

Market Update

Rupiah asset classes closed lower on Monday as market sentiment was shaken by fears surrounding property developer China Evergrande Group weighing on risk in Emerging Markets. The JCI declined -0.93% to 6,076.32 with foreign reported net buy of +Rp211.56bn. Markets in mainland China, Japan and South Korea were closed on Monday for holidays. While, HSI slipped -3.30% led by Evergrande stock scrambling to raise funds to pay its many lenders, suppliers and investors.

INDOGB 10-yr yield rose to 6.17%. While, UST 10-yr yield dropped to 1.31% as rising risks boost safe haven appeal. USD/IDR appreciated by +0.13% to 14,277. Sukuk auction is due to be held on today. The government expected to raise Rp10tn of funds. Here are the series that will be auctioned.

SPN56Mo: 2.88 - 3.06%
 PBS031 (3Y): 4.20 - 4.30%
 PBS032 (5Y): 4.98 - 5.08%
 PBS030 (7Y): 5.80 - 5.90%
 PBS029 (13Y): 6.40 - 6.50%
 PBS028 (25Y): 7.00 - 7.07%

The government raised Rp27tn of SR015 issuance, the highest since retail government securities issuance were provided through the e-SBN platform amid of relatively unstable financial market conditions. The SR015 coupon of 5.10% was the lowest in the history of issuing tradable retail government securities, in line with the government's policy to reduce yields and cost of issuing government securities. Indonesia recorded trade surplus of +\$4.74bn in August, highest since December 2006, or +\$19.17bn YTD.

Government Bond Ownership As of Sep 16, 2021 (in Trillion)

| Holders | 2020 | 30-Jul-21 | 16-Sep-21 |
|--------------------------|-----------------|-----------------|-----------------|
| Banks | 1,375.57 | 1,368.45 | 1,486.10 |
| (of percentage %) | 35.54 | 31.92 | 33.65 |
| Bank Indonesia | 454.36 | 689.52 | 660.10 |
| (of percentage %) | 11.74 | 16.08 | 14.95 |
| Mutual Fund | 161.33 | 136.21 | 141.71 |
| (of percentage %) | 4.17 | 3.18 | 3.21 |
| Insurance & Pension Fund | 542.82 | 625.30 | 637.93 |
| (of percentage %) | 14.02 | 14.59 | 14.44 |
| Foreign Investor | 973.91 | 965.78 | 977.88 |
| (of percentage %) | 25.16 | 22.53 | 22.14 |
| Individual Investors | 131.24 | 198.88 | 193.18 |
| (of percentage %) | 3.39 | 4.64 | 4.37 |
| Others | 231.54 | 303.01 | 319.45 |
| (of percentage %) | 5.98 | 7.07 | 7.23 |
| Total | 3,870.76 | 4,287.16 | 4,416.36 |

Source: DJPPR

10-Year Government Bond Yields

| Country | S&P Rating | 20-Sep | (-1 day) | Chg. (bps) |
|--------------|------------|--------|----------|------------|
| US | AA+ | 1.31 | 1.36 | -5 |
| UK | AA | 0.85 | 0.82 | 3 |
| Germany | AAA | -0.28 | -0.30 | 2 |
| France | AA | 0.05 | 0.03 | 2 |
| Brazil | BB- | 11.14 | 11.07 | 7 |
| India | BBB- | 6.14 | 6.17 | -3 |
| China | A+ | 2.89 | 2.89 | -1 |
| South Korea* | AA | 2.06 | 2.05 | 2 |
| Thailand | BBB+ | 1.79 | 1.80 | -1 |
| Malaysia | A- | 3.35 | 3.32 | 2 |
| Singapore | AAA | 1.43 | 1.43 | 0 |
| Indonesia | BBB | 6.13 | 6.13 | 0 |

Source: Bloomberg

*The market was closed for holiday

Spot Forex

| | 20-Sep | (-1 day) | (-1 week) |
|---------|--------|----------|-----------|
| USD/IDR | 14,277 | 14,259 | 14,253 |
| EUR/IDR | 16,701 | 16,701 | 16,833 |
| GBP/IDR | 19,455 | 19,455 | 19,725 |
| SGD/IDR | 10,530 | 10,530 | 10,621 |
| CNY/IDR | 2,208 | 2,208 | 2,209 |

Source: Bloomberg

Global Stock Markets

| Index | Last Price | Chg. (%) | % MTD | % YTD |
|-----------|------------|----------|----------|-----------|
| S&P 500 | 4,357.73 | ↓ -1.70% | ↓ -3.68% | ↑ 17.76% |
| DJIA | 33,970.47 | ↓ -1.78% | ↓ -3.80% | ↑ 12.40% |
| NASDAQ | 14,713.90 | ↓ -2.19% | ↓ -3.89% | ↑ 15.87% |
| DAX | 15,132.06 | ↓ -2.31% | ↓ -4.37% | ↑ 10.24% |
| FTSE | 6,903.91 | ↓ -0.86% | ↓ -3.44% | ↑ 5.05% |
| CAC 40 | 6,455.81 | ↓ -1.74% | ↓ -4.48% | ↑ 15.51% |
| Nikkei* | 29,913.59 | ↓ -1.92% | ↑ 5.14% | ↑ 9.74% |
| Hang Seng | 24,099.14 | ↓ -3.30% | ↓ -7.41% | ↓ -12.28% |
| Kospi* | 3,140.51 | ↑ 0.33% | ↓ -2.07% | ↑ 6.66% |
| JCI | 6,076.32 | ↓ -0.93% | ↓ -0.24% | ↓ -0.47% |

Source: Bloomberg

*The markets were closed for holiday

Macroeconomic Data

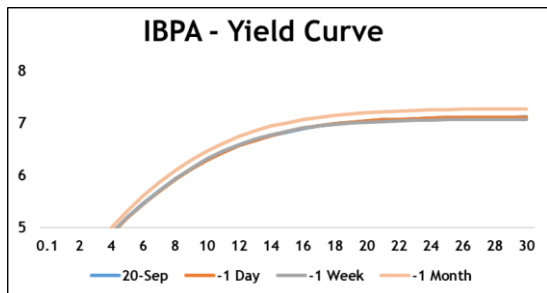
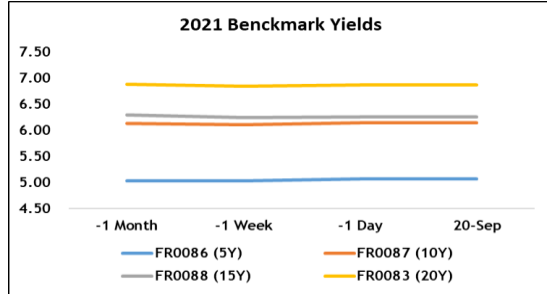
| | Aug-21 | Jul-21 | Jun-21 |
|----------------------------|--------|--------|--------|
| Consumer Price Index (MoM) | 0.03 | 0.08 | -0.16 |
| Consumer Price Index (YoY) | 1.59 | 1.52 | 1.33 |
| Core Inflation (YoY) | 1.30 | 1.40 | 1.49 |
| BI 7-Day RR Rate (%) | 3.50 | 3.50 | 3.50 |
| Foreign Reserve (US\$ Bn) | 144.8 | 137.3 | 137.1 |

Source: Bloomberg

2021 Benchmark

| Series | 20-Sep | (-1 day) | Chg. (bps) | Yield (%) |
|--------------|--------|----------|------------|-----------|
| FR0086 (5Y) | 101.75 | 101.80 | -5 | 5.065 |
| FR0087 (10Y) | 102.35 | 102.65 | -30 | 6.170 |
| FR0088 (15Y) | 99.45 | 99.95 | -50 | 6.310 |
| FR0083 (20Y) | 106.30 | 106.65 | -35 | 6.892 |

Source: PLTE



Indonesia Government Bond Yields

| Maturities (Year) | IDR | | | USD | | |
|-------------------|--------|----------|---------------|-----------|----------|---------------|
| | 20-Sep | (-1 day) | Chg. (in bps) | Yield (%) | (-1 day) | Chg. (in bps) |
| 01 | 3.08 | 3.09 | -1 | 0.61 | 0.54 | 6 |
| 02 | 3.86 | 3.85 | 1 | 0.63 | 0.57 | 5 |
| 03 | 4.30 | 4.26 | 4 | 0.74 | 0.72 | 2 |
| 04 | 4.81 | 4.79 | 2 | 1.09 | 1.06 | 3 |
| 05 | 5.07 | 5.05 | 2 | 1.32 | 1.28 | 3 |
| 06 | 5.32 | 5.33 | 0 | 1.76 | 1.70 | 6 |
| 07 | 6.05 | 6.06 | -1 | 1.91 | 1.87 | 5 |
| 08 | 6.01 | 6.00 | 1 | 2.11 | 2.07 | 4 |
| 09 | 6.21 | 6.21 | 0 | 1.90 | 1.91 | -1 |
| 10 | 6.13 | 6.13 | 0 | 2.18 | 2.14 | 4 |
| 15 | 6.25 | 6.25 | 0 | N/A | N/A | N/A |
| 20 | 6.87 | 6.85 | 2 | 3.53 | 3.48 | 5 |
| 30 | 6.79 | 6.79 | 0 | 3.34 | 3.29 | 5 |

Source: Bloomberg

Indonesia Government International Bond Yields

| INDON | 20-Sep | (-1 day) | Chg. (bps) |
|----------|--------|----------|------------|
| INDON-26 | 1.27 | 1.26 | 1 |
| INDON-31 | 2.16 | 2.15 | 1 |
| INDON-46 | 3.54 | 3.53 | 1 |
| INDON-51 | 3.20 | 3.20 | 1 |

Source: Bloomberg

Most Active Government Bonds

| Series | TTM | Price | Yield (%) | Volume (IDR bn) |
|--------|-------|--------|-----------|-----------------|
| FR0088 | 14.74 | 99.45 | 6.310 | 203.05 |
| FR0089 | 29.92 | 100.20 | 6.854 | 62.79 |
| FR0065 | 11.65 | 101.10 | 6.488 | 394.51 |
| FR0076 | 26.66 | 103.45 | 7.084 | 160.41 |
| FR0087 | 9.41 | 102.35 | 6.170 | 2405.95 |

Source: PLTE

Most Active Corporate Bonds

| Series | TTM | Rating | Price | Yield (%) | Volume (IDR bn) |
|-------------|------|----------|--------|-----------|-----------------|
| SMMA02ACN1 | 0.99 | irAA | 100.00 | 6.748 | 107 |
| SMLPPI01B | 2.05 | idA+(sy) | 105.90 | 10.997 | 242 |
| SIDILD01CN1 | 0.97 | irA- | 100.00 | 10.494 | 570 |
| WSKT03ACN4 | 0.65 | A-(idn) | 100.60 | 8.035 | 20 |
| BMTR02ACN2 | 1.01 | idA | 100.00 | 9.398 | 2 |

Source: PLTE

Government Bond Prices

Closing Price: 20-Sep-2021

| Series | Maturity | TTM | Coupon | Price | YTM | Est. Yield | Fair Price | Spread (bps) |
|--------|-----------|-------|---------|--------|--------|------------|------------|--------------|
| FR0061 | 15-May-22 | 0.65 | 7.000% | 102.48 | 3.084% | 2.964% | 102.59 | 10 |
| FR0035 | 15-Jun-22 | 0.73 | 12.900% | 107.06 | 3.061% | 3.035% | 107.12 | 6 |
| FR0043 | 15-Jul-22 | 0.82 | 10.250% | 105.69 | 3.093% | 3.103% | 105.73 | 4 |
| FR0063 | 15-May-23 | 1.65 | 5.625% | 102.79 | 3.857% | 3.720% | 103.02 | 23 |
| FR0046 | 15-Jul-23 | 1.82 | 9.500% | 109.65 | 3.986% | 3.830% | 109.86 | 21 |
| FR0039 | 15-Aug-23 | 1.90 | 11.750% | 113.97 | 4.023% | 3.883% | 114.29 | 32 |
| FR0070 | 15-Mar-24 | 2.48 | 8.375% | 109.50 | 4.295% | 4.226% | 109.69 | 19 |
| FR0077 | 15-May-24 | 2.65 | 8.125% | 109.50 | 4.287% | 4.316% | 109.44 | -6 |
| FR0044 | 15-Sep-24 | 2.99 | 10.000% | 115.08 | 4.533% | 4.486% | 115.25 | 17 |
| FR0081 | 15-Jun-25 | 3.74 | 6.500% | 105.71 | 4.806% | 4.822% | 105.67 | -4 |
| FR0040 | 15-Sep-25 | 3.99 | 11.000% | 121.62 | 4.952% | 4.923% | 121.75 | 13 |
| FR0084 | 15-Feb-26 | 4.41 | 7.250% | 108.23 | 5.134% | 5.079% | 108.46 | 24 |
| FR0086 | 15-Apr-26 | 4.57 | 5.500% | 101.72 | 5.073% | 5.135% | 101.46 | -25 |
| FR0037 | 15-Sep-26 | 4.99 | 12.000% | 129.61 | 5.198% | 5.273% | 129.16 | -46 |
| FR0056 | 15-Sep-26 | 4.99 | 8.375% | 114.34 | 5.079% | 5.273% | 113.44 | -90 |
| FR0090 | 15-Apr-27 | 5.57 | 5.125% | 100.07 | 5.111% | 5.446% | 98.47 | -159 |
| FR0059 | 15-May-27 | 5.65 | 7.000% | 108.08 | 5.322% | 5.469% | 107.35 | -73 |
| FR0042 | 15-Jul-27 | 5.82 | 10.250% | 123.10 | 5.563% | 5.514% | 123.29 | 19 |
| FR0047 | 15-Feb-28 | 6.41 | 10.000% | 123.20 | 5.638% | 5.662% | 123.02 | -18 |
| FR0064 | 15-May-28 | 6.65 | 6.125% | 102.75 | 5.621% | 5.719% | 102.21 | -54 |
| FR0071 | 15-Mar-29 | 7.49 | 9.000% | 117.83 | 6.005% | 5.893% | 118.59 | 76 |
| FR0078 | 15-May-29 | 7.65 | 8.250% | 113.83 | 5.969% | 5.925% | 114.13 | 30 |
| FR0052 | 15-Aug-30 | 8.91 | 10.500% | 128.97 | 6.211% | 6.135% | 129.59 | 62 |
| FR0082 | 15-Sep-30 | 8.99 | 7.000% | 106.17 | 6.097% | 6.147% | 105.82 | -36 |
| FR0087 | 15-Feb-31 | 9.41 | 6.500% | 102.50 | 6.145% | 6.207% | 102.05 | -44 |
| FR0085 | 15-Apr-31 | 9.57 | 7.750% | 110.86 | 6.226% | 6.229% | 110.83 | -2 |
| FR0073 | 15-May-31 | 9.65 | 8.750% | 118.01 | 6.235% | 6.240% | 117.98 | -3 |
| FR0054 | 15-Jul-31 | 9.82 | 9.500% | 122.57 | 6.920% | 6.262% | 123.47 | 90 |
| FR0091 | 15-Apr-32 | 10.58 | 6.375% | 102.88 | 6.920% | 6.354% | 100.16 | -272 |
| FR0058 | 15-Jun-32 | 10.74 | 8.250% | 113.49 | 6.486% | 6.372% | 114.42 | 94 |
| FR0074 | 15-Aug-32 | 10.91 | 7.500% | 108.22 | 6.438% | 6.391% | 108.61 | 38 |
| FR0065 | 15-May-33 | 11.66 | 6.625% | 101.01 | 6.499% | 6.468% | 101.26 | 25 |
| FR0068 | 15-Mar-34 | 12.49 | 8.375% | 114.78 | 6.616% | 6.544% | 115.46 | 67 |
| FR0080 | 15-Jun-35 | 13.74 | 7.500% | 107.19 | 6.690% | 6.643% | 107.63 | 44 |
| FR0072 | 15-May-36 | 14.66 | 8.250% | 113.00 | 6.831% | 6.705% | 114.26 | 126 |
| FR0088 | 15-Jun-36 | 14.75 | 6.250% | 99.97 | 6.252% | 6.711% | 95.72 | -425 |
| FR0045 | 15-May-37 | 15.66 | 9.750% | 125.14 | 7.067% | 6.766% | 128.53 | 339 |
| FR0075 | 15-May-38 | 16.66 | 7.500% | 105.63 | 6.923% | 6.819% | 106.70 | 107 |
| FR0050 | 15-Jul-38 | 16.83 | 10.500% | 133.30 | 7.080% | 6.828% | 136.38 | 308 |
| FR0079 | 15-Apr-39 | 17.58 | 8.375% | 114.69 | 6.916% | 6.863% | 115.29 | 59 |
| FR0083 | 15-Apr-40 | 18.58 | 7.500% | 106.55 | 6.870% | 6.907% | 106.15 | -40 |
| FR0057 | 15-May-41 | 19.66 | 9.500% | 124.57 | 7.151% | 6.949% | 127.11 | 254 |
| FR0062 | 15-Apr-42 | 20.58 | 6.375% | 97.50 | 6.598% | 6.981% | 93.43 | -407 |
| FR0092 | 15-Jun-42 | 20.75 | 7.125% | 104.28 | 6.738% | 6.986% | 101.49 | -279 |
| FR0067 | 15-Feb-44 | 22.42 | 8.750% | 115.75 | 7.309% | 7.038% | 119.15 | 340 |
| FR0076 | 15-May-48 | 26.67 | 7.38% | 103.81 | 7.055% | 7.139% | 102.78 | -102 |
| FR0089 | 15-Aug-51 | 29.92 | 6.88% | 101.13 | 6.786% | 7.197% | 96.05 | -507 |

Source: IBPA, PLTE, Bloomberg, & MCS Estimates

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