

Overview

In July 2024, Indonesia's external debt reached USD 414.3 billion, reflecting 4.1% year-on-year increase, but Bank Indonesia affirmed that it remains manageable. Under President-elect Prabowo Subianto, the government is weighing expansionary fiscal policies, aiming to boost infrastructure projects and economic growth, though concerns about debt sustainability and inflation linger. While some predict prosperity akin to Singapore, others fear political conflict under Prabowo's administration. Meanwhile, Indonesia stands to benefit from potential US Fed rate cuts, and the INA-AllianzGI partnership plans to invest USD 200M annually in hybrid capital solutions. However, challenges persist, including a forecasted decline in rice production by 2030 and increasing pressure on the middle class due to inflation. A new palm oil export tax may improve Indonesia's competitiveness, but data security concerns remain after allegations of an NPWP leak. Finally, President Jokowi's administration solidified control over PT Freeport Indonesia, a key strategic asset.

Economy, Business and Finance

Indonesia's External Debt Remains Manageable: Bank Indonesia reported that the country's external debt reached USD 414.3 billion in July 2024, marking 4.1% year-on-year increase. Despite the rise, Bank Indonesia stated that the debt remains manageable, with the government's debt servicing ability remaining sound.

Risks and Rewards of an Expansionary Policy: As Indonesia embarks on a new fiscal era under President Prabowo Subianto, the government is considering bold moves, including raising the debt-to-GDP ratio from 39% to 50%, increasing the budget deficit to 5%, and elevating the tax-to-GDP ratio to 16%. These efforts aim to finance infrastructure projects and social programs while targeting an 8% economic growth rate. However, these steps carry risks, including debt sustainability concerns and inflationary pressures.

Singapore or Bangladesh? The Two Futures of Indonesia's Economy Under Prabowo Subianto: The Diplomat questions whether President-elect Prabowo Subianto's ambition to create a government without opposition will propel Indonesia toward prosperity, akin to Singapore's development model, or risk increasing political conflict, potentially derailing economic progress.

Indonesia an 'Outsized Beneficiary' of Fed Rate Cuts: In anticipation of another potential US Federal Reserve rate cuts, Invesco's David Chao identified Indonesia as a key beneficiary. The country's strong economic fundamentals and attractive asset opportunities could make it a standout performer, especially if the US economy achieves a soft landing.

INA and AllianzGI to Invest USD 200M Annually in Hybrid Capital Solutions: The Indonesia Investment Authority (INA) has entered a strategic partnership with Allianz Global Investors (AllianzGI), with plans to invest up to USD 200 million annually in hybrid capital solutions. This initiative will provide customized credit solutions to support Indonesian businesses, particularly in the infrastructure and development sectors.

World Bank Expects RI Rice Output to Shrink by 2030: The World Bank has warned that Indonesia's rice production may decline significantly by 2030 due to rising temperatures and climate change. The report highlights the importance of investment in agricultural research and development to safeguard food security, particularly as rice prices in Indonesia are currently 20% higher than global market prices.

Indonesia's Middle Class, an Economic Pillar Under Strain: The rising cost of living, particularly for food and energy, is putting pressure on Indonesia's middle class. With inflation eroding disposable incomes, middle class struggles to save and invest, potentially impacting long-term economic stability.

Indonesia's Palm Oil Policy Reshapes Industry Landscape: As of 21 September 2024, Indonesia introduced a flat export tax rate of 7.5% on crude palm oil (CPO) and 4.5% on refined palm oil, shifting away from the previous graduated tax system. The policy aims to enhance competitiveness, potentially giving Indonesian producers an advantage over Malaysia, its primary competitor in the palm oil market.

Tax Office Denies Allegations of Data Leak: Indonesia's Directorate General of Taxes has denied accusations that the Taxpayer Identification Numbers (NPWP) of 6 million citizens, including high-profile figures such as President Joko "Jokowi" Widodo and Vice President-elect Gibran Rakabuming Raka, were leaked. The controversy stems from recent data breach allegations tied to hacker Bjorka.

Freeport “Doesn’t Belong to the US” Anymore, Says Jokowi: President Jokowi announced that the Indonesian government now holds the majority stake in PT Freeport Indonesia, a significant achievement in the nationalization of strategic resources. This move enhances Indonesia’s control over one of the world’s largest gold and copper mining operations.

Politics, Security, National

Pro-Prabowo Coalition Aligns on Forming a Technocratic Government: Political parties supporting Prabowo Subianto have aligned behind his plan to form a technocratic government, prioritizing professionals with political alignment. This strategy is expected to provide stability while ensuring key projects are led by experienced and competent figures.

PDIP Still Undecided on Joining Prabowo’s Government: The Indonesian Democratic Party of Struggle (PDIP) remains undecided about joining President-elect Prabowo Subianto’s government. PDIP’s potential role in the administration remains critical in the political landscape.

Jokowi’s Legacy: President Jokowi’s decade-long presidency saw the construction of 45 new dams, which are set to enhance irrigation and bolster Indonesia’s food security. Previously, only 11% of rice fields received continuous irrigation, but this expansion is expected to increase yields significantly.

Philip Mehrtens Released After 20 Months in Captivity: New Zealand pilot Philip Mehrtens, who was held hostage by Papuan rebels for nearly 20 months, has been released and handed over to New Zealand authorities. His release marks the end of a prolonged and delicate negotiation process.

Digital Economy and Telcos

GoTo Partners with Tencent for Cloud Infrastructure: Indonesia’s largest digital ecosystem, GoTo Group, has announced a partnership with China’s tech giant Tencent to provide cloud infrastructure solutions. Tencent Cloud will deliver an integrated suite of digital services to enhance GoTo’s operational efficiency and expand its reach in Indonesia’s fast-growing digital economy. This partnership underscores the growing importance of cloud technology as a foundational pillar of Indonesia’s digital transformation.

UN Survey Reflects Indonesia’s Digital Transformation Progress: Indonesia jumped 13 places to rank 64th in the 2024 United...

...Nations E-Government Survey, moving up from its previous 77th position in 2022. The country’s advancement highlights its success in implementing an electronic-based government system (SPBE) that simplifies public service delivery, a major component of Indonesia’s broader digital transformation initiative. Minister Azwar Anas stated that this achievement reflects real progress in the government’s efforts to modernize public services and increase digital literacy.

Pokemon Targets Indonesian Expansion with Localized Pikachu: The Pokemon Company has announced plans to localize its games and characters, such as Pikachu, to cater specifically to the Indonesian market. Following a highly successful tour across the region, the company is positioning itself to take advantage of Indonesia’s expanding digital and entertainment sectors, tapping into a growing demand for localized content.

Digital Transformation Outlook for Indonesia & Southeast Asia: Indonesia has made significant strides in digital transformation over the past five years, particularly in its efforts to foster the startup ecosystem and boost e-commerce. Government initiatives have focused on building an enabling policy environment for the digital economy, which now plays a critical role in the country’s GDP. However, there remain challenges, including regulatory hurdles and the need for increased digital infrastructure in rural areas. The long-term outlook for the digital economy remains positive, especially as Indonesia continues to position itself as a regional tech hub.

TeraBox Expands Cloud Solutions to Indonesian Universities: TeraBox, a globally recognized cloud storage service, has entered the Indonesian market by offering premium cloud storage solutions to students and faculty at top universities, including Universitas Indonesia and Institut Teknologi Sepuluh Nopember. This partnership aims to enhance digital learning and research capabilities across Indonesia’s higher education institutions, aligning with the country’s goal of building a more digitally literate workforce.

Environment, Green Economy

ADB Grants Indonesia USD 500 Million for Energy Transition: The Asian Development Bank (ADB) approved a USD 500 million loan to support Indonesia’s shift from coal reliance to renewable energy. The funding is part of broader efforts to meet international climate commitments and decarbonize the energy sector.

Indonesia Far Short of 2024 Renewable Energy Target: Despite efforts to boost renewable energy, Indonesia is expected to fall significantly short of its 2024 targets. Experts blame uncompetitive renewable energy prices and policies that still heavily favor coal-based energy production.

Indonesia Resumes Sea Sand Exports Amid Environmental Concerns: Indonesia's decision to resume sea sand exports has sparked widespread criticism from environmental activists. The policy, which is part of Prabowo's economic strategy, has raised concerns over potential damage to marine ecosystems and the long-term sustainability of coastal regions.

Regional and Local Issues

Mandalika Circuit- A Major Legacy of Jokowi: The Mandalika Circuit, located in Lombok, is one of President Jokowi's major infrastructure achievements. The world-class race circuit has already begun attracting international motorsport events, elevating Indonesia's global tourism profile.

Rempang Eco City Development Faces Legal and Human Rights Issues: The development of Rempang Eco City continues to face legal challenges, with Komnas HAM accusing the developer, PT MEG, of violating human rights through acts of intimidation against local residents. Amnesty International has called for a halt to the project.

Market Movement

The Jakarta Composite Index (JCI) ended the day on a positive note, closing +0.42% higher at 7,775.7. This upward movement was mirrored in the Indonesia Sharia Stock Index (ISSI), which gained +1.11%, closing at 229.3. Investors appeared optimistic, and foreign investors were significant contributors to the market activity, posting a substantial net buy of IDR 1,010.1 billion in the regular market and IDR 228 billion in the negotiated market.

Leading movers for the day included TPIA, BBRI, and BMRI, which saw strong gains, helping to drive the index higher. On the downside, BREN, AMMN, and BYAN were the notable laggards, dragging the market slightly. The basic materials sector, represented by the IDX Basic (IDXBASIC), was the top sector gainer, while the infrastructure sector (IDXINFRA) struggled, emerging as the top sector loser.

Among the foreign net buy stocks, BBRI, BMRI, PTBA, and TPIA led the pack, with TPIA posting the largest gain, surging by +8.4%. Other notable performers included PTBA, which rose by +5.8%, and GOTO, up by +3.2%. In contrast, stocks like FREN, INDF, and SILO experienced foreign net sell-offs, with FREN dropping -7.4% and SILO falling by -1.9%.

In terms of leading movers, TPIA again stood out with a +8.4% gain, followed by BBRI (+2.3%) and BMRI (+2.1%). On the flip side, BREN had a tough day, falling sharply by -19.8%, with AMMN and BYAN also posting declines. Among top value stocks, BBRI, BBCA, and BMRI were among the most actively traded, with BBRI rising by +2.3% and BBCA up by +1.6%.

The market's performance was supported by positive moves in global commodities, with gold edging up by +0.1% to USD 2,623 per ounce, and Brent crude oil climbing +0.3% to USD 75 per barrel. However, Asian markets saw mixed results. Japan's Nikkei surged by +1.5%, while Hong Kong's Hang Seng Index was down slightly by -0.1%. Meanwhile, Shanghai and Kospi gained +0.4% and +0.3%, respectively. The Indonesian Rupiah strengthened against the US dollar, with the USD/IDR rate falling by -0.3% to 15,200.

Fixed Income

At the start of this week, bonds denominated in Rupiah experienced a slight decline, mainly driven by corrections in medium- and long-term Government Securities (SBN) and the backdrop of a weakening Rupiah exchange rate. The Indonesia Composite Bond Index (ICBI) dipped by 0.09%, bringing the year-to-date return to 5.66%. The benchmark 10-year SBN (FRO100) remained largely stable and closed unchanged at a yield of 6.42%, matching last Friday's figure.

Exchange Rate and Global Benchmark Yields

The Rupiah lost some ground, weakening by 56 points to IDR 15,206 per USD. Meanwhile, the U.S. Treasury (UST) 10-year bond yield rose by 0.025 points to reach 3.715%. The rise in U.S. yields continues to put pressure on emerging market currencies, including the Rupiah, as capital flows are often redirected to safer U.S. assets when global uncertainties rise.

Trading Activity

The bond market experienced mixed results in terms of trading activity. The transaction volume fell by 16.81%, amounting to IDR 38.95 trillion, compared to IDR 45.95 trillion in the previous session. On the other hand, the frequency of transactions surged by 21.30%, with the number of trades rising from 3,596 to 4,362.

Summary

- ICBI Performance: Down by -0.09%, YTD return at 5.66%.
- FR0100 Yield: Remained flat at 6.42%.
- Rupiah Exchange Rate: Weakened by 56 points to IDR 15,206 per USD.
- Trading Volume: Decreased by 16.81% to IDR 38.95 trillion.
- Trading Frequency: Increased by 21.30% to 4,362 transactions.

Global Dynamics: Rising U.S. Treasury yields are exerting pressure on emerging market currencies, including the Rupiah, and influencing bond prices.

Investor Sentiment: Domestic investors appear to remain active, with trading frequency increasing despite lower transaction volumes.

US 10 Year Treasury

The yield on the US 10-year Treasury note climbed to 3.7%, recovering from Monday's near 15-month low of 3.62%, as markets weighed the future of US monetary policy following the Fed's initiation of its rate-cutting cycle. The Federal Reserve reduced its interest rate by 50 basis points, a more aggressive move than the 25 basis points expected by nearly half of the market, marking the most uncertain policy decision since 2007. Although bonds initially rallied in response, gains were quickly reversed when Fed Chair Powell emphasized the strength of the US economy and clarified that the FOMC is not in a hurry to further ease monetary policy, despite the significant cut. He also noted that 50bps reductions should not be seen as the "new norm." Median projections suggest a total of 100bps in rate cuts for the year, implying 25bps reductions at the remaining two meetings. Additionally, the central bank maintained its quantitative tightening pace at \$25 billion per month

Outlook

The slight dip in bond prices and the ICBI reflects the ongoing balancing act that investors are facing. On the one hand, the medium- to long-term SBN saw some corrections, a natural outcome of market adjustments given recent volatility in the global bond market. On the other hand, the stable 10-year FR0100 yield signals that investors are..

...still willing to maintain their positions in Indonesia's longer-tenor debt, likely due to the relatively high yields in comparison to developed markets.

The weakness in the Rupiah, coupled with rising U.S. Treasury yields, suggests that investors are recalibrating their risk appetite. The uptick in UST yields makes dollar-denominated assets more attractive, which can lead to a flight of capital from emerging markets like Indonesia. Despite this, the increase in trading frequency indicates that domestic demand for bonds remains robust, potentially driven by local institutional investors seeking to take advantage of lower bond prices.

Looking ahead, the Federal Reserve's policy and global macroeconomic trends will remain crucial factors. If U.S. yields continue to rise, we could see further pressure on the Rupiah and Indonesian bonds, though this might also present buying opportunities for yield-hungry investors. Domestically, the focus will likely be on Bank Indonesia's stance on interest rates, inflation management, and its efforts to stabilize the Rupiah.

The yield on Indonesia's 10-year government bonds saw a sharp decline last week. This downtrend could continue towards 6.35, or even 6.29 if there is no correction above 6.5.

The US 3-day equity-bond yield is returning to a positive correlation zone, indicating that the market responded well to the recent 50 bps cut in the FFR. Growth over stability dominates the market, which will push the US market into a positive zone.

As for Indonesia, the 3-day equity-bond yield correlation mirrors that of the US, with growth taking precedence over stability. Although the parity gap between the US 10-year note and the Indonesian 10-year bond is slowly closing, the potential inflow will primarily stem from the widening gap between the FFR and the BI 7-day reverse repo rate (BI7DRR).

Strategy

Based on the RRG chart, short-term yields weakened compared to the 10-year benchmark. The 3-6 year yields are lagging, while longer-term yields (11, 12, 15, 16, 20, 30 years) are leading with more stable momentum.

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Currencies

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,374
CNY / USD	7.0	CNY / IDR	2,156
EUR / USD	1.1	EUR / IDR	16,858
GBP / USD	1.3	GBP / IDR	20,214
HKD / USD	7.7	HKD / IDR	1,956
JPY / USD	143.6	JPY / IDR	106
MYR / USD	4.2	MYR / IDR	3,617
NZD / USD	0.6	NZD / IDR	9,498
SAR / USD	3.7	SAR / IDR	4,056
SGD / USD	1.2	SGD / IDR	11,774
		USD / IDR	15,219

Source: SSI Research

Macro Forecasts

Macro	2023A	2024F	2025F
GDP (% YoY)	5.1	4.9	5.0
Inflation (% YoY)	2.6	2.5	3.0
Current Account Balance (% GDP)	-0.1	-0.7	-1.2
Fiscal Balance (% to GDP)	-1.7	-2.7	-2.9
BI 7DRRR (%)	6.0	6.0	5.5
10Y. Government Bond Yield (%)	6.6	6.8	7.0
Exchange Rate (USD/IDR)	15,399	15,700	15,900

Source: SSI Research

IHSG Chart Intraday



Source: SSI Research

Net Foreign Flow: IDR 1,238bn Inflow

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBRI	5.1	5,500	2.3	6.7	-3.9	670
BMRI	3.1	7,450	2.0	4.5	23.1	111
PTBA	0.4	3,120	5.7	14.2	27.8	63
TPIA	0.5	8,725	8.3	-12.5	66.1	59
BRIS	0.3	3,150	3.9	18.8	81.0	34
BRMS	0.2	196	12.0	20.9	15.2	33
BBNI	1.2	5,800	0.8	8.4	7.9	30
ITMG	0.1	26,175	1.0	-3.8	2.0	29
ASRI	0.0	254	12.3	31.6	54.8	20
AMRT	0.5	3,220	3.2	11.0	9.8	20

Source: SSI Research, STAR

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
TPIA	8.3	141.10	755	BREN	-19.8	-565.74	947
BBCA	1.6	51.60	1,336	AMMN	-1.4	-26.28	738
BBRI	2.3	45.32	825	BYAN	-0.4	-6.04	549
BMRI	2.0	33.49	688	LIFE	-8.9	-4.30	18
HMSP	9.7	18.26	85	FASW	-9.8	-3.89	15
BRIS	3.9	13.24	144	CASA	-4.7	-3.15	26
CUAN	6.2	12.22	87	SRTG	-3.2	-2.62	32
AMRT	3.2	10.02	134	FREN	-7.4	-2.29	12
BRMS	12.0	7.19	28	JSPT	-13.8	-2.24	6
BUMI	6.8	7.17	46	CMNT	-4.6	-2.06	18

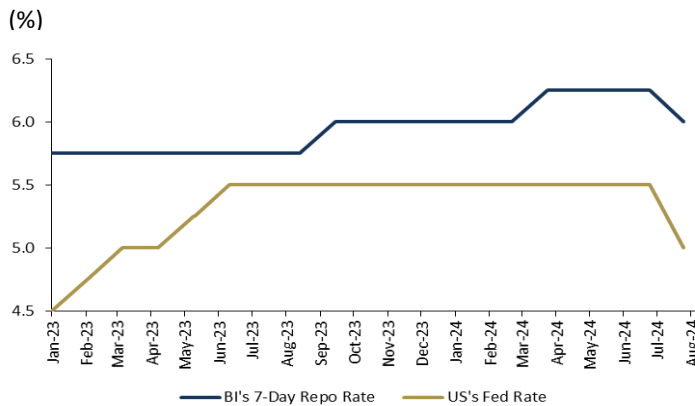
Source: SSI Research, STAR

Sector Statistic

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	F5VAL	DSVAL
IDXFINANCE	5.2T	40.6	1,009.7B	3.2T	2.0T	2.2T	3.0T
IDXENERGY	1.9T	14.8	132.8B	365.8B	1.6T	233.0B	1.7T
IDXNONCYC	889.7B	6.9	88.1B	374.5B	515.1B	286.4B	603.2B
IDX BASIC	1.6T	12.5	73.1B	423.1B	1.2T	350.0B	1.2T
IDXPROPERT	506.5B	3.9	24.7B	145.0B	361.5B	120.2B	386.2B
IDXINDUST	317.8B	2.4	17.7B	100.9B	216.8B	83.1B	234.6B
IDXCYCLIC	468.4B	3.6	4.5B	105.7B	362.6B	101.1B	367.2B
COMPOSITE	12.8T	100.0		5.3T	7.5T	4.0T	8.7T
IDXTRANS	49.2B	0.3	-1.8B	2.2B	47.0B	4.0B	45.1B
IDXHEALTH	279.6B	2.1	-5.7B	57.7B	221.9B	63.4B	216.1B
IDXTECHNO	469.5B	3.6	-27.3B	115.7B	353.8B	143.0B	326.4B
IDXINFRA	923.8B	7.2	-77.9B	359.9B	563.8B	437.8B	485.9B

Source: STAR, SSI Research

Monetary Policy



Source: Bloomberg, SSI Research

Indonesia 10Y Bond Yield vs. U.S. 10Y Treasury Yield



Source: Trading Economic, SSI Research

INDOGB Bonds Valuation

No.	Series	Issue Date	Maturity Date	Tenure (Year)	Coupon Rate	Actual Price	Yield to Maturity	Yield Curve	Valuation Price	Spread to YC (bps)	Recommendation	Duration
1	FR44	4/19/2007	9/15/2024	(0.02)	10.0%	100.05	0.0%	5.6%	99.92	0.00	0	0.00
2	FR81	8/1/2019	6/15/2025	0.73	6.5%	100.22	6.2%	5.9%	100.43	27.11	Cheap	0.72
3	FR40	9/21/2006	9/15/2025	0.98	11.0%	104.42	6.2%	6.0%	104.73	28.13	Cheap	0.94
4	FR84	5/4/2020	2/15/2026	1.40	7.3%	101.20	6.3%	6.1%	101.57	26.18	Cheap	1.33
5	FR86	8/13/2020	4/15/2026	1.56	5.5%	98.98	6.2%	6.1%	99.12	9.51	Cheap	1.49
6	FR37	5/18/2006	9/15/2026	1.98	12.0%	110.42	6.3%	6.2%	110.68	10.86	Cheap	1.80
7	FR56	9/23/2010	9/15/2026	1.98	8.4%	104.02	6.2%	6.2%	104.02	(1.05)	Expensive	1.85
8	FR90	7/8/2021	4/15/2027	2.56	5.1%	97.38	6.2%	6.3%	97.30	(3.57)	Expensive	2.39
9	FR59	9/15/2011	5/15/2027	2.64	7.0%	102.00	6.2%	6.3%	101.69	(13.44)	Expensive	2.42
10	FR42	1/25/2007	7/15/2027	2.81	10.3%	109.69	6.4%	6.3%	109.98	9.29	Cheap	2.45
11	FR94	3/4/2022	1/15/2028	3.32	5.6%	97.27	6.5%	6.4%	97.69	14.25	Cheap	3.01
12	FR47	8/30/2007	2/15/2028	3.40	10.0%	110.99	6.3%	6.4%	110.87	(5.21)	Expensive	2.92
13	FR64	8/13/2012	5/15/2028	3.65	6.1%	99.68	6.2%	6.4%	99.05	(19.83)	Expensive	3.27
14	FR95	8/19/2022	8/15/2028	3.90	6.4%	100.58	6.2%	6.4%	99.76	(24.16)	Expensive	3.46
15	FR99	1/27/2023	1/15/2029	4.32	6.4%	99.84	6.4%	6.5%	99.70	(4.20)	Expensive	3.76
16	FR71	9/12/2013	3/15/2029	4.48	9.0%	110.60	6.2%	6.5%	109.60	(24.91)	Expensive	3.77
17	FR101	11/2/2023	4/15/2029	4.56	6.9%	102.73	6.2%	6.5%	101.46	(32.32)	Expensive	3.91
18	FR78	9/27/2018	5/15/2029	4.65	8.3%	108.01	6.2%	6.5%	106.89	(27.63)	Expensive	3.91
19	FR52	8/20/2009	8/15/2030	5.90	10.5%	119.31	6.5%	6.6%	118.90	(8.44)	Expensive	4.57
20	FR82	8/1/2019	9/15/2030	5.98	7.0%	103.41	6.3%	6.6%	102.02	(28.10)	Expensive	4.95
21	FR87	8/13/2020	2/15/2031	6.40	6.5%	100.90	6.3%	6.6%	99.45	(28.00)	Expensive	5.25
22	FR85	5/4/2020	4/15/2031	6.56	7.8%	106.20	6.6%	6.6%	105.98	(4.27)	Expensive	5.18
23	FR73	8/6/2015	5/15/2031	6.65	8.8%	112.09	6.5%	6.6%	111.33	(13.81)	Expensive	5.17
24	FR54	7/22/2010	7/15/2031	6.81	9.5%	116.09	6.5%	6.6%	115.58	(9.15)	Expensive	5.16
25	FR91	7/8/2021	4/15/2032	7.57	6.4%	99.69	6.4%	6.6%	98.39	(22.20)	Expensive	5.98
26	FR58	7/21/2011	6/15/2032	7.73	8.3%	110.70	6.5%	6.7%	109.53	(18.78)	Expensive	5.90
27	FR74	11/10/2016	8/15/2032	7.90	7.5%	106.14	6.5%	6.7%	105.11	(16.72)	Expensive	6.05
28	FR96	8/19/2022	2/15/2033	8.41	7.0%	103.79	6.4%	6.7%	102.08	(26.54)	Expensive	6.42
29	FR65	8/30/2012	5/15/2033	8.65	6.6%	101.04	6.5%	6.7%	99.65	(21.43)	Expensive	6.62
30	FR100	8/24/2023	2/15/2034	9.41	6.6%	101.33	6.4%	6.7%	99.52	(26.21)	Expensive	7.04
31	FR68	8/1/2013	3/15/2034	9.48	8.4%	113.24	6.5%	6.7%	111.64	(21.44)	Expensive	6.82
32	FR80	7/4/2019	6/15/2035	10.73	7.5%	107.62	6.5%	6.7%	105.90	(21.86)	Expensive	7.59
33	FR103	8/8/2024	7/15/2035	10.82	6.8%	102.47	6.4%	6.7%	100.22	(29.23)	Expensive	7.71
34	FR72	7/9/2015	5/15/2036	11.65	8.3%	113.56	6.6%	6.7%	112.12	(16.85)	Expensive	7.81
35	FR88	1/7/2021	6/15/2036	11.74	6.3%	97.74	6.5%	6.7%	96.12	(20.64)	Expensive	8.35
36	FR45	5/24/2007	5/15/2037	12.65	9.8%	126.64	6.6%	6.7%	125.30	(13.91)	Expensive	7.95
37	FR93	1/6/2022	7/15/2037	12.82	6.4%	98.55	6.5%	6.7%	96.84	(20.41)	Expensive	8.71
38	FR75	8/10/2017	5/15/2038	13.65	7.5%	107.68	6.6%	6.8%	106.57	(12.11)	Expensive	8.79
39	FR98	9/15/2022	6/15/2038	13.74	7.1%	104.89	6.6%	6.8%	103.26	(17.95)	Expensive	8.98
40	FR50	1/24/2008	7/15/2038	13.82	10.5%	133.20	6.8%	6.8%	133.28	0.34	Cheap	8.18
41	FR79	1/7/2019	4/15/2039	14.57	8.4%	115.17	6.7%	6.8%	114.78	(4.02)	Expensive	8.86
42	FR83	11/7/2019	4/15/2040	15.57	7.5%	107.30	6.7%	6.8%	106.94	(3.77)	Expensive	9.42
43	FR57	4/21/2011	5/15/2041	16.65	9.5%	125.76	6.9%	6.8%	126.90	9.59	Cheap	9.32
44	FR62	2/9/2012	4/15/2042	17.57	6.4%	96.12	6.8%	6.8%	95.82	(3.01)	Expensive	10.41
45	FR92	7/8/2021	6/15/2042	17.74	7.1%	104.25	6.7%	6.8%	103.46	(7.62)	Expensive	10.35
46	FR97	8/19/2022	6/15/2043	18.74	7.1%	104.62	6.7%	6.8%	103.50	(10.44)	Expensive	10.66
47	FR67	7/18/2013	2/15/2044	19.41	8.8%	120.91	6.8%	6.8%	120.90	(0.29)	Expensive	10.29
48	FR76	9/22/2017	5/15/2048	23.66	7.4%	106.73	6.8%	6.8%	106.56	(1.48)	Expensive	11.65
49	FR89	1/7/2021	8/15/2051	26.91	6.9%	100.52	6.8%	6.8%	100.65	0.98	Cheap	12.38
50	FR102	1/5/2024	7/15/2054	29.83	6.9%	100.78	6.8%	6.8%	100.59	(1.61)	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	10/18/2019	10/15/2024	0.06	6.6%	100.00	6.5%	6.5%	100.01	0.97	Cheap	0.06
2	PBS036	8/26/2022	8/15/2025	0.89	5.4%	99.16	6.3%	6.5%	99.05	(13.80)	Expensive	0.87
3	PBS017	1/11/2018	10/15/2025	1.06	6.1%	99.68	6.4%	6.5%	99.63	(5.36)	Expensive	1.02
4	PBS032	7/30/2021	7/15/2026	1.81	4.9%	97.58	6.3%	6.5%	97.26	(19.58)	Expensive	1.72
5	PBS021	12/6/2018	11/15/2026	2.15	8.5%	104.07	6.4%	6.5%	103.92	(8.90)	Expensive	1.97
6	PBS003	2/2/2012	1/15/2027	2.31	6.0%	99.09	6.4%	6.5%	98.91	(9.35)	Expensive	2.15
7	PBS020	10/22/2018	10/15/2027	3.06	9.0%	106.89	6.5%	6.5%	106.75	(5.63)	Expensive	2.68
8	PBS018	6/4/2018	5/15/2028	3.64	7.6%	103.59	6.5%	6.5%	103.45	(4.58)	Expensive	3.20
9	PBS030	6/7/2021	7/15/2028	3.81	5.9%	98.32	6.4%	6.5%	97.76	(17.05)	Expensive	3.40
10	PBS023	5/16/2019	5/15/2030	5.64	8.1%	107.33	6.5%	6.6%	107.16	(3.77)	Expensive	4.59
11	PBS012	1/28/2016	11/15/2031	7.15	8.9%	113.02	6.6%	6.6%	112.71	(5.54)	Expensive	5.44
12	PBS024	5/29/2019	5/15/2032	7.65	8.4%	110.63	6.6%	6.6%	110.37	(4.40)	Expensive	5.79
13	PBS025	5/31/2019	5/15/2033	8.65	8.4%	111.30	6.6%	6.6%	111.25	(0.99)	Expensive	6.33
14	PBS029	1/15/2021	3/15/2034	9.48	6.4%	97.98	6.7%	6.7%	98.02	0.54	Cheap	7.15
15	PBS022	1/25/2019	4/15/2034	9.56	8.6%	113.57	6.7%	6.7%	113.73	1.80	Cheap	6.71
16	PBS037	1/13/2023	3/15/2036	11.48	6.9%	101.01	6.7%	6.7%	101.40	4.93	Cheap	8.04
17	PBS004	2/16/2012	2/15/2037	12.41	6.1%	95.68	6.6%	6.7%	94.88	(10.00)	Expensive	8.63
18	PBS034	1/14/2022	6/15/2039	14.73	6.5%	98.05	6.7%	6.8%	97.62	(4.83)	Expensive	9.52
19	PBS007	9/29/2014	9/15/2040	15.99	9.0%	122.05	6.7%	6.8%	121.47	(5.40)	Expensive	9.32
20	PBS039	1/12/2024	7/15/2041	16.82	6.6%	98.49	6.8%	6.8%	98.31	(1.95)	Expensive	10.08
21	PBS035	3/31/2022	3/15/2042	17.48	6.8%	99.35	6.8%	6.8%	99.43	0.71	Cheap	10.35
22	PBS005	5/2/2013	4/15/2043	18.57	6.8%	98.80	6.9%	6.8%	99.21	3.94	Cheap	10.53
23	PBS028	7/24/2020	10/15/2046	22.07	7.8%	110.27	6.8%	6.9%	109.74	(4.43)	Expensive	11.11
24	PBS033	1/14/2022	6/15/2047	22.74	6.8%	99.76	6.8%	6.9%	98.33	(12.69)	Expensive	11.75
25	PBS015	7/21/2017	7/15/2047	22.82	8.0%	113.67	6.8%	6.9%	112.58	(8.85)	Expensive	11.22
26	PBS038	12/8/2023	12/15/2049	25.24	6.9%	100.27	6.9%	6.9%	99.26	(8.58)	Expensive	12.14

Source: Bloomberg, SSI Research