

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,991.47	-0.29%
STI	3,202.81	-1.21%
HSI	17,655.41	-1.29%
SSEC	3,084.70	-0.77%
FTSE	7,678.62	-0.69%
GDAX	15,571.86	-1.33%
DJI	34,070.42	-1.08%
S&P 500	4,330.00	-1.64%
NDX	13,223.99	-1.82%

10-yr Bond	Last	Bps
ID	6.78	+3.87
US	4.49	+8.72
UK	4.31	+9.00
JP	0.75	+1.60
CN	2.68	+0.00
MY	3.98	+4.70
TH	3.14	-0.90

Exchange Rate	Last	%
USD/IDR	15,375	-0.06%
EUR/IDR	16,381	-0.39%
GBP/IDR	18,914	-0.54%
HKD/IDR	1,966	-0.01%
SGD/IDR	11,242	-0.30%
AUD/IDR	9,850	-0.95%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	89.61	+3.5%
VIX	17.54	+15.9%

Sources : Bloomberg, MNCS

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Global Market Updates

- Major global stock indexes unanimously slumped Thursday (Sep 21, 2023) as the Fed's hawkish pause struck markets across, with a brewing threat from Japan's hot wage growth which could entail the end of a negative interest rate era for the land of the rising sun.
- US stocks slipped further Thursday amid pressures from bond yields' surge and a resilient labor market. The 10-yr UST yield soared by another 8.7 bps to 4.49%, while the shorter 2-yr yields stood flat at 5.12%.
- This was a clear bear steepener pattern that has proven to be bad news for equities (US 2s10s inverted curve now narrowed to -63 bps), accompanied by the VIX Index surging 15.9% to 17.54.
- The other bear news came from US weekly initial unemployment claims that unexpectedly slid to a 7-month low of 201k (vs market forecasts of a rise to 225k), accompanied by a fall in weekly continuing claims to 1.66mn (vs expectations of a rise to 1.69mn), further justifying the Fed's hawkish stance.
- Market's focus will also shift towards today's BoJ meeting in search for guidance, with economists polled by Reuters led to believe that BoJ are to commence tightening up by early 2024, and out a halt to its yield control scheme by end of 2024. The 10-yr JGB has surged to 0.75%, with JPY believed to face more upside.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds resumed its downturn Thursday (Sep 21, 2023). The 10-yr benchmark series yield edged down jumped 3.9 bps to 6.78%. The 2s10s Indo GB spread stood widened to 58 bps.
- Bank of Indonesia's maintained their BI7DRR at 5.75%, in-line with market expectations.
- IDR mostly strengthened against global major currencies, rebounding slightly against the USD (USD/IDR slipped -0.06%). Taking into consideration the global market dynamics, the IDR has stood a robust ground against other emerging economies (+1% YTD) as opposed to INR (-0.5% YTD), PHP (-2.3% YTD), VND (-2.9% YTD) and THB (-4.8% YTD), partly supported by increased participation in the TD DHE scheme (USD1,334bn in Sep-23 vs USD568bn in Aug-23).
- The shorter-medium-termed Indo GBs saw the most volatility in movements point towards banks to mainly drive the market, as opposed to pension funds that mostly deal with the back-end of the curve.
- Banks might need to liquidate their bonds positions as indicated by an increase in loans demand from BI's recent survey that showed loan demands from corporations to pickup in Aug-23 from Jul-23, and implied to continue picking up in Sep-23, lifting the overall 3Q23 loan demand.

Market Forecast

- Given the recent developments that unfolded within the global and domestic markets, we expect a bearish trend to continue in line with a strong surge in the 5-yr CDS as a market risk-perception proxy, with the 10-yr Indo GB yield to move within the range of 6.75-6.85% for today.
- Attractive Indo GB series to be traded today : FR0070, FR0077, FR0096, FR0100.

Exhibit 3. Benchmark LCY Government Bond Prices (Sep 21, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	99.94	6.39%	100.03	6.37%
FR0096	10-year	101.52	6.78%	101.88	6.73%
FR0098	15-year	101.85	6.92%	101.99	6.91%
FR0097	20-year	101.47	6.98%	101.61	6.97%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Sep 21, 2023)

Rating	0.1	1	3	5	10
AAA	24.46	41.11	55.81	64.74	77.65
AA	48.86	79.83	111.10	139.03	179.03
A	141.22	203.88	256.01	296.75	345.20
BBB	338.39	394.85	455.36	509.07	595.81

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

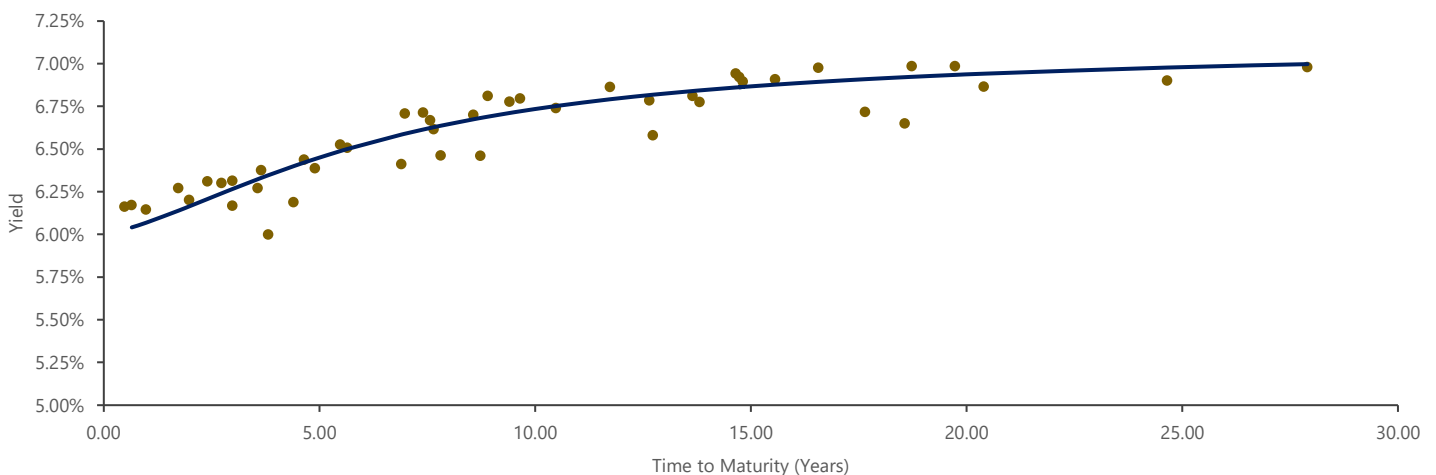
Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Sep 21, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.48	101.01	6.16%	6.03%	101.10	Discounted
FR77	8.125	15-May-24	0.65	101.19	6.17%	6.04%	101.30	Discounted
FR44	10.000	15-Sep-24	0.98	103.58	6.14%	6.07%	103.70	Discounted
FR81	6.500	15-Jun-25	1.73	100.36	6.27%	6.14%	100.57	Discounted
FR40	11.000	15-Sep-25	1.98	108.78	6.20%	6.16%	108.90	Fair
FR84	7.250	15-Feb-26	2.40	102.04	6.31%	6.21%	102.28	Discounted
FR86	5.500	15-Jun-26	2.73	98.14	6.30%	6.24%	98.16	Discounted
FR37	12.000	15-Sep-26	2.98	115.62	6.17%	6.27%	115.38	Premium
FR56	8.375	15-Sep-26	2.98	105.50	6.31%	6.27%	105.66	Fair
FR90	5.125	15-Apr-27	3.57	96.40	6.27%	6.32%	96.23	Fair
FR59	7.000	15-May-27	3.65	101.99	6.38%	6.33%	102.14	Fair
FR42	10.250	15-Jul-27	3.81	114.25	6.00%	6.35%	113.03	Premium
FR47	10.000	15-Feb-28	4.40	114.44	6.19%	6.40%	113.61	Premium
FR64	6.125	15-May-28	4.65	98.75	6.44%	6.42%	98.82	Fair
FR95	6.375	15-Aug-28	4.90	99.94	6.39%	6.44%	99.72	Fair
FR71	9.000	15-Mar-29	5.48	111.23	6.53%	6.49%	111.44	Fair
FR78	8.250	15-May-29	5.65	108.11	6.51%	6.50%	108.15	Fair
FR52	10.500	15-Aug-30	6.90	122.47	6.41%	6.58%	121.42	Premium
FR82	7.000	15-Sep-30	6.98	101.60	6.71%	6.59%	102.27	Discounted
FR87	6.500	15-Feb-31	7.40	98.76	6.71%	6.61%	99.33	Discounted
FR85	7.750	15-Apr-31	7.57	106.33	6.67%	6.62%	106.61	Fair
FR73	8.750	15-May-31	7.65	112.62	6.62%	6.63%	112.56	Fair
FR54	9.500	15-Jul-31	7.81	118.38	6.46%	6.64%	117.22	Premium
FR91	6.375	15-Apr-32	8.57	97.90	6.70%	6.67%	98.07	Fair
FR58	8.250	15-Jun-32	8.73	111.78	6.46%	6.68%	110.23	Premium
FR74	7.500	15-Aug-32	8.90	104.53	6.81%	6.69%	105.36	Discounted
FR96	7.000	15-Feb-33	9.40	101.52	6.78%	6.71%	101.98	Discounted
FR65	6.625	15-May-33	9.65	98.80	6.80%	6.72%	99.32	Discounted
FR68	8.375	15-Mar-34	10.48	112.15	6.74%	6.75%	112.05	Fair
FR80	7.500	15-Jun-35	11.73	105.06	6.86%	6.79%	105.65	Discounted
FR72	8.250	15-May-36	12.65	112.29	6.79%	6.82%	112.01	Fair
FR88	6.250	15-Jun-36	12.73	97.17	6.58%	6.82%	95.20	Premium
FR45	9.750	15-May-37	13.65	125.82	6.81%	6.84%	125.54	Fair
FR93	6.375	15-Jul-37	13.81	96.44	6.78%	6.84%	95.84	Premium
FR75	7.500	15-May-38	14.65	105.07	6.94%	6.86%	105.84	Discounted
FR50	10.500	15-Jul-38	14.81	133.09	6.90%	6.86%	133.46	Fair
FR98	7.125	15-Jun-38	14.73	101.85	6.92%	6.86%	102.40	Fair
FR79	8.375	15-Apr-39	15.57	113.85	6.91%	6.88%	114.17	Fair
FR83	7.500	15-Apr-40	16.57	105.09	6.98%	6.89%	105.93	Discounted
FR57	9.500	15-May-41	17.65	128.50	6.72%	6.91%	126.17	Premium
FR62	6.375	15-Apr-42	18.57	97.10	6.65%	6.92%	94.33	Premium
FR92	7.125	15-Jun-42	18.73	101.43	6.99%	6.92%	102.08	Discounted
FR97	7.125	15-Jun-43	19.73	101.47	6.98%	6.93%	102.01	Fair
FR67	8.750	15-Feb-44	20.40	120.50	6.87%	6.94%	119.56	Premium
FR76	7.375	15-May-48	24.65	105.56	6.90%	6.98%	104.63	Premium
FR89	6.875	15-Aug-51	27.90	98.71	6.98%	7.00%	98.49	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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