

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,898.08	+0.64%
STI	3,304.06	-0.63%
HSI	19,420.87	-0.49%
SSEC	3,280.46	0.58%
FTSE	7,529.16	-0.43%
GDAX	15,893.38	-0.79%
DJI	35,215.89	-0.19%
S&P 500	4,501.89	-0.25%
NDX	13,959.71	-0.10%

10-yr Bond	Last	Bps
ID	6.28	+4.25
US	4.18	+9.76
UK	4.47	+6.70
JP	0.65	+2.50
CN	2.66	+0.00
MY	3.87	+2.50
TH	2.61	+1.70

Exchange Rate	Last	%
USD/IDR	15,185	+0.07%
EUR/IDR	16,587	-0.48%
GBP/IDR	19,248	-0.80%
HKD/IDR	1,946	+0.00%
SGD/IDR	11,300	-0.49%
AUD/IDR	9,899	-0.95%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	79.67	+0.05%
VIX	15.92	-1.1%

Sources : Bloomberg, MNCS

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Global Market Updates

- The slide in longer-termed treasuries continued into Thursday (Aug 3, 2023), dragging down US equities amid concerns over an expanding budget deficit while greeted with stronger-than-expected economic data that likely points towards a soft-landing.
- The 10-year US Treasury note shot up by +9.8 bps to 4.18%, inducing a sharp steepening the 2s10s UST yield curve to -70 bps.
- We view the long-termed treasury forced sellings, most likely done by pension funds and insurance companies, shouldn't last long as they are still one of the safest asset classes in the world with hefty liquidity.
- Regulations and rules could be amended to revive funds appetite into returning to the long term bonds, as what happened post S&P's downgrade of the US back in 2011.
- The other key-risk in motion would be the JGB's creeping-up, it hiked another 3 bps yesterday. The BoJ have intervened for the second time this week, but they are likely to allow further yield as a prelude for a rate hike. Around USD2.5tn of Japanese funds held in the US have risk of steady repatriation, contributing for treasuries' further downside risk. We view US higher issuances to also address this issue.

Domestic Market Updates

- Indonesia's benchmark series of LCY government bonds continued to weaken Thursday (Aug 3, 2023), where the 10-year (FR0096) yield have now reached 6.28%.
- The 2s10s Indo GB yield curve widened back to 29 bps after staying at the lower range of c. 23bps for the past week.
- Continued UST selloffs narrowed the spread between UST 10-year and Indo GB 10-year to 210.8 bps. Coupled with BoJ's YCC tweaking, further increased risk of slowed foreign inflow or even an outflow could ensue.
- IDR continued to weaken against the USD. We observe the DXY to close lower after strengthening this past week. The IDR should be supported by BI's triple intervention scheme.

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 6.25-6.35% for today.
- Attractive Indo GB series to be traded today : FR0059, FR0081, FR0082, FR0087, FR0096.

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

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	101.73	5.97%	101.82	5.95%
FR0096	10-year	105.09	6.28%	105.37	6.24%
FR0098	15-year	106.59	6.43%	106.80	6.41%
FR0097	20-year	107.01	6.49%	107.26	6.47%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Aug 3, 2023)

Rating	0.1	1	3	5	10
AAA	39.03	55.46	66.19	73.80	86.59
AA	60.37	104.35	131.62	156.94	185.61
A	146.60	205.53	245.90	284.13	354.03
BBB	344.60	408.57	459.69	503.97	590.56

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

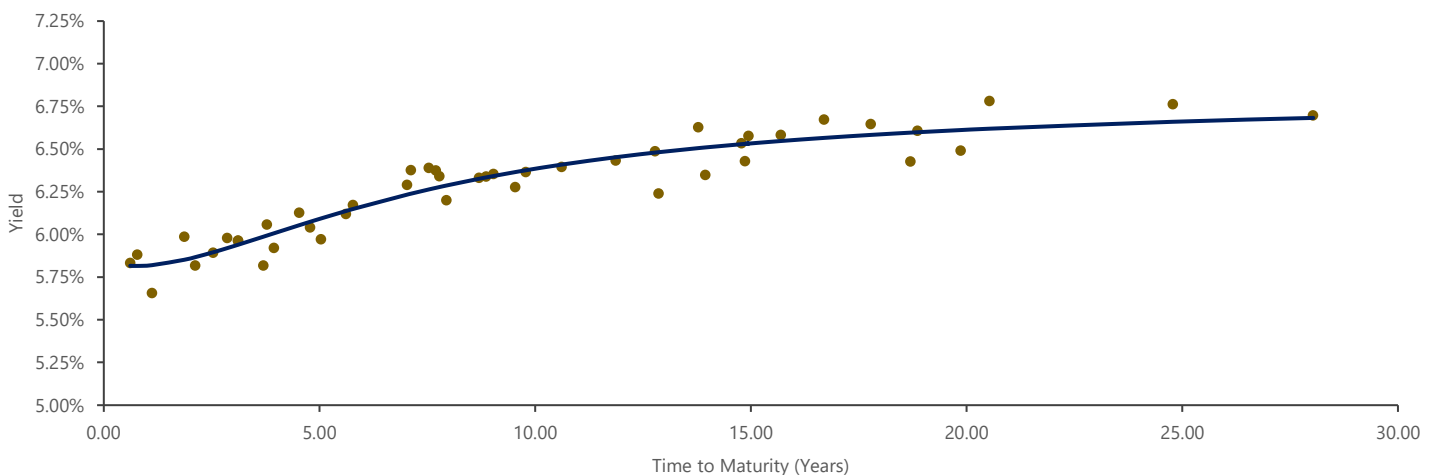
Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Aug 3, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR39	11.750	15-Aug-23	0.03	100.37	-4.56%	5.84%	100.18	Premium
FR70	8.375	15-Mar-24	0.61	101.48	5.83%	5.82%	101.52	Fair
FR77	8.125	15-May-24	0.78	101.66	5.88%	5.81%	101.73	Discounted
FR44	10.000	15-Sep-24	1.12	104.58	5.66%	5.82%	104.45	Premium
FR81	6.500	15-Jun-25	1.87	100.88	5.99%	5.85%	101.12	Discounted
FR40	11.000	15-Sep-25	2.12	110.12	5.82%	5.87%	110.07	Fair
FR84	7.250	15-Feb-26	2.54	103.14	5.89%	5.89%	103.14	Fair
FR86	5.500	15-Jun-26	2.87	98.82	5.98%	5.92%	98.90	Fair
FR37	12.000	15-Sep-26	3.12	116.88	5.96%	5.94%	117.00	Fair
FR56	8.375	15-Sep-26	3.12	106.74	5.96%	5.94%	106.83	Fair
FR90	5.125	15-Apr-27	3.70	97.72	5.82%	5.99%	97.17	Premium
FR59	7.000	15-May-27	3.78	103.13	6.06%	5.99%	103.35	Discounted
FR42	10.250	15-Jul-27	3.95	115.00	5.92%	6.01%	114.72	Premium
FR47	10.000	15-Feb-28	4.54	115.10	6.13%	6.05%	115.44	Discounted
FR64	6.125	15-May-28	4.78	100.34	6.04%	6.07%	100.20	Fair
FR95	6.375	15-Aug-28	5.03	101.73	5.97%	6.09%	101.21	Premium
FR71	9.000	15-Mar-29	5.61	113.49	6.12%	6.14%	113.42	Fair
FR78	8.250	15-May-29	5.78	109.95	6.17%	6.15%	110.08	Fair
FR52	10.500	15-Aug-30	7.03	123.61	6.29%	6.23%	124.00	Fair
FR82	7.000	15-Sep-30	7.12	103.51	6.38%	6.24%	104.32	Discounted
FR87	6.500	15-Feb-31	7.54	100.66	6.39%	6.26%	101.40	Discounted
FR85	7.750	15-Apr-31	7.70	108.25	6.37%	6.27%	108.90	Discounted
FR73	8.750	15-May-31	7.78	114.59	6.34%	6.28%	115.03	Discounted
FR54	9.500	15-Jul-31	7.95	120.44	6.20%	6.29%	119.86	Premium
FR91	6.375	15-Apr-32	8.70	100.28	6.33%	6.33%	100.32	Fair
FR58	8.250	15-Jun-32	8.87	112.79	6.34%	6.33%	112.84	Fair
FR74	7.500	15-Aug-32	9.03	107.79	6.35%	6.34%	107.87	Fair
FR96	7.000	15-Feb-33	9.54	105.13	6.28%	6.36%	104.49	Premium
FR65	6.625	15-May-33	9.78	101.87	6.36%	6.38%	101.78	Fair
FR68	8.375	15-Mar-34	10.61	115.08	6.39%	6.41%	114.97	Fair
FR80	7.500	15-Jun-35	11.87	108.76	6.43%	6.45%	108.59	Fair
FR72	8.250	15-May-36	12.78	115.14	6.49%	6.48%	115.22	Fair
FR88	6.250	15-Jun-36	12.87	100.08	6.24%	6.48%	97.99	Premium
FR45	9.750	15-May-37	13.78	127.91	6.63%	6.51%	129.22	Discounted
FR93	6.375	15-Jul-37	13.95	100.25	6.35%	6.51%	98.78	Premium
FR75	7.500	15-May-38	14.78	109.05	6.53%	6.53%	109.11	Fair
FR50	10.500	15-Jul-38	14.95	136.95	6.58%	6.53%	137.50	Fair
FR98	7.125	15-Jun-38	14.87	106.59	6.43%	6.53%	105.59	Premium
FR79	8.375	15-Apr-39	15.70	117.36	6.58%	6.55%	117.75	Fair
FR83	7.500	15-Apr-40	16.70	108.25	6.67%	6.57%	109.38	Discounted
FR57	9.500	15-May-41	17.78	129.48	6.65%	6.58%	130.29	Discounted
FR62	6.375	15-Apr-42	18.70	99.44	6.43%	6.60%	97.63	Premium
FR92	7.125	15-Jun-42	18.87	105.53	6.61%	6.60%	105.62	Fair
FR97	7.125	15-Jun-43	19.87	107.03	6.49%	6.61%	105.62	Premium
FR67	8.750	15-Feb-44	20.54	121.65	6.78%	6.62%	123.73	Discounted
FR76	7.375	15-May-48	24.78	107.31	6.76%	6.66%	108.61	Discounted
FR89	6.875	15-Aug-51	28.03	102.25	6.70%	6.68%	102.42	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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