

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,939.62	+0.63%
STI	3,171.83	+0.25%
HSI	17,773.34	+0.75%
SSEC	3,083.50	+0.32%
FTSE	7,675.21	+0.58%
GDAX	15,251.69	+0.09%
DJI	33,997.65	+0.04%
S&P 500	4,373.20	-0.01%
NDX	13,533.75	-0.25%

10-yr Bond	Last	Bps
ID	6.75	+0.82
US	4.83	+12.0
UK	4.51	+3.10
JP	0.78	+2.00
CN	2.69	+1.00
MY	4.06	+1.50
TH	3.29	+0.70

Exchange Rate	Last	%
USD/IDR	15,715	-0.03%
EUR/IDR	16,563	-0.08%
GBP/IDR	19,109	-0.06%
HKD/IDR	2,009	-0.07%
SGD/IDR	11,467	-0.12%
AUD/IDR	9,971	+0.25%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	95.74	-0.3%
VIX	17.88	+3.9%

Sources : Bloomberg, MNCS

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Global Market Updates

- US equity indexes struggled to double down on its rally Tuesday (Oct 17, 2023), after heightened tension from the Middle East conflict and a strong retail sales reading that showed resilience in the US economy.
- A Gazan hospital blast occurred with the two sides tossing blames, dismantling a summit between Arab leaders as President Biden's efforts to contain the situation, further threatening escalations which triggers market instability; the VIX Index rose 3.9% overnight.
- The US bond market was under pressure from "good economic" data: the Sep retail sales which rose 0.7% MoM (vs consensus of 0.3% MoM) with the Aug data revised higher to 0.8% MoM from 0.6% MoM, and US Sep manufacturing production that rose 0.4% MoM (vs consensus of a flat growth).
- The 10-yr UST yields soared c. 12 bps back to the 16-year highs of 4.83%, followed by an aggressive move by the 2-yr UST yields, jumping by 10 bps to 5.19%.
- Markets raised their expectations for a rate hike in Dec-23's FOMC from yesterday's shock, but we expect the Fed rates to be held at the current level, with term premiums to remain at their high levels to compensate for the FFR's hold.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds edged lower Tuesday (Oct 17, 2023) with the front-end yield further bear-flattening the curve (2s10s curve stands at 32 bps). The 10-yr benchmark series yield ticked upwards to 6.75%.
- Yesterday's gov't LCY benchmark series auction raked in a total of IDR16.99tn, lower than the previous auction's IDR22.42tn, but settled with a higher awarded nominal of IDR10.2tn from the previous IDR9.30tn.
- We view demand for the gov't bonds was still reasonably strong, with the cut-off yield for all benchmark series coming in lower from the previous auction, most notably the FR0100 (6.85% vs 7.01%).
- IDR strengthened against USD and other global major currencies (USD/IDR fell 0.03% to 15,715).
- A considerable IDR12.97tn of net outflow was recorded in Indonesian gov't securities just over the weekend (as of Oct 16, 2023), with outflows recorded from all investor categories, mostly from the banking sector that sold off IDR11.6tn of their positions. The sell off might reflect a profit-taking plight, as well as a cautious stance due to UST yields persistent clinging to the high levels.

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 6.70-6.80% for today.
- Attractive Indo GB series to be traded today : FR0040, FR0059, FR0081, FR0100.

Exhibit 3. Benchmark LCY Government Bond Prices (Oct 17, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	98.96	6.63%	99.08	6.60%
FR0096	10-year	101.69	6.75%	101.75	6.74%
FR0100	10-year (2024)	98.46	6.83%	98.68	6.80%
FR0098	15-year	100.91	7.02%	101.12	7.00%
FR0097	20-year	100.76	7.05%	100.92	7.04%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Oct 17, 2023)

Rating	0.1	1	3	5	10
AAA	21.43	38.21	47.99	62.69	84.78
AA	48.86	78.05	104.65	129.69	168.39
A	145.55	203.02	256.13	295.01	348.97
BBB	341.91	390.61	446.55	503.93	595.80

Sources : IBPA, MNCS

Exhibit 5. Government Bond Ownership by Type (%) (Sep 29, 2023)

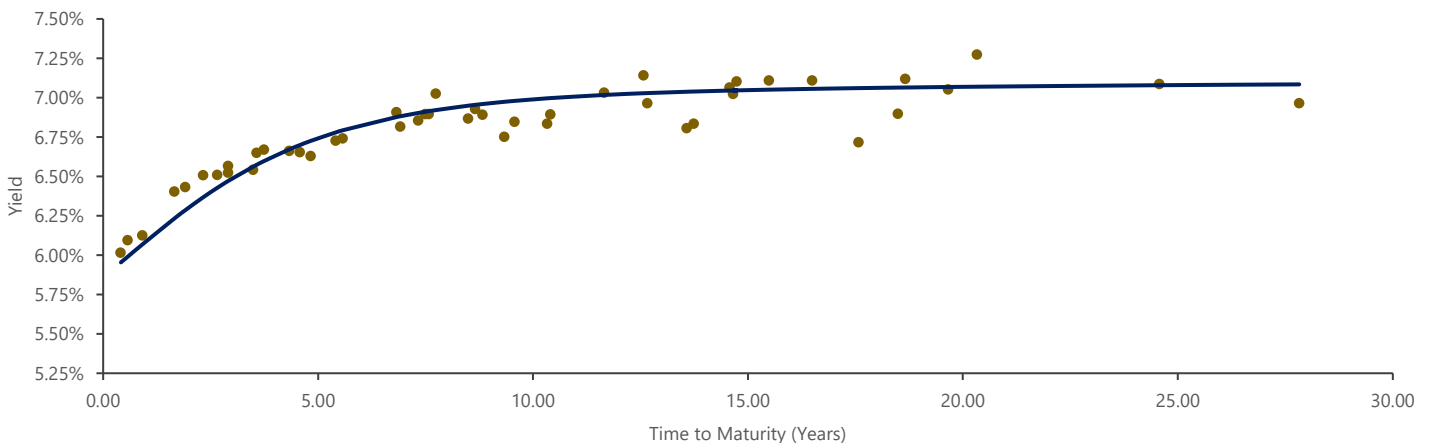
Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16	16.08	16.91
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45	31.14	29.73
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56	15.37	14.95
MF, IF & PF	18.99	19.39	19.86	19.81	20.28	20.50	20.92	21.20	21.66

Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Oct 17, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.41	100.92	6.01%	5.96%	100.96	Discounted
FR77	8.125	15-May-24	0.58	101.12	6.09%	5.99%	101.19	Discounted
FR44	10.000	15-Sep-24	0.91	103.36	6.12%	6.07%	103.43	Discounted
FR81	6.500	15-Jun-25	1.66	100.14	6.40%	6.24%	100.40	Discounted
FR40	11.000	15-Sep-25	1.91	108.06	6.43%	6.29%	108.35	Discounted
FR84	7.250	15-Feb-26	2.33	101.57	6.51%	6.37%	101.86	Discounted
FR86	5.500	15-Jun-26	2.66	97.71	6.51%	6.43%	97.75	Discounted
FR37	12.000	15-Sep-26	2.91	114.28	6.52%	6.47%	114.44	Discounted
FR56	8.375	15-Sep-26	2.91	104.71	6.57%	6.47%	104.96	Discounted
FR90	5.125	15-Apr-27	3.49	95.64	6.54%	6.56%	95.57	Fair
FR59	7.000	15-May-27	3.58	101.09	6.65%	6.58%	101.33	Discounted
FR42	10.250	15-Jul-27	3.74	111.66	6.67%	6.60%	111.92	Discounted
FR47	10.000	15-Feb-28	4.33	112.35	6.66%	6.67%	112.31	Fair
FR64	6.125	15-May-28	4.58	97.94	6.65%	6.70%	97.76	Premium
FR95	6.375	15-Aug-28	4.83	98.96	6.63%	6.73%	98.56	Premium
FR71	9.000	15-Mar-29	5.41	110.15	6.73%	6.78%	109.90	Premium
FR78	8.250	15-May-29	5.58	106.91	6.74%	6.79%	106.66	Premium
FR52	10.500	15-Aug-30	6.83	119.27	6.91%	6.88%	119.45	Fair
FR82	7.000	15-Sep-30	6.91	101.00	6.81%	6.88%	100.62	Premium
FR87	6.500	15-Feb-31	7.33	97.97	6.85%	6.90%	97.69	Premium
FR85	7.750	15-Apr-31	7.49	104.94	6.89%	6.91%	104.84	Fair
FR73	8.750	15-May-31	7.58	110.79	6.90%	6.92%	110.67	Fair
FR54	9.500	15-Jul-31	7.74	114.56	7.03%	6.92%	115.23	Discounted
FR91	6.375	15-Apr-32	8.49	96.88	6.87%	6.95%	96.35	Premium
FR58	8.250	15-Jun-32	8.66	108.49	6.93%	6.96%	108.30	Fair
FR74	7.500	15-Aug-32	8.83	103.97	6.89%	6.96%	103.50	Premium
FR96	7.000	15-Feb-33	9.33	101.69	6.75%	6.98%	100.15	Premium
FR65	6.625	15-May-33	9.58	98.46	6.85%	6.98%	97.53	Premium
FR100	6.625	15-Feb-34	10.33	98.46	6.83%	7.00%	104.55	Premium
FR68	8.375	15-Mar-34	10.41	110.88	6.89%	7.00%	110.04	Premium
FR80	7.500	15-Jun-35	11.66	103.67	7.03%	7.02%	103.77	Fair
FR72	8.250	15-May-36	12.58	109.09	7.14%	7.03%	110.07	Discounted
FR88	6.250	15-Jun-36	12.66	94.05	6.96%	7.03%	93.51	Premium
FR45	9.750	15-May-37	13.58	125.82	6.80%	7.04%	123.45	Premium
FR93	6.375	15-Jul-37	13.74	95.95	6.83%	7.04%	94.19	Premium
FR75	7.500	15-May-38	14.58	103.91	7.06%	7.05%	104.08	Fair
FR50	10.500	15-Jul-38	14.74	130.71	7.10%	7.05%	131.32	Discounted
FR98	7.125	15-Jun-38	14.66	100.91	7.02%	7.05%	100.69	Fair
FR79	8.375	15-Apr-39	15.49	111.78	7.11%	7.05%	112.35	Discounted
FR83	7.500	15-Apr-40	16.49	103.77	7.11%	7.06%	104.27	Discounted
FR57	9.500	15-May-41	17.58	128.45	6.72%	7.06%	124.32	Premium
FR62	6.375	15-Apr-42	18.49	94.59	6.90%	7.07%	92.93	Premium
FR92	7.125	15-Jun-42	18.66	100.05	7.12%	7.07%	100.59	Discounted
FR97	7.125	15-Jun-43	19.66	100.76	7.05%	7.07%	100.57	Fair
FR67	8.750	15-Feb-44	20.33	115.54	7.27%	7.07%	117.94	Discounted
FR76	7.375	15-May-48	24.58	103.34	7.09%	7.08%	103.40	Fair
FR89	6.875	15-Aug-51	27.83	98.90	6.96%	7.09%	97.44	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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