

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,927.91	-0.17%
STI	3,136.62	-1.11%
HSI	17,732.52	-0.23%
SSEC	3,058.71	-0.80%
FTSE	7,588.00	-1.14%
GDAX	15,094.91	-1.03%
DJI	33,665.08	-0.98%
S&P 500	4,314.60	-1.34%
NDX	13,314.30	-1.62%

10-yr Bond	Last	Bps
ID	6.75	+10.6
US	4.91	+8.00
UK	4.56	+4.90
JP	0.81	+2.80
CN	2.71	+1.60
MY	4.07	+1.70
TH	3.32	+2.80

Exchange Rate	Last	%
USD/IDR	15,730	+0.10%
EUR/IDR	16,651	+0.53%
GBP/IDR	19,192	+0.44%
HKD/IDR	2,010	+0.03%
SGD/IDR	11,493	+0.23%
AUD/IDR	10,040	+0.69%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	97.57	+1.8%
VIX	19.22	+7.5%

Sources : Bloomberg, MNCS

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Global Market Updates

- US equity indexes gave in to the pressures from soaring UST yields Wednesday (Oct 18, 2023), posting sharper contractions from compounded sentiments of Middle East escalation angsts and reignited hawkish ambience.
- The VIX Index jumped 7.5% overnight in light of heightening geopolitical tensions and a trifecta of stronger-than-expected US economic indicators this week; PPI, CPI and retail sales.
- US housing market data yesterday gave nuanced sentiments; Sep-23 housing starts came weaker at 1.36mn units as opposed to 1.38mn units, but Sep-23 building permits was strong at 1.47mn units as opposed to an expected decline to 1.45mn units.
- The 10-yr UST yields pushed higher 8 bps to reach 4.91%, while the 2-yr yields stood its ground in the 5.19% level. This was a considerably sharp bear steepening, thinning the inverse 2s10s spread to -28 bps.
- Markets are raising their expectations of a possible rate hike in Dec-23's FOMC up to 42%, but we view the high term premiums should support the case for a rate hold to suffice, if a soft landing is the intended outcome.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds took a heavy beating Wednesday (Oct 18, 2023), with the 10-yr benchmark series yield taking off by 9.8 bps to 6.86%.
- IDR weakened against USD and other global major currencies (USD/IDR rebounded 0.1% to 15,730).
- The pressure from soaring UST yields have seeped back into the Indonesian gov't bond markets. This week up to Oct 17, 2023 alone, the net out flow from gov't securities reached IDR12.97tn, with the banking sector pouring out IDR22.83tn of its positions and the non residents continuing its sell off amounting to IDR1.81tn.
- Mutual funds are also observed to trim their positions as much as IDR1.03tn, as well as the individual investors category by IDR4.99tn.
- We continue to reiterate our preference towards the front-end of the yield, due to their attractive valuations and UST yields to possibly already near its peak. Risk comes from possible BI interventions, as they are seen to start accruing SBNs as much as IDR17.49tn this week up to Oct 17, 2023.

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 6.85-6.95% for today.
- Attractive Indo GB series to be traded today : FR0040, FR0059, FR0081, FR0100.

Exhibit 3. Benchmark LCY Government Bond Prices (Oct 18, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	98.76	6.68%	98.96	6.63%
FR0096	10-year	100.96	6.86%	101.69	6.75%
FR0100	10-year (2024)	98.47	6.83%	98.46	6.83%
FR0098	15-year	100.35	7.08%	100.91	7.02%
FR0097	20-year	100.26	7.10%	100.76	7.05%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Oct 18, 2023)

Rating	0.1	1	3	5	10
AAA	21.46	38.17	47.99	62.70	84.84
AA	48.86	78.05	104.64	129.71	168.40
A	145.55	203.03	256.13	295.03	348.98
BBB	341.92	390.61	446.52	503.97	595.79

Sources : IBPA, MNCS

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

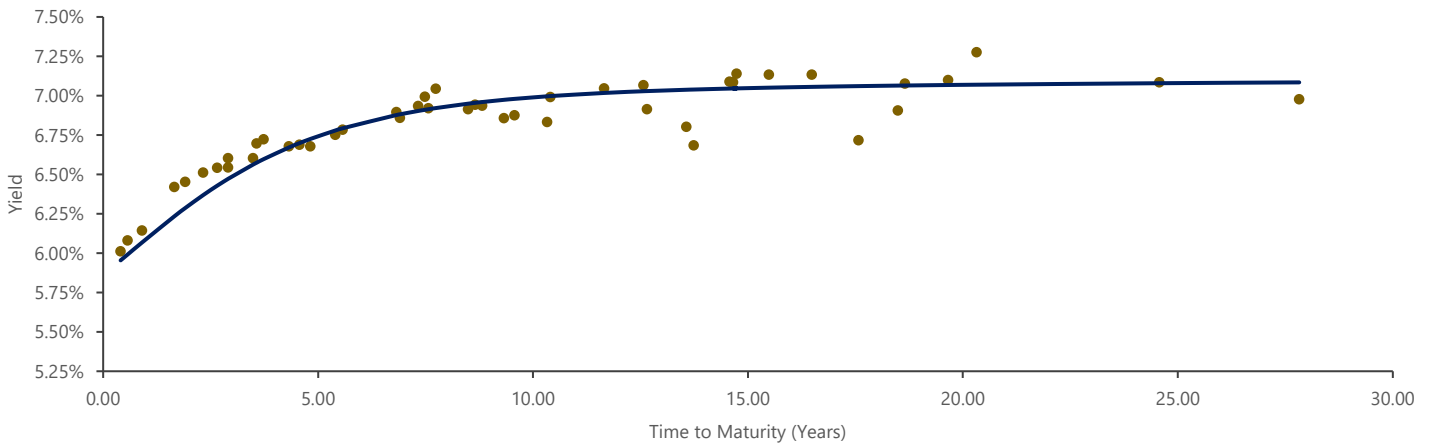
Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16	16.08	16.91
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45	31.14	29.73
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56	15.37	14.95
MF, IF & PF	18.99	19.39	19.86	19.81	20.28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

Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Oct 18, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.41	100.91	6.01%	5.95%	100.95	Discounted
FR77	8.125	15-May-24	0.57	101.12	6.08%	5.99%	101.18	Discounted
FR44	10.000	15-Sep-24	0.91	103.33	6.14%	6.07%	103.42	Discounted
FR81	6.500	15-Jun-25	1.66	100.11	6.42%	6.23%	100.40	Discounted
FR40	11.000	15-Sep-25	1.91	108.01	6.45%	6.29%	108.34	Discounted
FR84	7.250	15-Feb-26	2.33	101.55	6.51%	6.37%	101.86	Discounted
FR86	5.500	15-Jun-26	2.66	97.64	6.54%	6.43%	97.75	Discounted
FR37	12.000	15-Sep-26	2.91	114.21	6.54%	6.47%	114.43	Discounted
FR56	8.375	15-Sep-26	2.91	104.60	6.60%	6.47%	104.96	Discounted
FR90	5.125	15-Apr-27	3.49	95.47	6.60%	6.56%	95.57	Discounted
FR59	7.000	15-May-27	3.57	100.95	6.70%	6.58%	101.33	Discounted
FR42	10.250	15-Jul-27	3.74	111.47	6.72%	6.60%	111.91	Discounted
FR47	10.000	15-Feb-28	4.33	112.28	6.68%	6.67%	112.31	Fair
FR64	6.125	15-May-28	4.57	97.81	6.69%	6.70%	97.76	Fair
FR95	6.375	15-Aug-28	4.83	98.76	6.68%	6.73%	98.56	Premium
FR71	9.000	15-Mar-29	5.41	110.03	6.75%	6.78%	109.90	Fair
FR78	8.250	15-May-29	5.57	106.70	6.78%	6.79%	106.65	Fair
FR52	10.500	15-Aug-30	6.83	119.34	6.89%	6.88%	119.45	Fair
FR82	7.000	15-Sep-30	6.91	100.76	6.86%	6.88%	100.62	Fair
FR87	6.500	15-Feb-31	7.33	97.53	6.93%	6.90%	97.69	Fair
FR85	7.750	15-Apr-31	7.49	104.36	6.99%	6.91%	104.84	Discounted
FR73	8.750	15-May-31	7.57	110.65	6.92%	6.92%	110.67	Fair
FR54	9.500	15-Jul-31	7.74	114.45	7.04%	6.92%	115.23	Discounted
FR91	6.375	15-Apr-32	8.49	96.58	6.91%	6.95%	96.35	Premium
FR58	8.250	15-Jun-32	8.66	108.40	6.94%	6.96%	108.30	Fair
FR74	7.500	15-Aug-32	8.83	103.67	6.94%	6.96%	103.49	Fair
FR96	7.000	15-Feb-33	9.33	100.96	6.86%	6.98%	100.15	Premium
FR65	6.625	15-May-33	9.57	98.27	6.87%	6.98%	97.53	Premium
FR100	6.625	15-Feb-34	10.33	98.47	6.83%	7.00%	104.54	Premium
FR68	8.375	15-Mar-34	10.41	110.10	6.99%	7.00%	110.04	Fair
FR80	7.500	15-Jun-35	11.66	103.55	7.05%	7.02%	103.77	Fair
FR72	8.250	15-May-36	12.57	109.76	7.07%	7.03%	110.07	Fair
FR88	6.250	15-Jun-36	12.66	94.46	6.91%	7.03%	93.51	Premium
FR45	9.750	15-May-37	13.57	125.85	6.80%	7.04%	123.44	Premium
FR93	6.375	15-Jul-37	13.74	97.24	6.68%	7.04%	94.19	Premium
FR75	7.500	15-May-38	14.57	103.70	7.09%	7.05%	104.08	Discounted
FR50	10.500	15-Jul-38	14.74	130.32	7.14%	7.05%	131.32	Discounted
FR98	7.125	15-Jun-38	14.66	100.35	7.08%	7.05%	100.69	Discounted
FR79	8.375	15-Apr-39	15.49	111.53	7.13%	7.05%	112.34	Discounted
FR83	7.500	15-Apr-40	16.49	103.52	7.13%	7.06%	104.27	Discounted
FR57	9.500	15-May-41	17.57	128.45	6.72%	7.06%	124.32	Premium
FR62	6.375	15-Apr-42	18.49	94.50	6.91%	7.07%	92.93	Premium
FR92	7.125	15-Jun-42	18.66	100.49	7.08%	7.07%	100.59	Fair
FR97	7.125	15-Jun-43	19.66	100.26	7.10%	7.07%	100.57	Fair
FR67	8.750	15-Feb-44	20.33	115.51	7.28%	7.07%	117.94	Discounted
FR76	7.375	15-May-48	24.57	103.35	7.08%	7.08%	103.40	Fair
FR89	6.875	15-Aug-51	27.83	98.75	6.98%	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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