

Market Update

The JCI and INDOGB prices are closed higher ahead the monthly RDG meeting. JCI slightly increased by +0.21% (-0.71% mtd) to 6,029.98 with foreign recording net inflow of Rp206.89bn. Meanwhile, regional stock markets closed mixed, with the NKY +0.58%, HSI -0.04%, and Kospi -0.52%.

INDOGB 10-yr yield declined to 6.28% amid robust demand on Tuesday's bond auction. Total incoming bids continued increase at Rp95.55tn (prev. Rp83.4tn), highest since January. The 10-yr benchmark candidate for next year, FR0091, still dominated incoming bids, reaching 32% of total incoming bids. However, its nominal amount showed a biggest drop by -9.3%. Meanwhile, the long tenors recorded rising demand, with The 20-yr benchmark candidate for next year, FR0092, recorded a biggest increase in demand by +31.3%. The government issued Rp34tn, slightly higher than the initial target of Rp33tn.

Bank Indonesia (BI) will hold monthly RDG meeting on today. The consensus expects BI7DRR to remain unchanged at 3.50% due to a potential increase on global inflation, fragile domestic economic recovery due to a high number of coronavirus cases, and a high pressure on rupiah against dollar. USD/IDR decreased by -0.51% 14,482. The weighted government cost of fund lowered to 5.96% (prev. 6.06%), yet the weighted tenor increased to 11.61-yr (prev. 10.59-yr).

Government Bond Ownership As of July 12, 2021 (in Trillion)

Holders	2020	30-Jun-21	12-Jul-21
Banks	1,375.57	1,391.98	1,376.68
(of percentage %)	35.54	32.50	31.84
Bank Indonesia	454.36	677.95	723.32
(of percentage %)	11.74	15.83	16.73
Mutual Fund	161.33	135.40	137.57
(of percentage %)	4.17	3.16	3.18
Insurance & Pension Fund	542.82	610.06	615.73
(of percentage %)	14.02	14.24	14.24
Foreign Investor	973.91	977.31	974.01
(of percentage %)	25.16	22.82	22.52
Individual Investors	131.24	192.21	195.80
(of percentage %)	3.39	4.49	4.53
Others	231.54	297.71	301.07
(of percentage %)	5.98	6.95	6.96
Total	3,870.76	4,282.62	4,324.18

Source: DJPPR

10-Year Government Bond Yield

Country	S&P Rating	21-Jul	(-1 day)	Chg. (bps)
US	AA+	1.30	1.30	0
UK	AA	0.56	0.56	0
Germany	AAA	-0.41	-0.39	2
France	AA	-0.06	-0.04	2
Brazil	BB-	9.17	9.18	-1
India	BBB-	6.20	6.21	-1
China	A+	2.92	2.93	0
South Korea	AA	1.90	1.92	2
Thailand	BBB+	1.58	1.62	-5
Malaysia	A-	3.10	3.14	3
Singapore	AAA	1.37	1.42	5
Indonesia*	BBB	6.29	6.30	1

Source: Bloomberg

Spot Forex

	21-Jul	(-1 day)	(-1 week)
USD/IDR	14,482	14,556	14,478
EUR/IDR	17,152	17,152	17,139
GBP/IDR	19,948	19,948	20,072
SGD/IDR	10,664	10,664	10,699
CNY/IDR	2,239	2,239	2,238

Source: Bloomberg

Global Stock

Markets	Last Price	Chg. (%)	% MTD	% YTD
S&P 500	4,358.69	0.82%	0.82%	17.78%
DJIA	34,798.00	0.83%	0.83%	15.13%
NASDAQ	14,631.95	0.92%	0.92%	15.23%
DAX	15,216.27	0.55%	0.55%	10.85%
FTSE	6,881.13	0.54%	0.54%	4.71%
CAC 40	6,346.85	0.81%	0.81%	13.56%
Nikkei	27,388.16	-0.96%	-0.96%	0.48%
Hang Seng	27,224.58	-1.55%	0.00%	-0.90%
Kospi	3,215.91	-0.52%	-0.52%	9.22%
JCI	6,029.98	0.21%	-0.70%	-1.23%

Source: Bloomberg

Macroeconomic Data

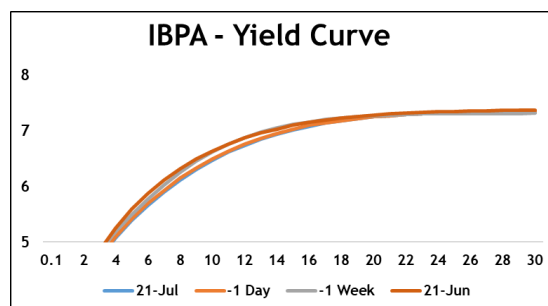
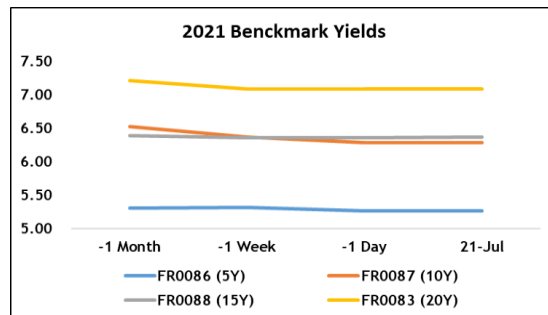
	Jun-21	May-21	Apr-21
Consumer Price Index (MoM)	-0.16	0.32	0.13
Consumer Price Index (YoY)	1.33	1.68	1.42
Core Inflation (YoY)	1.49	1.37	1.18
BI 7-Day RR Rate (%)	3.50	3.50	3.50
Foreign Reserve (US\$ Bn)	137.1	136.40	138.80

Source: Bloomberg

2021 Benchmark

Series	21-Jul	(-1 day)	Chg. (bps)	Yield (%)
FR0086 (5Y)	101.10	101.05	5	5.232
FR0087 (10Y)	101.65	101.45	20	6.267
FR0088 (15Y)	99.10	99.20	-10	6.343
FR0083 (20Y)	104.40	104.40	0	7.071

Source: PLTE


Indonesia Government Bonds Yield

Maturities (Year)	IDR				USD			
	22-Jul	(-1 day)	hg. (in bps)	Yield (%)	(-1 day)	Chg. (in bps)		
01	3.20	3.26	-6	0.53	0.54	-1		
02	4.10	4.11	-1	0.53	0.50	3		
03	4.43	4.42	1	0.75	0.75	0		
04	4.94	4.94	0	1.04	1.03	0		
05	5.27	5.27	0	1.43	1.43	-1		
06	5.58	5.57	1	1.84	1.84	0		
07	6.05	6.06	-1	1.97	1.97	0		
08	6.14	6.13	1	2.22	2.21	1		
09	6.41	6.50	-9	1.90	1.91	-1		
10	6.29	6.30	-1	2.16	2.12	4		
15	6.36	6.35	1	N/A	N/A	N/A		
20	7.08	7.08	0	3.41	3.40	1		
30	6.89	6.89	0	3.22	3.20	2		

Source: Bloomberg

Indonesia Government International Bond

INDON	21-Jul	(-1 day)	Chg. (bps)
INDON-26	1.38	1.38	0
INDON-31	2.15	2.14	1
INDON-46	3.49	3.48	0
INDON-51	3.08	3.10	-2

Source: Bloomberg

Most Active Government Bonds

Series	TTM	Price	Yield (%)	Volume (IDR bn)
FR0092	20.91	101.15	7.018	806
FR0087	9.57	101.65	6.267	2685
FR0091	10.74	100.30	6.334	3073
FR0088	14.91	99.10	6.343	202
FR0089	30.08	99.85	6.866	48

Source: PLTE

Most Active Corporate Bonds

Series	TTM	Rating	Price	Yield (%)	Volume (IDR bn)
SMPNMP01ACN1	0.99	idA+(sy)	100.05	5.461	27
PNMPO3ACN1	0.85	idA	103.15	5.673	86
SIPPLN02CCN2	11.29	idAAA(sy)	106.85	7.775	136
SMOPPM01A	0.99	idA+(sy)	100.00	7.250	47
INKP01BCN3	2.39	idA+	102.55	8.822	5

Source: PLTE

Government Bond Prices

Closing Price: 21-Jul-2021

Series	Maturity	TTM	Coupon	Price	YTM	Est. Yield	Fair Price	Spread (bps)	Recommendation
FR0061	15-May-22	0.82	7.000%	103.02	3.202%	3.40%	102.87	-15	Fair
FR0035	15-Jun-22	0.90	12.900%	108.38	3.351%	3.47%	108.28	-10	Fair
FR0043	15-Jul-22	0.98	10.250%	106.11	3.989%	3.53%	106.43	32	Cheap
FR0063	15-May-23	1.82	5.625%	102.63	4.098%	4.11%	102.62	-2	Fair
FR0046	15-Jul-23	1.98	9.500%	109.80	4.332%	4.21%	109.95	15	Fair
FR0039	15-Aug-23	2.07	11.750%	114.51	4.320%	4.27%	114.65	14	Fair
FR0070	15-Mar-24	2.65	8.375%	109.75	4.428%	4.59%	109.35	-40	Expensive
FR0077	15-May-24	2.82	8.125%	109.65	4.433%	4.67%	109.01	-64	Expensive
FR0044	15-Sep-24	3.16	10.000%	115.18	4.744%	4.83%	114.93	-25	Expensive
FR0081	15-Jun-25	3.90	6.500%	105.48	4.936%	5.14%	104.73	-75	Expensive
FR0040	15-Sep-25	4.16	11.000%	120.68	5.379%	5.24%	121.23	55	Cheap
FR0084	15-Feb-26	4.58	7.250%	107.27	5.430%	5.38%	107.46	19	Fair
FR0086	15-Apr-26	4.74	5.500%	100.95	5.268%	5.44%	100.25	-70	Expensive
FR0037	15-Sep-26	5.16	12.000%	128.86	5.490%	5.57%	128.45	-41	Expensive
FR0056	15-Sep-26	5.16	8.375%	113.38	5.364%	5.57%	112.41	-96	Expensive
FR0090	15-Apr-27	5.74	5.125%	98.88	5.352%	5.73%	97.08	-181	Expensive
FR0059	15-May-27	5.82	7.000%	106.96	5.580%	5.75%	106.09	-86	Expensive
FR0042	15-Jul-27	5.99	10.250%	122.01	5.848%	5.79%	122.27	26	Cheap
FR0047	15-Feb-28	6.58	10.000%	121.28	6.027%	5.93%	121.86	58	Cheap
FR0064	15-May-28	6.82	6.125%	101.02	5.938%	5.99%	100.76	-26	Expensive
FR0071	15-Mar-29	7.65	9.000%	117.25	6.138%	6.15%	117.18	-7	Fair
FR0078	15-May-29	7.82	8.250%	112.70	6.175%	6.18%	112.68	-2	Fair
FR0052	15-Aug-30	9.07	10.500%	127.79	6.410%	6.38%	128.05	27	Cheap
FR0082	15-Sep-30	9.16	7.000%	104.96	6.278%	6.39%	104.18	-78	Expensive
FR0087	15-Feb-31	9.58	6.500%	101.52	6.286%	6.44%	100.38	-113	Expensive
FR0085	15-Apr-31	9.74	7.750%	109.00	6.486%	6.47%	109.16	15	Fair
FR0073	15-May-31	9.82	8.750%	116.25	6.484%	6.48%	116.32	7	Fair
FR0054	15-Jul-31	9.99	9.500%	121.21	6.920%	6.50%	121.81	60	Cheap
FR0091	15-Apr-32	10.74	6.375%	100.30	6.920%	6.58%	98.40	-190	Expensive
FR0058	15-Jun-32	10.91	8.250%	111.69	6.728%	6.60%	112.66	98	Cheap
FR0074	15-Aug-32	11.08	7.500%	106.43	6.669%	6.62%	106.83	41	Cheap
FR0065	15-May-33	11.82	6.625%	100.10	6.611%	6.69%	99.46	-64	Expensive
FR0068	15-Mar-34	12.66	8.375%	112.40	6.889%	6.76%	113.55	115	Cheap
FR0080	15-Jun-35	13.91	7.500%	104.80	6.954%	6.86%	105.70	89	Cheap
FR0072	15-May-36	14.83	8.250%	111.23	7.017%	6.92%	112.23	100	Cheap
FR0088	15-Jun-36	14.91	6.250%	98.93	6.362%	6.92%	93.81	-511	Expensive
FR0045	15-May-37	15.83	9.750%	127.35	6.892%	6.97%	126.33	-102	Expensive
FR0075	15-May-38	16.83	7.500%	104.24	7.064%	7.02%	104.63	39	Cheap
FR0050	15-Jul-38	16.99	10.500%	131.58	7.239%	7.03%	134.06	247	Cheap
FR0079	15-Apr-39	17.75	8.375%	112.29	7.140%	7.07%	113.09	80	Cheap
FR0083	15-Apr-40	18.75	7.500%	104.26	7.084%	7.11%	104.01	-25	Expensive
FR0057	15-May-41	19.83	9.500%	122.00	7.372%	7.15%	124.70	270	Cheap
FR0062	15-Apr-42	20.75	6.375%	96.00	6.735%	7.18%	91.38	-462	Expensive
FR0092	15-Jun-42	20.92	7.125%	101.17	7.017%	7.18%	99.35	-181	Expensive
FR0067	15-Feb-44	22.59	8.75%	115.85	7.305%	7.23%	116.74	89	Cheap
FR0076	15-May-48	26.84	7.38%	103.19	7.106%	7.33%	100.50	-269	Expensive
FR0089	15-Aug-51	30.09	6.88%	99.86	6.885%	7.39%	93.85	-601	Expensive

Source: IBPA, PLTE, Bloomberg, & MCS Estimates

PT MEGA CAPITAL SEKURITAS
Head Office
Menara Bank Mega Lt. 2
Jl. Kapten P. Tendean Kav 12-14A
Jakarta 12790

Dealing Room

Phone No. : +62 21 7995795

Fax No. : +62 21 79175965

Contact Person

Doni Setiowibowo	Head of Debt Capital Market	doni.setiowibowo@megasekuritas.id	Ext. 62030
Ajeng Palupi	Sales Debt	palupi@megasekuritas.id	Ext. 62157
Ratna Nurhasanah	Sales Debt	ratna.nurhasanah@megasekuritas.id	Ext. 62087
Retno Sekar Datu	Debt Capital Market Analyst	retno.sekar@megasekuritas.id	Ext. 62112
Nada Lathifah Utari	Administrative	nada@megasekuritas.id	Ext. 62424

DISCLAIMER ON

This Document is for information only and for the use of the recipient. It is not to be reproduced or copied or made available to others. Under no circumstances is it to be considered as an offer to sell or solicitation to buy any security. Any recommendation contained in this report may not be suitable for all investors and strictly a personal view and should not be used as a sole judgment for investment. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy, completeness and reliability cannot be guaranteed. All rights reserved by PT Mega Capital Sekuritas.