

Exhibit 1. Daily Market Updates

Equity	Last	%
JCI	6,926.78	-0.12%
STI	3,185.79	-1.02%
HSI	17,813.45	-2.33%
SSEC	3,088.10	-0.64%
FTSE	7,599.60	-0.59%
GDAX	15,186.66	-1.55%
DJI	33,670.29	+0.12%
S&P 500	4,327.78	-0.50%
NDX	13,407.23	-1.23%

10-yr Bond	Last	Bps
ID	6.76	-0.02
US	4.63	-7.00
UK	4.39	-3.70
JP	0.76	+0.30
CN	2.68	-1.80
MY	4.04	+0.20
TH	3.25	-3.40

Exchange Rate	Last	%
USD/IDR	15,683	-0.04%
EUR/IDR	16,551	-0.78%
GBP/IDR	19,154	-0.77%
HKD/IDR	2,005	-0.12%
SGD/IDR	11,460	-0.56%
AUD/IDR	9,915	-1.53%

Sources : Bloomberg, MNCS

Exhibit 2. Risk Indicators

Category	Last	%
5-yr CDS	95.70	+2.8%
VIX	19.32	+15.8%

Sources : Bloomberg, MNCS

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Global Market Updates

- Wall Street equity indexes were broadly subdued ending the Friday trading (Oct 13, 2023) as geopolitical tensions escalate with worries of contagion risk to widen within the Middle East area as the prospect of Iran to intermingle in the conflict arises, followed by a VIX index spike of 15.8%, while DJI managed to end up a notch (0.12%) as crude prices surged 5%.
- Michigan consumer sentiment came in weaker than expected at 63 vs 67.2 which was heavy for stocks but indicates economic distress which is synchronous with the Fed's intended purpose.
- The US market seem to have retracted the idea of one more rate hike after the hot CPI reading, supported by Sep import price index that fell 0.3% MoM, deeper than expectations of 0.1% MoM and dovish comments from Fed's Harker Friday.
- Market's expectation for the outcomes of the two remaining FOMC meetings this year reflects that, with a high probability rate pause (93.8%) in Nov 1, 2023, and a most likely though not as strong 69.6% hold in Dec 13, 2023, according to CME Fedwatch.
- The 10-yr UST yield retreated back to 4.63% as result, deepening the 2s10s inversion back, with the 2-yr yields retreating by 2 bps to 5.04%. We view USTs to hold their current yield levels with some potential upsides as one of the asset while also harboring high volatility risk (MOVE Index still at 128 vs 20-yr avg. of 94). Several Fed official speeches this week will illuminate the market, with Powell's to be Thursday's highlight.

Domestic Market Updates

- Indonesian benchmark series of LCY government bonds movements were muted and halted its early-week gains Friday (Oct 13, 2023) as the hot US CPI Thursday sparked jitters. The 10-yr benchmark series yield stood flat at 6.76%. The 2s10s Indo GB spread bull flattened further to 37 bps.
- IDR managed to strengthen against global major currencies, cancelling more of the losses against USD (USD/IDR slipped 0.04% to 15,683).
- The 5-yr CDS rebounded to 95.08 reflecting some risk perceptions mounting on US CPI surprise, and the Middle East dispute escalation.
- The SBN-backed SRBI auction Friday saw diminished demands, collecting a total nominal awarded of only IDR7.8tn (vs Oct 11's IDR14.1tn and the previous week's IDR11.2tn).
- We view Indonesian gov't securities market to trade at subdued levels the week ahead due to heightened uncertainties, but skewed towards the upside as the inflation tantrum has been largely contained. The front-end of the yield we view as attractive relative to the oversubscribed mid-to-long end of the curve.

Market Forecast

- Given the recent developments that unfolded within the global and domestic markets, we expect the 10-yr Indo GB yield to move within the range of 6.70-6.80% for today.
- Attractive Indo GB series to be traded today : FR0059, FR0081, FR0096, FR0100.

Exhibit 3. Benchmark LCY Government Bond Prices (Oct 13, 2023)

Series	Benchmark	Last Price	YTM	-1D Price	-1D YTM
FR0095	5-year	99.15	6.58%	99.08	6.60%
FR0096	10-year	101.62	6.76%	101.62	6.76%
FR0098	15-year	101.02	7.01%	101.05	7.01%
FR0097	20-year	100.87	7.04%	100.93	7.04%

Sources : Bloomberg, MNCS

Exhibit 4. Corporate Bond Credit Spread Matrices (Oct 13, 2023)

Rating	0.1	1	3	5	10
AAA	21.44	38.15	48.11	62.69	84.86
AA	48.85	78.06	104.63	129.72	168.40
A	145.55	203.04	256.10	295.06	348.97
BBB	341.92	390.57	446.41	503.94	595.87

Sources : IBPA, MNCS

Exhibit 5. Government Bond Ownership by Type (%) (Sep 29, 2023)

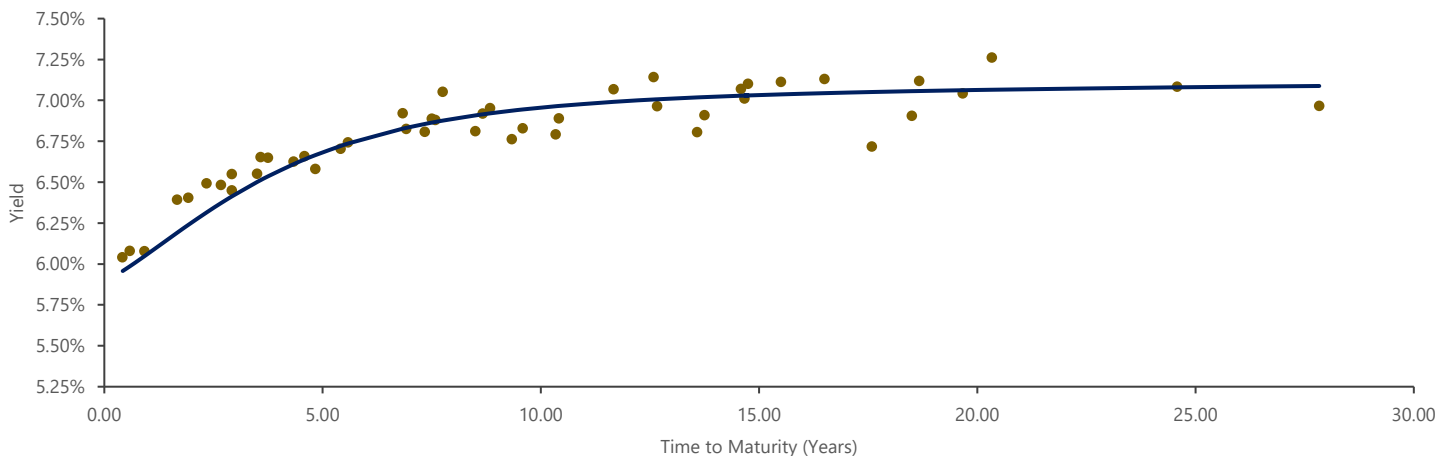
Series	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Central Bank	17.28	17.49	18.27	20.10	17.22	17.43	16.16	16.08	16.91
Banks	33.51	33.24	31.93	29.82	31.72	31.06	31.45	31.14	29.73
Foreign	15.10	14.79	14.89	14.86	15.31	15.51	15.56	15.37	14.95
MF, IF & PF	18.99	19.39	19.86	19.81	20.28	20.50	20.92	21.20	21.66

Sources : DJPPR, MNCS

Exhibit 06. LCY Government Bond Valuation (Oct 13, 2023)

Series	Coupon	Maturity	TTM	Last Price	YTM	Yield Curve	Fair Price	Notes
FR70	8.375	15-Mar-24	0.42	100.91	6.04%	5.98%	100.97	Discounted
FR77	8.125	15-May-24	0.59	101.13	6.08%	6.02%	101.19	Discounted
FR44	10.000	15-Sep-24	0.92	103.41	6.08%	6.10%	103.44	Fair
FR81	6.500	15-Jun-25	1.67	100.16	6.39%	6.26%	100.36	Discounted
FR40	11.000	15-Sep-25	1.92	108.12	6.41%	6.31%	108.35	Discounted
FR84	7.250	15-Feb-26	2.34	101.60	6.49%	6.40%	101.81	Discounted
FR86	5.500	15-Jun-26	2.67	97.77	6.48%	6.46%	97.67	Fair
FR37	12.000	15-Sep-26	2.92	114.50	6.45%	6.50%	114.42	Premium
FR56	8.375	15-Sep-26	2.92	104.76	6.55%	6.50%	104.91	Discounted
FR90	5.125	15-Apr-27	3.50	95.61	6.55%	6.59%	95.48	Premium
FR59	7.000	15-May-27	3.59	101.08	6.65%	6.60%	101.24	Discounted
FR42	10.250	15-Jul-27	3.75	111.74	6.65%	6.63%	111.86	Fair
FR47	10.000	15-Feb-28	4.34	112.50	6.63%	6.70%	112.24	Premium
FR64	6.125	15-May-28	4.59	97.92	6.66%	6.73%	97.65	Premium
FR95	6.375	15-Aug-28	4.84	99.15	6.58%	6.75%	98.45	Premium
FR71	9.000	15-Mar-29	5.42	110.27	6.70%	6.81%	109.80	Premium
FR78	8.250	15-May-29	5.59	106.90	6.74%	6.82%	106.54	Premium
FR52	10.500	15-Aug-30	6.84	119.19	6.92%	6.90%	119.32	Fair
FR82	7.000	15-Sep-30	6.92	100.95	6.82%	6.91%	100.49	Premium
FR87	6.500	15-Feb-31	7.34	98.24	6.81%	6.93%	97.55	Premium
FR85	7.750	15-Apr-31	7.51	104.98	6.89%	6.94%	104.69	Premium
FR73	8.750	15-May-31	7.59	110.90	6.88%	6.94%	110.52	Premium
FR54	9.500	15-Jul-31	7.75	114.39	7.05%	6.95%	115.08	Discounted
FR91	6.375	15-Apr-32	8.51	97.22	6.81%	6.98%	96.19	Premium
FR58	8.250	15-Jun-32	8.67	108.55	6.92%	6.98%	108.13	Premium
FR74	7.500	15-Aug-32	8.84	103.56	6.95%	6.99%	103.33	Premium
FR96	7.000	15-Feb-33	9.34	101.62	6.76%	7.00%	99.98	Premium
FR65	6.625	15-May-33	9.59	98.58	6.83%	7.01%	97.36	Premium
FR100	6.625	15-Feb-34	10.34	98.77	6.79%	7.02%	104.36	Premium
FR68	8.375	15-Mar-34	10.42	110.90	6.89%	7.02%	109.86	Premium
FR80	7.500	15-Jun-35	11.67	103.39	7.07%	7.04%	103.57	Fair
FR72	8.250	15-May-36	12.59	109.09	7.14%	7.05%	109.85	Discounted
FR88	6.250	15-Jun-36	12.67	94.04	6.96%	7.06%	93.31	Premium
FR45	9.750	15-May-37	13.59	125.81	6.81%	7.06%	123.21	Premium
FR93	6.375	15-Jul-37	13.75	95.30	6.91%	7.07%	93.97	Premium
FR75	7.500	15-May-38	14.59	103.87	7.07%	7.07%	103.85	Fair
FR50	10.500	15-Jul-38	14.75	130.73	7.10%	7.07%	131.06	Fair
FR98	7.125	15-Jun-38	14.67	101.02	7.01%	7.07%	100.46	Premium
FR79	8.375	15-Apr-39	15.51	111.75	7.11%	7.08%	112.10	Discounted
FR83	7.500	15-Apr-40	16.51	103.56	7.13%	7.08%	104.02	Discounted
FR57	9.500	15-May-41	17.59	128.45	6.72%	7.09%	124.03	Premium
FR62	6.375	15-Apr-42	18.51	94.51	6.91%	7.09%	92.69	Premium
FR92	7.125	15-Jun-42	18.67	100.05	7.12%	7.09%	100.33	Fair
FR97	7.125	15-Jun-43	19.67	100.87	7.04%	7.09%	100.31	Premium
FR67	8.750	15-Feb-44	20.34	115.67	7.26%	7.10%	117.64	Discounted
FR76	7.375	15-May-48	24.59	103.37	7.08%	7.11%	103.10	Fair
FR89	6.875	15-Aug-51	27.84	98.87	6.97%	7.11%	97.14	Premium

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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