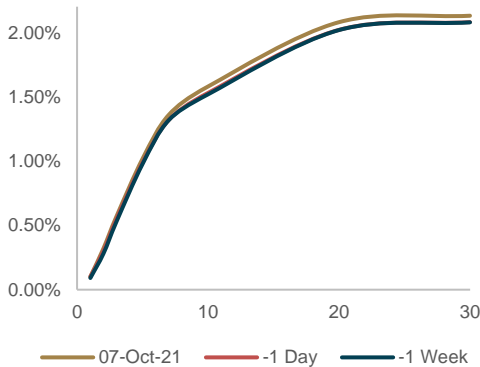


Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

Exhibit 2. Global Gov't Bond Yield

Country	06-Oct-21	-1 Day	-1 Week
U.S	1.59%	1.52%	1.49%
U.K	1.06%	1.07%	1.02%
Germany	-0.20%	-0.18%	-0.20%
Australia	1.59%	1.61%	1.49%
Japan	0.07%	0.08%	0.07%
China	2.88%	2.87%	2.86%
Malaysia	3.60%	3.55%	3.38%
Thailand	1.92%	1.89%	1.86%

Source : Bloomberg

Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	1.59
Indo 5-Year CDS	bps	85.19
USD/IDR	points	14,217
BI 7DRR	%	3.50

Source : Bloomberg as of October 7, 2021



Tirta Widi Gilang Citradi

Economist & Fixed Income Analyst

Global Market Update

- The 10-year U.S. treasury yield rose by 7 bps to 1.59% last night. Yields moved 2-6 bps higher along the curve. Solid job reports spurred yields to rise.
- U.S. Labor Departments weekly jobless claims fell sharply. As of October 2, filings for unemployment benefits totaled 326,000 below the 345,000 consensus estimate and previous week level at 364,000.
- Previously, ADP reported that U.S. private jobs rose by 568,000 in September-21, well above consensus forecast of 425,000 new jobs and August reading of 374,000.
- Wall Street closed higher last night with DJI rose 0.92%, S&P 500 added 0.83% and Nasdaq Composite lead the gain with 1.05% appreciation.
- Rising risk appetite was supported by Senate approval for temporary lift to U.S. debt ceiling to avert potential default.
- In China, service activities returned to growth in September with the Caixin/Markit Services PMI reading rose to 53.4 from 46.7 in August-21.
- Expanding China service sector was driven by the receding Covid-19 outbreak in eastern province of Jiangsu.

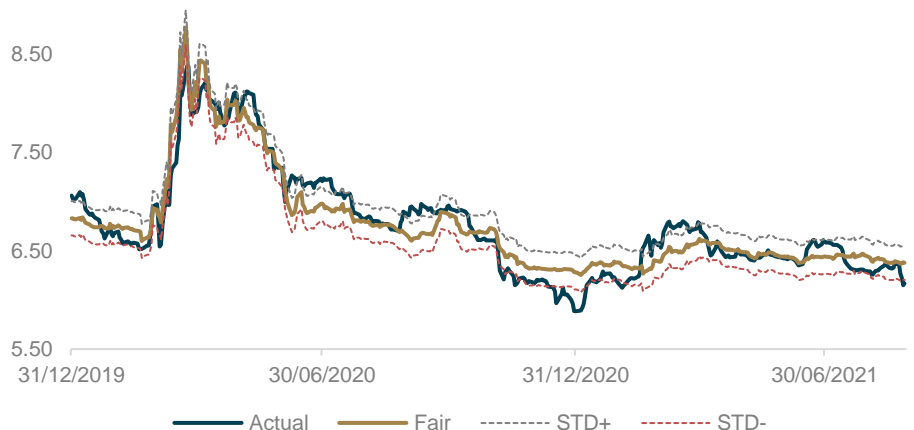
Domestic Market Update

- The 10-year Indo GB closed at 6.21% on Thursday (10/07/21). The benchmark yield was still in our forecast range of 6.15%-6.25%.
- The 5-year Indo CDS dropped to 85 bps yesterday. Rupiah continued to gain its strength to IDR 14.217/USD.
- Indonesian parliament decided to pass Tax Harmonization Bill including hiking VAT from 10% to 11%, carbon levy and keeping corporate tax rate unchanged at 22% compared with earlier plan to cut it to 20% in 2022.
- This law is aimed to optimize revenue collection and tax compliance, implying an additional revenue of IDR130tn and higher tax ratio to 9.2% GDP.
- We do understand that fiscal consolidation is much needed in order to maintain fiscal health. However implementing fiscal tightening too soon would be counterproductive with the plan to boost economic growth.
- Rising VAT from 10% to 11% would only hurt consumption in our opinion, given that 2022 macro theme remains a recovery momentum which we strongly believe government supports are still needed.
- Indonesia FX reserves position in September-21 stood at USD146.9bn rising USD2.1bn from USD144.8bn in August-21. This was attributable to tax and services receipts and the government's external debt withdrawal.

Market Projection

- We expect the 10 year Indo GB yield to increase and tend to move within range of 6.20% - 6.30% today.
- Attractive Indo GB series to be traded today : FR0086, FR0082, FR0087, FR0068, FR0080, FR0072.

Exhibit 4. 10 Year Indo GB Fair Yield



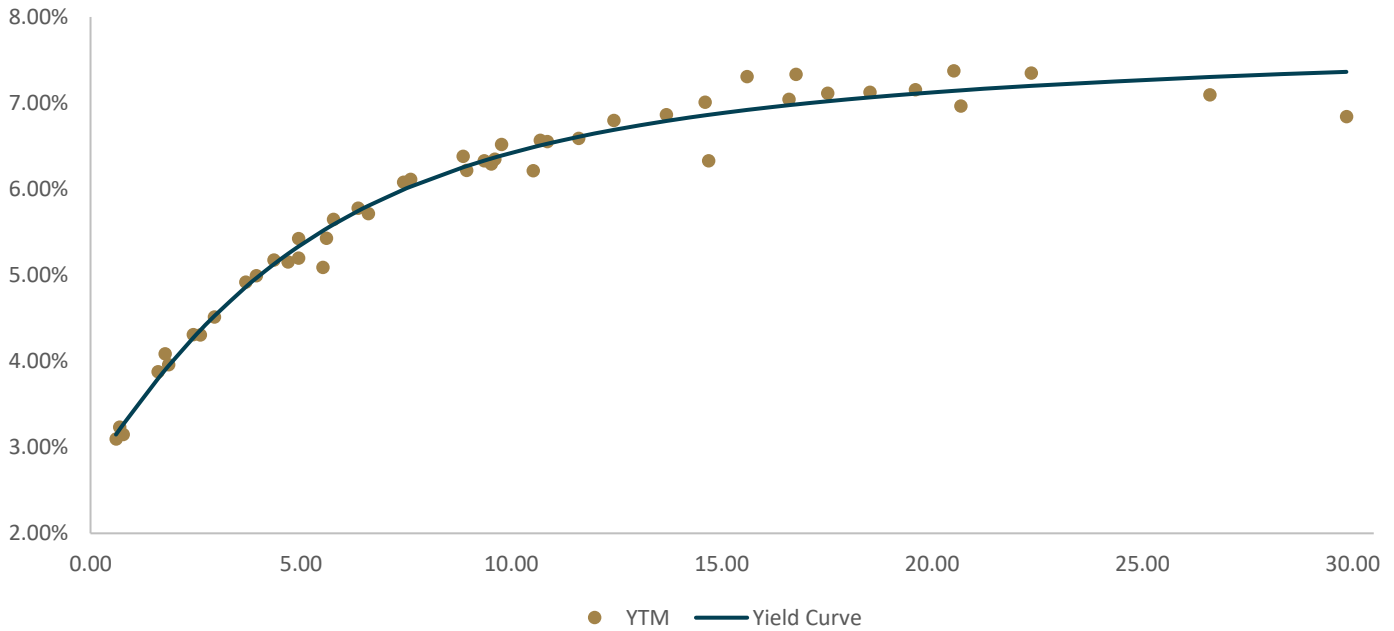
Source : Bloomberg, MNCS Calculation

Exhibit 5. Indo GB Series Valuation

Series	Maturity	TTM	Last Price	YTM	Fair Yield	Fair Price	Valuation
FR61	15-May-22	0.60	102.28	3.10%	3.15%	102.29	Fair
FR35	15-Jun-22	0.69	106.42	3.24%	3.20%	106.54	Fair
FR43	15-Jul-22	0.77	105.29	3.15%	3.26%	105.27	Fair
FR63	15-May-23	1.60	102.68	3.88%	3.80%	102.82	Fair
FR46	15-Jul-23	1.77	109.10	4.08%	3.90%	109.49	Discounted
FR39	15-Aug-23	1.85	113.72	3.96%	3.95%	113.82	Fair
FR70	15-Mar-24	2.44	109.28	4.31%	4.27%	109.41	Fair
FR77	15-May-24	2.60	109.28	4.31%	4.36%	109.18	Fair
FR44	15-Sep-24	2.94	114.88	4.51%	4.52%	114.91	Fair
FR81	15-Jun-25	3.69	105.25	4.92%	4.86%	105.46	Fair
FR40	15-Sep-25	3.94	121.19	4.99%	4.97%	121.35	Fair
FR84	15-Feb-26	4.36	107.97	5.18%	5.13%	108.18	Fair
FR86	15-Jun-26	4.69	101.38	5.15%	5.25%	101.04	Fair
FR37	15-Sep-26	4.94	128.10	5.42%	5.33%	128.62	Fair
FR56	15-Sep-26	4.94	113.65	5.20%	5.33%	113.06	Fair
FR90	15-Apr-27	5.52	100.17	5.09%	5.51%	98.17	Premium
FR59	15-May-27	5.60	107.48	5.43%	5.54%	106.95	Fair
FR42	15-Jul-27	5.77	122.35	5.65%	5.59%	122.72	Fair
FR47	15-Feb-28	6.36	122.15	5.78%	5.74%	122.38	Fair
FR64	15-May-28	6.60	102.21	5.72%	5.81%	101.73	Fair
FR71	15-Mar-29	7.44	117.24	6.08%	5.99%	117.83	Fair
FR78	15-May-29	7.60	112.81	6.11%	6.03%	113.40	Fair
FR52	15-Aug-30	8.86	127.50	6.38%	6.25%	128.53	Fair
FR82	15-Sep-30	8.94	105.30	6.22%	6.27%	104.96	Fair
FR87	15-Feb-31	9.36	101.17	6.33%	6.33%	101.17	Fair
FR85	15-Apr-31	9.52	110.31	6.29%	6.35%	109.86	Fair
FR73	15-May-31	9.60	117.04	6.35%	6.37%	116.93	Fair
FR54	15-Jul-31	9.77	121.25	6.52%	6.39%	122.34	Fair
FR91	15-Apr-32	10.52	101.24	6.21%	6.49%	99.16	Premium
FR58	15-Jun-32	10.69	112.75	6.57%	6.51%	113.27	Fair
FR74	15-Aug-32	10.86	107.26	6.55%	6.53%	107.48	Fair
FR65	15-May-33	11.60	100.27	6.59%	6.61%	100.13	Fair
FR68	15-Mar-34	12.44	113.08	6.80%	6.69%	114.09	Fair
FR80	15-Jun-35	13.69	105.57	6.86%	6.79%	106.24	Fair
FR72	15-May-36	14.60	111.21	7.01%	6.86%	112.72	Fair
FR88	15-Jun-36	14.69	99.24	6.33%	6.86%	94.38	Premium
FR45	15-May-37	15.60	122.50	7.31%	6.92%	126.75	Discounted
FR75	15-May-38	16.60	104.40	7.05%	6.97%	105.11	Fair
FR50	15-Jul-38	16.77	130.25	7.33%	6.98%	134.41	Discounted
FR79	15-Apr-39	17.52	112.50	7.12%	7.02%	113.54	Fair
FR83	15-Apr-40	18.52	103.83	7.12%	7.06%	104.46	Fair
FR57	15-May-41	19.60	124.48	7.16%	7.11%	125.08	Fair
FR62	15-Apr-42	20.52	89.50	7.38%	7.14%	91.81	Discounted
FR92	15-Jun-42	20.69	101.71	6.97%	7.15%	99.75	Premium
FR67	15-Feb-44	22.36	115.25	7.35%	7.20%	117.10	Fair
FR76	15-May-48	26.60	103.32	7.10%	7.30%	100.84	Premium
FR89	15-Aug-51	29.86	100.41	6.84%	7.36%	94.14	Premium

Source : Bloomberg, MNCS Calculation as of October 7, 2021

Exhibit 6. Indo GB Yield Curve



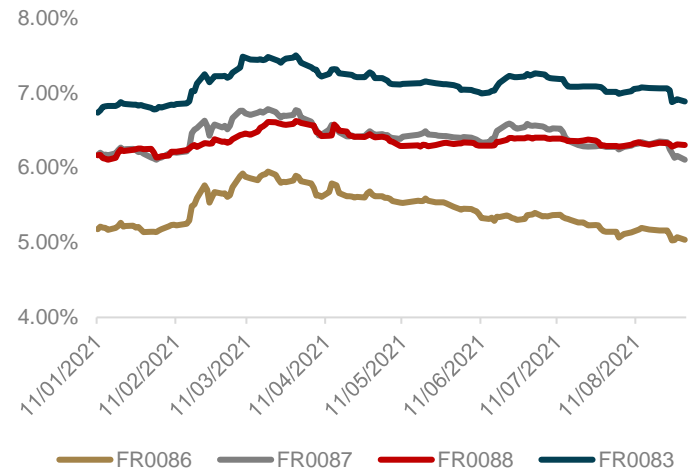
Source : Bloomberg, MNCS Calculation as of October 7, 2021

Exhibit 7. 10 Year U.S. Treasury & Indo GB Spread



Source : Bloomberg, MNCS Calculation

Exhibit 8. Indo GB Benchmark Series Yield



Source : Bloomberg

Exhibit 9. Indo GB Ownership by Type of Investors (%)

Bond Holder	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Bank	37.96	37.09	37.86	36	36.33	32.5	31.92	33.45	33.69
Central Bank (Nett)	9.52	10.98	10.65	12.77	11.99	15.93	16.08	14.78	14.87
Mutual Fund	4.18	4.04	3.92	3.81	3.06	3.16	3.18	3.20	3.28
Insurance & Pension Fund	14.04	14.01	14.08	14.14	14.44	14.24	14.59	14.45	13.34
Foreign	24.86	23.81	22.89	22.74	22.76	22.82	22.53	22.44	21.56
Individuals	3.51	4.11	4.56	4.49	4.61	4.49	4.64	4.46	4.94
Others	5.93	5.97	6.03	6.05	6.83	6.95	7.07	7.21	8.31

Source : DJPPR as of September 30, 2021

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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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