

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,995.95	+0.06%
STI	3,222.88	-0.12%
HSI	18,449.98	-0.04%
SSEC	3,158.08	+0.12%
FTSE	7,426.14	-0.16%
GDAX	15,741.37	-0.19%
DJI	34,443.19	-0.57%
S&P 500	4,465.48	-0.70%
NDX	13,872.47	-1.06%

10-yr Bond	Last	Bps
ID	6.52	+9.95
US	4.30	+2.79
UK	4.53	+0.80
JP	0.66	+0.20
CN	2.67	+2.50
MY	3.85	+0.30
TH	2.85	+4.10

Exchange Rate	Last	%
USD/IDR	15,293	+0.18%
EUR/IDR	16,418	+0.04%
GBP/IDR	19,209	+0.36%
HKD/IDR	1,950	+0.11%
SGD/IDR	11,232	+0.12%
AUD/IDR	9,774	+0.36%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	79.32	+0.2%
VIX	14.45	+3.1%

Sources : Bloomberg, MNCS

Research Analyst

 Alif Ihsanario
 alif.ihsanario@mncgroup.com

Global Market Updates

- It seems that market participants have revisited the possibility of the Fed bringing up the interest rate up a notch for one last time after some US economic data readings supported the case, dragging down Wall Street equities Wednesday (Sep 6, 2023).
- Institute for Supply Management's US services index surged to 54.4, a level beyond the minimum growth threshold (>50) that topped its February reading and beat consensus estimates by far (52.5).
- This was followed up by outperformance in the ISM Services Employment, Services Business Activity, Services Prices, and Services New Orders readings, all of which might instigate a respark in inflationary pressure or at least hinder it from treading down to the Fed's 2% target.
- Though Sep-23's FOMC meeting rate hold remains a surefire scenario (92% likelihood), market participants have raised rate hikes possibilities for the Nov-23 and Dec-23's FOMC (41-42%).
- This prospect sent 10-yr UST notes to hike c. 3 bps to 4.30%. The 2-yr UST notes followed suit by jumping c. 7 bps and closed at 5.01%, steepening the inversed 2s10s yield spread to -71 bps.
- Global bond yields overall closed higher Wednesday, with UK's 10-yr gilt edging up 0.8 bps to 4.53%, Germany's 10-yr bund gaining 4.2 bps to 2.65% and Japan's 10-yr GB ticking up 0.2 bps to 0.66%.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds mostly closed lower Wednesday (Sep 6, 2023). The 10-yr benchmark series yield soared almost 10 bps to 6.52%.
- In Sep 5, 2023 alone, Indonesian government securities saw a net foreign inflow of IDR4.14tn, a considerably sizeable amount, possibly due to the end of summer season and investor's back on their game and possibly the hunt for FR0100 in the primary market auction.
- This was not enough to sustain a rally in domestic bonds however, as a net outflow was recorded on throughout the past week (-IDR1.1tn), bolstered by outflows from domestic banks and government institutions.
- We see the sustained rally in USD amid hawkish and stronger economic outlook sentiments, and now further supported by the strong uprise in oil prices, to spark higher treasury yields and stands as a risk for more foreign outflows from domestic bonds to come, especially with no sign of China's recovery soon.
- IDR closed mixed against world major currencies, depreciating against the USD (USD/IDR further increased by 0.18%) as hawkish airs loom and provide boost to the DXY.

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 6, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	100.97	6.20%	100.97	6.14%
FR0096	10-year	104.06	6.52%	104.06	6.42%
FR0098	15-year	105.66	6.59%	105.66	6.52%
FR0097	20-year	105.41	6.68%	105.41	6.63%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Sep 6, 2023)

Rating	0.1	1	3	5	10
AAA	20.77	40.33	52.85	63.30	82.19
AA	56.06	90.25	121.78	147.32	184.65
A	144.76	197.18	247.39	294.48	349.13
BBB	340.92	401.08	450.74	501.61	603.70

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

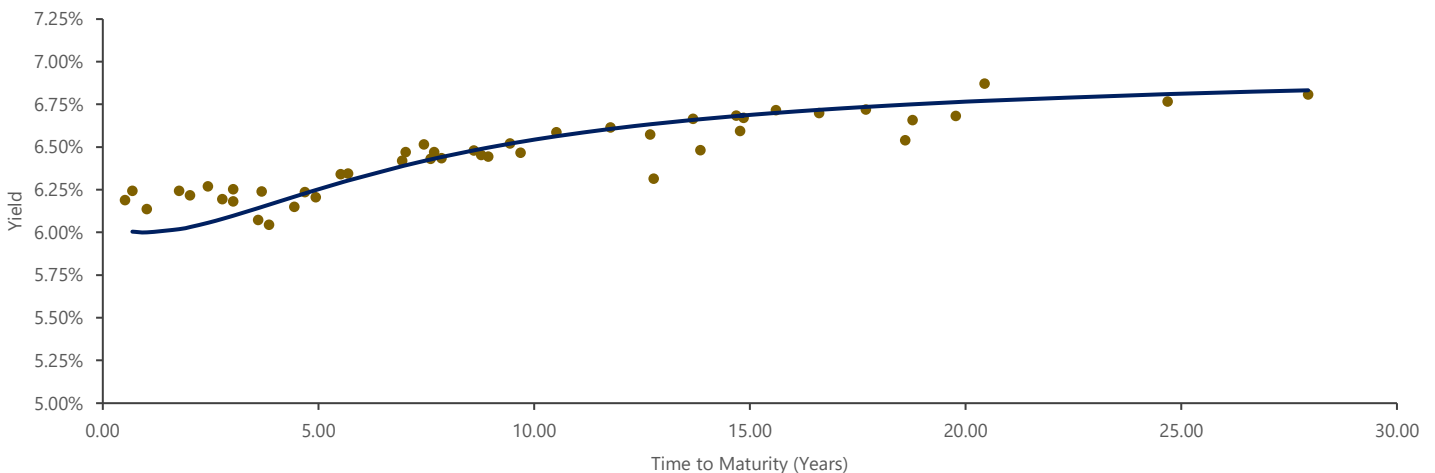
Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Sep 6, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.52	101.10	6.19%	6.01%	101.20	Discounted
FR77	8.125	15-May-24	0.69	101.23	6.24%	6.00%	101.40	Discounted
FR44	10.000	15-Sep-24	1.03	103.76	6.14%	6.00%	103.91	Discounted
FR81	6.500	15-Jun-25	1.77	100.41	6.24%	6.02%	100.79	Discounted
FR40	11.000	15-Sep-25	2.03	108.94	6.22%	6.03%	109.33	Discounted
FR84	7.250	15-Feb-26	2.44	102.18	6.27%	6.06%	102.67	Discounted
FR86	5.500	15-Jun-26	2.77	98.35	6.19%	6.08%	98.53	Discounted
FR37	12.000	15-Sep-26	3.03	115.80	6.18%	6.10%	116.08	Discounted
FR56	8.375	15-Sep-26	3.03	105.76	6.25%	6.10%	106.20	Discounted
FR90	5.125	15-Apr-27	3.61	96.97	6.07%	6.14%	96.75	Premium
FR59	7.000	15-May-27	3.69	102.46	6.24%	6.15%	102.76	Discounted
FR42	10.250	15-Jul-27	3.86	114.24	6.04%	6.16%	113.83	Premium
FR47	10.000	15-Feb-28	4.44	114.74	6.15%	6.21%	114.51	Premium
FR64	6.125	15-May-28	4.69	99.55	6.24%	6.23%	99.58	Discounted
FR95	6.375	15-Aug-28	4.94	100.71	6.20%	6.25%	100.53	Premium
FR71	9.000	15-Mar-29	5.52	112.22	6.34%	6.29%	112.47	Discounted
FR78	8.250	15-May-29	5.69	108.97	6.34%	6.30%	109.17	Discounted
FR52	10.500	15-Aug-30	6.94	122.55	6.42%	6.39%	122.76	Discounted
FR82	7.000	15-Sep-30	7.03	102.95	6.47%	6.39%	103.39	Discounted
FR87	6.500	15-Feb-31	7.44	99.91	6.51%	6.42%	100.47	Discounted
FR85	7.750	15-Apr-31	7.61	107.83	6.43%	6.43%	107.85	Fair
FR73	8.750	15-May-31	7.69	113.63	6.47%	6.43%	113.88	Discounted
FR54	9.500	15-Jul-31	7.86	118.66	6.43%	6.44%	118.61	Premium
FR91	6.375	15-Apr-32	8.61	99.32	6.48%	6.48%	99.31	Fair
FR58	8.250	15-Jun-32	8.77	111.88	6.45%	6.49%	111.63	Premium
FR74	7.500	15-Aug-32	8.94	107.08	6.44%	6.50%	106.72	Premium
FR96	7.000	15-Feb-33	9.44	103.34	6.52%	6.52%	103.34	Fair
FR65	6.625	15-May-33	9.69	101.13	6.47%	6.53%	100.66	Premium
FR68	8.375	15-Mar-34	10.52	113.42	6.59%	6.56%	113.61	Discounted
FR80	7.500	15-Jun-35	11.77	107.16	6.61%	6.61%	107.22	Discounted
FR72	8.250	15-May-36	12.69	114.27	6.57%	6.63%	113.71	Premium
FR88	6.250	15-Jun-36	12.77	99.43	6.31%	6.64%	96.71	Premium
FR45	9.750	15-May-37	13.69	127.41	6.66%	6.66%	127.47	Discounted
FR93	6.375	15-Jul-37	13.86	99.04	6.48%	6.66%	97.41	Premium
FR75	7.500	15-May-38	14.69	107.56	6.68%	6.68%	107.57	Fair
FR50	10.500	15-Jul-38	14.86	135.73	6.67%	6.68%	135.57	Premium
FR98	7.125	15-Jun-38	14.77	104.96	6.59%	6.68%	104.10	Premium
FR79	8.375	15-Apr-39	15.61	115.89	6.71%	6.70%	116.05	Discounted
FR83	7.500	15-Apr-40	16.61	107.96	6.70%	6.72%	107.75	Premium
FR57	9.500	15-May-41	17.69	128.50	6.72%	6.73%	128.32	Premium
FR62	6.375	15-Apr-42	18.61	98.24	6.54%	6.75%	96.08	Premium
FR92	7.125	15-Jun-42	18.77	104.95	6.66%	6.75%	103.95	Premium
FR97	7.125	15-Jun-43	19.77	104.81	6.68%	6.76%	103.91	Premium
FR67	8.750	15-Feb-44	20.44	120.47	6.87%	6.77%	121.74	Discounted
FR76	7.375	15-May-48	24.69	107.25	6.77%	6.81%	106.70	Premium
FR89	6.875	15-Aug-51	27.94	100.84	6.81%	6.83%	100.53	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

PT MNC SEKURITAS

MNC Financial Center Lt. 14 – 16
Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340
Telp : (021) 2980 3111
Fax : (021) 3983 6899
Call Center : 1500 899

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