

Overview

Indonesia's economy in August 2024 saw improvements in consumer confidence, with the index rising to a three-month high of 124.4, driven by optimism about future economic conditions. However, challenges such as declining job availability and export market losses in the manufacturing sector persist. Middle-class financial insecurity is growing, raising concerns over long-term stability, while President-elect Prabowo Subianto's ambitious 8% GDP growth target faces skepticism. The stock market remains optimistic, buoyed by anticipated US Federal Reserve rate cuts, but sectors like ceramics and tourism call for stronger protective measures and investment in infrastructure.

Key Comments

Economy, Business & Finance

Consumer Confidence: Indonesia's Consumer Confidence Index for August 2024 reached a three-month high of 124.4, up from 123.4 in July, signaling improved optimism among consumers. The increase is driven by stronger sub-indices, notably the economic outlook, which rose by 1.6 points to 134.9, reflecting confidence in future economic conditions and political stability. Current income expectations also improved, growing by 1.5 points to 122.9, while future income expectations rose by 2.3 points to 140. However, job availability slightly declined, and persistent month-on-month deflation and subpar manufacturing PMI suggest challenges to achieving the government's 5%+ economic growth target

Indonesia's Middle-Class Faces Financial Insecurity: The shrinking middle class in Indonesia has raised concerns over long-term economic stability. Many middle-income families are struggling to maintain their standard of living as inflation and stagnant wages take their toll. The situation has drawn parallels with Chile, where growing economic inequality led to social unrest. If this condition left unchecked, the decline of the middle class could have far-reaching political and economic consequences, potentially exacerbating social tensions in Indonesia.

Prabowo's 8% Growth Target: The ambitious target of achieving 8% GDP growth, set by President-elect Prabowo Subianto, faces steep challenges. Achieving this goal will require a mix of boosting labor productivity, implementing Keynesian stimulus measures, and driving industrialization. Although this seems to be plausible, it will require a significant overhaul of current economic strategies, particularly in areas such as infrastructure development, manufacturing, and workforce training.

Stock Market Optimism on Anticipated Fed Rate Cuts: The Indonesian stock market is experiencing a positive outlook due to expectations of a US Federal Reserve rate cut before year-end. Global investment banks have raised their projections for Indonesia's financial markets, bolstered by a stronger rupiah and disciplined fiscal policies anticipated under the new administration. The Jakarta Composite Index (JCI) recently hit record highs, and market capitalization has surged, signalling investor confidence in Indonesia's economic trajectory.

Manufacturing Sector Hit by Export Market Losses: Indonesia's manufacturing industry is suffering as key export markets in Europe shrink. The Indonesian Employers Association highlights the challenges faced by local manufacturers, with several businesses forced to shut down or lay off workers. This decline is exacerbated by a flood of cheap Chinese imports, making it difficult for domestic industries to compete. Calls for greater protectionist measures, such as anti-dumping duties, are growing louder. However, we believe that this is the wrong approach since the issue lies in access to production inputs. If trade policy aims to liberalize backward participation in the production network, production costs would be minimized, making products more competitive. Protectionist measures only worsen the situation.

Ceramic Industry Calls for Anti-Dumping Tariffs: The Indonesian Ceramic Industry Association has urged Finance Minister Sri Mulyani to impose anti-dumping tariffs on Chinese ceramic imports. Cheap imports have significantly undercut local manufacturers, threatening thousands of jobs in the ceramic sector. The association is pushing for swift action to safeguard the domestic market and prevent further job losses.

Bali's USD 20 Billion Subway Project: Bali's ambitious subway project, led by local government and private partners, is gaining momentum. The appointment of digital solutions firm Indotek and China Railway as major contractors reflects the scale of the endeavor, which could reshape Bali's infrastructure landscape and alleviate the island's congestion.

Impact Investing Boom: Indonesia is emerging as ASEAN's most active market for impact investing. The Indonesian Chamber of Commerce and Industry notes that the country is not only following global trends but also leading in directing investments toward sustainable, socially responsible projects, which are expected to bring long-term benefits to local communities.

Tourism Sector's Positive Outlook: Indonesia's tourism sector continues to make strides, with the country being named Asia's Leading Adventure Tourism Destination. The Ministry of Tourism and Creative Economy has unveiled ambitious plans for 2025 to strengthen Indonesia's position as a top global destination, with a focus on adventure and eco-tourism, as well as creative industries.

Politics, Security, National

Political Transitions and Shifting Power Dynamics: As President Joko Widodo's term comes to an end in October, political tensions are emerging between the outgoing and incoming administrations. President-elect Prabowo Subianto and Jokowi have publicly downplayed rumors of a rift, but policy differences, especially regarding infrastructure and economic strategy, have fueled speculation of friction as power shifts.

Cabinet Reshuffles and Gubernatorial Races: Ahead of the 2024 regional elections, key political figures are making moves. Cabinet Secretary Pramono Anung and Social Affairs Minister Tri Rismaharini have both resigned to run for gubernatorial positions in Jakarta and East Java, respectively. This has prompted further speculation of potential cabinet reshuffles as Jokowi works to secure his legacy during his final weeks in office.

Regional Defense Strengthening: Indonesia has been reinforcing its defense partnerships with its ASEAN neighbors. Prabowo has made visits to several countries to solidify defense cooperation, signaling a focus on bolstering regional security and Indonesia's role in maintaining stability across the Indo-Pacific region.

Security Concerns During Pope Francis' Visit: Authorities arrested several individuals who made online threats against Pope Francis during his visit to Indonesia. While the visit was warmly received by most, it highlighted ongoing challenges related to religious harmony in the country, where tensions occasionally flare despite efforts to promote interfaith dialogue.

Environment, Green Economy

Energy Transition and Green Economy: Indonesia's stance on the global energy transition remains clear: it will proceed at its own pace. The government insists that developed nations' strategies for decarbonization cannot be simply transplanted into developing economies like Indonesia. Meanwhile, senior minister Luhut Pandjaitan is seeking global financial support to accelerate coal plant retirements, a key part of the country's transition to renewable energy.

Hydrogen Ecosystem Expansion: PT PLN and PT HDF Energy are strengthening their partnership to develop a hydrogen ecosystem in Indonesia, which could pave the way for a greener energy mix. This initiative aligns with the country's commitment to addressing climate change and reducing carbon emissions.

Collaboration on Climate Change: President Joko Widodo emphasized the importance of cooperation between developed and developing nations to address climate change. The President reiterated that solving the climate crisis requires a fair approach, with wealthier nations taking the lead in providing resources and technological assistance to help developing countries like Indonesia transition to a low-carbon future.

Nickel Supply and Labor Issues in EV Production: Indonesia's role as a major supplier of nickel for electric vehicles (EVs) is facing scrutiny due to allegations of forced labor in the mining sector. These concerns could impact Indonesia's efforts to secure a critical minerals deal with the United States, as ethical sourcing practices become a larger part of international trade agreements.

Mangrove Reforestation Efforts: Indonesia has made strides in restoring its mangrove forests as part of its efforts to combat climate change. Over 15 hectares of mangroves have been planted in South Sumatra under a collaborative program to enhance climate resilience and protect coastal ecosystems.

Digital Economy, Telcos

Digital Identity Rollout: Indonesia is set to launch a limited version of its digital identity system, INA Digital, later this month. This initiative includes three core services: a public service portal, a government administration platform, and a digital identity system. The rollout marks a significant step in Indonesia's digital transformation strategy, which aims to enhance public services and streamline government processes.

Startup Ecosystem and Investment Growth: Indonesia's startup ecosystem continues to flourish, with government support facilitating venture capital investment. The country's digital startups are expected to benefit from lower interest rates, as long-term digital assets like fintech and digital banking receive a boost from favorable economic conditions.

AI Innovation Recognition: Endang Aminudin Aziz, a leading figure in Indonesia's AI sector, has been recognized as one of Time Magazine's 100 Most Influential People in AI for 2024. Aziz's work in preserving over 700 local languages using AI models has garnered international attention, further solidifying Indonesia's role in the global AI landscape.

Regional and Local Issues

Bali's Infrastructure Challenges: Bali continues to face issues of overdevelopment and congestion, particularly with a rise in tourism. The government is considering a moratorium on hotel construction and commercial development to preserve agricultural land and ensure sustainable growth on the island.

National Sports Week (PON) Arenas Inaugurated: President Joko Widodo officially inaugurated the 2024 National Sports Week (PON) arenas in Banda Aceh, marking the completion of extensive rehabilitation and construction projects. The 18 newly developed venues are expected to boost Indonesia's capacity to host international sporting events, promoting sports tourism and regional development.

Market Movement

The Asian market experienced mixed sentiments on 9th September, with most indices closing in the red. The Nikkei dropped by 0.5%, closing at 36,216, while the Hang Seng Index took a sharper fall, dropping 1.4% to 17,197. Shanghai Composite also ended the session down by 1.1%, at 2,737. Kospi witnessed a milder dip, losing 0.3% to close at 2,536. Meanwhile, the Jakarta Composite Index (JCI) managed a slight decline of 0.2%, closing at 7,703, while the Rupiah appreciated against the US dollar, with the USD/IDR rate decreasing by 0.6% to 15,455.

The commodities market showed resilience, with Brent oil gaining 1.1% to USD 72 per barrel, while gold remained flat at USD 2,497 per ounce.

Local Market Performance

In the domestic market, the Jakarta Composite Index (JCI) closed 0.25% lower at 7,702.7. The Indonesia Sharia Stock Index (ISSI) mirrored the decline, ending 0.24% down at 224.3. Foreign investors were actively trading, recording a net buy of IDR 422.5 billion in the regular market, while posting a net sell of IDR 170.9 billion in the negotiated market. This indicates a cautious but positive sentiment towards Indonesian equities, especially in the regular market.

Among the leading movers in the session were stocks like PANI, which soared by 13.2%, BBNI rising by 1.3%, and KLBK gaining 1.8%.

Conversely, BBRI, BYAN, and SILO were among the biggest laggards, with SILO suffering a significant drop of 14.5%. The property sector (IDXPROP) emerged as the top gainer, while the health sector (IDXHLTH) underperformed.

Foreign Transactions

Foreign investors showed a preference for several stocks, with notable net buying in BBNI, which rose by 1.3% to IDR 5,725. ADRO, BMRI, and BBKA also saw minor gains or steady performances, with the latter slipping by just 0.2%. On the flip side, BBRI experienced a 1.0% drop, leading the foreign net sell list, followed by ASII, ANTM, and SMGR, all of which saw declines in their stock prices, indicating selling pressure from foreign investors.

Top Movers and Value Stocks

PANI led the day with an impressive 13.2% gain, followed by INKP, which rose by 3.4%. On the downside, SILO, with its 14.5% drop, became the session's biggest laggard. In terms of value stocks, BBRI continued to attract attention, despite its 1.0% fall, with BMRI, BBNI, and BBKA also being actively traded.

Despite the market's slight decline, the overall sentiment suggests cautious optimism among investors, especially with foreign participation driving specific key stocks higher. However, the underperformance of certain sectors, like health, highlights the volatility and sector-specific risks present in the current market environment.

Fixed Income

At the beginning of this week, the Rupiah-denominated bond market displayed a sideways movement, influenced by the weakening of the Rupiah exchange rate and the narrowing yield spread between the 10-year U.S. Treasury bonds and Indonesian bonds. The Indonesia Composite Bond Index (ICBI) remained virtually unchanged, recording a 0.00% increase, maintaining a year-to-date return of 4.51%. The 10-year Indonesian government bond (FR0100) also experienced sideways movement, closing with a yield of 6.61%. Meanwhile, the Rupiah weakened by 79 points, reaching a level of IDR 15,456 against the U.S. Dollar, while the U.S. 10-year Treasury bond yield increased by 0.061 basis points to 3.757%.

Bond Market Activity

Transaction Volume: The bond market saw a significant increase in trading activity, with the transaction volume rising by 23.39%. Total transactions reached IDR 45.55 trillion, up from IDR 36.91 trillion in the previous session.

Transaction Frequency: The frequency of bond trades also surged, with a 30.79% rise in the number of transactions. This resulted in 3,441 trades, compared to 2,631 trades in the prior trading session.

Market Influences

Exchange Rate Movements: The weakening of the Rupiah has been one of the key drivers of market performance, reflecting investor concerns about external factors, such as global interest rates and currency fluctuations.

Yield Spread Narrowing: The narrowing of the spread between the 10-year U.S. Treasury and Indonesian government bonds is adding pressure on the market. A smaller yield spread can reduce the attractiveness of Indonesian bonds, as investors compare the risk-adjusted returns with those of U.S. bonds.

US 10 Year Treasury

The yield on the US 10-year Treasury note rose to 3.76% on Monday, after hitting a 15-month low of 3.71% last Friday. Traders are now focusing on key CPI and PPI data expected later in the week for further insight into inflation trends and possible indications of the Federal Reserve's next actions. Investors currently estimate a nearly 75% likelihood that the Fed will reduce interest rates by 25bps this month, while the probability of a larger 50bps cut has significantly dropped to around 25%. On Friday, the latest jobs report presented a mixed picture, with the US economy adding fewer jobs than anticipated, and June and July figures being significantly revised downward. However, the unemployment rate decreased to 4.2% as expected, and wage growth accelerated to 0.4%, surpassing the forecast of 0.3% and the previous 0.2%.

Outlook

While the bond market remains relatively stable for the time being, continued vigilance is required, particularly around factors such as further Rupiah depreciation, shifts in global interest rates, and any changes in the yield spread between Indonesian and U.S. bonds. These factors will continue to shape the performance of Indonesian bonds in the coming weeks. However, with year-to-date returns still at 4.51%, the market remains attractive for investors seeking fixed income opportunities in emerging markets.

The 10-year government bond yield (SUN) continued to weaken, and as long as it stays below 6.7%, there is potential for further weakening towards 6.5-6.47%.

The 3-day U.S. equity-bond yield correlation remains in positive territory, indicating that growth over stability still persists. This also suggests that investors are more optimistic, as recent U.S. data indicates a low probability of recession amidst the Fed's dovish stance moving forward. This will potentially drive U.S. Treasury yields higher in the week ahead, narrowing the yield gap with emerging markets and possibly slowing capital flows to Indonesia.

On the other hand, the Indonesian equity-bond yield correlation is in negative territory, indicating a co-movement between the markets, as foreign investors remain agnostic to enter both markets

Strategy

Based on the RRG chart, yields across most tenors are showing increased momentum, with longer tenors beginning to lead compared to the 10-year benchmark. Shorter tenors are still lagging, except for the 2-year. Therefore we recommend the following:

INDOGB: FR94, FR47, FR78, FR58, FR73

INDOIS: PBS18, PBS23, PBS25

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	10,285
CNY / USD	7.1	CNY / IDR	2,172
EUR / USD	1.1	EUR / IDR	17,077
GBP / USD	1.3	GBP / IDR	20,229
HKD / USD	7.7	HKD / IDR	1,982
JPY / USD	143.4	JPY / IDR	108
MYR / USD	4.3	MYR / IDR	3,539
NZD / USD	0.6	NZD / IDR	9,483
SAR / USD	3.7	SAR / IDR	4,118
SGD / USD	1.3	SGD / IDR	11,831
		USD / IDR	15,456

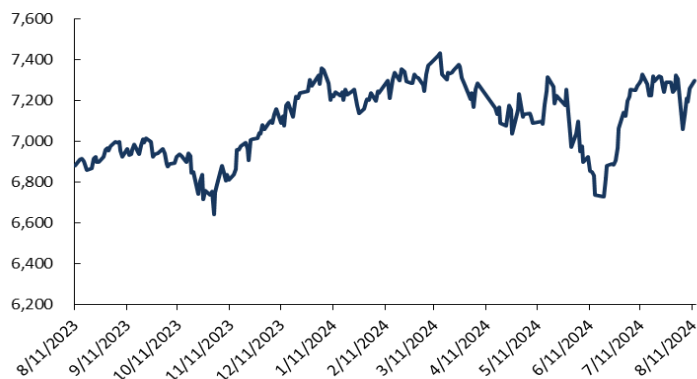
Source: SSI Research

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 251.6bn Inflow

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBNI	2.4	5,725	1.3	7.0	6.5	159
ADRO	0.6	3,490	0.5	-1.9	46.6	96
BMRI	3.4	7,250	0.0	1.7	19.8	84
BBCA	2.0	10,275	-0.2	-0.4	9.3	51
BRIS	0.2	2,620	-0.3	-1.1	50.5	47
PANI	0.3	8,550	13.2	10.3	74.4	42
UNTR	1.1	27,250	0.7	0.7	20.4	42
ICBP	0.5	11,600	1.3	1.0	9.6	34
KLBF	0.3	1,740	1.7	5.4	8.0	26
AMRT	0.3	2,950	1.0	1.7	0.6	23

Source: SSI Research, STAR

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
PANI	13.2	15.14	144	BBRI	-0.9	-6.72	776
BBNI	1.3	2.48	211	BREN	-0.4	-5.99	1,438
MSIN	2.4	2.17	102	BYAN	-1.1	-5.97	552
ICBP	1.3	1.56	135	SILO	-14.4	-5.83	38
INKP	3.3	1.34	46	AMMN	-0.6	-4.87	785
KLBF	1.7	1.26	82	BBCA	-0.2	-2.73	1,254
AMRT	1.0	1.11	122	GEMS	-3.1	-2.37	81
BMAS	11.6	0.96	10	TPIA	-0.2	-1.93	813
AVIA	2.9	0.77	30	HMSP	-2.0	-1.56	85
MLPT	24.8	0.77	4	FASW	-9.8	-1.50	15

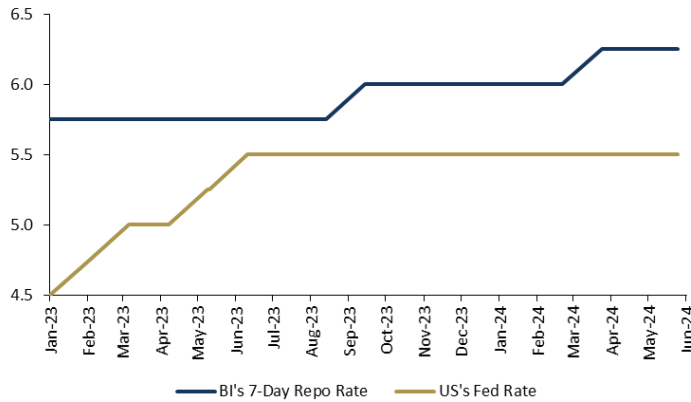
Source: SSI Research, STAR

Sector Statistic

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXFINANCE	3.3T	30.8	238.6B	1.9T	1.4T	1.7T	1.6T
IDXPROPERT	670.0B	6.2	84.2B	153.5B	516.4B	69.3B	600.6B
IDXENERGY	1.4T	13.0	77.8B	408.1B	1.0T	330.2B	1.1T
IDXNONCYC	706.6B	6.6	47.6B	252.5B	454.0B	204.9B	501.7B
IDXHEALTH	283.2B	2.6	44.1B	126.9B	156.3B	82.8B	200.4B
IDXINFRA	986.9B	9.2	28.3B	402.1B	584.7B	373.7B	613.1B
IDXINDUST	637.7B	5.9	23.0B	315.1B	322.6B	292.0B	345.7B
IDXCYCLIC	376.2B	3.5	6.8B	81.3B	294.9B	74.5B	301.7B
IDXTECHNO	206.3B	1.9	1.4B	56.4B	149.9B	54.9B	151.3B
IDXTRANS	40.2B	0.3	1.3B	4.6B	35.5B	3.3B	36.9B
COMPOSITE	10.7T	100.0		4.6T	6.0T	4.4T	6.3T
IDXBASIC	1.9T	17.7	301.9B	906.6B	1.0T	1.2T	759.6B

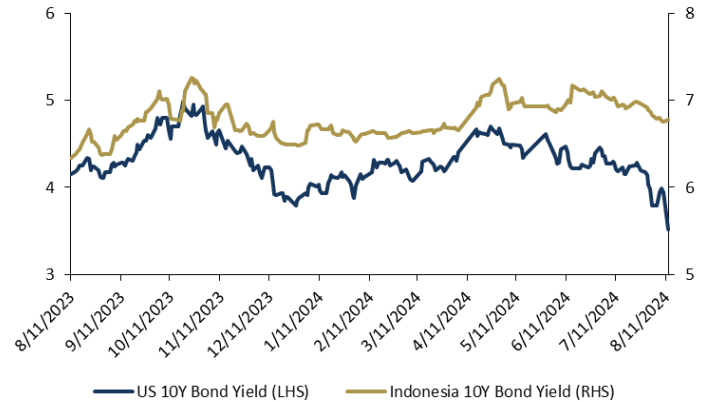
Source: STAR, SSI Research

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	0.02	10.0%	100.06	4.0%	5.7%	100.08	(161.22)	Expensive	0.02
2	FR81	8/1/2019	6/15/2025	0.77	6.5%	100.05	6.4%	5.9%	100.44	51.85	Cheap	0.74
3	FR40	9/21/2006	9/15/2025	1.02	11.0%	104.45	6.4%	6.0%	104.90	41.52	Cheap	0.95
4	FR84	5/4/2020	2/15/2026	1.44	7.3%	101.11	6.4%	6.1%	101.60	34.48	Cheap	1.37
5	FR86	8/13/2020	4/15/2026	1.60	5.5%	98.58	6.4%	6.1%	99.08	33.57	Cheap	1.53
6	FR37	5/18/2006	9/15/2026	2.02	12.0%	110.25	6.5%	6.2%	110.86	28.74	Cheap	1.79
7	FR56	9/23/2010	9/15/2026	2.02	8.4%	103.72	6.4%	6.2%	104.08	18.11	Cheap	1.85
8	FR90	7/8/2021	4/15/2027	2.60	5.1%	97.03	6.4%	6.3%	97.25	9.56	Cheap	2.43
9	FR59	9/15/2011	5/15/2027	2.68	7.0%	101.41	6.4%	6.3%	101.70	11.07	Cheap	2.46
10	FR42	1/25/2007	7/15/2027	2.85	10.3%	109.91	6.4%	6.3%	110.09	5.09	Cheap	2.49
11	FR94	3/4/2022	1/15/2028	3.35	5.6%	96.80	6.7%	6.4%	97.65	29.22	Cheap	3.05
12	FR47	8/30/2007	2/15/2028	3.44	10.0%	110.87	6.4%	6.4%	110.96	1.62	Cheap	2.96
13	FR64	8/13/2012	5/15/2028	3.68	6.1%	98.95	6.4%	6.4%	99.03	2.16	Cheap	3.31
14	FR95	8/19/2022	8/15/2028	3.94	6.4%	99.94	6.4%	6.4%	99.75	(5.93)	Expensive	3.50
15	FR99	1/27/2023	1/15/2029	4.36	6.4%	99.48	6.5%	6.5%	99.68	5.10	Cheap	3.79
16	FR71	9/12/2013	3/15/2029	4.52	9.0%	109.49	6.5%	6.5%	109.66	3.82	Cheap	3.73
17	FR101	11/2/2023	4/15/2029	4.60	6.9%	101.53	6.5%	6.5%	101.46	(2.05)	Expensive	3.95
18	FR78	9/27/2018	5/15/2029	4.68	8.3%	106.79	6.5%	6.5%	106.93	2.71	Cheap	3.94
19	FR52	8/20/2009	8/15/2030	5.94	10.5%	118.41	6.7%	6.6%	118.99	9.97	Cheap	4.60
20	FR82	8/1/2019	9/15/2030	6.02	7.0%	102.24	6.5%	6.6%	102.02	(4.47)	Expensive	4.90
21	FR87	8/13/2020	2/15/2031	6.44	6.5%	99.44	6.6%	6.6%	99.44	(0.01)	Expensive	5.28
22	FR85	5/4/2020	4/15/2031	6.60	7.8%	105.44	6.7%	6.6%	106.00	9.94	Cheap	5.21
23	FR73	8/6/2015	5/15/2031	6.68	8.8%	111.32	6.6%	6.6%	111.37	0.48	Cheap	5.20
24	FR54	7/22/2010	7/15/2031	6.85	9.5%	115.38	6.7%	6.6%	115.64	3.69	Cheap	5.19
25	FR91	7/8/2021	4/15/2032	7.61	6.4%	98.54	6.6%	6.6%	98.38	(2.90)	Expensive	6.01
26	FR58	7/21/2011	6/15/2032	7.77	8.3%	109.31	6.7%	6.7%	109.56	3.53	Cheap	5.81
27	FR74	11/10/2016	8/15/2032	7.94	7.5%	104.94	6.7%	6.7%	105.12	2.67	Cheap	6.08
28	FR96	8/19/2022	2/15/2033	8.44	7.0%	102.41	6.6%	6.7%	102.08	(5.13)	Expensive	6.44
29	FR65	8/30/2012	5/15/2033	8.69	6.6%	99.85	6.6%	6.7%	99.65	(3.26)	Expensive	6.64
30	FR100	8/24/2023	2/15/2034	9.44	6.6%	100.10	6.6%	6.7%	99.51	(8.59)	Expensive	7.06
31	FR68	8/1/2013	3/15/2034	9.52	8.4%	111.94	6.7%	6.7%	111.67	(3.72)	Expensive	6.71
32	FR80	7/4/2019	6/15/2035	10.77	7.5%	106.08	6.7%	6.7%	105.91	(2.41)	Expensive	7.47
33	FR103	8/8/2024	7/15/2035	10.85	6.8%	101.18	6.6%	6.7%	100.22	(12.68)	Expensive	7.72
34	FR72	7/9/2015	5/15/2036	11.69	8.3%	112.20	6.7%	6.7%	112.14	(1.01)	Expensive	7.82
35	FR88	1/7/2021	6/15/2036	11.78	6.3%	96.77	6.6%	6.7%	96.10	(8.54)	Expensive	8.23
36	FR45	5/24/2007	5/15/2037	12.69	9.8%	125.51	6.7%	6.7%	125.35	(2.00)	Expensive	7.97
37	FR93	1/6/2022	7/15/2037	12.86	6.4%	97.25	6.7%	6.7%	96.83	(5.12)	Expensive	8.72
38	FR75	8/10/2017	5/15/2038	13.69	7.5%	106.37	6.8%	6.8%	106.58	2.02	Cheap	8.80
39	FR98	9/15/2022	6/15/2038	13.78	7.1%	103.80	6.7%	6.8%	103.27	(6.09)	Expensive	8.84
40	FR50	1/24/2008	7/15/2038	13.86	10.5%	133.35	6.8%	6.8%	133.33	(0.55)	Expensive	8.23
41	FR79	1/7/2019	4/15/2039	14.61	8.4%	114.36	6.8%	6.8%	114.80	4.14	Cheap	8.87
42	FR83	11/7/2019	4/15/2040	15.61	7.5%	106.32	6.8%	6.8%	106.94	6.09	Cheap	9.42
43	FR57	4/21/2011	5/15/2041	16.69	9.5%	126.17	6.8%	6.8%	126.93	6.27	Cheap	9.37
44	FR62	2/9/2012	4/15/2042	17.61	6.4%	96.51	6.7%	6.8%	95.81	(7.03)	Expensive	10.46
45	FR92	7/8/2021	6/15/2042	17.78	7.1%	103.11	6.8%	6.8%	103.46	3.22	Cheap	10.17
46	FR97	8/19/2022	6/15/2043	18.78	7.1%	103.29	6.8%	6.8%	103.50	1.83	Cheap	10.46
47	FR67	7/18/2013	2/15/2044	19.45	8.8%	119.74	6.9%	6.8%	120.92	9.47	Cheap	10.29
48	FR76	9/22/2017	5/15/2048	23.70	7.4%	106.49	6.8%	6.8%	106.57	0.49	Cheap	11.67
49	FR89	1/7/2021	8/15/2051	26.95	6.9%	100.30	6.8%	6.8%	100.65	2.80	Cheap	12.40
50	FR102	1/5/2024	7/15/2054	29.87	6.9%	100.51	6.8%	6.8%	100.59	0.54	Cheap	12.77

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	0.10	6.6%	99.99	6.5%	6.5%	100.01	4.87	Cheap	0.10
2	PBS036	8/26/2022	8/15/2025	0.93	5.4%	99.11	6.4%	6.5%	99.01	(11.21)	Expensive	0.91
3	PBS017	1/11/2018	10/15/2025	1.10	6.1%	99.65	6.5%	6.5%	99.62	(3.62)	Expensive	1.06
4	PBS032	7/30/2021	7/15/2026	1.85	4.9%	97.03	6.6%	6.5%	97.20	10.20	Cheap	1.76
5	PBS021	12/6/2018	11/15/2026	2.18	8.5%	104.12	6.4%	6.5%	103.98	(8.01)	Expensive	2.01
6	PBS003	2/2/2012	1/15/2027	2.35	6.0%	98.89	6.5%	6.5%	98.89	(0.42)	Expensive	2.19
7	PBS020	10/22/2018	10/15/2027	3.10	9.0%	106.84	6.5%	6.5%	106.82	(1.41)	Expensive	2.72
8	PBS018	6/4/2018	5/15/2028	3.68	7.6%	103.46	6.5%	6.5%	103.48	0.13	Cheap	3.24
9	PBS030	6/7/2021	7/15/2028	3.85	5.9%	97.75	6.5%	6.5%	97.74	(0.40)	Expensive	3.43
10	PBS023	5/16/2019	5/15/2030	5.68	8.1%	107.15	6.6%	6.6%	107.20	0.56	Cheap	4.63
11	PBS012	1/28/2016	11/15/2031	7.19	8.9%	113.07	6.6%	6.6%	112.76	(5.50)	Expensive	5.48
12	PBS024	5/29/2019	5/15/2032	7.68	8.4%	110.50	6.6%	6.6%	110.41	(1.90)	Expensive	5.82
13	PBS025	5/31/2019	5/15/2033	8.68	8.4%	111.17	6.7%	6.6%	111.28	1.20	Cheap	6.37
14	PBS029	1/15/2021	3/15/2034	9.52	6.4%	97.73	6.7%	6.7%	98.01	4.11	Cheap	7.07
15	PBS022	1/25/2019	4/15/2034	9.60	8.6%	113.42	6.7%	6.7%	113.76	4.19	Cheap	6.75
16	PBS037	1/13/2023	3/15/2036	11.52	6.9%	100.49	6.8%	6.7%	101.40	11.43	Cheap	7.93
17	PBS004	2/16/2012	2/15/2037	12.44	6.1%	94.71	6.7%	6.7%	94.86	1.88	Cheap	8.65
18	PBS034	1/14/2022	6/15/2039	14.77	6.5%	97.74	6.7%	6.8%	97.61	(1.53)	Expensive	9.39
19	PBS007	9/29/2014	9/15/2040	16.03	9.0%	121.59	6.8%	6.8%	121.49	(1.09)	Expensive	9.17
20	PBS039	1/12/2024	7/15/2041	16.86	6.6%	98.35	6.8%	6.8%	98.30	(0.58)	Expensive	10.11
21	PBS035	3/31/2022	3/15/2042	17.52	6.8%	99.04	6.8%	6.8%	99.42	3.75	Cheap	10.20
22	PBS005	5/2/2013	4/15/2043	18.61	6.8%	99.33	6.8%	6.8%	99.20	(1.31)	Expensive	10.59
23	PBS028	7/24/2020	10/15/2046	22.11	7.8%	109.53	6.9%	6.9%	109.74	1.62	Cheap	11.11
24	PBS033	1/14/2022	6/15/2047	22.78	6.8%	98.11	6.9%	6.9%	98.32	1.77	Cheap	11.49
25	PBS015	7/21/2017	7/15/2047	22.86	8.0%	113.34	6.8%	6.9%	112.58	(6.21)	Expensive	11.24
26	PBS038	12/8/2023	12/15/2049	25.28	6.9%	99.03	7.0%	6.9%	99.25	1.76	Cheap	11.90

Source: Bloomberg, SSI Research