

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,854.51	-0.46%
STI	3,325.02	-1.45%
HSI	19,517.38	-2.47%
SSEC	3,261.69	-0.89%
FTSE	7,561.63	-1.36%
GDAX	16,020.02	-1.36%
DJI	35,282.52	-0.98%
S&P 500	4,513.39	-1.38%
NDX	13,973.45	-2.17%

10-yr Bond	Last	Bps
ID	6.24	+1.89
US	4.08	+5.45
UK	4.40	+0.40
JP	0.63	+2.10
CN	2.66	+0.00
MY	3.84	+0.30
TH	2.60	+0.10

Exchange Rate	Last	%
USD/IDR	15,175	+0.40%
EUR/IDR	16,667	+0.48%
GBP/IDR	19,403	+0.10%
HKD/IDR	1,946	+0.34%
SGD/IDR	11,346	+0.09%
AUD/IDR	9,994	-0.35%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	77.53	+0.45%
VIX	16.09	+15.5%

Sources : Bloomberg, MNCS

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Global Market Updates

- The US credit rating downgrade sent shockwaves across the bonds and equities market, which followed a jolt in the 10-year US Treasury note by up to 4.08%, a level not seen since Nov-22, as massive selloffs played out in the longer-termed notes and bonds. On the other hand, the short-term 2-year notes rallied to 4.88%, aggressively steepening the yield curve to -80 bps which, from an inverted position, usually translates to bearish equities.
- In line with that theory, US equity indexes got dragged down as investors took on their risk-off stances. DJI fell -0.98%, the S&P 500 slipped -1.38% and Nasdaq plummeted by -2.17%.
- In addition, the market was faced with two main surprises yesterday: 1) the higher-than-expected quarterly issuance planned for next week (USD103bn vs USD96bn previously), and 2) the hotter-than-expected US labor market (July ADP employment change rose +324k vs estimates of only +190k).
- These surprises sent Wall Street's notorious fear indicator, the VIX, to rocket by +15.5%.
- Elsewhere, the Bank of England is expected to hoist its rates by 25 bps to 5.25% in today's Monetary Policy Committee meeting, a record high since the 2008 GFC.

Domestic Market Updates

- Indonesia's benchmark series of LCY government bonds moved downwards Wednesday (Aug 02, 2023), where the 10-year (FR0096) yield rose to 6.24%, putting the spread between UST 10-year and Indo GB 10-year to 224.8 bps.
- IDR continued to weaken against the USD. However, we expect the USD' strength to wither following the credit downgrade.
- Indonesia Deposit Insurance Corporation (IDIC) reported a growth of +5.3% YoY in the third funding fund for Jun-23, mainly driven by the increasing trend of interest rates. We expect the interest rates to remain high until the end of 2024, which could potentially restrict yields from moving lower.
- The increasing trend in corporate bond credit spreads and global 10-year bond yields, as well as the decrease in global stock indices, indicate that investors are concerned about the current economic situation.

Market Forecast

- Given the recent developments that unfolded within the global and domestic markets, we expect the 10 year Indo GB yield to move within the range of 6.25-6.30% for today.
- Attractive Indo GB series to be traded today : FR0059, FR0081, FR0082, FR0087, FR0096.

Exhibit 3. Benchmark LCY Government Bond Prices (Aug 2, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	101.82	5.95%	101.86	5.94%
FR0096	10-year	105.37	6.24%	105.51	6.22%
FR0098	15-year	106.80	6.41%	106.80	6.41%
FR0097	20-year	107.26	6.47%	107.27	6.47%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Aug 2, 2023)

Rating	0.1	1	3	5	10
AAA	39.04	55.46	66.23	73.82	86.56
AA	60.37	104.35	131.63	156.94	185.61
A	146.60	205.52	245.92	284.12	354.05
BBB	344.62	408.51	459.75	503.94	590.63

Sources : IBPA, MNCS

Exhibit 5. Government Bond Ownership by Type (%) (Jul 28, 2023)

Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	15.97
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.67
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.54
MF, IF & PF	18.99	19.39	19.86	19.81	20.28	20.50	20.91

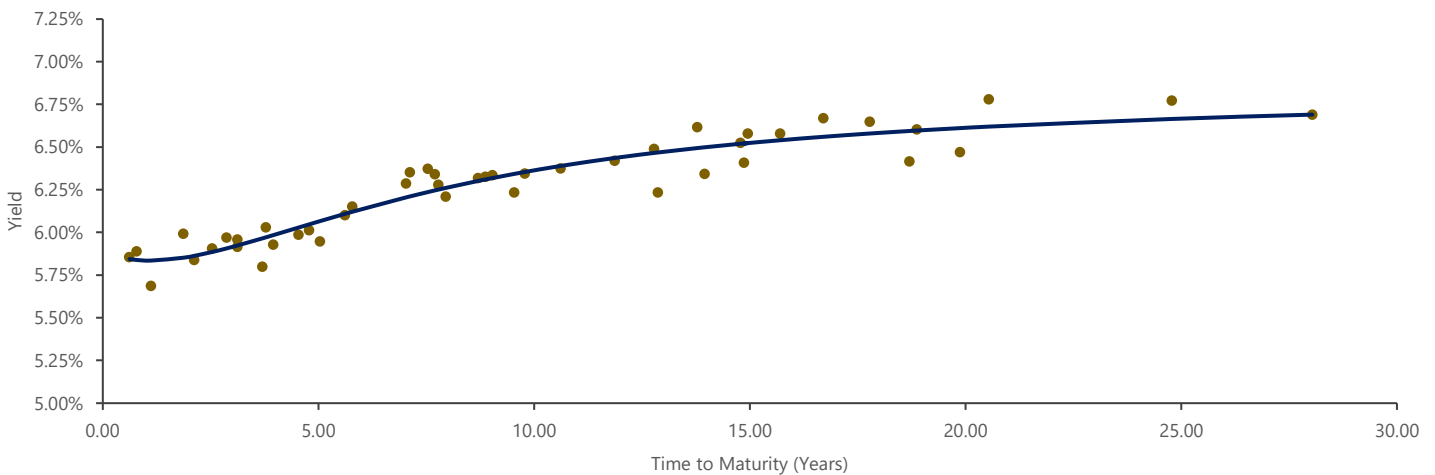
Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Aug 2, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR39	11.750	15-Aug-23	0.04	100.37	-0.29%	5.88%	100.20	Premium
FR70	8.375	15-Mar-24	0.62	101.49	5.85%	5.84%	101.51	Fair
FR77	8.125	15-May-24	0.78	101.67	5.89%	5.84%	101.72	Discounted
FR44	10.000	15-Sep-24	1.12	104.58	5.69%	5.83%	104.44	Premium
FR81	6.500	15-Jun-25	1.87	100.87	5.99%	5.85%	101.12	Discounted
FR40	11.000	15-Sep-25	2.12	110.12	5.84%	5.86%	110.09	Fair
FR84	7.250	15-Feb-26	2.54	103.11	5.91%	5.88%	103.17	Fair
FR86	5.500	15-Jun-26	2.87	98.84	5.97%	5.91%	98.94	Discounted
FR37	12.000	15-Sep-26	3.12	117.06	5.91%	5.92%	117.07	Fair
FR56	8.375	15-Sep-26	3.12	106.77	5.96%	5.92%	106.88	Fair
FR90	5.125	15-Apr-27	3.70	97.78	5.80%	5.96%	97.24	Premium
FR59	7.000	15-May-27	3.78	103.23	6.03%	5.97%	103.43	Discounted
FR42	10.250	15-Jul-27	3.95	115.00	5.93%	5.98%	114.81	Premium
FR47	10.000	15-Feb-28	4.54	115.72	5.99%	6.03%	115.56	Premium
FR64	6.125	15-May-28	4.78	100.45	6.01%	6.05%	100.31	Fair
FR95	6.375	15-Aug-28	5.04	101.84	5.95%	6.07%	101.32	Premium
FR71	9.000	15-Mar-29	5.62	113.60	6.10%	6.11%	113.57	Fair
FR78	8.250	15-May-29	5.78	110.07	6.15%	6.12%	110.23	Fair
FR52	10.500	15-Aug-30	7.04	123.66	6.28%	6.20%	124.18	Discounted
FR82	7.000	15-Sep-30	7.12	103.66	6.35%	6.21%	104.48	Discounted
FR87	6.500	15-Feb-31	7.54	100.75	6.37%	6.24%	101.56	Discounted
FR85	7.750	15-Apr-31	7.70	108.47	6.34%	6.25%	109.07	Discounted
FR73	8.750	15-May-31	7.78	115.01	6.28%	6.25%	115.21	Fair
FR54	9.500	15-Jul-31	7.95	120.40	6.21%	6.26%	120.05	Premium
FR91	6.375	15-Apr-32	8.70	100.37	6.32%	6.30%	100.48	Fair
FR58	8.250	15-Jun-32	8.87	112.90	6.32%	6.31%	113.02	Fair
FR74	7.500	15-Aug-32	9.04	107.92	6.33%	6.32%	108.04	Fair
FR96	7.000	15-Feb-33	9.54	105.44	6.23%	6.34%	104.65	Premium
FR65	6.625	15-May-33	9.78	102.01	6.34%	6.35%	101.94	Fair
FR68	8.375	15-Mar-34	10.62	115.26	6.37%	6.39%	115.13	Fair
FR80	7.500	15-Jun-35	11.87	108.88	6.42%	6.44%	108.73	Fair
FR72	8.250	15-May-36	12.78	115.14	6.49%	6.47%	115.35	Fair
FR88	6.250	15-Jun-36	12.87	100.14	6.23%	6.47%	98.11	Premium
FR45	9.750	15-May-37	13.78	128.04	6.62%	6.49%	129.35	Discounted
FR93	6.375	15-Jul-37	13.95	100.30	6.34%	6.50%	98.88	Premium
FR75	7.500	15-May-38	14.78	109.15	6.52%	6.52%	109.21	Fair
FR50	10.500	15-Jul-38	14.95	136.95	6.58%	6.52%	137.61	Discounted
FR98	7.125	15-Jun-38	14.87	106.79	6.41%	6.52%	105.69	Premium
FR79	8.375	15-Apr-39	15.70	117.42	6.58%	6.54%	117.83	Discounted
FR83	7.500	15-Apr-40	16.70	108.29	6.67%	6.56%	109.45	Discounted
FR57	9.500	15-May-41	17.78	129.48	6.65%	6.58%	130.34	Discounted
FR62	6.375	15-Apr-42	18.70	99.55	6.42%	6.59%	97.66	Premium
FR92	7.125	15-Jun-42	18.87	105.58	6.60%	6.60%	105.65	Fair
FR97	7.125	15-Jun-43	19.87	107.27	6.47%	6.61%	105.64	Premium
FR67	8.750	15-Feb-44	20.54	121.67	6.78%	6.62%	123.74	Discounted
FR76	7.375	15-May-48	24.78	107.18	6.77%	6.66%	108.55	Discounted
FR89	6.875	15-Aug-51	28.04	102.34	6.69%	6.69%	102.33	Fair

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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