

**Exhibit 1. Daily Market Updates**

Equity	Last	%
JCI	6,959.33	+0.34%
STI	3,249.51	+0.95%
HSI	18,047.92	+0.21%
SSEC	3,126.55	+0.11%
FTSE	7,672.08	+1.95%
GDAX	15,805.29	+0.97%
DJI	34,907.11	+0.96%
S&P 500	4,505.10	+0.84%
NDX	13,926.05	+0.82%

10-yr Bond	Last	Bps
ID	6.63	-1.04
US	4.29	+3.90
UK	4.25	-6.60
JP	0.72	+0.30
CN	2.63	-1.00
MY	3.88	-0.50
TH	2.98	-3.10

Exchange Rate	Last	%
USD/IDR	15,355	-0.10%
EUR/IDR	16,481	-0.10%
GBP/IDR	19,172	+0.01%
HKD/IDR	1,962	-0.09%
SGD/IDR	11,284	-0.06%
AUD/IDR	9,880	+0.25%

Sources : Bloomberg, MNCS

**Exhibit 2. Risk Indicators**

Category	Last	%
5-yr CDS	77.90	-0.7%
VIX	13.19	-2.2%

Sources : Bloomberg, MNCS

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**Global Market Updates**

- Wall Street equities strengthened Thursday (Sep 14, 2023), with the S&P 500, DJI and Nasdaq gaining by 0.84%, 0.96% and 0.82%, followed by rebounds across global equity indexes.
- US Treasury yields saw a rebound Thursday (10-yr notes hiked 4 bps to 4.29%, followed by 2-yr notes' jump by 4 bps to 5.00%) on the back of resilient economy data readings, after previously slipping despite strong inflation data.
- Weekly jobless claims stood at 220k, increasing from 217k previously but fell short of market's expectations of 225k. Robust August retail sales data and an uptick in producer price index also supported the case for a higher-for-longer interest rates.
- We view that this was largely affected by the rally in energy prices as PPI ex-food and energy slowed to 0.2% MoM from 0.3% MoM in July, or indicating the bite from high interest rates have already realized.
- Therefore, here onwards we see that USTs are to face limited downsides, with the USD to face limited upside, with several notable risks likely to come from: 1) funds repatriation to China and Japan as the biggest foreign fund constituent of USTs, as well as 2) investors' preference to hold cash.
- The ECB have officially raised their key interest rate by 25 bps, in-line with market expectations, as part of their attempt to suppress inflationary pressures.

**Domestic Market Updates**

- The front-end of Indonesian benchmark series of LCY government bonds closed higher, whereas the back end still saw minor depreciation Thursday (Sep 14, 2023). The 10-yr benchmark series yield retreated 1 bps to 6.63%. The 2s10s Indo GB spread stood flat at 42 bps.
- We expect domestic Indo GB to garner momentum towards the end of year given the prospect of no more rate hikes, and the yields have gone to attractive levels.
- Inflows have begun to be observed this week (as of Sep 13, 2023), with conventional banks accruing the most positions (IDR8.67tn net inflow), followed by insurance and pension funds (IDR880bn), retail (IDR590bn) and mutual funds (IDR220bn).
- Foreign funds have yet to make a return to Indo GBs, posting a net outflow of IDR3.34tn this week alone.
- IDR was mixed against global major currencies, posting a rebound against the USD on limited DXY bullish sentiments. Markets will observe today's trade data in search of any incentives for IDR.

**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 14, 2023)**

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	100.42	6.27%	100.36	6.29%
FR0096	10-year	102.57	6.63%	102.50	6.64%
FR0098	15-year	103.24	6.77%	103.37	6.76%
FR0097	20-year	103.18	6.83%	103.20	6.83%

Sources : Bloomberg, MNCS

**Exhibit 4. Corporate Bond Credit Spread Matrices (Sep 14, 2023)**

Rating	0.1	1	3	5	10
AAA	21.46	37.14	50.85	61.52	76.27
AA	47.03	83.84	114.07	141.77	180.22
A	145.43	199.51	249.71	292.93	348.87
BBB	339.94	396.15	456.08	508.37	596.62

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

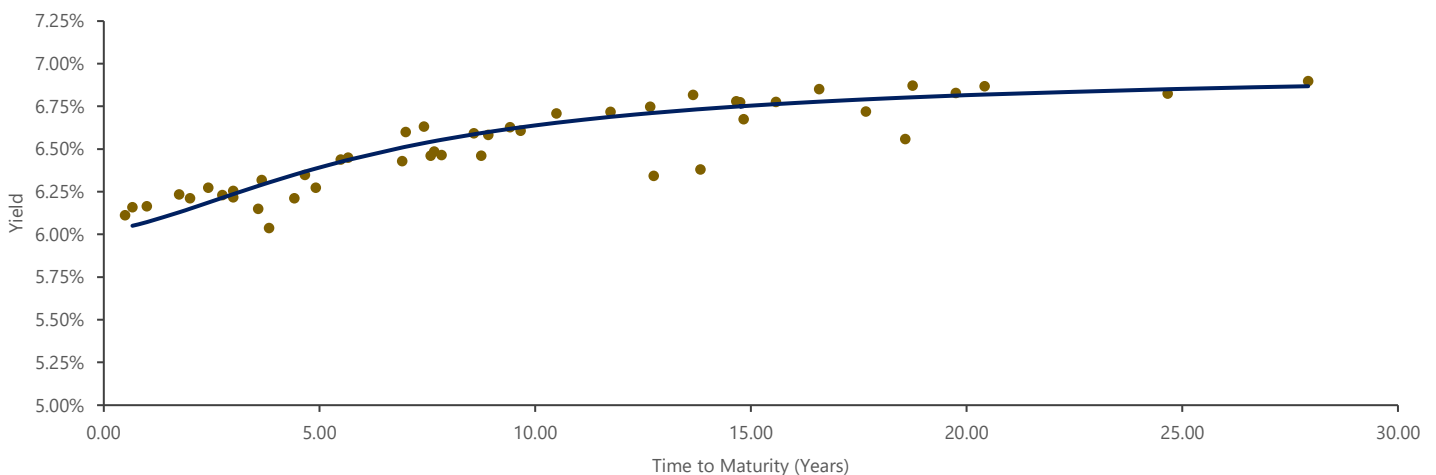
Sources : DJPPR, MNCS

## Exhibit 06. LCY Government Bond Valuation (Sep 14, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.50	101.08	6.11%	6.04%	101.14	Discounted
FR77	8.125	15-May-24	0.67	101.24	6.16%	6.05%	101.33	Discounted
FR44	10.000	15-Sep-24	1.00	103.64	6.16%	6.07%	103.77	Discounted
FR81	6.500	15-Jun-25	1.75	100.42	6.23%	6.13%	100.60	Discounted
FR40	11.000	15-Sep-25	2.00	108.84	6.21%	6.15%	109.01	Discounted
FR84	7.250	15-Feb-26	2.42	102.15	6.27%	6.19%	102.35	Discounted
FR86	5.500	15-Jun-26	2.75	98.28	6.23%	6.21%	98.21	Discounted
FR37	12.000	15-Sep-26	3.00	115.57	6.22%	6.23%	115.57	Premium
FR56	8.375	15-Sep-26	3.00	105.71	6.25%	6.23%	105.78	Discounted
FR90	5.125	15-Apr-27	3.58	96.76	6.15%	6.28%	96.33	Premium
FR59	7.000	15-May-27	3.67	102.19	6.32%	6.29%	102.28	Discounted
FR42	10.250	15-Jul-27	3.83	114.18	6.04%	6.30%	113.24	Premium
FR47	10.000	15-Feb-28	4.42	114.41	6.21%	6.35%	113.87	Premium
FR64	6.125	15-May-28	4.67	99.10	6.35%	6.37%	99.03	Premium
FR95	6.375	15-Aug-28	4.92	100.42	6.27%	6.39%	99.95	Premium
FR71	9.000	15-Mar-29	5.50	111.70	6.44%	6.42%	111.78	Discounted
FR78	8.250	15-May-29	5.67	108.41	6.45%	6.44%	108.49	Discounted
FR52	10.500	15-Aug-30	6.92	122.42	6.43%	6.51%	121.94	Premium
FR82	7.000	15-Sep-30	7.00	102.22	6.60%	6.51%	102.71	Discounted
FR87	6.500	15-Feb-31	7.42	99.24	6.63%	6.53%	99.80	Discounted
FR85	7.750	15-Apr-31	7.58	107.62	6.46%	6.54%	107.13	Premium
FR73	8.750	15-May-31	7.67	113.49	6.48%	6.55%	113.11	Premium
FR54	9.500	15-Jul-31	7.83	118.40	6.46%	6.55%	117.82	Premium
FR91	6.375	15-Apr-32	8.58	98.60	6.59%	6.59%	98.63	Fair
FR58	8.250	15-Jun-32	8.75	111.80	6.46%	6.59%	110.87	Premium
FR74	7.500	15-Aug-32	8.92	106.10	6.58%	6.60%	105.99	Premium
FR96	7.000	15-Feb-33	9.42	102.57	6.63%	6.62%	102.64	Discounted
FR65	6.625	15-May-33	9.67	100.12	6.61%	6.63%	99.98	Premium
FR68	8.375	15-Mar-34	10.50	112.42	6.71%	6.65%	112.87	Discounted
FR80	7.500	15-Jun-35	11.75	106.28	6.72%	6.69%	106.52	Discounted
FR72	8.250	15-May-36	12.67	112.64	6.75%	6.71%	113.00	Discounted
FR88	6.250	15-Jun-36	12.75	99.19	6.34%	6.71%	96.08	Premium
FR45	9.750	15-May-37	13.67	125.78	6.82%	6.73%	126.70	Discounted
FR93	6.375	15-Jul-37	13.83	99.95	6.38%	6.73%	96.80	Premium
FR75	7.500	15-May-38	14.67	106.62	6.78%	6.75%	106.92	Discounted
FR50	10.500	15-Jul-38	14.83	135.65	6.67%	6.75%	134.78	Premium
FR98	7.125	15-Jun-38	14.75	103.24	6.77%	6.75%	103.46	Discounted
FR79	8.375	15-Apr-39	15.58	115.25	6.77%	6.76%	115.38	Discounted
FR83	7.500	15-Apr-40	16.58	106.37	6.85%	6.78%	107.13	Discounted
FR57	9.500	15-May-41	17.67	128.50	6.72%	6.79%	127.63	Premium
FR62	6.375	15-Apr-42	18.58	98.05	6.56%	6.80%	95.54	Premium
FR92	7.125	15-Jun-42	18.75	102.65	6.87%	6.80%	103.38	Discounted
FR97	7.125	15-Jun-43	19.75	103.18	6.83%	6.81%	103.35	Discounted
FR67	8.750	15-Feb-44	20.42	120.50	6.87%	6.82%	121.11	Discounted
FR76	7.375	15-May-48	24.67	106.51	6.82%	6.85%	106.20	Premium
FR89	6.875	15-Aug-51	27.92	99.72	6.90%	6.87%	100.09	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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