

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	7,016.84	+0.36%
STI	3,204.82	+0.06%
HSI	18,057.45	+2.28%
SSEC	3,132.43	+1.55%
FTSE	7,683.91	+0.07%
GDAX	15,557.29	-0.09%
DJI	33,963.84	-0.31%
S&P 500	4,320.06	-0.23%
NDX	13,211.81	-0.09%

10-yr Bond	Last	Bps
ID	6.74	-3.94
US	4.44	-5.60
UK	4.25	-2.90
JP	0.75	+0.30
CN	2.69	+1.60
MY	3.99	+1.40
TH	3.14	-0.90

Exchange Rate	Last	%
USD/IDR	15,375	+0.00%
EUR/IDR	16,369	-0.07%
GBP/IDR	18,838	-0.40%
HKD/IDR	1,966	-0.01%
SGD/IDR	11,261	+0.17%
AUD/IDR	9,899	+0.50%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	89.78	+0.4%
VIX	17.26	-1.6%

Sources : Bloomberg, MNCS

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Global Market Updates

- Major global stock indexes were closed mixed Friday (Sep 22, 2023), with US stock indexes struggling to find clear direction amid looming Fed hawkish pause sentiments.
- Several Fed comments made Friday struck clear hawkish tones, with many hinting that the road towards achieving their 2% inflation rate target may take longer than what most had previously predicted, possibly beyond 2024.
- The 10-yr UST yield retreated by -5.6 bps to 4.44%, followed suit by the 2-yr yields that slid 2 bps to 5.10%. Global bonds were mixed, with the German 10-yr bunds edging 0.3 bps higher to 2.74%, the UK 10-yr gilt falling 5.6 bps to 4.25% and the 10-yr JGB to harbor to 0.75%.
- Thus far, the markets are wagging a 23% chance that Nov-23's FOMC will see a 25 bps rate hike, while the numbers are a bit higher for the Dec-23's FOMC (48% chance).
- The BoJ at their Friday meeting maintained their policy rates at -0.1%, in accordance with the market's expectations, as well as left their 10-yr JGB yield target unchanged at 0%. BoJ affirms that they will need to keep an eye on their inflation for longer before any course-changing decision can be made.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds closed higher after depreciating in the first session Friday (Sep 22, 2023). The 10-yr benchmark series yield eased down 3.9 bps back to 6.74%. The 2s10s Indo GB spread narrowed to 52 bps.
- IDR was closed mixed against global major currencies, standing flat against the USD (USD/IDR was unchanged at 15,375).
- The disinflationary bull momentum for EMs have been in jeopardy since the strong rally in energy prices. Costlier energy prices might postpone the dovish turn that EM central banks had once seen to be around the corner.
- This comes with threats to energy importers' currency and fiscal balance, including Indonesia, meaning a wider possibility for a further weakening in the IDR, as well as a shrinking fiscal balance to maintain fuel cost subsidies especially leading up to the 2024 elections.
- With these conditions in mind, we see Indo GB to remain disadvantaged, especially now that even advanced economies are at bay, implying more downsides to come.

Market Forecast

- Given the recent developments that unfolded within the global and domestic markets, we expect 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 : FR0082, FR0087, FR0096, FR0100.

Exhibit 3. Benchmark LCY Government Bond Prices (Sep 22, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	100.00	6.37%	99.94	6.39%
FR0096	10-year	101.80	6.74%	101.52	6.78%
FR0098	15-year	102.25	6.88%	101.85	6.92%
FR0097	20-year	101.80	6.95%	101.47	6.98%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Sep 22, 2023)

Rating	0.1	1	3	5	10
AAA	24.36	41.39	55.43	64.88	77.33
AA	48.85	79.84	111.10	139.00	179.01
A	141.22	203.86	256.06	296.68	345.20
BBB	338.38	394.82	455.43	509.02	595.89

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

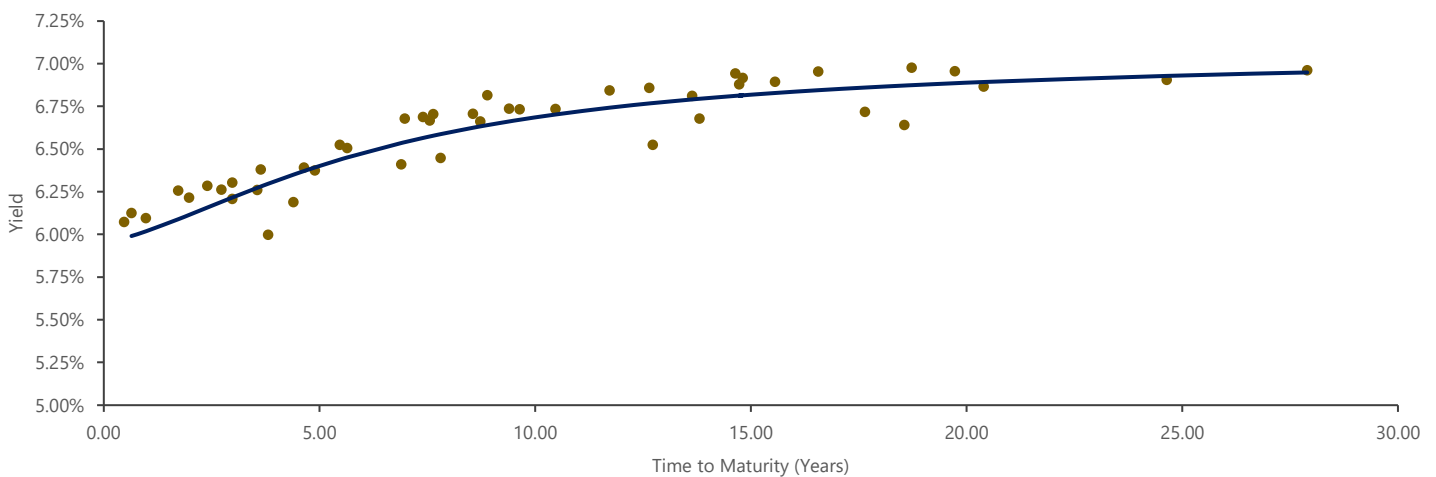
Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Sep 22, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.48	101.05	6.07%	5.98%	101.12	Discounted
FR77	8.125	15-May-24	0.64	101.22	6.12%	5.99%	101.32	Discounted
FR44	10.000	15-Sep-24	0.98	103.62	6.09%	6.02%	103.74	Discounted
FR81	6.500	15-Jun-25	1.73	100.38	6.26%	6.09%	100.65	Discounted
FR40	11.000	15-Sep-25	1.98	108.74	6.21%	6.11%	108.98	Discounted
FR84	7.250	15-Feb-26	2.40	102.10	6.28%	6.16%	102.39	Discounted
FR86	5.500	15-Jun-26	2.73	98.23	6.26%	6.19%	98.28	Discounted
FR37	12.000	15-Sep-26	2.98	115.49	6.21%	6.22%	115.52	Fair
FR56	8.375	15-Sep-26	2.98	105.53	6.30%	6.22%	105.79	Discounted
FR90	5.125	15-Apr-27	3.56	96.43	6.26%	6.27%	96.38	Fair
FR59	7.000	15-May-27	3.64	101.98	6.38%	6.28%	102.30	Discounted
FR42	10.250	15-Jul-27	3.81	114.25	6.00%	6.30%	113.20	Premium
FR47	10.000	15-Feb-28	4.40	114.44	6.19%	6.35%	113.80	Premium
FR64	6.125	15-May-28	4.65	98.94	6.39%	6.37%	99.02	Fair
FR95	6.375	15-Aug-28	4.90	100.00	6.37%	6.39%	99.92	Fair
FR71	9.000	15-Mar-29	5.48	111.24	6.52%	6.44%	111.68	Discounted
FR78	8.250	15-May-29	5.64	108.11	6.50%	6.45%	108.39	Fair
FR52	10.500	15-Aug-30	6.90	122.47	6.41%	6.53%	121.72	Premium
FR82	7.000	15-Sep-30	6.98	101.77	6.68%	6.54%	102.55	Discounted
FR87	6.500	15-Feb-31	7.40	98.91	6.69%	6.56%	99.62	Discounted
FR85	7.750	15-Apr-31	7.56	106.35	6.67%	6.57%	106.92	Discounted
FR73	8.750	15-May-31	7.64	112.06	6.70%	6.58%	112.88	Discounted
FR54	9.500	15-Jul-31	7.81	118.47	6.45%	6.59%	117.55	Premium
FR91	6.375	15-Apr-32	8.56	97.87	6.71%	6.62%	98.39	Discounted
FR58	8.250	15-Jun-32	8.73	110.36	6.66%	6.63%	110.58	Fair
FR74	7.500	15-Aug-32	8.90	104.51	6.81%	6.64%	105.70	Discounted
FR96	7.000	15-Feb-33	9.40	101.80	6.74%	6.66%	102.33	Discounted
FR65	6.625	15-May-33	9.64	99.25	6.73%	6.67%	99.67	Discounted
FR68	8.375	15-Mar-34	10.48	112.19	6.73%	6.70%	112.45	Fair
FR80	7.500	15-Jun-35	11.73	105.23	6.84%	6.74%	106.07	Discounted
FR72	8.250	15-May-36	12.64	111.62	6.86%	6.77%	112.46	Discounted
FR88	6.250	15-Jun-36	12.73	97.65	6.52%	6.77%	95.61	Premium
FR45	9.750	15-May-37	13.64	125.83	6.81%	6.79%	126.05	Fair
FR93	6.375	15-Jul-37	13.81	97.29	6.68%	6.79%	96.27	Premium
FR75	7.500	15-May-38	14.64	105.07	6.94%	6.81%	106.31	Discounted
FR50	10.500	15-Jul-38	14.81	132.87	6.91%	6.81%	134.03	Discounted
FR98	7.125	15-Jun-38	14.73	102.25	6.88%	6.81%	102.86	Discounted
FR79	8.375	15-Apr-39	15.56	113.99	6.89%	6.83%	114.69	Discounted
FR83	7.500	15-Apr-40	16.56	105.32	6.95%	6.84%	106.44	Discounted
FR57	9.500	15-May-41	17.64	128.50	6.72%	6.86%	126.77	Premium
FR62	6.375	15-Apr-42	18.56	97.20	6.64%	6.87%	94.83	Premium
FR92	7.125	15-Jun-42	18.73	101.52	6.98%	6.87%	102.62	Discounted
FR97	7.125	15-Jun-43	19.73	101.80	6.95%	6.88%	102.56	Discounted
FR67	8.750	15-Feb-44	20.40	120.50	6.87%	6.89%	120.18	Fair
FR76	7.375	15-May-48	24.64	105.52	6.90%	6.93%	105.24	Fair
FR89	6.875	15-Aug-51	27.90	98.93	6.96%	6.95%	99.10	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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