

Overview

The sudden surge in US unemployment has raised concerns about an impending economic slowdown, sparking market turmoil reminiscent of Black Monday. This unexpected development has fueled speculation that the Federal Reserve may have misjudged the economic situation, potentially necessitating rapid interest rate cuts. The resulting uncertainty has particularly impacted the technology sector, leading to a massive sell-off in global stock markets. Concurrently, the Japanese yen hit a seven-month high against the US dollar, pressuring Japanese stocks and causing the Nikkei index to record its worst daily decline since 1987. Geopolitical tensions, especially between Iran and Israel, have further exacerbated global worries. However, amidst these challenges, the ISM Services PMI's rise signals a moderate rebound in US services activity, countering fears of a deeper economic decline. Despite the turbulence, this scenario is viewed as a short-term market overreaction, with underlying economic indicators remaining relatively stable.

Key Comments

The Black Monday

Surge in US Unemployment Triggers Economic Slowdown Concerns: The sudden rise in the US unemployment rate has sparked fears of an accelerating economic slowdown. This unexpected development has unsettled markets and led to speculation that the Federal Reserve may have misjudged the economic situation.

Uncertainty Over Fed Rate Cuts: Concerns have arisen that the Federal Reserve might need to quickly cut interest rates following a weak US jobs report. This uncertainty has created tension in the stock market, particularly in the technology sector.

Global Stock Markets: Stock markets plummeted at the beginning of this week following a massive sell-off in tech stocks, driven by fears of a US economic slowdown. The sell-off reflects concerns about a broader economic downturn.

Japanese Yen Hits Seven-Month High Against US Dollar: The Japanese yen strengthened significantly against the US dollar due to expectations that the Bank of Japan will raise interest rates. This has pressured Japanese stocks, particularly those with substantial exports. The Nikkei index recorded its worst daily decline in history on Monday, closing down 12.4% to 31,458.42. This is the second-largest drop since Black Monday in October 1987, when the index lost 3,836.48 points (14.9%).

Geopolitical Concerns: Geopolitical tensions have increased following Iran's threats against Israel, exacerbating global worries and making investors more cautious. After the assassination of Ismail Haniyeh, regional tensions escalated. This event occurred a day after an Israeli attack in Beirut that killed Fuad Shukur. The US is deploying additional military forces in the Middle East as a defensive measure to de-escalate tensions in the region, according to a White House official.

The ISM Services Counter-Narrative: The ISM Services PMI in the US rose to 51.4 in July 2024 from an April 2020 low of 48.8 in the previous month, above market expectations of 51, indicating a moderate rebound in US services activity. Additionally, employment levels for service providers rose for the second time this year (51.1 vs 46.1), challenging the weak jobs report that triggered sharp concerns about the health of the US economy.

Our View: Global financial markets are experiencing turmoil due to a surge in US unemployment, uncertain monetary policies, and geopolitical tensions. However, we see this as a market overreaction. The US economy is not as weak as it appears, with the ISM Services PMI signaling business expansion while the drop in nonfarm payroll and the hiccup in the overall job market remain under the Non-Accelerating Inflation Rate of Unemployment (NAIRU) threshold. We view this as a short-term jolt, just like the Dutch saying, "een rimpel in de oceaan" (a ripple in the ocean).

Yen Carry Trade: Did the BoJ's recent rate hike spark a disruption in the yen's carry trade? Our economic modeling suggests that this is not a significant event under a univariate scenario. Instead, we have multiple events occurring simultaneously. The dominant factors influencing the situation are the jolts in the US market, particularly the unemployment rate and non-farm payroll data. Although these indicators are within normal ranges, the market reaction has been excessive, leading to panic selling spurred by several actors and creating a bandwagon effect. Despite the yen's significant recent strengthening, it has been undervalued for most of the year. As a result, yen-denominated assets may not outperform US assets in the near future. The Bank of Japan's interest rate hike, the highest in 16 years, is notable but still falls short compared to US rates.

Asian Markets Rally: Jakarta Composite Index and Nikkei Bounce Back Strongly: The Jakarta Composite Index rebounded by 0.88% to 7,122.1, and the Nikkei rebounded nearly 11% after recent declines.

Domestic Key Economic Events

Government May Increase Spending to Boost GDP Growth: The government is considering increasing state spending to stimulate GDP growth in the second half of the year due to signs of economic deceleration.

Indonesia Monitors U.S. Economic Risks Amid Potential Recession: Coordinating Minister for the Economy, Airlangga Hartarto, voiced concerns over potential U.S. recession risks, which could lead to capital flight from Indonesia due to higher U.S. interest rates.

2025 State Budget Must Accommodate President-elect's Programs: President Joko Widodo emphasized that the 2025 State Budget should include programs planned by President-elect Prabowo Subianto and Vice President-elect Gibran Rakabuming Raka.

Prabowo and Gibran Agree on Macroeconomic Situation: Finance Minister Sri Mulyani stated that the President-elect and Vice President-elect agreed on various macroeconomic situations affecting the 2025 fiscal budget.

Free Nutritious Meals Included in 2025 Budget: Finance Minister Sri Mulyani confirmed that the 2025 budget would include new initiatives like free nutritious meals. The government sticks to USD 4.4 billion budget for Prabowo's free lunch plan.

Indonesia Aims to Produce 100,000 Oil Barrels a Day by 2028: Indonesia aims to increase oil production by exploiting old oil fields and finding new ones, with a target of producing 100,000 barrels a day by 2028.

Indonesia Looks to China for Oil Field Enhancement; The government plans to partner with Chinese state-owned oil and gas company Sinopec for enhanced oil recovery projects in depleting oil fields.

Indonesia to Implement B40 Biodiesel in 2025: The government will accelerate the implementation of B40 biodiesel, a 60 percent diesel and 40 percent palm-oil-based biofuel blend.

Used Cooking Oil to be Downstreamed for Biofuel: The Coordinating Ministry for Maritime Affairs and Investment supports classifying used cooking oil as a commodity for biofuel production.

Eramet Seeks Bigger Stake in Indonesia's Nickel Industry: Eramet Indonesia aims to provide an alternative to Chinese investments in Indonesia's nickel industry.

ESDM Ministry to Issue Regulation on Carbon Capture Storage: The Ministry of Energy and Mineral Resources will issue a regulation covering business permits, storage capacity, and operational safety for carbon capture and storage (CCS) and carbon capture, utilization, and storage (CCUS).

Indonesia Identifies 100 New Potential Nickel Reserve Sites: The Geological Agency announced 100 additional sites with potential nickel reserves yet to be explored.

Indonesia Develops Mineral Industry to Support Energy Transition: The country is leveraging its mineral industry to support the development of the electric vehicle and renewable energy sectors.

Indonesia Adds 217.73 MW of Renewable Energy Capacity: As of June 2024, Indonesia has added 217.73 MW of new and renewable energy capacity, achieving 66.6% of its annual target.

PLN Trials Carbon Capture at Four Coal-Fired Plants: PLN has partnered with international entities to study carbon capture technology at selected power plants.

Nippon Shokubai to Construct New SAP Plant in Indonesia: Nippon Shokubai Ltd. plans to build a superabsorbent polymers plant with a capacity of 50,000 metric tons per year at its Indonesian subsidiary.

Hyundai Tests Flying Taxi Near New Capital Nusantara: Hyundai plans to commercialize its flying taxi technology by 2028, initiating a strategic partnership with the Indonesian government.

Developers Fear Credit Histories Could Slow Mortgage Applications: Real Estate Indonesia has raised concerns that defaults on fintech peer-to-peer loans could hinder access to mortgages, affecting homeownership.

IDX Market Cap Grew 2.02% Month-to-Month in July 2024: The Indonesia Stock Exchange reported a market capitalization growth of 2.02% month-to-month, reaching IDR 12.33 quadrillion at the end of July 2024.

OJK Vows to Strengthen Rural Banks: The Financial Services Authority reaffirms its commitment to strengthening Community Credit Banks to support economic growth and MSMEs.

Indonesian Government Working on KUR Restructuring Scheme: The government is developing a restructuring scheme for the Micro Credit Program (KUR), according to the Financial Services Authority.

Non-Life Insurance Sector Drives Industry Growth in 1H 2024: The insurance industry recorded a premium income of IDR 165.18 trillion in the first half of 2024, an 8.46% increase from the previous year.

Indonesia Imposes Stricter Tobacco Control Amid Youth Smoking Concerns: A new regulation enforces stricter sales, marketing, and packaging controls on cigarettes and e-cigarettes to curb tobacco use among youths.

BYD Tops Electric Car Sales at GIIAS 2024: BYD led electric car sales at the Gaikindo Indonesia International Auto Show 2024, selling 2,920 electric vehicles.

Chinese EVs Dominate Southeast Asia Despite Absence in U.S. Market: Chinese automaker BYD has become the world's largest EV seller but faces tariffs in the U.S. and the EU, making Southeast Asia a key market.

AirNav Indonesia Runs Cross-Border UPR Trial with Australia: AirNav Indonesia conducted a trial for a cross-border user-preferred route between Indonesian and Australian airspaces.

Market Movement

The Market closed with mixed performances across various indices. The Nikkei surged significantly by 10.2% to close at 34,676, reflecting strong market sentiment in Japan. Meanwhile, the Hang Seng index in Hong Kong dipped slightly by 0.3% to 16,647, indicating some caution among investors. In China, the Shanghai Composite saw a modest increase of 0.2% to 2,867. South Korea's Kospi also performed well, climbing by 3.3% to 2,522.

The Jakarta Composite Index (JCI) closed 1.0% higher at 7,129.2, demonstrating positive investor sentiment in the Indonesian market. The Indonesia Sharia Stock Index (ISSI) mirrored this trend, ending 0.98% stronger at 213.7. Foreign investors showed mixed activity, with a net buy of IDR 15.2 billion in the regular market but a net sell of IDR 130 billion in the negotiated market. Leading the gains were stocks like TPIA, BBRI, and BBCA, while GOTO, UNTR, and MSIN lagged behind. The top sector gainer was IDXINFRA, while IDXINDUS was the top sector loser.

In the foreign net buy stocks category, AMMN rose by 0.9% to 11,800, BMRI increased by 0.7% to 6,625, TPIA jumped by 2.9% to 9,675, FILM fell by 0.5% to 3,720, and MYOR gained 4.0% to 2,570.

Conversely, in the foreign net sell stocks, BBRI went up by 1.6% to 4,600, BBCA increased by 1.3% to 10,000, TLKM remained flat at 2,790, UNTR decreased by 1.1% to 24,150, and GOTO dropped by 2.0% to 50.

Among the leading movers, TPIA saw a significant rise of 2.9% to 9,675, BBRI increased by 1.6% to 4,600, BBCA grew by 1.3% to 10,000, BMRI inched up by 0.8% to 6,625, and AMMN climbed by 0.9% to 11,800. On the flip side, the lagging movers included GOTO, which fell by 2.0% to 50, UNTR, which decreased by 1.1% to 24,150, MSIN, which dropped by 4.3% to 3,090, CPIN, which declined by 1.0% to 5,100, and BRMS, which slid by 1.3% to 148.

The top value stocks were BBRI, closing at 4,600 (+1.6%), BBCA at 10,000 (+1.3%), BMRI at 6,625 (+0.8%), AMMN at 11,800 (+0.9%), and ADRO at 3,180 (+2.9%).

In other markets, the USD/IDR exchange rate saw a slight increase of 0.1%, closing at 16,165. Gold prices inched up by 0.2% to USD 2,415 per ounce, while Brent oil remained steady at USD 76 per barrel.

Overall, the market exhibited a blend of positive momentum in some indices and sectors, while others experienced mild declines, reflecting a nuanced investor outlook.

Fixed Income

Overview

The Rupiah-denominated bond market today showed a weakening trend, primarily influenced by the decline in medium-term Government Securities (SBN) series. Despite this, the Rupiah exchange rate saw an appreciation. The Indonesia Composite Bond Index (ICBI) recorded a slight decline of -0.08%, bringing its year-to-date return to 3.08%. The 10-year benchmark SBN (FRO100) remained stable, closing with a yield of 6.80%. On the currency front, the Rupiah appreciated by 25 points, settling at IDR 16,165 against the US dollar. In contrast, the yield on the 10-year U.S. Treasury Bond rose by +0.060 basis points to 3.840%.

Factors Influencing Market Movement

The primary driver of the bond market's performance was the weakening of the medium-term SBN series, which affected overall bond prices. However, the strengthening of the Rupiah provided some counterbalance to this trend. The stable yield of the 10-year benchmark SBN indicates investor confidence in the long-term stability of Indonesian government bonds, despite the fluctuations in the medium-term securities.

Trading Activity

The bond trading activity saw a notable increase in volume, rising by 5.73% to IDR 50.16 trillion from the previous trading volume of IDR 47.44 trillion. This uptick in trading volume suggests increased investor interest and activity in the bond market. However, the frequency of transactions declined significantly by -29.68%, dropping from 4,791 transactions to 3,369 transactions. This decrease in transaction frequency could indicate a consolidation phase where larger trades are being executed, reducing the number of individual transactions.

Economic and Market Implications

The mixed performance in the bond market, with declining bond prices but a strengthening Rupiah, reflects a complex economic environment. The appreciation of the Rupiah could be attributed to positive sentiment towards Indonesia's economic prospects or external factors such as movements in the US dollar. The increase in the U.S. 10-year Treasury Bond yield indicates rising yields in global markets, which can have a knock-on effect on emerging markets, including Indonesia.

UST 10 year yield:

The yield on the US 10-year Treasury note climbed above 3.8% on Tuesday, following a drop to a one-year low of 3.67% in the previous session, as investors assessed the risks of a US recession. A weak jobs report released on Friday heightened fears of an economic downturn, leading traders to seek safe-haven assets like US Treasuries. The markets also factored in over 100 basis points of total easing from the Federal Reserve this year, with expectations of a larger 50 bps rate cut in September. Additionally, there were market rumors that the Fed was contemplating an emergency rate cut to provide liquidity amid a global market selloff. However, we believe that recession concerns might be overstated, and the unwinding of the yen carry trade would bring stability. Furthermore, data released on Monday indicated that US services activity rebounded more than anticipated in July.

Outlook:

Looking forward, the bond market may continue to experience volatility driven by both domestic and international factors. Investors will be closely monitoring economic indicators, central bank policies, and geopolitical developments that could influence bond yields and currency movements. The stable yield of the 10-year benchmark SBN suggests that long-term outlooks remain positive, but short to medium-term securities may see further fluctuations.

The 10-year SUN benchmark yield rose to 6.9 last week but then weakened significantly. There is a possibility of a short-term rebound, slowly approaching 6.9, unless it can break above 6.95, further weakening towards 6.7 is possible, especially given the relative parity condition with the UST 10 year.

Strategy

According to the RRG chart, almost all tenors experienced momentum strengthening except for the 2 and 5-year tenors. The 5-7-9 year tenors are nearly leading compared to the 10-year benchmark tenor.

So we recommend the following

INDOGB: FR78, FR52, FR47, FR89, FR79

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Currencies

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,509
CNY / USD	7.1	CNY / IDR	2,262
EUR / USD	1.0	EUR / IDR	17,663
GBP / USD	1.2	GBP / IDR	20,581
HKD / USD	7.7	HKD / IDR	2,074
JPY / USD	144.9	JPY / IDR	112
MYR / USD	4.4	MYR / IDR	3,617
NZD / USD	0.5	NZD / IDR	9,569
SAR / USD	3.7	SAR / IDR	4,305
SGD / USD	1.3	SGD / IDR	12,189
		USD / IDR	16,165

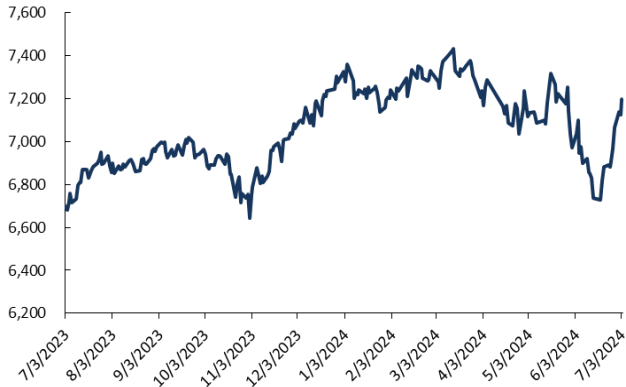
Source: SSI Research

Macro Forecasts

Macro	2023A	2024F	2025F
GDP (% YoY)	5.1	4.9	5.0
Inflation (% YoY)	2.6	3.2	3.5
Current Account Balance (% GDP)	-0.1	-0.7	-1.2
Fiscal Balance (% to GDP)	-1.7	-2.7	-2.9
BI 7DRRR (%)	6.0	6.5	6.0
10Y. Government Bond Yield (%)	6.6	6.9	7.2
Exchange Rate (USD/IDR)	15,252	16,000	16,200

Source: SSI Research

IHSG Chart Intraday



Source: SSI Research

Net Foreign Flow: IDR 114.8bn Outflow

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
AMMN	1.3	11,800	0.8	-0.2	80.1	63
BMRI	4.4	6,625	0.7	3.5	9.5	59
TPIA	0.8	9,675	2.9	0.2	84.2	48
FILM	0.1	3,720	-0.5	-2.6	-6.0	19
MYOR	0.2	2,570	4.0	-1.5	3.2	18
JPFA	0.2	1,610	2.8	-1.8	26.4	17
SMGR	0.4	3,790	0.2	-3.0	-40.7	16
BOGA	0.0	880	4.7	6.0	-25.7	14
EXCL	0.1	2,190	5.2	0.9	9.5	14
MIKA	0.1	2,970	0.0	-1.6	4.2	13

Source: SSI Research, STAR

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
TPIA	2.9	21.33	837	MSIN	-4.3	-1.52	37
BBCA	1.2	13.68	1,220	GOTO	-1.9	-1.07	60
BBRI	1.5	9.42	690	UNTR	-1.1	-0.92	90
AMMN	0.8	6.50	856	CPIN	-0.9	-0.73	84
BREN	0.6	5.99	1,064	MPRO	-4.3	-0.53	13
DSSA	2.2	4.83	246	HMSP	-0.7	-0.52	76
BMRI	0.7	4.13	612	CMRY	-1.1	-0.42	40
BRIS	3.3	3.27	114	TBIG	-1.0	-0.40	44
ISAT	3.9	2.89	85	GGRM	-1.4	-0.38	28
ADRO	2.9	2.58	102	BRMS	-1.3	-0.25	21

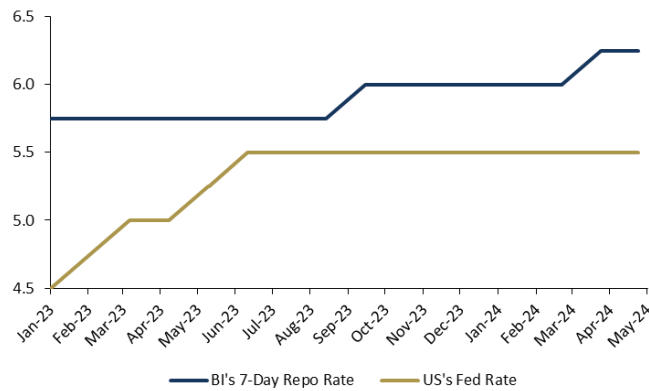
Source: SSI Research, STAR

Sector Statistic

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXENERGY	1.0T	10.9	8.0B	252.2B	835.3B	244.2B	843.4B
IDX BASIC	1.4T	15.3	45.7B	441.1B	980.6B	486.8B	934.9B
IDXINDUST	546.8B	6.0	25.2B	178.4B	368.3B	203.6B	343.1B
IDXNONCYC	713.3B	7.8	73.3B	313.3B	399.9B	239.9B	473.3B
IDXCYCLIC	480.2B	5.2	50.1B	122.2B	358.0B	72.1B	408.1B
IDXHEALTH	228.7B	2.5	5.9B	70.0B	158.6B	76.0B	152.6B
IDXFINANCE	3.3T	36.2	106.5B	1.5T	1.8T	1.6T	1.7T
IDXPROPERT	285.4B	3.1	1.3B	38.2B	247.2B	36.9B	248.5B
IDXTECHNO	167.9B	1.8	22.2B	24.5B	143.3B	46.7B	121.1B
IDXINFRA	759.7B	8.3	45.4B	291.3B	468.3B	336.8B	422.8B
IDXTRANS	79.9B	0.8	3.4B	7.7B	72.1B	4.2B	75.6B
COMPOSITE	9.1T	100.0		3.2T	5.8T	3.3T	5.7T

Source: STAR, SSI Research

Monetary Policy



Source: Bloomberg, SSI Research

Indonesia 10Y Bond Yield vs. U.S. 10Y Treasury Yield



Source: Trading Economic, SSI Research

INDOGB Bonds Valuation

No.	Series	Issue Date	Maturity Date	Tenure (Year)	Coupon Rate	Actual Price	Yield to Maturity	Yield Curve	Valuation Price	Spread to YC (bps)	Recommendation	Duration
1	FR77	9/27/2018	15/03/2024	(0.39)	8.4%	0.00	0.0%	6.6%	99.32	0.00	0	0.00
2	FR44	4/19/2007	15/05/2024	(0.22)	8.1%	0.00	0.0%	6.6%	99.66	0.00	0	0.00
3	FR81	8/1/2019	15/09/2024	0.11	10.0%	100.38	6.0%	6.6%	100.37	(58.26)	Expensive	0.11
4	FR40	9/21/2006	15/06/2025	0.86	6.5%	100.04	6.4%	6.6%	99.91	(16.80)	Expensive	0.84
5	FR84	5/4/2020	15/09/2025	1.11	11.0%	104.77	6.4%	6.6%	104.64	(17.25)	Expensive	1.05
6	FR86	8/13/2020	15/02/2026	1.53	7.3%	101.17	6.4%	6.6%	100.91	(18.93)	Expensive	1.44
7	FR56	9/23/2010	15/04/2026	1.69	5.5%	98.40	6.5%	6.6%	98.24	(10.53)	Expensive	1.62
8	FR37	5/18/2006	15/09/2026	2.11	8.4%	103.60	6.5%	6.6%	103.39	(11.77)	Expensive	1.94
9	FR90	7/8/2021	15/09/2026	2.11	12.0%	110.61	6.5%	6.6%	110.43	(11.53)	Expensive	1.88
10	FR59	9/15/2011	15/04/2027	2.69	5.1%	96.38	6.6%	6.6%	96.32	(2.61)	Expensive	2.52
11	FR42	1/25/2007	15/05/2027	2.78	7.0%	101.26	6.5%	6.6%	100.90	(15.30)	Expensive	2.51
12	FR94	3/4/2022	15/07/2027	2.94	10.3%	109.61	6.6%	6.6%	109.49	(5.42)	Expensive	2.58
13	FR47	8/30/2007	15/01/2028	3.45	5.6%	96.78	6.7%	6.7%	96.80	0.88	Cheap	3.14
14	FR64	8/13/2012	15/02/2028	3.53	10.0%	110.47	6.6%	6.7%	110.37	(4.06)	Expensive	2.98
15	FR95	8/19/2022	15/05/2028	3.78	6.1%	98.48	6.6%	6.7%	98.23	(7.80)	Expensive	3.35
16	FR99	1/27/2023	15/08/2028	4.03	6.4%	99.33	6.6%	6.7%	98.98	(10.06)	Expensive	3.53
17	FR71	9/12/2013	15/01/2029	4.45	6.4%	99.17	6.6%	6.7%	98.96	(5.62)	Expensive	3.88
18	101	11/2/2023	15/03/2029	4.61	9.0%	109.02	6.7%	6.7%	109.09	1.17	Cheap	3.82
19	FR78	9/27/2018	15/05/2029	4.78	8.3%	106.22	6.7%	6.7%	106.34	2.16	Cheap	3.95
20	FR52	8/20/2009	15/08/2030	6.03	10.5%	118.43	6.7%	6.7%	118.62	3.02	Cheap	4.59
21	FR82	8/1/2019	15/09/2030	6.12	7.0%	101.53	6.7%	6.7%	101.50	(0.85)	Expensive	4.99
22	FR	10/27/2022	15/10/2030	6.20	7.4%	103.13	6.7%	6.7%	103.39	4.72	Cheap	5.03
23	FR87	8/13/2020	15/02/2031	6.53	6.5%	98.88	6.7%	6.7%	98.95	1.19	Cheap	5.28
24	FR85	5/4/2020	15/04/2031	6.70	7.8%	104.84	6.8%	6.7%	105.57	12.89	Cheap	5.30
25	FR73	8/6/2015	15/05/2031	6.78	8.8%	110.15	6.8%	6.7%	111.00	14.29	Cheap	5.18
26	FR54	7/22/2010	15/07/2031	6.95	9.5%	114.36	6.9%	6.7%	115.31	15.46	Cheap	5.27
27	FR91	7/8/2021	15/04/2032	7.70	6.4%	97.61	6.8%	6.7%	98.00	6.35	Cheap	6.09
28	FR58	7/21/2011	15/06/2032	7.87	8.3%	108.39	6.8%	6.7%	109.27	13.40	Cheap	5.89
29	FR74	11/10/2016	15/08/2032	8.03	7.5%	104.13	6.8%	6.7%	104.81	10.69	Cheap	6.05
30	FR96	8/19/2022	15/02/2033	8.54	7.0%	101.29	6.8%	6.7%	101.80	7.81	Cheap	6.41
31	FR65	8/30/2012	15/05/2033	8.78	6.6%	98.74	6.8%	6.7%	99.37	9.60	Cheap	6.61
32	100	8/24/2023	15/02/2034	9.54	6.6%	98.81	6.8%	6.7%	99.30	7.14	Cheap	7.02
33	FR68	8/1/2013	15/03/2034	9.61	8.4%	110.88	6.8%	6.7%	111.54	8.55	Cheap	6.79
34	FR80	7/4/2019	15/06/2035	10.87	7.5%	104.78	6.9%	6.7%	105.85	13.51	Cheap	7.54
35	FR72	7/9/2015	15/05/2036	11.78	8.3%	110.52	6.9%	6.7%	112.18	19.01	Cheap	7.74
36	FR88	1/7/2021	15/06/2036	11.87	6.3%	95.23	6.8%	6.7%	96.07	10.70	Cheap	8.29
37	FR45	5/24/2007	15/05/2037	12.78	9.8%	123.64	6.9%	6.7%	125.53	18.91	Cheap	7.87
38	FR93	1/6/2022	15/07/2037	12.95	6.4%	96.35	6.8%	6.7%	96.88	6.35	Cheap	8.79
39	FR75	8/10/2017	15/05/2038	13.78	7.5%	104.76	7.0%	6.7%	106.73	21.30	Cheap	8.69
40	FR98	9/15/2022	15/06/2038	13.87	7.1%	101.58	6.9%	6.7%	103.41	20.21	Cheap	8.87
41	FR50	1/24/2008	15/07/2038	13.95	10.5%	130.63	7.0%	6.7%	133.63	27.54	Cheap	8.26
42	FR79	1/7/2019	15/04/2039	14.70	8.4%	112.22	7.0%	6.7%	115.06	28.15	Cheap	8.91
43	FR83	11/7/2019	15/04/2040	15.70	7.5%	104.76	7.0%	6.7%	107.23	24.71	Cheap	9.47
44	FR57	4/21/2011	15/05/2041	16.79	9.5%	124.40	7.0%	6.7%	127.39	25.33	Cheap	9.23
45	FR62	2/9/2012	15/04/2042	17.70	6.4%	93.50	7.0%	6.8%	96.15	27.11	Cheap	10.44
46	FR92	7/8/2021	15/06/2042	17.87	7.1%	101.36	7.0%	6.8%	103.85	23.87	Cheap	10.19
47	FR97	8/19/2022	15/06/2043	18.87	7.1%	101.44	7.0%	6.8%	103.94	23.26	Cheap	10.47
48	FR67	7/18/2013	15/02/2044	19.54	8.8%	118.08	7.0%	6.8%	121.49	27.90	Cheap	10.13
49	FR76	9/22/2017	15/05/2048	23.79	7.4%	104.03	7.0%	6.8%	107.25	26.42	Cheap	11.43
50	FR89	1/7/2021	15/08/2051	27.04	6.9%	98.69	7.0%	6.8%	101.41	22.26	Cheap	12.17

Source: Bloomberg, SSI Research

INDOIS Bonds Valuation

No.	Series	Issue Date	Maturity Date	Tenure (Year)	Coupon Rate	Actual Price	Yield to Maturity	Yield Curve	Valuation Price	Spread to YC (bps)	Recommendation	Duration
1	PBS31	7/29/2021	15/07/2024	(0.06)	4.0%	0.00	0.0%	6.9%	100.16	0.00	0	0.00
2	PBS26	10/17/2019	15/10/2024	0.19	6.6%	99.97	6.6%	6.8%	99.96	(19.88)	Expensive	0.19
3	PBS36	8/25/2022	15/08/2025	1.03	5.4%	98.89	6.5%	6.7%	98.69	(20.54)	Expensive	0.99
4	PBS17	1/11/2018	15/10/2025	1.19	6.1%	99.44	6.6%	6.7%	99.35	(9.12)	Expensive	1.16
5	PBS32	7/29/2021	15/07/2026	1.94	4.9%	96.80	6.7%	6.7%	96.78	(0.65)	Expensive	1.86
6	PBS21	12/5/2018	15/11/2026	2.28	8.5%	104.10	6.5%	6.7%	103.83	(14.52)	Expensive	2.06
7	PBS3	2/2/2012	15/01/2027	2.45	6.0%	98.38	6.7%	6.7%	98.53	6.99	Cheap	2.28
8	PBS20	10/22/2018	15/10/2027	3.19	9.0%	106.82	6.6%	6.7%	106.62	(8.21)	Expensive	2.81
9	PBS18	6/4/2018	15/05/2028	3.78	7.6%	103.43	6.6%	6.7%	103.12	(9.82)	Expensive	3.27
10	PBS30	6/4/2021	15/07/2028	3.95	5.9%	97.33	6.7%	6.7%	97.24	(2.64)	Expensive	3.53
11	PBSG1	9/22/2022	15/09/2029	5.12	6.6%	99.81	6.7%	6.7%	99.63	(4.52)	Expensive	4.34
12	PBS23	5/15/2019	15/05/2030	5.78	8.1%	107.14	6.6%	6.7%	106.59	(11.74)	Expensive	4.63
13	PBS12	1/28/2016	15/11/2031	7.28	8.9%	113.65	6.5%	6.8%	111.96	(28.05)	Expensive	5.47
14	PBS24	5/28/2019	15/05/2032	7.78	8.4%	110.47	6.6%	6.8%	109.53	(15.22)	Expensive	5.81
15	PBS25	5/29/2019	15/05/2033	8.78	8.4%	111.06	6.7%	6.8%	110.29	(11.49)	Expensive	6.34
16	PBS29	1/14/2021	15/03/2034	9.61	6.4%	97.36	6.8%	6.8%	96.94	(6.32)	Expensive	7.16
17	PBS22	1/24/2019	15/04/2034	9.70	8.6%	113.28	6.7%	6.8%	112.69	(8.20)	Expensive	6.84
18	PBS37	1/12/2023	15/03/2036	11.62	6.9%	100.28	6.8%	6.8%	100.25	(0.57)	Expensive	8.02
19	PBS4	2/16/2012	15/02/2037	12.54	6.1%	93.98	6.8%	6.9%	93.72	(3.20)	Expensive	8.59
20	PBS34	1/13/2022	15/06/2039	14.87	6.5%	98.08	6.7%	6.9%	96.53	(17.16)	Expensive	9.49
21	PBS7	9/29/2014	15/09/2040	16.12	9.0%	123.08	6.6%	6.9%	120.40	(24.28)	Expensive	9.31
22	PBS15	1/11/2024	15/03/2042	17.62	6.8%	99.31	6.8%	6.9%	98.53	(7.82)	Expensive	10.31
23	PBS35	3/30/2022	15/04/2043	18.70	6.8%	99.31	6.8%	6.9%	98.43	(8.60)	Expensive	10.68
24	PBS5	5/2/2013	15/10/2046	22.21	7.8%	109.46	6.9%	6.9%	109.39	(0.71)	Expensive	11.20
25	PBS28	7/23/2020	15/06/2047	22.87	6.8%	97.50	7.0%	6.9%	98.08	5.03	Cheap	11.55
26	PBS33	1/13/2022	15/07/2047	22.96	8.0%	114.22	6.8%	6.9%	112.34	(14.98)	Expensive	11.38

Source: Bloomberg, SSI Research