

**Exhibit 1. Daily Market Updates**

Equity	Last	%
JCI	6,923.80	-1.07%
STI	3,206.99	+0.22%
HSI	17,373.03	-1.36%
SSEC	3,110.48	+0.10%
FTSE	7,601.85	+0.11%
GDAX	15,323.50	+0.70%
DJI	34,666.34	+0.35%
S&P 500	4,299.70	+0.59%
NDX	13,201.28	+0.83%

10-yr Bond	Last	Bps
ID	6.86	+1.65
US	4.59	+5.22
UK	4.28	-4.80
JP	0.76	+1.50
CN	2.69	-1.20
MY	3.99	-1.00
TH	3.14	-0.90

Exchange Rate	Last	%
USD/IDR	15,520	+0.19%
EUR/IDR	16,390	-0.14%
GBP/IDR	18,859	-0.08%
HKD/IDR	1,984	+0.18%
SGD/IDR	11,331	+0.02%
AUD/IDR	9,905	-0.20%

Sources : Bloomberg, MNCS

**Exhibit 2. Risk Indicators**

Category	Last	%
5-yr CDS	92.11	+0.3%
VIX	17.34	-8.5%

Sources : Bloomberg, MNCS

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**Global Market Updates**

- Major global stock indexes closed mixed Thursday (Sep 27, 2023), with US stock indexes garnering some strength back, supported by tech rallies and diminished hawkish prospects from apparent high rates pressures on home sales.
- The 10-yr UST yield soared up to a new 16-year high of 4.61% Wednesday, but edged down to 4.59% Thursday, while the 2-yr yield stood still at 5.04% Thursday.
- Other global bonds followed suit, with the German 10-yr bunds climbing 8.7 bps to 2.93%, the UK 10-yr gilt rocketing 12.6 bps to 4.48%, while the 10-yr JGB gained c. 1.5 bps to 0.76%.
- In line with the expected effects of high rates, US Aug pending home sales continued to plummet 7.1% MoM, far weaker than expectations of a 1% MoM decline.
- The labor market shows signs of weakening though still relatively turgid, with the weekly initial unemployment claims rising 2k to 204k, though still below expectations of 215k, as well as the continuing claims that rose 12k to 1.67mn vs expectations of 1.68mn.
- The markets are discounting a 21% chance of a 25 bps in Nov-23's FOMC, and a lowered 40% chance in Dec-23's FOMC. Commencement of rate cuts are still expectedly distant in 2H24 base on the economic projections.

**Domestic Market Updates**

- Indonesian benchmark series of LCY government bonds saw lackluster demand Wednesday (Sep 26, 2023). The 10-yr benchmark series yield edged up to 6.86%. The 2s10s Indo GB spread bear steepened to 59 bps.
- IDR closed mixed against global major currencies, continuing its depreciation against the USD (USD/IDR rose 0.19% to 15,520).
- We foresee domestic gov't bonds' yield movement to continue seeing sell-offs given the recent global market developments and global bond trend, and the domestic bonds' tendency to follow suit.
- The prospect of another rate hike seems to fade at the face of a US government shutdown and clear-cut high rates pressure on home sales as well as cost of funds. On the other hand, surging oil prices that might last a while continues to be a problem for the near-medium term inflation rate, with a still unclear and disparate views from various Fed's officials.
- Banks' hands are tied to cater to the rising credit demands in the real sector, such as corporations' funding demand and automotive credit demands, possibly limiting their liquidity flow to the bond market.

**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 6.80-6.90% for today.
- Attractive Indo GB series to be traded today : FR0082, FR0087, FR0096, FR0100.

**Exhibit 3. Benchmark LCY Government Bond Prices (Sep 27, 2023)**

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	99.55	6.48%	99.63	6.46%
FR0096	10-year	100.94	6.86%	101.04	6.85%
FR0098	15-year	101.14	7.00%	101.24	6.99%
FR0097	20-year	101.31	6.99%	101.24	6.99%

Sources : Bloomberg, MNCS

**Exhibit 4. Corporate Bond Credit Spread Matrices (Sep 27, 2023)**

Rating	0.1	1	3	5	10
AAA	29.17	43.18	58.72	69.09	80.63
AA	52.30	78.77	108.69	136.03	175.08
A	142.01	206.75	257.82	299.76	341.67
BBB	343.28	394.25	456.64	509.44	596.01

Sources : IBPA, MNCS

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

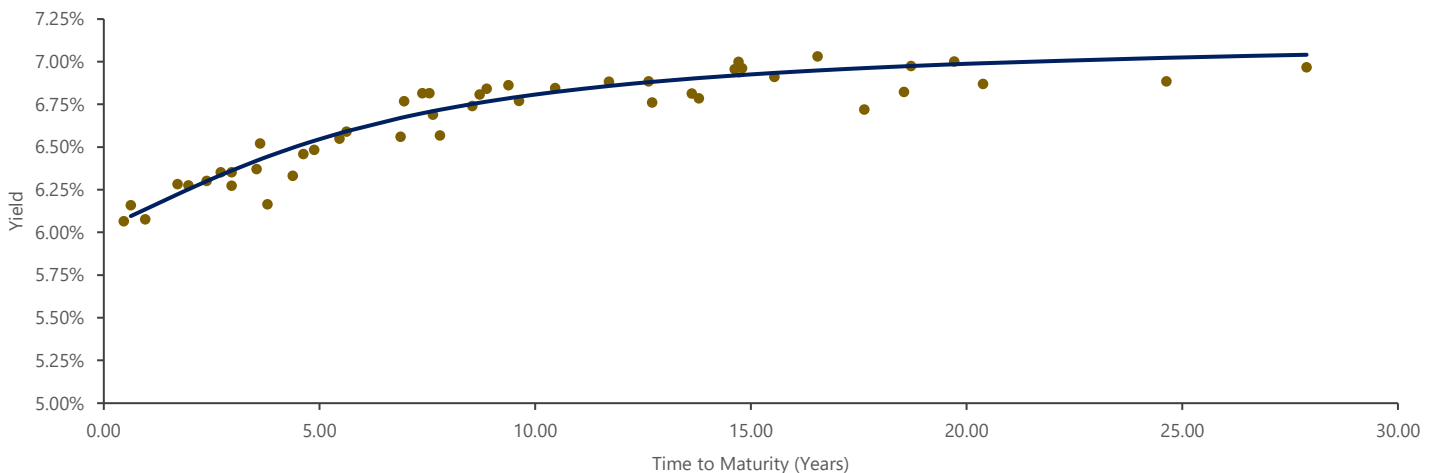
Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16	16.08
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45	31.14
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56	15.37
MF, IF & PF	18.99	19.39	19.86	19.81	20.28	20.50	20.92	21.20

Sources : DJPPR, MNCS

**Exhibit 06. LCY Government Bond Valuation (Sep 27, 2023)**

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.46	101.01	6.06%	6.08%	101.04	Fair
FR77	8.125	15-May-24	0.63	101.17	6.16%	6.10%	101.23	Discounted
FR44	10.000	15-Sep-24	0.97	103.58	6.08%	6.14%	103.57	Premium
FR81	6.500	15-Jun-25	1.72	100.34	6.28%	6.22%	100.43	Discounted
FR40	11.000	15-Sep-25	1.97	108.55	6.27%	6.25%	108.65	Fair
FR84	7.250	15-Feb-26	2.39	102.05	6.30%	6.30%	102.06	Fair
FR86	5.500	15-Jun-26	2.72	98.03	6.35%	6.34%	97.93	Fair
FR37	12.000	15-Sep-26	2.97	115.22	6.27%	6.36%	115.02	Premium
FR56	8.375	15-Sep-26	2.97	105.37	6.35%	6.36%	105.36	Fair
FR90	5.125	15-Apr-27	3.55	96.11	6.37%	6.42%	95.94	Premium
FR59	7.000	15-May-27	3.63	101.52	6.52%	6.43%	101.82	Discounted
FR42	10.250	15-Jul-27	3.80	113.59	6.16%	6.44%	112.63	Premium
FR47	10.000	15-Feb-28	4.39	113.80	6.33%	6.50%	113.17	Premium
FR64	6.125	15-May-28	4.63	98.68	6.46%	6.52%	98.45	Premium
FR95	6.375	15-Aug-28	4.88	99.55	6.48%	6.54%	99.32	Premium
FR71	9.000	15-Mar-29	5.46	111.08	6.55%	6.58%	110.96	Fair
FR78	8.250	15-May-29	5.63	107.68	6.59%	6.59%	107.68	Fair
FR52	10.500	15-Aug-30	6.88	121.50	6.56%	6.67%	120.85	Premium
FR82	7.000	15-Sep-30	6.97	101.27	6.77%	6.68%	101.78	Discounted
FR87	6.500	15-Feb-31	7.39	98.19	6.82%	6.70%	98.85	Discounted
FR85	7.750	15-Apr-31	7.55	105.44	6.81%	6.71%	106.10	Discounted
FR73	8.750	15-May-31	7.63	112.14	6.69%	6.71%	112.02	Fair
FR54	9.500	15-Jul-31	7.80	117.64	6.57%	6.72%	116.65	Premium
FR91	6.375	15-Apr-32	8.55	97.65	6.74%	6.75%	97.57	Fair
FR58	8.250	15-Jun-32	8.72	109.34	6.81%	6.76%	109.68	Discounted
FR74	7.500	15-Aug-32	8.88	104.32	6.84%	6.77%	104.83	Discounted
FR96	7.000	15-Feb-33	9.39	100.94	6.86%	6.79%	101.46	Discounted
FR65	6.625	15-May-33	9.63	98.99	6.77%	6.79%	98.80	Fair
FR68	8.375	15-Mar-34	10.46	111.29	6.84%	6.82%	111.48	Fair
FR80	7.500	15-Jun-35	11.72	104.90	6.88%	6.86%	105.10	Fair
FR72	8.250	15-May-36	12.63	111.39	6.88%	6.88%	111.43	Fair
FR88	6.250	15-Jun-36	12.72	95.69	6.76%	6.88%	94.69	Premium
FR45	9.750	15-May-37	13.63	125.78	6.81%	6.90%	124.90	Premium
FR93	6.375	15-Jul-37	13.80	96.35	6.79%	6.90%	95.33	Premium
FR75	7.500	15-May-38	14.63	104.95	6.95%	6.92%	105.28	Fair
FR50	10.500	15-Jul-38	14.80	132.33	6.96%	6.92%	132.78	Fair
FR98	7.125	15-Jun-38	14.72	101.14	7.00%	6.92%	101.85	Discounted
FR79	8.375	15-Apr-39	15.55	113.81	6.91%	6.93%	113.57	Fair
FR83	7.500	15-Apr-40	16.55	104.56	7.03%	6.95%	105.37	Discounted
FR57	9.500	15-May-41	17.63	128.45	6.72%	6.96%	125.53	Premium
FR62	6.375	15-Apr-42	18.55	95.33	6.82%	6.97%	93.83	Premium
FR92	7.125	15-Jun-42	18.72	101.55	6.97%	6.97%	101.54	Fair
FR97	7.125	15-Jun-43	19.72	101.31	7.00%	6.98%	101.47	Fair
FR67	8.750	15-Feb-44	20.38	120.45	6.87%	6.99%	118.95	Premium
FR76	7.375	15-May-48	24.63	105.79	6.88%	7.02%	104.09	Premium
FR89	6.875	15-Aug-51	27.88	98.86	6.97%	7.04%	97.98	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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