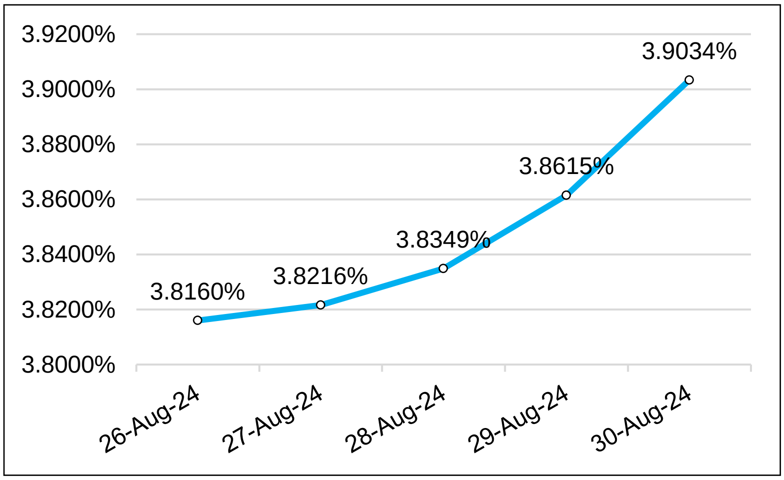
Economics and Fixed Income Research Report

Binaartha Sekuritas Research Division

September 2nd, 2024

Exhibit 1: United States 10-Year Bond Yield



Sources: Bloomberg and Binaartha

Exhibit 2: Global Government Bond Yield

Countries	Yield		Change
	Last	Previous	
US	3.9034%	3.8615%	0.0419%
UK	4.0150%	4.0190%	-0.0040%
Japan	0.9130%	0.8980%	0.0150%
China	2.1530%	2.1780%	-0.0250%
Australia	4.0104%	3.9668%	0.0436%

Sources: Bloomberg and Binaartha

Exhibit 3: Market Indicators

Date	29-Aug-24	30-Aug-24	02-Sep-24
USD/IDR (JISDOR)	15,409	15,473	15,536

Date	28-Aug-24	29-Aug-24	30-Aug-24
Indo-5yr CDS (bps)	67.590	67.409	67.395

Interest Rate Policy

Date	Jun-24	Jul-24	Aug-24
BI-7Day-RR	6.25%	6.25%	6.25%
Fed Rate	5.50%	5.50%	5.50%

Sources: Bank Indonesia, Bloomberg, and Binaartha

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Global Market Update

- **On August 30th, 2024, the yield on US 10-year Government Bonds increased by 4.19 basis points to a level of 3.9034%.**

- **In August 2024, the Caixin China General Manufacturing PMI increased to 50.4 from 49.8 in July, exceeding market expectations of 50.0.** This rise was due to new orders growing, which led to faster production as demand improved.

- **In August 2024, the Reserve Bank of Australia's Index of Commodity Prices dropped 5.2% YoY, the steepest fall in 18 months, driven by lower iron ore prices.** The index also fell 7.1% in Australian dollar terms.

Sources: S&P Global, Reserve Bank of Australia, Bloomberg, and Trading Economics.

Domestic Market Update

- **On September 2nd, 2024, the Indonesia Government Bond Yield closed at 6.6922%,** marking a small increase of 0.8 basis points compared to last Friday.

- **In August 2024, Indonesia recorded a YoY inflation rate of 2.12%, with the Consumer Price Index (CPI) reaching 106.06.** This inflation was primarily driven by price hikes in most expenditure groups, particularly in food, beverages, and tobacco, which increased by 3.39%. However, on a monthly basis, there was a minor deflation of 0.03%.

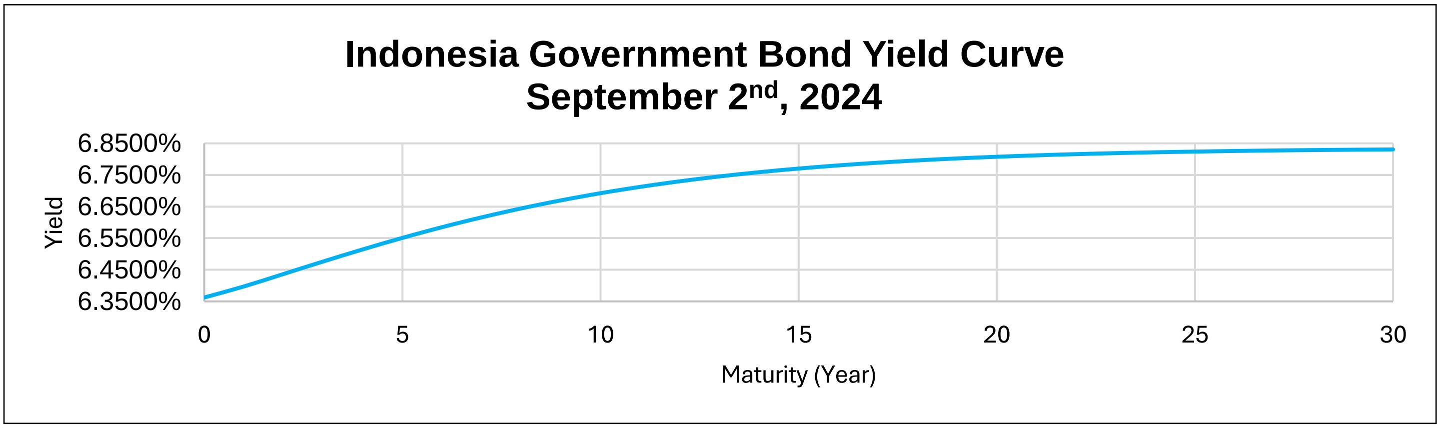
- **The S&P Global Indonesia Manufacturing PMI fell to 48.9 in August 2024, down from 49.3 in July, marking the second straight month of contraction.** This was the sharpest decline since August 2021, with output and new orders shrinking at the fastest pace in three years. Foreign orders also fell sharply due to shipping issues, while employment declined slightly.

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

Market Projection

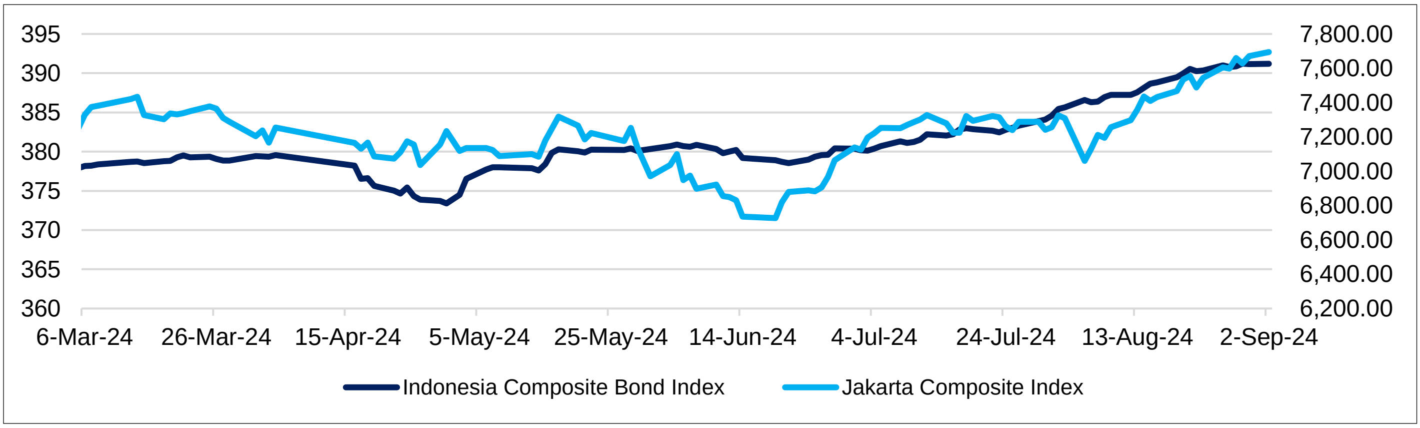
We predict the 10-year Indonesia Government Yield Curve will continue to move within range **6.6530% - 6.7874% for tomorrow. Recommendations: FR0100, FR0062, FR0088, FR0093, FR0091, PBS038, PBS033, PBS005, ORI023T6, ORI025T6 and ORI024T6.**

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)	26-Aug-24	27-Aug-24	28-Aug-24	29-Aug-24	30-Aug-24
Bank	1,125.42	1,126.83	1,110.31	1,119.43	1,129.05
Bank Indonesia (Net)	1,497.88	1,493.82	1,509.55	1,505.00	1,494.32
Mutual Fund	184.29	184.82	184.87	185.85	185.75
Insurance and Pension Fund	1,107.01	1,109.74	1,109.79	1,110.55	1,111.04
Non-Resident	848.15	850.37	851.19	851.25	852.31
Individual	508.64	508.68	508.34	508.26	508.05
Others	599.57	599.70	599.67	601.37	601.20
Total	5,870.97	5,873.97	5,873.72	5,881.72	5,881.72

Source: DJPPR Kemenkeu and Binaartha

Exhibit 7: Indo Government Bonds FR Series Valuation (As of September 2nd, 2024)

No	Series	Maturity	Coupon	TTM	Last Price	Fair Price	YTM	Modified Duration	Notes
1	FR0037	15-Sep-26	12.000%	2.03	110.55	110.54	6.376%	1.73	Premium
2	FR0040	15-Sep-25	11.000%	1.03	104.50	104.50	6.410%	0.93	Premium
3	FR0042	15-Jul-27	10.250%	2.86	109.59	109.60	6.515%	2.46	Premium
4	FR0044	15-Sep-24	10.000%	0.03	100.12	100.13	5.715%	0.03	Premium
5	FR0045	15-May-37	9.750%	12.69	123.86	123.88	6.897%	7.64	Premium
6	FR0047	15-Feb-28	10.000%	3.45	110.85	110.86	6.436%	2.92	Premium
7	FR0050	15-Jul-38	10.500%	13.86	133.50	133.51	6.741%	8.08	Premium
8	FR0052	15-Aug-30	10.500%	5.94	118.32	118.32	6.710%	4.52	Premium
9	FR0054	15-Jul-31	9.500%	6.86	115.39	115.40	6.666%	5.10	Premium
10	FR0056	15-Sep-26	8.375%	2.03	103.65	103.65	6.425%	1.78	Premium
11	FR0057	15-May-41	9.500%	16.69	125.88	125.90	6.869%	9.02	Premium
12	FR0058	15-Jun-32	8.250%	7.78	109.30	109.31	6.695%	5.70	Premium
13	FR0059	15-May-27	7.000%	2.69	101.40	101.41	6.420%	2.38	Premium
14	**FR0062**	**15-Apr-42**	**6.375%**	**17.61**	**96.51**	**96.52**	**6.715%**	**10.09**	**Discount**
15	FR0064	15-May-28	6.125%	3.69	98.89	98.90	6.464%	3.20	Discount
16	FR0065	15-May-33	6.625%	8.69	99.87	99.88	6.643%	6.40	Discount
17	FR0067	15-Feb-44	8.750%	19.45	120.45	120.45	6.834%	10.12	Premium
18	FR0068	15-Mar-34	8.375%	9.52	112.00	111.99	6.655%	6.47	Premium
19	FR0071	15-Mar-29	9.000%	4.52	109.52	109.51	6.538%	3.59	Premium
20	FR0072	15-May-36	8.250%	11.69	112.31	112.32	6.712%	7.54	Premium
21	FR0073	15-May-31	8.750%	6.69	111.07	111.08	6.670%	5.01	Premium
22	FR0074	15-Aug-32	7.500%	7.94	104.82	104.82	6.707%	5.95	Premium
23	FR0075	15-May-38	7.500%	13.69	106.37	106.38	6.777%	8.48	Premium
24	FR0076	15-May-48	7.375%	23.69	106.49	106.51	6.818%	11.26	Premium
25	FR0078	15-May-29	8.250%	4.69	106.77	106.78	6.549%	3.80	Premium
26	FR0079	15-Apr-39	8.375%	14.61	114.42	114.43	6.801%	8.55	Premium
27	FR0080	15-Jun-35	7.500%	10.78	106.24	106.25	6.677%	7.33	Premium
28	FR0081	15-Jun-25	6.500%	0.78	100.03	100.04	6.445%	0.74	Premium
29	FR0082	15-Sep-30	7.000%	6.03	102.18	102.18	6.556%	4.72	Premium
30	FR0083	15-Apr-40	7.500%	15.61	106.42	106.42	6.825%	9.09	Premium
31	FR0084	15-Feb-26	7.250%	1.45	101.08	101.09	6.448%	1.35	Premium
32	FR0085	15-Apr-31	7.750%	6.61	105.41	105.41	6.722%	5.02	Premium
33	FR0086	15-Apr-26	5.500%	1.61	98.59	98.60	6.427%	1.48	Discount
34	FR0087	15-Feb-31	6.500%	6.45	99.49	99.50	6.597%	5.18	Discount
35	**FR0088**	**15-Jun-36**	**6.250%**	**11.78**	**96.81**	**96.82**	**6.643%**	**8.06**	**Discount**
36	FR0089	15-Aug-51	6.875%	26.94	100.09	100.09	6.868%	12.15	Premium
37	FR0090	15-Apr-27	5.120%	2.61	97.00	96.99	6.389%	2.35	Discount
38	**FR0091**	**15-Apr-32**	**6.380%**	**7.61**	**98.57**	**98.60**	**6.616%**	**5.79**	**Discount**
39	FR0092	15-Jun-42	7.120%	17.78	103.04	103.00	6.826%	9.97	Premium
40	**FR0093**	**15-Jul-37**	**6.380%**	**12.86**	**97.20**	**97.25**	**6.702%**	**8.54**	**Discount**
41	FR0094	15-Jan-28	5.600%	3.36	96.80	96.81	6.675%	2.98	Discount
42	FR0095	15-Aug-28	6.380%	3.94	99.96	99.98	6.384%	3.43	Discount
43	FR0096	15-Feb-33	7.000%	8.45	102.19	102.20	6.655%	6.31	Premium
44	FR0097	15-Jun-43	7.120%	18.78	103.31	103.27	6.809%	10.26	Premium
45	FR0098	15-Jun-38	7.120%	13.78	103.77	103.74	6.700%	8.67	Premium
46	FR0099	15-Jan-29	6.400%	4.36	99.48	99.49	6.536%	3.72	Discount
47	**FR0100**	**15-Feb-34**	**6.625%**	**9.45**	**99.90**	**99.90**	**6.639%**	**6.91**	**Discount**
48	FR0101	15-Apr-29	6.875%	4.61	101.39	101.40	6.519%	3.81	Premium
49	FR0102	15-Jul-54	6.875%	29.86	100.57	100.58	6.829%	12.54	Premium
50	FR0103	15-Jul-35	6.750%	10.86	101.20	101.21	6.593%	7.57	Premium
51	FR0104	15-Jul-30	6.500%	5.86	100.10	100.11	6.478%	4.77	Premium
52	FRSDG001	15-Oct-30	7.375%	6.11	103.26	103.27	6.714%	4.76	Premium

Source: Bloomberg, KSEI, and Binaartha

Exhibit 8: Indo Government Sukuk Valuation (As of September 2nd, 2024)

No	Series	Maturity	Revenue Sharing	TTM	Last Price	Fair Price	YTM	Modified Duration	Notes
1	IFR0006	15-Mar-30	10.25%	5.52	116.94	116.93	6.548%	4.14	Premium
2	IFR0007	15-Jan-25	10.25%	0.36	101.38	101.41	6.264%	0.35	Premium
3	IFR0010	15-Feb-36	10.00%	11.45	125.91	125.92	6.718%	7.29	Premium
4	PBS003	15-Jan-27	6.00%	2.36	98.52	98.53	6.684%	2.15	Discount
5	PBS004	15-Feb-37	6.10%	12.45	94.30	94.30	6.785%	8.46	Discount
6	**PBS005**	**15-Apr-43**	**6.75%**	**18.61**	**99.34**	**99.35**	**6.812%**	**10.21**	**Discount**
7	PBS007	15-Sep-40	9.00%	16.03	121.75	121.75	6.757%	8.85	Premium
8	PBS012	15-Nov-31	8.88%	7.20	113.07	113.09	6.564%	5.28	Premium
9	PBS015	15-Jul-47	8.00%	22.86	113.24	113.25	6.845%	11.03	Premium
10	PBS017	15-Oct-25	6.13%	1.11	99.69	99.70	6.413%	1.03	Discount
11	PBS018	15-May-28	7.63%	3.69	103.46	103.47	6.551%	3.13	Premium
12	PBS020	15-Oct-27	9.00%	3.11	106.82	106.83	6.539%	2.62	Premium
13	PBS021	15-Nov-26	8.50%	2.20	104.07	104.09	6.473%	1.94	Premium
14	PBS022	15-Apr-34	8.63%	9.61	113.43	113.44	6.705%	6.50	Premium
15	PBS023	15-May-30	8.13%	5.69	107.27	107.28	6.570%	4.46	Premium
16	PBS024	15-May-32	8.38%	7.69	110.65	110.66	6.586%	5.61	Premium
17	PBS025	15-May-33	8.38%	8.69	111.26	111.27	6.646%	6.14	Premium
18	PBS026	15-Oct-24	6.63%	0.11	100.00	100.01	6.496%	0.11	On Par
19	PBS028	15-Oct-46	7.75%	22.11	109.44	109.45	6.910%	10.71	Premium
20	PBS029	15-Mar-34	6.38%	9.52	97.73	97.73	6.701%	6.81	Discount
21	PBS030	15-Jul-28	5.88%	3.86	97.53	97.54	6.609%	3.37	Discount
22	PBS032	15-Jul-26	4.88%	1.86	97.02	97.03	6.600%	1.73	Discount
23	**PBS033**	**15-Jun-47**	**6.75%**	**22.78**	**98.00**	**98.01**	**6.925%**	**11.27**	**Discount**
24	PBS034	15-Jun-39	6.50%	14.78	97.59	97.60	6.759%	9.20	Discount
25	PBS035	15-Mar-42	6.75%	17.52	98.99	98.99	6.850%	9.83	Discount
26	PBS036	15-Aug-25	5.38%	0.95	98.82	98.82	6.683%	0.90	Discount
27	PBS037	15-Mar-36	6.88%	11.52	100.33	100.33	6.833%	7.64	Premium
28	**PBS038**	**15-Dec-49**	**6.88%**	**25.28**	**98.84**	**98.85**	**6.972%**	**11.66**	**Discount**
29	PBS039	15-Jul-41	6.63%	16.86	98.35	98.36	6.790%	9.91	Discount

Source: Bloomberg, KSEI, and Binaartha

Exhibit 9: Indo ORI Valuation (As of September 2nd, 2024)

No	Series	Maturity	Coupon	TTM	Last Price	Fair Price	YTM	Modified Duration	Notes
1	ORI020	15-Oct-24	4.95%	0.11	99.71	99.95	7.565%	0.11	Discount
2	ORI021	15-Feb-25	4.90%	0.45	98.77	99.78	7.720%	0.43	Discount
3	ORI022	15-Oct-25	5.95%	1.11	99.41	99.85	6.503%	1.04	Discount
4	ORI023T3	15-Jul-26	5.90%	1.86	98.25	99.58	6.904%	1.72	Discount
5	**ORI023T6**	**15-Jul-29**	**6.10%**	**4.86**	**98.25**	**99.05**	**6.521%**	**4.10**	**Discount**
6	ORI024T3	15-Oct-26	6.10%	2.11	98.75	99.63	6.736%	1.90	Discount
7	**ORI024T6**	**15-Oct-29**	**6.35%**	**5.11**	**99.01**	**99.10**	**6.579%**	**4.20**	**Discount**
8	ORI025T3	15-Feb-27	6.25%	2.45	99.13	99.65	6.638%	2.22	Discount
9	**ORI025T6**	**15-Feb-30**	**6.40%**	**5.45**	**99.72**	**99.15**	**6.462%**	**4.52**	**Discount**

Source: Bloomberg, KSEI, and Binaartha

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