

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,895.44	-0.06%
STI	3,189.88	+0.29%
HSI	17,956.38	-1.40%
SSEC	3,064.08	-0.59%
FTSE	7,338.58	+0.07%
GDAX	15,631.82	-0.07%
DJI	34,099.42	+0.73%
S&P 500	4,376.31	+0.67%
NDX	13,590.65	+0.94%

10-yr Bond	Last	Bps
ID	6.50	-2.30
US	4.25	+0.99
UK	4.44	+1.50
JP	0.67	+0.70
CN	2.60	+3.70
MY	3.85	+0.30
TH	2.78	-0.50

Exchange Rate	Last	%
USD/IDR	15,295	+0.33%
EUR/IDR	16,502	-0.37%
GBP/IDR	19,225	-0.58%
HKD/IDR	1,950	+0.29%
SGD/IDR	11,282	+0.10%
AUD/IDR	9,826	-0.21%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	87.62	0.10%
VIX	15.68	-8.8%

Sources : Bloomberg, MNCS

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Global Market Updates

- Fed's address in Jackson Hole symposium offered a vague picture of what their next step would be, aside from one certainty: they're firmly committed to suppress inflation down to their 2% target.
- This lack of clarity gave equities some room for breath Friday (Aug 25, 2023) with the S&P 500, DJI and Nasdaq posting small gains (0.7%, 0.7% and 0.9%, respectively).
- US Treasuries jumped Friday, with the 10-year UST yield rising by c. 2 bps to 4.25%, followed by 2-year UST yield's rise by c. 5 bps to 5.03%.
- Rates are could to stabilize here on out, but the possibilities of rate cutting to occur this year remain slim to none. Trends in recent economic and geopolitical landscapes strongly points towards the case of a higher rates to linger.
- US yields may continue to rise given several backdrops: 1) US debt surpassing USD32.7tn, translating into over USD1.75tn in annual interest payments (on 5.375% FFR), 2) China's position as the leading purchaser of US bonds with plans of fund repatriations and reunification with Taiwan, 3) Emboldened dedollarisation play by BRICS to further weaken US bonds demand and derail USD value.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds was mixed Friday. The 10-year Indonesian government bond benchmark series (FR0096) yields fell by -2.3 bps to 6.50%.
- The Indonesian gov't 2s10s bond curve further flattened to 19 bps (vs 29 bps previously), shown by the selloffs in shorter-termed bonds and accruals in the longer termed bonds (especially insurance and pension funds which has been shown to accrue c. IDR6.9tn WoW as of Aug 23, 2023).
- This might indicate increased risk perception (reflected by a rebound in 5-yr CDS to 87.6 from its lowest of 73.3 in Jul-23), and economic uncertainty amid faltering trade performance predominantly from China's steady fallout.
- The IDR depreciated against the USD (USD/IDR rebounded by 0.33%), following the rebound in UST yields amid higher rates concerns.

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 6.50-6.60% for today.
- Attractive Indo GB series to be traded today : FR0070, FR0082, FR0087, FR0096.

Exhibit 3. Benchmark LCY Government Bond Prices (Aug 25, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	100.34	6.29%	100.39	6.28%
FR0096	10-year	103.52	6.50%	103.46	6.50%
FR0098	15-year	103.88	6.71%	103.79	6.71%
FR0097	20-year	103.70	6.78%	103.74	6.78%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Aug 25, 2023)

Rating	0.1	1	3	5	10
AAA	20.65	41.32	54.98	65.75	84.62
AA	58.82	97.69	128.50	153.62	183.33
A	147.70	200.76	248.37	288.65	353.70
BBB	346.04	407.13	457.95	507.76	590.42

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

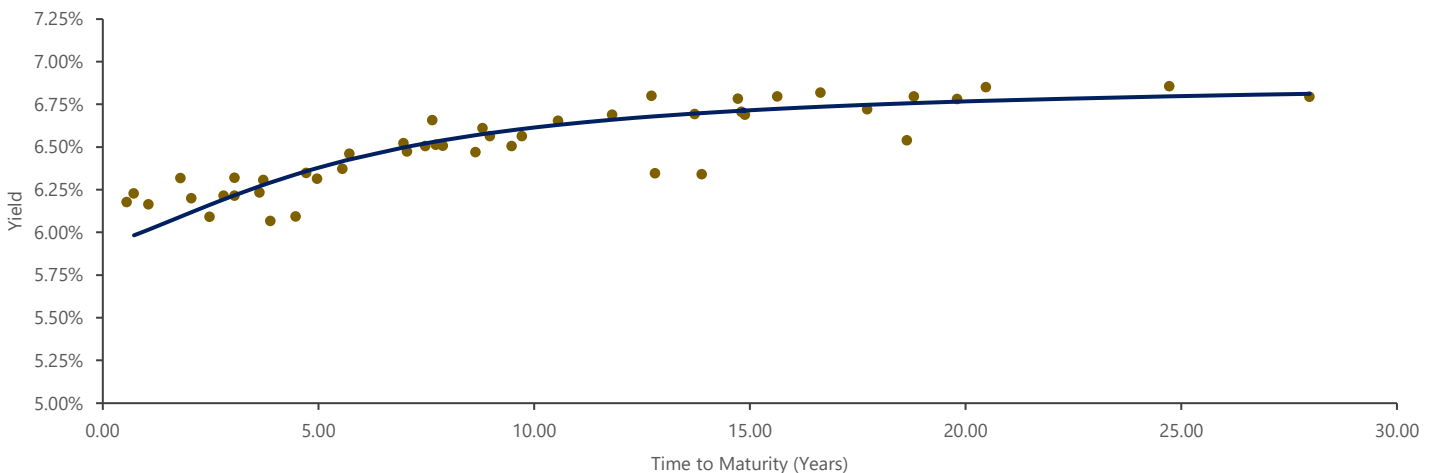
Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Aug 25, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.55	101.16	6.18%	5.97%	101.29	Discounted
FR77	8.125	15-May-24	0.72	101.29	6.23%	5.98%	101.48	Discounted
FR44	10.000	15-Sep-24	1.06	103.82	6.16%	6.02%	104.01	Discounted
FR81	6.500	15-Jun-25	1.81	100.29	6.32%	6.09%	100.68	Discounted
FR40	11.000	15-Sep-25	2.06	109.09	6.20%	6.12%	109.29	Discounted
FR84	7.250	15-Feb-26	2.48	102.61	6.09%	6.16%	102.46	Premium
FR86	5.500	15-Jun-26	2.81	98.29	6.21%	6.19%	98.23	Discounted
FR37	12.000	15-Sep-26	3.06	115.83	6.21%	6.22%	115.87	Premium
FR56	8.375	15-Sep-26	3.06	105.61	6.32%	6.22%	105.92	Discounted
FR90	5.125	15-Apr-27	3.64	96.44	6.23%	6.27%	96.32	Premium
FR59	7.000	15-May-27	3.72	102.25	6.31%	6.28%	102.35	Discounted
FR42	10.250	15-Jul-27	3.89	114.25	6.07%	6.29%	113.45	Premium
FR47	10.000	15-Feb-28	4.48	115.06	6.09%	6.34%	114.06	Premium
FR64	6.125	15-May-28	4.72	99.09	6.35%	6.36%	99.05	Premium
FR95	6.375	15-Aug-28	4.97	100.26	6.31%	6.38%	99.99	Premium
FR71	9.000	15-Mar-29	5.55	112.11	6.37%	6.42%	111.91	Premium
FR78	8.250	15-May-29	5.72	108.42	6.46%	6.43%	108.60	Discounted
FR52	10.500	15-Aug-30	6.97	121.97	6.52%	6.50%	122.16	Discounted
FR82	7.000	15-Sep-30	7.06	102.94	6.47%	6.50%	102.78	Premium
FR87	6.500	15-Feb-31	7.48	99.97	6.51%	6.52%	99.87	Premium
FR85	7.750	15-Apr-31	7.64	106.45	6.66%	6.53%	107.25	Discounted
FR73	8.750	15-May-31	7.72	113.39	6.51%	6.53%	113.27	Premium
FR54	9.500	15-Jul-31	7.89	118.21	6.51%	6.54%	118.01	Premium
FR91	6.375	15-Apr-32	8.64	99.38	6.47%	6.57%	98.73	Premium
FR58	8.250	15-Jun-32	8.81	110.79	6.61%	6.57%	111.05	Discounted
FR74	7.500	15-Aug-32	8.97	106.27	6.56%	6.58%	106.15	Premium
FR96	7.000	15-Feb-33	9.48	103.46	6.50%	6.60%	102.80	Premium
FR65	6.625	15-May-33	9.72	100.43	6.56%	6.61%	100.13	Premium
FR68	8.375	15-Mar-34	10.55	112.89	6.65%	6.63%	113.10	Discounted
FR80	7.500	15-Jun-35	11.81	106.53	6.69%	6.66%	106.78	Discounted
FR72	8.250	15-May-36	12.72	112.19	6.80%	6.68%	113.32	Discounted
FR88	6.250	15-Jun-36	12.81	99.15	6.35%	6.68%	96.33	Premium
FR45	9.750	15-May-37	13.72	127.13	6.69%	6.70%	127.12	Fair
FR93	6.375	15-Jul-37	13.89	100.31	6.34%	6.70%	97.10	Premium
FR75	7.500	15-May-38	14.72	106.60	6.78%	6.71%	107.29	Discounted
FR50	10.500	15-Jul-38	14.89	135.56	6.69%	6.71%	135.29	Premium
FR98	7.125	15-Jun-38	14.81	103.88	6.71%	6.71%	103.82	Premium
FR79	8.375	15-Apr-39	15.64	115.04	6.80%	6.72%	115.82	Discounted
FR83	7.500	15-Apr-40	16.64	106.71	6.82%	6.74%	107.57	Discounted
FR57	9.500	15-May-41	17.72	128.50	6.72%	6.75%	128.20	Premium
FR62	6.375	15-Apr-42	18.64	98.25	6.54%	6.76%	95.99	Premium
FR92	7.125	15-Jun-42	18.81	103.46	6.80%	6.76%	103.87	Discounted
FR97	7.125	15-Jun-43	19.81	103.70	6.78%	6.77%	103.88	Discounted
FR67	8.750	15-Feb-44	20.48	120.74	6.85%	6.77%	121.76	Discounted
FR76	7.375	15-May-48	24.72	106.14	6.85%	6.80%	106.87	Discounted
FR89	6.875	15-Aug-51	27.97	101.02	6.79%	6.81%	100.79	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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