

**Exhibit 1. Daily Market Updates**

Equity	Last	%
JCI	6,961.46	+0.31%
STI	3,208.86	-0.27%
HSI	17,809.66	+2.51%
SSEC	3,110.48	+0.10%
FTSE	7,510.72	-1.28%
GDAX	15,247.21	-0.91%
DJI	33,433.35	-0.22%
S&P 500	4,288.39	+0.01%
NDX	13,307.77	+0.67%

10-yr Bond	Last	Bps
ID	6.97	+7.25
US	4.69	+10.0
UK	4.56	+12.7
JP	0.78	+1.20
CN	2.68	-1.20
MY	3.98	+0.20
TH	3.14	-0.90

Exchange Rate	Last	%
USD/IDR	15,530	+0.49%
EUR/IDR	16,410	-0.02%
GBP/IDR	18,931	+0.02%
HKD/IDR	1,983	+0.40%
SGD/IDR	11,343	-0.09%
AUD/IDR	9,949	-0.73%

Sources : Bloomberg, MNCS

**Exhibit 2. Risk Indicators**

Category	Last	%
5-yr CDS	92.91	-0.3%
VIX	18.11	+3.4%

Sources : Bloomberg, MNCS

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**Global Market Updates**

- Major global stock indexes was closed mixed Monday (Oct 2, 2023), with US tech stock indexes anomalously garnering strength amid rising bond yields and uncertainty looming the air.
- Fed's Bowman contributed a hawkish comment to the conversation, pushing US Treasuries yields higher. The 10-yr UST yield, as a result, leapt a whole 10 bps to 4.69%, followed by the 2-yr yield that surged its way to 5.12%.
- The stronger-than-expected Sep ISM manufacturing index, rising 1.4 pts to 49.0 instead of the expected weakening to 47.9 added salt to the wound.
- European global bonds followed suit, with the German 10-yr bund yield rising 8.4 bps to 2.92%, the UK 10-yr gilt rocketing 12.7 bps to 4.56%.
- As if that wasn't enough, JGB 10-yr yield also picked momentum despite BoJ's intervention, leaping 1.2 bps to 0.78% and brings more speculation to the table. Fund repatriation risk might agitate the US market even more, further putting downside risks to UST and EM's bond mark.
- The VIX index soared 3.4% to 18.11, confirming the fact that markets agitation has sparked up again in the midst of uncertainty.

**Domestic Market Updates**

- Indonesian benchmark series of LCY government bonds saw massive sell-offs Monday (Oct 2, 2023). The 10-yr benchmark series yield soared 7.3 bps to 6.97%. The 2s10s Indo GB spread bear steepened to 68 bps.
- IDR closed mixed against global major currencies, depreciating against the USD (USD/IDR jumped 0.49% to 15,530).
- Over the past week leading up to Sep 29, 2023, Indonesian government securities saw a net inflow of IDR34tn, with BI accounting for the biggest share of net buys (IDR42.5tn) as an attempt to tame down the yield surges.
- Still, the yields succumbed to the wave of net outflows from non-residents during the same time period, accounting for IDR13.3tn of the net sells amid global uncertainty, followed by domestic banks by IDR33.8tn as they have to service the growing credit demand.
- We expect the SBN auction to be held today to incur less activities due to the persisting risk-off sentiments.

**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 6.95-7.05% for today.
- Attractive Indo GB series to be traded today : FR0082, FR0087, FR0096, FR0100.

**Exhibit 3. Benchmark LCY Government Bond Prices (Oct 2, 2023)**

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	99.06	6.60%	99.37	6.53%
FR0096	10-year	100.22	6.97%	100.71	6.89%
FR0098	15-year	100.63	7.05%	101.10	7.00%
FR0097	20-year	100.79	7.05%	101.03	7.03%

Sources : Bloomberg, MNCS

**Exhibit 4. Corporate Bond Credit Spread Matrices (Oct 2, 2023)**

Rating	0.1	1	3	5	10
AAA	29.15	43.27	58.58	69.17	80.48
AA	52.30	78.77	108.69	136.02	175.08
A	142.01	206.76	257.79	299.79	341.66
BBB	343.30	394.21	456.67	509.41	596.09

Sources : IBPA, MNCS

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

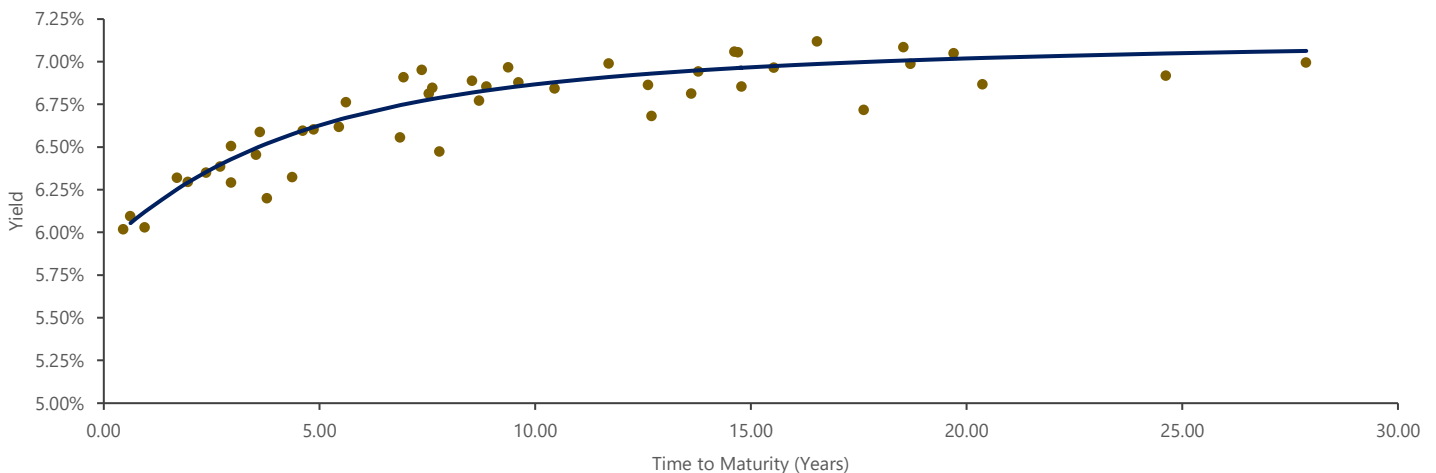
Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16	16.08	16.91
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45	31.14	29.73
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56	15.37	14.95
MF, IF & PF	18.99	19.39	19.86	19.81	20.28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

Sources : DJPPR, MNCS

**Exhibit 06. LCY Government Bond Valuation (Oct 2, 2023)**

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.45	101.02	6.02%	6.02%	101.03	Fair
FR77	8.125	15-May-24	0.62	101.20	6.09%	6.05%	101.23	Fair
FR44	10.000	15-Sep-24	0.95	103.60	6.03%	6.12%	103.53	Premium
FR81	6.500	15-Jun-25	1.70	100.28	6.32%	6.25%	100.38	Discounted
FR40	11.000	15-Sep-25	1.95	108.49	6.29%	6.29%	108.52	Fair
FR84	7.250	15-Feb-26	2.37	101.94	6.35%	6.35%	101.93	Fair
FR86	5.500	15-Jun-26	2.70	97.96	6.39%	6.40%	97.80	Fair
FR37	12.000	15-Sep-26	2.95	115.14	6.29%	6.43%	114.76	Premium
FR56	8.375	15-Sep-26	2.95	104.94	6.51%	6.43%	105.16	Discounted
FR90	5.125	15-Apr-27	3.54	95.86	6.46%	6.49%	95.73	Fair
FR59	7.000	15-May-27	3.62	101.30	6.59%	6.50%	101.57	Discounted
FR42	10.250	15-Jul-27	3.78	113.45	6.20%	6.52%	112.32	Premium
FR47	10.000	15-Feb-28	4.37	113.82	6.32%	6.58%	112.81	Premium
FR64	6.125	15-May-28	4.62	98.15	6.59%	6.60%	98.14	Fair
FR95	6.375	15-Aug-28	4.87	99.06	6.60%	6.62%	99.00	Fair
FR71	9.000	15-Mar-29	5.45	110.75	6.62%	6.66%	110.55	Fair
FR78	8.250	15-May-29	5.62	106.84	6.76%	6.67%	107.29	Discounted
FR52	10.500	15-Aug-30	6.87	121.51	6.56%	6.75%	120.36	Premium
FR82	7.000	15-Sep-30	6.95	100.50	6.91%	6.75%	101.37	Discounted
FR87	6.500	15-Feb-31	7.37	97.43	6.95%	6.77%	98.44	Discounted
FR85	7.750	15-Apr-31	7.54	105.44	6.81%	6.78%	105.66	Fair
FR73	8.750	15-May-31	7.62	111.14	6.85%	6.78%	111.55	Discounted
FR54	9.500	15-Jul-31	7.78	118.26	6.47%	6.79%	116.17	Premium
FR91	6.375	15-Apr-32	8.54	96.73	6.89%	6.82%	97.16	Discounted
FR58	8.250	15-Jun-32	8.70	109.58	6.77%	6.82%	109.22	Fair
FR74	7.500	15-Aug-32	8.87	104.23	6.85%	6.83%	104.38	Fair
FR96	7.000	15-Feb-33	9.37	100.22	6.97%	6.85%	101.03	Discounted
FR65	6.625	15-May-33	9.62	98.24	6.88%	6.86%	98.38	Fair
FR68	8.375	15-Mar-34	10.45	111.29	6.84%	6.88%	111.01	Fair
FR80	7.500	15-Jun-35	11.70	104.02	6.99%	6.91%	104.67	Discounted
FR72	8.250	15-May-36	12.62	111.56	6.86%	6.93%	110.98	Premium
FR88	6.250	15-Jun-36	12.70	96.33	6.68%	6.93%	94.30	Premium
FR45	9.750	15-May-37	13.62	125.79	6.81%	6.95%	124.42	Premium
FR93	6.375	15-Jul-37	13.78	95.00	6.94%	6.95%	94.95	Fair
FR75	7.500	15-May-38	14.62	103.98	7.06%	6.96%	104.88	Discounted
FR50	10.500	15-Jul-38	14.78	133.52	6.85%	6.96%	132.30	Premium
FR98	7.125	15-Jun-38	14.70	100.63	7.05%	6.96%	101.46	Discounted
FR79	8.375	15-Apr-39	15.54	113.26	6.96%	6.97%	113.15	Fair
FR83	7.500	15-Apr-40	16.54	103.67	7.12%	6.99%	104.99	Discounted
FR57	9.500	15-May-41	17.62	128.47	6.72%	7.00%	125.10	Premium
FR62	6.375	15-Apr-42	18.54	92.74	7.08%	7.01%	93.50	Discounted
FR92	7.125	15-Jun-42	18.70	101.42	6.99%	7.01%	101.19	Fair
FR97	7.125	15-Jun-43	19.70	100.79	7.05%	7.02%	101.13	Fair
FR67	8.750	15-Feb-44	20.37	120.46	6.87%	7.02%	118.56	Premium
FR76	7.375	15-May-48	24.62	105.35	6.92%	7.05%	103.78	Premium
FR89	6.875	15-Aug-51	27.87	98.53	6.99%	7.06%	97.71	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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