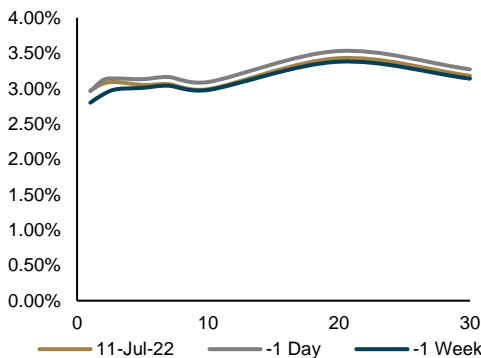


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	11-Jul-22	-1 Day	-1 Week
U.S	3.00%	3.08%	2.88%
U.K	2.18%	2.23%	2.19%
Germany	1.24%	1.34%	1.33%
Japan	0.24%	0.24%	0.22%
China	2.82%	2.81%	2.85%
Malaysia	4.15%	4.15%	4.21%
Thailand	2.69%	2.69%	2.66%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.00
Indo 5-Year CDS	bps	145.14
USD/IDR	points	14,975
BI 7DRR	%	3.50

Source : Bloomberg as of July 11, 2022

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## Global Market Update

- The benchmark 10-year UST note yield fell 8 bps to 3.00% to start this week (07/11/22).
- However yields between shorter and longer maturity remain inverted. Spread of 2 and 10-year UST note was -8 bps.
- Investors focus on US inflation data that will be released on Wednesday, consensus estimate inflation rate to increase by 8.8% annually, higher than previous month figure.
- US benchmark equity indices fell last night. DJI was down by 0.52% while S&P 500 and Nasdaq Composite fell 1.15% and 2.26% respectively.
- Falling UST yields may indicate that US economy is on the brink of recession as the spread between short & long rate is still in negative territory.
- Historically, the inverted yield curve will be followed by economic output contraction with the median time of 533 days post the inversion.

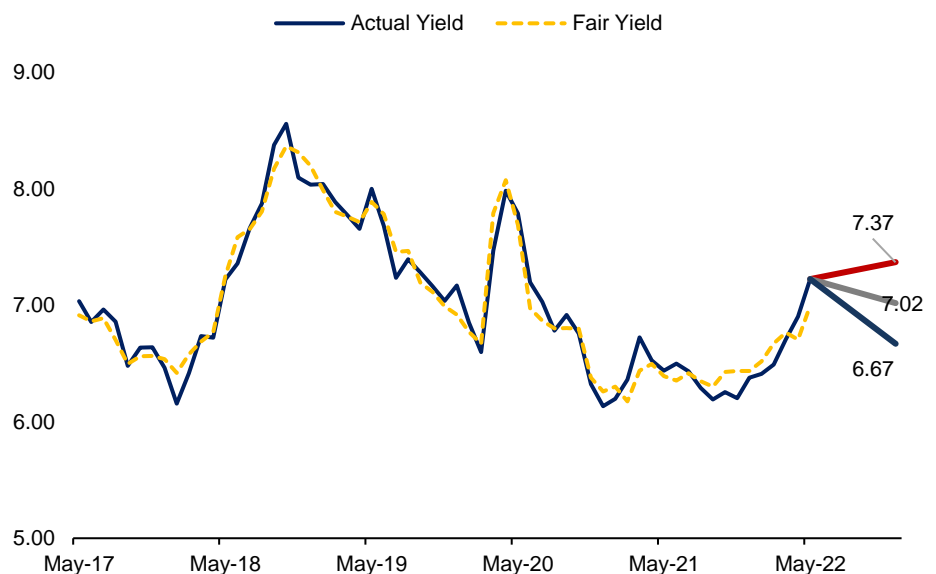
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) rose 3 bps to 7.28% on Monday (07/11/22).
- The IDR slightly strengthened against USD to IDR 14,975/USD on Monday (vs IDR 14,979/USD last week).
- Indonesia's risk premium 5-year CDS also slightly fall to 145,14 bps yesterday from 145.28 bps last week.
- On the data front, Indonesia retail sales grew 2.9% YoY in May and is projected to increase by 15.9% YoY in Jun-22.
- The positive performance of retail sales was due to mobility & economic improvement as well as the momentum of the Eid al-Fitr holiday.
- Going forward, respondents also expect that inflationary pressure will decrease for the next 3 and 6 months along with expedited goods distribution.
- Government will also conduct sharia securities auction for 6 series today with the indicative target of IDR7tn.

## Market Projection

- Given the recent development on global and domestic market, we expect the 10 year Indo GB yield to move within a range of 7.25-7.45% for today.
- Attractive Indo GB series to be traded today : FR0063, FR0081, FR0084, FR0090, FR0047, FR0052, FR0054, FR0091.

## Exhibit 4. 10 Year Indo GB Fair Yield



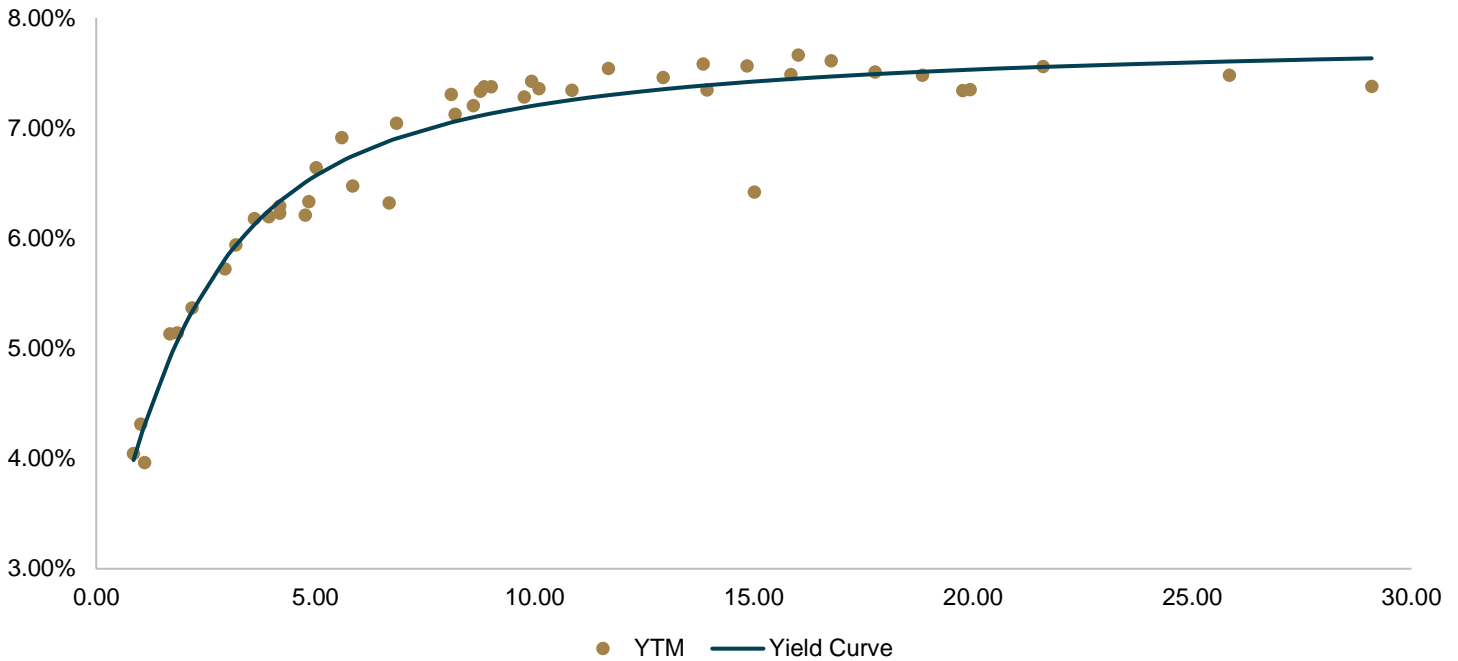
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon (%)	Maturity	TTM (Yr.)	Last Price	YTM (%)	Yield Curve (%)	Fair Price	Notes
FR63	5.625	15-May-23	0.84	101.29	4.05%	3.99%	101.34	Fair
FR46	9.500	15-Jul-23	1.01	105.05	4.31%	4.20%	105.19	Fair
FR39	11.750	15-Aug-23	1.10	108.23	3.97%	4.30%	107.88	Premium
FR70	8.375	15-Mar-24	1.68	105.13	5.13%	4.92%	105.50	Fair
FR77	8.125	15-May-24	1.84	105.16	5.14%	5.06%	105.32	Fair
FR44	10.000	15-Sep-24	2.18	109.38	5.37%	5.33%	109.47	Fair
FR81	6.500	15-Jun-25	2.93	102.06	5.72%	5.81%	101.84	Fair
FR40	11.000	15-Sep-25	3.18	114.43	5.94%	5.94%	114.46	Fair
FR84	7.250	15-Feb-26	3.60	103.40	6.18%	6.12%	103.58	Fair
FR86	5.500	15-Jun-26	3.93	97.70	6.19%	6.25%	97.42	Fair
FR37	12.000	15-Sep-26	4.18	120.65	6.29%	6.34%	120.49	Fair
FR56	8.375	15-Sep-26	4.18	107.77	6.23%	6.34%	107.37	Fair
FR90	5.125	15-Apr-27	4.76	95.58	6.21%	6.51%	94.41	Premium
FR59	7.000	15-May-27	4.84	102.74	6.33%	6.53%	101.92	Fair
FR42	10.250	15-Jul-27	5.01	115.16	6.64%	6.57%	115.50	Fair
FR47	10.000	15-Feb-28	5.60	114.10	6.91%	6.70%	115.18	Fair
FR64	6.125	15-May-28	5.84	98.31	6.47%	6.75%	97.03	Premium
FR71	9.000	15-Mar-29	6.68	110.33	6.32%	6.88%	111.17	Premium
FR78	8.250	15-May-29	6.84	106.45	7.04%	6.91%	107.22	Fair
FR52	10.500	15-Aug-30	8.10	119.25	7.30%	7.05%	120.99	Discounted
FR82	7.000	15-Sep-30	8.18	99.21	7.13%	7.06%	99.62	Fair
FR87	6.500	15-Feb-31	8.60	95.54	7.20%	7.10%	96.19	Fair
FR85	7.750	15-Apr-31	8.76	102.64	7.33%	7.11%	104.09	Fair
FR73	8.750	15-May-31	8.84	108.80	7.37%	7.12%	110.55	Discounted
FR54	9.500	15-Jul-31	9.01	113.81	7.37%	7.13%	115.54	Discounted
FR91	6.375	15-Apr-32	9.76	93.72	7.28%	7.19%	94.35	Fair
FR58	8.250	15-Jun-32	9.93	105.73	7.42%	7.20%	107.35	Fair
FR74	7.500	15-Aug-32	10.10	100.99	7.36%	7.21%	102.04	Fair
FR65	6.625	15-May-33	10.84	94.69	7.34%	7.26%	95.31	Fair
FR68	8.375	15-Mar-34	11.68	106.38	7.54%	7.30%	108.35	Discounted
FR80	7.500	15-Jun-35	12.93	100.33	7.46%	7.35%	101.21	Fair
FR72	8.250	15-May-36	13.84	105.65	7.58%	7.39%	107.40	Fair
FR88	6.250	15-Jun-36	13.93	90.53	7.35%	7.39%	90.19	Fair
FR45	9.750	15-May-37	14.84	119.29	7.56%	7.42%	120.76	Fair
FR93	6.375	15-Jul-37	15.01	99.56	6.42%	7.42%	90.61	Premium
FR75	7.500	15-May-38	15.84	100.12	7.49%	7.45%	100.49	Fair
FR50	10.500	15-Jul-38	16.01	125.90	7.66%	7.45%	128.25	Fair
FR79	8.375	15-Apr-39	16.76	107.15	7.61%	7.47%	108.57	Fair
FR83	7.500	15-Apr-40	17.76	99.89	7.51%	7.49%	100.08	Fair
FR57	9.500	15-May-41	18.84	120.23	7.48%	7.51%	119.86	Fair
FR62	6.375	15-Apr-42	19.76	90.00	7.34%	7.53%	88.23	Fair
FR92	7.125	15-Jun-42	19.93	97.68	7.35%	7.53%	95.85	Fair
FR67	8.750	15-Feb-44	21.60	112.57	7.56%	7.56%	112.61	Fair
FR76	7.375	15-May-48	25.84	98.80	7.48%	7.60%	97.40	Fair
FR89	6.875	15-Aug-51	29.10	94.01	7.38%	7.63%	91.18	Premium

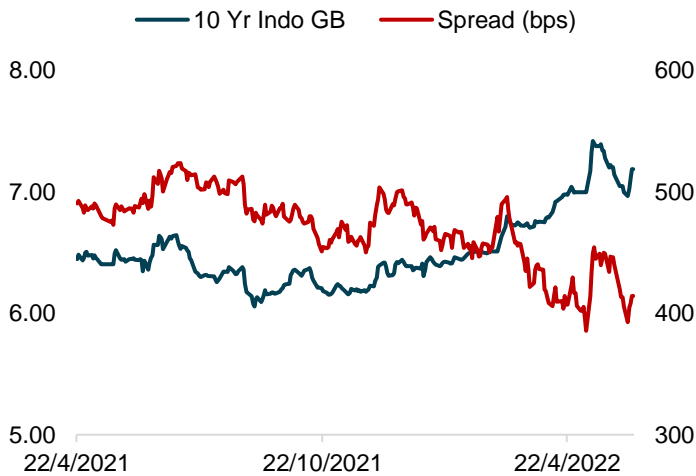
Source : Bloomberg, MNCS Calculation as of July 11, 2022

## Exhibit 6. Indo GB Yield Curve



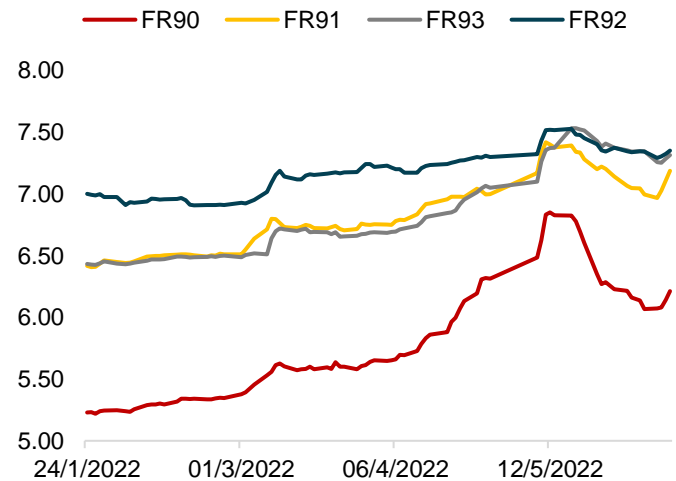
Source : Bloomberg, MNCS Calculation as of July 11, 2022

## 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	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
Bank	32.5	31.92	33.45	33.69	34.77	35.63	34.01	35.47	35.82	35.03	32.81	32.25
Central Bank (Nett)	15.93	16.08	14.78	14.87	13.52	13.10	17.13	15.20	14.12	15.15	17.77	16.56
Mutual Fund	3.16	3.18	3.20	3.28	3.31	3.42	3.38	3.20	3.14	3.19	3.18	3.13
Insurance & Pension Fund	14.24	14.59	14.45	14.40	14.61	14.44	14.00	14.52	14.77	15.22	15.33	15.68
Foreign	22.82	22.53	22.44	21.56	21.24	20.55	19.05	18.97	18.82	17.57	17.03	16.56
Individuals	4.49	4.64	4.46	4.94	5.04	5.08	4.73	4.83	5.32	5.61	5.63	5.80
Others	6.95	7.07	7.21	7.25	7.50	7.78	7.70	7.82	8.01	8.22	8.26	8.42

Source : DJPPR as of 31 May 2022

## 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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