

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,834.39	+0.41%
STI	3,078.78	-0.17%
HSI	17,085.33	+0.55%
SSEC	2,974.11	+0.40%
FTSE	7,414.34	+0.33%
GDAX	14,892.18	+0.08%
DJI	33,035.93	-0.32%
S&P 500	4,186.77	-1.43%
NDX	12,821.22	-2.43%

10-yr Bond	Last	Bps
ID	7.15	-4.00
US	4.95	+12.0
UK	4.61	+7.10
JP	0.88	+1.60
CN	2.71	-0.10
MY	4.12	-0.10
TH	3.29	+0.40

Exchange Rate	Last	%
USD/IDR	15,870	+0.13%
EUR/IDR	16,799	-0.51%
GBP/IDR	19,262	-0.94%
HKD/IDR	2,029	+0.13%
SGD/IDR	11,595	-0.09%
AUD/IDR	10,082	-0.07%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	98.18	-0.2%
VIX	20.19	+6.4%

Sources : Bloomberg, MNCS

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Global Market Updates

- Nasdaq slid more than 2% after subpar earnings results from Alphabet, followed by DJI and S&P 500's slump as US equities succumbed to several bearish catalysts Wednesday (Oct 25, 2023) including the strong US housing data and weak UST auctions, calling for reiteration of a hawkish-tilted narrative.
- The US Sep-23 new home sales rose 12.3% MoM to 759k units (vs expectations of 680k). We view, however, that the US housing market can be better be depicted by the more recent data such as weekly MBA mortgage applications that fell 1.0%. Coupled with 30-yr mortgage rates reaching 23-year highs of 7.9%, we view the housing market should weaken significantly in the coming months.
- While that shock did its part in UST 10-yr yield's push towards 4.95%, followed by UST 2-yr yield's hike to 5.08%, it is more accurately explained by the lackluster demand seen in yesterday's UST 5-yr's USD53bn auction, garnering only a bid-to-cover ratio of 2.36 vs the average of 2.54.
- This highlighted a more fundamental problem the US debt market is facing, with the mounting issuances to support sovereign debt interest payment in a tight environment far outpacing the demand stored within the market; China and Japan as the top UST holders have got their own problems to fix at home.
- BOJ, on the receiving end of a slumping yen due to the renewed boost for USD, saw yen flying past its 150 USD/JPY ceiling, raising the likelihood of an intervention to be seen in next week's meeting.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds rebounded stronger Wednesday (Oct 25, 2023), with the 10-yr benchmark series yield easing further to 7.15% from previous day's 7.19%.
- IDR resumed its depreciation against the USD (USD/IDR rebounded +0.1% to 15,870) and is poised to face further depreciation as the USD received a value boost from the recent UST yield surge.
- Good news from US economic data in a tightening cycle is bad news for markets in particular the EMs. We view UST 10-yr yield bump might instigate a shock to the domestic 10-yr yield today.
- On a week-to-date basis up to Oct 24, 2023, we continue to see foreign outflows from the Indonesian gov't securities up to IDR4.99tn, followed by domestic banks (IDR2.86tn).
- We continue to favor the shorter end of the domestic curve, as it is largely trading at a discounted value, whilst remaining cautious of a further rise in the UST yields as the market has not yet priced in the fundamentals, with 10-yr possibly penetrating through the 5% ceiling.

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 7.15-7.25% for today.
- Attractive Indo GB series to be traded today : FR0040, FR0059, FR0081, FR0100.

Exhibit 3. Benchmark LCY Government Bond Prices (Oct 25, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	97.14	7.08%	96.95	7.13%
FR0096	10-year	99.00	7.15%	98.68	7.19%
FR0100	10-year (2024)	96.36	7.13%	95.75	7.21%
FR0098	15-year	99.74	7.15%	98.39	7.30%
FR0097	20-year	99.70	7.15%	98.44	7.27%

Sources : Bloomberg, IBPA, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Oct 25, 2023)

Rating	0.1	1	3	5	10
AAA	31.55	43.44	46.51	54.05	82.53
AA	46.76	82.87	102.61	123.86	167.64
A	145.82	210.70	254.81	295.13	349.11
BBB	337.34	387.15	436.45	494.09	596.59

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

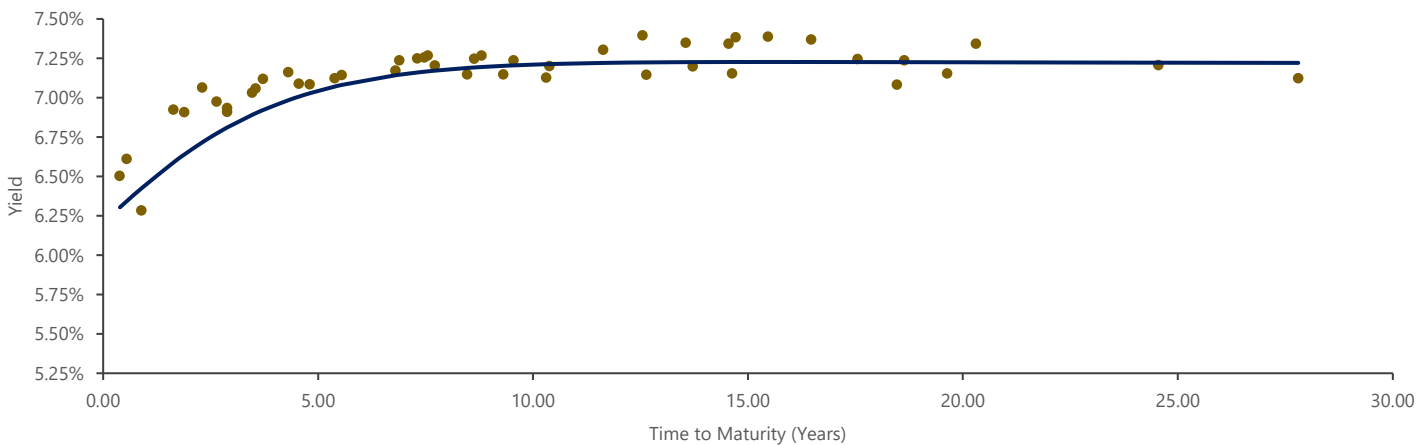
Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Oct 25, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.39	100.68	6.50%	6.31%	100.77	Discounted
FR77	8.125	15-May-24	0.55	100.80	6.61%	6.35%	100.95	Discounted
FR44	10.000	15-Sep-24	0.89	103.14	6.28%	6.43%	103.03	Premium
FR81	6.500	15-Jun-25	1.64	99.35	6.92%	6.59%	99.85	Discounted
FR40	11.000	15-Sep-25	1.89	107.10	6.91%	6.64%	107.61	Discounted
FR84	7.250	15-Feb-26	2.31	100.37	7.06%	6.72%	101.11	Discounted
FR86	5.500	15-Jun-26	2.64	96.71	6.97%	6.77%	96.96	Discounted
FR37	12.000	15-Sep-26	2.89	113.10	6.91%	6.81%	113.39	Discounted
FR56	8.375	15-Sep-26	2.89	103.70	6.93%	6.81%	104.03	Discounted
FR90	5.125	15-Apr-27	3.47	94.22	7.03%	6.89%	94.62	Discounted
FR59	7.000	15-May-27	3.55	99.82	7.06%	6.90%	100.30	Discounted
FR42	10.250	15-Jul-27	3.72	110.05	7.12%	6.92%	110.74	Discounted
FR47	10.000	15-Feb-28	4.31	110.33	7.16%	6.98%	111.03	Discounted
FR64	6.125	15-May-28	4.55	96.31	7.09%	7.01%	96.60	Discounted
FR95	6.375	15-Aug-28	4.81	97.14	7.08%	7.03%	97.36	Discounted
FR71	9.000	15-Mar-29	5.39	108.27	7.12%	7.07%	108.51	Discounted
FR78	8.250	15-May-29	5.55	105.00	7.14%	7.08%	105.29	Discounted
FR52	10.500	15-Aug-30	6.81	117.65	7.17%	7.14%	117.83	Discounted
FR82	7.000	15-Sep-30	6.89	98.72	7.24%	7.15%	99.21	Discounted
FR87	6.500	15-Feb-31	7.31	95.79	7.25%	7.16%	96.28	Discounted
FR85	7.750	15-Apr-31	7.47	102.81	7.26%	7.16%	103.34	Discounted
FR73	8.750	15-May-31	7.55	108.49	7.27%	7.17%	109.11	Discounted
FR54	9.500	15-Jul-31	7.72	113.39	7.20%	7.17%	113.60	Discounted
FR91	6.375	15-Apr-32	8.47	95.15	7.15%	7.19%	94.90	Premium
FR58	8.250	15-Jun-32	8.64	106.35	7.25%	7.19%	106.71	Discounted
FR74	7.500	15-Aug-32	8.81	101.47	7.27%	7.19%	101.95	Discounted
FR96	7.000	15-Feb-33	9.31	99.00	7.15%	7.20%	98.63	Premium
FR65	6.625	15-May-33	9.55	95.84	7.24%	7.21%	96.04	Discounted
FR100	6.625	15-Feb-34	10.31	96.36	7.13%	7.21%	102.95	Premium
FR68	8.375	15-Mar-34	10.39	108.48	7.20%	7.21%	108.38	Fair
FR80	7.500	15-Jun-35	11.64	101.51	7.30%	7.22%	102.16	Discounted
FR72	8.250	15-May-36	12.55	106.91	7.40%	7.22%	108.37	Discounted
FR88	6.250	15-Jun-36	12.64	92.62	7.15%	7.22%	92.01	Premium
FR45	9.750	15-May-37	13.55	120.39	7.35%	7.23%	121.58	Discounted
FR93	6.375	15-Jul-37	13.72	92.89	7.20%	7.23%	92.66	Premium
FR75	7.500	15-May-38	14.55	101.39	7.34%	7.23%	102.43	Discounted
FR50	10.500	15-Jul-38	14.72	127.67	7.38%	7.23%	129.35	Discounted
FR98	7.125	15-Jun-38	14.64	99.74	7.15%	7.23%	99.08	Premium
FR79	8.375	15-Apr-39	15.47	109.02	7.39%	7.23%	110.59	Discounted
FR83	7.500	15-Apr-40	16.47	101.23	7.37%	7.23%	102.61	Discounted
FR57	9.500	15-May-41	17.55	122.19	7.24%	7.23%	122.41	Fair
FR62	6.375	15-Apr-42	18.47	92.77	7.08%	7.23%	91.40	Premium
FR92	7.125	15-Jun-42	18.64	98.85	7.24%	7.23%	98.97	Fair
FR97	7.125	15-Jun-43	19.64	99.70	7.15%	7.22%	98.95	Premium
FR67	8.750	15-Feb-44	20.31	114.71	7.34%	7.22%	116.10	Discounted
FR76	7.375	15-May-48	24.55	101.94	7.21%	7.22%	101.74	Fair
FR89	6.875	15-Aug-51	27.81	97.00	7.12%	7.22%	95.86	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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