

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,849.17	+0.04%
STI	3,076.69	-0.74%
HSI	17,172.13	-0.72%
SSEC	2,983.06	-0.74%
FTSE	7,402.14	-1.30%
GDAX	14,798.47	-1.64%
DJI	33,414.17	-0.75%
S&P 500	4,224.16	-1.26%
NDX	12,983.81	-1.53%

10-yr Bond	Last	Bps
ID	7.08	+22.5
US	4.98	+6.20
UK	4.56	+4.90
JP	0.84	+0.20
CN	2.71	-1.40
MY	4.12	+0.70
TH	3.34	-0.20

Exchange Rate	Last	%
USD/IDR	15,875	+0.38%
EUR/IDR	16,802	+0.71%
GBP/IDR	19,234	+0.33%
HKD/IDR	2,029	+0.39%
SGD/IDR	11,565	+0.44%
AUD/IDR	10,021	+0.51%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	102.24	+0.4%
VIX	21.71	+1.45%

Sources : Bloomberg, MNCS

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Global Market Updates

- Wall Street indexes closed on a weak note last Friday (Oct 20, 2023), still on the back of Middle East conflict jitters and its contagion risks, the DJI slumped -0.86%, S&P 500 fell -1.26% and Nasdaq slipped -1.53%.
- Aggressions from the surrounding countries such as Iraq, Syria and Yemen raised concerns of the conflict to convert into a wider scale involving many.
- Comments from Fed's Harker, Mester, and Bostic all seems to align with the narrative that the interest rates have peaked and what's left to see is a gradual series of QE to commence somewhere in 2H24.
- The UST 10-yr yields have eased by 7.2 bps to 4.93%, cancelling its march beyond 5.0% based on the dovish Fed as well as an observed boost in demand for the safe haven amid geopolitical unrest. The 2-yr UST retreated by 7 bps down to 5.07%, bull flattening the 2s10s inverted spread that now stands at -13 bps.
- This week the wider market will take a close look at 3Q23 GDP data from South Korea, followed by CPI readings from Australia, Singapore and Tokyo to get a sense of where the economy stands, but above all will still be largely dictated by the movement in UST yields.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds have begun to price in what seems to be a recourse in BI's monetary trajectory, posting a huge sell-off Friday (Oct 20, 2023), with the 10-yr benchmark series yield surging past the 7.0% ceiling to 7.8%, a worrisome 22.5 bps jump.
- The all-hands-on-deck stance from BI to protect IDR from further depreciating could mean more QT hikes to come, especially with the risk of a further rise in UST yields, and China's still laggard economic recovery to support Indonesia's current account posture.
- IDR weakened against USD and other global major currencies (USD/IDR rose 0.4% to 15,875). The IDR might get some breathing room today from Friday's DXY slump on stronger UST.
- We also observe based on recent Indonesian gov't securities auctions that awarded bids value tend to rise, which is concurrent with the recent reported widening in the fiscal deficit. The seeking of additional funds through issuances poses further downside risks for bonds 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 7.00-7.20% for today.
- Attractive Indo GB series to be traded today : FR0040, FR0059, FR0081, FR0100.

Exhibit 3. Benchmark LCY Government Bond Prices (Oct 20, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	97.62	6.96%	98.21	6.82%
FR0096	10-year	99.45	7.08%	100.97	6.85%
FR0100	10-year (2024)	95.93	7.19%	96.62	7.09%
FR0098	15-year	98.45	7.30%	99.93	7.13%
FR0097	20-year	98.34	7.28%	98.73	7.25%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Oct 20, 2023)

Rating	0.1	1	3	5	10
AAA	24.83	39.89	47.52	60.02	84.18
AA	48.15	79.70	103.85	127.97	168.19
A	145.63	205.63	255.59	295.20	349.04
BBB	340.38	389.51	443.03	501.20	596.08

Sources : IBPA, MNCS

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

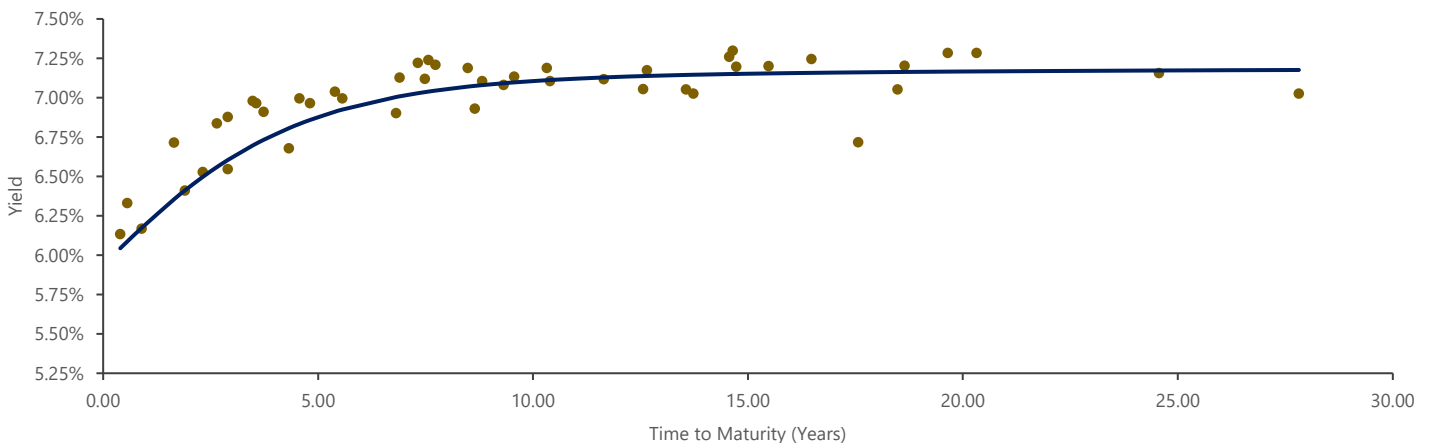
Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16	16.08	16.91
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45	31.14	29.73
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56	15.37	14.95
MF, IF & PF	18.99	19.39	19.86	19.81	20.28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

Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Oct 20, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.40	100.84	6.13%	6.05%	100.90	Discounted
FR77	8.125	15-May-24	0.57	100.97	6.33%	6.09%	101.12	Discounted
FR44	10.000	15-Sep-24	0.90	103.27	6.17%	6.18%	103.30	Fair
FR81	6.500	15-Jun-25	1.65	99.66	6.71%	6.36%	100.21	Discounted
FR40	11.000	15-Sep-25	1.91	108.05	6.41%	6.41%	108.09	Fair
FR84	7.250	15-Feb-26	2.32	101.52	6.53%	6.50%	101.58	Fair
FR86	5.500	15-Jun-26	2.65	97.00	6.84%	6.56%	97.45	Discounted
FR37	12.000	15-Sep-26	2.90	114.15	6.55%	6.61%	114.03	Fair
FR56	8.375	15-Sep-26	2.90	103.86	6.88%	6.61%	104.60	Discounted
FR90	5.125	15-Apr-27	3.49	94.36	6.98%	6.70%	95.18	Discounted
FR59	7.000	15-May-27	3.57	100.11	6.96%	6.71%	100.90	Discounted
FR42	10.250	15-Jul-27	3.73	110.79	6.91%	6.73%	111.43	Discounted
FR47	10.000	15-Feb-28	4.32	112.25	6.68%	6.81%	111.76	Premium
FR64	6.125	15-May-28	4.57	96.65	6.99%	6.83%	97.25	Discounted
FR95	6.375	15-Aug-28	4.82	97.62	6.96%	6.86%	98.03	Discounted
FR71	9.000	15-Mar-29	5.40	108.67	7.04%	6.91%	109.27	Discounted
FR78	8.250	15-May-29	5.57	105.69	7.00%	6.92%	106.03	Fair
FR52	10.500	15-Aug-30	6.82	119.28	6.90%	7.00%	118.68	Premium
FR82	7.000	15-Sep-30	6.90	99.31	7.13%	7.01%	99.94	Discounted
FR87	6.500	15-Feb-31	7.32	95.95	7.22%	7.03%	97.00	Discounted
FR85	7.750	15-Apr-31	7.49	103.61	7.12%	7.04%	104.10	Discounted
FR73	8.750	15-May-31	7.57	108.67	7.24%	7.04%	109.90	Discounted
FR54	9.500	15-Jul-31	7.74	113.37	7.21%	7.05%	114.43	Discounted
FR91	6.375	15-Apr-32	8.49	94.90	7.19%	7.07%	95.62	Discounted
FR58	8.250	15-Jun-32	8.65	108.47	6.93%	7.08%	107.49	Premium
FR74	7.500	15-Aug-32	8.82	102.54	7.10%	7.08%	102.71	Fair
FR96	7.000	15-Feb-33	9.32	99.45	7.08%	7.09%	99.36	Fair
FR65	6.625	15-May-33	9.57	96.52	7.13%	7.10%	96.75	Fair
FR100	6.625	15-Feb-34	10.32	95.93	7.19%	7.11%	103.70	Discounted
FR68	8.375	15-Mar-34	10.40	109.22	7.10%	7.11%	109.16	Fair
FR80	7.500	15-Jun-35	11.65	102.99	7.12%	7.13%	102.89	Fair
FR72	8.250	15-May-36	12.57	109.85	7.05%	7.14%	109.12	Premium
FR88	6.250	15-Jun-36	12.65	92.40	7.17%	7.14%	92.67	Fair
FR45	9.750	15-May-37	13.57	123.31	7.05%	7.14%	122.39	Premium
FR93	6.375	15-Jul-37	13.74	94.32	7.03%	7.15%	93.31	Premium
FR75	7.500	15-May-38	14.57	102.14	7.26%	7.15%	103.13	Discounted
FR50	10.500	15-Jul-38	14.74	129.68	7.20%	7.15%	130.18	Fair
FR98	7.125	15-Jun-38	14.65	98.45	7.30%	7.15%	99.76	Discounted
FR79	8.375	15-Apr-39	15.49	110.85	7.20%	7.15%	111.32	Fair
FR83	7.500	15-Apr-40	16.49	102.43	7.24%	7.16%	103.28	Discounted
FR57	9.500	15-May-41	17.57	128.45	6.72%	7.16%	123.17	Premium
FR62	6.375	15-Apr-42	18.49	93.07	7.05%	7.16%	91.99	Premium
FR92	7.125	15-Jun-42	18.65	99.21	7.20%	7.16%	99.59	Fair
FR97	7.125	15-Jun-43	19.65	98.34	7.28%	7.17%	99.56	Discounted
FR67	8.750	15-Feb-44	20.32	115.41	7.28%	7.17%	116.79	Discounted
FR76	7.375	15-May-48	24.57	102.53	7.15%	7.17%	102.31	Fair
FR89	6.875	15-Aug-51	27.82	98.16	7.03%	7.18%	96.38	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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