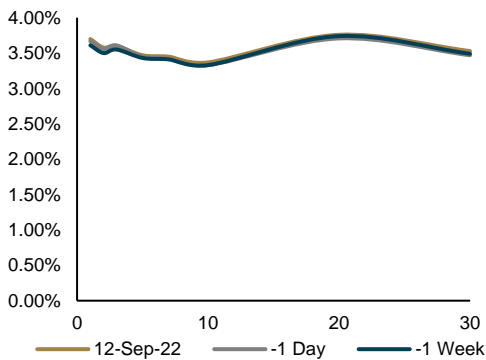


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

Countries	12-Sep-22	-1 Day	-1 Week
U.S	3.36%	3.31%	3.19%
U.K	3.08%	3.09%	2.94%
Germany	1.65%	1.69%	1.56%
Japan	0.24%	0.25%	0.23%
China	2.64%	2.64%	2.63%
Malaysia	4.04%	4.04%	4.01%
Thailand	2.72%	2.58%	2.57%

Source : Bloomberg

## Exhibit 3. Market Indicators

Indicators	Unit	Value
U.S. Treasury	%	3.36
Indo 5-Year CDS	bps	101.19
USD/IDR	points	14,842
BI 7DRR	%	3.75

Source : Bloomberg as of September 12, 2022

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## Global Market Update

- The benchmark 10-year note yield rose by 5 bps to 3.36% on Monday (09/12/22).
- On the other hand, the 2-year benchmark yield increased 1 bps to 3.57% at the same time.
- Spread between 2/10-year UST note yield was at -21 bps, narrowing from previous position at -24 bps indicating a yield curve inversion.
- US stock indices were closed higher to start this week. The DJI rose 0.71%; S&P 500 was up by 1.06%; whilst Nasdaq Composite jumped 1.27%.
- US stock indices extended gain from last week amidst rising yields on government bond.
- Wall Street strengthened on the back of market participants' expectations for the release of the potentially declining US inflation data in Aug-22, where consensus forecasted Aug-22 inflation of 8.1% YoY (vs 8.5% in Jul-22).
- Declining inflation is good at some point, however the pace is still far above Fed's target at 2%, thus US CB would still continue to tighten.

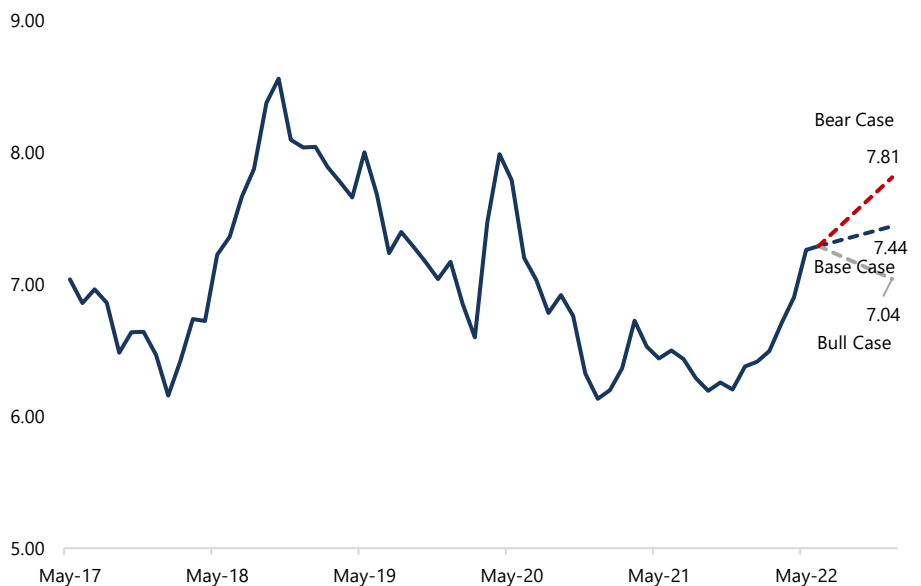
## Domestic Market Update

- The benchmark 10-year Indo GB yield (FR0091) declined by 3 bps to 7.12% on Monday (09/12/22).
- Continued lowering risk premium CDS also helped the price of benchmark government bond to strengthen.
- Indonesia's 5-year CDS declined to below 110 bps and was at 101.19 bps on Monday (vs 111.08 bps on Friday last week).
- However, the IDR slightly weakened against USD. The IDR was closed at IDR14,842/USD on Monday (vs IDR14,830/USD on Friday last week).
- The government will conduct auction for 7 series of SUN (including FR0098 new issuance) targeting IDR19tn and max IDR28.5tn today.

## 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 7.10-7.30% for today.
- Attractive Indo GB series to be traded today : FR0081, FR0086, FR0090, FR0064, FR0082, FR0087, FR0091, FR0096.

## Exhibit 4. 10 Year Indo GB Fair Yield



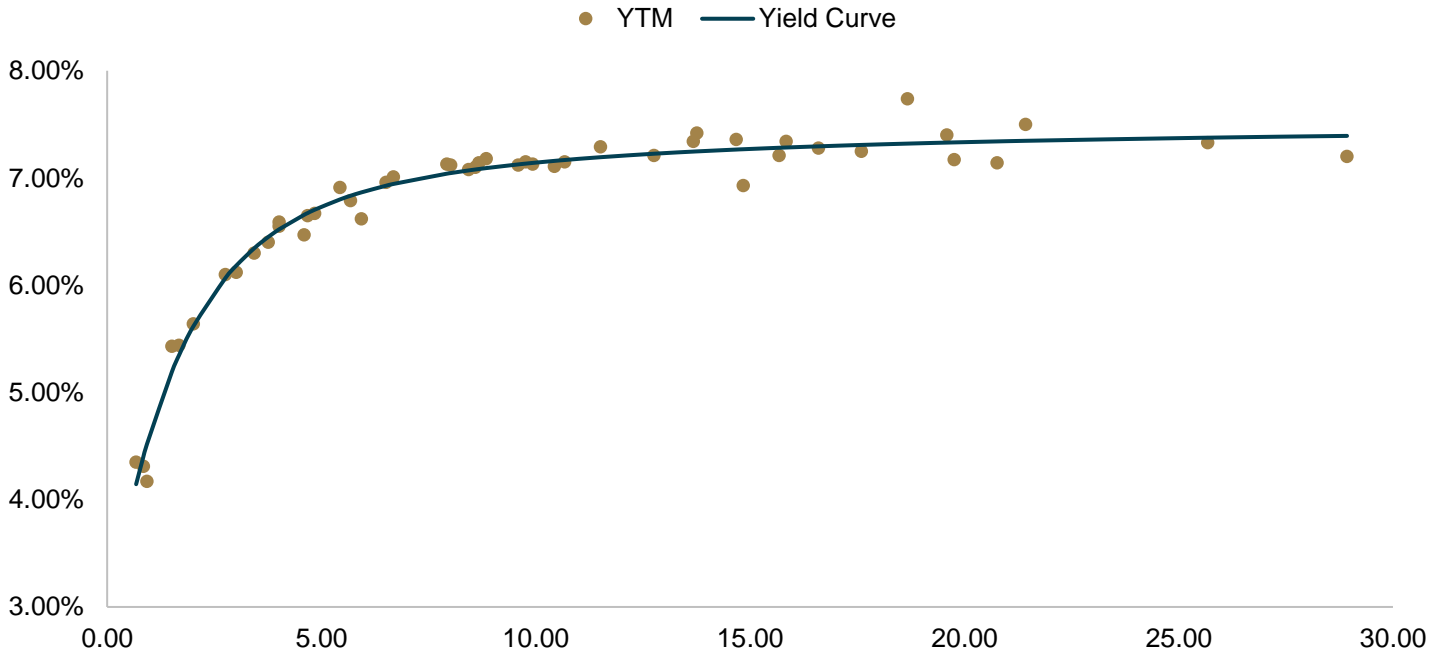
Source : Bloomberg, MNCS Calculation

## Exhibit 5. Indo GB Series Valuation

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR63	5.625	15-May-23	0.67	100.83	4.35%	4.14%	100.97	Discounted
FR46	9.500	15-Jul-23	0.84	104.15	4.31%	4.40%	104.15	Fair
FR39	11.750	15-Aug-23	0.92	106.75	4.17%	4.52%	106.47	Premium
FR70	8.375	15-Mar-24	1.51	104.20	5.43%	5.19%	104.56	Discounted
FR77	8.125	15-May-24	1.67	104.22	5.44%	5.35%	104.38	Fair
FR44	10.000	15-Sep-24	2.01	108.15	5.64%	5.62%	108.21	Fair
FR81	6.500	15-Jun-25	2.76	100.99	6.10%	6.07%	101.07	Fair
FR40	11.000	15-Sep-25	3.01	113.20	6.12%	6.18%	113.03	Fair
FR84	7.250	15-Feb-26	3.43	102.75	6.30%	6.35%	102.73	Fair
FR86	5.500	15-Jun-26	3.76	97.16	6.40%	6.45%	96.86	Fair
FR37	12.000	15-Sep-26	4.01	118.50	6.59%	6.52%	119.04	Fair
FR56	8.375	15-Sep-26	4.01	106.35	6.55%	6.52%	106.44	Fair
<b>FR90</b>	<b>5.125</b>	<b>15-Apr-27</b>	<b>4.59</b>	<b>94.73</b>	<b>6.47%</b>	<b>6.66%</b>	<b>94.02</b>	<b>Premium</b>
FR59	7.000	15-May-27	4.67	101.37	6.65%	6.67%	101.28	Fair
FR42	10.250	15-Jul-27	4.84	114.56	6.67%	6.71%	114.42	Fair
FR47	10.000	15-Feb-28	5.43	113.50	6.91%	6.80%	114.30	Fair
FR64	6.125	15-May-28	5.67	96.92	6.79%	6.84%	96.69	Fair
<b>FR95</b>	<b>6.375</b>	<b>15-Aug-28</b>	<b>5.92</b>	<b>98.83</b>	<b>6.62%</b>	<b>6.87%</b>	<b>97.63</b>	<b>Premium</b>
FR71	9.000	15-Mar-29	6.51	110.52	6.96%	6.93%	110.69	Fair
FR78	8.250	15-May-29	6.67	106.52	7.01%	6.95%	106.85	Fair
FR52	10.500	15-Aug-30	7.92	120.13	7.13%	7.04%	120.71	Fair
FR82	7.000	15-Sep-30	8.01	99.29	7.12%	7.05%	99.71	Fair
FR87	6.500	15-Feb-31	8.43	96.36	7.08%	7.07%	96.40	Fair
FR85	7.750	15-Apr-31	8.59	103.75	7.10%	7.08%	104.24	Fair
FR73	8.750	15-May-31	8.67	110.29	7.14%	7.09%	110.63	Fair
FR54	9.500	15-Jul-31	8.84	114.98	7.18%	7.09%	115.58	Fair
<b>FR91</b>	<b>6.375</b>	<b>15-Apr-32</b>	<b>9.59</b>	<b>94.86</b>	<b>7.12%</b>	<b>7.13%</b>	<b>94.82</b>	<b>Fair</b>
FR58	8.250	15-Jun-32	9.76	107.50	7.15%	7.14%	107.72	Fair
FR74	7.500	15-Aug-32	9.92	102.60	7.13%	7.14%	102.50	Fair
<b>FR96</b>	<b>7.000</b>	<b>15-Feb-33</b>	<b>10.43</b>	<b>99.19</b>	<b>7.11%</b>	<b>7.16%</b>	<b>98.82</b>	<b>Fair</b>
FR65	6.625	15-May-33	10.67	96.14	7.15%	7.17%	95.97	Fair
FR68	8.375	15-Mar-34	11.51	108.33	7.29%	7.20%	109.12	Fair
FR80	7.500	15-Jun-35	12.76	102.40	7.21%	7.23%	102.22	Fair
FR72	8.250	15-May-36	13.67	107.75	7.34%	7.25%	108.58	Fair
FR88	6.250	15-Jun-36	13.76	89.75	7.42%	7.25%	91.37	Discounted
FR45	9.750	15-May-37	14.67	121.10	7.36%	7.27%	122.15	Fair
<b>FR93</b>	<b>6.375</b>	<b>15-Jul-37</b>	<b>14.84</b>	<b>94.86</b>	<b>6.93%</b>	<b>7.27%</b>	<b>91.94</b>	<b>Premium</b>
FR75	7.500	15-May-38	15.67	102.64	7.21%	7.28%	101.98	Fair
FR50	10.500	15-Jul-38	15.84	129.00	7.34%	7.29%	129.88	Fair
FR79	8.375	15-Apr-39	16.59	110.48	7.28%	7.30%	110.26	Fair
FR83	7.500	15-Apr-40	17.59	102.46	7.25%	7.31%	101.85	Fair
FR57	9.500	15-May-41	18.67	117.00	7.74%	7.32%	121.95	Discounted
FR62	6.375	15-Apr-42	19.59	89.50	7.40%	7.33%	90.12	Fair
<b>FR92</b>	<b>7.125</b>	<b>15-Jun-42</b>	<b>19.76</b>	<b>99.48</b>	<b>7.17%</b>	<b>7.33%</b>	<b>97.82</b>	<b>Premium</b>
<b>FR97</b>	<b>7.125</b>	<b>15-Jun-43</b>	<b>20.76</b>	<b>99.86</b>	<b>7.14%</b>	<b>7.34%</b>	<b>97.67</b>	<b>Premium</b>
FR67	8.750	15-Feb-44	21.43	113.15	7.50%	7.35%	114.99	Discounted
FR76	7.375	15-May-48	25.67	100.54	7.33%	7.38%	99.94	Fair
FR89	6.875	15-Aug-51	28.92	95.75	7.20%	7.40%	93.82	Premium

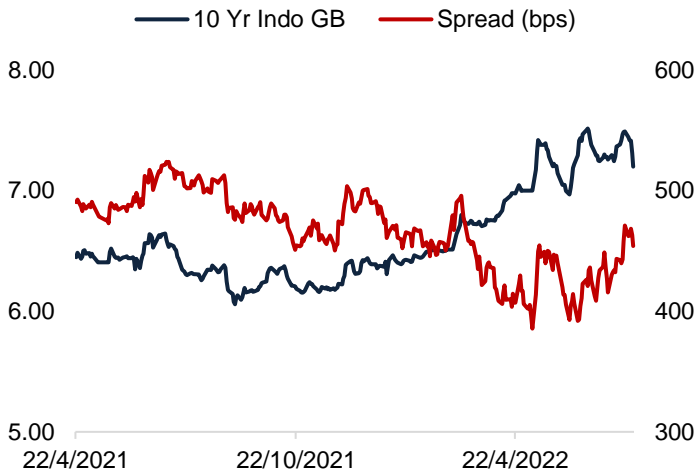
Source : Bloomberg, MNCS Calculation as of September 12, 2022

## Exhibit 6. Indo GB Yield Curve



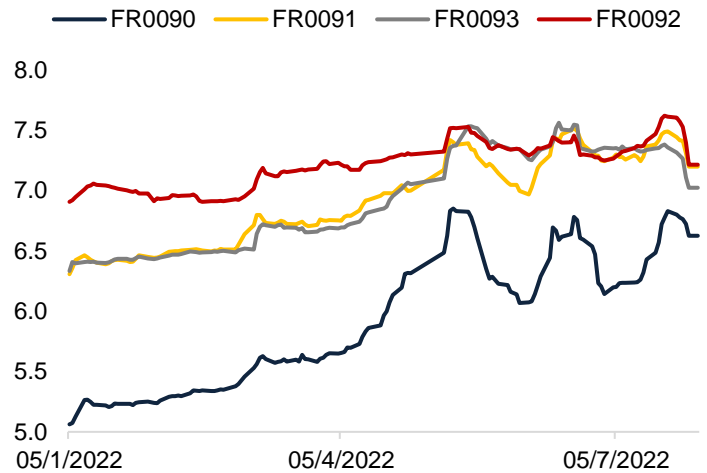
Source : Bloomberg, MNCS Calculation as of September 12, 2022

## 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	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Bank	33.45	33.69	34.77	35.63	34.01	35.47	35.82	35.03	32.81	33.85	29.55	34.21
Central Bank (Nett)	14.78	14.87	13.52	13.10	17.13	15.20	14.12	15.15	17.77	16.56	20.89	16.55
Mutual Fund	3.20	3.28	3.31	3.42	3.38	3.20	3.14	3.19	3.18	3.13	3.16	3.14
Insurance & Pension Fund	14.45	14.40	14.61	14.44	14.00	14.52	14.77	15.22	15.33	15.68	15.94	16.31
Foreign	22.44	21.56	21.24	20.55	19.05	18.97	18.82	17.57	17.03	16.56	16.09	15.35
Individuals	4.46	4.94	5.04	5.08	4.73	4.83	5.32	5.61	5.63	5.80	5.81	5.88
Others	7.21	7.25	7.50	7.78	7.70	7.82	8.01	8.22	8.26	8.42	8.56	8.54

Source : DJPPR as of 26 July 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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