

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,846.43	-1.18%
STI	3,099.60	-1.18%
HSI	17,295.89	-2.46%
SSEC	3,005.39	-1.74%
FTSE	7,499.53	-1.17%
GDAX	15,045.23	-0.33%
DJI	33,414.17	-0.75%
S&P 500	4,278.00	-0.85%
NDX	13,186.17	-0.96%

10-yr Bond	Last	Bps
ID	6.85	-0.0
US	4.98	+6.20
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	15,815	+0.54%
EUR/IDR	16,683	+0.19%
GBP/IDR	19,170	-0.12%
HKD/IDR	2,021	+0.58%
SGD/IDR	11,515	+0.18%
AUD/IDR	9,971	-0.69%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	101.44	+3.7%
VIX	21.40	+11.3%

Sources : Bloomberg, MNCS

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Global Market Updates

- Global equity indexes collectively succumbed to the prolonged quantitative tightening environment as well as the heightening geopolitical tension that isn't likely to see an end soon.
- The VIX Index advanced further by 11.3% to reach 21.4 as soaring 10-yr UST yields hammered stocks following Powell's QT-leaning remarks and turgid labor market data. The 10-yr yields surged 6.2 bps to reach 4.98%, narrowing the inverted 2s10s curve to -16 bps, the highest level it has reached this year.
- Fed's chair Jerome Powell addressed to the public in light of recent economic developments, highlighting the need to observe more data and to proceed cautiously, with still a long road ahead in the fight against inflation. Though another rate hike is not off the table yet, the high yields might just do the job for them.
- Yesterday's economic indicator releases point towards an unrelenting labor market. The weekly Initial Jobless Claims unexpectedly fell to 198k (vs consensus of 212k), rendering the 4-week jobless Claim average at 205.7k or fell from 206.7 in the previous period.
- On the other hand, apparent holes in the economy are also visible, as the Oct-23 Philadelphia Fed business outlook was weaker at -9.0 than expectations of -7.0, the Sep-23 home sales fell -2% to 13-year low, and Sep-23 leading indicators posted its biggest 4-month decline of -0.7% MoM (vs the expected -0.4%).

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds mostly posted further losses Thursday (Oct 19, 2023), with the 10-yr benchmark series yield edging down to 6.85%.
- IDR weakened against USD and other global major currencies (USD/IDR rose 0.5% to 15,815).
- BI has intervened in the gov't securities market to support the IDR, disbursing more than IDR2bn from their forex reserves. They have stepped up the game by unexpectedly raising their BI7DRR yesterday, alongside the launch of two additional forex instruments, the SVBI and its sharia counterpart, SUVBI, aimed at preventing further contractions in IDR's value.
- Regional yields have also mirrored recent UST yield trends, with the Malaysian 10-yr gaining 1.7% and the Thai 10-yr jumping 2.8%. We view Indo GB 10-yr to still face downside potential despite yesterday's rate hike, as pressures from the global sentiment still outweighs incentives from the domestic.
- The domestic banks have been putting off their gov't bond ownerships (IDR28.6tn sell-off WtD up to Oct 18, 2023) as they face an increasing credit demand and corporate loan demand.

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 19, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	98.21	6.82%	98.76	6.68%
FR0096	10-year	100.97	6.85%	100.96	6.86%
FR0100	10-year (2024)	96.62	7.09%	98.47	6.83%
FR0098	15-year	99.93	7.13%	100.35	7.08%
FR0097	20-year	98.73	7.25%	100.26	7.10%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Oct 19, 2023)

Rating	0.1	1	3	5	10
AAA	21.53	37.96	48.37	62.54	85.12
AA	48.86	78.06	104.63	129.72	168.40
A	145.55	203.04	256.09	295.06	348.96
BBB	341.92	390.59	446.57	503.94	595.85

Sources : IBPA, MNCS

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

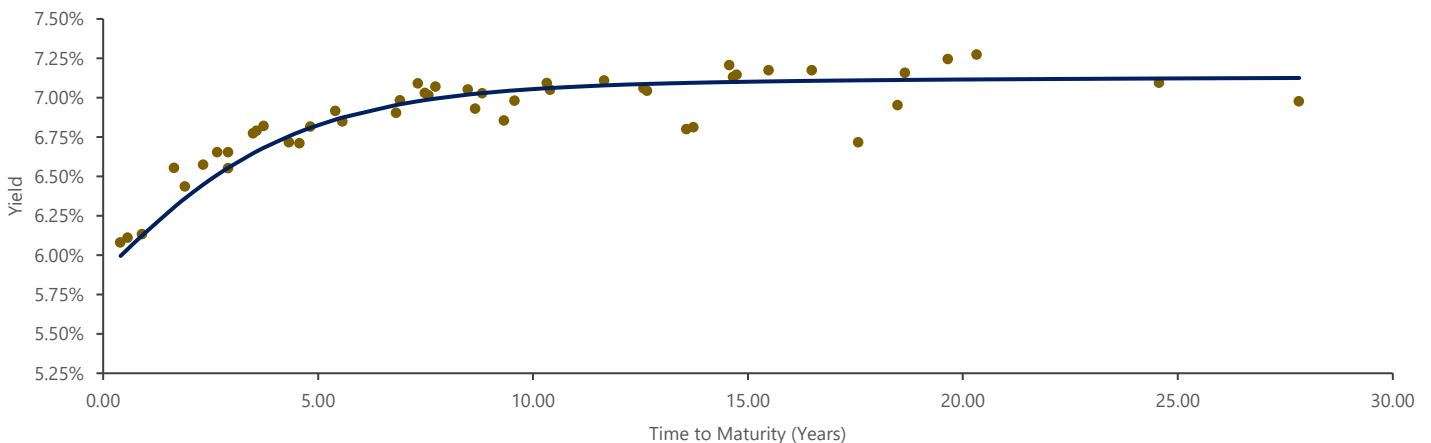
Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16	16.08	16.91
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45	31.14	29.73
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56	15.37	14.95
MF, IF & PF	18.99	19.39	19.86	19.81	20.28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

Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Oct 19, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.40	100.87	6.08%	6.00%	100.93	Discounted
FR77	8.125	15-May-24	0.57	101.09	6.11%	6.04%	101.15	Discounted
FR44	10.000	15-Sep-24	0.91	103.31	6.13%	6.13%	103.36	Fair
FR81	6.500	15-Jun-25	1.66	99.91	6.55%	6.31%	100.29	Discounted
FR40	11.000	15-Sep-25	1.91	108.01	6.44%	6.36%	108.19	Discounted
FR84	7.250	15-Feb-26	2.33	101.42	6.57%	6.45%	101.69	Discounted
FR86	5.500	15-Jun-26	2.66	97.40	6.65%	6.51%	97.56	Discounted
FR37	12.000	15-Sep-26	2.91	114.15	6.55%	6.56%	114.18	Fair
FR56	8.375	15-Sep-26	2.91	104.46	6.65%	6.56%	104.73	Discounted
FR90	5.125	15-Apr-27	3.49	94.97	6.77%	6.65%	95.33	Discounted
FR59	7.000	15-May-27	3.57	100.65	6.79%	6.66%	101.06	Discounted
FR42	10.250	15-Jul-27	3.74	111.11	6.82%	6.68%	111.61	Discounted
FR47	10.000	15-Feb-28	4.32	112.10	6.72%	6.76%	111.97	Fair
FR64	6.125	15-May-28	4.57	97.73	6.71%	6.78%	97.44	Premium
FR95	6.375	15-Aug-28	4.82	98.21	6.82%	6.81%	98.23	Fair
FR71	9.000	15-Mar-29	5.40	109.24	6.92%	6.86%	109.51	Discounted
FR78	8.250	15-May-29	5.57	106.39	6.85%	6.88%	106.27	Fair
FR52	10.500	15-Aug-30	6.82	119.27	6.90%	6.95%	118.98	Premium
FR82	7.000	15-Sep-30	6.91	100.09	6.98%	6.96%	100.21	Fair
FR87	6.500	15-Feb-31	7.33	96.67	7.09%	6.98%	97.28	Discounted
FR85	7.750	15-Apr-31	7.49	104.14	7.03%	6.99%	104.40	Fair
FR73	8.750	15-May-31	7.57	110.04	7.02%	6.99%	110.21	Fair
FR54	9.500	15-Jul-31	7.74	114.26	7.07%	7.00%	114.75	Discounted
FR91	6.375	15-Apr-32	8.49	95.74	7.05%	7.02%	95.92	Fair
FR58	8.250	15-Jun-32	8.66	108.47	6.93%	7.03%	107.83	Premium
FR74	7.500	15-Aug-32	8.82	103.06	7.03%	7.03%	103.04	Fair
FR96	7.000	15-Feb-33	9.33	100.97	6.85%	7.04%	99.70	Premium
FR65	6.625	15-May-33	9.57	97.55	6.98%	7.05%	97.09	Premium
FR100	6.625	15-Feb-34	10.33	96.62	7.09%	7.06%	104.07	Fair
FR68	8.375	15-Mar-34	10.40	109.64	7.05%	7.06%	109.55	Fair
FR80	7.500	15-Jun-35	11.66	103.05	7.11%	7.08%	103.29	Fair
FR72	8.250	15-May-36	12.57	109.79	7.06%	7.09%	109.56	Fair
FR88	6.250	15-Jun-36	12.66	93.42	7.04%	7.09%	93.06	Fair
FR45	9.750	15-May-37	13.57	125.86	6.80%	7.09%	122.89	Premium
FR93	6.375	15-Jul-37	13.74	96.14	6.81%	7.10%	93.73	Premium
FR75	7.500	15-May-38	14.57	102.62	7.21%	7.10%	103.59	Discounted
FR50	10.500	15-Jul-38	14.74	130.24	7.14%	7.10%	130.73	Fair
FR98	7.125	15-Jun-38	14.66	99.93	7.13%	7.10%	100.21	Fair
FR79	8.375	15-Apr-39	15.49	111.11	7.17%	7.10%	111.82	Discounted
FR83	7.500	15-Apr-40	16.49	103.12	7.17%	7.11%	103.77	Discounted
FR57	9.500	15-May-41	17.57	128.45	6.72%	7.11%	123.75	Premium
FR62	6.375	15-Apr-42	18.49	94.04	6.95%	7.11%	92.47	Premium
FR92	7.125	15-Jun-42	18.66	99.67	7.16%	7.11%	100.10	Fair
FR97	7.125	15-Jun-43	19.66	98.73	7.25%	7.12%	100.08	Discounted
FR67	8.750	15-Feb-44	20.32	115.53	7.27%	7.12%	117.39	Discounted
FR76	7.375	15-May-48	24.57	103.23	7.10%	7.12%	102.90	Fair
FR89	6.875	15-Aug-51	27.82	98.75	6.98%	7.13%	96.97	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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