

## Overview

In August 2024, Indonesia's economy faced significant challenges, particularly in the manufacturing sector, where the PMI fell for the second consecutive month, indicating ongoing contraction. Inflation remained low at 2.12%, signaling weaker demand, while investor confidence held strong despite political unrest. Global investors were drawn to Indonesia amid speculation of U.S. Federal Reserve monetary easing, underscoring the country's robust economic fundamentals. However, concerns about a shrinking middle class and the impact on domestic consumption persist, highlighting the need for policy measures to stabilize the economy. Meanwhile, key developments in business, such as the issuance of 40-year bonds and digital advancements by companies like Pertamina, reflect ongoing efforts to attract investment and modernize operations.

## Key Comments

### Economy, Business & Finance

**Manufacturing Economy Downturn Intensifies in August:** The S&P Global Indonesia Manufacturing PMI dropped to 48.9 in August 2024 from 49.3 in July, marking the second consecutive month of contraction and the steepest decline since August 2021. This downturn signals growing concerns about the health of Indonesia's manufacturing sector, with significant drops in output and new orders, both domestic and international. Export orders fell at their fastest pace since January 2023, exacerbated by shipping disruptions and logistical challenges. Employment in the sector decreased for the second month, though marginally, while backlogs of work continued to decline. Manufacturers, facing weakening demand, have reduced purchasing activity, leading to the first reduction in input stocks in 18 months. Despite easing input costs, firms raised selling prices for the 14th consecutive month, indicating persistent inflationary pressures within the supply chain. The outlook remains cautious, with ongoing challenges likely to persist, making policy support crucial to stabilize the sector. We expect Indonesia's PMI to hover around 49-50 until the end of the third quarter, aligning with our economic growth projection of 4.9% for this year.

**Indonesia's Inflation Remains Low:** In August 2024, Indonesia's annual inflation rate held steady at 2.12%, nearly matching July's 2.13% and aligning with forecasts, marking the lowest level since February 2022 and signaling slower demand. Inflation moderation was driven by a significant slowdown in food prices, which saw the smallest increase in 13 months, along with easing pressures in health, accommodation, and education sectors....

...However, price increases in transport, housing, and clothing offset this moderation. The communication and financial services sector continued its decline, reflecting lagging consumption and a drop in consumer confidence. The Consumer Price Index (CPI) fell by 0.03% monthly, marking the fourth consecutive decline and suggesting persistent downward pressure on prices. This softer inflation, alongside a below-50 PMI, may challenge the government's 5%+ growth target for FY2024, with projections at 4.9%.

**Investor Confidence Unshaken Amid Protests:** Despite recent political unrest, investor confidence remains strong, reflecting belief in Indonesia's political stability and solid economic fundamentals. This resilience has kept foreign capital flowing into the country.

**Global Investors Flock to Indonesia Amid Fed Pivot Speculation:** Anticipation of U.S. Federal Reserve monetary easing has driven global investors toward Indonesia, seen as better positioned among emerging markets to benefit from such a shift. Strong economic fundamentals are attracting increased investment.

**Concerns Rise as Indonesia's Middle Class Shrinks:** The shrinking of Indonesia's middle class by 9.5 million people has raised concerns about its impact on domestic consumption and overall economic stability. Government measures to support this demographic are under scrutiny for their effectiveness.

**Sovereign Wealth Fund in Focus:** The Indonesia Investment Authority (INA) continues to be a key instrument for attracting foreign investment and supporting large-scale infrastructure projects. Its success is seen as vital for Indonesia's long-term economic growth.

**Indonesia Issues 40-Year Bonds:** The government's issuance of 40-year bonds, the longest tenor to date, reflects a strategic move to secure long-term financing for infrastructure projects. The bond issuance has been met with strong interest from investors.

**Pertamina Launches Digitalized Licensing System:** PT Pertamina has introduced an integrated digitalized licensing system to streamline operations and foster new business opportunities. This move is part of its broader strategy to modernize and remain competitive in the global energy market.

**Indonesia Aims for USD 3.5 Billion in Deals During Africa Forum:** Indonesia is targeting USD 3.5 billion in trade and investment agreements at the upcoming Africa Forum. This initiative aims to diversify trade relationships and reduce dependency on traditional markets.

**Real Estate Market Faces Temporary Slowdown:** The real estate market in Jakarta and other major cities is experiencing a temporary slowdown due to high interest rates and reduced purchasing power. However, the market is expected to rebound in the medium to long term.

**Miniso Opens World's Largest Store in Jakarta:** Miniso, a Chinese lifestyle brand, has opened its largest global store in Jakarta, reflecting the company's confidence in Indonesia's consumer market and its strategy for regional expansion.

**Flash Coffee Focuses on Indonesia After Exiting Other Markets:** After restructuring and exiting other Asian markets, Flash Coffee is focusing its efforts on Indonesia, seeing it as a key growth market. The company plans to expand through franchising, leveraging local consumer trends.

**Indonesia's Palm Oil Strategy Key to Achieving Energy Security:** President-elect Prabowo Subianto has committed to expanding palm oil usage in Indonesia's energy mix, increasing the palm oil blend in diesel fuel to 40% by next year. This move is part of a broader strategy to enhance energy security through renewable resources.

**Indonesia's New Investment Minister Confident in Nusantara Megaproject:** Newly-appointed Investment Minister Rosan Roeslani is optimistic about attracting foreign investments to the Nusantara megaproject, despite delays and criticism. The project is central to Indonesia's long-term development strategy.

**PLN Inaugurates New Solar Power Plant in West Java:** State electricity company PT PLN has inaugurated a 100 Megawatt peak solar power plant in Purwakarta, West Java. This development is part of Indonesia's commitment to renewable energy and reducing reliance on fossil fuels.

#### **Politics, Security and National**

**Anies Baswedan Considers Forming New Political Party:** Following his defeat in the 2024 presidential race and the Jakarta gubernatorial election, Anies Baswedan is contemplating forming a new political party. This move could consolidate the growing momentum for change in Indonesia's political landscape.

**Prabowo Downplays Rumors of Rift with Jokowi:** President-elect Prabowo Subianto has dismissed rumors of a rift between him and President Joko "Jokowi" Widodo. He emphasized unity within the Onward Indonesia Coalition, despite recent constitutional controversies and protests.

**Prabowo Set to Lead Gerindra Party for Another Term:** The Gerindra Party is advancing its congress to February 2025, focusing on re-electing Prabowo Subianto as chairman. This move reinforces Prabowo's leadership as he prepares to assume the presidency.

**Jokowi Introduces Prabowo as Successor at Indonesia-Africa Forum:** At the Indonesia-Africa Forum, President Jokowi introduced Prabowo Subianto as his successor, highlighting the continuity of leadership as Indonesia strengthens its ties with African nations.

**Mass Protests Raise Questions About Indonesia's Political Future:** Recent mass protests in Indonesia have sparked debates about the role of political dynasties and the future of democracy in the country. The protests reflect widespread dissatisfaction with the current political climate and the influence of entrenched political families.

**Philippines Detains Indonesians in Cybercrime Operation:** Philippine authorities have detained over 160 people, including 70 Indonesians, in a crackdown on a suspected illegal online gaming and cyber scam operation. This incident underscores the growing challenges of cybercrime in Southeast Asia.

**Pope Francis to Visit Indonesia, Promoting Interfaith Harmony:** Pope Francis is set to visit Indonesia, where he will visit Jakarta's Istiqlal Mosque as part of his push for interfaith harmony. The visit is highly anticipated and reflects the Pope's commitment to promoting religious tolerance.

#### **Digital Economy and Telcos**

**Indonesia's Tech Unicorns Struggle Amid Funding Drought:** Indonesian tech unicorns are facing challenges due to a funding drought and unclear exit strategies. These startups, once valued at over USD 1 billion, are now grappling with declining market capitalizations and the need for sustainable business models.

**US-ASEAN Business Council Supports Indonesia's Digital Economy:** A delegation from the US-ASEAN Business Council reaffirmed its support for advancing Indonesia's digital economy during a recent visit. The council emphasized the importance of digital transformation as Indonesia undergoes a significant government transition.

**Validus Secures USD 50M to Support Indonesian SMEs:** Singapore-based digital lending platform Validus has secured USD 50 million in debt financing to support small and medium enterprises (SMEs) in Indonesia. This funding will address financial inclusion challenges faced by Indonesian businesses.

**Amazon Web Services Pushes Digital Development in Indonesia:** Amazon Web Services (AWS) is optimistic about Indonesia's digital future, citing the country's high digital penetration. AWS continues to invest in digital infrastructure and training to support Indonesia's ongoing digital transformation.

**Kaspersky Reports Decline in Cyber Threats in Indonesia:** Kaspersky reported a 38% drop in cyber threats targeting Indonesian internet users in the second quarter of 2024. This decline reflects improved cybersecurity measures and increased awareness among internet users.

## Green Economy

**Indonesia's High Court Blocks Risky Mining Project:** The Indonesian Supreme Court has halted the development of a zinc mine and dam in North Sumatra, citing risks associated with its location near a fault line. This ruling is seen as a victory for environmental advocates and local communities concerned about the potential for ecological disaster.

**Indonesia's Palm Oil Strategy Faces New Challenges:** The introduction of the European Union Deforestation Regulation (EUDR) has posed significant challenges for Indonesian palm oil exporters, leading to a decline in exports to the EU. The industry is navigating these challenges while seeking new opportunities in other markets.

**NGO Calls for Restriction of Mining in Halmahera:** An NGO has urged the Indonesian government to restrict mining activities in Halmahera, citing environmental and social concerns. The development of National Strategic Projects in the region threatens local ecosystems and communities.

**Climate Resilience Efforts Focus on Clean Water Access:** Indonesia is intensifying efforts to improve climate resilience, particularly in ensuring access to clean water. The government is addressing both extreme weather events and gradual changes in water availability that disproportionately affect vulnerable communities.

**Indonesia's Renewable Energy Push Continues with New Solar Plant:** The inauguration of a new solar power plant in West Java by PT PLN is part of Indonesia's broader push towards renewable energy. The plant represents a significant step in reducing the country's dependence on fossil fuels and achieving its climate goals.

## Market Movement

Asian markets presented a mixed performance, with the Nikkei closing slightly higher at 38,701, gaining 0.1%, while the Hang Seng dropped significantly by 1.7% to 17,692. Similarly, Shanghai Composite saw a decline of 1.1%, ending at 2,811, and Kospi managed to gain 0.3%, closing at 2,681. The Jakarta Composite Index (JCI) performed positively, rising by 0.3% to 7,695, reflecting a strong market sentiment in Indonesia. The USD/IDR exchange rate showed resilience, strengthening by 0.5% to close at 15,525. In the commodities market, gold slightly dipped by 0.1% to USD 2,501 per ounce, and Brent oil remained almost flat, losing only 0.1% to settle at USD 77 per barrel.

The JCI closed 0.31% higher at 7,694.5, supported by a robust performance across various sectors. The Indonesia Sharia Stock Index (ISSI) also gained 0.42%, ending stronger at 226.4. Foreign investors continued to show interest in the regular market with a net buy of IDR 1,225.2 billion, despite a net sell of IDR 32.8 billion in the negotiated market.

The leading movers in the market were Telkom Indonesia (TLKM), Bank Mandiri (BMRI), and Astra International (ASII), each contributing significantly to the index's rise. TLKM was the standout, with a 2.6% increase to IDR 3,140, driven by strong investor interest. On the other hand, TPIA, MSIN, and BBCA were the lagging movers, with TPIA declining by 3.8% to IDR 9,600. The technology sector, represented by IDXTECH, was the top sector gainer, while the cyclical consumer sector, represented by IDXCYC, was the top sector loser.



In terms of foreign investment activity, BMRI, BBRI, TLKM, ADRO, and BREN were among the top stocks in which foreign investors net bought. Notably, BMRI saw a 1.1% increase to IDR 7,200, while TLKM surged by 2.6%. Conversely, BBCA, BRIS, BDKR, TPIA, and CUAN experienced net foreign selling, with BBCA slipping by 0.5% to IDR 10,275 and BDKR suffering the most significant drop of 10.1% to IDR 840.

In summary, the Indonesian market showed strength on September 2, 2024, with particular momentum in the technology sector. However, selective stocks, particularly in the cyclical consumer sector, faced selling pressure. As always, investors are advised to approach the market with caution, considering both the opportunities and risks presented by the current economic climate.

### **Fixed Income**

At the beginning of this month, the prices of Rupiah-denominated bonds showed a slight weakening trend, primarily influenced by the depreciation of the Rupiah alongside the release of domestic PMI and inflation data. The Indonesia Composite Bond Index (ICBI) declined by -0.02%, bringing the year-to-date return to 4.39%. The benchmark 10-year government bond (FR0100) also weakened slightly, closing with a yield of 6.63%. Concurrently, the Rupiah depreciated by 70 points to IDR 15,525 per USD, while the U.S. Treasury 10-year bond yield rose by 0.026 basis points, reaching 3.935%.

### **Trading Activity**

In terms of trading activity, the bond market saw a significant increase in trading volume today, which surged by 30.51% to IDR 49.11 trillion, compared to the previous trading volume of IDR 37.63 trillion. However, despite the increase in volume, the frequency of transactions decreased by -17.10%, from 4,972 trades to 4,122 trades.

### **Market Sentiment and Influences**

The bond market's current movement is closely tied to macroeconomic indicators and foreign exchange dynamics. The slight weakening of the Rupiah, coupled with the latest domestic PMI and inflation figures, has exerted downward pressure on bond prices. Additionally, global factors, such as the increase in U.S. Treasury yields, also play a crucial role in influencing the direction of the Indonesian bond market.

### **US 10 Year Treasury**

The yield on the 10-year Treasury note climbed to 3.87% on Friday, continuing its recovery after briefly dipping to a more-than-one-year low of 3.8% earlier in the week. This movement occurred as markets evaluated the latest data for clues on the extent of rate cuts the Federal Reserve might implement in its upcoming cycle. In July, core PCE prices—considered the Federal Reserve's preferred measure of underlying inflation—rose by 0.2% from the previous month, in line with expectations and mirroring the slight uptick in the headline index. The absence of any unexpected increases reinforced expectations that the Fed will proceed with 100 basis points of rate cuts across its remaining three meetings this year. However, the monthly gains in personal income and spending supported the view that the U.S. economy remains generally resilient to higher borrowing costs, especially after the upward revision to the U.S. GDP. This resilience gives the central bank some flexibility to continue combating inflation if it becomes more persistent before gradually easing to the 2% target.

### **Outlook**

The near-term outlook for the bond market will likely depend on further developments in domestic economic indicators and the trajectory of the Rupiah. Additionally, global market movements, particularly in U.S. Treasury yields, will continue to be a significant factor to monitor. Investors should remain cautious and keep an eye on upcoming economic data releases and central bank policy directions, both domestically and internationally.

The yield on the 10-year SUN (Indonesian Government Bonds) benchmark remains neutral, moving slightly around 6.625. The current narrow range is between 6.56-6.73, before the next significant movement occurs.

The three-day equity-bond yield movement in Indonesia closely mirrors that in the U.S., both showing a positive correlation. This positive correlation suggests that upward movement in the equity market is accompanied by a similar movement in bond yields, indicating an inverse flow relationship. This relationship implies that the market is confident in growth as the probability of a U.S. recession diminishes, supported by recent GDP and PCE data as evidence of a strong economy.

Growth over stability is also becoming a pattern in Indonesia, providing additional support for the equity market. At the same time, as the bond interest parity condition between the U.S...

*...and Indonesian markets narrows, the potential for capital inflow is likely to taper in the coming weeks, as will the Rupiah's appreciation rally.*

**Strategy**

*Based on the RRG chart, most tenors are still experiencing momentum strengthening, except for the 5-, 6-, 7-, 11-, 12-, and 16-year yields, although the changes are slight. The tenors leading against the 10-year benchmark are the 1-, 2-, 7-, 9-, and 12-year tenors. Meanwhile, the 15-, 16-, 20-, and 30-year tenors are approaching the point of leading against the 10-year benchmark. The market is quite dynamic; therefore, we recommend the following mixed tenor:*

**INDOGB: FR52, FR54, FR45, FR83, FR78**

**INDOIS: PBS37, PBS34, PBS30**

---

**Fithra Faisal Hastiadi,**  
**Ph.D.**  
Senior Economist  
fithra.hastiadi@samuel.co.id

**Currencies**

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,531
CNY / USD	7.1	CNY / IDR	2,184
EUR / USD	1.1	EUR / IDR	17,188
GBP / USD	1.3	GBP / IDR	20,398
HKD / USD	7.7	HKD / IDR	1,991
JPY / USD	146.7	JPY / IDR	106
MYR / USD	4.3	MYR / IDR	3,570
NZD / USD	0.6	NZD / IDR	9,676
SAR / USD	3.7	SAR / IDR	4,137
SGD / USD	1.3	SGD / IDR	11,884
		USD / IDR	15,525

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	6.25	5.75
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 1,192bn Inflow**

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BMRI	2.6	7,200	1.0	1.0	19.0	440
BBRI	2.8	5,175	0.4	0.4	-9.6	247
TLKM	1.3	3,140	2.6	2.6	-20.5	139
ADRO	0.9	3,610	1.4	1.4	51.6	101
BREN	2.3	10,750	0.0	0.0	43.8	70
UNTR	0.4	27,900	3.1	3.1	23.3	41
PTBA	0.1	2,820	3.2	3.2	15.5	38
AMRT	0.2	2,890	-0.3	-0.3	-1.3	35
BBNI	0.3	5,350	0.0	0.0	-0.4	32
ASII	1.4	5,200	1.9	1.9	-7.9	30

Source: SSI Research, STAR

**Index Stock Mover Summary**

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
BREN	1.8	23.99	1,465	TPIA	-3.0	-23.27	837
TLKM	2.6	7.10	311	BBCA	-0.2	-2.73	1,257
BYAN	1.1	5.97	563	MIKA	-3.2	-1.27	42
ASII	2.4	4.53	212	FILM	-2.0	-0.85	45
BMRI	0.7	4.13	663	INDF	-1.0	-0.59	59
BBRI	0.4	3.36	776	GGRM	-1.8	-0.51	31
AMMN	0.4	3.25	776	AMRT	-0.3	-0.37	120
WIKA	18.4	2.57	18	UNVR	-0.4	-0.34	86
ADRO	2.5	2.48	112	BNLI	-0.8	-0.32	43
UNTR	2.6	2.42	104	GMTD	-6.8	-0.31	5

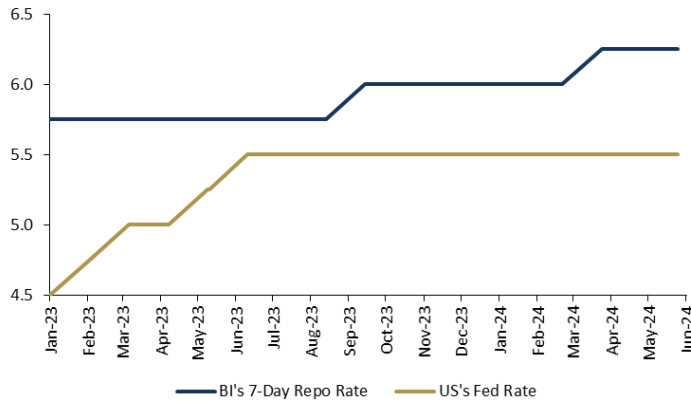
Source: SSI Research, STAR

**Sector Statistic**

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXFINANCE	3.7T	30.8	586.8B	2.1T	1.5T	1.5T	2.1T
IDXINFRA	2.2T	18.3	232.9B	915.0B	1.2T	682.0B	1.5T
IDXENERGY	1.8T	15.0	125.9B	403.4B	1.4T	277.5B	1.5T
IDXINDUST	706.8B	5.8	74.4B	268.1B	438.6B	193.7B	513.1B
IDXNONCYC	764.5B	6.3	62.5B	326.6B	437.8B	264.1B	500.4B
IDXBASIC	1.1T	9.1	29.1B	263.3B	930.9B	234.2B	960.1B
IDXHEALTH	229.9B	1.9	20.6B	85.4B	144.4B	64.8B	165.1B
IDXCYCLIC	674.2B	5.6	20.3B	378.4B	295.7B	358.1B	316.0B
IDXPROPERT	320.6B	2.6	19.3B	59.9B	260.6B	40.6B	280.0B
IXTECHNO	249.7B	2.0	18.8B	101.4B	148.3B	82.6B	167.1B
IDXTRANS	66.8B	0.5	1.3B	5.4B	61.3B	4.0B	62.7B
COMPOSITE	12.0T	100.0		4.9T	7.0T	3.8T	8.2T

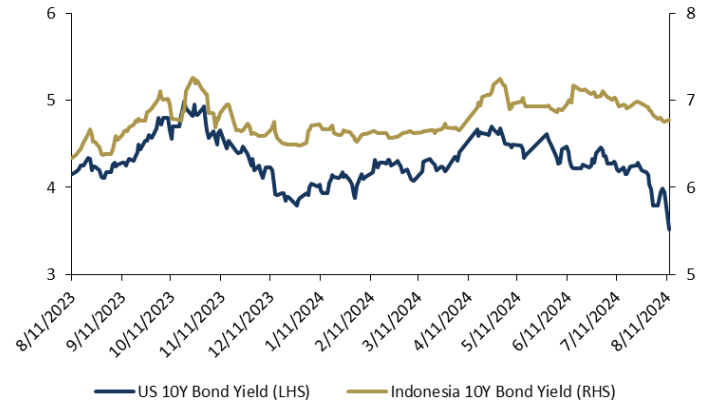
Source: STAR, SSI Research

**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	FR44	4/19/2007	9/15/2024	0.04	10.0%	100.12	5.7%	5.7%	100.16	4.17	Cheap	0.04
2	FR81	8/1/2019	6/15/2025	0.79	6.5%	100.03	6.4%	5.9%	100.45	53.78	Cheap	0.76
3	FR40	9/21/2006	9/15/2025	1.04	11.0%	104.50	6.4%	6.0%	104.99	43.38	Cheap	0.97
4	FR84	5/4/2020	2/15/2026	1.46	7.3%	101.08	6.4%	6.1%	101.61	37.02	Cheap	1.39
5	FR86	8/13/2020	4/15/2026	1.62	5.5%	98.59	6.4%	6.1%	99.07	31.39	Cheap	1.55
6	FR37	5/18/2006	9/15/2026	2.04	12.0%	110.55	6.4%	6.2%	110.95	17.87	Cheap	1.81
7	FR56	9/23/2010	9/15/2026	2.04	8.4%	103.65	6.4%	6.2%	104.11	22.81	Cheap	1.86
8	FR90	7/8/2021	4/15/2027	2.62	5.1%	97.00	6.4%	6.3%	97.22	9.60	Cheap	2.45
9	FR59	9/15/2011	5/15/2027	2.70	7.0%	101.40	6.4%	6.3%	101.70	11.49	Cheap	2.48
10	FR42	1/25/2007	7/15/2027	2.87	10.3%	109.59	6.5%	6.3%	110.14	18.71	Cheap	2.51
11	FR94	3/4/2022	1/15/2028	3.37	5.6%	96.80	6.7%	6.4%	97.63	28.43	Cheap	3.06
12	FR47	8/30/2007	2/15/2028	3.46	10.0%	110.85	6.4%	6.4%	111.01	3.57	Cheap	2.98
13	FR64	8/13/2012	5/15/2028	3.70	6.1%	98.89	6.5%	6.4%	99.02	3.79	Cheap	3.33
14	FR95	8/19/2022	8/15/2028	3.96	6.4%	99.96	6.4%	6.5%	99.74	(6.61)	Expensive	3.52
15	FR99	1/27/2023	1/15/2029	4.38	6.4%	99.48	6.5%	6.5%	99.68	4.90	Cheap	3.81
16	FR71	9/12/2013	3/15/2029	4.54	9.0%	109.52	6.5%	6.5%	109.69	3.88	Cheap	3.75
17	FR101	11/2/2023	4/15/2029	4.62	6.9%	101.39	6.5%	6.5%	101.46	1.39	Cheap	3.97
18	FR78	9/27/2018	5/15/2029	4.70	8.3%	106.77	6.5%	6.5%	106.95	3.76	Cheap	3.96
19	FR52	8/20/2009	8/15/2030	5.96	10.5%	118.32	6.7%	6.6%	119.03	12.49	Cheap	4.62
20	FR82	8/1/2019	9/15/2030	6.04	7.0%	102.18	6.6%	6.6%	102.02	(3.31)	Expensive	4.92
21	FR87	8/13/2020	2/15/2031	6.46	6.5%	99.49	6.6%	6.6%	99.44	(1.14)	Expensive	5.30
22	FR85	5/4/2020	4/15/2031	6.62	7.8%	105.41	6.7%	6.6%	106.01	10.70	Cheap	5.23
23	FR73	8/6/2015	5/15/2031	6.70	8.8%	111.07	6.7%	6.6%	111.39	5.17	Cheap	5.22
24	FR54	7/22/2010	7/15/2031	6.87	9.5%	115.39	6.7%	6.6%	115.67	4.13	Cheap	5.21
25	FR91	7/8/2021	4/15/2032	7.62	6.4%	98.57	6.6%	6.7%	98.37	(3.39)	Expensive	6.03
26	FR58	7/21/2011	6/15/2032	7.79	8.3%	109.30	6.7%	6.7%	109.57	3.92	Cheap	5.83
27	FR74	11/10/2016	8/15/2032	7.96	7.5%	104.82	6.7%	6.7%	105.12	4.64	Cheap	6.09
28	FR96	8/19/2022	2/15/2033	8.46	7.0%	102.19	6.7%	6.7%	102.08	(1.84)	Expensive	6.46
29	FR65	8/30/2012	5/15/2033	8.71	6.6%	99.87	6.6%	6.7%	99.64	(3.65)	Expensive	6.66
30	FR100	8/24/2023	2/15/2034	9.46	6.6%	99.90	6.6%	6.7%	99.51	(5.77)	Expensive	7.08
31	FR68	8/1/2013	3/15/2034	9.54	8.4%	112.00	6.7%	6.7%	111.68	(4.35)	Expensive	6.73
32	FR80	7/4/2019	6/15/2035	10.79	7.5%	106.24	6.7%	6.7%	105.92	(4.30)	Expensive	7.49
33	FR103	8/8/2024	7/15/2035	10.87	6.8%	101.20	6.6%	6.7%	100.22	(12.89)	Expensive	7.74
34	FR72	7/9/2015	5/15/2036	11.71	8.3%	112.31	6.7%	6.7%	112.15	(2.13)	Expensive	7.84
35	FR88	1/7/2021	6/15/2036	11.79	6.3%	96.81	6.6%	6.7%	96.10	(9.16)	Expensive	8.25
36	FR45	5/24/2007	5/15/2037	12.71	9.8%	123.86	6.9%	6.7%	125.37	15.08	Cheap	7.95
37	FR93	1/6/2022	7/15/2037	12.88	6.4%	97.20	6.7%	6.7%	96.83	(4.57)	Expensive	8.73
38	FR75	8/10/2017	5/15/2038	13.71	7.5%	106.37	6.8%	6.8%	106.58	2.08	Cheap	8.82
39	FR98	9/15/2022	6/15/2038	13.79	7.1%	103.77	6.7%	6.8%	103.27	(5.70)	Expensive	8.86
40	FR50	1/24/2008	7/15/2038	13.88	10.5%	133.50	6.7%	6.8%	133.36	(1.72)	Expensive	8.25
41	FR79	1/7/2019	4/15/2039	14.63	8.4%	114.42	6.8%	6.8%	114.81	3.63	Cheap	8.89
42	FR83	11/7/2019	4/15/2040	15.63	7.5%	106.42	6.8%	6.8%	106.95	5.18	Cheap	9.45
43	FR57	4/21/2011	5/15/2041	16.71	9.5%	125.88	6.9%	6.8%	126.95	8.85	Cheap	9.38
44	FR62	2/9/2012	4/15/2042	17.63	6.4%	96.51	6.7%	6.8%	95.81	(7.08)	Expensive	10.48
45	FR92	7/8/2021	6/15/2042	17.80	7.1%	103.04	6.8%	6.8%	103.46	3.90	Cheap	10.19
46	FR97	8/19/2022	6/15/2043	18.80	7.1%	103.31	6.8%	6.8%	103.50	1.64	Cheap	10.48
47	FR67	7/18/2013	2/15/2044	19.47	8.8%	120.45	6.8%	6.8%	120.93	3.76	Cheap	10.33
48	FR76	9/22/2017	5/15/2048	23.72	7.4%	106.49	6.8%	6.8%	106.57	0.49	Cheap	11.69
49	FR89	1/7/2021	8/15/2051	26.97	6.9%	100.09	6.9%	6.8%	100.65	4.55	Cheap	12.41
50	FR102	1/5/2024	7/15/2054	29.89	6.9%	100.57	6.8%	6.8%	100.59	0.04	Cheap	12.79

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	PBS026	10/17/2019	10/15/2024	0.12	6.6%	100.00	6.5%	6.5%	100.02	2.28	Cheap	0.12
2	PBS036	8/25/2022	8/15/2025	0.95	5.4%	98.82	6.7%	6.5%	98.99	19.38	Cheap	0.93
3	PBS017	1/11/2018	10/15/2025	1.12	6.1%	99.69	6.4%	6.5%	99.61	(7.96)	Expensive	1.08
4	PBS032	7/29/2021	7/15/2026	1.87	4.9%	97.02	6.6%	6.5%	97.17	9.24	Cheap	1.78
5	PBS021	12/5/2018	11/15/2026	2.20	8.5%	104.07	6.5%	6.5%	104.01	(4.24)	Expensive	2.03
6	PBS003	2/2/2012	1/15/2027	2.37	6.0%	98.52	6.7%	6.5%	98.88	16.59	Cheap	2.20
7	PBS020	10/22/2018	10/15/2027	3.12	9.0%	106.82	6.5%	6.5%	106.86	0.51	Cheap	2.74
8	PBS018	6/4/2018	5/15/2028	3.70	7.6%	103.46	6.6%	6.5%	103.50	0.57	Cheap	3.26
9	PBS030	6/4/2021	7/15/2028	3.87	5.9%	97.53	6.6%	6.5%	97.73	5.98	Cheap	3.45
10	PBS023	5/15/2019	5/15/2030	5.70	8.1%	107.27	6.6%	6.6%	107.22	(1.59)	Expensive	4.65
11	PBS012	1/28/2016	11/15/2031	7.21	8.9%	113.07	6.6%	6.6%	112.78	(5.20)	Expensive	5.50
12	PBS024	5/28/2019	5/15/2032	7.70	8.4%	110.65	6.6%	6.6%	110.42	(3.94)	Expensive	5.84
13	PBS025	5/29/2019	5/15/2033	8.70	8.4%	111.26	6.6%	6.6%	111.30	0.15	Cheap	6.39
14	PBS029	1/14/2021	3/15/2034	9.54	6.4%	97.73	6.7%	6.7%	98.01	4.01	Cheap	7.08
15	PBS022	1/24/2019	4/15/2034	9.62	8.6%	113.43	6.7%	6.7%	113.78	4.24	Cheap	6.77
16	PBS037	1/12/2023	3/15/2036	11.54	6.9%	100.33	6.8%	6.7%	101.40	13.43	Cheap	7.94
17	PBS004	2/16/2012	2/15/2037	12.46	6.1%	94.30	6.8%	6.7%	94.85	6.90	Cheap	8.66
18	PBS034	1/13/2022	6/15/2039	14.79	6.5%	97.59	6.8%	6.8%	97.60	0.01	Cheap	9.40
19	PBS007	9/29/2014	9/15/2040	16.05	9.0%	121.75	6.8%	6.8%	121.50	(2.43)	Expensive	9.19
20	PBS039	1/11/2024	7/15/2041	16.88	6.6%	98.35	6.8%	6.8%	98.30	(0.62)	Expensive	10.13
21	PBS035	3/30/2022	3/15/2042	17.54	6.8%	98.99	6.8%	6.8%	99.41	4.19	Cheap	10.22
22	PBS005	5/2/2013	4/15/2043	18.63	6.8%	99.34	6.8%	6.8%	99.20	(1.42)	Expensive	10.61
23	PBS028	7/23/2020	10/15/2046	22.13	7.8%	109.44	6.9%	6.9%	109.74	2.37	Cheap	11.12
24	PBS033	1/13/2022	6/15/2047	22.80	6.8%	98.00	6.9%	6.9%	98.32	2.75	Cheap	11.51
25	PBS015	7/21/2017	7/15/2047	22.88	8.0%	113.24	6.8%	6.9%	112.58	(5.40)	Expensive	11.25
26	PBS038	12/7/2023	12/15/2049	25.30	6.9%	98.84	7.0%	6.9%	99.25	3.41	Cheap	11.90

Source: Bloomberg, SSI Research