Overview

Indonesia's economy is set for significant developments as the government and Parliament have agreed on the 2025 budget assumptions, paving the way for President-elect Prabowo Subianto's administration. Key projections for GDP growth, inflation, and currency stability have boosted investor confidence, with markets expecting shifts in fiscal policies, particularly in infrastructure investment and subsidies. The government's decision to reduce energy subsidies reflects a cautious fiscal strategy, while ongoing deflationary trends point to a cooling economy. Meanwhile, the nearing conclusion of the Indonesia-EU CEPA is poised to unlock export opportunities, particularly as global trade dynamics evolve. These factors, coupled with rising green investments and strategic partnerships in energy and mining, position Indonesia at a crucial point where it must balance growth, sustainability, and economic resilience.

Key Comments

Economy, Business & Finance

Agreement Reached on Indonesia's 2025 Budget Assumptions: *The Indonesian government and Parliament have agreed on the 2025 budget assumptions, setting the stage for a smooth transition as President-elect Prabowo Subianto prepares to take office next month. The budget assumptions, which will soon be voted on in Parliament, include key projections for GDP growth, inflation, and exchange rate stability. This early agreement signals a stable political and economic transition, likely boosting investor confidence. Markets will be closely watching for any shifts in fiscal priorities under the new leadership, particularly in areas like infrastructure investment, tax policies, and subsidy management.*

Government Reduces Energy Subsidies in 2025 Budget: *As part of its fiscal consolidation efforts, the government and the House of Representatives Budget Committee have agreed to reduce energy subsidies for 2025 by Rp 1.12 trillion ($72.26 million). This reduction, though small (0.54% of the total energy subsidy allocation), is partly due to the appreciation of the rupiah, which has lowered energy import costs. The cut signals the new government's intention to implement more prudent fiscal policies while managing inflationary pressures in key sectors like fuel and electricity. This move could lead to price adjustments in the energy market, with downstream effects on both industrial and consumer segments.*

August 2024 Deflation and Historical Context: *Indonesia's deflation in August 2024, at 0.03%, marked the fourth consecutive month of declining prices, a trend reminiscent of the 1998 and 2008 financial crises. While not yet alarming, this deflation suggests a cooling domestic economy, likely driven by weaker consumer demand. Sectors such as retail, food and beverage, and consumer goods, which rely heavily on consumer purchasing power to sustain profit margins, may be particularly affected. If deflation continues, policymakers may need to consider monetary interventions, such as interest rate cuts, to stimulate demand.*

Indonesia-EU CEPA Negotiations Nearing Conclusion: *The negotiations for the Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA) are 90% complete, with the final deal expected to be signed this month. This agreement is set to unlock significant export potential for Indonesian businesses, particularly in industries such as palm oil, textiles, fisheries, and electronics. It also creates opportunities for EU companies to invest in Indonesia's expanding consumer market and industrial sectors. Upon completion, this agreement could provide a much-needed boost to Indonesia's trade balance, especially as the country seeks to diversify away from its reliance on China-dependent trade channels.*

The Return of High Tariffs? US Election Looms Large: *The upcoming US Presidential election, now just two months away, is being closely monitored by global markets. Many analysts are concerned that a change in leadership could result in the re-imposition of high tariffs on international trade, particularly with countries like China, which would indirectly impact Indonesia. If the US reinstates these tariffs, Indonesia could benefit by stepping in as an alternative supplier for goods such as textiles, electronics, and agricultural products. However, potential disruptions in global trade flows could pose challenges for Indonesian exporters and businesses that are integrated into global supply chains.*

Opportunities Arising from the US-China Trade War: *As trade tensions between the US and China persist, Indonesia stands to benefit from shifting global supply chains. With the US exploring alternative sourcing options for goods previously imported from China, Southeast Asian countries like Indonesia are positioning themselves as viable substitutes. The potential for Indonesia to increase exports in areas such as electronics, textiles, and agricultural products is significant…*

…However, this opportunity comes with the challenge of scaling up production capacity and meeting stringent quality and regulatory standards in developed markets.

SKK Migas-Sinopec Strategic Partnership for Oil & Gas: *Indonesia's oil and gas sector has received a major boost through a partnership between the country's Upstream Oil and Gas Regulatory Task Force (SKK Migas) and China's Sinopec. This collaboration aims to improve the upstream sector by leveraging technological advancements and increasing production efficiency. While Indonesia is committed to transitioning to green energy, the oil and gas sector remains vital for the country's short-term energy security and export revenues. This deal could help stabilize domestic production levels and attract further foreign investment into Indonesia's energy sector.*

World Bank's IFC Signs Green Financing Deal with Indonesian SteelMill: *The International Finance Corporation (IFC) has signed a green financing deal with PT Gunung Raja Paksi (GRP), a leading Indonesian steelmaker, to support the company's transition toward low-carbon production. This partnership aligns with Indonesia's broader goal of reducing industrial carbon emissions and fostering green growth. The financing will enable GRP to access global green steel markets, providing a competitive edge as demand for sustainable products rises. This development is crucial for Indonesia's heavy industries as they gradually adopt greener practices to meet international standards.*

Indonesia Expands Coal Downstreaming with China Partnership: *Indonesia is expanding its coal downstreaming efforts in collaboration with China, despite global pressures to reduce reliance on coal. This initiative is part of Indonesia's broader strategy to add value to its natural resources by processing coal domestically rather than exporting raw materials. The government has proposed several coal downstreaming projects to China, focusing on converting coal into chemicals, such as methanol, to reduce emissions and improve efficiency. This approach seeks to strike a balance between economic development and environmental sustainability.*

Government's Push for Infrastructure Investment Through Asset Recycling: *To address the infrastructure financing gap, the Indonesian government has relaxed regulations on asset recycling, allowing private entities to purchase long-term operational rights to state-owned infrastructure assets. However, the complex pricing of these assets remains a concern and could deter potential investors. Asset recycling is seen as a critical tool for raising funds for infrastructure projects such as toll roads, airports, and power plants, especially as the government…*

...seeks to accelerate development in outer regions. Investors in infrastructure and real estate should closely monitor these regulatory changes and their impact on asset valuations.

Indonesia Prepares to Cut Palm Oil Export Levy to Boost Competitiveness: *The Indonesian government is planning to lower palm oil export levies to enhance competitiveness and improve farmers' incomes. As the world's largest palm oil exporter, Indonesia faces stiff competition from other vegetable oil producers. By reducing the levy, the government aims to make Indonesian palm oil more attractive on the global market while offering financial relief to smallholder farmers. This move comes amid growing scrutiny of the environmental impacts of palm oil production, and the government is expected to balance economic benefits with sustainability efforts.*

Bapanas to Raise Rice Reserves to Two Million Tons by Year-End: *Indonesia's National Food Agency (Bapanas) is aiming to increase government rice reserves to two million tons by the end of 2024. This move is intended to stabilize prices and ensure food security ahead of the regional elections in November, which typically lead to a spike in food demand. The agency's proactive approach is expected to prevent potential price surges, particularly in rural areas where rice is a staple.*

Far East Gold Investment in Indonesia's Mining Sector: *Australian mining company Far East Gold (FEG) has secured a $14 million investment from a Chinese silver miner for its projects in Indonesia. The deal, signed at a 21% premium to FEG's last traded price, underscores continued foreign interest in Indonesia's mining sector. The investment will allow FEG to further explore and develop its Indonesian assets, reaffirming the country's attractiveness to mining investors despite regulatory challenges.*

Politics, Security, and National

Indonesia's 2024-2029 Inauguration Timeline: *As Indonesia prepares for the inauguration of its new president and vice president on October 20, the political landscape is evolving. President-elect Prabowo Subianto's eight-point agenda, known as Astacita, is expected to shape the country's political and economic direction. Prabowo's policies will be closely observed, particularly in comparison to outgoing President Joko Widodo's Nawacita agenda, focusing on infrastructure development, social welfare, and anti-corruption measures.*

Prabowo's Naval Expansiom Plan: *President-elect Prabowo Subianto is planning a significant expansion of Indonesia's naval capabilities, with plans to acquire European frigates and submarines. This initiative aligns with Prabowo's vision of strengthening Indonesia's military, particularly its maritime defense, which is crucial for protecting the country's vast archipelagic waters. While this expansion will enhance national security, it will likely lead to increased defense spending in the coming years, potentially affecting the country's overall budget priorities.*

Cybersecurity Force for Indonesia: *Outgoing President Joko Widodo has ordered the creation of a dedicated cybersecurity force within the Indonesian military, reflecting the increasing significance of cyber threats to national defense. Establishing this force will be crucial in protecting the country's digital infrastructure, particularly as Indonesia expands its digital economy and becomes more reliant on technology for governance and business operations.*

Kaesang Pangarep's Private Jet Scandal: *Kaesang Pangarep, the youngest son of President Joko Widodo, is under investigation by the Corruption Eradication Commission (KPK) for his recent use of a private jet. The incident has sparked public debate over ethical behavior, particularly concerning high-profile political families. This controversy could have broader implications for how Indonesia's elite are perceived, potentially influencing public sentiment in the lead-up to the presidential inauguration.*

Digital Economy, Telecommunications & Media

Goto Group Exits Vietnam: *Indonesian tech giant GoTo Group has announced its exit from the Vietnamese market, citing intense competition from rivals Grab and Shopee. This decision represents a setback for GoTo's regional expansion plans and underscores the growing competitive pressure within Southeast Asia's digital economy. Following this exit, GoTo is expected to focus more on consolidating its position in Indonesia and other core markets.*

Tether Collaborates with Reku: *Tether, one of the largest digital asset firms, has partnered with Indonesian crypto exchange Reku to promote crypto literacy. The collaboration aims to demystify blockchain technology and digital assets for the Indonesian public. As crypto gains traction in Indonesia, it presents both opportunities and risks for investors and regulators, with increasing attention on how the market will be shaped by regulatory frameworks and technological adoption.*

Environment & Green Economy

Energy Transition to Save Rp 90 Trillion in Subsidies Annually: *Coordinating Minister for Maritime and Investment Affairs, Luhut Binsar Pandjaitan, has announced that Indonesia's gradual energy transition is expected to save between Rp 45 trillion and Rp 90 trillion annually in fuel subsidies. This transition focuses on reducing the country's dependency on fossil fuels while increasing investments in renewable energy sectors such as solar, wind, and hydropower. The savings generated will allow the government to reallocate funds to other critical development priorities, including infrastructure and education. Businesses involved in renewable energy are poised to benefit from government incentives and foreign investment in green projects.*

Green Economy Investments Urged by President Widodo: *President Joko Widodo has called on developed nations to invest in Indonesia's green economy, emphasizing the country's potential in renewable energy and carbon mitigation projects. With its abundant natural resources and strategic location, Indonesia is well-positioned to become a leader in green energy production, including solar, wind, and hydropower. The government is also pushing for investments in carbon trading and carbon capture initiatives. Investors in renewable energy and environmental technologies should keep a close eye on Indonesia's emerging green economy, as the country seeks to attract billions in foreign direct investment (FDI) in the coming years.*

Sustainability and Indonesia's Growth Ambitions: *Sustainability has become a key pillar of Indonesia's growth strategy, particularly under President-elect Prabowo Subianto's vision of achieving 8% economic growth. The emphasis on green energy projects and sustainable development will be a central focus for the next administration. Businesses involved in the green economy, renewable energy, and environmental services should position themselves to capitalize on the government's forthcoming policies in these areas.*

Market Movement

The Jakarta Composite Index (JCI) closed slightly higher, rising by 0.11% to settle at 7,681. This modest increase was accompanied by gains in the Indonesia Sharia Stock Index (ISSI), which ended the day up 0.21%, reaching 224.9. Foreign investors played a notable role in market activity, posting a net buy of IDR 583.5 billion in the regular market and an additional net buy of IDR 152.2 billion…

…in the negotiated market, reflecting sustained confidence in the Indonesian equity market.

The day's leading movers included DNET, BBRI, and BBNI, while BREN, TLKM, and BBCA lagged behind. IDXPROP was the top sector gainer, benefiting from a resurgence in property-related stocks, while IDXHLTH emerged as the top sector loser, reflecting pressures in the healthcare sector.

Among the foreign net buy stocks, BBNI stood out with a 1.9% gain, closing at IDR 5,450, followed by INDF, which jumped by 4.1% to IDR 6,975. Meanwhile, BBRI saw a 1.0% increase, closing at IDR 5,150. However, not all large-cap stocks performed as well, with TLKM suffering a 1.9% decline to IDR 3,020, and BREN experiencing a significant drop of 4.4%, closing at IDR 10,750. PTRO also saw substantial losses, dropping by 5.7% to IDR 13,200.

DNET emerged as the top mover, surging by a remarkable 19.8% to IDR 8,925, while INDF and ICBP gained 4.1% and 2.2%, respectively. On the downside, BREN, TLKM, and BBCA were among the lagging movers, with BREN falling 4.4%, TLKM down 1.9%, and BBCA slipping by 0.5%.

Top value stocks of the day included BBRI, BREN, BMRI, BBCA, and BBNI, with BBRI standing out with a 1.0% gain to IDR 5,150, while BREN struggled, closing 4.4% lower at IDR 10,750. BBCA, one of the major banking stocks, ended the day down by 0.5%, closing at IDR 10,250, despite strong foreign investor interest in other major banks.

In the broader Asian markets, the Nikkei fell by 1.1%, closing at 36,657, reflecting a broader regional decline. The Hang Seng Index closed slightly lower at 17,444, down 0.1%, while the Shanghai Composite managed to eke out a 0.1% gain, closing at 2,788. The Kospi Index also closed lower, falling by 0.2% to 2,576. In Indonesia, the USD/IDR exchange rate saw a 0.5% increase, with the rupiah trading at 15,398 per US dollar, signaling a weaker currency.

Commodity markets also saw some movement, with gold prices rising by 0.8% to USD 2,517 per ounce, while Brent oil prices also increased by 0.8%, closing at USD 73 per barrel, as global supply concerns continued to influence energy markets.

Overall, the market sentiment in Indonesia remained cautiously optimistic, bolstered by foreign investor participation, particularly in banking and consumer-related stocks. However, certain sectors, including telecommunications and healthcare, faced challenges, leading to mixed performance across the board.

Fixed Income

The performance of Rupiah-denominated bonds exhibited a broad-based strengthening, driven primarily by the appreciation of the Rupiah against the U.S. dollar. The Indonesia Composite Bond Index (ICBI) advanced by 0.12%, bringing its year-to-date (YTD) return to 4.40%, which underscores the resilience of the Indonesian bond market amid both global and domestic economic uncertainties. This rally was most visible in the 10-year government bond benchmark (FR0100), which strengthened significantly, pushing its yield down to 6.61%. In contrast, the U.S. 10-year Treasury (UST) bond yield edged up by a mere 0.001 basis points, settling at 3.769%, reflecting stable but cautious global market conditions.

The appreciation of the Rupiah by 79 points to IDR 15,401 per USD lent strong support to local bonds, enhancing their appeal to foreign investors seeking higher yields in emerging markets. The strengthening currency signals growing confidence in Indonesia's economic stability, underpinned by healthy foreign exchange reserves, steady export performance, and prudent monetary policy from Bank Indonesia. This currency appreciation also mitigates the impact of external pressures such as potential interest rate hikes by the U.S. Federal Reserve and volatile global commodity prices.

Trading Activity:

The total trading volume of bonds in today's session declined by 4.33%, registering IDR 40.42 trillion compared to IDR 42.24 trillion in the previous session. This contraction in trading volume might reflect a cautious approach among market participants, as they assess the potential for further global monetary tightening and inflationary pressures. On the other hand, the frequency of transactions also dropped by 2.64%, with a total of 2,915 trades compared to 2,994 trades in the prior session.

Despite the slight drop in trading activity, the overall sentiment in the bond market remains positive. Investor interest in Indonesian government bonds continues to be buoyed by their relatively attractive yield differential compared to global bonds, particularly against developed markets where yields remain suppressed.

The narrowing gap between UST and Indonesian government bonds may be a factor to watch, but the country's strong economic fundamentals continue to make local bonds a compelling investment choice. Additionally, continued support from domestic institutional investors, such as pension funds and insurance companies, has helped maintain a stable demand for bonds.

In summary, the Indonesian bond market continues to perform well, supported by favorable macroeconomic conditions, including a strong Rupiah and controlled inflation. While trading activity has experienced a slight dip, investor confidence remains high, particularly in government bonds that offer attractive yields relative to global markets. However, uncertainties remain, especially in the context of global monetary tightening and external shocks, which could influence market dynamics in the near future. As such, market participants should remain vigilant, closely monitoring both domestic and international developments to assess the potential impact on bond yields and overall market stability.

US 10 Year Treasury

The yield on the 10-year US Treasury note remained around 3.77% on Thursday, following two consecutive declines. This was driven by weak manufacturing and labor market data, leading traders to anticipate more aggressive rate cuts by the Federal Reserve this year. Notably, the yield curve between 2-year and 10-year notes turned positive for the first time in a month. The JOLTS report revealed a significant drop in job openings, hitting the lowest level in over three years in July, which heightened concerns about a weakening labor market. Additionally, the ISM PMI indicated a sharper-than-expected decline in domestic manufacturing activity, raising fears of a possible recession. Market expectations have increased for a 50 basis point rate cut this month, with a total of 125 basis points of easing anticipated for the year.

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	10,367
CNY / USD	7.0	CNY / IDR	2,170
EUR / USD	1.1	EUR / IDR	17,098
GBP /USD	1.3	GBP / IDR	20,288
HKD / USD	7.7	HKD / IDR	1,976
JPY / USD	143.4	JPY / IDR	107
MYR /USD	4.3	MYR / IDR	3,550
NZD / USD	0.6	NZD / IDR	9,554
SAR / USD	3.7	SAR / IDR	4,103
SGD / USD	1.3	SGD / IDR	11,878
		USD / IDR	15,401

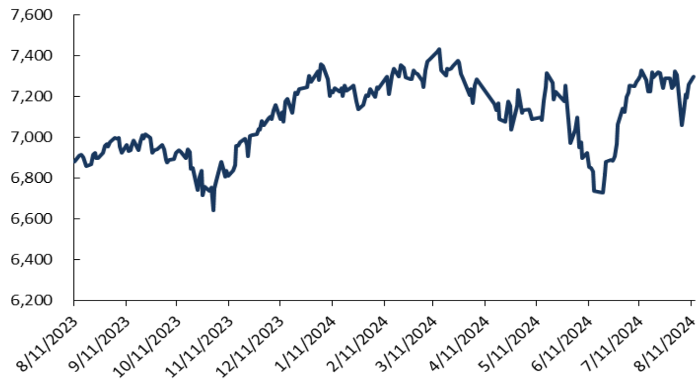
Source: SSI Research

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 735.7bn Inflow

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBNI	2.0	5,450	1.8	1.8	1.3	133
BMRI	2.8	7,175	0.0	0.7	18.5	125
INDF	0.7	6,975	4.1	1.8	8.1	96
BBCA	2.9	10,250	-0.4	-0.7	9.0	51
BBRI	5.4	5,150	0.9	0.0	-10.0	39
EXCL	0.4	2,360	5.8	5.8	18.0	39
ADRO	0.8	3,550	-0.2	-0.2	49.1	35
ICBP	0.4	11,650	2.1	1.5	10.1	29
UNTR	0.5	27,525	-0.4	1.7	21.6	29
BFIN	0.1	980	4.2	-3.4	-18.6	24

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	18.76	127	BREN	-4.4	-59.99	1,438
BBRI	0.9	6.72	773	TPIA	-0.7	-5.81	818
BBNI	1.8	3.31	201	BBCA	-0.4	-5.47	1,251
BRIS	3.1	3.27	121	TLKM	-1.9	-5.33	299
ICBP	2.1	2.61	136	GEMS	-2.7	-2.11	84
MYOR	4.1	2.20	61	CUAN	-2.2	-2.00	99
MSIN	2.5	2.17	100	KLBF	-2.3	-1.68	774
INDF	4.1	2.16	61	AMMN	-0.2	-1.62	44
DSSA	0.6	1.72	317	FILM	-3.3	-1.36	103
EXCL	5.8	1.53	31	BRPT	-1.3	-1.26	13

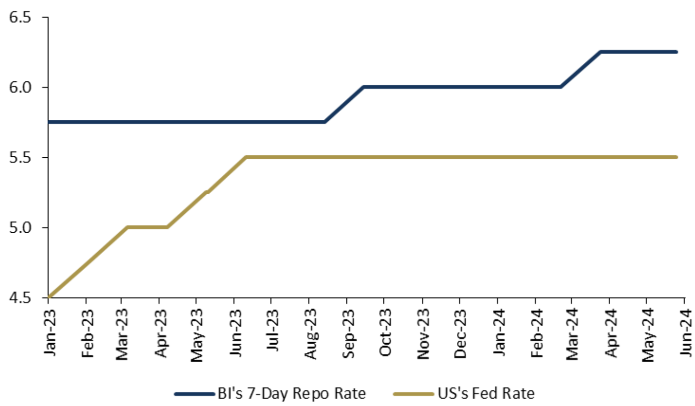
Source: SSI Research, STAR

Sector Statistic

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXFINANCE	3.0T	30.6	440.9B	1.8T	1.2T	1.4T	1.6T
IDXNONCYC	909.1B	9.2	220.8B	414.9B	494.2B	194.1B	715.0B
IDXPROPERT	593.2B	6.0	67.0B	130.5B	462.7B	63.4B	529.7B
IDXINDUST	438.8B	4.4	40.8B	195.3B	243.4B	154.5B	284.3B
IDXCYCLIC	685.2B	6.9	38.0B	154.5B	530.7B	116.5B	568.7B
IDXENERGY	1.3T	13.2	14.4B	302.4B	1.0T	287.9B	1.0T
IDXTRANS	54.0B	0.5	810.5M	5.2B	48.7B	4.4B	49.5B
COMPOSITE	9.8T	100.0		3.9T	5.9T	3.1T	6.6T
IDXHEALTH	231.2B	2.3	-1.2B	96.0B	135.1B	97.3B	133.8B
IDXTECHNO	113.1B	1.1	-7.8B	15.0B	98.1B	22.9B	90.2B
IDXBASIC	1.0T	10.2	-34.0B	212.4B	874.1B	246.5B	840.0B
IDXINFRA	1.4T	14.2	-42.9B	555.0B	864.9B	597.9B	821.9B

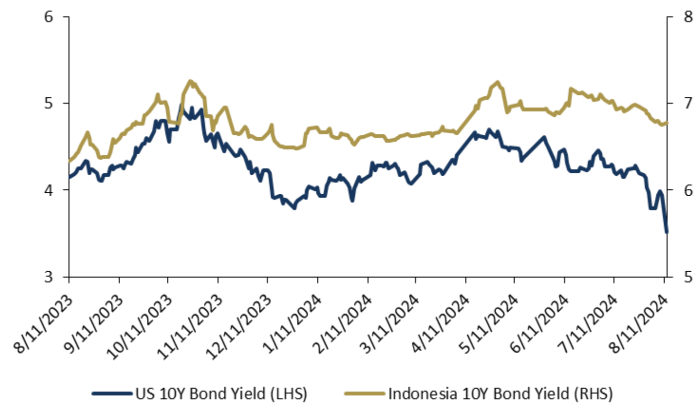
Source: STAR, SSI Research

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%	100.17	-0.3%	5.7%	100.13	(601.34)	Expensive	0.00
2	FR81	8/1/2019	6/15/2025	0.78	6.5%	100.03	6.4%	5.9%	100.45	54.11	Cheap	0.75
3	FR40	9/21/2006	9/15/2025	1.03	11.0%	104.46	6.4%	6.0%	104.95	42.41	Cheap	0.96
4	FR84	5/4/2020	2/15/2026	1.45	7.3%	101.08	6.4%	6.1%	101.61	37.06	Cheap	1.38
5	FR86	8/13/2020	4/15/2026	1.61	5.5%	98.58	6.4%	6.1%	99.07	33.38	Cheap	1.54
6	FR37	5/18/2006	9/15/2026	2.03	12.0%	110.21	6.5%	6.2%	110.92	31.99	Cheap	1.80
7	FR56	9/23/2010	9/15/2026	2.03	8.4%	103.68	6.4%	6.2%	104.10	20.56	Cheap	1.86
8	FR90	7/8/2021	4/15/2027	2.61	5.1%	96.98	6.4%	6.3%	97.23	11.13	Cheap	2.44
9	FR59	9/15/2011	5/15/2027	2.69	7.0%	101.38	6.4%	6.3%	101.70	12.11	Cheap	2.47
10	FR42	1/25/2007	7/15/2027	2.86	10.3%	109.90	6.4%	6.3%	110.12	5.79	Cheap	2.50
11	FR94	3/4/2022	1/15/2028	3.36	5.6%	96.70	6.7%	6.4%	97.64	32.57	Cheap	3.06
12	FR47	8/30/2007	2/15/2028	3.45	10.0%	110.75	6.5%	6.4%	110.99	5.61	Cheap	2.97
13	FR64	8/13/2012	5/15/2028	3.70	6.1%	98.92	6.5%	6.4%	99.03	3.12	Cheap	3.32
14	FR95	8/19/2022	8/15/2028	3.95	6.4%	99.95	6.4%	6.4%	99.74	(6.05)	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	3.80
16	FR71	9/12/2013	3/15/2029	4.53	9.0%	109.47	6.5%	6.5%	109.68	4.61	Cheap	3.74
17	FR101	11/2/2023	4/15/2029	4.61	6.9%	101.42	6.5%	6.5%	101.46	0.66	Cheap	3.96
18	FR78	9/27/2018	5/15/2029	4.70	8.3%	106.76	6.5%	6.5%	106.94	3.49	Cheap	3.95
19	FR52	8/20/2009	8/15/2030	5.95	10.5%	118.41	6.7%	6.6%	119.01	10.26	Cheap	4.61
20	FR82	8/1/2019	9/15/2030	6.03	7.0%	102.16	6.6%	6.6%	102.02	(2.90)	Expensive	4.91
21	FR87	8/13/2020	2/15/2031	6.45	6.5%	99.46	6.6%	6.6%	99.44	(0.52)	Expensive	5.29
22	FR85	5/4/2020	4/15/2031	6.61	7.8%	105.42	6.7%	6.6%	106.00	10.41	Cheap	5.22
23	FR73	8/6/2015	5/15/2031	6.70	8.8%	111.32	6.6%	6.6%	111.38	0.60	Cheap	5.21
24	FR54	7/22/2010	7/15/2031	6.86	9.5%	115.36	6.7%	6.6%	115.66	4.28	Cheap	5.20
25	FR91	7/8/2021	4/15/2032	7.62	6.4%	98.46	6.6%	6.6%	98.38	(1.55)	Expensive	6.02
26	FR58	7/21/2011	6/15/2032	7.78	8.3%	109.35	6.7%	6.7%	109.57	2.86	Cheap	5.82
27	FR74	11/10/2016	8/15/2032	7.95	7.5%	104.95	6.7%	6.7%	105.12	2.46	Cheap	6.09
28	FR96	8/19/2022	2/15/2033	8.45	7.0%	102.32	6.6%	6.7%	102.08	(3.82)	Expensive	6.45
29	FR65	8/30/2012	5/15/2033	8.70	6.6%	99.85	6.6%	6.7%	99.64	(3.39)	Expensive	6.65
30	FR100	8/24/2023	2/15/2034	9.45	6.6%	100.01	6.6%	6.7%	99.51	(7.33)	Expensive	7.07
31	FR68	8/1/2013	3/15/2034	9.53	8.4%	111.91	6.7%	6.7%	111.68	(3.38)	Expensive	6.72
32	FR80	7/4/2019	6/15/2035	10.78	7.5%	105.88	6.7%	6.7%	105.92	0.21	Cheap	7.47
33	FR103	8/8/2024	7/15/2035	10.87	6.8%	101.03	6.6%	6.7%	100.22	(10.76)	Expensive	7.73
34	FR72	7/9/2015	5/15/2036	11.70	8.3%	112.23	6.7%	6.7%	112.15	(1.32)	Expensive	7.83
35	FR88	1/7/2021	6/15/2036	11.79	6.3%	96.87	6.6%	6.7%	96.10	(9.83)	Expensive	8.24
36	FR45	5/24/2007	5/15/2037	12.70	9.8%	125.39	6.7%	6.7%	125.36	(0.71)	Expensive	7.98
37	FR93	1/6/2022	7/15/2037	12.87	6.4%	97.20	6.7%	6.7%	96.83	(4.48)	Expensive	8.73
38	FR75	8/10/2017	5/15/2038	13.70	7.5%	106.25	6.8%	6.8%	106.58	3.34	Cheap	8.81
39	FR98	9/15/2022	6/15/2038	13.79	7.1%	103.78	6.7%	6.8%	103.27	(5.79)	Expensive	8.85
40	FR50	1/24/2008	7/15/2038	13.87	10.5%	130.66	7.0%	6.8%	133.35	24.57	Cheap	8.18
41	FR79	1/7/2019	4/15/2039	14.62	8.4%	114.24	6.8%	6.8%	114.80	5.41	Cheap	8.88
42	FR83	11/7/2019	4/15/2040	15.62	7.5%	106.06	6.9%	6.8%	106.95	8.70	Cheap	9.43
43	FR57	4/21/2011	5/15/2041	16.70	9.5%	125.85	6.9%	6.8%	126.94	9.07	Cheap	9.37
44	FR62	2/9/2012	4/15/2042	17.62	6.4%	96.50	6.7%	6.8%	95.81	(6.98)	Expensive	10.48
45	FR92	7/8/2021	6/15/2042	17.79	7.1%	102.96	6.8%	6.8%	103.46	4.65	Cheap	10.17
46	FR97	8/19/2022	6/15/2043	18.79	7.1%	103.12	6.8%	6.8%	103.50	3.41	Cheap	10.46
47	FR67	7/18/2013	2/15/2044	19.46	8.8%	119.53	6.9%	6.8%	120.92	11.20	Cheap	10.29
48	FR76	9/22/2017	5/15/2048	23.71	7.4%	106.53	6.8%	6.8%	106.57	0.17	Cheap	11.69
49	FR89	1/7/2021	8/15/2051	26.96	6.9%	100.11	6.9%	6.8%	100.65	4.36	Cheap	12.40
50	FR102	1/5/2024	7/15/2054	29.88	6.9%	100.56	6.8%	6.8%	100.59	0.13	Cheap	12.78

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	0.11	6.6%	100.00	6.4%	6.5%	100.02	(2.27)	Expensive	0.11
2	PBS036	8/25/2022	8/15/2025	0.94	5.4%	99.10	6.4%	6.5%	99.00	(11.32)	Expensive	0.92
3	PBS017	1/11/2018	10/15/2025	1.11	6.1%	99.69	6.4%	6.5%	99.61	(7.48)	Expensive	1.07
4	PBS032	7/29/2021	7/15/2026	1.86	4.9%	97.04	6.6%	6.5%	97.19	8.93	Cheap	1.77
5	PBS021	12/5/2018	11/15/2026	2.19	8.5%	104.20	6.4%	6.5%	104.00	(11.75)	Expensive	2.02
6	PBS003	2/2/2012	1/15/2027	2.36	6.0%	98.89	6.5%	6.5%	98.88	(0.49)	Expensive	2.20
7	PBS020	10/22/2018	10/15/2027	3.11	9.0%	106.96	6.5%	6.5%	106.84	(5.45)	Expensive	2.73
8	PBS018	6/4/2018	5/15/2028	3.69	7.6%	103.61	6.5%	6.5%	103.49	(4.27)	Expensive	3.25
9	PBS030	6/4/2021	7/15/2028	3.86	5.9%	97.66	6.6%	6.5%	97.73	2.22	Cheap	3.45
10	PBS023	5/15/2019	5/15/2030	5.69	8.1%	107.36	6.5%	6.6%	107.21	(3.62)	Expensive	4.64
11	PBS012	1/28/2016	11/15/2031	7.20	8.9%	113.06	6.6%	6.6%	112.77	(5.36)	Expensive	5.49
12	PBS024	5/28/2019	5/15/2032	7.70	8.4%	110.68	6.6%	6.6%	110.42	(4.63)	Expensive	5.83
13	PBS025	5/29/2019	5/15/2033	8.70	8.4%	111.30	6.6%	6.6%	111.29	(0.56)	Expensive	6.38
14	PBS029	1/14/2021	3/15/2034	9.53	6.4%	97.73	6.7%	6.7%	98.01	4.06	Cheap	7.08
15	PBS022	1/24/2019	4/15/2034	9.61	8.6%	113.50	6.7%	6.7%	113.77	3.21	Cheap	6.76
16	PBS037	1/12/2023	3/15/2036	11.53	6.9%	100.48	6.8%	6.7%	101.40	11.53	Cheap	7.94
17	PBS004	2/16/2012	2/15/2037	12.45	6.1%	94.71	6.7%	6.7%	94.86	1.84	Cheap	8.66
18	PBS034	1/13/2022	6/15/2039	14.78	6.5%	97.73	6.7%	6.8%	97.61	(1.47)	Expensive	9.40
19	PBS007	9/29/2014	9/15/2040	16.04	9.0%	121.72	6.8%	6.8%	121.49	(2.22)	Expensive	9.18
20	PBS039	1/11/2024	7/15/2041	16.87	6.6%	98.35	6.8%	6.8%	98.30	(0.60)	Expensive	10.12
21	PBS035	3/30/2022	3/15/2042	17.53	6.8%	99.04	6.8%	6.8%	99.42	3.75	Cheap	10.21
22	PBS005	5/2/2013	4/15/2043	18.62	6.8%	99.33	6.8%	6.8%	99.20	(1.29)	Expensive	10.60
23	PBS028	7/23/2020	10/15/2046	22.12	7.8%	109.48	6.9%	6.9%	109.74	2.00	Cheap	11.12
24	PBS033	1/13/2022	6/15/2047	22.79	6.8%	98.11	6.9%	6.9%	98.32	1.80	Cheap	11.50
25	PBS015	7/21/2017	7/15/2047	22.87	8.0%	113.34	6.8%	6.9%	112.58	(6.22)	Expensive	11.25
26	PBS038	12/7/2023	12/15/2049	25.29	6.9%	99.06	7.0%	6.9%	99.25	1.54	Cheap	11.91

Source: Bloomberg, SSI Research