

8 October 2024

Overview

In September 2024, Indonesia's economic landscape saw mixed developments, with foreign exchange reserves dipping to USD 149.9 billion, primarily due to external debt payments. Despite this, reserves remain robust, covering 6.6 months of imports and serving as a buffer against external shocks amid geopolitical pressures on the rupiah. President-elect Prabowo Subianto plans a gradual increase in the debt-to-GDP ratio to stimulate growth while boosting tax revenues. Bank Indonesia (BI) stands ready to intervene in currency markets to stabilize the rupiah. Meanwhile, five months of deflation have increased purchasing power but pose risks to industries like automotive and tourism, potentially leading to revised targets. Investment flows continue into the new capital Nusantara, attracting USD 3.7 billion, while coal producers diversify into other sectors. On the financial market front, bullish sentiments on equities and corporate bonds contrast with a slump in IPO activity and foreign outflows, shrinking market capitalization. The government's cautious approach includes tax incentives and policy shifts by OJK to boost investment managers' roles in pension funds. Political support consolidates behind Prabowo's incoming administration, which enjoys high public trust. Concurrently, digital economy advancements, including AI readiness and growing crypto transactions, indicate a dynamic, yet challenging environment, while sustainability remains an area of concern with criticisms over Indonesia's green finance taxonomy and climate risks threatening small islands. Regional elections and capital relocation efforts further shape the national outlook.

Key Comments

Economy, Business and Finance

Decline in Forex Reserves: Indonesia's foreign exchange reserves dipped to USD 149.9 billion in September 2024, slightly below our forecast of USD 151 billion and down from August's near-record high of USD 150.2 billion. The decline was primarily attributed to the government's external debt payments, yet reserves remain robust, covering 6.6 months of imports or 6.4 months of imports and debt servicing, providing a critical buffer against external shocks, particularly as the DXY strengthens. Despite the solid reserve position, caution is advised due to a potentially weaker export outlook amidst softer global economic growth and three consecutive months of PMI contraction (49.3 in July, 48.9 in August, 49.2 in September). Moving forward, these reserves will support Bank Indonesia's ability to maintain its benchmark rate amidst geopolitical pressures affecting the IDR. A stable IDR is essential to bolster investor confidence, especially as the country transitions to a new administration and seeks foreign direct investment to drive future GDP growth.

Prabowo's Gradual Debt Increase Plan: Indonesia's President-elect Prabowo Subianto plans to increase the country's debt-to-GDP ratio incrementally. This move is set to go hand-in-hand with efforts to boost tax revenues, according to his top adviser, Hashim Djojohadikusumo. This gradual approach reflects a cautious fiscal strategy, balancing the need for fiscal expansion with debt sustainability.

Bank Indonesia Ready to Intervene: To address the rupiah's depreciation, BI has signaled its readiness to intervene in various markets, including the spot, domestic non-deliverable forwards, and bond markets, to stabilize the currency. This indicates BI's proactive stance in ensuring currency stability amid global financial uncertainties.

Deflation Impact: Finance Minister Sri Mulyani Indrawati noted that the five-month deflation streak has positively impacted national purchasing power, especially for lower- and middle-income households. However, declining purchasing power is now cited as a risk for industries like automotive sales and domestic tourism, potentially affecting growth targets in these sectors.

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Investment and Capital Market Movements:

New Capital Attracts Investment: The development of Indonesia's new capital city, Nusantara, has garnered USD 3.7 billion in private investments. This investment trend is expected to continue as more projects break ground, reflecting strong domestic and foreign investor confidence in the project.

Coal Producers Diversify: With financing for coal becoming increasingly scarce due to global environmental concerns, Indonesia's coal producers are diversifying into other sectors, such as nickel and aluminum smelting. This indicates a shift in the country's energy sector towards more sustainable and varied investments.

Stock Market Developments: Analysts are increasingly bullish on equities and corporate bonds following recent interest rate cuts by both the Federal Reserve and Bank Indonesia. Despite this optimism, the Indonesian IPO market has slumped, with only 34 IPOs so far in 2024 compared to 79 in 2023. Over the past week, foreign outflows have also led to a USD 22 billion shrinkage in market capitalization on the Indonesia Stock Exchange.

OJK Policy Shifts: The Financial Services Authority (OJK) will soon allow investment managers to establish pension funds, which could lead to new opportunities in Indonesia's financial markets.

Tax Incentives: To counter the impact of the global minimum corporate tax rate, Indonesia plans to extend its tax holiday policy for certain investments and introduce new incentives. This reflects the government's efforts to maintain a competitive investment climate.

Cigarette Tax Controversy: Health groups have criticized the government's decision not to increase cigarette excise tax in 2025, arguing that it undermines efforts to curb tobacco consumption.

Political, Security, National

PDIP's Support for Prabowo: The Indonesian Democratic Party of Struggle (PDIP) has been instructed by its chair, Megawati Soekarnoputri, to support the incoming Prabowo-led government. This aligns the country's political machinery towards a more unified government agenda.

Cabinet Formation: The Deputy House Speaker announced that the House of Representatives would receive the list of ministries in Prabowo's cabinet by October 13. This move will set the stage for the new government's policy direction.

High Public Trust: A survey indicates that public trust in President-elect Prabowo is at 83.4%, reflecting strong confidence in his leadership capabilities. Additionally, outgoing President Jokowi retains a high approval rating of 75% in his final month, due in part to low inflation.

Prabowo's China Visit: President-elect Prabowo is slated to visit China next month to attract investment, particularly in a giant seawall project, signaling a continued strengthening of Indonesia-China relations.

Myanmar Conflict Discussions: Indonesia will host discussions on Myanmar's civil conflict ahead of a regional summit, positioning the country as an active player in addressing regional security issues.

Digital Economy, Telcos

AI and Digital Developments: UNESCO, in partnership with Indonesia's Ministry of Communications and Informatics (KOMINFO), has completed an AI Readiness Assessment for Indonesia. The findings highlight the nation's progress and challenges in adopting AI technologies across various sectors.

Crypto Transactions Surge: Bappebti recorded a 15.54% growth in crypto transactions in August, totaling IDR 48.92 trillion. This growth indicates a rising interest in digital assets among Indonesian investors.

Cybersecurity and Digital ID: The rise of AI has both increased cybersecurity risks and improved fraud detection for Indonesia's digital citizens. Enhanced identity verification solutions and digital ID wallets are being promoted to reduce identity theft and secure digital transactions.

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Environment and Green Economy

Lax Sustainability Taxonomy: Indonesia's sustainable finance taxonomy has been criticized as being the least stringent in Asia, particularly for classifying new coal plants as green. This reflects the country's ongoing challenges in aligning economic growth with environmental sustainability.

UNDP's Support: The United Nations Development Programme (UNDP) has pledged to continue supporting Indonesia's efforts to meet its climate goals, emphasizing the need for global collaboration in tackling climate change.

Climate Change Impact: Rising sea levels due to climate change are threatening small islands in Indonesia's West Nusa Tenggara region, highlighting the urgency of climate adaptation strategies in vulnerable areas.

Regional and Local Issues

Jakarta Gubernatorial Election: The upcoming gubernatorial race in Jakarta is highly competitive, with candidates making their public debut during the first debate. The election remains a focal point in Indonesia's political landscape, despite the capital's planned relocation to Nusantara.

MSMEs Thrive Amid Capital Shift: Following the public opening of Nusantara, the future capital city, there has been a surge in tourist visits, benefitting local micro, small, and medium enterprises (MSMEs) in the area.

Market Movement

The Jakarta Composite Index (JCI) closed marginally higher, gaining 0.11% to settle at 7,504.1. In addition to JCI's positive performance, the Indonesia Sharia Stock Index (ISSI) also exhibited strength, closing up by 0.83% at 226.7. However, foreign investor activity remained mixed, with a net sell of IDR 835.8 billion recorded in the regular market, while the negotiated market saw a smaller net buy of IDR 39.6 billion.

Asian markets experienced robust performance overall, with the Nikkei rising 1.8% to 39,333, the Hang Seng increasing 1.6% to 23,100, and the Shanghai Composite surging by an impressive 8.1% to 3,337. The Kospi also gained 1.6%, closing at 2,610.

The positive sentiment across these markets appeared to provide some support to the JCI. In the currency market, the USD/IDR pair depreciated by 1.2% to 15,680, indicating a strengthening of the Indonesian Rupiah against the US dollar. In the commodities market, gold edged up slightly by 0.2% to USD 2,658 per ounce, while Brent oil prices saw a significant rise of 2.2%, closing at USD 80 per barrel.

In terms of market movers within the JCI, the leading gainers included TPIA, AMMN, and BUKA, with BUKA showing a remarkable surge of 25.2%, closing at 144. TPIA closed 3.5% higher at 8,950, and AMMN advanced by 1.4% to 9,000. On the other hand, the leading laggards were BBKA, BREN, and BMRI. BBKA declined by 1.7% to 10,300, while BREN fell by 2.9% to 6,750, and BMRI dipped by 1.1% to 6,875.

Sector-wise, the IDXTECH sector was the top gainer for the day, suggesting a growing investor interest in technology-related stocks. Conversely, the IDXINDUS sector emerged as the top loser, reflecting a decline in industrial stocks.

Foreign investors were active in select stocks. The top foreign net buy stocks included TPIA, which rose 3.5% to 8,950; MDKA, up 1.1% to 2,710; PTBA, which climbed 3.7% to 3,100; and UNVR, which saw a strong gain of 4.6% to close at 2,270. AKRA, despite being in the list of net buys, remained unchanged at 1,615. Conversely, the most significant foreign net sell stocks were BBKA, which fell 1.7% to 10,300; BBRI, down 0.8% to 4,820; and BMRI, which dropped 1.1% to 6,875. BREN experienced the largest decline among the foreign net sell stocks, sliding 2.9% to 6,750, while GOTO closed flat at 60.

In terms of trading value, BBRI, BBKA, BMRI, BUKA, and ADRO topped the list. BBRI closed 0.8% lower at 4,820, BBKA fell 1.7% to 10,300, and BMRI decreased by 1.1% to 6,875. BUKA stood out with a substantial 25.2% gain, while ADRO rose 2.1% to 3,890.

Overall, the market's mixed performance highlights a day of varied investor sentiment, with certain sectors like technology outperforming, while industrials lagged. Investors seemed to adopt a cautious stance, focusing on selective buying, particularly in technology and certain large-cap stocks.

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Fixed Income

In the early trading session this week, Indonesian Rupiah-denominated bond prices continued to experience a downward correction, largely driven by the significant depreciation of the Rupiah exchange rate. This correction indicates growing concerns among investors about the stability of the domestic currency, likely influenced by both domestic and global economic factors.

The Indonesia Composite Bond Index (ICBI) weakened by -0.37%, reducing its recent gains but still maintaining a year-to-date return of 4.80%. The decline in the ICBI reflects investors' cautious stance in the current volatile market environment. Furthermore, the 10-year government bond (FR0100) saw its yield rise to 6.78%, signaling a shift towards a higher risk premium. This uptick in yield is consistent with the weakening Rupiah, as investors demand greater returns to compensate for currency risk.

The Rupiah's decline by 202 points, closing at IDR 15,687 per USD, adds further pressure on bond prices. This depreciation might be attributed to geopolitical risks. In line with this, the 10-year U.S. Treasury yield increased by 0.050 basis points to 3.86%, highlighting the closing yield spread between Indonesian and U.S. bonds. This gap may induce capital outflows from the Indonesian bond market, adding further downward pressure on Rupiah-denominated bonds.

Trading Activity

The bond market showed a noticeable increase in trading activity, with transaction volumes rising by 15.85% to IDR 52.54 trillion, compared to IDR 45.35 trillion in the previous session. Additionally, the frequency of transactions surged by 25.70%, from 3,078 to 3,869 trades. This heightened trading activity suggests that market participants are actively repositioning their portfolios in response to currency fluctuations and global bond market movements.

The uptick in both trading volume and frequency indicates a dynamic market environment, potentially driven by investors' efforts to hedge against exchange rate risks.

The increased transactions might also reflect a mix of profit-taking and strategic repositioning among market participants, as they navigate the bond market's response to global monetary policies and domestic economic conditions.

US 10 Year Treasury

The yield on the 10-year US Treasury note remained just under 4% on Monday after last week's surge, staying near a two-month peak due to a strong US jobs report that dampened hopes for Federal Reserve interest rate cuts. In September, nonfarm payrolls increased by 254,000 compared to the previous month, significantly exceeding the expected 140,000 rise, while the unemployment rate unexpectedly dropped to 4.1% from 4.2%. Markets have ruled out the possibility of a 50 basis point rate cut from the Fed in November, instead assigning a 95% likelihood of a smaller 25 basis point reduction, as indicated by CME's FedWatch Tool. Investors now turn their attention to the upcoming Fed meeting minutes on Wednesday and the consumer price index report on Thursday for further guidance on interest rate trends.

Outlook

Given the recent market movements, several factors will likely continue to shape the Indonesian bond market's trajectory. The Rupiah's ongoing depreciation could exert further upward pressure on bond yields, as investors seek to mitigate currency risk.

Investors will need to monitor domestic policy responses, such as interventions by Bank Indonesia, to stabilize the Rupiah and support the bond market. Furthermore, any changes in global risk sentiment, driven by factors like inflation data or geopolitical developments, could impact investor appetite for emerging market assets, including Indonesian bonds.

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Last week, the benchmark 10-year bond yield increased, with the range of 6.7-6.8 serving as a key determinant for further yield increases. A drop below 6.55 could revive the potential for a decline in yields.

The U.S. 3-day equity-bond yield correlation indicates that recent positive U.S. macroeconomic indicators are outweighing geopolitical risks, as evidenced by the strong positive correlation between bond yields and the equity market. This is also a sign that, in the short run, U.S. assets are becoming a safe haven amidst geopolitical risks.

However, this is not necessarily good news for the Indonesian bond market. The inflow of foreign capital may slow, and in the worst case, could result in a capital reversal. Domestically, the 3-day correlation between Indonesian equities and bond yields shows an inverse movement, which suggests that domestic investors are seeking safety by shifting towards more fixed-income assets.

Strategy

RRG Chart Analysis: Shorter-term yields (less than 10 years) are still lagging compared to the 10-year benchmark, except for the 1-2-9 year tenors. Given the global dynamics, we recommend a mixed strategy as follows:

INDOGB: FR68, FR65, FR59, FR42, FR91

INDOIS: PBS37, PBS35

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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

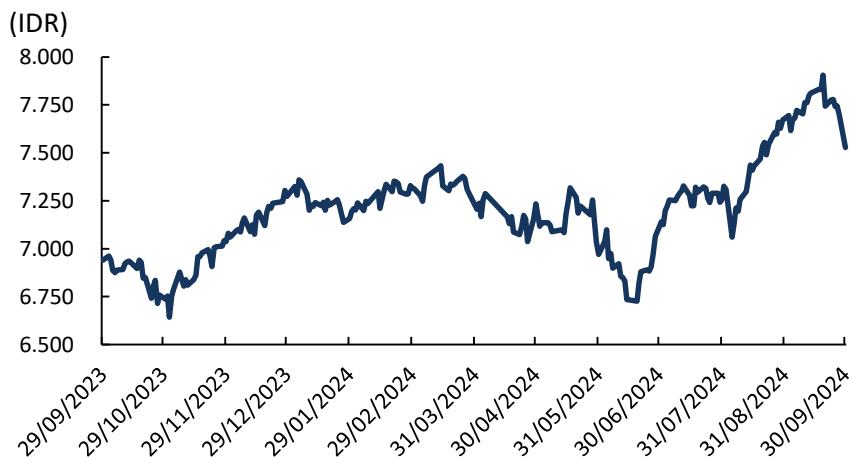
Source: SSI Research

Currencies

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,679
CNY / USD	7.0	CNY / IDR	2,242
EUR / USD	1.1	EUR / IDR	17,277
GBP / USD	1.3	GBP / IDR	20,585
HKD / USD	7.7	HKD / IDR	2,025
JPY / USD	148	JPY / IDR	106
MYR / USD	4.3	MYR / IDR	3,673
NZD / USD	0.6	NZD / IDR	9,672
SAR / USD	3.7	SAR / IDR	4,176
SGD / USD	1.3	SGD / IDR	12,073
		USD / IDR	15,687

Source: STAR, SSI Research

JCI Chart Intraday



Source: Bloomberg, SSI Research

DAILY ECONOMIC INSIGHTS



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Net Foreign Flow: IDR 796 Tn **Outflow**

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBCA	5.1	10,300	-1.6	-0.2	9.5	-452
BBRI	6.4	4,820	-0.8	-2.6	-15.8	-385
BMRI	3.7	6,875	-1.0	-0.7	13.6	-63
BREN	0.4	6,750	-2.8	2.2	-9.6	-51
GOTO	0.9	60	0.0	-9.0	-30.2	-47
UNTR	0.5	27,075	-0.7	-0.2	19.6	-46
TLKM	1.5	2,900	0.6	-3.0	-26.5	-45
BUMI	0.3	139	2.9	13.9	63.5	-41
ANTM	0.3	1,545	1.3	4.3	-9.3	-33
ADRO	0.9	3,890	2.0	2.0	63.4	-32

Source: STAR, SSI Research

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
TPIA	3.4	62.71	774	BREN	-2.8	-64.65	903
PANI	6.1	26.51	190	BBCA	-1.6	-51.60	1,257
AMMN	1.4	21.90	653	BMRI	-1.0	-16.73	635
UNVR	4.6	9.21	87	DSSA	-1.9	-14.89	314
BUKA	25.2	7.22	15	BBRI	-0.8	-14.50	723
BYAN	0.4	6.04	553	BBNI	-2.3	-11.15	192
ADRO	2.0	5.94	120	DCII	-1.9	-5.76	118
BRMS	5.9	5.48	40	ASII	-0.9	-4.88	206
TLKM	0.6	4.78	287	MYOR	-2.4	-3.78	63
EMTK	7.0	4.13	26	SILO	-3.8	-3.77	38

Source: Bloomberg, STAR, SSI Research

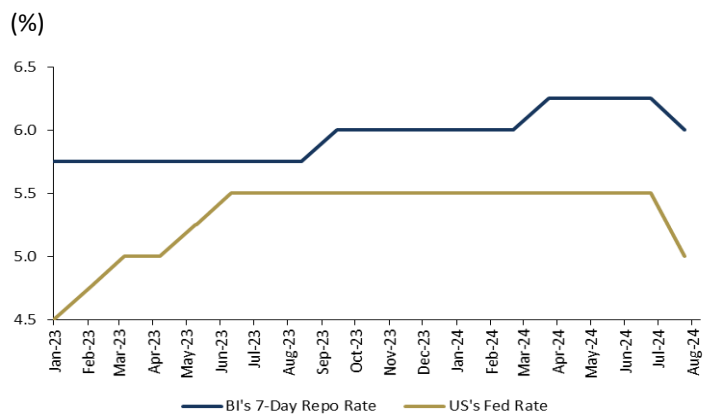
Daily Sector Summary

SECTOR	TVAL	%TVAL	FVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXNONCYC	688.0B	5.9	86.5B	286.1B	401.9B	199.5B	488.5B
IDXBASIC	1.4T	12.0	66.4B	472.8B	984.7B	406.4B	1.0T
IDXPROPERT	443.9B	3.8	49.6B	134.0B	309.9B	84.4B	359.5B
IDXCYCLIC	419.0B	3.6	48.5B	143.6B	275.4B	95.0B	324.0B
IDXHEALTH	156.1B	1.3	15.7B	72.5B	83.6B	56.7B	99.4B
IDXENERGY	1.9T	16.3	15.4B	497.5B	1.4T	482.1B	1.4T
COMPOSITE	11.6T	100.0		4.1T	7.5T	4.8T	6.7T
IDXTRANS	68.5B	0.5	-82.7M	4.9B	63.5B	5.0B	63.4B
IDXTECHNO	1.0T	8.6	-42.5B	239.0B	860.0B	281.5B	817.5B
IDXINFRA	713.6B	6.1	-74.5B	269.2B	444.3B	343.8B	369.8B
IDXINDUST	448.2B	3.8	-74.8B	143.2B	304.9B	218.1B	230.0B
IDXFINANCE	4.2T	36.2	-886.4B	1.8T	2.4T	2.7T	1.5T

Source: Bloomberg, STAR, SSI Research

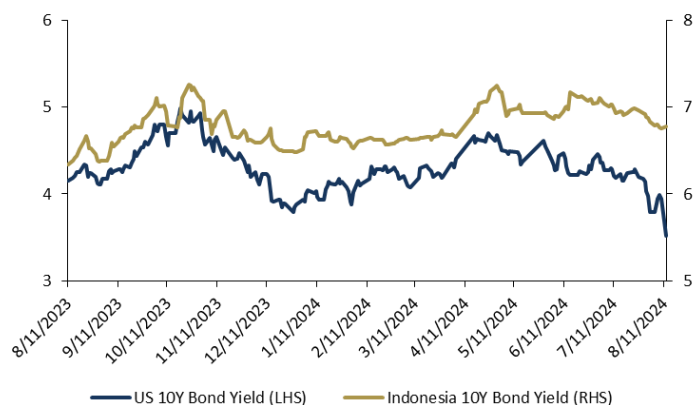
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Monetary Policy



Source: Bloomberg, SSI Research

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



Source: Trading Economic, SSI Research

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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	(0.06)	10.0%	0.00	0.0%	5.6%	99.75	0.00	0	0.00
2	FR81	01/08/2019	15/06/2025	0.69	6.5%	100.24	6.1%	5.9%	100.41	23.32	Cheap	0.68
3	FR40	21/09/2006	15/09/2025	0.94	11.0%	104.25	6.2%	6.0%	104.56	28.60	Cheap	0.90
4	FR84	04/05/2020	15/02/2026	1.36	7.3%	101.32	6.2%	6.1%	101.54	14.95	Cheap	1.29
5	FR86	13/08/2020	15/04/2026	1.52	5.5%	98.87	6.3%	6.1%	99.15	19.72	Cheap	1.45
6	FR37	18/05/2006	15/09/2026	1.94	12.0%	110.40	6.2%	6.2%	110.50	2.49	Cheap	1.76
7	FR56	23/09/2010	15/09/2026	1.94	8.4%	103.83	6.2%	6.2%	103.96	5.71	Cheap	1.81
8	FR90	08/07/2021	15/04/2027	2.52	5.1%	97.49	6.2%	6.3%	97.35	(5.87)	Expensive	2.35
9	FR59	15/09/2011	15/05/2027	2.61	7.0%	101.60	6.3%	6.3%	101.68	2.91	Cheap	2.39
10	FR42	25/01/2007	15/07/2027	2.77	10.3%	109.64	6.4%	6.3%	109.87	7.15	Cheap	2.41
11	FR94	04/03/2022	15/01/2028	3.28	5.6%	97.26	6.5%	6.4%	97.73	16.14	Cheap	2.97
12	FR47	30/08/2007	15/02/2028	3.36	10.0%	110.78	6.4%	6.4%	110.77	(1.92)	Expensive	2.88
13	FR64	13/08/2012	15/05/2028	3.61	6.1%	99.05	6.4%	6.4%	99.07	0.60	Cheap	3.23
14	FR95	19/08/2022	15/08/2028	3.86	6.4%	99.93	6.4%	6.4%	99.78	(4.92)	Expensive	3.42
15	FR99	27/01/2023	15/01/2029	4.28	6.4%	99.88	6.4%	6.5%	99.71	(4.93)	Expensive	3.72
16	FR71	12/09/2013	15/03/2029	4.44	9.0%	109.44	6.5%	6.5%	109.55	1.95	Cheap	3.73
17	FR101	02/11/2023	15/04/2029	4.53	6.9%	101.38	6.5%	6.5%	101.46	1.80	Cheap	3.87
18	FR78	27/09/2018	15/05/2029	4.61	8.3%	106.81	6.5%	6.5%	106.86	0.73	Cheap	3.87
19	FR52	20/08/2009	15/08/2030	5.86	10.5%	119.74	6.4%	6.6%	118.81	(18.23)	Expensive	4.53
20	FR82	01/08/2019	15/09/2030	5.95	7.0%	102.37	6.5%	6.6%	102.02	(7.44)	Expensive	4.91
21	FR87	13/08/2020	15/02/2031	6.36	6.5%	100.11	6.5%	6.6%	99.47	(12.73)	Expensive	5.21
22	FR85	04/05/2020	15/04/2031	6.53	7.8%	105.91	6.6%	6.6%	105.96	0.81	Cheap	5.14
23	FR73	06/08/2015	15/05/2031	6.61	8.8%	111.65	6.5%	6.6%	111.29	(6.82)	Expensive	5.13
24	FR54	22/07/2010	15/07/2031	6.78	9.5%	115.31	6.7%	6.6%	115.52	2.98	Cheap	5.11
25	FR91	08/07/2021	15/04/2032	7.53	6.4%	98.39	6.6%	6.6%	98.41	0.24	Cheap	5.93
26	FR58	21/07/2011	15/06/2032	7.70	8.3%	109.73	6.6%	6.7%	109.50	(4.06)	Expensive	5.85
27	FR74	10/11/2016	15/08/2032	7.86	7.5%	105.37	6.6%	6.7%	105.09	(4.72)	Expensive	6.00
28	FR96	19/08/2022	15/02/2033	8.37	7.0%	102.28	6.6%	6.7%	102.08	(3.29)	Expensive	6.36
29	FR65	30/08/2012	15/05/2033	8.61	6.6%	99.63	6.7%	6.7%	99.66	0.29	Cheap	6.56
30	FR100	24/08/2023	15/02/2034	9.37	6.6%	99.42	6.7%	6.7%	99.52	1.41	Cheap	6.97
31	FR68	01/08/2013	15/03/2034	9.44	8.4%	110.99	6.8%	6.7%	111.61	8.16	Cheap	6.75
32	FR80	04/07/2019	15/06/2035	10.70	7.5%	104.97	6.8%	6.7%	105.89	11.57	Cheap	7.51
33	FR103	08/08/2024	15/07/2035	10.78	6.8%	100.06	6.7%	6.7%	100.23	1.99	Cheap	7.62
34	FR72	09/07/2015	15/05/2036	11.61	8.3%	111.38	6.8%	6.7%	112.10	8.20	Cheap	7.73
35	FR88	07/01/2021	15/06/2036	11.70	6.3%	96.17	6.7%	6.7%	96.13	(0.69)	Expensive	8.27
36	FR45	24/05/2007	15/05/2037	12.61	9.8%	123.85	6.9%	6.7%	125.26	14.15	Cheap	7.86
37	FR93	06/01/2022	15/07/2037	12.78	6.4%	96.43	6.8%	6.7%	96.85	4.97	Cheap	8.62
38	FR75	10/08/2017	15/05/2038	13.61	7.5%	105.10	6.9%	6.8%	106.56	15.88	Cheap	8.69
39	FR98	15/09/2022	15/06/2038	13.70	7.1%	102.23	6.9%	6.8%	103.26	11.28	Cheap	8.88
40	FR50	24/01/2008	15/07/2038	13.78	10.5%	133.29	6.7%	6.8%	133.23	(1.01)	Expensive	8.15
41	FR79	07/01/2019	15/04/2039	14.53	8.4%	114.95	6.7%	6.8%	114.76	(2.04)	Expensive	8.81
42	FR83	07/11/2019	15/04/2040	15.53	7.5%	105.72	6.9%	6.8%	106.93	12.18	Cheap	9.33
43	FR57	21/04/2011	15/05/2041	16.62	9.5%	125.75	6.9%	6.8%	126.87	9.40	Cheap	9.28
44	FR62	09/02/2012	15/04/2042	17.53	6.4%	96.28	6.7%	6.8%	95.83	(4.60)	Expensive	10.38
45	FR92	08/07/2021	15/06/2042	17.70	7.1%	101.57	7.0%	6.8%	103.46	18.11	Cheap	10.21
46	FR97	19/08/2022	15/06/2043	18.70	7.1%	100.88	7.0%	6.8%	103.50	24.61	Cheap	10.47
47	FR67	18/07/2013	15/02/2044	19.37	8.8%	120.86	6.8%	6.8%	120.88	(0.04)	Expensive	10.26
48	FR76	22/09/2017	15/05/2048	23.62	7.4%	104.50	7.0%	6.8%	106.56	16.97	Cheap	11.49
49	FR89	07/01/2021	15/08/2051	26.87	6.9%	99.53	6.9%	6.8%	100.65	9.11	Cheap	12.27
50	FR102	05/01/2024	15/07/2054	29.79	6.9%	98.90	7.0%	6.8%	100.59	13.37	Cheap	12.57

Source: Bloomberg, SSI Research

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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	0.02	6.6%	99.99	6.8%	6.5%	100.00	33.48	Cheap	0.02
2	PBS036	26/08/2022	15/08/2025	0.85	5.4%	99.43	6.1%	6.5%	99.09	(42.07)	Expensive	0.84
3	PBS017	1/11/2018	15/10/2025	1.02	6.1%	99.92	6.2%	6.5%	99.64	(28.75)	Expensive	0.98
4	PBS032	30/07/2021	15/07/2026	1.77	4.9%	97.67	6.3%	6.5%	97.31	(22.23)	Expensive	1.69
5	PBS021	06/12/2018	15/11/2026	2.11	8.5%	104.52	6.2%	6.5%	103.85	(34.47)	Expensive	1.93
6	PBS003	2/2/2012	15/01/2027	2.27	6.0%	99.26	6.4%	6.5%	98.92	(16.40)	Expensive	2.11
7	PBS020	10/22/2018	15/10/2027	3.02	9.0%	107.33	6.3%	6.5%	106.67	(23.83)	Expensive	2.64
8	PBS018	6/4/2018	15/05/2028	3.61	7.6%	104.08	6.3%	6.5%	103.42	(20.82)	Expensive	3.16
9	PBS030	07/06/2021	15/07/2028	3.77	5.9%	98.57	6.3%	6.5%	97.79	(24.44)	Expensive	3.36
10	PBS023	16/05/2019	15/05/2030	5.61	8.1%	107.76	6.5%	6.6%	107.13	(13.37)	Expensive	4.55
11	PBS012	1/28/2016	15/11/2031	7.11	8.9%	113.31	6.5%	6.6%	112.66	(11.15)	Expensive	5.41
12	PBS024	29/05/2019	15/05/2032	7.61	8.4%	110.97	6.5%	6.6%	110.34	(10.33)	Expensive	5.75
13	PBS025	31/05/2019	15/05/2033	8.61	8.4%	111.55	6.6%	6.6%	111.22	(5.10)	Expensive	6.30
14	PBS029	15/01/2021	15/03/2034	9.44	6.4%	98.69	6.6%	6.7%	98.03	(9.58)	Expensive	7.12
15	PBS022	25/01/2019	15/04/2034	9.53	8.6%	113.75	6.7%	6.7%	113.69	(0.86)	Expensive	6.68
16	PBS037	13/01/2023	15/03/2036	11.44	6.9%	101.03	6.7%	6.7%	101.41	4.69	Cheap	8.00
17	PBS004	2/16/2012	15/02/2037	12.37	6.1%	95.02	6.7%	6.7%	94.89	(1.68)	Expensive	8.58
18	PBS034	14/01/2022	15/06/2039	14.70	6.5%	97.87	6.7%	6.8%	97.63	(2.78)	Expensive	9.47
19	PBS007	9/29/2014	15/09/2040	15.95	9.0%	121.90	6.7%	6.8%	121.44	(4.27)	Expensive	9.28
20	PBS039	12/01/2024	15/07/2041	16.78	6.6%	98.26	6.8%	6.8%	98.32	0.49	Cheap	10.03
21	PBS035	31/03/2022	15/03/2042	17.45	6.8%	99.20	6.8%	6.8%	99.43	2.26	Cheap	10.31
22	PBS005	5/2/2013	15/04/2043	18.53	6.8%	99.36	6.8%	6.8%	99.22	(1.35)	Expensive	10.51
23	PBS028	24/07/2020	15/10/2046	22.04	7.8%	109.88	6.9%	6.9%	109.74	(1.22)	Expensive	11.05
24	PBS033	14/01/2022	15/06/2047	22.70	6.8%	99.05	6.8%	6.9%	98.34	(6.34)	Expensive	11.67
25	PBS015	7/21/2017	15/07/2047	22.78	8.0%	113.44	6.8%	6.9%	112.58	(7.04)	Expensive	11.17
26	PBS038	08/12/2023	15/12/2049	25.21	6.9%	99.92	6.9%	6.9%	99.27	(5.59)	Expensive	12.08

Source: Bloomberg, SSI Research

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