |
| FR0097 | 20-year | 103.06 | 6.84% | 102.86 | 6.86% |

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Aug 23, 2023)

| Rating | 0.1 | 1 | 3 | 5 | 10 |
|--------|--------|--------|--------|--------|--------|
| AAA | 25.15 | 41.90 | 56.64 | 68.65 | 87.18 |
| AA | 58.60 | 97.15 | 128.14 | 152.13 | 183.86 |
| A | 145.28 | 197.48 | 246.71 | 287.97 | 353.90 |
| BBB | 345.16 | 408.68 | 456.69 | 506.64 | 590.72 |

Sources : IBPA, MNCS

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

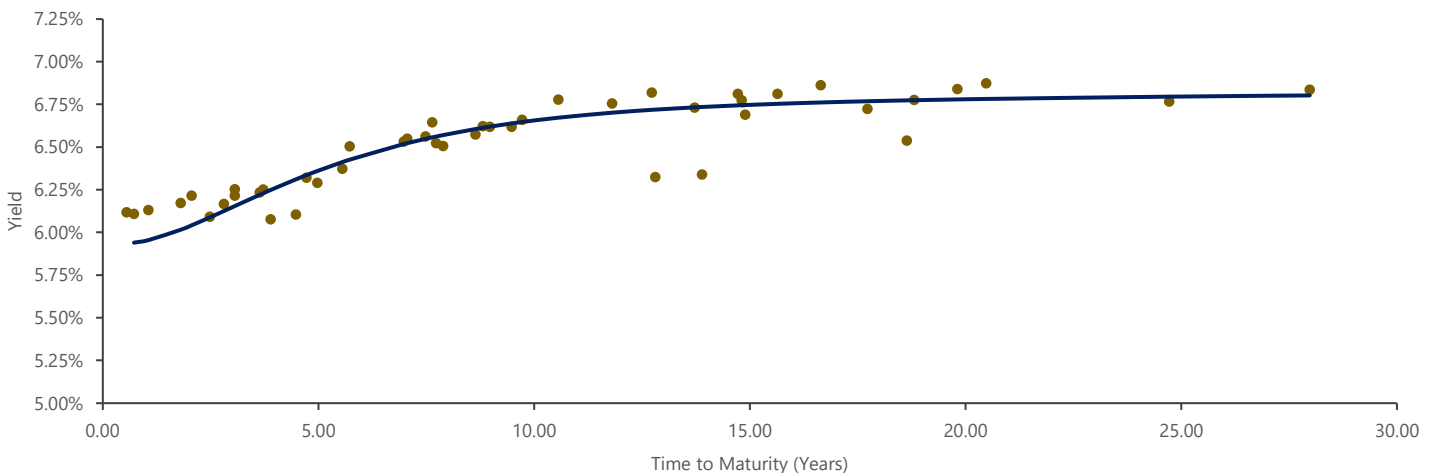
| Series | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 |
|--------------|--------|--------|--------|--------|--------|--------|--------|
| Central Bank | 17.28 | 17.49 | 18.27 | 20.10 | 17.22 | 17.43 | 16.16 |
| Banks | 33.51 | 33.24 | 31.93 | 29.82 | 31.72 | 31.06 | 31.45 |
| Foreign | 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 23, 2023)

| Series | Coupon | Maturity | TTM | Last Price | YTM | Yield Curve | Fair Price | Notes |
|--------|--------|-----------|-------|------------|-------|-------------|------------|------------|
| FR70 | 8.375 | 15-Mar-24 | 0.56 | 101.21 | 6.12% | 5.94% | 101.32 | Discounted |
| FR77 | 8.125 | 15-May-24 | 0.73 | 101.39 | 6.11% | 5.94% | 101.52 | Discounted |
| FR44 | 10.000 | 15-Sep-24 | 1.06 | 103.90 | 6.13% | 5.95% | 104.10 | Discounted |
| FR81 | 6.500 | 15-Jun-25 | 1.81 | 100.54 | 6.17% | 6.02% | 100.81 | Discounted |
| FR40 | 11.000 | 15-Sep-25 | 2.06 | 109.10 | 6.22% | 6.04% | 109.47 | Discounted |
| FR84 | 7.250 | 15-Feb-26 | 2.48 | 102.62 | 6.09% | 6.09% | 102.64 | Fair |
| FR86 | 5.500 | 15-Jun-26 | 2.81 | 98.39 | 6.17% | 6.12% | 98.40 | Discounted |
| FR37 | 12.000 | 15-Sep-26 | 3.06 | 115.88 | 6.21% | 6.15% | 116.08 | Discounted |
| FR56 | 8.375 | 15-Sep-26 | 3.06 | 105.82 | 6.25% | 6.15% | 106.11 | Discounted |
| FR90 | 5.125 | 15-Apr-27 | 3.64 | 96.44 | 6.23% | 6.22% | 96.47 | Discounted |
| FR59 | 7.000 | 15-May-27 | 3.73 | 102.44 | 6.25% | 6.23% | 102.52 | Discounted |
| FR42 | 10.250 | 15-Jul-27 | 3.89 | 114.25 | 6.08% | 6.25% | 113.63 | Premium |
| FR47 | 10.000 | 15-Feb-28 | 4.48 | 115.05 | 6.10% | 6.31% | 114.20 | Premium |
| FR64 | 6.125 | 15-May-28 | 4.73 | 99.21 | 6.32% | 6.33% | 99.14 | Premium |
| FR95 | 6.375 | 15-Aug-28 | 4.98 | 100.36 | 6.29% | 6.36% | 100.06 | Premium |
| FR71 | 9.000 | 15-Mar-29 | 5.56 | 112.13 | 6.37% | 6.41% | 111.94 | Premium |
| FR78 | 8.250 | 15-May-29 | 5.73 | 108.23 | 6.50% | 6.43% | 108.61 | Discounted |
| FR52 | 10.500 | 15-Aug-30 | 6.98 | 121.94 | 6.53% | 6.52% | 122.05 | Discounted |
| FR82 | 7.000 | 15-Sep-30 | 7.06 | 102.52 | 6.55% | 6.52% | 102.66 | Discounted |
| FR87 | 6.500 | 15-Feb-31 | 7.48 | 99.64 | 6.56% | 6.55% | 99.72 | Discounted |
| FR85 | 7.750 | 15-Apr-31 | 7.64 | 106.53 | 6.64% | 6.56% | 107.08 | Discounted |
| FR73 | 8.750 | 15-May-31 | 7.73 | 113.34 | 6.52% | 6.56% | 113.09 | Premium |
| FR54 | 9.500 | 15-Jul-31 | 7.89 | 118.25 | 6.50% | 6.57% | 117.82 | Premium |
| FR91 | 6.375 | 15-Apr-32 | 8.64 | 98.70 | 6.57% | 6.61% | 98.49 | Premium |
| FR58 | 8.250 | 15-Jun-32 | 8.81 | 110.72 | 6.62% | 6.61% | 110.79 | Fair |
| FR74 | 7.500 | 15-Aug-32 | 8.98 | 105.90 | 6.62% | 6.62% | 105.89 | Fair |
| FR96 | 7.000 | 15-Feb-33 | 9.48 | 102.66 | 6.62% | 6.64% | 102.52 | Premium |
| FR65 | 6.625 | 15-May-33 | 9.73 | 99.74 | 6.66% | 6.65% | 99.84 | Discounted |
| FR68 | 8.375 | 15-Mar-34 | 10.56 | 111.90 | 6.78% | 6.67% | 112.76 | Discounted |
| FR80 | 7.500 | 15-Jun-35 | 11.81 | 105.99 | 6.75% | 6.70% | 106.44 | Discounted |
| FR72 | 8.250 | 15-May-36 | 12.73 | 112.03 | 6.82% | 6.72% | 112.96 | Discounted |
| FR88 | 6.250 | 15-Jun-36 | 12.81 | 99.35 | 6.32% | 6.72% | 96.00 | Premium |
| FR45 | 9.750 | 15-May-37 | 13.73 | 126.76 | 6.73% | 6.73% | 126.75 | Fair |
| FR93 | 6.375 | 15-Jul-37 | 13.89 | 100.33 | 6.34% | 6.73% | 96.78 | Premium |
| FR75 | 7.500 | 15-May-38 | 14.73 | 106.33 | 6.81% | 6.74% | 106.98 | Discounted |
| FR50 | 10.500 | 15-Jul-38 | 14.89 | 135.58 | 6.69% | 6.75% | 134.93 | Premium |
| FR98 | 7.125 | 15-Jun-38 | 14.81 | 103.25 | 6.77% | 6.74% | 103.52 | Discounted |
| FR79 | 8.375 | 15-Apr-39 | 15.64 | 114.90 | 6.81% | 6.75% | 115.51 | Discounted |
| FR83 | 7.500 | 15-Apr-40 | 16.64 | 106.27 | 6.86% | 6.76% | 107.31 | Discounted |
| FR57 | 9.500 | 15-May-41 | 17.73 | 128.50 | 6.72% | 6.77% | 127.95 | Premium |
| FR62 | 6.375 | 15-Apr-42 | 18.64 | 98.25 | 6.54% | 6.77% | 95.81 | Premium |
| FR92 | 7.125 | 15-Jun-42 | 18.81 | 103.68 | 6.77% | 6.77% | 103.69 | Fair |
| FR97 | 7.125 | 15-Jun-43 | 19.81 | 103.06 | 6.84% | 6.78% | 103.73 | Discounted |
| FR67 | 8.750 | 15-Feb-44 | 20.48 | 120.47 | 6.87% | 6.78% | 121.62 | Discounted |
| FR76 | 7.375 | 15-May-48 | 24.73 | 107.26 | 6.77% | 6.79% | 106.89 | Premium |
| FR89 | 6.875 | 15-Aug-51 | 27.98 | 100.50 | 6.83% | 6.80% | 100.91 | Discounted |

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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