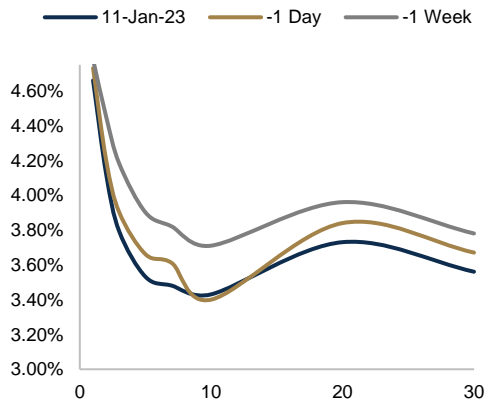


## Exhibit 1. U.S. Treasury Yield



Source : U.S Treasury Department

## Exhibit 2. Global Gov't Bond Yield

| Countries | 12-Jan-23 | -1 Day | -1 Week |
|-----------|-----------|--------|---------|
| U.S       | 3.44%     | 3.54%  | 3.72%   |
| U.K       | 3.33%     | 3.41%  | 3.55%   |
| Germany   | 2.15%     | 2.20%  | 2.31%   |
| Japan     | 0.50%     | 0.50%  | 0.42%   |
| China     | 2.87%     | 2.87%  | 2.83%   |
| Malaysia  | 3.97%     | 3.96%  | 4.01%   |
| Thailand  | 2.43%     | 2.85%  | 2.97%   |

Source : Bloomberg

## Exhibit 3. Market Indicators

| Indicators      | Unit   | Value  |
|-----------------|--------|--------|
| U.S. Treasury   | %      | 3.44   |
| Indo 5-Year CDS | bps    | 89.86  |
| USD/IDR         | points | 15,339 |
| BI 7DRR         | %      | 5.50   |

Source : Bloomberg as of January 12, 2023

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## Global Market Update

- Yields on benchmark UST note edged lower after US inflation data release that came in-line with the broad market expectation.
- US annual inflation rate rose 6.5% YoY in Dec-22, lower than previous month of 7.1% YoY, yet came as expected.
- On the other hand, US core inflation showed an increase of 5.7% YoY and again this was also in-line with consensus estimate.
- The benchmark 10-year UST note yield decreased 10 bps to 3.44%, whereas the short term rate (2-year UST note) fell 9 bps to 4.13%.
- US stock market continued to climb starting. The DJI and Nasdaq Composite was up by 0.64%. Meanwhile the S&P 500 rose 0.34%.

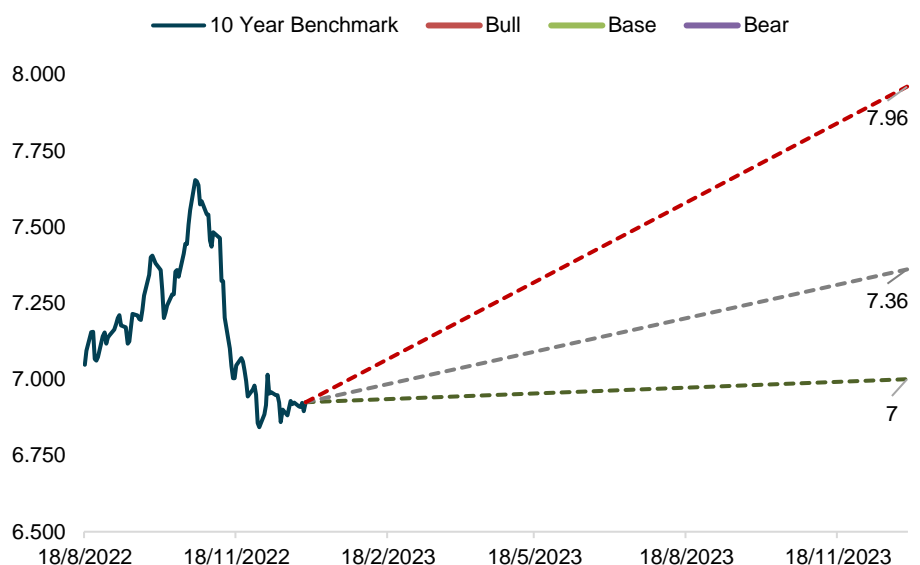
## Domestic Market Update

- Yield on the benchmark 10-year Indo GB (FR0096) continued to fall. Yield dropped 6 bps to 6.73% on Thursday (01/12/23).
- The decrease in Indo GB yields was also supported by IDR appreciation against USD and lower CDS.
- The IDR strengthened against USD and was closed at IDR15,339/USD yesterday (vs IDR 15,482/USD on Wednesday).
- On the other hand, the 5-year Indo CDS slightly declined to below 90 bps and stood at 89.66 bps.
- US continued disinflation may provide the environment for lower yield as we believe the end of aggressive rate hike cycle is near.

## 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 6.70-6.80% for today.
- Attractive Indo GB series to be traded today : FR0063, FR0070, FR0077, FR0044, FR0085 and FR0096.

## Exhibit 4. 10 Year Indo GB Fair Yield



Source : Bloomberg, MNCS Calculation

# Fixed Income Report

MNC Sekuritas Research Division | January 13, 2023

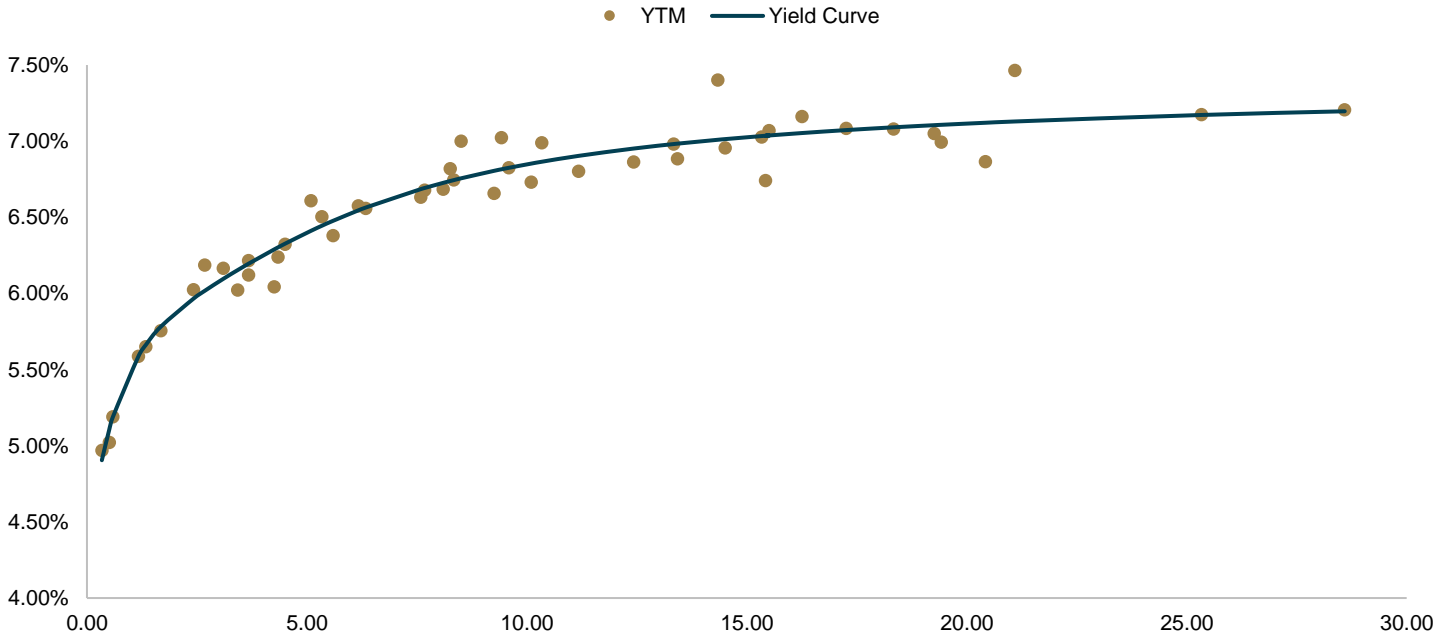


## Exhibit 5. Indo GB Series Valuation

| Series | Coupon | Maturity  | TTM   | Last Price | YTM   | Yield Curve | Fair Price | Notes      |
|--------|--------|-----------|-------|------------|-------|-------------|------------|------------|
| FR63   | 5.625  | 15-May-23 | 0.34  | 100.197    | 4.97% | 4.90%       | 100.23     | Fair       |
| FR46   | 9.500  | 15-Jul-23 | 0.50  | 102.172    | 5.02% | 5.10%       | 102.18     | Premium    |
| FR39   | 11.750 | 15-Aug-23 | 0.59  | 103.7      | 5.19% | 5.19%       | 103.77     | Fair       |
| FR70   | 8.375  | 15-Mar-24 | 1.17  | 103.076    | 5.59% | 5.59%       | 103.10     | Fair       |
| FR77   | 8.125  | 15-May-24 | 1.34  | 103.112    | 5.65% | 5.66%       | 103.12     | Fair       |
| FR44   | 10.000 | 15-Sep-24 | 1.67  | 106.613    | 5.76% | 5.78%       | 106.61     | Fair       |
| FR81   | 6.500  | 15-Jun-25 | 2.42  | 101.045    | 6.03% | 5.97%       | 101.18     | Fair       |
| FR40   | 11.000 | 15-Sep-25 | 2.67  | 111.625    | 6.19% | 6.02%       | 112.11     | Discounted |
| FR84   | 7.250  | 15-Feb-26 | 3.09  | 102.992    | 6.17% | 6.10%       | 103.20     | Discounted |
| FR86   | 5.500  | 15-Jun-26 | 3.42  | 98.469     | 6.02% | 6.15%       | 98.00      | Premium    |
| FR37   | 12.000 | 15-Sep-26 | 3.67  | 119        | 6.12% | 6.20%       | 118.78     | Premium    |
| FR56   | 8.375  | 15-Sep-26 | 3.67  | 106.961    | 6.22% | 6.20%       | 107.04     | Fair       |
| FR90   | 5.125  | 15-Apr-27 | 4.26  | 96.597     | 6.04% | 6.29%       | 95.70      | Premium    |
| FR59   | 7.000  | 15-May-27 | 4.34  | 102.839    | 6.24% | 6.30%       | 102.60     | Fair       |
| FR42   | 10.250 | 15-Jul-27 | 4.50  | 115.166    | 6.32% | 6.33%       | 115.18     | Fair       |
| FR47   | 10.000 | 15-Feb-28 | 5.09  | 114.42     | 6.61% | 6.41%       | 115.37     | Discounted |
| FR64   | 6.125  | 15-May-28 | 5.34  | 98.304     | 6.50% | 6.44%       | 98.56      | Fair       |
| FR95   | 6.375  | 15-Aug-28 | 5.59  | 99.97      | 6.38% | 6.48%       | 99.52      | Premium    |
| FR71   | 9.000  | 15-Mar-29 | 6.17  | 112.106    | 6.58% | 6.55%       | 112.28     | Fair       |
| FR78   | 8.250  | 15-May-29 | 6.34  | 108.628    | 6.56% | 6.57%       | 108.61     | Fair       |
| FR52   | 10.500 | 15-Aug-30 | 7.59  | 122.75     | 6.63% | 6.69%       | 122.41     | Fair       |
| FR82   | 7.000  | 15-Sep-30 | 7.67  | 101.884    | 6.68% | 6.69%       | 101.80     | Fair       |
| FR87   | 6.500  | 15-Feb-31 | 8.09  | 98.858     | 6.68% | 6.73%       | 98.59      | Fair       |
| FR85   | 7.750  | 15-Apr-31 | 8.26  | 105.775    | 6.82% | 6.74%       | 106.31     | Discounted |
| FR73   | 8.750  | 15-May-31 | 8.34  | 112.59     | 6.75% | 6.75%       | 112.62     | Fair       |
| FR54   | 9.500  | 15-Jul-31 | 8.50  | 115.814    | 7.00% | 6.76%       | 117.53     | Discounted |
| FR91   | 6.375  | 15-Apr-32 | 9.26  | 98.053     | 6.66% | 6.81%       | 97.06      | Premium    |
| FR58   | 8.250  | 15-Jun-32 | 9.42  | 108.328    | 7.02% | 6.82%       | 109.84     | Discounted |
| FR74   | 7.500  | 15-Aug-32 | 9.59  | 104.67     | 6.83% | 6.83%       | 104.68     | Fair       |
| FR96   | 7.000  | 15-Feb-33 | 10.09 | 101.937    | 6.73% | 6.85%       | 101.05     | Premium    |
| FR65   | 6.625  | 15-May-33 | 10.34 | 97.34      | 6.99% | 6.87%       | 98.23      | Discounted |
| FR68   | 8.375  | 15-Mar-34 | 11.17 | 112.15     | 6.80% | 6.90%       | 111.31     | Premium    |
| FR80   | 7.500  | 15-Jun-35 | 12.42 | 105.251    | 6.86% | 6.95%       | 104.50     | Premium    |
| FR72   | 8.250  | 15-May-36 | 13.34 | 110.881    | 6.98% | 6.98%       | 110.88     | Fair       |
| FR88   | 6.250  | 15-Jun-36 | 13.42 | 94.5       | 6.88% | 6.98%       | 93.66      | Premium    |
| FR45   | 9.750  | 15-May-37 | 14.34 | 120.5      | 7.40% | 7.01%       | 124.52     | Discounted |
| FR93   | 6.375  | 15-Jul-37 | 14.50 | 94.75      | 6.96% | 7.01%       | 94.24      | Fair       |
| FR75   | 7.500  | 15-May-38 | 15.34 | 104.383    | 7.03% | 7.03%       | 104.31     | Fair       |
| FR50   | 10.500 | 15-Jul-38 | 15.50 | 132        | 7.07% | 7.04%       | 132.36     | Fair       |
| FR98   | 7.125  | 15-Jun-38 | 15.42 | 103.625    | 6.74% | 7.04%       | 100.82     | Premium    |
| FR79   | 8.375  | 15-Apr-39 | 16.26 | 111.515    | 7.16% | 7.05%       | 112.64     | Discounted |
| FR83   | 7.500  | 15-Apr-40 | 17.26 | 104.088    | 7.08% | 7.07%       | 104.20     | Fair       |
| FR57   | 9.500  | 15-May-41 | 18.34 | 124.6      | 7.08% | 7.09%       | 124.48     | Fair       |
| FR62   | 6.375  | 15-Apr-42 | 19.26 | 92.929     | 7.05% | 7.11%       | 92.38      | Fair       |
| FR92   | 7.125  | 15-Jun-42 | 19.42 | 101.369    | 6.99% | 7.11%       | 100.17     | Premium    |
| FR97   | 7.125  | 15-Jun-43 | 20.42 | 102.809    | 6.87% | 7.12%       | 100.03     | Premium    |
| FR67   | 8.750  | 15-Feb-44 | 21.09 | 113.537    | 7.46% | 7.13%       | 117.52     | Discounted |
| FR76   | 7.375  | 15-May-48 | 25.34 | 102.301    | 7.18% | 7.17%       | 102.33     | Fair       |
| FR89   | 6.875  | 15-Aug-51 | 28.59 | 96.006     | 7.21% | 7.20%       | 96.11      | Fair       |

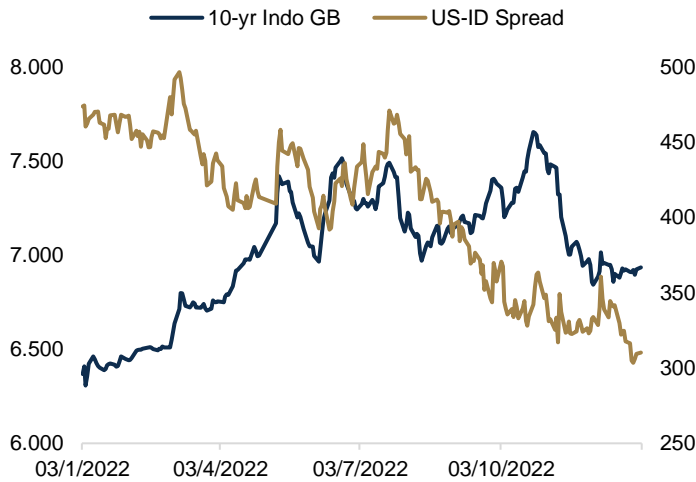
Source : Bloomberg, MNCS Calculation as of January 12, 2023

## Exhibit 6. Indo GB Yield Curve



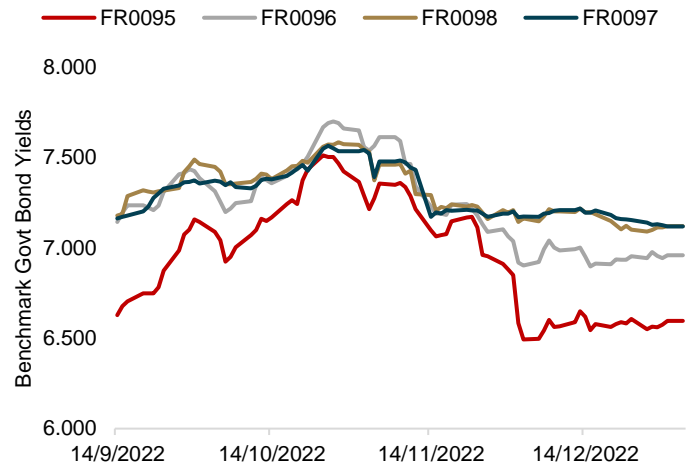
Source : Bloomberg, MNCS Calculation as of January 12, 2023

## 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              | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank                     | 34.01  | 35.47  | 35.82  | 35.03  | 32.81  | 33.85  | 29.55  | 33.54  | 32.08  | 31.42  | 32.09  | 35.02  |
| Central Bank (Nett)      | 17.13  | 15.20  | 14.12  | 15.15  | 17.77  | 16.56  | 20.89  | 17.18  | 18.66  | 19.38  | 18.56  | 15.49  |
| Mutual Fund              | 3.38   | 3.20   | 3.14   | 3.19   | 3.18   | 3.13   | 3.16   | 3.14   | 3.14   | 3.06   | 2.98   | 2.88   |
| Insurance & Pension Fund | 14.00  | 14.52  | 14.77  | 15.22  | 15.33  | 15.68  | 15.94  | 16.32  | 16.29  | 16.54  | 16.81  | 16.87  |
| Foreign                  | 19.05  | 18.97  | 18.82  | 17.57  | 17.03  | 16.56  | 16.09  | 15.36  | 15.24  | 14.31  | 13.90  | 14.05  |
| Individuals              | 4.73   | 4.83   | 5.32   | 5.61   | 5.63   | 5.80   | 5.81   | 5.89   | 5.86   | 6.37   | 6.64   | 6.66   |
| Others                   | 7.70   | 7.82   | 8.01   | 8.22   | 8.26   | 8.42   | 8.56   | 8.55   | 8.73   | 8.92   | 9.03   | 9.03   |

Source : DJPPR as of November 21, 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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