

9 October 2024

Overview

Indonesia's economic landscape in September 2024 reflects a mix of cautious optimism and emerging challenges. The Consumer Confidence Index dipped slightly to 123.5, signaling consumer hesitation due to weaker job prospects and declining income expectations, although there was a slight improvement in job availability. The World Bank's report on East Asia and Pacific growth underscores Indonesia's resilient rebound, but emphasizes the need for enhanced job opportunities and technological advancements to sustain growth. Fiscal prudence remains key, with the incoming administration focusing on carefully managing tax ratios and state debt. Despite ambitious housing and infrastructure plans, investment in Nusantara, Indonesia's new capital, lags behind targets, while inflation trends and foreign debt payments continue to weigh on the country's economic outlook. Indonesia's renewable energy transition remains slow, with sluggish carbon trading, but new initiatives such as power wheeling and partnerships in the green economy show potential to drive future growth.

Key Comments

Economy, Business and Finance

Consumer Confidence: In line with our expectations, Indonesia's Consumer Confidence Index in September 2024 declined slightly to 123.5 from August's 124.4, reflecting weaker sentiment across most sub-indices. Current economic conditions edged down to 113.9, and the economic outlook dropped 1.8 points to 133.1, signaling consumer caution about near-term challenges. The job availability sub-index fell by 1.1 points to 131.1, indicating concerns about employment prospects, while income expectations also declined. However, compared to six months ago, job availability improved slightly, rising to 108.2. The index is expected to remain flat in the coming months, posing potential obstacles to achieving the government's 5%+ growth target, especially amid potential IDR weakening and market volatility.

East Asia and Pacific Economic Growth: The World Bank has released its semi-annual economic outlook for East Asia and the Pacific, which projects that both regions will grow faster than the rest of the world in 2024. However, growth remains slower compared to pre-pandemic levels, with the economic output in several countries, particularly in the Pacific, still lagging behind. Indonesia is the exception, experiencing a more resilient economic rebound. The World Bank's latest update emphasizes the importance of leveraging technology and improving job opportunities to sustain long-term growth, especially in the face of geopolitical tensions and pandemic aftereffects.

Indonesia's Tax and Debt Management Strategies: Gerindra Party Vice Chair, Hashim Djojohadikusumo has announced that the World Bank is prepared to assist Indonesia in raising its tax ratio, which was only 10.31% of GDP in 2023. Additionally, the new administration under President-Elect Prabowo Subianto will carefully manage state debt, with plans to gradually increase the debt ratio to GDP while avoiding drastic measures. This strategy comes amid ongoing economic challenges and the need for fiscal prudence.

Prabowo's Housing and Infrastructure Plans: President-Elect Prabowo Subianto's administration is planning a large-scale housing initiative, with construction target of 3 million homes per year. This ambitious program is designed to empower smaller businesses and reduce reliance on major construction conglomerates, aiming to stimulate local economic growth.

Nusantara Capital Investment and Land Acquisition: Private investment in Indonesia's future capital, Nusantara (IKN), has fallen short of its 2024 target, with only IDR 58 trillion of the projected IDR 100 trillion secured so far. In response, President Joko Widodo has urged for more serious investors to step forward. Additionally, the State Asset Management Agency (LMAN) has spent IDR 2.8 trillion (USD 178.73 million) on land acquisition for the capital's development, emphasizing the urgency of ensuring sufficient infrastructure before Jokowi's presidency concludes.

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Indonesia's Inflation and Deflation Trends: Indonesia is currently grappling with a deflationary trend, marking the fifth consecutive month of deflation, which experts link to declining middle-class purchasing power. The September inflation rate stood at 1.84% year-on-year, a decrease from August's 2.12%. Industry Minister Agus Gumiwang Kartasasmita attributed the deflation to an import glut, further emphasizing the country's economic challenges as it seeks to balance trade and domestic consumption.

Foreign Exchange Reserves and Debt Payments: Bank Indonesia reported a slight drop in foreign exchange reserves by USD 0.3 billion, bringing the total to USD 149.9 billion by the end of September. This decrease is primarily due to payments on foreign debt, signaling ongoing fiscal pressures as Indonesia manages its international obligations.

Indonesia's Carbon Trading and Renewable Energy Initiatives: In its first year of carbon trading, Indonesia's market has seen sluggish activity due to a lack of regulatory incentives for the private sector. However, the government is pushing forward with new initiatives to boost the renewable energy market. A proposal for power wheeling, allowing private companies to sell renewable energy directly to customers through the state utility's transmission network, aims to accelerate the country's clean energy transition.

Politics

Prabowo's Presidential Transition and Foreign Policy: As Indonesia prepares for the inauguration of President-Elect Prabowo Subianto, the political landscape is undergoing significant shifts. The Indonesian Democratic Party of Struggle (PDI-P) has indicated potential support for the new administration, possibly leaving the country without opposition. Prabowo's foreign policy is expected to take a bolder stance, with increased diplomatic engagement globally. However, his vision for the Pacific region remains unclear, as it could be a key area for regional stability and economic cooperation.

Civil Service Relocation to Nusantara: President Joko Widodo has announced that civil servants will be required to relocate to Nusantara, Indonesia's new capital city, by January 2025. This move is part of the larger vision to establish Nusantara as the administrative center of Indonesia, with construction of key government buildings expected to be completed this month.

Digital Economy, Telcos

Indonesia and Singapore Strengthen Digital Economy Ties: Indonesia and Singapore have committed to enhancing their collaboration in the digital economy, with a target to complete 50% of the ASEAN Digital Economy Agreement by the end of 2024. This cooperation is expected to boost interconnectivity and resilience within Indonesia's digital infrastructure, a critical component of the nation's ambitious Digital Indonesia Road Map.

Telin's New Cable Landing Station in Manado: Indonesia's telecommunications infrastructure is set to receive a significant upgrade, with Telin breaking ground on a new cable landing station in Manado. The station is part of the Bifrost Cable System, which will link Indonesia to the U.S., further enhancing the country's global digital connectivity.

Environment and Green Economy

Deforestation and Renewable Energy Challenges: A major study has highlighted that deforestation continues at an alarming rate, with large forested areas in Indonesia lost to illegal activities, exacerbating environmental degradation. Meanwhile, Indonesia's renewable energy sector remains underdeveloped, despite the country's vast potential. Efforts to harness clean energy are critical to meeting both domestic needs and international climate commitments.

Green Power Partnership for Electric Motorcycle Batteries: Green Power Group and Green City Traffic have partnered to produce 31,000 electric motorcycle batteries by the end of 2024. This initiative will also expand Indonesia's electric vehicle battery swap station network, contributing to the country's broader efforts to reduce carbon emissions and promote sustainable transportation.

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Market Movement

The market closed with a mixed performance across Asia-Pacific indices. The Nikkei 225 fell 1.0% to close at 38,938, reflecting investor caution amidst global economic uncertainties. In contrast, China's Shanghai Composite saw a significant rise of 4.6%, closing at 3,490, signaling optimism likely driven by domestic factors such as stimulus measures. The Hang Seng Index, however, plummeted by 9.4% to 20,927, experiencing a sharp decline as concerns over China's property market and global risk-off sentiment persisted. South Korea's Kospi also posted a slight loss of 0.6%, closing at 2,594, while Indonesia's Jakarta Composite Index (JCI) bucked the regional trend, climbing 0.7% to 7,557, bolstered by strong performances in the financial sector.

On the currency front, the USD/IDR exchange rate strengthened slightly, up 0.2% to 15,645, reflecting a stable Indonesian rupiah amidst rising global uncertainties. Meanwhile, commodities showed weakness, with gold dipping by 0.1% to USD 2,641 per ounce, and Brent oil dropping 1.8% to USD 80 per barrel, as concerns over global demand weighed on prices.

The JCI's positive performance was primarily driven by gains in financial stocks, with the IDXFIN sector emerging as the top gainer. Among the leading movers were BBRI, which rose by 3.7% to IDR 5,000, BMRI up 2.9% to IDR 7,075, and TLKM advancing 3.1% to IDR 2,990. The IDXBASIC sector, however, was the worst performer of the day. Notable laggards included MDKA, which tumbled 4.8% to IDR 2,580, and ADRO, down 2.3% to IDR 3,800, as weaker commodity prices weighed on the sector.

Foreign investors were net sellers on the day, with a total net sell of IDR 39.7 billion in the regular market and IDR 125.9 billion in the negotiated market. However, some key stocks still saw net foreign buying, including BMRI, ASII, and ANTM, which rose by 2.9%, 1.1%, and 3.7%, respectively. On the flip side, foreign investors offloaded shares of BBRI, despite its 3.7% gain, along with ADRO, BRIS, and UNTR, which recorded declines of 2.3%, 4.8%, and 2.4%, respectively.

In terms of top value stocks, BBRI stood out as the most traded stock, closing 3.7% higher at IDR 5,000, followed by BBCA, BMRI, BBNI, and TLKM, all of which contributed significantly to the market's overall positive performance. However, some stocks lagged, including MDKA, UNTR, and MBMA, which posted notable declines.

As the Indonesian stock market remains resilient despite external pressures, the focus remains on the performance of the financial sector and its ability to sustain this upward momentum amid global uncertainties. Investors are advised to stay cautious as volatility continues to impact market sentiment.

Fixed Income

Indonesian bond market experienced limited weakening today, primarily driven by a decline in medium-tenor government bonds (SBN), despite a slight strengthening of the Rupiah. The Indonesia Composite Bond Index (ICBI) fell by 0.08%, bringing its year-to-date return to 4.72%. In contrast, the benchmark 10-year SBN series (FRO100) showed gains, with its yield closing at 6.71%, signaling resilience in longer-dated government securities.

The Rupiah appreciated by 32 points, closing at IDR 15,655 per USD, supported by favorable domestic conditions. However, on the global front, the US Treasury 10-year bond yield rose slightly by 0.010 basis points, settling at 4.018%, reflecting ongoing concerns about global inflation and economic uncertainties.

In terms of trading activity, bond market volumes saw a notable decline. The total transaction volume decreased by 14.93%, with a total of IDR 44.69 trillion traded today, down from IDR 52.54 trillion in the previous session. Transaction frequency also dropped, falling by 12.33% from 3,869 to 3,392 transactions. Despite the reduction in trading activity, the bond market remains relatively stable, with investor interest in long-term bonds supporting prices. This dynamic indicates that while medium-term bonds are facing some pressure, longer-term securities continue to attract interest amidst currency strength and favorable market sentiment.

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US 10 Year Treasury

The yield on the 10-year US Treasury remained steady at 4% on Tuesday, staying near its highest point in over two months as investors anticipate a less aggressive rate-cutting approach from the Federal Reserve following a stronger-than-expected September jobs report. Friday's data revealed that the US economy added 254,000 jobs, well above the projected 140,000, with the unemployment rate unexpectedly dropping to 4.1% from 4.2%. Markets now estimate an 87% chance that the Fed will implement a modest 25 basis point rate cut in November, while ruling out the likelihood of a larger half-percentage point cut, according to CME's FedWatch Tool. Investors are now focused on the upcoming release of the Fed meeting minutes on Wednesday and the consumer price index report on Thursday for further direction on interest rates.

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.

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

DAILY ECONOMIC INSIGHTS



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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 |

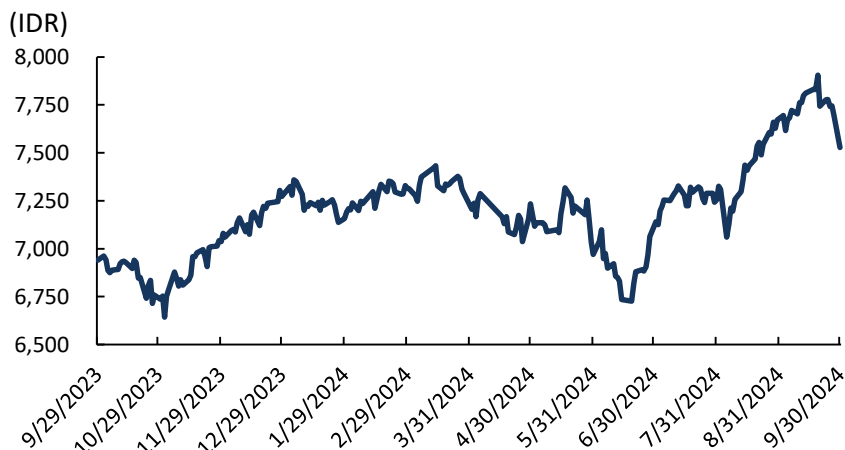
Source: SSI Research

Currencies

| Currency Pair | Index, Last | Currency Pair | Index, Last |
|---------------|-------------|---------------|-------------|
| AUD / USD | 0.6 | AUD / IDR | 10,537 |
| CNY / USD | 7.0 | CNY / IDR | 2,219 |
| EUR / USD | 1.0 | EUR / IDR | 17,206 |
| GBP / USD | 1.3 | GBP / IDR | 20,504 |
| HKD / USD | 7.7 | HKD / IDR | 2,013 |
| JPY / USD | 148 | JPY / IDR | 106 |
| MYR / USD | 4.2 | MYR / IDR | 3,652 |
| NZD / USD | 0.6 | NZD / IDR | 9,578 |
| SAR / USD | 3.7 | SAR / IDR | 4,170 |
| SGD / USD | 1.3 | SGD / IDR | 12,012 |
| | | USD / IDR | 15,655 |

Source: STAR, SSI Research

JCI Chart Intraday



Source: Bloomberg, SSI Research

DAILY ECONOMIC INSIGHTS



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Net Foreign Flow: IDR 165.6 Tn **Outflow**

| Stock | % TVAL | Last | % CHG | % MTD | % YTD | NVAL (IDR bn) |
|-------|--------|--------|-------|-------|-------|---------------|
| BBRI | 10.0 | 5,00 | 3.7 | 1.0 | -12.6 | -171 |
| ADRO | 0.8 | 3,800 | -2.3 | -0.2 | 59.6 | -66 |
| BRIS | 0.4 | 3,050 | 4.8 | 1.3 | 75.2 | -61 |
| UNTR | 0.5 | 26,425 | -2.4 | -2.6 | 16.7 | -47 |
| BRMS | 0.4 | 276 | -2.8 | 20.0 | 62.3 | -26 |
| PANI | 0.1 | 11,350 | 0.8 | -1.5 | 131.6 | -22 |
| INKP | 0.2 | 8,525 | -2.8 | -1.4 | 2.4 | -21 |
| ELSA | 0.1 | 492 | -5.3 | 3.7 | 26.8 | -19 |
| GOTO | 0.4 | 60 | 0.0 | -9.0 | -30.2 | -18 |
| BBCA | 0.4 | 10,400 | 0.9 | 0.7 | 10.6 | -16 |

Source: STAR, SSI Research

Index Stock Mover Summary

| Stock | % CHG | JCI (+) | M.CAP (IDR tn) | Stock | % CHG | JCI (+) | M.CAP (IDR tn) |
|-------|-------|---------|----------------|-------|-------|---------|----------------|
| BBRI | 3.7 | 65.26 | 750 | BREN | -0.7 | -16.16 | 896 |
| BMRI | 2.9 | 44.65 | 654 | ADMR | -5.5 | -8.39 | 59 |
| BBCA | 0.9 | 29.49 | 1,269 | GEMS | -4.5 | -7.81 | 68 |
| TLKM | 3.1 | 21.54 | 296 | MDKA | -4.7 | -7.68 | 63 |
| BRIS | 4.8 | 15.44 | 139 | INCO | -6.1 | -6.87 | 44 |
| BBNI | 2.8 | 13.38 | 198 | ADRO | -2.3 | -6.68 | 117 |
| ASII | 2.4 | 12.22 | 212 | UNTR | -3.5 | -5.85 | 99 |
| ICBP | 2.5 | 8.44 | 143 | MBMA | -3.5 | -5.21 | 59 |
| DSSA | 0.7 | 6.05 | 316 | BUMI | -5.2 | -4.48 | 50 |
| CUAN | 2.8 | 5.43 | 80 | SRTG | -1.6 | -4.26 | 32 |

Source: Bloomberg, STAR, SSI Research

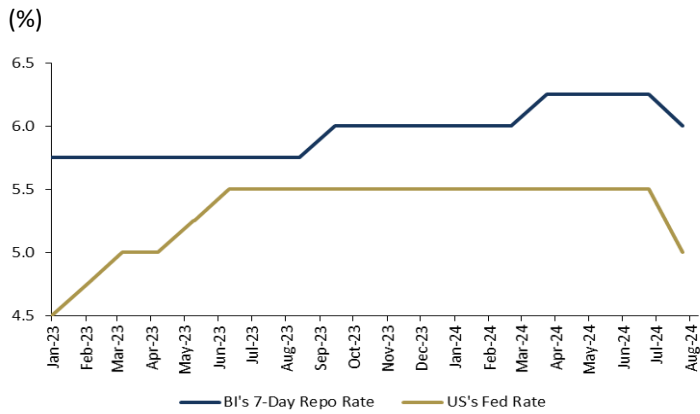
Daily Sector Summary

| SECTOR | TVAL | %TVAL | FNVAL | FBVAL | DBVAL | FSVAL | DSVAL |
|------------|--------|-------|---------|--------|--------|--------|--------|
| IDXBASIC | 2.0T | 14.2 | 62.8B | 571.5B | 1.4T | 508.7B | 1.5T |
| IDXNONCYC | 614.9B | 4.3 | 31.9B | 276.6B | 338.2B | 244.6B | 370.2B |
| IDXHEALTH | 183.8B | 1.3 | 31.2B | 81.7B | 102.1B | 50.5B | 133.3B |
| IDXPROPERT | 500.1B | 3.5 | 31.0B | 135.4B | 364.7B | 104.4B | 395.7B |
| IDXINDUST | 476.1B | 3.4 | 17.9B | 237.4B | 238.6B | 219.5B | 256.5B |
| IDXINFRA | 986.3B | 7.0 | 16.9B | 423.1B | 563.2B | 406.2B | 580.1B |
| COMPOSITE | 14.0T | 100.0 | | 5.4T | 8.5T | 5.6T | 8.4T |
| IDXTRANS | 81.8B | 0.5 | -282.2M | 4.4B | 77.3B | 4.7B | 77.0B |
| IDXTECHNO | 579.4B | 4.1 | -21.6B | 118.4B | 461.0B | 140.1B | 439.3B |
| IDXENERGY | 1.7T | 12.1 | -72.3B | 358.4B | 1.4T | 430.7B | 1.3T |
| IDXCYCLIC | 680.9B | 4.8 | -119.7B | 141.8B | 539.1B | 261.6B | 419.3B |
| IDXFINANCE | 6.1T | 43.5 | -143.4B | 3.1T | 3.0T | 3.2T | 2.8T |

Source: Bloomberg, STAR, SSI Research

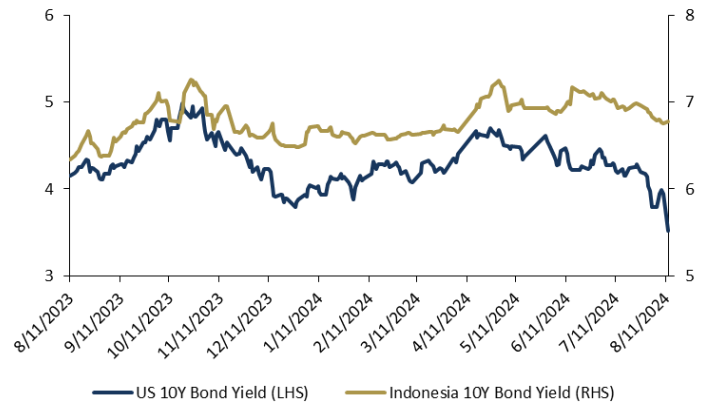
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Monetary Policy



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 | FR81 | 8/1/2019 | 6/15/2025 | 0.68 | 6.5% | 100.24 | 6.1% | 6.3% | 100.13 | (19.80) | Expensive | 0.68 |
| 2 | FR40 | 9/21/2006 | 9/15/2025 | 0.94 | 11.0% | 104.24 | 6.2% | 6.3% | 104.19 | (10.36) | Expensive | 0.90 |
| 3 | FR84 | 5/4/2020 | 2/15/2026 | 1.36 | 7.3% | 101.20 | 6.3% | 6.3% | 101.16 | (4.84) | Expensive | 1.29 |
| 4 | FR86 | 8/13/2020 | 4/15/2026 | 1.52 | 5.5% | 98.81 | 6.3% | 6.4% | 98.78 | (2.23) | Expensive | 1.45 |
| 5 | FR37 | 5/18/2006 | 9/15/2026 | 1.94 | 12.0% | 110.11 | 6.3% | 6.4% | 110.09 | (4.20) | Expensive | 1.76 |
| 6 | FR56 | 9/23/2010 | 9/15/2026 | 1.94 | 8.4% | 103.74 | 6.3% | 6.4% | 103.58 | (10.16) | Expensive | 1.80 |
| 7 | FR90 | 7/8/2021 | 4/15/2027 | 2.52 | 5.1% | 97.35 | 6.3% | 6.4% | 97.05 | (13.11) | Expensive | 2.35 |
| 8 | FR59 | 9/15/2011 | 5/15/2027 | 2.60 | 7.0% | 101.43 | 6.4% | 6.4% | 101.37 | (2.92) | Expensive | 2.38 |
| 9 | FR42 | 1/25/2007 | 7/15/2027 | 2.77 | 10.3% | 109.64 | 6.4% | 6.4% | 109.55 | (4.61) | Expensive | 2.41 |
| 10 | FR94 | 3/4/2022 | 1/15/2028 | 3.27 | 5.6% | 97.01 | 6.6% | 6.5% | 97.52 | 17.83 | Cheap | 2.96 |
| 11 | FR47 | 8/30/2007 | 2/15/2028 | 3.36 | 10.0% | 110.75 | 6.4% | 6.5% | 110.54 | (8.32) | Expensive | 2.88 |
| 12 | FR64 | 8/13/2012 | 5/15/2028 | 3.60 | 6.1% | 99.01 | 6.4% | 6.5% | 98.91 | (3.49) | Expensive | 3.23 |
| 13 | FR95 | 8/19/2022 | 8/15/2028 | 3.85 | 6.4% | 99.88 | 6.4% | 6.5% | 99.64 | (7.60) | Expensive | 3.41 |
| 14 | FR99 | 1/27/2023 | 1/15/2029 | 4.27 | 6.4% | 99.65 | 6.5% | 6.5% | 99.62 | (1.05) | Expensive | 3.71 |
| 15 | FR71 | 9/12/2013 | 3/15/2029 | 4.44 | 9.0% | 109.35 | 6.5% | 6.5% | 109.46 | 2.07 | Cheap | 3.73 |
| 16 | 101 | 11/2/2023 | 4/15/2029 | 4.52 | 6.9% | 101.48 | 6.5% | 6.5% | 101.39 | (2.42) | Expensive | 3.87 |
| 17 | FR78 | 9/27/2018 | 5/15/2029 | 4.60 | 8.3% | 106.86 | 6.5% | 6.5% | 106.79 | (2.06) | Expensive | 3.86 |
| 18 | 104 | 8/22/2024 | 7/15/2030 | 5.77 | 6.5% | 100.28 | 6.4% | 6.6% | 99.66 | (13.30) | Expensive | 4.78 |
| 19 | FR52 | 8/20/2009 | 8/15/2030 | 5.85 | 10.5% | 118.77 | 6.6% | 6.6% | 118.82 | 0.15 | Cheap | 4.52 |
| 20 | FR82 | 8/1/2019 | 9/15/2030 | 5.94 | 7.0% | 102.42 | 6.5% | 6.6% | 102.05 | (7.85) | Expensive | 4.90 |
| 21 | FR87 | 8/13/2020 | 2/15/2031 | 6.36 | 6.5% | 99.91 | 6.5% | 6.6% | 99.51 | (8.08) | Expensive | 5.20 |
| 22 | FR85 | 5/4/2020 | 4/15/2031 | 6.52 | 7.8% | 105.97 | 6.6% | 6.6% | 106.00 | 0.53 | Cheap | 5.14 |
| 23 | FR73 | 8/6/2015 | 5/15/2031 | 6.60 | 8.8% | 111.64 | 6.5% | 6.6% | 111.33 | (5.99) | Expensive | 5.12 |
| 24 | FR54 | 7/22/2010 | 7/15/2031 | 6.77 | 9.5% | 115.39 | 6.6% | 6.6% | 115.56 | 2.19 | Cheap | 5.11 |
| 25 | FR91 | 7/8/2021 | 4/15/2032 | 7.52 | 6.4% | 98.54 | 6.6% | 6.6% | 98.44 | (1.73) | Expensive | 5.93 |
| 26 | FR58 | 7/21/2011 | 6/15/2032 | 7.69 | 8.3% | 109.70 | 6.6% | 6.6% | 109.53 | (3.14) | Expensive | 5.84 |
| 27 | FR74 | 11/10/2016 | 8/15/2032 | 7.86 | 7.5% | 105.31 | 6.6% | 6.7% | 105.11 | (3.49) | Expensive | 6.00 |
| 28 | FR96 | 8/19/2022 | 2/15/2033 | 8.36 | 7.0% | 101.95 | 6.7% | 6.7% | 102.08 | 1.77 | Cheap | 6.35 |
| 29 | FR65 | 8/30/2012 | 5/15/2033 | 8.61 | 6.6% | 99.63 | 6.7% | 6.7% | 99.64 | 0.00 | Cheap | 6.56 |
| 30 | FR100 | 8/24/2023 | 2/15/2034 | 9.36 | 6.6% | 99.32 | 6.7% | 6.7% | 99.44 | 1.58 | Cheap | 6.97 |
| 31 | FR68 | 8/1/2013 | 3/15/2034 | 9.44 | 8.4% | 111.00 | 6.8% | 6.7% | 111.52 | 6.68 | Cheap | 6.75 |
| 32 | FR80 | 7/4/2019 | 6/15/2035 | 10.69 | 7.5% | 104.93 | 6.8% | 6.7% | 105.67 | 9.32 | Cheap | 7.50 |
| 33 | FR103 | 8/8/2024 | 7/15/2035 | 10.77 | 6.8% | 100.26 | 6.7% | 6.7% | 100.00 | (3.60) | Expensive | 7.62 |
| 34 | FR72 | 7/9/2015 | 5/15/2036 | 11.61 | 8.3% | 111.29 | 6.8% | 6.8% | 111.75 | 5.09 | Cheap | 7.72 |
| 35 | FR88 | 1/7/2021 | 6/15/2036 | 11.69 | 6.3% | 96.42 | 6.7% | 6.8% | 95.81 | (7.98) | Expensive | 8.27 |
| 36 | FR45 | 5/24/2007 | 5/15/2037 | 12.61 | 9.8% | 123.84 | 6.9% | 6.8% | 124.73 | 8.89 | Cheap | 7.85 |
| 37 | FR93 | 1/6/2022 | 7/15/2037 | 12.78 | 6.4% | 96.58 | 6.8% | 6.8% | 96.39 | (2.43) | Expensive | 8.62 |
| 38 | FR75 | 8/10/2017 | 5/15/2038 | 13.61 | 7.5% | 105.24 | 6.9% | 6.8% | 105.95 | 7.66 | Cheap | 8.69 |
| 39 | FR98 | 9/15/2022 | 6/15/2038 | 13.69 | 7.1% | 102.48 | 6.8% | 6.8% | 102.65 | 1.73 | Cheap | 8.88 |
| 40 | FR50 | 1/24/2008 | 7/15/2038 | 13.78 | 10.5% | 133.29 | 6.7% | 6.8% | 132.48 | (7.94) | Expensive | 8.14 |
| 41 | FR79 | 1/7/2019 | 4/15/2039 | 14.53 | 8.4% | 114.95 | 6.7% | 6.8% | 113.98 | (9.80) | Expensive | 8.81 |
| 42 | FR83 | 11/7/2019 | 4/15/2040 | 15.53 | 7.5% | 105.25 | 6.9% | 6.9% | 106.05 | 8.11 | Cheap | 9.31 |
| 43 | FR57 | 4/21/2011 | 5/15/2041 | 16.61 | 9.5% | 125.76 | 6.9% | 6.9% | 125.71 | (0.68) | Expensive | 9.28 |
| 44 | FR62 | 2/9/2012 | 4/15/2042 | 17.53 | 6.4% | 95.77 | 6.8% | 6.9% | 94.77 | (10.23) | Expensive | 10.35 |
| 45 | FR92 | 7/8/2021 | 6/15/2042 | 17.70 | 7.1% | 101.77 | 6.9% | 6.9% | 102.32 | 5.25 | Cheap | 10.21 |
| 46 | FR97 | 8/19/2022 | 6/15/2043 | 18.70 | 7.1% | 101.26 | 7.0% | 6.9% | 102.24 | 9.19 | Cheap | 10.48 |
| 47 | FR67 | 7/18/2013 | 2/15/2044 | 19.37 | 8.8% | 120.87 | 6.8% | 6.9% | 119.39 | (12.31) | Expensive | 10.25 |
| 48 | FR76 | 9/22/2017 | 5/15/2048 | 23.62 | 7.4% | 104.95 | 6.9% | 7.0% | 104.86 | (0.85) | Expensive | 11.51 |
| 49 | FR89 | 1/7/2021 | 8/15/2051 | 26.87 | 6.9% | 99.28 | 6.9% | 7.0% | 98.93 | (3.02) | Expensive | 12.25 |
| 50 | FR102 | 1/5/2024 | 7/15/2054 | 29.79 | 6.9% | 99.07 | 6.9% | 7.0% | 98.89 | (1.56) | Expensive | 12.58 |
| 51 | FR105 | 8/27/2024 | 7/15/2064 | 39.79 | 6.9% | 100.05 | 6.9% | 6.9% | 99.50 | (4.15) | Expensive | 13.60 |

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 | 10/17/2019 | 10/15/2024 | 0.02 | 6.6% | 100.01 | 5.9% | 6.2% | 100.01 | (33.30) | Expensive | 0.01 |
| 2 | PBS036 | 8/25/2022 | 8/15/2025 | 0.85 | 5.4% | 99.42 | 6.1% | 6.3% | 99.28 | (18.55) | Expensive | 0.83 |
| 3 | PBS017 | 1/11/2018 | 10/15/2025 | 1.02 | 6.1% | 99.91 | 6.2% | 6.3% | 99.86 | (5.39) | Expensive | 0.98 |
| 4 | PBS032 | 7/29/2021 | 7/15/2026 | 1.76 | 4.9% | 97.48 | 6.4% | 6.3% | 97.65 | 9.91 | Cheap | 1.68 |
| 5 | PBS021 | 12/5/2018 | 11/15/2026 | 2.10 | 8.5% | 104.38 | 6.2% | 6.3% | 104.22 | (9.10) | Expensive | 1.93 |
| 6 | PBS003 | 2/2/2012 | 1/15/2027 | 2.27 | 6.0% | 99.17 | 6.4% | 6.3% | 99.31 | 6.67 | Cheap | 2.10 |
| 7 | PBS020 | 10/22/2018 | 10/15/2027 | 3.02 | 9.0% | 107.15 | 6.4% | 6.4% | 107.13 | (1.12) | Expensive | 2.64 |
| 8 | PBS018 | 6/4/2018 | 5/15/2028 | 3.60 | 7.6% | 103.90 | 6.4% | 6.4% | 103.92 | 0.02 | Cheap | 3.16 |
| 9 | PBS030 | 6/4/2021 | 7/15/2028 | 3.77 | 5.9% | 98.21 | 6.4% | 6.4% | 98.28 | 1.93 | Cheap | 3.35 |
| 10 | PBS023 | 5/15/2019 | 5/15/2030 | 5.60 | 8.1% | 107.62 | 6.5% | 6.5% | 107.66 | 0.50 | Cheap | 4.55 |
| 11 | PBS012 | 1/28/2016 | 11/15/2031 | 7.10 | 8.9% | 113.31 | 6.5% | 6.5% | 113.16 | (2.84) | Expensive | 5.40 |
| 12 | PBS024 | 5/28/2019 | 5/15/2032 | 7.60 | 8.4% | 110.92 | 6.5% | 6.5% | 110.81 | (2.13) | Expensive | 5.74 |
| 13 | PBS025 | 5/29/2019 | 5/15/2033 | 8.60 | 8.4% | 111.55 | 6.6% | 6.6% | 111.64 | 1.02 | Cheap | 6.29 |
| 14 | PBS029 | 1/14/2021 | 3/15/2034 | 9.44 | 6.4% | 98.76 | 6.6% | 6.6% | 98.37 | (5.73) | Expensive | 7.11 |
| 15 | PBS022 | 1/24/2019 | 4/15/2034 | 9.52 | 8.6% | 113.75 | 6.7% | 6.6% | 114.06 | 3.90 | Cheap | 6.67 |
| 16 | PBS037 | 1/12/2023 | 3/15/2036 | 11.44 | 6.9% | 101.03 | 6.7% | 6.7% | 101.62 | 7.39 | Cheap | 7.99 |
| 17 | PBS004 | 2/16/2012 | 2/15/2037 | 12.36 | 6.1% | 94.66 | 6.7% | 6.7% | 95.05 | 4.81 | Cheap | 8.57 |
| 18 | PBS034 | 1/13/2022 | 6/15/2039 | 14.69 | 6.5% | 97.90 | 6.7% | 6.8% | 97.66 | (2.82) | Expensive | 9.47 |
| 19 | PBS007 | 9/29/2014 | 9/15/2040 | 15.95 | 9.0% | 121.90 | 6.7% | 6.8% | 121.41 | (4.53) | Expensive | 9.27 |
| 20 | PBS039 | 1/11/2024 | 7/15/2041 | 16.78 | 6.6% | 98.73 | 6.8% | 6.8% | 98.27 | (4.75) | Expensive | 10.04 |
| 21 | PBS035 | 3/30/2022 | 3/15/2042 | 17.44 | 6.8% | 99.34 | 6.8% | 6.8% | 99.37 | 0.26 | Cheap | 10.30 |
| 22 | PBS005 | 5/2/2013 | 4/15/2043 | 18.53 | 6.8% | 99.36 | 6.8% | 6.8% | 99.14 | (2.13) | Expensive | 10.51 |
| 23 | PBS028 | 7/23/2020 | 10/15/2046 | 22.03 | 7.8% | 109.75 | 6.9% | 6.9% | 109.70 | (0.48) | Expensive | 11.04 |
| 24 | PBS033 | 1/13/2022 | 6/15/2047 | 22.70 | 6.8% | 99.02 | 6.8% | 6.9% | 98.32 | (6.32) | Expensive | 11.66 |
| 25 | PBS015 | 7/21/2017 | 7/15/2047 | 22.78 | 8.0% | 112.67 | 6.9% | 6.9% | 112.56 | (0.99) | Expensive | 11.13 |
| 26 | PBS038 | 12/7/2023 | 12/15/2049 | 25.20 | 6.9% | 98.29 | 7.0% | 6.9% | 99.39 | 9.31 | Cheap | 11.98 |

Source: Bloomberg, SSI Research

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