

Overview

The manufacturing sector faces increasing risks as the Purchasing Managers' Index (PMI) continues to decline, leading to potential layoffs and highlighting underlying economic vulnerabilities. Meanwhile, the country's inflation rate has fallen to 2.12% in August, opening the door for potential interest-rate cuts by Bank Indonesia. The tourism sector shows signs of robust recovery, with foreign tourist arrivals reaching a post-pandemic high, and new investments are flowing into the sector. However, the exit of Ace Hardware from the market by year-end raises concerns about the retail environment. On the fiscal front, Indonesia has successfully managed its debt levels despite global uncertainties, maintaining investor confidence. Strategically, the government is looking to bolster energy security by building its first oil reserve and expand its influence through significant business deals with African nations.

Key Comments

Economy, Business & Finance

Layoff Risks Loom as Manufacturing PMI Slips Further: Indonesia's manufacturing sector faces challenges as the Purchasing Managers' Index (PMI) continues its decline. The contraction, driven by dwindling sales, has led some firms to reduce their workforce. Despite this setback, the sector remains cautiously optimistic about future growth. The persistent contraction highlights underlying vulnerabilities in the economy, particularly in the face of external pressures and internal demand fluctuations.

Indonesia's Inflation Falls to 2.12% in August, Paving Way for Potential Rate Cuts: Indonesia's inflation rate has eased to 2.12% in August, its lowest level in recent months. This continued moderation in inflation could provide Bank Indonesia (BI) with room to consider interest-rate cuts in the coming quarters, especially with global central banks, including the US Federal Reserve, adopting more dovish stances. A potential rate cut by BI could stimulate economic activity, particularly in interest-sensitive sectors, but it also requires careful management to avoid reigniting inflationary pressures.

Indonesia Records Highest Number of Foreign Tourists since 2020: Foreign tourist arrivals in Indonesia reached 7.75 million from January to July 2024, a 20.75 percent increase from the same period last year, according to the Central Statistics Agency (BPS).

Indonesia Takes Home USD 52.9mn Tourism Investment: The government announced that Indonesia has attracted potential investment deals worth around USD 52.9 million at the 2024 International Tourism Investment Forum (ITIF) on Monday.

ACE Hardware to Leave Indonesia: Ace Hardware is leaving Indonesia on 31 December 2024, even though the presence of the US appliance retail chain was just mentioned by the Coordinating Minister for Economic Affairs Airlangga Hartarto as an indicator of national economic growth.

The US is Losing South East Asia: China's growing sway in Southeast Asia hampers the United States' ability to engage bilaterally and multilaterally in the region to strategic effect. The most obvious example is ASEAN's cautious approach at the South China Sea; despite Beijing's increasingly aggressive actions in the Philippines' exclusive economic zone in the past year, the bloc has issued no statement calling China out by name.

Indonesia's Debt Remains Under Control Amid Global Upheavals: Despite global economic uncertainties and rising geopolitical tensions, Indonesia has managed to keep its debt levels within manageable limits. Finance Minister Sri Mulyani Indrawati emphasized the government's commitment to fiscal prudence, which has been crucial in maintaining investor confidence. The country's ability to manage its debt effectively in such a volatile environment underscores its strong fiscal framework and economic resilience.

Prabowo to Revive Housing Ministry, Plans IDR 53T as Initial Budget: Presidential candidate Prabowo Subianto's proposal to revive the Housing Ministry with an initial budget of IDR 53 trillion marks a strategic move to bolster the housing sector as a driver of economic growth. This plan indicates a shift towards prioritizing infrastructure and public welfare as key pillars of his economic strategy. The success of this initiative will depend on effective execution and alignment with broader economic goals.

Indonesia-Africa Forum Books USD 3.5 Billion Business Deals: The 2024 Indonesia-Africa Forum has successfully facilitated business deals worth USD 3.5 billion, reflecting Indonesia's strategic pivot towards non-traditional markets. This development signals Jakarta's intent to diversify its trade partnerships and reduce reliance on established markets. The deals underscore the growing economic ties between Indonesia and Africa, which could have long-term benefits for both regions.

Indonesia Seeks 10 Million Barrels of Oil to Build First Reserve:

Indonesia's plan to set aside 10 million barrels of oil for its first strategic reserve highlights the government's proactive approach to energy security. This initiative aims to buffer against global energy shocks and ensure stable domestic supply. However, the challenge will be in managing the financial and logistical aspects of building and maintaining the reserve, especially in a volatile energy market.

Declining Appeal of Diesel Demand in Indonesia: Indonesia's downgrade in oil demand growth forecasts, particularly for diesel, suggests a shift in the country's energy consumption patterns. With fuel substitution and potential subsidy cuts on the horizon, the energy landscape is likely to see significant changes. While gasoline demand remains robust, the long-term impact of policy changes and market dynamics on fuel demand will need close monitoring.

Pertamina and Guma to Develop Steam Gas Power Plant in South Africa: Pertamina New and Renewable Energy (Pertamina NRE) has entered a joint study agreement with South Africa's Guma Group to explore the development of a gas-to-power project. This partnership aligns with Indonesia's broader strategy to expand its energy footprint globally while contributing to sustainable energy solutions. The outcome of this project could pave the way for further collaboration in the energy sector between the two nations.

Indonesia Stock Exchange Investigates Bribery in IPO Process:

The ongoing investigation by the Indonesia Stock Exchange (IDX) into alleged bribery during the IPO process highlights concerns about governance and transparency in the capital markets. The case, involving five former employees, underscores the need for stricter oversight and regulatory reforms to maintain the integrity of Indonesia's financial markets.

Indonesia: Life Insurance Market Shows Stable Topline Performance in 1H:

Indonesia's life insurance industry has shown steady growth in the first half of 2024, with premium income rising by 2.6% compared to the previous year. This stable performance reflects the sector's resilience and the ongoing demand for life insurance products in the country. However, the industry must continue to adapt to changing consumer preferences and economic conditions to sustain growth.

Politics, Security, and National

Campaign Gets Off to an Early Start in Jakarta Gubernatorial Race:

The Jakarta gubernatorial race has seen an early start, with candidates beginning to campaign well before official clearance from the General Elections Commission (KPU). This early engagement reflects the high stakes of the election and the candidates' eagerness to connect with voters. The premature campaigning could influence voter perceptions and set the tone for a highly competitive race.

Jakarta Election: With former Governor Anies Baswedan not running in the upcoming Jakarta gubernatorial election, his voter base has become a prime target for other candidates. The competition is fierce as major candidates seek to capture his supporters by appealing to their shared values and political ideologies. The outcome of this contest could reshape Jakarta's political landscape, especially in the context of the broader national elections.

Ridwan Kamil Says President-Elect Prabowo Subianto Requests Him to 'Look After Jakarta':

West Java Governor Ridwan Kamil's disclosure that President-elect Prabowo Subianto has asked him to focus on Jakarta signals potential political realignments. Kamil's decision to heed this request could affect the dynamics of regional elections, particularly in West Java and Jakarta. This move also highlights Prabowo's strategic interest in consolidating influence in key urban centers.

Dedi Mulyadi and Ahmad Syaikhul in Tight Race for West Java Governor:

The upcoming West Java gubernatorial election is shaping up to be a closely contested race between Dedi Mulyadi and Ahmad Syaikhul. Polls indicate a narrow lead for Mulyadi, but Syaikhul's effective voter mobilization efforts could tip the balance. The election outcome will have significant implications for the political landscape in one of Indonesia's most populous provinces.

East Java Election:

The 2024 East Java gubernatorial election is expected to be highly competitive, with several strong female candidates challenging the incumbent, Khofifah Indar Parawansa. The presence of high-profile contenders like Tri Rismaharini and Luluk Nur Hamidah highlights the growing influence of women in Indonesian politics. Khofifah's dominance is being tested, and the election could set a new precedent for female leadership in the region.

Digital Economy, Media, and Telecommunications

Internet Speed Made Tenfold Leap Under Jokowi's Leadership:

Indonesia's internet infrastructure has seen remarkable improvement under President Joko Widodo's leadership, with internet speed increasing tenfold in the past decade. This achievement underscores the government's commitment to enhancing digital connectivity as a driver of economic growth. As the country continues to develop its digital economy, maintaining and expanding this progress will be crucial.

Indonesia Gets Data Center Investment Offer from Egypt:

Indonesia's growing digital infrastructure has attracted investment interest from Egypt, particularly in data center projects. This offer, made during the Indonesia-Africa Forum, reflects the increasing importance of data infrastructure in the global economy and Indonesia's potential as a hub for digital services in the region. Successful collaboration in this sector could significantly boost Indonesia's digital economy.

Stripe Prepares Indonesia Expansion: Global payments giant Stripe is preparing to expand its operations in Indonesia, signaling confidence in the country's burgeoning digital economy. Stripe aims to capture a significant share of Indonesia's growing e-commerce market by integrating local payment methods. This expansion could further catalyze the growth of digital payments and financial technology in the region.

Indonesia and South Korea Pile on Telegram Over Gambling and Illicit Content Concerns: Telegram faces increasing scrutiny from governments, including Indonesia and South Korea, over concerns related to gambling and illicit content on its platform. The mounting pressure could lead to regulatory actions or even potential bans in these countries. How Telegram responds to these challenges will be critical in determining its future in these key markets.

Lokatani Secures Funding to Empower Hydroponic Farmers in Indonesia: Lokatani, an Indonesian agritech startup, has secured pre-seed funding to support hydroponic farmers. This funding will help Lokatani expand its operations and promote sustainable agriculture practices. As demand for locally produced, high-quality food grows, investments in agritech solutions like Lokatani are likely to play a crucial role in transforming Indonesia's agricultural landscape.

Environment, Climate Change, Green Economy

Indonesia Inaugurates Largest Ground-Mounted Solar Power Plant in Purwakarta:

The inauguration of Indonesia's largest ground-mounted solar power plant in Purwakarta marks a significant milestone in the country's renewable energy journey. The 100 MW facility is a critical step towards achieving Indonesia's energy transition goals. As the government continues to push for cleaner energy sources, this project sets a precedent for future renewable energy initiatives in the country.

More Than Just a Light: Indonesia's Ministry of Energy and Mineral Resources, in collaboration with the United Nations Development Program (UNDP), has expanded clean energy access to 22 remote villages. This initiative not only brings sustainable energy to underserved areas but also stimulates local economic growth. The project highlights the dual benefits of renewable energy investments in promoting both environmental sustainability and economic development.

ACEN-Barito Renewables Partner to Accelerate Wind Energy Development in Indonesia:

ACEN, a public energy company from the Ayala group in the Philippines, has partnered with PT Barito Renewables Energy to accelerate wind energy development in Indonesia. This collaboration reflects the growing momentum behind renewable energy projects in the country and signals a shift towards diversifying Indonesia's energy mix. The success of this partnership could pave the way for further investments in the wind energy sector.

Wildlife-Rich Mangroves Suffer as Indonesia Ramps Up:

Construction of New Capital: The construction of Indonesia's new capital, Nusantara, raises concerns about the environmental impact, particularly on the region's mangrove ecosystems. Despite promises of a "green" development, deforestation and habitat destruction are ongoing issues that need to be addressed to preserve biodiversity and ensure the sustainability of the project.

Kominfo Adopts Japan's Disaster Early Warning System:

Indonesia's Ministry of Communication and Information (Kominfo) has adopted Japan's disaster early warning system to enhance the country's preparedness for natural disasters. This system, which utilizes digital TV broadcasts and SMS alerts, represents a significant upgrade in Indonesia's disaster management capabilities. The implementation of this system is timely, given the country's vulnerability to natural disasters, particularly earthquakes and tsunamis.

Market Movement

The market presented a mixed picture across Asia, with most major indices showing slight declines. The Nikkei closed flat at 38,686, while the Hang Seng dipped by 0.2% to settle at 17,652. The Shanghai Composite fell by 0.3%, closing at 2,803, and the KOSPI dropped by 0.6%, ending at 2,665. The Jakarta Composite Index (JCI) experienced a more significant decline, closing 1.0% lower at 7,617. In the currency market, the USD/IDR remained stable at 15,525, while commodities showed minor fluctuations, with Gold slightly down by 0.1% to USD 2,497 per ounce and Brent Oil dropping by 2.1% to USD 76 per barrel.

In the Indonesian market, the JCI saw a noticeable decline of 1.01%, closing at 7,616.5, while the Indonesia Sharia Stock Index (ISSI) mirrored this trend, ending 1.02% down at 224.1. Despite the overall downturn, foreign investors were net buyers in the regular market, purchasing IDR 126.9 billion worth of shares, while they were net sellers in the negotiated market, with a net sell of IDR 10.1 billion.

Among the stocks, DNET, MSIN, and BRMS emerged as the leading movers, with DNET surging by an impressive 19.7% to close at IDR 6,225. MSIN and BRMS followed with gains of 9.8% and 5.6%, respectively. On the other hand, BREN, BMRI, and TLKM were the lagging movers, with BREN taking a hit of 4.7%, closing at IDR 10,250, BMRI down by 1.7% to IDR 7,075, and TLKM slipping by 1.9% to IDR 3,080.

Sector-wise, the health sector (IDXHLTH) stood out as the top gainer, while the technology sector (IDXTECH) was the most significant loser of the day.

In terms of foreign activity, BBRI, BREN, and BBNI were among the top net buy stocks, with BBRI and BBNI showing marginal positive changes, while BREN dropped by 4.7%. Conversely, BMRI, BRIS, and ASII led the net sell stocks, with BMRI and TLKM witnessing notable declines of 1.7% and 1.9%, respectively.

The top value stocks of the day included BBRI, BMRI, BBKA, BREN, and TLKM, with BBRI maintaining its position at IDR 5,175, while BREN and TLKM faced pressure from sellers.

Overall, the market reflected cautious sentiment with selective buying, especially in sectors perceived as more resilient. The decline in oil prices and the stable performance of the USD/IDR pair suggest a cautious outlook, with investors closely monitoring global economic cues and domestic developments.

Fixed Income

The market for Rupiah-denominated bonds experienced a general weakening in the trading session. This decline was primarily driven by a correction in the Indonesian Government Bonds (Surat Berharga Negara or SBN) benchmark series across all maturities, coupled with stagnation in the Rupiah's exchange rate movement.

Key Market Indicators

- Indonesia Composite Bond Index (ICBI): The index declined by -0.06%, bringing its year-to-date return to 4.33%.
- 10-Year Benchmark SBN (FR0100): The yield on the 10-year benchmark SBN weakened, closing at 6.67%.
- Rupiah Exchange Rate: The Rupiah slightly weakened by 1 point, closing at IDR 15,526 per USD.

Trading Activity

- Trading Volume: The volume of bond transactions increased by 5.68%, reaching IDR 51.90 trillion, compared to IDR 49.11 trillion in the previous session.
- Trading Frequency: Despite the rise in trading volume, the frequency of transactions declined by -20.33%, from 4,122 trades to 3,284 trades.

All in all, the bond market's weakening performance reflects a cautious sentiment among investors, influenced by the correction in SBN benchmark yields and the Rupiah's lack of movement. The increased trading volume alongside the decrease in transaction frequency may indicate selective trading activity, with investors perhaps focusing on specific bonds rather than engaging broadly across the market.

The overall market remains sensitive to both domestic and global economic conditions, including currency fluctuations and external interest rate movements.

This market condition warrants close monitoring, especially with potential shifts in economic policy and external financial pressures that could further impact the bond yields and overall market performance.

US 10 year Treasury

The yield on the 10-year Treasury note climbed to 3.87% on Friday, continuing its recovery after hitting a more than one-year low of 3.8% earlier in the week. This movement comes as markets evaluate the latest economic data for clues about the scale of interest rate cuts the Federal Reserve may implement in its upcoming cycle. In July, Core PCE prices, which the Federal Reserve considers its preferred measure of underlying inflation, rose by 0.2% from the previous month, in line with expectations, mirroring the slight uptick in the overall index. The absence of significant surprises reinforced expectations that the US central bank would likely implement 100 basis points in rate cuts across its three remaining meetings this year. Nevertheless, increases in personal income and spending, coupled with the recent upward revision of US GDP, suggest that the US economy remains generally resilient despite restrictive borrowing costs, providing the Fed with some flexibility to continue its anti-inflation efforts if inflation proves to be more persistent before easing towards the 2% target.

Outlook

In the near term, the bond market's performance will likely hinge on further developments in domestic economic indicators and the Rupiah's trajectory. Additionally, global market movements, particularly U.S. Treasury yields, will remain a key factor to watch. Investors should remain vigilant and monitor upcoming economic data releases and central bank policy directions, both domestically and globally. The yield on the 10-year SUN (Indonesian Government Bonds) benchmark is relatively stable, hovering around 6.625%. The current tight range is between 6.56-6.73, ahead of any significant moves. Over the past three days, the equity-bond yield movements in Indonesia have closely aligned with those in the U.S., showing a positive correlation. This correlation indicates that an increase in the equity market is accompanied by a similar rise in bond yields, reflecting an inverse flow relationship. This suggests that the market remains optimistic about growth as the likelihood of a U.S. recession decreases, supported by recent GDP and PCE data as evidence of a strong economy.

A similar trend of growth over stability is emerging in Indonesia, which further bolsters the equity market. At the same time, as the bond interest parity between the U.S. and Indonesian markets narrows, the potential for capital inflows is expected to diminish in the coming weeks, alongside a likely slowdown in the Rupiah's appreciation.

Strategy

According to the RRG chart, most tenors are still experiencing a strengthening of momentum, with the exception of the 5-, 6-, 7-, 11-, 12-, and 16-year yields, although the changes are minor. The tenors outperforming the 10-year benchmark include the 1-, 2-, 7-, 9-, and 12-year tenors. Meanwhile, the 15-, 16-, 20-, and 30-year tenors are nearing the point of leading against the 10-year benchmark. Given the dynamic nature of the market, 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 | 10,475 |
| CNY / USD | 7.1 | CNY / IDR | 2,180 |
| EUR / USD | 1.1 | EUR / IDR | 17,163 |
| GBP / USD | 1.3 | GBP / IDR | 20,386 |
| HKD / USD | 7.7 | HKD / IDR | 1,991 |
| JPY / USD | 145.8 | JPY / IDR | 106 |
| MYR / USD | 4.3 | MYR / IDR | 3,554 |
| NZD / USD | 0.6 | NZD / IDR | 9,619 |
| SAR / USD | 3.7 | SAR / IDR | 4,137 |
| SGD / USD | 1.3 | SGD / IDR | 11,873 |
| | | USD / IDR | 15,526 |

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 116.8bn Inflow

| Stock | % TVAL | Last | % CHG | % MTD | % YTD | NVAL (IDR bn) |
|-------|--------|--------|-------|-------|-------|---------------|
| BBRI | 4.4 | 5,175 | 0.0 | 0.4 | -9.6 | 308 |
| BREN | 2.0 | 10,250 | -4.6 | -4.6 | 37.1 | 71 |
| BBNI | 0.4 | 5,375 | 0.4 | 0.4 | 0.0 | 36 |
| INDF | 0.4 | 6,775 | 0.7 | -1.0 | 5.0 | 32 |
| ITMG | 0.2 | 27,800 | 0.4 | 2.1 | 8.3 | 30 |
| KLBF | 0.2 | 1,680 | 0.0 | 1.8 | 4.3 | 23 |
| AMRT | 0.3 | 2,870 | -0.6 | -1.0 | -2.0 | 21 |
| AMMN | 0.5 | 10,650 | -0.4 | 0.0 | 62.5 | 20 |
| EXCL | 0.1 | 2,270 | 0.0 | 1.7 | 13.5 | 20 |
| BRMS | 0.1 | 169 | 5.6 | 4.3 | -0.5 | 19 |

Source: SSI Research, STAR

Index Stock Mover Summary

| Stock | % CHG | JCI (+) | M.CAP (IDR tn) | Stock | % CHG | JCI (+) | M.CAP (IDR tn) |
|-------|-------|---------|----------------|-------|-------|---------|----------------|
| DNET | 19.7 | 13.04 | 88 | BREN | -4.6 | -59.99 | 1,371 |
| MSIN | 9.7 | 7.34 | 92 | TPIA | -1.5 | -11.63 | 818 |
| SILO | 6.2 | 2.09 | 40 | BBCA | -0.9 | -10.94 | 1,242 |
| BUMI | 5.3 | 1.66 | 36 | BMRI | -1.7 | -10.35 | 654 |
| FASW | 10.0 | 1.27 | 16 | DCII | -8.0 | -7.53 | 96 |
| BRMS | 5.6 | 1.13 | 24 | PANI | -4.8 | -5.67 | 124 |
| BBNI | 0.4 | 0.82 | 198 | TLKM | -1.9 | -5.33 | 305 |
| SMCB | 9.6 | 0.52 | 7 | CUAN | -4.8 | -4.53 | 100 |
| JPFA | 2.9 | 0.47 | 19 | BYAN | -0.8 | -4.48 | 555 |
| BNBR | 8.1 | 0.43 | 6 | KPIG | -20.3 | -3.50 | 15 |

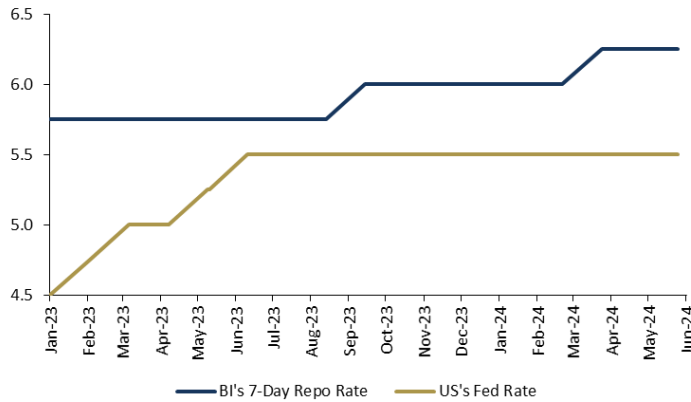
Source: SSI Research, STAR

Sector Statistic

| SECTOR | TVAL | %TVAL | FNVAL | FBVAL | DBVAL | FVSAL | DSVAL |
|------------|--------|-------|---------|--------|--------|--------|--------|
| IDXFINANCE | 2.9T | 27.6 | 185.4B | 1.5T | 1.4T | 1.3T | 1.6T |
| IDXNONCYC | 1.3T | 12.3 | 75.8B | 261.4B | 1.0T | 185.6B | 1.1T |
| IDXPROPERT | 434.3B | 4.1 | 33.4B | 119.7B | 314.6B | 86.2B | 348.0B |
| IDXINFRA | 1.5T | 14.2 | 21.6B | 546.5B | 963.7B | 524.9B | 985.4B |
| IDXHEALTH | 270.0B | 2.5 | 14.2B | 135.9B | 134.1B | 121.6B | 148.3B |
| COMPOSITE | 10.5T | 100.0 | | 3.3T | 7.2T | 3.2T | 7.3T |
| IDXTRANS | 49.1B | 0.4 | -481.5M | 2.7B | 46.3B | 3.2B | 45.8B |
| IDXINDUST | 510.3B | 4.8 | 8.9B | 170.2B | 340.0B | 179.2B | 331.0B |
| IDXTECHNO | 199.4B | 1.8 | -1.8B | 30.6B | 168.7B | 42.5B | 156.9B |
| IDXCYCLIC | 641.5B | 6.1 | 28.0B | 108.7B | 532.8B | 136.8B | 504.7B |
| IDXBASIC | 1.0T | 9.5 | 32.7B | 209.5B | 889.5B | 242.2B | 856.8B |
| IDXENERGY | 1.5T | 14.2 | -131.7B | 244.4B | 1.3T | 376.1B | 1.2T |

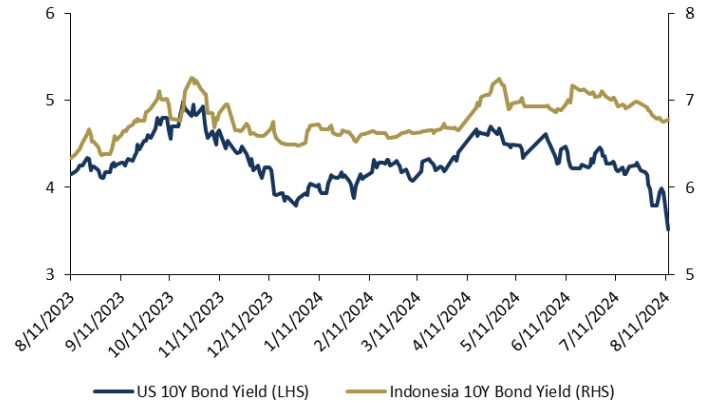
Source: STAR, SSI Research

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% | 100.11 | 5.6% | 5.7% | 100.15 | (6.04) | Expensive | 0.03 |
| 2 | FR81 | 8/1/2019 | 6/15/2025 | 0.78 | 6.5% | 100.03 | 6.4% | 5.9% | 100.45 | 53.90 | Cheap | 0.76 |
| 3 | FR40 | 9/21/2006 | 9/15/2025 | 1.04 | 11.0% | 104.49 | 6.4% | 6.0% | 104.97 | 43.54 | Cheap | 0.97 |
| 4 | FR84 | 5/4/2020 | 2/15/2026 | 1.45 | 7.3% | 101.06 | 6.5% | 6.1% | 101.61 | 38.39 | Cheap | 1.39 |
| 5 | FR86 | 8/13/2020 | 4/15/2026 | 1.62 | 5.5% | 98.61 | 6.4% | 6.1% | 99.07 | 30.30 | Cheap | 1.55 |
| 6 | FR37 | 5/18/2006 | 9/15/2026 | 2.04 | 12.0% | 110.33 | 6.5% | 6.2% | 110.94 | 28.08 | Cheap | 1.80 |
| 7 | FR56 | 9/23/2010 | 9/15/2026 | 2.04 | 8.4% | 103.66 | 6.4% | 6.2% | 104.11 | 22.07 | Cheap | 1.86 |
| 8 | FR90 | 7/8/2021 | 4/15/2027 | 2.62 | 5.1% | 97.04 | 6.4% | 6.3% | 97.22 | 7.81 | Cheap | 2.44 |
| 9 | FR59 | 9/15/2011 | 5/15/2027 | 2.70 | 7.0% | 101.42 | 6.4% | 6.3% | 101.70 | 10.61 | Cheap | 2.48 |
| 10 | FR42 | 1/25/2007 | 7/15/2027 | 2.87 | 10.3% | 109.60 | 6.5% | 6.3% | 110.13 | 18.16 | Cheap | 2.51 |
| 11 | FR94 | 3/4/2022 | 1/15/2028 | 3.37 | 5.6% | 96.80 | 6.7% | 6.4% | 97.64 | 28.58 | Cheap | 3.06 |
| 12 | FR47 | 8/30/2007 | 2/15/2028 | 3.45 | 10.0% | 110.88 | 6.4% | 6.4% | 111.00 | 2.54 | Cheap | 2.98 |
| 13 | FR64 | 8/13/2012 | 5/15/2028 | 3.70 | 6.1% | 98.87 | 6.5% | 6.4% | 99.02 | 4.42 | Cheap | 3.33 |
| 14 | FR95 | 8/19/2022 | 8/15/2028 | 3.95 | 6.4% | 99.94 | 6.4% | 6.5% | 99.74 | (5.89) | Expensive | 3.51 |
| 15 | FR99 | 1/27/2023 | 1/15/2029 | 4.37 | 6.4% | 99.49 | 6.5% | 6.5% | 99.68 | 4.86 | Cheap | 3.81 |
| 16 | FR71 | 9/12/2013 | 3/15/2029 | 4.53 | 9.0% | 109.47 | 6.5% | 6.5% | 109.69 | 4.89 | Cheap | 3.75 |
| 17 | FR101 | 11/2/2023 | 4/15/2029 | 4.62 | 6.9% | 101.29 | 6.5% | 6.5% | 101.46 | 3.99 | Cheap | 3.96 |
| 18 | FR78 | 9/27/2018 | 5/15/2029 | 4.70 | 8.3% | 106.72 | 6.6% | 6.5% | 106.95 | 4.76 | Cheap | 3.96 |
| 19 | FR52 | 8/20/2009 | 8/15/2030 | 5.95 | 10.5% | 118.45 | 6.7% | 6.6% | 119.03 | 9.94 | Cheap | 4.62 |
| 20 | FR82 | 8/1/2019 | 9/15/2030 | 6.04 | 7.0% | 102.09 | 6.6% | 6.6% | 102.02 | (1.61) | Expensive | 4.91 |
| 21 | FR87 | 8/13/2020 | 2/15/2031 | 6.46 | 6.5% | 99.45 | 6.6% | 6.6% | 99.44 | (0.29) | Expensive | 5.30 |
| 22 | FR85 | 5/4/2020 | 4/15/2031 | 6.62 | 7.8% | 105.40 | 6.7% | 6.6% | 106.01 | 10.74 | Cheap | 5.23 |
| 23 | FR73 | 8/6/2015 | 5/15/2031 | 6.70 | 8.8% | 111.05 | 6.7% | 6.6% | 111.39 | 5.54 | Cheap | 5.21 |
| 24 | FR54 | 7/22/2010 | 7/15/2031 | 6.87 | 9.5% | 115.32 | 6.7% | 6.6% | 115.66 | 5.26 | Cheap | 5.20 |
| 25 | FR91 | 7/8/2021 | 4/15/2032 | 7.62 | 6.4% | 98.50 | 6.6% | 6.7% | 98.38 | (2.28) | Expensive | 6.03 |
| 26 | FR58 | 7/21/2011 | 6/15/2032 | 7.79 | 8.3% | 109.27 | 6.7% | 6.7% | 109.57 | 4.29 | Cheap | 5.82 |
| 27 | FR74 | 11/10/2016 | 8/15/2032 | 7.96 | 7.5% | 104.74 | 6.7% | 6.7% | 105.12 | 5.95 | Cheap | 6.09 |
| 28 | FR96 | 8/19/2022 | 2/15/2033 | 8.46 | 7.0% | 102.12 | 6.7% | 6.7% | 102.08 | (0.72) | Expensive | 6.45 |
| 29 | FR65 | 8/30/2012 | 5/15/2033 | 8.70 | 6.6% | 99.75 | 6.7% | 6.7% | 99.64 | (1.78) | Expensive | 6.66 |
| 30 | FR100 | 8/24/2023 | 2/15/2034 | 9.46 | 6.6% | 99.83 | 6.6% | 6.7% | 99.51 | (4.72) | Expensive | 7.07 |
| 31 | FR68 | 8/1/2013 | 3/15/2034 | 9.54 | 8.4% | 111.81 | 6.7% | 6.7% | 111.68 | (1.94) | Expensive | 6.73 |
| 32 | FR80 | 7/4/2019 | 6/15/2035 | 10.79 | 7.5% | 106.07 | 6.7% | 6.7% | 105.92 | (2.15) | Expensive | 7.48 |
| 33 | FR103 | 8/8/2024 | 7/15/2035 | 10.87 | 6.8% | 100.89 | 6.6% | 6.7% | 100.22 | (8.94) | Expensive | 7.73 |
| 34 | FR72 | 7/9/2015 | 5/15/2036 | 11.71 | 8.3% | 112.13 | 6.7% | 6.7% | 112.15 | (0.10) | Expensive | 7.84 |
| 35 | FR88 | 1/7/2021 | 6/15/2036 | 11.79 | 6.3% | 96.52 | 6.7% | 6.7% | 96.10 | (5.52) | Expensive | 8.24 |
| 36 | FR45 | 5/24/2007 | 5/15/2037 | 12.71 | 9.8% | 123.86 | 6.9% | 6.7% | 125.37 | 15.05 | Cheap | 7.95 |
| 37 | FR93 | 1/6/2022 | 7/15/2037 | 12.87 | 6.4% | 97.37 | 6.7% | 6.7% | 96.83 | (6.53) | Expensive | 8.74 |
| 38 | FR75 | 8/10/2017 | 5/15/2038 | 13.71 | 7.5% | 106.31 | 6.8% | 6.8% | 106.58 | 2.70 | Cheap | 8.81 |
| 39 | FR98 | 9/15/2022 | 6/15/2038 | 13.79 | 7.1% | 103.65 | 6.7% | 6.8% | 103.27 | (4.43) | Expensive | 8.85 |
| 40 | FR50 | 1/24/2008 | 7/15/2038 | 13.87 | 10.5% | 133.29 | 6.8% | 6.8% | 133.35 | 0.18 | Cheap | 8.24 |
| 41 | FR79 | 1/7/2019 | 4/15/2039 | 14.62 | 8.4% | 114.25 | 6.8% | 6.8% | 114.81 | 5.37 | Cheap | 8.89 |
| 42 | FR83 | 11/7/2019 | 4/15/2040 | 15.63 | 7.5% | 106.40 | 6.8% | 6.8% | 106.95 | 5.33 | Cheap | 9.44 |
| 43 | FR57 | 4/21/2011 | 5/15/2041 | 16.71 | 9.5% | 125.56 | 6.9% | 6.8% | 126.95 | 11.65 | Cheap | 9.37 |
| 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 | 17.79 | 7.1% | 102.98 | 6.8% | 6.8% | 103.46 | 4.42 | Cheap | 10.18 |
| 46 | FR97 | 8/19/2022 | 6/15/2043 | 18.79 | 7.1% | 103.12 | 6.8% | 6.8% | 103.50 | 3.42 | Cheap | 10.47 |
| 47 | FR67 | 7/18/2013 | 2/15/2044 | 19.47 | 8.8% | 119.53 | 6.9% | 6.8% | 120.93 | 11.25 | Cheap | 10.30 |
| 48 | FR76 | 9/22/2017 | 5/15/2048 | 23.72 | 7.4% | 106.47 | 6.8% | 6.8% | 106.57 | 0.69 | Cheap | 11.69 |
| 49 | FR89 | 1/7/2021 | 8/15/2051 | 26.97 | 6.9% | 100.03 | 6.9% | 6.8% | 100.65 | 4.98 | Cheap | 12.40 |
| 50 | FR102 | 1/5/2024 | 7/15/2054 | 29.88 | 6.9% | 100.56 | 6.8% | 6.8% | 100.59 | 0.10 | 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 | 10/18/2019 | 10/15/2024 | 0.12 | 6.6% | 100.01 | 6.4% | 6.5% | 100.02 | (10.76) | Expensive | 0.11 |
| 2 | PBS036 | 8/26/2022 | 8/15/2025 | 0.95 | 5.4% | 99.05 | 6.4% | 6.5% | 98.99 | (6.74) | Expensive | 0.93 |
| 3 | PBS017 | 1/11/2018 | 10/15/2025 | 1.12 | 6.1% | 99.67 | 6.4% | 6.5% | 99.61 | (5.93) | Expensive | 1.08 |
| 4 | PBS032 | 7/30/2021 | 7/15/2026 | 1.86 | 4.9% | 97.05 | 6.6% | 6.5% | 97.18 | 7.53 | Cheap | 1.78 |
| 5 | PBS021 | 12/6/2018 | 11/15/2026 | 2.20 | 8.5% | 104.19 | 6.4% | 6.5% | 104.01 | (9.94) | Expensive | 2.02 |
| 6 | PBS003 | 2/2/2012 | 1/15/2027 | 2.37 | 6.0% | 98.70 | 6.6% | 6.5% | 98.88 | 8.06 | Cheap | 2.20 |
| 7 | PBS020 | 10/22/2018 | 10/15/2027 | 3.12 | 9.0% | 106.93 | 6.5% | 6.5% | 106.85 | (3.47) | Expensive | 2.73 |
| 8 | PBS018 | 6/4/2018 | 5/15/2028 | 3.70 | 7.6% | 103.56 | 6.5% | 6.5% | 103.50 | (2.60) | Expensive | 3.25 |
| 9 | PBS030 | 6/7/2021 | 7/15/2028 | 3.87 | 5.9% | 97.57 | 6.6% | 6.5% | 97.73 | 4.70 | Cheap | 3.45 |
| 10 | PBS023 | 5/16/2019 | 5/15/2030 | 5.70 | 8.1% | 107.32 | 6.6% | 6.6% | 107.22 | (2.50) | Expensive | 4.64 |
| 11 | PBS012 | 1/28/2016 | 11/15/2031 | 7.20 | 8.9% | 113.07 | 6.6% | 6.6% | 112.78 | (5.29) | Expensive | 5.50 |
| 12 | PBS024 | 5/29/2019 | 5/15/2032 | 7.70 | 8.4% | 110.64 | 6.6% | 6.6% | 110.42 | (3.86) | Expensive | 5.84 |
| 13 | PBS025 | 5/31/2019 | 5/15/2033 | 8.70 | 8.4% | 111.24 | 6.6% | 6.6% | 111.29 | 0.40 | Cheap | 6.38 |
| 14 | PBS029 | 1/15/2021 | 3/15/2034 | 9.53 | 6.4% | 97.73 | 6.7% | 6.7% | 98.01 | 4.02 | Cheap | 7.08 |
| 15 | PBS022 | 1/25/2019 | 4/15/2034 | 9.62 | 8.6% | 113.41 | 6.7% | 6.7% | 113.77 | 4.50 | Cheap | 6.77 |
| 16 | PBS037 | 1/13/2023 | 3/15/2036 | 11.54 | 6.9% | 100.31 | 6.8% | 6.7% | 101.40 | 13.63 | Cheap | 7.94 |
| 17 | PBS004 | 2/16/2012 | 2/15/2037 | 12.46 | 6.1% | 94.30 | 6.8% | 6.7% | 94.86 | 6.89 | Cheap | 8.66 |
| 18 | PBS034 | 1/14/2022 | 6/15/2039 | 14.79 | 6.5% | 97.57 | 6.8% | 6.8% | 97.61 | 0.22 | Cheap | 9.40 |
| 19 | PBS007 | 9/29/2014 | 9/15/2040 | 16.04 | 9.0% | 121.75 | 6.8% | 6.8% | 121.50 | (2.39) | Expensive | 9.19 |
| 20 | PBS039 | 1/12/2024 | 7/15/2041 | 16.87 | 6.6% | 98.35 | 6.8% | 6.8% | 98.30 | (0.61) | Expensive | 10.13 |
| 21 | PBS035 | 3/31/2022 | 3/15/2042 | 17.54 | 6.8% | 98.99 | 6.9% | 6.8% | 99.42 | 4.24 | Cheap | 10.21 |
| 22 | PBS005 | 5/2/2013 | 4/15/2043 | 18.62 | 6.8% | 99.33 | 6.8% | 6.8% | 99.20 | (1.36) | Expensive | 10.61 |
| 23 | PBS028 | 7/24/2020 | 10/15/2046 | 22.13 | 7.8% | 109.51 | 6.9% | 6.9% | 109.74 | 1.82 | Cheap | 11.12 |
| 24 | PBS033 | 1/14/2022 | 6/15/2047 | 22.79 | 6.8% | 98.09 | 6.9% | 6.9% | 98.32 | 1.92 | Cheap | 11.51 |
| 25 | PBS015 | 7/21/2017 | 7/15/2047 | 22.88 | 8.0% | 113.35 | 6.8% | 6.9% | 112.58 | (6.23) | Expensive | 11.26 |
| 26 | PBS038 | 12/8/2023 | 12/15/2049 | 25.30 | 6.9% | 98.88 | 7.0% | 6.9% | 99.25 | 3.04 | Cheap | 11.90 |

Source: Bloomberg, SSI Research