

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 Indonesian stock market saw a mixed session on 10th September 2024, with the Jakarta Composite Index (JCI) rising by 0.76%, closing at 7,761.4, supported by a strong foreign net buying activity. The Indonesia Sharia Stock Index (ISSI) also ended 0.16% higher at 224.7. Foreign investors were active in both the regular and negotiated markets, posting a net buy of IDR 236.9 billion in the regular market and IDR 222.5 billion in the negotiated market, indicating a positive sentiment towards Indonesian equities.

Leading the movers for the day were stocks such as BREN, which surged by 7.0% to IDR 11,500, BBRI, up by 1.4% to IDR 5,250, and GOTO, gaining 5.7% to IDR 56. These stocks were pivotal in driving the overall market higher. On the flip side, lagging movers such as AMMN, which declined by 2.5% to IDR 10,550, TPIA, which slipped by 1.3% to IDR 9,275, and MSIN, dropping sharply by 4.8% to IDR 8,000, exerted some downward pressure on the market.

The best-performing sector of the day was IDXTECH, reflecting strength in the technology-related stocks, while the industrial sector (IDXINDUS) was the weakest, pulling back from recent gains.

Notably, foreign investors were active in some of the top stocks, showing strong buying interest in BBCA, which rose by 0.7% to IDR 10,350, BREN at IDR 11,500 (+7.0%), and BBRI, which posted a 1.4% gain to IDR 5,250. Among the notable foreign net sellers were stocks such as ASII, which remained unchanged at IDR 5,025, GOTO, despite its 5.7% rise, and AMMN, which fell by 2.5%.

In terms of top value stocks, BBRI, BBCA, BMRI, and BREN remained the most actively traded, with BBRI and BREN posting significant gains. Despite the declines in some key stocks, the overall market sentiment remained positive, with sustained foreign interest in major blue-chip counters like BBCA and BBRI.

Brent oil fell by 1.1% to USD 71 per barrel, while gold remained stable at USD 2,506 per ounce. The USD/IDR exchange rate remained unchanged at IDR 15,450, indicating a steady currency performance amidst global economic uncertainties.

As the market adjusts to shifting dynamics, it will be essential to monitor further foreign inflows and sectoral performance, especially in technology, which continues to drive market momentum. On the other hand, industrial stocks may require close observation, given their recent pullback.

Fixed Income

The Rupiah-denominated bond prices traded slightly stronger today, driven by the relatively sideways movement of the Rupiah exchange rate. The Indonesia Composite Bond Index (ICBI) increased marginally by 0.03%, contributing to a year-to-date return of 4.54%. Meanwhile, the 10-year benchmark government bond (SBN FR0100) remained stable, closing at a yield of 6.61%. The Rupiah appreciated slightly, gaining 1 point to reach IDR 15,455 against the US Dollar. Additionally, the U.S. Treasury 10-year bond yield declined by 0.048 basis points, standing at 3.757%.

Trading Activity

At the start of the week, bond trading activity saw an increase in transaction volume, rising by 2.06% to IDR 46.48 trillion compared to IDR 45.55 trillion in the previous trading session. However, the frequency of transactions decreased by 7.00%, with a drop from 3,441 to 3,200 trades.

Yield Movements & Market Sentiment

The sideways movement in bond yields, particularly in the 10-year SBN (FR0100), reflects market participants' cautious stance amid mixed global and domestic economic signals. Despite the minor appreciation of the Rupiah, market sentiment remains relatively neutral due to uncertainties in global financial markets, especially concerning U.S. inflation data and the Federal Reserve's interest rate trajectory.

On the domestic front, inflation remains within the central bank's target range, providing a favorable environment for maintaining bond demand, especially among institutional investors. Foreign inflows into the bond market have remained steady, although there are ongoing concerns about the future direction of global interest rates and potential capital outflows.

Macroeconomic Indicators

- ICBI Performance: +0.03% (4.54% YTD return)
- SBN 10Y (FR0100) Yield: 6.61% (unchanged)
- Rupiah Exchange Rate: IDR 15,455/USD (+1 point)

US 10 year Treasury

The yield on the US 10-year Treasury note remained near its recent dip at around 3.71% on Tuesday, as investors prepared for a significant US inflation report this week that could impact the size of the anticipated interest rate cut from the Federal Reserve later this month. The consumer price index for August is set to be released on Wednesday, followed by the producer price index on Thursday. However, Friday's August payroll report offered little clarity regarding the direction of interest rates. The US economy added fewer jobs than expected, although the unemployment rate declined slightly, and wage growth remained robust. Despite this, Federal Reserve officials, including Christopher Waller and John Williams, have signaled support for a rate cut at the upcoming meeting. According to the CME FedWatch tool, traders now assign a 71% likelihood to a 25 basis point cut next week, with a 29% chance of a larger 50 basis point reduction

In conclusion, while the bond market has shown limited movement today, the outlook remains cautiously optimistic, with potential gains ahead depending on further developments in both domestic and global economic indicators. The increase in trading volume suggests ongoing investor interest, although the drop in transaction frequency reflects a more measured approach from market participants.

Outlook

In the near term, the bond market is expected to remain influenced by the performance of the Rupiah and external factors such as U.S. inflation and interest rate trends.

The relative stability in Indonesia's domestic economic environment, supported by controlled inflation and steady economic growth, should provide continued support for bond demand. However, the market is likely to experience fluctuations driven by global financial conditions, including potential shifts in U.S. Federal Reserve policy.

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

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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	20,264
HKD / USD	7.7	HKD / IDR	1,983
JPY / USD	143.4	JPY / IDR	108
MYR / USD	4.3	MYR / IDR	3,553
NZD / USD	0.6	NZD / IDR	9,519
SAR / USD	3.7	SAR / IDR	4,118
SGD / USD	1.3	SGD / IDR	11,831
		USD / IDR	15,456

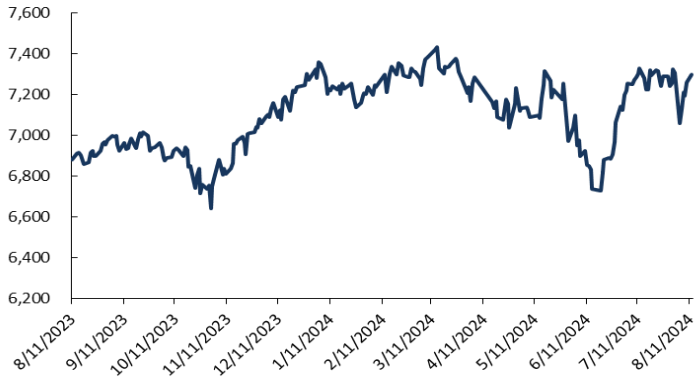
Source: SSI Research

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 459.4bn Inflow

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBCA	4.0	10,350	0.7	0.2	10.1	142
BREN	2.6	11,500	6.9	6.9	53.8	80
BBRI	5.1	5,250	1.4	1.9	-8.2	50
MAPI	0.4	1,665	10.6	11.3	-6.9	39
KLBF	0.2	1,740	0.0	5.4	8.0	29
ACES	0.2	780	4.0	9.0	8.3	25
JSMR	0.1	4,920	-2.5	-8.0	1.0	25
BBNI	1.7	5,700	-0.4	6.5	6.0	25
SMRA	0.1	640	3.2	4.9	11.3	20
PSAB	0.1	288	22.0	20.0	227.2	18

Source: SSI Research, STAR

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
BREN	6.9	89.99	1,539	AMMN	-2.5	-17.88	765
BBRI	1.4	10.09	788	TPIA	-1.3	-9.69	802
BBCA	0.7	8.19	1,263	MSIN	-4.7	-4.34	97
DNET	5.6	7.63	160	UNTR	-2.0	-1.84	100
PANI	4.6	6.05	151	LIFE	-15.8	-1.78	11
AMRT	3.0	3.35	126	ITMG	-4.1	-1.13	29
GOTO	5.6	3.23	67	TCPI	-3.5	-1.12	34
MAPI	10.6	2.38	28	FILM	-2.2	-0.85	42
GEMS	2.9	2.11	83	JSMR	-2.5	-0.84	36
CUAN	2.2	2.00	102	BBNI	-0.4	-0.82	210

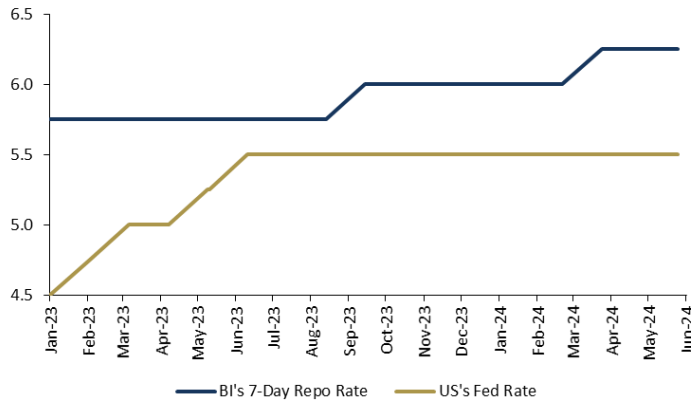
Source: SSI Research, STAR

Sector Statistic

SECTOR	TVAL	%TVAL	FNVAL	LAST	%CHG	%MTD	%YTD	%52W
IDXTRANS	38.0B	0.3	226.2M	1,462.2	0.8	0.9	-8.7	-20.0
IDXTECHNO	549.5B	5.0	54.6B	3,379.2	2.2	3.5	-23.8	-23.8
IDXPROPERT	718.0B	6.5	12.5B	758.0	0.9	5.0	6.1	3.6
IDXNONCYC	817.5B	7.5	52.2B	725.9	0.9	2.0	0.5	-1.2
IDXINFRA	1.3T	11.9	60.1B	1,669.9	1.6	2.5	6.3	82.3
IDXINDUST	634.8B	5.8	96.2B	1,072.2	-1.0	-0.6	-1.9	-9.1
IDXHEALTH	301.2B	2.7	32.0B	1,484.6	0.0	1.4	7.8	0.8
IDXFINANCE	3.2T	29.3	312.5B	1,545.3	0.7	4.8	5.9	10.8
IDXENERGY	1.3T	11.9	29.7B	2,626.0	-0.0	-1.3	25.0	24.2
IDXCYCLIC	544.0B	4.9	40.0B	915.9	0.2	0.1	11.5	2.4
IDXBASIC	1.3T	11.9	70.8B	1,323.7	-0.0	-2.4	1.2	5.3
COMPOSITE	10.9T	100.0		7,761.3	0.7	1.1	6.7	12.0

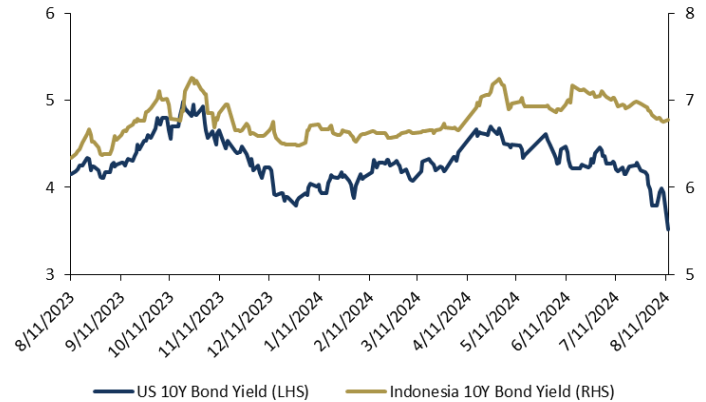
Source: STAR, SSI Research

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%	100.05	3.9%	5.7%	100.07	(180.17)	Expensive	0.01
2	FR81	8/1/2019	6/15/2025	0.76	6.5%	100.03	6.4%	5.9%	100.44	54.02	Cheap	0.74
3	FR40	9/21/2006	9/15/2025	1.02	11.0%	104.40	6.4%	6.0%	104.89	45.36	Cheap	0.95
4	FR84	5/4/2020	2/15/2026	1.44	7.3%	101.10	6.4%	6.1%	101.60	35.23	Cheap	1.37
5	FR86	8/13/2020	4/15/2026	1.60	5.5%	98.59	6.4%	6.1%	99.09	33.22	Cheap	1.53
6	FR37	5/18/2006	9/15/2026	2.02	12.0%	110.51	6.3%	6.2%	110.85	15.01	Cheap	1.79
7	FR56	9/23/2010	9/15/2026	2.02	8.4%	103.72	6.4%	6.2%	104.08	17.87	Cheap	1.84
8	FR90	7/8/2021	4/15/2027	2.60	5.1%	97.09	6.4%	6.3%	97.25	6.86	Cheap	2.43
9	FR59	9/15/2011	5/15/2027	2.68	7.0%	101.41	6.4%	6.3%	101.70	11.08	Cheap	2.46
10	FR42	1/25/2007	7/15/2027	2.85	10.3%	109.85	6.4%	6.3%	110.08	7.12	Cheap	2.49
11	FR94	3/4/2022	1/15/2028	3.35	5.6%	96.80	6.7%	6.4%	97.66	29.33	Cheap	3.04
12	FR47	8/30/2007	2/15/2028	3.44	10.0%	110.88	6.4%	6.4%	110.95	1.11	Cheap	2.96
13	FR64	8/13/2012	5/15/2028	3.68	6.1%	98.88	6.5%	6.4%	99.03	4.36	Cheap	3.31
14	FR95	8/19/2022	8/15/2028	3.93	6.4%	99.96	6.4%	6.4%	99.75	(6.31)	Expensive	3.49
15	FR99	1/27/2023	1/15/2029	4.35	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%	109.47	6.5%	6.5%	109.66	4.27	Cheap	3.73
17	FR101	11/2/2023	4/15/2029	4.60	6.9%	101.53	6.5%	6.5%	101.46	(2.20)	Expensive	3.95
18	FR78	9/27/2018	5/15/2029	4.68	8.3%	106.78	6.5%	6.5%	106.93	2.95	Cheap	3.94
19	FR52	8/20/2009	8/15/2030	5.93	10.5%	118.44	6.7%	6.6%	118.98	9.32	Cheap	4.60
20	FR82	8/1/2019	9/15/2030	6.02	7.0%	102.25	6.5%	6.6%	102.02	(4.66)	Expensive	4.90
21	FR87	8/13/2020	2/15/2031	6.44	6.5%	99.51	6.6%	6.6%	99.44	(1.43)	Expensive	5.28
22	FR85	5/4/2020	4/15/2031	6.60	7.8%	105.34	6.7%	6.6%	106.00	11.76	Cheap	5.21
23	FR73	8/6/2015	5/15/2031	6.68	8.8%	111.40	6.6%	6.6%	111.37	(1.01)	Expensive	5.20
24	FR54	7/22/2010	7/15/2031	6.85	9.5%	115.38	6.7%	6.6%	115.63	3.62	Cheap	5.18
25	FR91	7/8/2021	4/15/2032	7.60	6.4%	98.55	6.6%	6.6%	98.38	(2.89)	Expensive	6.01
26	FR58	7/21/2011	6/15/2032	7.77	8.3%	109.36	6.7%	6.7%	109.56	2.60	Cheap	5.81
27	FR74	11/10/2016	8/15/2032	7.94	7.5%	104.99	6.7%	6.7%	105.12	1.85	Cheap	6.07
28	FR96	8/19/2022	2/15/2033	8.44	7.0%	102.39	6.6%	6.7%	102.08	(4.87)	Expensive	6.44
29	FR65	8/30/2012	5/15/2033	8.68	6.6%	99.87	6.6%	6.7%	99.65	(3.58)	Expensive	6.64
30	FR100	8/24/2023	2/15/2034	9.44	6.6%	100.10	6.6%	6.7%	99.51	(8.66)	Expensive	7.06
31	FR68	8/1/2013	3/15/2034	9.52	8.4%	111.99	6.7%	6.7%	111.67	(4.39)	Expensive	6.71
32	FR80	7/4/2019	6/15/2035	10.77	7.5%	106.14	6.7%	6.7%	105.91	(3.15)	Expensive	7.47
33	FR103	8/8/2024	7/15/2035	10.85	6.8%	101.12	6.6%	6.7%	100.22	(11.89)	Expensive	7.72
34	FR72	7/9/2015	5/15/2036	11.69	8.3%	112.24	6.7%	6.7%	112.14	(1.43)	Expensive	7.82
35	FR88	1/7/2021	6/15/2036	11.77	6.3%	96.80	6.6%	6.7%	96.11	(8.96)	Expensive	8.23
36	FR45	5/24/2007	5/15/2037	12.69	9.8%	125.51	6.7%	6.7%	125.34	(2.03)	Expensive	7.97
37	FR93	1/6/2022	7/15/2037	12.85	6.4%	97.47	6.7%	6.7%	96.83	(7.74)	Expensive	8.72
38	FR75	8/10/2017	5/15/2038	13.69	7.5%	106.51	6.8%	6.8%	106.58	0.55	Cheap	8.80
39	FR98	9/15/2022	6/15/2038	13.77	7.1%	103.84	6.7%	6.8%	103.27	(6.49)	Expensive	8.84
40	FR50	1/24/2008	7/15/2038	13.85	10.5%	133.25	6.8%	6.8%	133.33	0.32	Cheap	8.22
41	FR79	1/7/2019	4/15/2039	14.61	8.4%	114.38	6.8%	6.8%	114.80	3.98	Cheap	8.87
42	FR83	11/7/2019	4/15/2040	15.61	7.5%	106.35	6.8%	6.8%	106.94	5.77	Cheap	9.42
43	FR57	4/21/2011	5/15/2041	16.69	9.5%	126.17	6.8%	6.8%	126.93	6.26	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%	103.13	6.8%	6.8%	103.46	3.01	Cheap	10.17
46	FR97	8/19/2022	6/15/2043	18.78	7.1%	103.34	6.8%	6.8%	103.50	1.32	Cheap	10.46
47	FR67	7/18/2013	2/15/2044	19.45	8.8%	119.74	6.9%	6.8%	120.92	9.45	Cheap	10.29
48	FR76	9/22/2017	5/15/2048	23.70	7.4%	106.50	6.8%	6.8%	106.57	0.45	Cheap	11.67
49	FR89	1/7/2021	8/15/2051	26.95	6.9%	100.30	6.9%	6.8%	100.65	2.81	Cheap	12.40
50	FR102	1/5/2024	7/15/2054	29.87	6.9%	100.54	6.8%	6.8%	100.59	0.28	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	4.97	Cheap	0.09
2	PBS036	8/26/2022	8/15/2025	0.93	5.4%	99.14	6.3%	6.5%	99.01	(14.47)	Expensive	0.91
3	PBS017	1/11/2018	10/15/2025	1.10	6.1%	99.61	6.5%	6.5%	99.62	(0.14)	Expensive	1.06
4	PBS032	7/30/2021	7/15/2026	1.84	4.9%	97.08	6.6%	6.5%	97.21	7.46	Cheap	1.76
5	PBS021	12/6/2018	11/15/2026	2.18	8.5%	104.13	6.4%	6.5%	103.98	(8.60)	Expensive	2.00
6	PBS003	2/2/2012	1/15/2027	2.35	6.0%	98.89	6.5%	6.5%	98.89	(0.34)	Expensive	2.18
7	PBS020	10/22/2018	10/15/2027	3.10	9.0%	106.86	6.5%	6.5%	106.81	(2.30)	Expensive	2.71
8	PBS018	6/4/2018	5/15/2028	3.68	7.6%	103.49	6.5%	6.5%	103.48	(0.71)	Expensive	3.24
9	PBS030	6/7/2021	7/15/2028	3.85	5.9%	97.75	6.5%	6.5%	97.74	(0.36)	Expensive	3.43
10	PBS023	5/16/2019	5/15/2030	5.68	8.1%	107.18	6.6%	6.6%	107.20	0.02	Cheap	4.62
11	PBS012	1/28/2016	11/15/2031	7.18	8.9%	113.07	6.6%	6.6%	112.76	(5.58)	Expensive	5.48
12	PBS024	5/29/2019	5/15/2032	7.68	8.4%	110.52	6.6%	6.6%	110.40	(2.15)	Expensive	5.82
13	PBS025	5/31/2019	5/15/2033	8.68	8.4%	111.18	6.7%	6.6%	111.28	1.06	Cheap	6.36
14	PBS029	1/15/2021	3/15/2034	9.52	6.4%	97.74	6.7%	6.7%	98.01	3.95	Cheap	7.06
15	PBS022	1/25/2019	4/15/2034	9.60	8.6%	113.43	6.7%	6.7%	113.76	4.10	Cheap	6.75
16	PBS037	1/13/2023	3/15/2036	11.52	6.9%	100.50	6.8%	6.7%	101.40	11.30	Cheap	7.93
17	PBS004	2/16/2012	2/15/2037	12.44	6.1%	94.71	6.7%	6.7%	94.86	1.91	Cheap	8.65
18	PBS034	1/14/2022	6/15/2039	14.77	6.5%	97.79	6.7%	6.8%	97.61	(2.11)	Expensive	9.39
19	PBS007	9/29/2014	9/15/2040	16.02	9.0%	121.71	6.8%	6.8%	121.49	(2.16)	Expensive	9.17
20	PBS039	1/12/2024	7/15/2041	16.85	6.6%	98.78	6.7%	6.8%	98.30	(4.97)	Expensive	10.12
21	PBS035	3/31/2022	3/15/2042	17.52	6.8%	99.14	6.8%	6.8%	99.42	2.78	Cheap	10.20
22	PBS005	5/2/2013	4/15/2043	18.61	6.8%	99.33	6.8%	6.8%	99.20	(1.32)	Expensive	10.59
23	PBS028	7/24/2020	10/15/2046	22.11	7.8%	109.53	6.9%	6.9%	109.74	1.64	Cheap	11.10
24	PBS033	1/14/2022	6/15/2047	22.78	6.8%	98.00	6.9%	6.9%	98.32	2.76	Cheap	11.48
25	PBS015	7/21/2017	7/15/2047	22.86	8.0%	113.34	6.8%	6.9%	112.58	(6.22)	Expensive	11.24
26	PBS038	12/8/2023	12/15/2049	25.28	6.9%	99.19	6.9%	6.9%	99.26	0.46	Cheap	11.90

Source: Bloomberg, SSI Research