

**Exhibit 1. Daily Market Updates**

Equity	Last	%
JCI	6,933.97	-0.42%
STI	3,214.46	-0.12%
HSI	18,025.89	-0.39%
SSEC	3,137.06	-0.18%
FTSE	7,527.53	+0.41%
GDAX	15,715.53	-0.54%
DJI	34,645.99	-0.05%
S&P 500	4,461.90	-0.57%
NDX	13,773.61	-1.04%

10-yr Bond	Last	Bps
ID	6.63	+4.00
US	4.27	-2.60
UK	4.42	-5.60
JP	0.71	-0.40
CN	2.66	-0.00
MY	3.86	+1.50
TH	2.92	+1.00

Exchange Rate	Last	%
USD/IDR	15,340	+0.10%
EUR/IDR	16,446	-0.04%
GBP/IDR	19,133	-0.34%
HKD/IDR	1,959	+0.16%
SGD/IDR	11,268	-0.05%
AUD/IDR	9,862	-0.04%

Sources : Bloomberg, MNCS

**Exhibit 2. Risk Indicators**

Category	Last	%
5-yr CDS	78.35	-0.2%
VIX	14.23	-3.1%

Sources : Bloomberg, MNCS

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**Global Market Updates**

- Wall Street equities lost its steam Tuesday (Sep 12, 2023) as the tech sector reported weaker-than-expected results, while energy stocks continued its appreciation from crude's sustained rally.
- On the basis of resilient economy and bull energy prices, today's US CPI reading, which takes the center of global markets' attention amidst uncertainties, is anticipated to reflect a rebound in inflationary pressures, also shown in the steady rise of 10-yr breakeven rates for the past weeks.
- If the CPI does indeed pick up, markets will have to leave the door open for hawkish possibilities from the Fed, which will definitely drag down stocks and leave more space for higher yields.
- US 10-year Treasury note yields slid 2 bps to 4.27%, while the more sensitive the shorter-termed 2-yr notes edged up 1 bps to 4.98%.
- While BoJ's clear cut plan of putting an end to its negative interest rates will incite sluggish JGBs, it is unclear if fund holders could find enough confidence to reenter the US market, with inflationary pressures brewing.
- Sparked by inflation expectations of the Euro Area to remain high at 3% up to next year, 10-yr German bunds rose 0.5 bps to 2.6%, while 10-yr UK gilts slipped -5.6 bps to 4.4%.

**Domestic Market Updates**

- Indonesian benchmark series of LCY government bonds further retreated Tuesday (Sep 12, 2023). The 10-yr benchmark series yield rose 4 bps to 6.63%. The 2s10s Indo GB spread further widened to 42 bps (previously 38 bps).
- Investors' fund allocation shift towards the US and away from EM, notwithstanding Indonesia, according to a survey by BofA might persist.
- We view Indonesian bonds to have enough allure at the current yields to invoke an inflow once again, given the prospects of steady interest rates. Lower yields are likely to be seen today.
- Even yesterday's gov't sukuk auction secured a total incoming bids of IDR31.3tn, 47% more than last auction's IDR21.3tn, and a total awarded bids of IDR9tn, rising from last auction's IDR6tn as refunding needs has picked up from the maturing of several series.
- As expected, the front-end sukuk were the most sought after (PBS036) given their discounted nature, garnering a total of IDR17.3tn of bids.
- IDR was mixed against global major currencies, while depreciating against the USD with more strengthening from the DXY on the way backed by higher inflation expectations and crude's strong rally.

**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 : FR0081, FR0082, FR0087, FR0096, FR0100.

**Exhibit 3. Benchmark LCY Government Bond Prices (Sep 8, 2023)**

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	100.41	6.28%	100.47	6.26%
FR0096	10-year	102.56	6.63%	102.85	6.59%
FR0098	15-year	103.56	6.74%	104.17	6.68%
FR0097	20-year	103.37	6.81%	103.95	6.76%

Sources : Bloomberg, MNCS

**Exhibit 4. Corporate Bond Credit Spread Matrices (Sep 8, 2023)**

Rating	0.1	1	3	5	10
AAA	21.28	35.44	49.29	60.90	76.56
AA	46.98	85.57	114.96	142.43	179.86
A	147.74	198.02	247.06	291.77	349.87
BBB	341.94	396.67	456.74	508.17	597.04

Sources : IBPA, MNCS

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

Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16	16.08
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45	31.14
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56	15.37
MF, IF & PF	18.99	19.39	19.86	19.81	20.28	20.50	20.92	21.20

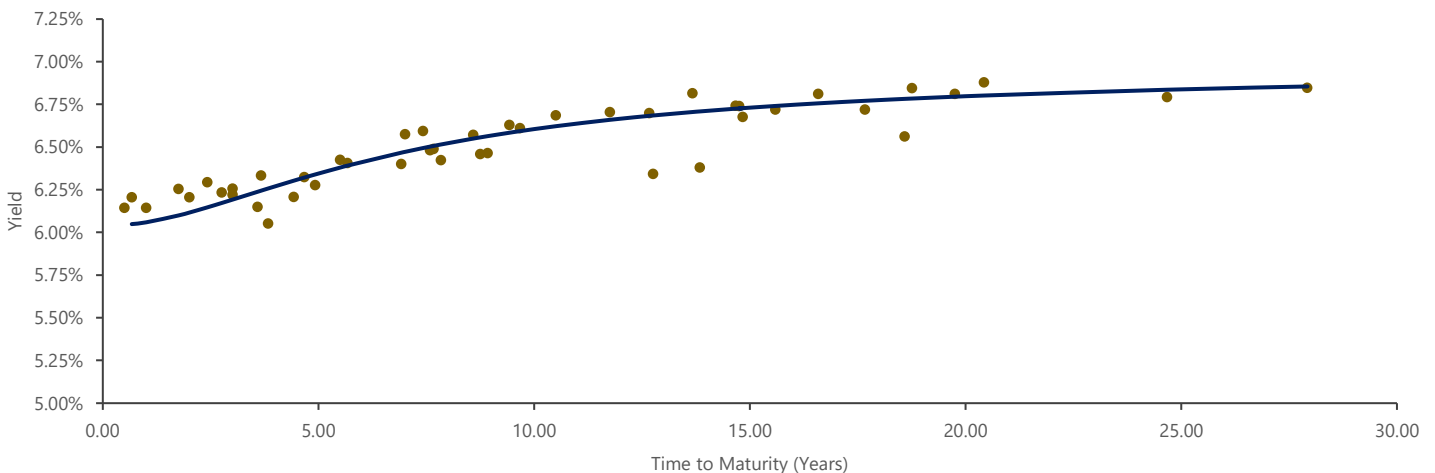
Sources : DJPPR, MNCS

## Exhibit 06. LCY Government Bond Valuation (Sep 12, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.51	101.08	6.14%	6.05%	101.15	Discounted
FR77	8.125	15-May-24	0.67	101.22	6.21%	6.05%	101.34	Discounted
FR44	10.000	15-Sep-24	1.01	103.69	6.14%	6.06%	103.80	Discounted
FR81	6.500	15-Jun-25	1.76	100.39	6.25%	6.10%	100.65	Discounted
FR40	11.000	15-Sep-25	2.01	108.89	6.21%	6.12%	109.10	Discounted
FR84	7.250	15-Feb-26	2.43	102.11	6.29%	6.15%	102.44	Discounted
FR86	5.500	15-Jun-26	2.76	98.27	6.23%	6.17%	98.31	Discounted
FR37	12.000	15-Sep-26	3.01	115.60	6.22%	6.19%	115.72	Discounted
FR56	8.375	15-Sep-26	3.01	105.72	6.26%	6.19%	105.91	Discounted
FR90	5.125	15-Apr-27	3.59	96.75	6.15%	6.24%	96.46	Premium
FR59	7.000	15-May-27	3.67	102.14	6.33%	6.24%	102.43	Discounted
FR42	10.250	15-Jul-27	3.84	114.15	6.05%	6.26%	113.43	Premium
FR47	10.000	15-Feb-28	4.43	114.44	6.21%	6.30%	114.07	Premium
FR64	6.125	15-May-28	4.67	99.20	6.32%	6.32%	99.21	Fair
FR95	6.375	15-Aug-28	4.92	100.41	6.28%	6.34%	100.14	Premium
FR71	9.000	15-Mar-29	5.51	111.77	6.42%	6.38%	112.01	Discounted
FR78	8.250	15-May-29	5.67	108.64	6.40%	6.39%	108.72	Discounted
FR52	10.500	15-Aug-30	6.92	122.62	6.40%	6.47%	122.21	Premium
FR82	7.000	15-Sep-30	7.01	102.36	6.57%	6.47%	102.94	Discounted
FR87	6.500	15-Feb-31	7.43	99.45	6.59%	6.49%	100.03	Discounted
FR85	7.750	15-Apr-31	7.59	107.51	6.48%	6.50%	107.37	Premium
FR73	8.750	15-May-31	7.67	113.47	6.49%	6.51%	113.37	Premium
FR54	9.500	15-Jul-31	7.84	118.69	6.42%	6.51%	118.08	Premium
FR91	6.375	15-Apr-32	8.59	98.73	6.57%	6.55%	98.86	Discounted
FR58	8.250	15-Jun-32	8.76	111.81	6.46%	6.56%	111.13	Premium
FR74	7.500	15-Aug-32	8.92	106.93	6.46%	6.56%	106.24	Premium
FR96	7.000	15-Feb-33	9.43	102.56	6.63%	6.58%	102.88	Discounted
FR65	6.625	15-May-33	9.67	100.09	6.61%	6.59%	100.21	Discounted
FR68	8.375	15-Mar-34	10.51	112.61	6.68%	6.62%	113.12	Discounted
FR80	7.500	15-Jun-35	11.76	106.39	6.70%	6.66%	106.76	Discounted
FR72	8.250	15-May-36	12.67	113.09	6.70%	6.68%	113.24	Discounted
FR88	6.250	15-Jun-36	12.76	99.20	6.34%	6.68%	96.29	Premium
FR45	9.750	15-May-37	13.67	125.81	6.82%	6.71%	126.96	Discounted
FR93	6.375	15-Jul-37	13.84	99.95	6.38%	6.71%	97.01	Premium
FR75	7.500	15-May-38	14.67	106.98	6.74%	6.72%	107.15	Discounted
FR50	10.500	15-Jul-38	14.84	135.63	6.68%	6.73%	135.05	Premium
FR98	7.125	15-Jun-38	14.76	103.56	6.74%	6.73%	103.68	Discounted
FR79	8.375	15-Apr-39	15.59	115.84	6.72%	6.74%	115.61	Premium
FR83	7.500	15-Apr-40	16.59	106.79	6.81%	6.76%	107.34	Discounted
FR57	9.500	15-May-41	17.67	128.50	6.72%	6.77%	127.86	Premium
FR62	6.375	15-Apr-42	18.59	98.00	6.56%	6.78%	95.73	Premium
FR92	7.125	15-Jun-42	18.76	102.93	6.84%	6.78%	103.57	Discounted
FR97	7.125	15-Jun-43	19.76	103.37	6.81%	6.80%	103.54	Discounted
FR67	8.750	15-Feb-44	20.43	120.36	6.88%	6.80%	121.33	Discounted
FR76	7.375	15-May-48	24.67	106.91	6.79%	6.84%	106.37	Premium
FR89	6.875	15-Aug-51	27.92	100.35	6.85%	6.85%	100.24	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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