

## Overview

The Federal Reserve's 50bps rate cut to 4.75%-5% marked a pivotal shift in U.S. monetary policy, with further reductions expected through 2025, positively impacting global markets. A day earlier, Bank Indonesia also implemented a 25bps cut, stimulating optimism in the Indonesian stock market and strengthening the rupiah. Meanwhile, Prabowo Subianto's first \$237 billion budget was approved by parliament, signaling Indonesia's commitment to growth through infrastructure, defense, and social programs. In energy and industry, partnerships such as the Indonesia-UK critical minerals exchange and Star Energy Geothermal's \$346 million expansion underscore Indonesia's drive toward renewable energy. Additionally, Indonesia's growing real estate market, burgeoning electric vehicle (EV) sector, and Virgin Australia's use of Pertamina's Sustainable Aviation Fuel highlight key sectors attracting both domestic and foreign investment.

## Key Comments

### Economy, Business & Finance

**Fed's Decision:** On 19 September 2024, the Federal Reserve's decision to cut its federal funds rate by 50 basis points to 4.75%-5%, marking the first rate reduction since March 2020, sent US stock markets lower. This aggressive move, deviating from the anticipated 25bps cut, signals the Fed's recognition of economic challenges, including inflation moderation and slower job growth. The central bank has outlined plans for further rate reductions, projecting an additional 100bps cut in 2025 and a final 50bps in 2026, aiming to sustain lower rates and support economic recovery. This rate cut is expected to aid global central banks, including Bank Indonesia, in balancing inflation control and economic growth, while offering support to the Indonesian rupiah. Additionally, the Fed revised its inflation and GDP forecasts for 2024, signaling easing price pressures but a softening growth outlook. Despite these efforts, uncertainties remain, with concerns about managing potential economic stagnation and higher unemployment rates in the US.

**Federal Reserve Rate Cut and Its Impact on Indonesia:** The Federal Reserve's decision to reduce its benchmark interest rate by 50 basis points is seen as a positive development for Asian economies, particularly Indonesia. The Jakarta Composite Index (JCI) surged positively following the Fed's announcement, reflecting optimism among investors. Lower interest rates in the U.S. may give the region's central banks more leeway to loosen monetary policy, driving liquidity into stock markets and other high-risk assets.

**Bank Indonesia's Surprise Rate Cut May Spur Inflows, Support Rupiah:** In a move that surprised markets, Bank Indonesia (BI) cut its benchmark interest rate by 25 basis points to 6%. This rate cut is expected to encourage foreign inflows into Indonesian bonds and stocks, which could support the rupiah and stimulate investment. Analysts forecast further cuts in 2025, easing borrowing costs and potentially boosting business expansion, stock market activity, and household spending through cheaper loans.

**Prabowo's First \$237 Billion Budget Approved by Indonesia's Parliament:** Indonesia's parliament has approved a state budget worth Rp 3,621 trillion (\$237 billion), marking a significant step in President-elect Prabowo Subianto's plans to boost the country's growth. The budget focuses on infrastructure projects, social welfare programs, and defense, with a projected deficit of Rp 616.19 trillion. Eight out of nine factions in the House supported the budget, with the Prosperous Justice Party (PKS) agreeing with reservations. This budget will be pivotal in kickstarting Prabowo's growth ambitions next month.

**Indonesia, UK Ink Critical Minerals Technology Exchange:** In a major agreement, Indonesia and the UK have signed a memorandum of understanding (MoU) to cooperate on technology exchange in critical minerals, a key area in the global transition to renewable energy. This partnership aims to bolster Indonesia's efforts to become a leader in producing and processing critical minerals like nickel, which are essential for electric vehicles and battery production.

**Star Energy Geothermal's \$346 Million Capacity Expansion:** Star Energy Geothermal (SEG), a subsidiary of PT Barito Renewables Energy Tbk (BREN), has committed \$346 million to boost energy capacity across its geothermal plants. This investment reflects Indonesia's push to expand its renewable energy sources, particularly in geothermal, as part of its green energy transition strategy.

**Investment Opportunities in Indonesia's Real Estate Sector:** Indonesia's rapidly urbanizing economy presents a wealth of opportunities for real estate investors. The market is expected to reach \$64.78 billion by 2029, driven by growth in key areas such as Jakarta and Bali. With a projected compound annual growth rate (CAGR) of 5.82%, sectors like commercial real estate, residential development, and tourism infrastructure are set to thrive.

**Indonesia's Automotive Trade Deficit with China, Surplus with the Philippines:** Indonesia's automotive trade data for August 2024 reveals a deficit with China, driven by strong imports of vehicles and components. However, Indonesia has a trade surplus with the Philippines in the same sector, showing the diverse nature of its trade relationships within the region.

**Virgin Australia First Foreign Airline to Use Pertamina's Sustainable Aviation Fuel (SAF):** Virgin Australia Airlines has become the first international airline to use Sustainable Aviation Fuel (SAF) produced by Indonesia's state-run oil company Pertamina. The SAF is composed of 38.43% synthetic kerosene derived from used cooking oil and 61.78% fossil fuel, showcasing Indonesia's growing commitment to reducing carbon emissions in aviation.

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

**Prabowo Gets Sweeping Powers to Reshape Indonesia's Cabinet:** President-elect Prabowo Subianto has gained sweeping powers to restructure Indonesia's cabinet, with lawmakers passing a law that removes the cap on the number of ministries. This move provides Prabowo with more flexibility to pursue his policy agenda and reward political allies, but critics warn it could lead to a bloated bureaucracy and strain the country's budget.

**Rival-Turned-Ally PKB Won't Push for Cabinet Representation:** The National Awakening Party (PKB), which supported a rival candidate in the previous election, has stated it will not demand cabinet positions under Prabowo's administration. This statement reflects the complex political dynamics as Prabowo seeks to consolidate support from a broad coalition, while balancing factional interests.

**Pressure Mounts on KPK to Probe Kaesang over Private Jet Trip:** Activists are pressuring Indonesia's Corruption Eradication Commission (KPK) to continue investigating Kaesang Pangarep, the youngest son of President Joko "Jokowi" Widodo, over his use of a private jet during a trip abroad. While Kaesang has provided clarification to the KPK, many believe there are still unresolved questions about the trip and the potential misuse of public resources.

**6 Million Indonesian Taxpayer IDs Allegedly Leaked, Including President's:** A major data breach has been reported, with 6 million taxpayer-identification numbers (NPWP) allegedly leaked and sold for \$10,000 on a hacking forum. The leaked data reportedly includes sensitive personal information, including that of President Jokowi and his family, raising concerns about Indonesia's cybersecurity infrastructure.

### **Environment, Green Economy**

**PLN Requires 2.4 GW of Clean Power to Replace Cirebon-1 Coal Plant:** Indonesia's state-owned electricity company PLN has announced that it will need 2.4 gigawatts (GW) of renewable energy to replace the soon-to-be-retired Cirebon-1 coal-fired power plant. This move is part of the government's broader strategy to transition to greener energy sources, in line with global climate commitments.

**Malaysia's Samaiden Partners with MCS to Expand Renewable Energy in Indonesia:** Samaiden Group Berhad, a renewable energy firm based in Malaysia, has partnered with PT MCS Bina Energi to expand its renewable energy business in Indonesia. This collaboration will focus on solar energy projects and other renewable initiatives, contributing to Indonesia's goal of increasing its clean energy capacity.

**Indonesia, Malaysia Joint Task Force to Mitigate Impact of EU Deforestation Law:** Indonesia and Malaysia have established a joint task force to mitigate the effects of the European Union's deforestation-free regulation (EUDR), which could impact palm oil exports. As the world's largest palm oil producers, the two countries are working together to ensure compliance with the EU law while protecting their key agricultural industries.

### **Digital Economy, Telcos**

**YouTube Shopping Feature Launched in Indonesia:** YouTube has introduced its shopping feature in Indonesia, making it the first country in Southeast Asia to receive the service. This feature, which allows users to purchase products directly through the platform, reflects Indonesia's growing importance in the global digital economy, particularly in the e-commerce sector.

**GoTo and Alibaba Partner on Cloud Services:** Indonesian tech giant GoTo has signed a memorandum of understanding (MoU) with Alibaba to integrate GoTo's cloud infrastructure with Alibaba Cloud over the next five years. This partnership will help GoTo improve its digital infrastructure, while Alibaba maintains its stake in the company. The agreement reflects GoTo's growing ambitions to enhance its digital ecosystem amid fierce competition.

### **Regional/Local Issues**

**Jokowi Inaugurates Kartasura-Klaten Section of Yogyakarta-Solo Toll Road:** President Joko Widodo inaugurated the Kartasura-Klaten section of the Yogyakarta-Solo toll road, marking another milestone in Indonesia's infrastructure development...

...This section is part of the larger Solo-YIA Kulonprogo Toll Road, which will significantly reduce travel times between key cities in Central Java.

**Calls Grow for Halt to Rempang Eco City Project:** Amnesty International has called for the suspension of the Rempang Eco City project, which has faced criticism over human rights violations, including violence and intimidation against residents. The project, part of Indonesia's national strategic initiatives, has been marred by protests, raising questions about the government's handling of local opposition.

**Bandung Earthquake Response:** Following a magnitude-5 earthquake in West Java, the high-speed Jakarta-Bandung train, known as Whoosh, resumed operations after a temporary suspension. Emergency response teams were deployed, with damage and injuries reported. The quake prompted authorities to declare a disaster emergency in the region.

### Market Movement

The Jakarta Composite Index (JCI) ended 0.97% higher, closing at 7,905.4. Similarly, the Indonesia Sharia Stock Index (ISSI) also recorded a positive gain, rising by 0.74% to close at 229.5. Foreign investors were actively involved, posting a net buy of IDR 931.3 billion in the regular market, and an additional net buy of IDR 493.3 billion in the negotiated market.

The leading movers in the market today were BBCA (up 2.6% to 10,900), BREN (up 2.8% to 11,025), and BBRI (up 0.9% to 5,400). However, lagging behind were DCII (down 4.4% to 54,475), DSSA (down 1.1% to 40,050), and AMRT (down 1.3% to 3,120).

Sector-wise, the IDXPROP sector emerged as the top gainer, while the IDXTECH sector saw the biggest losses for the day. Among foreign net buy stocks, BBRI and BBCA led the way, with BBRI rising by 0.9% and BBCA gaining 2.6%. GOTO also stood out with a notable 3.3% increase. On the other hand, ASII, BUKA, and BMRI were among the top foreign net sell stocks.

Looking at the broader regional markets, the Nikkei surged by 2.1% to 37,155, while the Hang Seng rose by 2.0% to 18,013. The Shanghai Composite climbed 0.7% to 2,736, and the Kospi saw a modest gain of 0.2%, closing at 2,581. Meanwhile, Indonesia's currency, the USD/IDR, strengthened by 0.7%, ending the day at 15,238...

Commodities were also on the rise, with gold increasing by 1.1% to USD 2,588 per ounce, and Brent oil advancing by 1.0% to USD 74 per barrel.

In terms of top value stocks, BBRI, BBCA, BMRI, BBNI, and GOTO saw significant activity, with BBCA leading the gains, followed by GOTO with a strong 3.3% rise.

Trading activity showcased a positive outlook for the market, driven by strong foreign inflows and gains in key sectors. However, some lagging stocks and sectors continue to face challenges amidst a dynamic trading environment.

### Fixed Income

#### Overview

Rupiah-denominated bond prices strengthened in today's trading, supported by a rally in the Rupiah exchange rate and positive market sentiment following the U.S. Federal Reserve's decision to cut interest rates by 50 basis points (bps). This rate cut contributed to a favorable market environment for Indonesian bonds, reflecting growing investor confidence.

#### Key Market Movements

- Indonesia Composite Bond Index (ICBI): The ICBI rose by 0.20%, bringing its year-to-date return to 5.20%. This positive performance reflects the resilience of the Indonesian bond market amidst global economic uncertainties.
- Benchmark 10-Year Government Bond (FR0100): The 10-year benchmark bond strengthened, closing with a yield of 6.46%, signaling increased demand for Indonesian government securities.
- Rupiah Exchange Rate: The Rupiah appreciated by 96 points, reaching a level of Rp 15,239 per USD, reflecting a stronger currency position relative to the dollar.

#### Trading Activity

**Volume:** Bond trading volume surged by 32.35% to Rp 49.91 trillion, compared to the previous day's Rp 37.71 trillion. This jump indicates increased investor interest and participation in the bond market.

**Frequency:** The number of transactions edged up by 2.94%, from 3,543 to 3,647, reflecting steady trading activity and liquidity in the market.



### **US 10 Year Treasury**

The yield on the US 10-year Treasury note increased to 3.7%, recovering from a near 15-month low of 3.62% earlier in the week, as markets evaluated the future of US monetary policy following the Federal Reserve's initiation of a rate-cutting cycle. The Fed reduced its interest rate by 50 basis points, its first cut since 2020, and more substantial than the 25bps expected by nearly half of the market, marking the most unpredictable decision by the central bank since 2007. Although bonds initially rallied after the decision, the gains were quickly reversed when Fed Chair Powell stressed that the US economy remains strong, and the FOMC is not in a hurry to further ease monetary policy, despite today's significant cut. He also emphasized that 50bps cuts should not be seen as a "new standard." Median forecasts suggest a total of 100bps in rate cuts for the year, with 25bps reductions expected at the two remaining meetings. Meanwhile, the Fed maintained its quantitative tightening pace at \$25 billion per month.

### **Outlook**

The bond market continues to benefit from positive domestic and international factors, including the strengthening Rupiah and the recent monetary easing by the U.S. Federal Reserve. With the Federal Reserve's dovish stance and local currency appreciation, demand for Indonesian bonds is expected to remain strong in the short term. However, attention should be paid to global economic developments, particularly in the U.S. and China, as these could impact investor sentiment and capital flows into emerging markets like Indonesia.

This robust trading activity, coupled with the upward movement in bond prices, suggests a favorable outlook for the Indonesian bond market as investors continue to seek attractive returns in a low-interest-rate environment globally.

**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**

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**Currencies**

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,395
CNY / USD	7.0	CNY / IDR	2,165
EUR / USD	1.1	EUR / IDR	17,072
GBP / USD	1.3	GBP / IDR	20,192
HKD / USD	7.7	HKD / IDR	1,956
JPY / USD	142.8	JPY / IDR	107
MYR / USD	4.2	MYR / IDR	3,623
NZD / USD	0.6	NZD / IDR	9,536
SAR / USD	3.7	SAR / IDR	4,086
SGD / USD	1.2	SGD / IDR	11,850
		USD / IDR	15,335

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 2,083bn Inflow**

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBRI	5.6	5,400	0.9	4.8	-5.6	560
BBCA	7.9	10,900	2.5	5.5	15.9	433
BBNI	1.6	5,825	2.1	8.8	8.3	309
TLKM	1.8	3,140	0.6	2.6	-20.5	164
ADRO	0.7	3,660	0.2	2.8	53.7	96
BBTN	0.3	1,535	3.3	8.8	22.8	78
PANI	0.3	10,575	6.8	36.4	115.8	70
BREN	1.8	11,025	2.7	2.5	47.4	40
BRIS	0.3	3,160	0.6	19.2	81.6	31
CPIN	0.2	5,050	2.2	3.9	0.4	29

Source: SSI Research, STAR

**Index Stock Mover Summary**

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
BREN	2.7	35.99	1,475	DCII	-4.3	-5.34	130
BBCA	2.5	30.10	1,330	DSSA	-1.1	-3.11	309
TPIA	1.6	11.63	779	AMRT	-1.2	-1.48	130
PANI	6.8	10.22	179	KLBF	-1.1	-0.84	81
BBRI	0.9	6.72	810	MIKA	-1.9	-0.76	43
BRPT	4.8	4.62	112	BMAS	-3.3	-0.48	16
BBNI	2.1	4.13	215	PGAS	-1.3	-0.43	36
BUMI	11.4	3.99	43	SGER	-4.2	-0.34	9
AMMN	0.4	3.25	756	UNVR	-0.4	-0.34	84
TOWR	6.8	2.50	44	UNTR	-0.3	-0.33	99

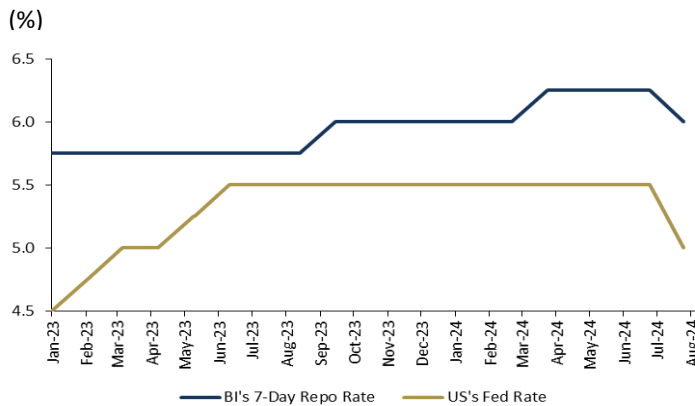
Source: SSI Research, STAR

**Sector Statistic**

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXFINANCE	6.5T	43.6	1,481.4B	4.4T	2.1T	2.9T	3.6T
IDXINFRA	1.3T	8.7	265.6B	821.0B	517.5B	555.4B	783.2B
IDXNONCYC	847.5B	5.6	136.7B	378.5B	469.0B	241.8B	605.7B
IDXENERGY	1.7T	11.4	121.6B	377.7B	1.3T	256.0B	1.4T
IDXPROPERT	1.1T	7.3	112.0B	275.5B	869.4B	163.5B	981.4B
IDXHEALTH	427.4B	2.8	45.2B	178.4B	249.0B	133.2B	294.2B
IDXBASIC	1.2T	8.0	34.6B	374.7B	924.2B	340.0B	958.8B
IDXCYCLIC	399.2B	2.6	23.4B	111.2B	288.0B	87.7B	311.5B
COMPOSITE	14.9T	100.0		7.2T	7.7T	5.1T	9.8T
IDXTRANS	88.9B	0.5	272.7M	3.8B	85.1B	4.1B	84.8B
IDXINDUST	525.6B	3.5	54.7B	127.8B	397.7B	182.6B	342.9B
IDXTECHNO	651.8B	4.3	82.4B	166.0B	485.7B	248.5B	403.2B

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	(0.01)	10.0%	100.05	0.0%	5.7%	99.96	0.00	0	0.00
2	FR81	8/1/2019	6/15/2025	0.74	6.5%	100.10	6.3%	5.9%	100.43	44.89	Cheap	0.73
3	FR40	9/21/2006	9/15/2025	0.99	11.0%	104.44	6.2%	6.0%	104.78	28.12	Cheap	0.95
4	FR84	5/4/2020	2/15/2026	1.41	7.3%	101.14	6.4%	6.1%	101.58	30.59	Cheap	1.34
5	FR86	8/13/2020	4/15/2026	1.57	5.5%	98.78	6.3%	6.1%	99.11	22.45	Cheap	1.50
6	FR37	5/18/2006	9/15/2026	1.99	12.0%	110.50	6.3%	6.2%	110.74	8.35	Cheap	1.81
7	FR56	9/23/2010	9/15/2026	1.99	8.4%	103.82	6.3%	6.2%	104.04	9.92	Cheap	1.86
8	FR90	7/8/2021	4/15/2027	2.57	5.1%	97.20	6.3%	6.3%	97.28	3.79	Cheap	2.40
9	FR59	9/15/2011	5/15/2027	2.65	7.0%	101.70	6.3%	6.3%	101.69	(1.08)	Expensive	2.43
10	FR42	1/25/2007	7/15/2027	2.82	10.3%	109.77	6.4%	6.3%	110.01	6.59	Cheap	2.46
11	FR94	3/4/2022	1/15/2028	3.33	5.6%	96.80	6.7%	6.4%	97.68	30.47	Cheap	3.02
12	FR47	8/30/2007	2/15/2028	3.41	10.0%	110.81	6.4%	6.4%	110.89	0.75	Cheap	2.93
13	FR64	8/13/2012	5/15/2028	3.66	6.1%	99.41	6.3%	6.4%	99.05	(11.46)	Expensive	3.28
14	FR95	8/19/2022	8/15/2028	3.91	6.4%	100.23	6.3%	6.4%	99.76	(14.04)	Expensive	3.47
15	FR99	1/27/2023	1/15/2029	4.33	6.4%	99.85	6.4%	6.5%	99.69	(4.48)	Expensive	3.77
16	FR71	9/12/2013	3/15/2029	4.49	9.0%	110.27	6.3%	6.5%	109.62	(16.62)	Expensive	3.78
17	FR101	11/2/2023	4/15/2029	4.58	6.9%	102.30	6.3%	6.5%	101.46	(21.64)	Expensive	3.92
18	FR78	9/27/2018	5/15/2029	4.66	8.3%	107.54	6.3%	6.5%	106.90	(16.22)	Expensive	3.92
19	FR52	8/20/2009	8/15/2030	5.91	10.5%	119.14	6.5%	6.6%	118.92	(5.05)	Expensive	4.58
20	FR82	8/1/2019	9/15/2030	5.99	7.0%	102.99	6.4%	6.6%	102.02	(19.67)	Expensive	4.96
21	FR87	8/13/2020	2/15/2031	6.41	6.5%	100.44	6.4%	6.6%	99.45	(19.37)	Expensive	5.26
22	FR85	5/4/2020	4/15/2031	6.58	7.8%	106.24	6.6%	6.6%	105.98	(5.07)	Expensive	5.19
23	FR73	8/6/2015	5/15/2031	6.66	8.8%	111.94	6.5%	6.6%	111.34	(11.05)	Expensive	5.18
24	FR54	7/22/2010	7/15/2031	6.82	9.5%	115.59	6.6%	6.6%	115.59	(0.64)	Expensive	5.16
25	FR91	7/8/2021	4/15/2032	7.58	6.4%	99.33	6.5%	6.6%	98.39	(16.11)	Expensive	5.99
26	FR58	7/21/2011	6/15/2032	7.75	8.3%	110.18	6.5%	6.7%	109.54	(10.65)	Expensive	5.90
27	FR74	11/10/2016	8/15/2032	7.91	7.5%	105.87	6.5%	6.7%	105.11	(12.41)	Expensive	6.06
28	FR96	8/19/2022	2/15/2033	8.42	7.0%	103.27	6.5%	6.7%	102.08	(18.60)	Expensive	6.42
29	FR65	8/30/2012	5/15/2033	8.66	6.6%	100.66	6.5%	6.7%	99.65	(15.58)	Expensive	6.62
30	FR100	8/24/2023	2/15/2034	9.42	6.6%	100.62	6.5%	6.7%	99.51	(16.14)	Expensive	7.04
31	FR68	8/1/2013	3/15/2034	9.49	8.4%	112.89	6.5%	6.7%	111.65	(16.84)	Expensive	6.83
32	FR80	7/4/2019	6/15/2035	10.75	7.5%	106.92	6.6%	6.7%	105.91	(13.12)	Expensive	7.59
33	FR103	8/8/2024	7/15/2035	10.83	6.8%	101.99	6.5%	6.7%	100.22	(23.11)	Expensive	7.71
34	FR72	7/9/2015	5/15/2036	11.66	8.3%	112.94	6.6%	6.7%	112.12	(9.77)	Expensive	7.81
35	FR88	1/7/2021	6/15/2036	11.75	6.3%	97.34	6.6%	6.7%	96.11	(15.65)	Expensive	8.35
36	FR45	5/24/2007	5/15/2037	12.66	9.8%	125.58	6.7%	6.7%	125.32	(3.06)	Expensive	7.94
37	FR93	1/6/2022	7/15/2037	12.83	6.4%	97.64	6.7%	6.7%	96.84	(9.69)	Expensive	8.70
38	FR75	8/10/2017	5/15/2038	13.66	7.5%	106.98	6.7%	6.8%	106.57	(4.62)	Expensive	8.79
39	FR98	9/15/2022	6/15/2038	13.75	7.1%	104.30	6.6%	6.8%	103.26	(11.56)	Expensive	8.98
40	FR50	1/24/2008	7/15/2038	13.83	10.5%	133.22	6.8%	6.8%	133.29	0.23	Cheap	8.20
41	FR79	1/7/2019	4/15/2039	14.58	8.4%	114.83	6.8%	6.8%	114.79	(0.67)	Expensive	8.86
42	FR83	11/7/2019	4/15/2040	15.58	7.5%	106.92	6.8%	6.8%	106.94	0.08	Cheap	9.42
43	FR57	4/21/2011	5/15/2041	16.67	9.5%	125.94	6.9%	6.8%	126.91	8.06	Cheap	9.34
44	FR62	2/9/2012	4/15/2042	17.58	6.4%	96.25	6.7%	6.8%	95.82	(4.33)	Expensive	10.43
45	FR92	7/8/2021	6/15/2042	17.75	7.1%	103.52	6.8%	6.8%	103.46	(0.74)	Expensive	10.33
46	FR97	8/19/2022	6/15/2043	18.75	7.1%	104.13	6.7%	6.8%	103.50	(6.03)	Expensive	10.65
47	FR67	7/18/2013	2/15/2044	19.42	8.8%	120.56	6.8%	6.8%	120.91	2.62	Cheap	10.29
48	FR76	9/22/2017	5/15/2048	23.67	7.4%	106.62	6.8%	6.8%	106.57	(0.59)	Expensive	11.65
49	FR89	1/7/2021	8/15/2051	26.92	6.9%	100.44	6.8%	6.8%	100.65	1.65	Cheap	12.38
50	FR102	1/5/2024	7/15/2054	29.84	6.9%	100.50	6.8%	6.8%	100.59	0.59	Cheap	12.74

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	0.07	6.6%	100.00	6.5%	6.5%	100.01	(1.66)	Expensive	0.07
2	PBS036	8/26/2022	8/15/2025	0.90	5.4%	99.13	6.4%	6.5%	99.04	(10.97)	Expensive	0.88
3	PBS017	1/11/2018	10/15/2025	1.07	6.1%	99.63	6.5%	6.5%	99.63	(0.91)	Expensive	1.03
4	PBS032	7/30/2021	7/15/2026	1.82	4.9%	97.24	6.5%	6.5%	97.24	0.61	Cheap	1.74
5	PBS021	12/6/2018	11/15/2026	2.16	8.5%	104.13	6.4%	6.5%	103.94	(11.20)	Expensive	1.98
6	PBS003	2/2/2012	1/15/2027	2.32	6.0%	98.90	6.5%	6.5%	98.90	(0.23)	Expensive	2.16
7	PBS020	10/22/2018	10/15/2027	3.07	9.0%	106.92	6.5%	6.5%	106.77	(6.26)	Expensive	2.69
8	PBS018	6/4/2018	5/15/2028	3.65	7.6%	103.60	6.5%	6.5%	103.46	(4.83)	Expensive	3.21
9	PBS030	6/7/2021	7/15/2028	3.82	5.9%	98.28	6.4%	6.5%	97.76	(15.92)	Expensive	3.41
10	PBS023	5/16/2019	5/15/2030	5.65	8.1%	107.31	6.6%	6.6%	107.17	(3.37)	Expensive	4.60
11	PBS012	1/28/2016	11/15/2031	7.16	8.9%	113.16	6.5%	6.6%	112.73	(7.73)	Expensive	5.46
12	PBS024	5/29/2019	5/15/2032	7.66	8.4%	110.58	6.6%	6.6%	110.38	(3.55)	Expensive	5.80
13	PBS025	5/31/2019	5/15/2033	8.66	8.4%	111.21	6.6%	6.6%	111.26	0.35	Cheap	6.34
14	PBS029	1/15/2021	3/15/2034	9.49	6.4%	97.84	6.7%	6.7%	98.02	2.54	Cheap	7.16
15	PBS022	1/25/2019	4/15/2034	9.58	8.6%	113.43	6.7%	6.7%	113.74	3.77	Cheap	6.72
16	PBS037	1/13/2023	3/15/2036	11.49	6.9%	101.01	6.7%	6.7%	101.40	4.90	Cheap	8.05
17	PBS004	2/16/2012	2/15/2037	12.42	6.1%	94.91	6.7%	6.7%	94.87	(0.51)	Expensive	8.63
18	PBS034	1/14/2022	6/15/2039	14.75	6.5%	97.85	6.7%	6.8%	97.62	(2.71)	Expensive	9.52
19	PBS007	9/29/2014	9/15/2040	16.00	9.0%	121.65	6.8%	6.8%	121.47	(1.82)	Expensive	9.32
20	PBS039	1/12/2024	7/15/2041	16.83	6.6%	98.93	6.7%	6.8%	98.31	(6.46)	Expensive	10.10
21	PBS035	3/31/2022	3/15/2042	17.50	6.8%	99.26	6.8%	6.8%	99.42	1.61	Cheap	10.36
22	PBS005	5/2/2013	4/15/2043	18.58	6.8%	98.83	6.9%	6.8%	99.21	3.63	Cheap	10.54
23	PBS028	7/24/2020	10/15/2046	22.08	7.8%	109.88	6.9%	6.9%	109.74	(1.22)	Expensive	11.10
24	PBS033	1/14/2022	6/15/2047	22.75	6.8%	98.78	6.9%	6.9%	98.33	(4.11)	Expensive	11.70
25	PBS015	7/21/2017	7/15/2047	22.83	8.0%	113.34	6.8%	6.9%	112.58	(6.24)	Expensive	11.21
26	PBS038	12/8/2023	12/15/2049	25.25	6.9%	99.50	6.9%	6.9%	99.26	(2.17)	Expensive	12.11

Source: Bloomberg, SSI Research