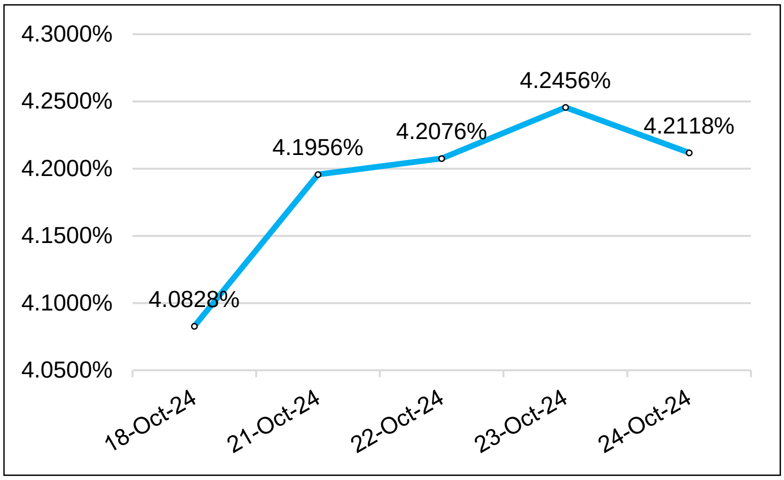
BINAARTHA SEKURITAS

Economics and Fixed Income Research Report

Binaartha Sekuritas Research Division

October 25th, 2024

Exhibit 1: United States 10-Year Bond Yield



Sources: Bloomberg and Binaartha

Exhibit 2: Global Government Bond Yield

Countries	Yield – Last	Yield – Previous	Change
US	4.2118%	4.2456%	-0.0338%
UK	4.2370%	4.2000%	0.0370%
Japan	0.9640%	0.9830%	-0.0190%
China	2.1610%	2.1580%	0.0030%
Australia	4.4157%	4.4089%	0.0068%

Sources: Bloomberg and Binaartha

Exhibit 3: Market Indicators

Date	22-Oct-24	23-Oct-24	24-Oct-24
USD/IDR (JISDOR)	15,560	15,620	15,593

Date	22-Oct-24	23-Oct-24	24-Oct-24
Indo-5yr CDS (bps)	69.899	69.033	68.824

Interest Rate Policy

Date	Aug-24	Sep-24	Oct-24
BI-7Day-RR	6.25%	6.00%	6.00%
Fed Rate	5.50%	5.00%	5.00%

Sources: Bank Indonesia, Bloomberg, and Binaartha

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Global Market Update

- **On October 24th, 2024, the US 10-Year Government Bond yield closed at 4.2118%,** a slight decrease of 3.38-bps compared to yesterday.

- **The S&P Global US Composite PMI rose to 54.3 in October 2024 from 54.0 in September, signaling solid business growth. The service sector expanded (PMI at 55.3), while manufacturing contracted for the third month (PMI at 47.8).** Employment dipped slightly amid uncertainty before the Presidential Election, though business confidence improved with hopes of post-election stability.

- **The HCOB Flash Eurozone Composite PMI for October 2024 was 49.7, showing a slight drop-in business activity for the second month.** Manufacturing continued its decline, but at a slower pace than in September. The service sector grew slightly, but at its slowest rate in eight months, with new orders falling for the second month.

Sources: S&P Global, Bloomberg, and Trading Economics.

Domestic Market Update

- **On October 24th, 2024, the Indonesia Government Bond 10 Years Yield closed at 6.8128%.**

- **On October 24, 2024, the Ministry of Finance conducted a buyback of FR0040 bonds (IDR 150 billion, 11% coupon, maturing September 15, 2025) at an average price of 104.05%, aimed at managing the government's bond portfolio.** The settlement is scheduled for October 28, 2024.

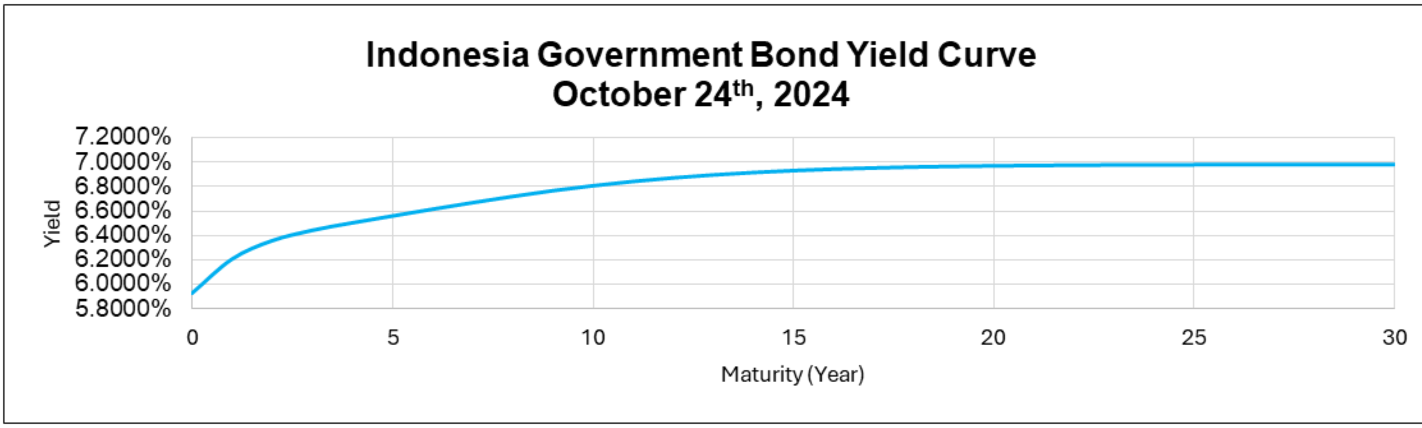
- **Fitch Ratings has upgraded PT Bank Syariah Indonesia Tbk's (BSI) Viability Rating (VR) to 'bb+' from 'bb' and affirmed its Long-Term Issuer Default Rating (IDR) at 'BBB-'. BSI's National Long-Term Rating remains 'AA+(idn)' with a Stable Outlook.**

Sources: DJPPR Kemenkeu, Fitch Ratings, PHEI, and Bloomberg.

Market Projection

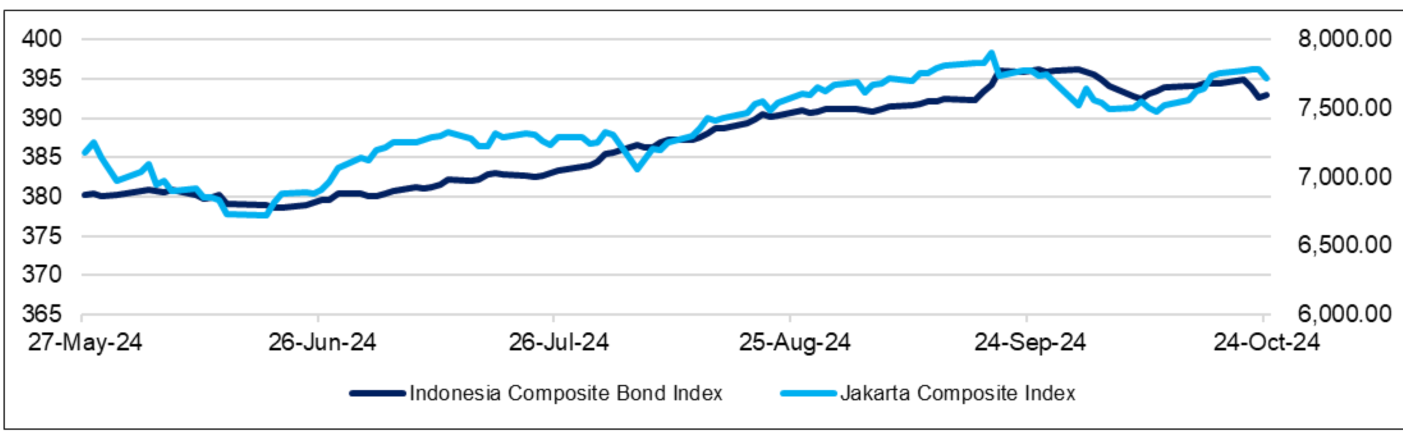
We predict the 10-year Indonesia Government Yield Curve will continue to move within range **6.7063% - 6.8418% for Today. Recommendations: FR0102, FR0089, FR0100, FR0062, FR0103, PBS038, PBS033, PBS005, ORI023T6, ORI025T6 and ORI024T6.**

Exhibit 4: Indonesia Government Bond Yield Curve



Source: PHEI and Binaartha

Exhibit 5: Indonesia Composite Bond Index vs Indeks Harga Saham Gabungan (Jakarta Composite Index)



Source: PHEI, Bloomberg and Binaartha

Exhibit 6: Ownership of Domestic IDR Tradable Government Securities (SBN)

Institution (in IDR Tn)	16-Oct-24	17-Oct-24	18-Oct-24	21-Oct-24	22-Oct-24
Bank	1,120.41	1,128.50	1,127.66	1,119.85	1,127.48
Bank Indonesia (Net)	1,467.78	1,476.52	1,476.83	1,483.80	1,472.59
Mutual Fund	186.41	186.38	186.43	186.52	186.62
Insurance and Pension Fund	1,105.48	1,106.97	1,107.05	1,107.36	1,107.66
Non-Resident	884.93	889.33	889.23	889.14	889.85
Individual	508.15	508.48	508.81	509.00	509.18
Others	605.55	607.53	607.70	608.04	608.28
Total	5,878.71	5,903.71	5,903.71	5,903.71	5,901.67

Source: DJPPR Kemenkeu and Binaartha

Exhibit 7: Indo Government Bonds FR Series Valuation (As of October 24th, 2024)

No	Series	Maturity	Coupon	TTM	Last Price	Fair Price	YTM	Modified Duration	Notes
1	FR0037	15-Sep-26	12.000%	1.88	109.78	109.80	6.389%	1.67	Premium
2	FR0040	15-Sep-25	11.000%	0.88	104.01	104.03	6.237%	0.83	Premium
3	FR0042	15-Jul-27	10.250%	2.71	109.52	109.53	6.368%	2.32	Premium
4	FR0045	15-May-37	9.750%	12.54	123.99	123.99	6.866%	7.50	Premium
5	FR0047	15-Feb-28	10.000%	3.30	110.70	110.72	6.348%	2.78	Premium
6	FR0050	15-Jul-38	10.500%	13.71	133.35	133.36	6.735%	7.94	Premium
7	FR0052	15-Aug-30	10.500%	5.80	118.36	118.37	6.631%	4.38	Premium
8	FR0054	15-Jul-31	9.500%	6.71	114.39	114.40	6.792%	4.95	Premium
9	FR0056	15-Sep-26	8.375%	1.88	103.49	103.50	6.371%	1.71	Premium
10	FR0057	15-May-41	9.500%	16.54	124.98	124.98	6.938%	8.85	Premium
11	FR0058	15-Jun-32	8.250%	7.63	109.55	109.56	6.633%	5.56	Premium
12	FR0059	15-May-27	7.000%	2.54	101.45	101.45	6.373%	2.24	Premium
13	**FR0062**	**15-Apr-42**	**6.375%**	**17.46**	**94.55**	**94.56**	**6.917%**	**10.20**	**Discount**
14	FR0064	15-May-28	6.125%	3.54	98.97	98.98	6.453%	3.06	Discount
15	FR0065	15-May-33	6.625%	8.54	99.48	99.48	6.705%	6.25	Discount
16	FR0067	15-Feb-44	8.750%	19.30	118.03	118.05	7.027%	9.89	Premium
17	FR0068	15-Mar-34	8.375%	9.38	110.69	110.70	6.813%	6.55	Premium
18	FR0071	15-Mar-29	9.000%	4.38	109.40	109.40	6.497%	3.60	Premium
19	FR0072	15-May-36	8.250%	11.54	110.89	110.89	6.868%	7.37	Premium
20	FR0073	15-May-31	8.750%	6.54	110.98	110.98	6.653%	4.86	Premium
21	FR0074	15-Aug-32	7.500%	7.80	104.82	104.83	6.695%	5.81	Premium
22	FR0075	15-May-38	7.500%	13.54	105.03	105.04	6.921%	8.30	Premium
23	FR0076	15-May-48	7.375%	23.54	104.76	104.76	6.961%	11.02	Premium
24	FR0078	15-May-29	8.250%	4.54	106.80	106.80	6.499%	3.66	Premium
25	FR0079	15-Apr-39	8.375%	14.46	113.03	113.03	6.933%	8.68	Premium
26	FR0080	15-Jun-35	7.500%	10.63	104.74	104.75	6.863%	7.15	Premium
27	FR0081	15-Jun-25	6.500%	0.63	100.20	100.21	6.154%	0.60	Premium
28	FR0082	15-Sep-30	7.000%	5.88	101.91	101.92	6.602%	4.74	Premium
29	FR0083	15-Apr-40	7.500%	15.46	104.88	104.88	6.979%	9.21	Premium
30	FR0084	15-Feb-26	7.250%	1.30	101.18	101.19	6.280%	1.21	Premium
31	FR0085	15-Apr-31	7.750%	6.46	105.55	105.55	6.678%	5.06	Premium
32	FR0086	15-Apr-26	5.500%	1.46	98.78	98.78	6.385%	1.38	Discount
33	FR0087	15-Feb-31	6.500%	6.30	99.41	99.42	6.614%	5.03	Discount
34	FR0088	15-Jun-36	6.250%	11.63	96.61	96.62	6.672%	7.91	Discount
35	**FR0089**	**15-Aug-51**	**6.875%**	**26.80**	**99.13**	**99.15**	**6.946%**	**11.95**	**Discount**
36	FR0090	15-Apr-27	5.120%	2.46	97.24	97.24	6.351%	2.27	Discount
37	FR0091	15-Apr-32	6.380%	7.46	98.48	98.51	6.636%	5.83	Discount
38	FR0092	15-Jun-42	7.120%	17.63	101.86	101.82	6.939%	9.78	Premium
39	FR0093	15-Jul-37	6.380%	12.71	96.31	96.37	6.811%	8.37	Discount
40	FR0094	15-Jan-28	5.600%	3.21	97.26	97.27	6.555%	2.84	Discount
41	FR0095	15-Aug-28	6.380%	3.80	99.63	99.66	6.483%	3.28	Discount
42	FR0096	15-Feb-33	7.000%	8.30	102.12	102.13	6.661%	6.16	Premium
43	FR0097	15-Jun-43	7.120%	18.63	101.46	101.42	6.983%	10.04	Premium
44	FR0098	15-Jun-38	7.120%	13.63	101.84	101.81	6.913%	8.47	Premium
45	FR0099	15-Jan-29	6.400%	4.22	99.81	99.82	6.450%	3.58	Discount
46	**FR0100**	**15-Feb-34**	**6.625%**	**9.30**	**99.20**	**99.21**	**6.740%**	**6.76**	**Discount**
47	FR0101	15-Apr-29	6.875%	4.46	101.26	101.26	6.544%	3.79	Premium
48	**FR0102**	**15-Jul-54**	**6.875%**	**29.71**	**98.89**	**98.91**	**6.963%**	**12.27**	**Discount**
49	**FR0103**	**15-Jul-35**	**6.750%**	**10.71**	**99.71**	**99.72**	**6.787%**	**7.40**	**Discount**
50	FR0104	15-Jul-30	6.500%	5.71	99.44	99.45	6.617%	4.62	Discount
51	FR0105	15-Jul-64	6.875%	39.71	100.16	100.18	6.862%	13.31	Premium
52	FRSDG001	15-Oct-30	7.375%	5.96	102.69	102.69	6.819%	4.77	Premium

Source: Bloomberg, KSEI, and Binaartha

Exhibit 8: Indo Government Sukuk Valuation (As of October 24th, 2024)

No	Series	Maturity	Revenue Sharing	TTM	Last Price	Fair Price	YTM	Modified Duration	Notes
1	IFR0006	15-Mar-30	10.25%	5.38	116.92	116.93	6.472%	4.18	Premium
2	IFR0007	15-Jan-25	10.25%	0.22	100.93	100.96	5.719%	0.21	Premium
3	IFR0010	15-Feb-36	10.00%	11.30	125.59	125.61	6.728%	7.15	Premium
4	PBS003	15-Jan-27	6.00%	2.21	99.18	99.19	6.399%	2.01	Discount
5	PBS004	15-Feb-37	6.10%	12.30	94.22	94.23	6.800%	8.31	Discount
6	**PBS005**	**15-Apr-43**	**6.75%**	**18.46**	**99.47**	**99.47**	**6.800%**	**10.42**	**Discount**
7	PBS007	15-Sep-40	9.00%	15.88	122.20	122.21	6.706%	9.05	Premium
8	PBS012	15-Nov-31	8.88%	7.05	113.05	113.06	6.534%	5.14	Premium
9	PBS015	15-Jul-47	8.00%	22.71	112.57	112.59	6.895%	10.85	Premium
10	PBS017	15-Oct-25	6.13%	0.96	100.02	100.02	6.102%	0.92	Premium
11	PBS018	15-May-28	7.63%	3.54	103.92	103.92	6.372%	2.99	Premium
12	PBS020	15-Oct-27	9.00%	2.96	107.15	107.15	6.315%	2.59	Premium
13	PBS021	15-Nov-26	8.50%	2.05	104.35	104.35	6.203%	1.80	Premium
14	PBS022	15-Apr-34	8.63%	9.46	113.65	113.65	6.657%	6.61	Premium
15	PBS023	15-May-30	8.13%	5.54	110.35	110.34	5.909%	4.35	Premium
16	PBS024	15-May-32	8.38%	7.54	110.53	110.53	6.582%	5.47	Premium
17	PBS025	15-May-33	8.38%	8.54	110.74	110.74	6.704%	5.99	Premium
18	PBS028	15-Oct-46	7.75%	21.96	110.76	110.76	6.799%	11.01	Premium
19	PBS029	15-Mar-34	6.38%	9.38	98.30	98.31	6.620%	6.90	Discount
20	PBS030	15-Jul-28	5.88%	3.71	98.23	98.24	6.414%	3.23	Discount
21	PBS032	15-Jul-26	4.88%	1.71	97.32	97.34	6.545%	1.59	Discount
22	**PBS033**	**15-Jun-47**	**6.75%**	**22.63**	**98.96**	**98.97**	**6.840%**	**11.18**	**Discount**
23	PBS034	15-Jun-39	6.50%	14.63	97.79	97.80	6.739%	9.06	Discount
24	PBS035	15-Mar-42	6.75%	17.38	99.44	99.45	6.805%	10.04	Discount
25	PBS036	15-Aug-25	5.38%	0.80	99.43	99.44	6.102%	0.76	Discount
26	PBS037	15-Mar-36	6.88%	11.38	100.63	100.64	6.793%	7.76	Premium
27	**PBS038**	**15-Dec-49**	**6.88%**	**25.13**	**98.88**	**98.89**	**6.969%**	**11.52**	**Discount**
28	PBS039	15-Jul-41	6.63%	16.71	98.27	98.29	6.798%	9.77	Discount

Source: Bloomberg, KSEI, and Binaartha

Exhibit 9: Indo ORI Valuation (As of October 24th, 2024)

No	Series	Maturity	Coupon	TTM	Last Price	Fair Price	YTM	Modified Duration	Notes
1	ORI021	15-Feb-25	4.90%	0.30	99.54	99.92	6.453%	0.31	Discount
2	ORI022	15-Oct-25	5.95%	0.96	99.63	99.90	6.351%	0.94	Discount
3	ORI023T3	15-Jul-26	5.90%	1.71	99.13	99.75	6.440%	1.63	Discount
4	**ORI023T6**	**15-Jul-29**	**6.10%**	**4.71**	**98.25**	**99.08**	**6.532%**	**4.08**	**Discount**
5	ORI024T3	15-Oct-26	6.10%	1.96	99.55	99.80	6.344%	1.85	Discount
6	**ORI024T6**	**15-Oct-29**	**6.35%**	**4.96**	**99.14**	**99.16**	**6.553%**	**4.25**	**Discount**
7	ORI025T3	15-Feb-27	6.25%	2.30	99.63	99.77	6.426%	2.14	Discount
8	**ORI025T6**	**15-Feb-30**	**6.40%**	**5.30**	**99.76**	**99.20**	**6.455%**	**4.48**	**Discount**
9	ORI026T3	15-Oct-27	6.30%	2.96	99.65	99.68	6.429%	2.69	Discount
10	ORI026T6	15-Oct-30	6.40%	5.96	99.10	98.88	6.583%	4.94	Discount

Source: Bloomberg, KSEI, and Binaartha

Exhibit 10: Top 10 Performers Indo Corporate Bonds (As of October 24th, 2024)

No	Series	Rating	Maturity	Coupon	TTM	Last Price	YTM	Modified Duration	Volume (Bn)	Notes
1	INKPIJ 10 1/2 06/21/27	idA+	21-Jun-27	10.50%	2.65	101.07	10.031%	2.27	514.00	Premium
2	ASIIIJ 6.45 10/12/25	idAAA	12-Oct-25	6.45%	0.96	100.05	6.391%	0.92	500.00	Premium
3	ASIIIJ 6.7 10/02/27	idAAA	2-Oct-27	6.70%	2.93	100.00	6.699%	2.63	230.00	On Par
4	WOMFIJ 6.3 04/08/25	idAA+	8-Apr-25	6.30%	0.44	99.62	7.171%	0.43	200.00	Discount
5	TBIGIJ 6 3/4 02/16/25	AA+(idn)	16-Feb-25	6.75%	0.30	100.08	6.469%	0.29	180.00	Premium
6	ARMADI 9 3/4 11/24/25	irA-	24-Nov-25	9.75%	1.07	102.82	6.993%	1.00	170.00	Premium
7	INKPIJ 10 1/4 08/25/26	idA+	25-Aug-26	10.25%	1.83	107.31	5.989%	1.64	150.00	Premium
8	LONTAR 9 1/4 01/26/25	idA	26-Jan-25	9.25%	0.24	99.32	12.108%	0.24	150.00	Discount
9	BUSAUT 6 3/4 07/15/25	idAAA	15-Jul-25	6.75%	0.71	100.02	6.715%	0.69	140.00	Premium
10	INKPIJ 8 3/4 02/24/25	idA+	24-Feb-25	8.75%	0.32	99.34	10.843%	0.31	136.70	Discount

Source: Bloomberg, KSEI, PEFINDO, Fitch Ratings, Kredit Rating Indonesia, and Binaartha

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