

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,980.32	+0.64%
STI	3,238.44	-0.76%
HSI	17,997.17	+0.37%
SSEC	3,124.96	-0.03%
FTSE	7,660.20	+0.10%
GDAX	15,664.48	-0.40%
DJI	34,517.73	-0.31%
S&P 500	4,443.95	-0.22%
NDX	13,678.19	-0.23%

10-yr Bond	Last	Bps
ID	6.74	+3.73
US	4.37	+0.00
UK	4.36	-0.03
JP	0.72	+0.30
CN	2.68	+0.40
MY	3.90	+1.40
TH	3.01	+3.80

Exchange Rate	Last	%
USD/IDR	15,390	+0.07%
EUR/IDR	16,436	+0.29%
GBP/IDR	19,040	+0.06%
HKD/IDR	1,968	+0.12%
SGD/IDR	11,276	+0.09%
AUD/IDR	9,921	+0.25%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	79.48	-0.46%
VIX	13.91	-0.6%

Sources : Bloomberg, MNCS

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Global Market Updates

- Wall Street indexes weakened Tuesday (Sep 19, 2023) as there was lack of support from Treasuries ahead of the FOMC meeting; S&P 500 closed 0.22% lower, Nasdaq also went down 0.22% and DJI fell 0.31%.
- US Treasury notes faltered Tuesday, with the 10-yr UST yield jumping by c. 5 bps to 4.37%, while the shorter 2-yr yields gained another c. 3 bps to 5.08%.
- Investor's cold feet stems from uncertainty of whether another rate hike is to come post-Sep-23's FOMC meeting, given some labor market indicators that remained hot as well as a picking-up in inflationary pressure from crude's strong rally.
- We maintain our view, however, that the Fed should be done with its rate hikes as the current high rate environment has already caused economic setbacks as well as raised companies' cost of funds significantly and raising rates anymore could do more damage than necessary.
- US Aug housing starts have already plummeted 11.3% to 1.3mn far below market expectations of just a 1% slip, a clear indication of citizens forestalling high mortgage pressures.
- The Eurozone in particular is still faced with stubbornly high inflation, with their Aug core CPI at 5.3% YoY, and is prone to more aggressive rate hikes. Upon these developments the OECD has down-revised their 2024 GDP forecast to 2.7% from 3%.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds continued to close lower Tuesday (Sep 19, 2023). The 10-yr benchmark series yield surged c. 4 bps to 6.74%. The 2s10s Indo GB spread further widened to 53 bps.
- Yesterday's government securities auction showed increased participation reflected from higher incoming bids of IDR28.8tn (vs previous auction's lackluster IDR20tn), though not as high as the previous month's levels of IDR30 – 40tn on the back of risk-off sentiments as well as a preference switch-over to the new instrument, SRBI, which took the fixed income market by storm Friday, Sep 15, 2023.
- For the past week leading up to Sep 18, 2023, government securities saw a total net outflow of IDR37tn. Foreign has yet to find Indo GB's attractive, while banks remain hesitant from entering the bond market possibly due to the JIBOR-12M rate still standing at around 6.9%.
- IDR mostly weaken against global major currencies, depreciating slightly against the USD on limited DXY bullish sentiments (USD/IDR down +0.07%).

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 6.75-6.85% for today.
- Attractive Indo GB series to be traded today : FR0081, FR0082, FR0087, FR0096, FR0100.

Exhibit 3. Benchmark LCY Government Bond Prices (Sep 19, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	100.01	6.37%	100.11	6.35%
FR0096	10-year	101.78	6.74%	102.04	6.70%
FR0098	15-year	101.79	6.93%	102.01	6.90%
FR0097	20-year	101.43	6.99%	101.55	6.98%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Sep 19, 2023)

Rating	0.1	1	3	5	10
AAA	22.04	40.15	54.30	62.59	76.11
AA	47.13	80.37	112.30	140.52	180.98
A	140.82	202.45	255.07	295.28	346.97
BBB	335.94	395.11	454.81	508.84	595.97

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

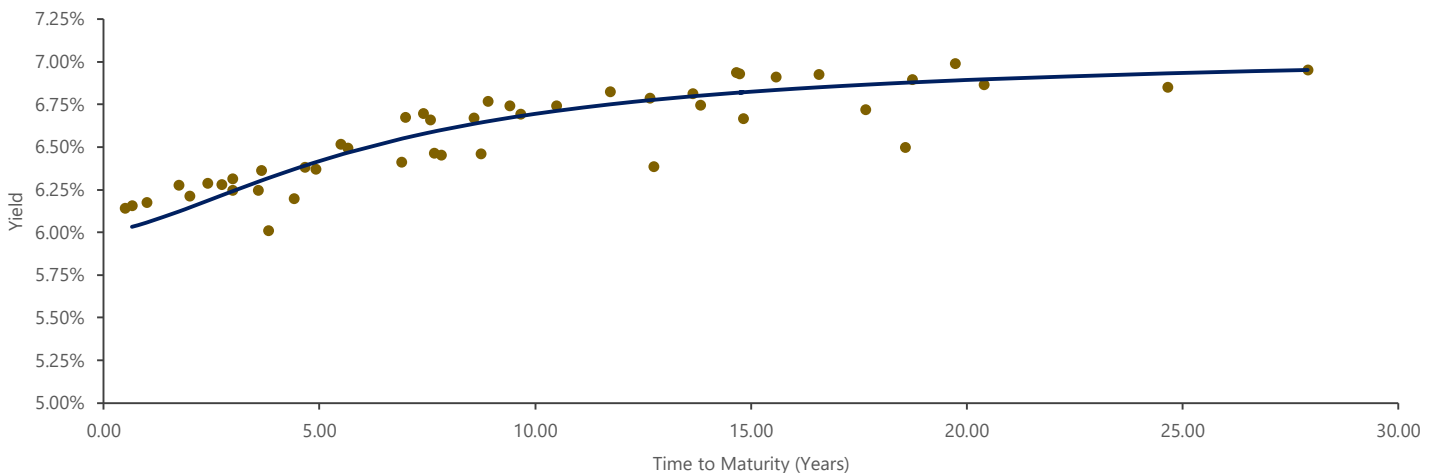
Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Sep 19, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.49	101.05	6.14%	6.02%	101.11	Discounted
FR77	8.125	15-May-24	0.65	101.22	6.16%	6.03%	101.31	Discounted
FR44	10.000	15-Sep-24	0.99	103.60	6.17%	6.06%	103.73	Discounted
FR81	6.500	15-Jun-25	1.74	100.35	6.28%	6.12%	100.60	Discounted
FR40	11.000	15-Sep-25	1.99	108.80	6.21%	6.15%	108.96	Discounted
FR84	7.250	15-Feb-26	2.41	102.10	6.29%	6.19%	102.34	Discounted
FR86	5.500	15-Jun-26	2.74	98.17	6.28%	6.22%	98.21	Discounted
FR37	12.000	15-Sep-26	2.99	115.44	6.25%	6.24%	115.48	Fair
FR56	8.375	15-Sep-26	2.99	105.52	6.31%	6.24%	105.73	Discounted
FR90	5.125	15-Apr-27	3.57	96.47	6.24%	6.30%	96.30	Premium
FR59	7.000	15-May-27	3.65	102.04	6.36%	6.30%	102.23	Discounted
FR42	10.250	15-Jul-27	3.82	114.25	6.01%	6.32%	113.14	Premium
FR47	10.000	15-Feb-28	4.41	114.44	6.20%	6.37%	113.74	Premium
FR64	6.125	15-May-28	4.65	98.97	6.38%	6.39%	98.94	Fair
FR95	6.375	15-Aug-28	4.91	100.01	6.37%	6.41%	99.84	Premium
FR71	9.000	15-Mar-29	5.49	111.30	6.52%	6.46%	111.61	Discounted
FR78	8.250	15-May-29	5.65	108.19	6.49%	6.47%	108.32	Discounted
FR52	10.500	15-Aug-30	6.90	122.50	6.41%	6.55%	121.66	Premium
FR82	7.000	15-Sep-30	6.99	101.80	6.67%	6.55%	102.47	Discounted
FR87	6.500	15-Feb-31	7.41	98.86	6.70%	6.58%	99.54	Discounted
FR85	7.750	15-Apr-31	7.57	106.39	6.66%	6.59%	106.84	Discounted
FR73	8.750	15-May-31	7.65	113.63	6.46%	6.59%	112.80	Premium
FR54	9.500	15-Jul-31	7.82	118.47	6.45%	6.60%	117.48	Premium
FR91	6.375	15-Apr-32	8.57	98.10	6.67%	6.64%	98.31	Discounted
FR58	8.250	15-Jun-32	8.74	111.80	6.46%	6.64%	110.50	Premium
FR74	7.500	15-Aug-32	8.91	104.84	6.77%	6.65%	105.63	Discounted
FR96	7.000	15-Feb-33	9.41	101.78	6.74%	6.67%	102.26	Discounted
FR65	6.625	15-May-33	9.65	99.51	6.69%	6.68%	99.59	Fair
FR68	8.375	15-Mar-34	10.49	112.15	6.74%	6.71%	112.38	Discounted
FR80	7.500	15-Jun-35	11.74	105.38	6.82%	6.75%	106.00	Discounted
FR72	8.250	15-May-36	12.65	112.29	6.79%	6.77%	112.39	Fair
FR88	6.250	15-Jun-36	12.74	98.83	6.38%	6.78%	95.54	Premium
FR45	9.750	15-May-37	13.65	125.81	6.81%	6.80%	125.98	Discounted
FR93	6.375	15-Jul-37	13.82	96.71	6.74%	6.80%	96.21	Premium
FR75	7.500	15-May-38	14.65	105.13	6.94%	6.82%	106.25	Discounted
FR50	10.500	15-Jul-38	14.82	135.72	6.67%	6.82%	133.96	Premium
FR98	7.125	15-Jun-38	14.74	101.79	6.93%	6.82%	102.80	Discounted
FR79	8.375	15-Apr-39	15.57	113.81	6.91%	6.83%	114.62	Discounted
FR83	7.500	15-Apr-40	16.57	105.60	6.93%	6.85%	106.37	Discounted
FR57	9.500	15-May-41	17.65	128.50	6.72%	6.87%	126.71	Premium
FR62	6.375	15-Apr-42	18.57	98.69	6.50%	6.88%	94.78	Premium
FR92	7.125	15-Jun-42	18.74	102.39	6.89%	6.88%	102.56	Discounted
FR97	7.125	15-Jun-43	19.74	101.43	6.99%	6.89%	102.50	Discounted
FR67	8.750	15-Feb-44	20.41	120.50	6.87%	6.90%	120.12	Premium
FR76	7.375	15-May-48	24.65	106.18	6.85%	6.93%	105.19	Premium
FR89	6.875	15-Aug-51	27.90	99.05	6.95%	6.95%	99.06	Fair

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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