

## Overview

Indonesia's economy continues to show resilience as investment realization hits IDR 829.9 trillion in the first half of 2024, with significant contributions from infrastructure, energy, and digital sectors. Foreign investments are flowing into the new capital, Nusantara, with Singapore leading initiatives in green and smart infrastructure. The Indonesia-Africa Forum further bolstered business ties, securing major deals in energy and agribusiness. However, Tesla has postponed its plans due to Indonesia's coal dependency, highlighting the challenges in transitioning to cleaner energy. The manufacturing sector struggles amid a flood of cheap imports, prompting calls for stricter regulations. Meanwhile, state-owned Indofarma faces financial turmoil, selling assets to address mounting debts. On the digital front, Indonesia's startup ecosystem thrives with 14 unicorns, while Indosat Ooredoo works on launching its local AI model. Politically, Golkar strengthens its influence as President Widodo's term winds down, with power shifts evident ahead of Prabowo Subianto's presidency.

## Key Comments

### Economy, Business & Finance

**Investment Realization Hits IDR 829.9 Trillion:** Indonesia's investment realization for the first half of 2024 reached IDR 829.9 trillion (USD 53.59 billion), surpassing expectations. Significant investments came from infrastructure, energy, and digital sectors, contributing to Indonesia's sustained growth. FDI, particularly in renewable energy and digital infrastructure, saw substantial growth due to ongoing reforms and incentives.

**Foreign Investment Flows into Nusantara:** Indonesia's new capital city, Nusantara, is attracting foreign investments as construction enters critical phases. Singapore leads the charge, showing interest in developing sustainable infrastructure projects, green energy initiatives, and smart city technologies. This investment comes at a crucial time as the government ramps up efforts to accelerate the city's development.

**Indonesia-Africa Forum Yields Major Business Deals:** The IAF 2024 concluded with 32 business deals, including key agreements in the energy and food sectors. These deals are projected to create new market opportunities for Indonesian businesses in Africa, particularly in renewable energy projects, agribusiness, and infrastructure development. Notably, the energy sector saw a USD 1.5 billion agreement, boosting Indonesia's footprint in Africa.

**Tesla Delays Investment Due to Coal Dependency:** Tesla has postponed its planned investment in Indonesia, citing concerns over the country's reliance on coal energy. Indonesia's heavy use of fossil fuels, particularly coal, remains a barrier for foreign companies with strict environmental mandates. Tesla had initially considered building a battery production facility in the country, but now looks to alternative locations until Indonesia's energy mix becomes greener.

**Q2 2024 International Investment Position:** Indonesia's international investment position saw a decrease in net liabilities from USD 253.9 billion in Q1 to USD 247.3 billion in Q2. This improvement was driven by increased exports and a stronger rupiah, offsetting the rise in external debt. Indonesia remains focused on managing its external debt to avoid future financial vulnerabilities.

**Manufacturing Sector Slumps- Kadin's reaction:** Indonesia's Purchasing Managers' Index (PMI) dropped to 48.9 in August 2024, signaling a contraction in the manufacturing sector for the second consecutive month. The flood of imported goods, particularly from China, has pressured local manufacturers. The Indonesian Chamber of Commerce and Industry (KADIN) is calling for stricter import rules to protect domestic industries, particularly in key sectors like electronics, textiles, and steel.

**Indofarma's Financial Crisis Deepens:** PT Indofarma is selling assets to its parent company, Bio Farma, as it struggles with a mounting financial crisis. The sale is intended to address outstanding debt and pay workers, who have faced delays in salary payments. Meanwhile, lawmakers are calling for more drastic measures, including restructuring or possible mergers, to ensure the company's long-term survival.

**E-Bike and Vaccine Expansion into Africa:** Indonesian companies, including electric vehicle and vaccine manufacturers, are capitalizing on opportunities in Africa following the Indonesia-Africa Forum. Gesits, an e-bike maker, and Bio Farma, Indonesia's largest vaccine producer, are looking to expand their presence across African markets, where demand for affordable and sustainable technologies is growing rapidly.

**Pertamina-Sinopec Partnership to Boost Oil Production:** Sinopec and Pertamina are collaborating to apply Enhanced Oil Recovery (EOR) technology to boost production in five key Indonesian oil fields. This technology could significantly increase output from mature fields, helping Indonesia reduce its reliance on oil imports while maximizing domestic production.

**Indonesia and China Explore Coal Downstreaming Cooperation:** The Indonesian government has proposed a partnership with China to enhance the downstreaming of coal, with projects ranging from coal upgrading and briquetting to coal liquefaction. This move is part of Indonesia's strategy to increase the added value of its coal exports as global demand shifts towards higher-quality energy products.

**BRILink Agents Reach 1 Million:** Bank Rakyat Indonesia (BRI) has achieved a milestone with 1 million BRILink agents spread across Indonesia. This expansion is aimed at providing financial services to remote areas and increasing financial inclusion in underserved regions.

**India's Planned Palm Oil Import Tax Hike Could Hurt Exports:** India's decision to increase taxes on palm oil imports may have negative consequences for Indonesia, which counts India as its second-largest buyer of vegetable oils. Indonesian palm oil exporters are urging the government to engage in talks with India to avoid potential trade disruptions.

**Indonesia Plans to Acquire Cambodian Rice Producers:** Indonesia's state food logistics company, Bulog, is considering acquiring rice producers in Cambodia as part of a strategy to secure stable rice supplies for domestic needs. This comes amid rising concerns about rice shortages and price volatility in global markets.

**Indonesia's Tourism Sector Recovery:** Indonesia's tourism industry is rebounding, driven by increased visitor numbers to Bali and Jakarta. However, experts warn that overtourism could damage fragile ecosystems. The government is focusing on sustainable tourism policies to mitigate this risk and balance economic growth with environmental preservation.

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

**Golkar Party's Rise Amid Jokowi's Waning Influence:** As President Joko Widodo prepares to step down, Golkar Party has emerged as a dominant force in Indonesia's political landscape. With less than two months remaining before Prabowo Subianto takes office, Golkar has solidified its control over key political appointments and policies, signaling a shift in power dynamics.

**Jakarta Gubernatorial Election Drama:** With just months before the election, the battle for Jakarta's governor seat has intensified. Former governor Anies Baswedan faces challenges from both political parties and rival candidates. The new rules, which give party leaders greater control over nominations, have raised concerns about the fairness of the electoral process.

**Pope Francis in Indonesia:** Pope Francis' visit to Indonesia has been marked by strong diplomatic ties between the Vatican and Indonesia. During his meeting with President Widodo and President-elect Prabowo Subianto, the Pope praised Indonesia's ability to maintain religious harmony in a diverse society. His remarks come at a time when religious tensions have flared in some parts of the country.

**TNI to Establish Cyber Military Force :** The Indonesian military (TNI) has been directed by President Joko Widodo to form a cyber division as part of broader efforts to strengthen Indonesia's digital defense capabilities. This new force will address the growing threat of cyber attacks on critical infrastructure and government systems.

### **Digital Economy, Telcos**

**Indonesia's Unicorn Startups Reach 14:** Indonesia has now become home to 14 unicorn startups, with the latest addition, eFishery, marking a significant achievement in the agritech space. These startups span a range of industries, including fintech, e-commerce, and agritech, contributing to Indonesia's reputation as a major startup hub in Southeast Asia.

**Indosat Ooredoo to Launch Local AI Model:** Indosat Ooredoo Hutchison is working on launching Sahabat-AI, a local-language AI model, by the end of 2024. Developed in partnership with Tech Mahindra, this AI model aims to cater to local businesses, government agencies, and educational institutions, providing language processing and automation services tailored to the Indonesian context.

**INA Digital Transformation:** INA Digital, Indonesia's digital government platform, is set to roll out new services this month as part of the country's broader digital transformation initiative. The new services will focus on streamlining government processes and enhancing the efficiency of public services, particularly for civil servants.

### **Environment, Green Economy**

**Canada-Indonesia Clean Tech Collaboration:** Indonesia is exploring opportunities for collaboration with Canada on clean technology projects, particularly in the renewable energy sector. This partnership aims to accelerate Indonesia's energy transition by introducing new technologies such as carbon capture, hydrogen production, and renewable energy storage.

**Mangrove Conservation Project:** The Japan International Cooperation Agency (JICA) has signed an agreement with Indonesia to launch a sustainable mangrove management project. The initiative focuses on ecosystem-based adaptation to climate change and aims to restore degraded mangrove forests, which play a critical role in carbon sequestration and coastal protection.

**EUDR Compliance Through Blockchain:** Indonesia is preparing to launch its National Commodity Dashboard, a blockchain-based platform designed to track palm oil, coffee, rubber, and timber. This initiative is part of Indonesia's efforts to comply with the European Union Deforestation-Free Regulation (EUDR) and reduce deforestation linked to its key export commodities.

**Nusantara's Environmental Impact:** While Indonesia's new capital, Nusantara, is touted as a green city, concerns persist about its impact on Indigenous communities and biodiversity. Environmental activists warn that the construction of Nusantara could lead to deforestation and habitat destruction if not carefully managed.

### **Regional/Local Issues**

**Jakarta's Public Housing Plans:** Gubernatorial candidate Ridwan Kamil has pledged to convert vacated government land into public housing projects, addressing Jakarta's housing shortage. This initiative aligns with President-elect Prabowo's focus on urban renewal and aims to provide affordable housing for low-income residents.

**Bandung Skytrain Development:** The government is exploring plans to introduce Skytrain and Autonomous Rail Transit (ART) systems in Bandung to ease traffic congestion. These transport innovations are expected to reduce travel times and improve connectivity in the region.

**Megathrust Earthquake Risks:** Indonesia's National Innovation Research Agency (BRIN) has highlighted the risks posed by the country's 15 megathrust segments, which could trigger large earthquakes and tsunamis. The government is investing in early warning systems and disaster preparedness to mitigate the impact of future seismic events.

### **Market Movement**

Global markets experienced mixed performances, with several Asian indices ending in the red. Japan's Nikkei 225 suffered a steep decline of 4.2%, closing at 37,048 points, reflecting a broad sell-off amidst global economic uncertainties. Hong Kong's Hang Seng Index followed suit, shedding 1.1% to close at 17,457, while China's Shanghai Composite Index slipped 0.7% to 2,784. South Korea's Kospi was also under pressure, plummeting by 3.1% to settle at 2,581.

In contrast to the overall downward trend in Asia, Indonesia's Jakarta Composite Index (JCI) displayed resilience, gaining 0.7% to close at 7,673. Foreign investors showed confidence in the Indonesian market, posting a net buy of IDR 151.5 billion in the regular market and an additional IDR 41 billion in the negotiated market. The Indonesia Sharia Stock Index (ISSI) also strengthened, closing 0.13% higher at 224.4.

Among the leading movers in the Indonesian market were BREN, BMRI, and BBKA, which saw notable gains, while BBRI, ASII, and MDKA lagged behind. The cyclical consumer goods sector (IDXCYC) was the top sectoral gainer of the day, while the transportation sector (IDXTRANS) emerged as the biggest loser, reflecting mixed investor sentiment across different industries.

On the foreign trading front, BBKA led the net buy list, gaining 1.2% to close at IDR 10,300, followed by BREN, which surged by 9.8% to IDR 11,250, and BMRI, which climbed 1.4% to IDR 7,175. Despite overall positive momentum, certain stocks faced selling pressure, with BBRI falling 1.4% to IDR 5,100, ASII dropping 1.5% to IDR 5,050, and ANTM declining by 1.8% to IDR 1,345.

The top gainers of the day included DNET, which skyrocketed by 19.7% to IDR 7,450, and KPIG, which surged by 19.1% to IDR 187, further highlighting pockets of strong investor enthusiasm. Meanwhile, the lagging movers saw STTP decline sharply by 7% to IDR 14,400, alongside other underperformers like DSSA, which dropped by 1%, and MDKA, which lost 3.4%.

Gold prices remained subdued, falling 0.4% to USD 2,484 per ounce, while Brent oil saw a slight decline of 0.5% to USD 73 per barrel, indicating some easing in commodity markets.

The overall market movement reflects mixed sentiment in global and domestic markets, with Indonesia standing out as a relative bright spot amidst regional declines, supported by solid foreign investment inflows.

### **Fixed Income**

The prices of Rupiah-denominated bonds experienced a decline during today's trading session. This downward movement was largely driven by corrections in mid-tenor government bonds (Surat Berharga Negara, SBN), despite the appreciation of the Rupiah. The Indonesia Composite Bond Index (ICBI) dropped by -0.05%, bringing the year-to-date return to 4.28%. Meanwhile, the 10-year benchmark SBN (FR0100) traded sideways, closing at a yield of 6.67%.

In the currency market, the Rupiah strengthened by 47 points, reaching a level of Rp 15,480 per US dollar. On the global front, the 10-year U.S. Treasury (UST) bond yield fell by -0.027, settling at 3.814%.

### **Trading Activity**

Bond trading activity in terms of transaction volume decreased significantly today, falling by -18.61% to Rp 42.24 trillion, compared to the previous trading volume of Rp 51.90 trillion. Additionally, transaction frequency saw a reduction of -8.83%, with the number of trades decreasing from 3,284 to 2,994 transactions.

### **Key Takeaways:**

- Bond prices weakened overall, driven by corrections in mid-tenor SBN.
- ICBI fell by -0.05%, with a YTD return of 4.28%.
- The 10-year benchmark bond (FR0100) closed with a yield of 6.67%.
- The Rupiah appreciated to Rp 15,480, while the UST 10Y yield dropped to 3.814%.
- Bond transaction volumes and frequencies both declined, by -18.61% and -8.83%, respectively.

This market activity indicates a cautious sentiment in the bond market, with adjustments in government bond yields and reduced trading volume. While the Rupiah strengthened, it did not significantly offset the broader weakening in bond prices, particularly in the mid-tenor SBN segment.

### **US 10 year Treasury**

The yield on the US 10-year Treasury note hovered around 3.82% on Wednesday, nearing the 14-month lows observed in August, as traders await more economic data to evaluate the state of the US economy. Key reports expected include today's JOLTS data and factory orders, with the jobs report set for release on Friday. On Tuesday, the ISM Manufacturing PMI revealed that the factory sector contracted for the fifth consecutive month at a faster-than-anticipated rate, with rising prices raising fresh concerns about the impact of high borrowing costs on the economy. Traders have fully factored in a potential rate cut on September 18th, with the likelihood of a 50bps reduction climbing to around 40%, up from 30% the previous day.

### **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**

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**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	20,288
HKD / USD	7.7	HKD / IDR	1,984
JPY / USD	145.3	JPY / IDR	106
MYR / USD	4.3	MYR / IDR	3,557
NZD / USD	0.6	NZD / IDR	9,563
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 192.5bn Inflow**

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBCA	2.4	10,300	1.2	-0.2	9.5	178
BREN	3.0	11,250	9.7	4.6	50.5	174
BMRI	3.0	7,175	1.4	0.7	18.5	165
BBNI	1.2	5,350	-0.4	0.0	-0.4	50
ISAT	0.2	10,775	5.1	3.8	14.9	40
TLKM	1.5	3,080	0.0	0.6	-22.0	35
CTRA	0.5	1,335	1.5	2.6	14.1	24
EXCL	0.3	2,230	-1.7	0.0	11.5	22
AMRT	0.2	2,900	1.0	0.0	-1.0	20
PTRO	0.1	14,000	7.6	11.1	166.6	20

Source: SSI Research, STAR

**Index Stock Mover Summary**

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
BREN	9.7	119.99	1,505	BBRI	-1.4	-10.09	765
DNET	19.6	15.58	106	DSSA	-1.0	-2.93	316
BBCA	1.2	13.68	1,257	ASII	-1.4	-2.72	204
BMRI	1.4	8.27	663	MDKA	-3.3	-1.75	56
GEMS	9.0	6.46	87	STTP	-6.9	-1.26	19
TPIA	0.7	5.81	824	BNLI	-2.8	-1.12	42
MSIN	5.6	4.62	97	MTEL	-2.2	-1.12	54
ISAT	5.1	3.79	87	ADRO	-1.1	-1.10	110
BYAN	0.7	3.73	559	MEDC	-3.5	-1.01	30
AMMN	0.4	3.25	776	BBNI	-0.4	-0.82	198

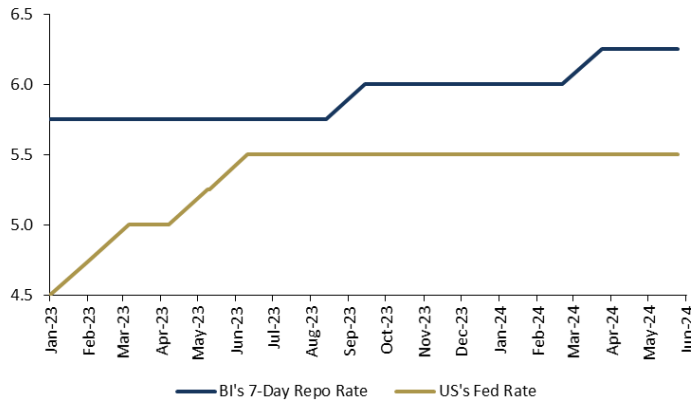
Source: SSI Research, STAR

**Sector Statistic**

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	F5VAL	DSVAL
IDXINFRA	1.4T	12.2	271.2B	865.7B	581.9B	594.5B	853.2B
IDXPROPERT	614.9B	5.3	56.0B	179.7B	435.2B	123.7B	491.2B
IDXFİNANCE	2.9T	25.4	33.0B	1.5T	1.4T	1.5T	1.4T
IDXNONCYC	979.2B	8.5	32.8B	277.7B	701.4B	244.9B	734.2B
IDXHEALTH	195.2B	1.7	2.7B	69.6B	125.5B	66.9B	128.3B
IDXCYCLIC	952.4B	8.3	2.6B	415.7B	536.6B	413.1B	539.3B
IDXTRANS	74.8B	0.6	247.4M	3.9B	70.8B	3.7B	71.1B
COMPOSITE	11.4T	100.0		4.8T	6.5T	4.6T	6.7T
IDXTECHNO	1.0T	8.7	9.2B	892.4B	123.4B	901.7B	114.2B
IDXINDUST	484.7B	4.2	40.8B	165.3B	319.4B	206.2B	278.5B
IDXBASİC	1.1T	9.6	-77.4B	209.0B	945.7B	286.5B	868.2B
IDXENERGY	1.5T	13.1	-78.5B	226.0B	1.3T	304.5B	1.2T

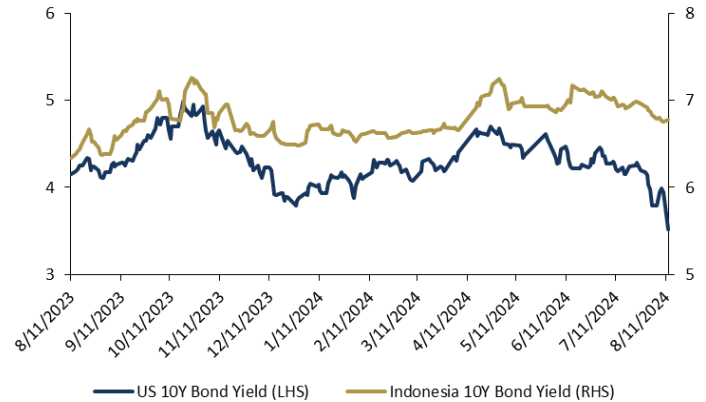
Source: STAR, SSI Research

**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	0.03	10.0%	100.14	4.3%	5.7%	100.14	(141.49)	Expensive	0.03
2	FR81	8/1/2019	6/15/2025	0.78	6.5%	100.02	6.5%	5.9%	100.45	54.56	Cheap	0.76
3	FR40	9/21/2006	9/15/2025	1.03	11.0%	104.47	6.4%	6.0%	104.96	44.10	Cheap	0.97
4	FR84	5/4/2020	2/15/2026	1.45	7.3%	101.11	6.4%	6.1%	101.61	34.99	Cheap	1.38
5	FR86	8/13/2020	4/15/2026	1.61	5.5%	98.60	6.4%	6.1%	99.07	31.52	Cheap	1.54
6	FR37	5/18/2006	9/15/2026	2.03	12.0%	110.20	6.5%	6.2%	110.93	34.28	Cheap	1.80
7	FR56	9/23/2010	9/15/2026	2.03	8.4%	103.65	6.4%	6.2%	104.10	22.63	Cheap	1.86
8	FR90	7/8/2021	4/15/2027	2.61	5.1%	97.02	6.4%	6.3%	97.23	9.03	Cheap	2.44
9	FR59	9/15/2011	5/15/2027	2.70	7.0%	101.37	6.4%	6.3%	101.70	12.79	Cheap	2.48
10	FR42	1/25/2007	7/15/2027	2.86	10.3%	109.84	6.4%	6.3%	110.13	9.05	Cheap	2.51
11	FR94	3/4/2022	1/15/2028	3.37	5.6%	96.80	6.7%	6.4%	97.64	28.61	Cheap	3.06
12	FR47	8/30/2007	2/15/2028	3.45	10.0%	110.88	6.4%	6.4%	111.00	2.33	Cheap	2.97
13	FR64	8/13/2012	5/15/2028	3.70	6.1%	98.88	6.5%	6.4%	99.02	4.13	Cheap	3.32
14	FR95	8/19/2022	8/15/2028	3.95	6.4%	99.96	6.4%	6.4%	99.74	(6.44)	Expensive	3.51
15	FR99	1/27/2023	1/15/2029	4.37	6.4%	99.49	6.5%	6.5%	99.68	4.87	Cheap	3.81
16	FR71	9/12/2013	3/15/2029	4.53	9.0%	109.48	6.5%	6.5%	109.68	4.65	Cheap	3.74
17	FR101	11/2/2023	4/15/2029	4.62	6.9%	101.29	6.5%	6.5%	101.46	3.83	Cheap	3.96
18	FR78	9/27/2018	5/15/2029	4.70	8.3%	106.71	6.6%	6.5%	106.94	5.09	Cheap	3.96
19	FR52	8/20/2009	8/15/2030	5.95	10.5%	118.35	6.7%	6.6%	119.02	11.70	Cheap	4.61
20	FR82	8/1/2019	9/15/2030	6.04	7.0%	102.10	6.6%	6.6%	102.02	(1.79)	Expensive	4.91
21	FR87	8/13/2020	2/15/2031	6.45	6.5%	99.38	6.6%	6.6%	99.44	1.16	Cheap	5.30
22	FR85	5/4/2020	4/15/2031	6.62	7.8%	105.43	6.7%	6.6%	106.01	10.23	Cheap	5.23
23	FR73	8/6/2015	5/15/2031	6.70	8.8%	111.12	6.7%	6.6%	111.39	4.25	Cheap	5.21
24	FR54	7/22/2010	7/15/2031	6.87	9.5%	115.31	6.7%	6.6%	115.66	5.32	Cheap	5.20
25	FR91	7/8/2021	4/15/2032	7.62	6.4%	98.49	6.6%	6.7%	98.38	(1.98)	Expensive	6.02
26	FR58	7/21/2011	6/15/2032	7.79	8.3%	109.30	6.7%	6.7%	109.57	3.83	Cheap	5.82
27	FR74	11/10/2016	8/15/2032	7.95	7.5%	104.85	6.7%	6.7%	105.12	4.18	Cheap	6.09
28	FR96	8/19/2022	2/15/2033	8.46	7.0%	102.11	6.7%	6.7%	102.08	(0.56)	Expensive	6.45
29	FR65	8/30/2012	5/15/2033	8.70	6.6%	99.77	6.7%	6.7%	99.64	(2.07)	Expensive	6.65
30	FR100	8/24/2023	2/15/2034	9.46	6.6%	99.83	6.6%	6.7%	99.51	(4.75)	Expensive	7.07
31	FR68	8/1/2013	3/15/2034	9.53	8.4%	111.80	6.7%	6.7%	111.68	(1.84)	Expensive	6.73
32	FR80	7/4/2019	6/15/2035	10.79	7.5%	105.86	6.7%	6.7%	105.92	0.41	Cheap	7.48
33	FR103	8/8/2024	7/15/2035	10.87	6.8%	100.86	6.6%	6.7%	100.22	(8.56)	Expensive	7.73
34	FR72	7/9/2015	5/15/2036	11.70	8.3%	112.16	6.7%	6.7%	112.15	(0.48)	Expensive	7.84
35	FR88	1/7/2021	6/15/2036	11.79	6.3%	96.63	6.7%	6.7%	96.10	(6.79)	Expensive	8.24
36	FR45	5/24/2007	5/15/2037	12.70	9.8%	125.51	6.7%	6.7%	125.36	(1.88)	Expensive	7.98
37	FR93	1/6/2022	7/15/2037	12.87	6.4%	97.22	6.7%	6.7%	96.83	(4.84)	Expensive	8.73
38	FR75	8/10/2017	5/15/2038	13.70	7.5%	106.33	6.8%	6.8%	106.58	2.49	Cheap	8.81
39	FR98	9/15/2022	6/15/2038	13.79	7.1%	103.66	6.7%	6.8%	103.27	(4.56)	Expensive	8.85
40	FR50	1/24/2008	7/15/2038	13.87	10.5%	130.66	7.0%	6.8%	133.35	24.66	Cheap	8.18
41	FR79	1/7/2019	4/15/2039	14.62	8.4%	114.25	6.8%	6.8%	114.81	5.32	Cheap	8.88
42	FR83	11/7/2019	4/15/2040	15.62	7.5%	106.41	6.8%	6.8%	106.95	5.28	Cheap	9.44
43	FR57	4/21/2011	5/15/2041	16.71	9.5%	125.64	6.9%	6.8%	126.95	10.93	Cheap	9.37
44	FR62	2/9/2012	4/15/2042	17.62	6.4%	96.45	6.7%	6.8%	95.81	(6.48)	Expensive	10.48
45	FR92	7/8/2021	6/15/2042	17.79	7.1%	102.91	6.8%	6.8%	103.46	5.08	Cheap	10.18
46	FR97	8/19/2022	6/15/2043	18.79	7.1%	103.09	6.8%	6.8%	103.50	3.63	Cheap	10.47
47	FR67	7/18/2013	2/15/2044	19.46	8.8%	119.53	6.9%	6.8%	120.92	11.24	Cheap	10.29
48	FR76	9/22/2017	5/15/2048	23.71	7.4%	106.54	6.8%	6.8%	106.57	0.06	Cheap	11.69
49	FR89	1/7/2021	8/15/2051	26.96	6.9%	100.09	6.9%	6.8%	100.65	4.49	Cheap	12.40
50	FR102	1/5/2024	7/15/2054	29.88	6.9%	100.58	6.8%	6.8%	100.59	(0.06)	Expensive	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	0.11	6.6%	99.99	6.5%	6.5%	100.02	6.39	Cheap	0.11
2	PBS036	8/26/2022	8/15/2025	0.95	5.4%	99.10	6.4%	6.5%	98.99	(11.89)	Expensive	0.93
3	PBS017	1/11/2018	10/15/2025	1.11	6.1%	99.67	6.4%	6.5%	99.61	(5.88)	Expensive	1.07
4	PBS032	7/30/2021	7/15/2026	1.86	4.9%	97.02	6.6%	6.5%	97.18	9.58	Cheap	1.78
5	PBS021	12/6/2018	11/15/2026	2.20	8.5%	104.20	6.4%	6.5%	104.00	(11.03)	Expensive	2.02
6	PBS003	2/2/2012	1/15/2027	2.36	6.0%	98.70	6.6%	6.5%	98.88	8.08	Cheap	2.20
7	PBS020	10/22/2018	10/15/2027	3.11	9.0%	106.95	6.5%	6.5%	106.85	(4.39)	Expensive	2.73
8	PBS018	6/4/2018	5/15/2028	3.70	7.6%	103.58	6.5%	6.5%	103.49	(3.28)	Expensive	3.25
9	PBS030	6/7/2021	7/15/2028	3.86	5.9%	97.57	6.6%	6.5%	97.73	4.72	Cheap	3.45
10	PBS023	5/16/2019	5/15/2030	5.70	8.1%	107.32	6.6%	6.6%	107.21	(2.71)	Expensive	4.64
11	PBS012	1/28/2016	11/15/2031	7.20	8.9%	113.06	6.6%	6.6%	112.78	(5.16)	Expensive	5.50
12	PBS024	5/29/2019	5/15/2032	7.70	8.4%	110.63	6.6%	6.6%	110.42	(3.72)	Expensive	5.84
13	PBS025	5/31/2019	5/15/2033	8.70	8.4%	111.23	6.7%	6.6%	111.29	0.61	Cheap	6.38
14	PBS029	1/15/2021	3/15/2034	9.53	6.4%	97.73	6.7%	6.7%	98.01	4.03	Cheap	7.08
15	PBS022	1/25/2019	4/15/2034	9.62	8.6%	113.39	6.7%	6.7%	113.77	4.72	Cheap	6.76
16	PBS037	1/13/2023	3/15/2036	11.53	6.9%	100.30	6.8%	6.7%	101.40	13.74	Cheap	7.94
17	PBS004	2/16/2012	2/15/2037	12.46	6.1%	94.31	6.8%	6.7%	94.86	6.86	Cheap	8.65
18	PBS034	1/14/2022	6/15/2039	14.79	6.5%	97.57	6.8%	6.8%	97.61	0.24	Cheap	9.40
19	PBS007	9/29/2014	9/15/2040	16.04	9.0%	121.72	6.8%	6.8%	121.49	(2.18)	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	10.12
21	PBS035	3/31/2022	3/15/2042	17.54	6.8%	98.99	6.8%	6.8%	99.42	4.18	Cheap	10.21
22	PBS005	5/2/2013	4/15/2043	18.62	6.8%	99.34	6.8%	6.8%	99.20	(1.39)	Expensive	10.60
23	PBS028	7/24/2020	10/15/2046	22.13	7.8%	109.48	6.9%	6.9%	109.74	2.05	Cheap	11.12
24	PBS033	1/14/2022	6/15/2047	22.79	6.8%	98.10	6.9%	6.9%	98.32	1.85	Cheap	11.51
25	PBS015	7/21/2017	7/15/2047	22.87	8.0%	113.34	6.8%	6.9%	112.58	(6.20)	Expensive	11.25
26	PBS038	12/8/2023	12/15/2049	25.30	6.9%	98.93	7.0%	6.9%	99.25	2.66	Cheap	11.90

Source: Bloomberg, SSI Research