

Overview

Indonesia's economy continues to demonstrate resilience, as highlighted by Bank Indonesia's (BI) surprise decision to cut its benchmark interest rate by 25 bps to 6%, which is in line with forecasts but against market expectations. This reflects confidence in the country's macroeconomic fundamentals, including robust forex reserves, consistent trade surpluses, low inflation, and significant foreign inflows into equity and bond markets. Parliament approved increased spending for 2025, supporting President-elect Prabowo's administration with substantial allocations for infrastructure and social programs. In trade, Indonesia posted a USD 2.89 billion surplus in August, marking its highest export levels since late 2022. Additionally, regional integration through ASEAN has bolstered trade, while Indonesia's Tangguh LNG project achieved record gas production, further strengthening the nation's energy sector. The construction of the country's first HPAL nickel smelter underpins its push towards green industry and electric vehicle production. However, a notable rise in rice imports and leadership changes within KADIN have introduced uncertainty. Despite these developments, the rupiah has gained strength ahead of central bank decisions, reflecting growing confidence in Indonesia's economic trajectory.

Key Comments

Economy, Business & Finance

Indonesia's Central Bank Delivers Surprise Rate Cut: In its September 2024 meeting, Bank Indonesia (BI) cut the benchmark interest rate by 25 bps to 6%, aligning with our forecast but surprising markets that expected a hold. This move reflects Indonesia's strong macroeconomic fundamentals, including USD 150.2 billion in forex reserves, a 52-month trade surplus, low inflation, and significant foreign capital inflows into equity (IDR 53.2 trillion) and bond (IDR 33.8 trillion) markets. With the Fed expected to cut rates soon, BI's preemptive stance is well-positioned to generate positive domestic sentiment, boosting the economy for the rest of the year. We forecast that BI will maintain rupiah stability before considering further cuts in Q4, but caution is needed as Indonesia's twin deficits could widen in 2025 due to increased budget spending and weaker commodity exports amid potential economic slowdowns in the US and China.

Parliament Approves Higher Spending for Incoming Prabowo Administration: Indonesia's parliamentary budget committee approved increased spending for 2025, aimed at supporting the incoming administration of President-elect Prabowo Subianto....

...The approved budget includes substantial allocations for infrastructure projects, social welfare programs, and the phased implementation of the free meals program for students, which is projected to cost IDR 71 trillion in its early phase. This move reflects the government's commitment to improving public welfare and continuing economic growth.

Indonesia Achieves Highest Exports Since December 2022: Indonesia recorded a trade surplus of USD 2.89 billion in August, the largest since late 2022, driven by strong export performance in key sectors such as palm oil, coal, and manufactured goods. This marks the 52nd consecutive month of a trade surplus, reflecting the strength of Indonesia's export-oriented economy. This also underscores the country's resilience in global trade despite fluctuations in commodity prices and a slowdown in demand from key trading partners.

ASEAN Free Trade Agreement Spurs Regional Growth: ASEAN's commitment to reducing tariffs and facilitating cross-border trade has boosted intra-regional commerce by 21 percent in the past year. Indonesia, as a key member of ASEAN, has benefited from the elimination of tariffs on 98.6 percent of products, making the region a competitive market for businesses. The ASEAN Single Window Tax Notification System continues to evolve, further reducing trade costs and creating a more seamless business environment across member states.

Tangguh LNG Reaches Record Gas Production Levels: Indonesia's Tangguh LNG project, operated by BP, achieved a record output of 7,399 million cubic feet per day in early September, following the full operation of its third liquefaction train. This positions Indonesia as a major player in the global LNG market, contributing significantly to national energy security and export revenue. The expansion of Tangguh LNG is aligned with the government's goal to maximize domestic natural resource utilization for economic growth.

First HPAL Nickel Smelter Construction Begins: Construction of Indonesia's first High-Pressure Acid Leaching (HPAL) nickel smelter, using renewable energy, has officially begun. The smelter, developed by Neo Energy, is expected to support Indonesia's position as the world's largest nickel producer, which is crucial for electric vehicle (EV) battery production. This development marks a milestone in the country's drive toward becoming a leader in green industrial production, particularly in the EV sector.

Indonesia's Rice Imports Surge by 121% in 2024: Indonesia's rice imports have surged by 121 percent in 2024, reaching 3.05 million tons between January and August. The import volume, valued at USD 1.91 billion, has raised concerns about food security and domestic production capacities. This sharp rise in imports reflects the government's strategy to ensure stable rice prices and adequate supply amid global inflationary pressures.

Luhut Attracts Ray Dalio and Porsche Family for Investment in Bali: Chief Investment Minister Luhut Pandjaitan has successfully drawn interest from Ray Dalio and the Porsche family to establish family offices in Bali. These discussions are part of a broader government effort to attract high-net-worth individuals to Indonesia, thereby boosting foreign investment and strengthening economic growth. The establishment of family offices is expected to contribute to the development of luxury and financial sectors in Bali.

Indonesian Business Community Stunned by KADIN Takeover: Indonesia's business community is in disarray following the sudden leadership transition within the Indonesian Chamber of Commerce (KADIN), just a month before President-elect Prabowo takes office. Anindya Bakrie has been appointed as the new chair, replacing Arsjad Rasjid, in a move that has drawn criticism and raised concerns about potential instability in the business sector. Economists warn that the dual leadership might create confusion among investors, particularly as the new administration is set to implement key economic policies.

Rupiah Strengthens Ahead of Central Bank Decisions: The Indonesian rupiah has gained ground against the US dollar as markets anticipate key meetings from Bank Indonesia (BI) and the US Federal Reserve. Market participants expect BI to maintain its accommodative stance, while the US Fed is expected to cut interest rates. The rupiah's strength reflects growing investor confidence in Indonesia's economic stability and BI's effective monetary policies.

Politics & Security

Prabowo to Appoint Politically Aligned Professionals in Cabinet: As President-elect Prabowo prepares to take office next month, the Gerindra Party has hinted that politically aligned professionals will be part of his cabinet. This approach is seen as an effort to create an effective government with a clear policy direction. However, the public has raised questions about the size of the cabinet, with reports suggesting it could expand to 44 ministries. Critics argue that Prabowo needs to justify this expansion and ensure that it doesn't burden the state budget.

KPK Investigates Kaesang's Private Jet Use: The Corruption Eradication Commission (KPK) has launched an investigation into the private jet used by President Joko Widodo's son, Kaesang Pangarep, during a trip to the US. The anti-graft body is under pressure to scrutinize the incident as public concerns over corruption intensify. The investigation comes amid broader discussions on nepotism and transparency within Indonesia's political elite.

Prabowo Administration Aims for Stronger US Ties: As Indonesia undergoes a leadership transition, there is growing speculation about the direction of the country's foreign policy under President-elect Prabowo. Analysts expect Prabowo to strengthen ties with the United States, especially in areas of defense, trade, and technology cooperation. With rising geopolitical tensions in Asia, a stronger U.S.-Indonesia partnership could bolster regional stability and economic growth.

Green Economy & Environment

Indonesia Targets 2027 for Sustainable Aviation Fuel (SAF): Transportation Minister Budi Karya Sumadi announced that Indonesia plans to shift to sustainable aviation fuels (SAF) by 2027, as part of its efforts to reduce carbon emissions in the aviation sector. This initiative is part of the broader push to meet Indonesia's commitment to global climate goals and transition to renewable energy across various industries.

President Jokowi Criticizes Geothermal Permit Delays: President Joko Widodo has expressed frustration over delays in granting permits for geothermal energy projects, despite Indonesia having vast untapped potential in this sector. Jokowi emphasized the importance of accelerating geothermal development to meet the country's renewable energy targets and reduce its dependence on fossil fuels.

Former Mining Lands to be Converted into Solar Power Projects: Indonesia's Ministry of Energy is pushing for the conversion of former mining sites into solar power plants as part of its broader green energy strategy. This move will repurpose degraded land and contribute to Indonesia's goal of increasing renewable energy generation and reducing greenhouse gas emissions.

Regional & Local Issues

IKN Residents Protest Over Land Compensation: Residents living in the Nusantara Capital City (IKN) area staged their third protest today, demanding fair compensation for their land as the government continues its mega-development project...

...The protests highlight ongoing challenges related to land acquisition and the social impact of the new capital city project.

Bali Implements Firm Sanctions for Misbehaving Tourists: In a bid to preserve Bali's cultural integrity, the government has introduced strict measures to deal with misbehaving tourists. Coordinating Minister Luhut Pandjaitan stated that the island prioritizes quality tourism and will not tolerate tourists who engage in illegal or disruptive behavior. These measures come after several high-profile incidents involving foreign visitors.

Market Movement

The Jakarta Composite Index (JCI) ended the day with a slight decline of -0.03%, closing at 7,829.1, reflecting a flat performance amid subdued trading activity. Meanwhile, the Indonesia Sharia Stock Index (ISSI) showed a modest gain of +0.01%, finishing at 227.8. Despite the lackluster movement in the JCI, foreign investors demonstrated continued confidence in the market, recording a net buy of IDR 931.3 billion in the regular market and IDR 493.3 billion in the negotiated market.

In terms of sector performance, the property sector (IDXPROP) emerged as the top gainer for the day, while the technology sector (IDXTECH) saw the steepest decline. This mixed sector performance highlights the selective nature of investor sentiment as they navigated ongoing market developments.

Several individual stocks stood out, with ASII leading the foreign net buy list, rising by 3.4% to IDR 5,250. Other notable stocks that attracted foreign interest include BBKA (IDR 10,625; +1.2%), BBNI (IDR 5,700; +0.9%), TLKM (IDR 3,120; +1.0%), and BRIS (IDR 3,140; +1.3%). On the other hand, stocks like ADRO (-2.9%), GOTO (-6.2%), BUKA (-1.7%), INCO (-1.1%), and ANTM (-1.1%) saw significant foreign selling pressure.

Leading movers for the day included BBKA (IDR 10,625; +1.2%), ASII (IDR 5,250; +3.5%), BBRI (IDR 5,350; +0.9%), TLKM (IDR 3,120; +1.0%), and AMMN (IDR 10,375; +1.0%). On the losing side, BREN (IDR 10,725; -3.8%), GOTO (IDR 61; -6.2%), ADRO (IDR 3,650; -2.9%), TPIA (IDR 8,850; -0.8%), and DSSA (IDR 40,500; -1.5%) were the biggest laggards.

In terms of trading value, BBRI, BBKA, and ASII were among the top contributors, with GOTO and BREN rounding out the top value stocks despite their declines.

Overall, the market exhibited a mixed performance, with investors carefully balancing optimism in select sectors and stocks against broader market caution.

Fixed Income

Overview of Bond Prices: Rupiah-denominated bond prices showed a strengthening trend in today's trading, driven by the appreciation of the Rupiah exchange rate and positive market sentiment following Bank Indonesia's decision to cut interest rates by 25 basis points. The Indonesia Composite Bond Index (ICBI) rose by 0.05%, resulting in a year-to-date return of 4.99%. Additionally, the 10-year Sovereign Bond (SBN) benchmark series (FR0100) also strengthened, closing at a yield of 6.52%. The Rupiah appreciated by 22 points, settling at IDR 15,313 per USD, while the U.S. 10-year Treasury bond yield increased by 0.053 basis points to 3.613%.

Trading Activity: In terms of trading volume, today's bond market experienced a significant decline. Total trading volume fell by -45.14% to IDR 37.71 trillion, compared to the previous day's figure of IDR 68.75 trillion. The frequency of transactions also dropped, down by -23.06%, with 3,543 transactions recorded compared to 4,605 transactions the previous day.

Key Drivers and Market Sentiment:

- **Interest Rate Cut:** Bank Indonesia's decision to cut its benchmark interest rate by 25 basis points served as a catalyst for the bond market. This move is generally seen as accommodative for the bond market as lower interest rates tend to reduce borrowing costs, encouraging investments in government bonds, which often offer a relatively stable return.

- **Currency Appreciation:** The strengthening of the Rupiah, which appreciated 22 points to IDR 15,313, further supported the bond market, especially for foreign investors. A stronger currency makes Indonesian bonds more attractive, as the risk of depreciation decreases for foreign bondholders, thus reducing potential foreign exchange losses.

- **Global Factors:** On the global front, the U.S. 10-year Treasury bond yield rose to 3.613%. However, despite the uptick in U.S. yields, the local bond market remained resilient, helped by domestic factors and the dovish stance of the central bank.

In summary, while trading activity showed a decline in volume and frequency, the overall market sentiment remains positive, bolstered by central bank actions and currency strength.

Key Statistics:

- ICBI Growth: +0.05% (Year-to-date return: 4.99%)
- 10-year SBN Benchmark Yield (FR0100): 6.52%
- Rupiah Exchange Rate: IDR 15,313 (+22 points)
- Bond Trading Volume: IDR 37.71 trillion (-45.14%)
- Number of Transactions: 3,543 (-23.06%)

US 10 Year Treasury

The yield on the US 10-year Treasury remained steady around 3.64% in quiet trading on Wednesday, hovering close to a 15-month low as investors awaited the upcoming Federal Reserve's monetary policy decision. The Fed is anticipated to reduce interest rates for the first time in four years. There is ongoing market uncertainty about the size of the rate cut, with the probability of a substantial 50 basis point reduction now at 65%, a notable increase from 25% just a month ago. On Tuesday, the benchmark yield saw a slight increase following a stronger-than-expected US retail sales report. Retail sales in the US unexpectedly rose by 0.1% in August compared to the previous month, beating predictions of a 0.2% decline, after a revised 1.1% jump in July.

Outlook

Looking ahead, the bond market is expected to continue being influenced by both domestic monetary policy and global market movements. The ongoing strength of the Rupiah, combined with accommodative monetary policy, could provide further support to bond prices. However, external risks, particularly the movement of U.S. Treasury yields, may introduce some volatility.

With the upcoming announcements on interest rate policies from the Fed and Bank Indonesia, volatility could increase in the near term. The direction of the Rupiah and global macroeconomic conditions will continue to play a pivotal role in shaping the bond market's trajectory. The strong trading volume suggests sustained investor interest in Indonesian bonds, particularly given the solid year-to-date performance.

Indonesian 10-Year Government Bonds (SUN): The benchmark yield continued its decline. The triangle pattern from August 2023 to August 2024 indicates a downward target toward the 2023 low of around 6.0%. In the short term, yields may fall to 6.5-6.4%. A move above 6.6% would signal a bullish reversal.

The 3-day U.S. equity-bond yield correlation remained positive, although the magnitude is moving closer to a negative correlation. The downward trend indicates that U.S. investors anticipate the possibility of the Fed cutting rates by more than 25 bps, as evidenced by a greater probability of a larger 50 bps reduction, according to CME's FedWatch Tool. A 50 bps cut, instead of 25 bps, is seen as an indication of a greater likelihood of an economic slowdown or recession, prompting investors to avoid short-term risk by favoring U.S. 10-year Treasuries.

The 3-day equity-bond yield correlation in Indonesia also mirrors that of the U.S., where investors tend to shift more funds into bonds. However, the wider interest rate parity with the U.S. bond market could attract more foreign inflows into Indonesia, benefiting both the equity and bond markets

Strategy

According to the RRG (Relative Rotation Graph) chart, most tenors are showing strengthened momentum, with long-term yields now leading compared to the 10-year benchmark. Short-term yields are lagging, except for the 2-year tenor. Therefore we recommend the following:

INDOGB: FR94, FR47, FR52, FR85, FR90

INDOIS: PBS23, PBS30, PBS18

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	10,369
CNY / USD	7.0	CNY / IDR	2,163
EUR / USD	1.1	EUR / IDR	17,068
GBP / USD	1.3	GBP / IDR	20,186
HKD / USD	7.7	HKD / IDR	1,967
JPY / USD	141.5	JPY / IDR	108
MYR / USD	4.2	MYR / IDR	3,607
NZD / USD	0.6	NZD / IDR	9,513
SAR / USD	3.7	SAR / IDR	4,090
SGD / USD	1.2	SGD / IDR	11,856
		USD / IDR	15,352

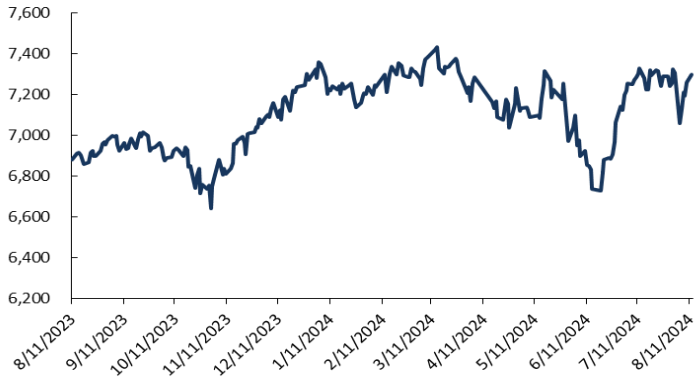
Source: SSI Research

Macro Forecasts

Macro	2023A	2024F	2025F
GDP (% YoY)	5.1	4.9	5.0
Inflation (% YoY)	2.6	2.9	3.1
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	15,900	16,200

Source: SSI Research

IHSG Chart Intraday



Source: SSI Research

Net Foreign Flow: IDR 679bn Inflow

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
ASII	1.9	5,250	3.4	2.9	-7.0	253
BBCA	3.5	10,625	1.1	2.9	13.0	232
BBNI	1.5	5,700	0.8	6.5	6.0	136
TLKM	1.3	3,120	0.9	1.9	-21.0	98
BRIS	0.8	3,140	1.2	18.4	80.4	78
BBRI	3.3	5,350	0.9	3.8	-6.5	69
ARTO	0.4	3,090	1.2	7.6	6.5	46
MAPI	0.4	1,800	0.9	20.4	0.5	44
BREN	2.0	10,725	3.3	-0.2	43.4	28
BSDE	0.1	1,220	0.5	-5.0	12.9	26

Source: SSI Research, STAR

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
BBCA	1.1	13.68	1,297	BREN	-3.8	-50.99	1,435
BBRI	0.9	6.72	803	TPIA	-0.8	-5.81	766
AMMN	0.9	6.50	752	DSSA	-1.5	-4.30	312
ASII	3.4	6.35	213	GOTO	-6.1	-4.30	73
GEMS	5.5	3.82	81	MSIN	-4.6	-3.80	86
PANI	2.3	3.40	167	DCII	-2.9	-3.68	136
LIFE	19.7	3.24	22	ADRO	-2.9	-3.03	112
BMAS	24.8	2.89	16	BMRI	-0.3	-2.06	684
TLKM	0.9	2.66	309	TOWR	-5.3	-2.04	41
KLBF	2.6	1.89	82	FILM	-5.6	-1.96	36

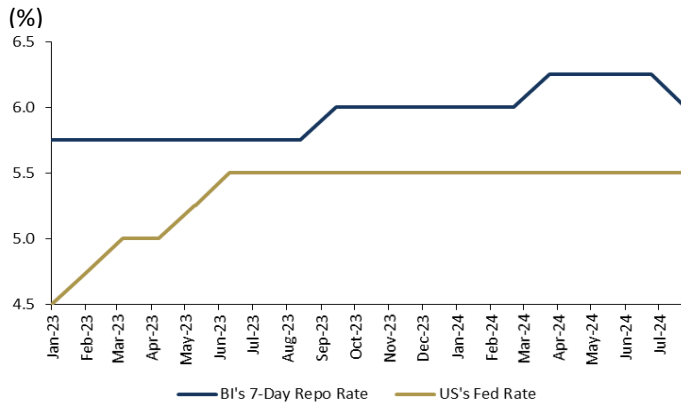
Source: SSI Research, STAR

Sector Statistic

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXFİNANCE	5.3T	41.7	1,158.5B	3.3T	2.0T	2.2T	3.1T
IDXINDUST	918.7B	7.2	234.0B	462.8B	455.8B	228.8B	689.9B
IDXINFRA	1.1T	8.6	135.3B	612.9B	502.1B	477.5B	637.5B
IDXCYCLIC	575.7B	4.5	93.4B	217.2B	358.4B	123.8B	451.8B
IDXPROPERT	613.5B	4.8	88.8B	162.3B	451.1B	73.4B	540.0B
IDXHEALTH	338.9B	2.6	13.1B	121.9B	216.9B	108.8B	230.1B
COMPOSITE	12.7T	100.0		5.8T	6.8T	4.4T	8.3T
IDXTRANS	54.5B	0.4	-140.5M	3.0B	51.5B	3.1B	51.4B
IDXNONCYC	765.2B	6.0	20.8B	351.6B	413.5B	372.5B	392.7B
IDXTECHNO	706.2B	5.5	42.5B	188.4B	517.8B	230.9B	475.2B
IDXBASİC	959.2B	7.5	54.0B	174.1B	785.0B	228.2B	730.9B
IDXENERGY	1.2T	9.4	-181.2B	172.0B	1.1T	353.3B	943.7B

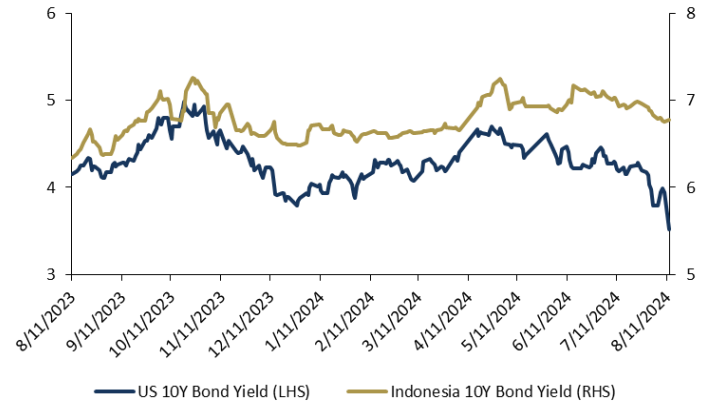
Source: STAR, SSI Research

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	19/04/2007	15/09/2024	0.00	10.0%	100.03	0.0%	5.7%	99.99	0.00	0	0.00
2	FR81	01/08/2019	15/06/2025	0.75	6.5%	100.04	6.4%	5.9%	100.43	52.81	Cheap	0.74
3	FR40	21/09/2006	15/09/2025	1.00	11.0%	104.46	6.3%	6.0%	104.81	31.60	Cheap	0.96
4	FR84	04/05/2020	15/02/2026	1.42	7.3%	101.11	6.4%	6.1%	101.58	33.34	Cheap	1.35
5	FR86	13/08/2020	15/04/2026	1.58	5.5%	98.59	6.5%	6.1%	99.10	35.09	Cheap	1.51
6	FR37	18/05/2006	15/09/2026	2.00	12.0%	110.28	6.4%	6.2%	110.76	22.06	Cheap	1.82
7	FR56	23/09/2010	15/09/2026	2.00	8.4%	103.75	6.3%	6.2%	104.05	15.03	Cheap	1.86
8	FR90	08/07/2021	15/04/2027	2.58	5.1%	97.14	6.3%	6.3%	97.27	6.09	Cheap	2.41
9	FR59	15/09/2011	15/05/2027	2.66	7.0%	101.54	6.4%	6.3%	101.69	5.57	Cheap	2.44
10	FR42	25/01/2007	15/07/2027	2.83	10.3%	109.88	6.4%	6.3%	110.02	3.93	Cheap	2.47
11	FR94	04/03/2022	15/01/2028	3.33	5.6%	96.69	6.7%	6.4%	97.67	33.83	Cheap	3.02
12	FR47	30/08/2007	15/02/2028	3.42	10.0%	110.72	6.4%	6.4%	110.91	4.39	Cheap	2.94
13	FR64	13/08/2012	15/05/2028	3.66	6.1%	99.11	6.4%	6.4%	99.04	(2.38)	Expensive	3.29
14	FR95	19/08/2022	15/08/2028	3.92	6.4%	99.94	6.4%	6.4%	99.76	(5.48)	Expensive	3.47
15	FR99	27/01/2023	15/01/2029	4.33	6.4%	99.64	6.5%	6.5%	99.69	0.95	Cheap	3.77
16	FR71	12/09/2013	15/03/2029	4.50	9.0%	109.73	6.5%	6.5%	109.63	(2.75)	Expensive	3.79
17	FR101	02/11/2023	15/04/2029	4.58	6.9%	101.75	6.4%	6.5%	101.46	(7.65)	Expensive	3.93
18	FR78	27/09/2018	15/05/2029	4.66	8.3%	107.08	6.5%	6.5%	106.91	(4.72)	Expensive	3.92
19	FR52	20/08/2009	15/08/2030	5.92	10.5%	118.39	6.7%	6.6%	118.94	9.41	Cheap	4.58
20	FR82	01/08/2019	15/09/2030	6.00	7.0%	102.46	6.5%	6.6%	102.02	(9.03)	Expensive	4.96
21	FR87	13/08/2020	15/02/2031	6.42	6.5%	99.81	6.5%	6.6%	99.45	(7.12)	Expensive	5.26
22	FR85	04/05/2020	15/04/2031	6.58	7.8%	105.93	6.6%	6.6%	105.99	0.71	Cheap	5.20
23	FR73	06/08/2015	15/05/2031	6.66	8.8%	111.57	6.6%	6.6%	111.35	(4.36)	Expensive	5.18
24	FR54	22/07/2010	15/07/2031	6.83	9.5%	115.41	6.6%	6.6%	115.60	2.66	Cheap	5.17
25	FR91	08/07/2021	15/04/2032	7.58	6.4%	98.80	6.6%	6.6%	98.39	(7.16)	Expensive	5.99
26	FR58	21/07/2011	15/06/2032	7.75	8.3%	109.62	6.6%	6.7%	109.54	(1.66)	Expensive	5.90
27	FR74	10/11/2016	15/08/2032	7.92	7.5%	105.34	6.6%	6.7%	105.11	(3.88)	Expensive	6.06
28	FR96	19/08/2022	15/02/2033	8.42	7.0%	102.70	6.6%	6.7%	102.08	(9.68)	Expensive	6.42
29	FR65	30/08/2012	15/05/2033	8.67	6.6%	100.34	6.6%	6.7%	99.65	(10.74)	Expensive	6.63
30	FR100	24/08/2023	15/02/2034	9.42	6.6%	100.49	6.6%	6.7%	99.51	(14.20)	Expensive	7.04
31	FR68	01/08/2013	15/03/2034	9.50	8.4%	112.36	6.6%	6.7%	111.65	(9.54)	Expensive	6.82
32	FR80	04/07/2019	15/06/2035	10.75	7.5%	106.61	6.6%	6.7%	105.91	(9.12)	Expensive	7.59
33	FR103	08/08/2024	15/07/2035	10.83	6.8%	101.59	6.5%	6.7%	100.22	(17.93)	Expensive	7.71
34	FR72	09/07/2015	15/05/2036	11.67	8.3%	112.56	6.7%	6.7%	112.13	(5.25)	Expensive	7.81
35	FR88	07/01/2021	15/06/2036	11.75	6.3%	97.16	6.6%	6.7%	96.11	(13.40)	Expensive	8.35
36	FR45	24/05/2007	15/05/2037	12.67	9.8%	125.39	6.7%	6.7%	125.32	(1.01)	Expensive	7.94
37	FR93	06/01/2022	15/07/2037	12.84	6.4%	97.72	6.6%	6.7%	96.84	(10.69)	Expensive	8.71
38	FR75	10/08/2017	15/05/2038	13.67	7.5%	106.75	6.7%	6.8%	106.57	(2.08)	Expensive	8.78
39	FR98	15/09/2022	15/06/2038	13.75	7.1%	104.06	6.7%	6.8%	103.27	(8.95)	Expensive	8.98
40	FR50	24/01/2008	15/07/2038	13.84	10.5%	133.39	6.7%	6.8%	133.30	(1.16)	Expensive	8.20
41	FR79	07/01/2019	15/04/2039	14.59	8.4%	114.61	6.8%	6.8%	114.79	1.58	Cheap	8.86
42	FR83	07/11/2019	15/04/2040	15.59	7.5%	106.73	6.8%	6.8%	106.94	2.03	Cheap	9.42
43	FR57	21/04/2011	15/05/2041	16.67	9.5%	125.83	6.9%	6.8%	126.92	9.02	Cheap	9.34
44	FR62	09/02/2012	15/04/2042	17.59	6.4%	96.25	6.7%	6.8%	95.82	(4.36)	Expensive	10.43
45	FR92	08/07/2021	15/06/2042	17.76	7.1%	103.39	6.8%	6.8%	103.46	0.53	Cheap	10.34
46	FR97	19/08/2022	15/06/2043	18.76	7.1%	103.77	6.8%	6.8%	103.50	(2.68)	Expensive	10.64
47	FR67	18/07/2013	15/02/2044	19.43	8.8%	120.60	6.8%	6.8%	120.91	2.29	Cheap	10.30
48	FR76	22/09/2017	15/05/2048	23.68	7.4%	106.53	6.8%	6.8%	106.57	0.16	Cheap	11.65
49	FR89	07/01/2021	15/08/2051	26.93	6.9%	100.46	6.8%	6.8%	100.65	1.50	Cheap	12.39
50	FR102	05/01/2024	15/07/2054	29.85	6.9%	100.60	6.8%	6.8%	100.59	(0.17)	Expensive	12.75

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	18/10/2019	15/10/2024	0.08	6.6%	99.99	6.5%	6.5%	100.01	5.41	Cheap	0.07
2	PBS036	26/08/2022	15/08/2025	0.91	5.4%	99.16	6.3%	6.5%	99.03	(15.00)	Expensive	0.89
3	PBS017	1/11/2018	15/10/2025	1.08	6.1%	99.63	6.5%	6.5%	99.62	(0.91)	Expensive	1.04
4	PBS032	30/07/2021	15/07/2026	1.82	4.9%	97.07	6.6%	6.5%	97.23	9.46	Cheap	1.74
5	PBS021	06/12/2018	15/11/2026	2.16	8.5%	104.02	6.5%	6.5%	103.94	(4.88)	Expensive	1.99
6	PBS003	2/2/2012	15/01/2027	2.33	6.0%	98.99	6.5%	6.5%	98.90	(4.81)	Expensive	2.16
7	PBS020	10/22/2018	15/10/2027	3.08	9.0%	106.77	6.5%	6.5%	106.78	(0.49)	Expensive	2.69
8	PBS018	6/4/2018	15/05/2028	3.66	7.6%	103.43	6.6%	6.5%	103.47	0.63	Cheap	3.22
9	PBS030	07/06/2021	15/07/2028	3.83	5.9%	97.58	6.6%	6.5%	97.75	4.91	Cheap	3.41
10	PBS023	16/05/2019	15/05/2030	5.66	8.1%	107.10	6.6%	6.6%	107.18	1.16	Cheap	4.60
11	PBS012	1/28/2016	15/11/2031	7.16	8.9%	113.11	6.5%	6.6%	112.73	(6.64)	Expensive	5.46
12	PBS024	29/05/2019	15/05/2032	7.66	8.4%	110.35	6.6%	6.6%	110.39	0.20	Cheap	5.80
13	PBS025	31/05/2019	15/05/2033	8.66	8.4%	110.97	6.7%	6.6%	111.26	3.85	Cheap	6.34
14	PBS029	15/01/2021	15/03/2034	9.50	6.4%	97.26	6.8%	6.7%	98.02	11.05	Cheap	7.15
15	PBS022	25/01/2019	15/04/2034	9.58	8.6%	113.19	6.7%	6.7%	113.74	7.04	Cheap	6.72
16	PBS037	13/01/2023	15/03/2036	11.50	6.9%	101.01	6.7%	6.7%	101.40	4.87	Cheap	8.05
17	PBS004	2/16/2012	15/02/2037	12.42	6.1%	94.91	6.7%	6.7%	94.87	(0.48)	Expensive	8.63
18	PBS034	14/01/2022	15/06/2039	14.75	6.5%	97.54	6.8%	6.8%	97.62	0.73	Cheap	9.52
19	PBS007	9/29/2014	15/09/2040	16.01	9.0%	121.68	6.8%	6.8%	121.48	(2.00)	Expensive	9.32
20	PBS039	12/01/2024	15/07/2041	16.84	6.6%	98.01	6.8%	6.8%	98.31	2.96	Cheap	10.07
21	PBS035	31/03/2022	15/03/2042	17.50	6.8%	98.86	6.9%	6.8%	99.42	5.58	Cheap	10.35
22	PBS005	5/2/2013	15/04/2043	18.59	6.8%	99.34	6.8%	6.8%	99.21	(1.35)	Expensive	10.57
23	PBS028	24/07/2020	15/10/2046	22.09	7.8%	109.52	6.9%	6.9%	109.74	1.72	Cheap	11.09
24	PBS033	14/01/2022	15/06/2047	22.76	6.8%	98.32	6.9%	6.9%	98.33	(0.01)	Expensive	11.68
25	PBS015	7/21/2017	15/07/2047	22.84	8.0%	113.18	6.8%	6.9%	112.58	(4.94)	Expensive	11.21
26	PBS038	08/12/2023	15/12/2049	25.26	6.9%	99.23	6.9%	6.9%	99.26	0.10	Cheap	12.10

Source: Bloomberg, SSI Research