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Overview

Indonesia is proactively seeking foreign investment to boost its labor-intensive sectors, aiming to attract companies interested in relocating operations and positioning itself as a manufacturing hub to drive job creation and strengthen supply chains. This initiative comes amid rising job losses and stagnant manufacturing, prompting government efforts to stabilize the labor market. With inflation ticking up due to increased gold prices, the government is also moving to retain export earnings longer domestically, consider incentives for EVs and housing, and reform energy subsidies that have disproportionately benefited wealthier households. To support economic inclusion, state-owned banks have disbursed significant microloans, while young investors are increasingly entering the stock market. In the digital economy, a \$1.2 billion tech investment is set to enhance Indonesia's digital landscape, while local content policies have led to bans on some foreign smartphones.

Key Comments

Economy, Business and Finance

Indonesia Seeks Foreign Investment in Labor-Intensive Industries: In a strategic move to revitalize its labor-intensive sectors, Indonesia is actively seeking foreign investment to support these industries. The government aims to attract companies looking to relocate their operations, positioning Indonesia as a key manufacturing hub. This initiative is expected to stimulate job creation, boost local production, and enhance Indonesia's role in global supply chains, making the country more resilient to external economic shifts.

Government Tackles Rising Layoffs as Job Losses Climb: With job losses approaching 60,000, the Indonesian government is intensifying measures to address the employment crisis. The recent spike in layoffs is linked to challenges within the manufacturing sector, where declining output and weakened economic confidence have led to reduced new orders and stagnation. These conditions highlight an urgent need for policy interventions to stabilize the labor market and provide support to affected workers, while potentially re-evaluating manufacturing policies to restore growth.

Manufacturing Sector Stagnation Raises Economic Concerns:

Indonesia's manufacturing sector faces continued headwinds, with the Purchasing Managers' Index (PMI) indicating minimal growth due to reduced production levels and limited new orders. This stagnation reflects a sluggish economic environment, as confidence in the sector has reached its lowest point in months. The government may need to implement targeted strategies to boost industrial output and restore investor and consumer confidence to revive growth prospects in the near term.

Court Mandates Revision of Job Creation Law, Labor Unions Mobilize:

Following a Constitutional Court ruling, Indonesia is set to revise its 2023 Job Creation Law, which has been a point of contention for labor groups. This decision is seen as a win for worker advocates, who have voiced concerns over labor protections under the current framework. In response, labor unions are planning a nationwide strike involving millions of workers, placing pressure on lawmakers to develop a more balanced manpower policy. The revised law will likely impact labor conditions, foreign investment, and economic productivity moving forward.

Gold Jewelry Prices Spur Inflation, Ending Deflation Streak:

October saw a slight uptick in inflation driven by rising gold jewelry prices, effectively ending a five-month deflation trend in Indonesia. This price increase, influenced by global gold markets, highlights inflationary pressures within domestic consumer goods. The upward trend in jewelry prices underscores potential risks of cost-push inflation, particularly if similar increases appear in other consumer categories.

Extended Retention Period for Export Earnings Planned:

Indonesia is planning to extend the retention period for export earnings held by natural resource exporters, lengthening the existing three-month requirement. This adjustment aims to strengthen the domestic financial system by ensuring that a portion of export revenues circulates within Indonesia for a longer period, thereby stabilizing the economy and enhancing liquidity.

Incentives for EVs and Housing Under Consideration:

To bolster the middle class and drive sustainable consumption, the government is considering reintroducing tax incentives for electric vehicles and housing purchases....

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...These incentives are expected to support economic growth, reduce the environmental footprint through green technology adoption, and increase home ownership among middle-income households. This policy shift aligns with broader goals to create a more resilient, environmentally conscious economy.

Energy Subsidy Reforms Amid Misallocation to Wealthier Households: Recent government findings revealed that a significant portion of energy subsidies has inadvertently benefited wealthier households rather than the intended low-income groups. In response, the administration is exploring a new subsidy scheme that would likely replace the current approach with a targeted cash transfer system. This shift is aimed at reducing the financial burden of subsidies on the state budget while ensuring that assistance reaches those most in need.

Microloans Drive Grassroots Economic Development: Indonesian state-owned banks have successfully disbursed \$69 billion in microloans, providing critical support to small businesses and entrepreneurs. These loans, which are part of a larger financial inclusion strategy, aim to empower micro-enterprises across the country and stimulate economic growth at the grassroots level, particularly in underserved and rural areas.

Young Indonesians Propel Stock Market Growth: Indonesia's stock market is witnessing a surge in participation from young investors, with over 50% of new investors under the age of 30. This trend reflects a growing interest in financial literacy and wealth building among younger generations, indicating a shift toward a more investment-savvy population and highlighting the potential for a more vibrant domestic capital market in the coming years.

Digital Economy & Technology

\$1.2 Billion Tech Investment Bolsters Digital Economy: The Indonesian sovereign wealth fund and Singapore's Granite Asia have announced a joint \$1.2 billion investment aimed at strengthening the nation's tech sector. This funding boost is expected to drive innovation, enhance the digital economy, and support businesses with strong local integration, reinforcing Indonesia's position as a key player in Southeast Asia's digital landscape.

Local Content Rules Lead to Smartphone Bans: Indonesia has imposed sales restrictions on certain Apple and Google devices, such as the iPhone 16 and Google Pixel, due to non-compliance with local content requirements. This policy highlights the government's commitment to fostering domestic manufacturing by enforcing regulations that mandate a percentage of locally sourced components in consumer electronics.

Crackdown on Illegal Online Lending Platforms: In an effort to protect consumers, the Financial Services Authority (OJK) has shut down over 2,500 illegal online lending companies this year. This crackdown aims to curb predatory lending practices, reduce debt collection abuses, and promote a safer digital financial ecosystem, supporting more responsible lending standards across the industry.

Environment and Green Economy

President Prabowo to Host Environmental Summit for Regional Leaders: President Prabowo Subianto is set to convene an environmental summit with regional leaders to discuss sustainable practices across the country. This initiative aligns with the administration's emphasis on environmental resilience and signals Indonesia's commitment to addressing climate-related issues, fostering greater environmental accountability among local authorities.

New Regulations Target Coal-Using Industries to Combat Pollution: The Environment Ministry is introducing stricter regulations targeting industries in the Jakarta metropolitan area that continue to rely on coal-fired boilers. This measure is aimed at improving air quality in densely populated areas, underscoring the government's intent to address industrial pollution and promote cleaner energy practices.

Mangrove Restoration Blueprint Establishes Global Standards: Indonesia is set to unveil a new mangrove restoration manual, creating a blueprint for blue carbon initiatives. This effort not only supports global climate action but also leverages Indonesia's vast mangrove resources to enhance biodiversity and carbon sequestration. The manual positions Indonesia as a leader in sustainable environmental management and offers a model for other nations.

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Politics, Security and International Relations

Prabowo Consolidates Political Support with National Solidarity Movement: President Prabowo Subianto has launched the National Solidarity Movement, consolidating support among his grassroots base. This organization is expected to strengthen his political influence and maintain support for his policy agenda, fostering continuity in leadership and providing a stable foundation for upcoming reforms.

Prabowo to Attend APEC and G20 Summits, Marking First Official Foreign Engagements: In his first international engagements as president, Prabowo will attend the APEC Summit in Peru and the G20 Summit in Brazil this month. These appearances underscore Indonesia's commitment to multilateral cooperation and provide an opportunity to advance Indonesia's economic and strategic interests on the global stage.

Indonesia and Russia Begin First Joint Naval Drills: In a notable development, Indonesia has commenced joint naval exercises with Russia, signaling a shift in foreign policy that balances engagement with global powers. This strategic move reflects Indonesia's stance on maintaining diplomatic neutrality while deepening ties with multiple nations, including Russia.

Rising Online Terror Content Prompts Security Enhancements: Indonesia's counterterrorism agency (BNPT) has reported an increase in online terror-related content, prompting a tightening of digital security measures. These developments highlight the need for continued vigilance in monitoring digital platforms to prevent radicalization and safeguard national security.

Regional and Local Developments

Affordable Housing Development Launched in Tangerang: A new initiative by the Public Housing and Settlements Ministry has launched the development of affordable housing in Tangerang, aimed at low-income citizens. This project addresses the pressing need for affordable housing, particularly for civil servants and low-ranking police and military officers, improving access to quality housing.

Nusantara and Jakarta Twin Cities Project Moves Forward: Indonesia's ambitious plan to establish Nusantara as the new capital alongside Jakarta is progressing, with both cities envisioned as "twin urban centers." This development reflects a long-term strategy to alleviate congestion in Jakarta and promote sustainable urban growth in Nusantara, reshaping Indonesia's national landscape.

Market Movement

The Indonesian stock market closed with a modest downturn, as indicated by the Jakarta Composite Index (JCI) slipping by 0.34% to end at 7,479.5. This decline aligned with a general risk-off sentiment observed across Asia, except for selective gains in Shanghai and Kospi indices, which rose by 1.2% and 1.8%, respectively. Meanwhile, the Hang Seng index slightly edged up by 0.3%, contrasting with the significant drop in Japan's Nikkei, which fell by 2.6% to 38,054. In the currency markets, the USD/IDR pair saw a minor decrease of 0.2%, ending at 15,753.

Foreign investors maintained a selling stance on Indonesian equities, with net sales of IDR 52.7 billion in the regular market and IDR 208.1 billion in the negotiated market. Top-performing stocks by foreign net buys included Astra International (ASII), which rose by 1.0% to IDR 5,125, and Indofood (INDF), up by 2.1% to IDR 7,450, reflecting a selective interest in high-quality names. Conversely, stocks like Bank Central Asia (BBCA) and Telkom Indonesia (TLKM) saw foreign net sales, with BBCA declining by 0.5% to IDR 10,375, while TLKM managed a slight gain of 0.7% to IDR 2,800.

Leading movers in the market included Bank Mandiri (BMRI), which rose by 1.5% to IDR 6,750, driven by solid investor interest, while Adaro Energy (ADRO) surged by 3.7% to IDR 3,930, possibly on the back of rising global commodity prices. Bank Negara Indonesia (BBNI) and Bank Rakyat Indonesia (BBRI) were also among the top gainers, with BBNI climbing 1.9% and BBRI inching up by 0.4%. On the downside, lagging movers included Chandra Asri Petrochemical (TPIA), which dropped 3.2% to IDR 8,275, along with GoTo (GOTO) and Barito Renewables (BREN), which fell by 4.4% and 1.5%, respectively.

Sector-wise, IDXNCYC emerged as the top sector gainer, while the transportation sector, represented by IDXTRANS, registered the steepest losses, reflecting mixed sentiment across various segments of the economy. The commodities market also saw movements, with gold climbing 0.2% to USD 2,742 per ounce, suggesting sustained investor interest in safe-haven assets amidst market volatility. Brent oil marked a significant uptick of 2.6% to USD 75 per barrel, potentially supporting energy-linked stocks and impacting market expectations around inflation.

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The day's trading volumes and values highlighted some top value stocks, with BBRI, BRMS, and ADRO among the highest value trades, indicating active interest from institutional investors. These trends reflect a complex market environment where selective buying and sector-specific dynamics are shaping investor behavior, even as global economic uncertainties continue to cast a shadow over broader market sentiment.

Fixed Income

Indonesian Rupiah-denominated bonds largely held steady, navigating a challenging environment of currency weakness and global market anticipation. The Rupiah's continued depreciation underscores prevailing concerns about external pressures and the U.S. dollar's relative strength, as investors weigh their positions ahead of key economic and political events in the United States.

Despite these headwinds, trading volume in the Indonesian bond market saw a robust increase, indicating that while market participants are cautious, there is no significant withdrawal of interest. Many investors appear to be adopting a "wait-and-see" stance, factoring in the dual impact of the upcoming Federal Open Market Committee (FOMC) meeting on November 7, where a potential rate cut by the Federal Reserve could provide temporary relief to emerging market currencies, and the U.S. presidential election on November 6, which may shape market sentiment and investment flows in the weeks ahead.

The Indonesia Composite Bond Index (ICBI) registered a marginal decline of 0.02%, reflecting a modest but steady performance in the bond market. This slight decrease has brought the year-to-date return to 4.81%, a respectable figure in the current volatile environment. Additionally, the benchmark 10-year government bond (FR0100) edged higher, with yields easing to 6.73%. This slight yield movement suggests that investors still find appeal in the bond market, particularly given relatively attractive real yields compared to those in advanced economies. However, the appreciation in bond prices remains moderate, as market participants remain cautious of the near-term outlook.

On the currency front, the Rupiah weakened by 21 points to IDR 15,753 per U.S. dollar, marking a continued trend in depreciation as global demand for the U.S. dollar persists. The resilience of the U.S. dollar has been a challenging factor for emerging markets, as higher yields on U.S. Treasury bonds attract international capital flows toward the U.S. market. Meanwhile, the 10-year U.S. Treasury yield decreased slightly by 0.015 basis points to 4.302%, a shift that may indicate minor relief for emerging market currencies, including the Rupiah, though it remains to be seen if this will translate into significant support for the currency.

Trading Activity Analysis

The start of this week brought a notable increase in bond market trading activity, with the volume of transactions jumping by 68.85% to IDR 16.48 trillion from the previous session's IDR 9.75 trillion. This rise in volume, alongside a 26.99% increase in transaction frequency (from 2,413 to 3,787 trades), reflects heightened engagement from market participants. This uptick in activity could suggest that investors are positioning themselves for potential policy shifts or currency adjustments that may emerge after this week's critical events.

Overall, the Indonesian bond market is experiencing a delicate balancing act. On the one hand, there is evident demand and interest, as reflected in the increased trading volume, suggesting that investors view Indonesian bonds as a viable investment despite global uncertainties. On the other hand, the market remains vulnerable to external factors, such as U.S. monetary policy decisions and the dollar's strength, which have a direct impact on the Rupiah and the risk premium demanded by international investors.

US 10 Year Treasury

The yield on the 10-year U.S. Treasury note dropped to about 4.3% on Monday, easing from a recent four-month peak of almost 4.4% reached in the previous trading session. This decrease reflects investor positioning ahead of the upcoming U.S. presidential election and the Federal Reserve's policy decision this week. In recent sessions, market trends had pushed the dollar and Treasury yields upward on speculation that Trump could return to the presidency, with his proposals on immigration, tax cuts, and tariffs potentially fueling inflation.

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However, this morning, traders moderated those bets amid heightened uncertainty about the election outcome. On the monetary policy front, the Fed is anticipated to deliver a more modest 25 basis point rate cut this week, following a larger half-percentage point reduction in September. Markets are also factoring in another quarter-point cut for December.

Outlook

Looking ahead, while the market exhibits signs of resilience, caution remains the predominant sentiment. Investors in Indonesian bonds are likely to keep their positions flexible in response to evolving global conditions, with particular attention to U.S. monetary policy and political developments, which will play a crucial role in shaping market dynamics in the coming weeks.

The benchmark 10-year Indonesian government bond yield increased at the beginning of last week but weakened mid-week, showing volatility between 6.75 and 6.83. Each increase above 6.7 has been met with selling pressure, bringing the yield back down. If the sentiment persists, yields could rise to 6.9 at the beginning of the week before retreating to the 6.75-6.69 range.

Equity-Bond Yield Correlation

The 3-day US equity-bond yield correlation suggests a more positive tone, with bond yield movements now also reflecting growing demand. Investors are diversifying their activities across both bond and equity markets. However, we still view this as a "wait and see" approach ahead of the upcoming election and the Federal Reserve's rate decision this week. Additionally, the possibility of a Trump presidency following next week's election has maintained pressure on long-dated bonds due to the outlook for expansionary fiscal policies and the associated rise in credit risk for US debt, limiting the pullback in yields.

In contrast, Indonesia's equity-bond yield correlation indicates an inverse movement between the two markets. Given that foreign inflows are likely to remain limited and the potential for capital reversal is imminent, we anticipate possible downward pressure on both markets, though the bond market may see marginal benefits due to potentially higher demand from risk-averse investors. Foreign flows are also likely to enter the bond market, albeit with limited impact.

Strategy

According to the RRG chart, there is a mixed trend. Except for the 4-, 5-, 6-, 11-, 12-, and 15-year tenors, other yields have weakened. The tenors lagging behind the 10-year benchmark are the 3-, 4-, 5-, and 6-year yields. Given the market dynamics we recommend the following:

INDOGB: FR94, FR47, FR71, FR82, FR74

INDOIS: PBS30, PBS23, PBS24

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	1.8	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	15,900	15,900

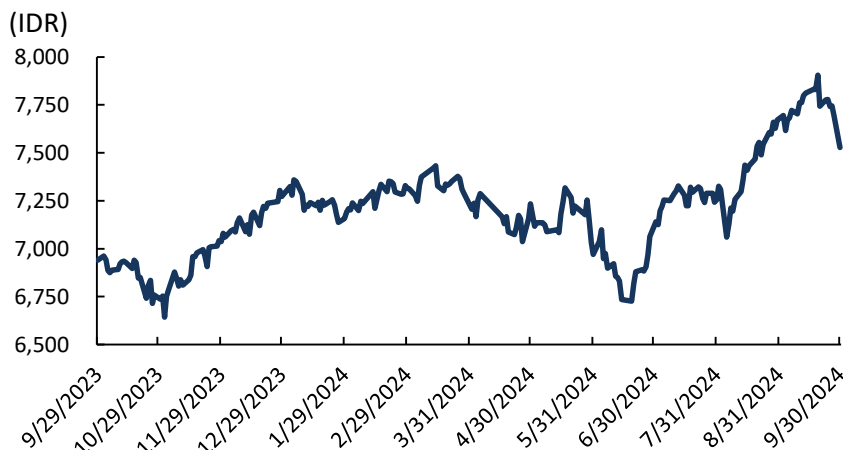
Source: SSI Research

Currencies

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,379
CNY / USD	7.0	CNY / IDR	2,219
EUR / USD	1.0	EUR / IDR	17,165
GBP / USD	1.2	GBP / IDR	20,426
HKD / USD	7.7	HKD / IDR	2,026
JPY / USD	152	JPY / IDR	104
MYR / USD	4.3	MYR / IDR	3,601
NZD / USD	0.5	NZD / IDR	9,433
SAR / USD	3.7	SAR / IDR	4,194
SGD / USD	1.3	SGD / IDR	11,950
		USD / IDR	15,753

Source: STAR, SSI Research

JCI Chart Intraday



Source: Bloomberg, SSI Research

DAILY ECONOMIC INSIGHTS



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Net Foreign Flow: IDR 260.8 Bn Inflow

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
ASII	1.0	5,125	0.9	0.4	-9.2	82
INDF	0.4	7,450	2.0	-1.9	15.5	70
BBRI	4.1	4,720	0.4	-1.6	-17.5	67
BMRI	2.8	6,750	1.5	0.7	11.5	56
BBNI	0.5	5,300	1.9	0.9	-1.3	51
BRMS	1.4	382	1.0	3.8	124.7	43
ANTM	0.4	1,525	0.3	-4.6	-10.5	43
TINS	0.2	1,365	7.9	4.5	111.6	21
UNTR	0.3	27,350	0.3	-0.3	20.8	19
BUMI	0.1	135	0.0	-2.8	58.8	14

Source: STAR, SSI Research

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
BMRI	1.5	22.32	624	TPIA	-3.2	-57.48	716
ADRO	3.6	10.40	121	BREN	-1.4	-32.32	883
BBNI	1.9	8.92	196	BBCA	-0.4	-14.74	1,266
MSIN	3.9	7.33	80	GOTO	-4.4	-8.69	78
BBRI	0.4	7.25	708	PANI	-1.1	-8.15	290
ICBP	1.8	6.34	144	UNVR	-4.3	-7.83	71
GEMS	3.6	5.68	68	BNLI	-4.7	-4.76	40
AMRT	1.5	5.01	137	CUAN	-2.3	-4.75	81
ASII	0.9	4.88	207	AMMN	-0.2	-4.38	653
TLKM	0.7	4.78	277	INKP	-3.9	-3.96	40

Source: Bloomberg, STAR, SSI Research

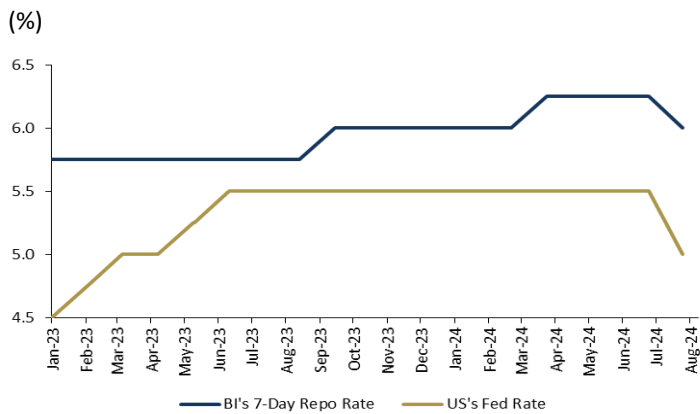
Daily Sector Summary

SECTOR	TVAL	%TVAL	FVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXENERGY	2.0T	18.1	125.2B	566.8B	1.5T	441.6B	1.6T
IDXNONCYC	899.5B	8.1	93.9B	309.3B	590.1B	215.4B	684.0B
IDXINDUST	448.4B	4.0	88.1B	218.5B	229.8B	130.4B	318.0B
IDXFINANCE	2.9T	26.3	46.7B	1.3T	1.5T	1.3T	1.5T
IDX BASIC	1.9T	17.2	40.1B	473.9B	1.4T	433.8B	1.5T
IDXCYCLIC	372.1B	3.3	5.6B	105.5B	266.5B	99.9B	272.2B
COMPOSITE	11.0T	100.0		3.5T	7.4T	3.3T	7.7T
IDXTRANS	55.5B	0.5	-31.2M	5.0B	50.4B	5.1B	50.4B
IDXTECHNO	533.4B	4.8	-9.1B	150.8B	382.5B	160.0B	373.3B
IDXHEALTH	184.3B	1.6	-12.3B	67.8B	116.4B	80.2B	104.1B
IDXPROPERT	1.0T	9.0	-31.4B	183.9B	861.9B	215.4B	830.4B
IDXINFRA	538.3B	4.8	-85.7B	118.5B	419.8B	204.3B	334.0B

Source: Bloomberg, STAR, SSI Research

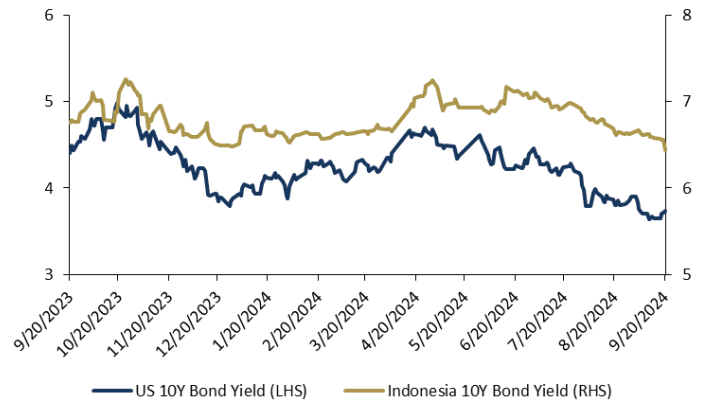
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Monetary Policy



Source: Bloomberg, SSI Research

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



Source: Bloomberg, 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	0.61	6.5%	100.13	6.3%	6.3%	100.12	(3.45)	Expensive	0.60
2	FR40	9/21/2006	9/15/2025	0.87	11.0%	103.86	6.3%	6.3%	103.89	(3.93)	Expensive	0.83
3	FR84	5/4/2020	2/15/2026	1.28	7.3%	101.07	6.3%	6.3%	101.10	0.43	Cheap	1.22
4	FR86	8/13/2020	4/15/2026	1.45	5.5%	98.70	6.5%	6.4%	98.84	10.45	Cheap	1.40
5	FR37	5/18/2006	9/15/2026	1.87	12.0%	109.58	6.4%	6.4%	109.75	5.63	Cheap	1.68
6	FR56	9/23/2010	9/15/2026	1.87	8.4%	103.39	6.4%	6.4%	103.46	2.29	Cheap	1.73
7	FR90	7/8/2021	4/15/2027	2.45	5.1%	96.96	6.5%	6.4%	97.13	8.28	Cheap	2.31
8	FR59	9/15/2011	5/15/2027	2.53	7.0%	101.15	6.5%	6.4%	101.35	8.40	Cheap	2.31
9	FR42	1/25/2007	7/15/2027	2.70	10.3%	108.95	6.6%	6.4%	109.34	13.70	Cheap	2.40
10	FR94	3/4/2022	1/15/2028	3.20	5.6%	97.01	6.7%	6.4%	97.58	20.25	Cheap	2.94
11	FR47	8/30/2007	2/15/2028	3.28	10.0%	109.81	6.6%	6.5%	110.35	15.77	Cheap	2.81
12	FR64	8/13/2012	5/15/2028	3.53	6.1%	98.70	6.5%	6.5%	98.94	7.69	Cheap	3.16
13	FR95	8/19/2022	8/15/2028	3.78	6.4%	99.27	6.6%	6.5%	99.66	11.47	Cheap	3.34
14	FR99	1/27/2023	1/15/2029	4.20	6.4%	99.70	6.5%	6.5%	99.64	(1.99)	Expensive	3.70
15	FR71	9/12/2013	3/15/2029	4.36	9.0%	108.54	6.7%	6.5%	109.34	19.52	Cheap	3.65
16	101	11/2/2023	4/15/2029	4.45	6.9%	100.87	6.6%	6.5%	101.39	13.22	Cheap	3.86
17	FR78	9/27/2018	5/15/2029	4.53	8.3%	106.01	6.7%	6.5%	106.71	17.40	Cheap	3.79
18	104	8/22/2024	7/15/2030	5.70	6.5%	99.25	6.7%	6.6%	99.68	8.92	Cheap	4.79
19	FR52	8/20/2009	8/15/2030	5.78	10.5%	117.65	6.8%	6.6%	118.65	18.17	Cheap	4.44
20	FR82	8/1/2019	9/15/2030	5.87	7.0%	101.27	6.7%	6.6%	102.04	15.57	Cheap	4.82
21	FR87	8/13/2020	2/15/2031	6.29	6.5%	98.83	6.7%	6.6%	99.53	13.67	Cheap	5.13
22	FR85	5/4/2020	4/15/2031	6.45	7.8%	105.46	6.7%	6.6%	105.97	9.11	Cheap	5.16
23	FR73	8/6/2015	5/15/2031	6.53	8.8%	110.30	6.8%	6.6%	111.24	16.81	Cheap	5.04
24	FR54	7/22/2010	7/15/2031	6.70	9.5%	114.99	6.7%	6.6%	115.44	7.28	Cheap	5.14
25	FR91	7/8/2021	4/15/2032	7.45	6.4%	97.78	6.8%	6.6%	98.47	11.98	Cheap	5.95
26	FR58	7/21/2011	6/15/2032	7.62	8.3%	109.26	6.7%	6.6%	109.47	3.03	Cheap	5.77
27	FR74	11/10/2016	8/15/2032	7.79	7.5%	104.07	6.8%	6.7%	105.09	16.32	Cheap	5.91
28	FR96	8/19/2022	2/15/2033	8.29	7.0%	100.97	6.8%	6.7%	102.08	17.31	Cheap	6.27
29	FR65	8/30/2012	5/15/2033	8.53	6.6%	98.93	6.8%	6.7%	99.66	11.45	Cheap	6.48
30	100	8/24/2023	2/15/2034	9.29	6.6%	99.10	6.8%	6.7%	99.46	5.09	Cheap	6.89
31	FR68	8/1/2013	3/15/2034	9.37	8.4%	110.38	6.9%	6.7%	111.47	14.63	Cheap	6.67
32	FR80	7/4/2019	6/15/2035	10.62	7.5%	104.55	6.9%	6.7%	105.66	14.17	Cheap	7.42
33	103	8/8/2024	7/15/2035	10.70	6.8%	99.56	6.8%	6.7%	100.02	5.93	Cheap	7.67
34	FR72	7/9/2015	5/15/2036	11.54	8.3%	109.97	7.0%	6.8%	111.71	20.54	Cheap	7.63
35	FR88	1/7/2021	6/15/2036	11.62	6.3%	95.98	6.8%	6.8%	95.84	(1.88)	Expensive	8.19
36	FR45	5/24/2007	5/15/2037	12.54	9.8%	123.47	6.9%	6.8%	124.66	12.07	Cheap	7.78
37	FR93	1/6/2022	7/15/2037	12.70	6.4%	96.53	6.8%	6.8%	96.42	(1.43)	Expensive	8.69
38	FR75	8/10/2017	5/15/2038	13.54	7.5%	104.47	7.0%	6.8%	105.95	16.33	Cheap	8.60
39	FR98	9/15/2022	6/15/2038	13.62	7.1%	101.30	7.0%	6.8%	102.66	15.19	Cheap	8.78
40	FR50	1/24/2008	7/15/2038	13.70	10.5%	132.25	6.8%	6.8%	132.39	0.97	Cheap	8.21
41	FR79	1/7/2019	4/15/2039	14.45	8.4%	112.69	7.0%	6.8%	113.95	12.66	Cheap	8.84
42	FR83	11/7/2019	4/15/2040	15.46	7.5%	104.92	7.0%	6.9%	106.05	11.44	Cheap	9.40
43	FR57	4/21/2011	5/15/2041	16.54	9.5%	124.05	7.0%	6.9%	125.66	13.94	Cheap	9.16
44	FR62	2/9/2012	4/15/2042	17.46	6.4%	93.59	7.0%	6.9%	94.79	12.49	Cheap	10.37
45	FR92	7/8/2021	6/15/2042	17.62	7.1%	101.24	7.0%	6.9%	102.33	10.51	Cheap	10.12
46	FR97	8/19/2022	6/15/2043	18.62	7.1%	101.12	7.0%	6.9%	102.25	10.68	Cheap	10.40
47	FR67	7/18/2013	2/15/2044	19.30	8.8%	117.90	7.0%	6.9%	119.37	12.09	Cheap	10.07
48	FR76	9/22/2017	5/15/2048	23.55	7.4%	104.42	7.0%	7.0%	104.86	3.69	Cheap	11.41
49	FR89	1/7/2021	8/15/2051	26.80	6.9%	99.12	6.9%	7.0%	98.93	(1.65)	Expensive	12.17
50	102	1/5/2024	7/15/2054	29.72	6.9%	99.48	6.9%	7.0%	98.89	(4.87)	Expensive	12.76
51	105	8/27/2024	7/15/2064	39.72	6.9%	100.12	6.9%	6.9%	99.49	(4.74)	Expensive	13.77

Source: Bloomberg, SSI Research

5 November 2024

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	PBS036	8/25/2022	8/15/2025	0.78	5.4%	99.44	6.1%	6.3%	99.34	(14.08)	Expensive	0.76
2	PBS017	1/11/2018	10/15/2025	0.95	6.1%	100.01	6.1%	6.3%	99.87	(15.64)	Expensive	0.92
3	PBS032	7/29/2021	7/15/2026	1.69	4.9%	97.24	6.6%	6.3%	97.74	32.20	Cheap	1.63
4	PBS021	12/5/2018	11/15/2026	2.03	8.5%	104.27	6.2%	6.3%	104.10	(9.91)	Expensive	1.85
5	PBS003	2/2/2012	1/15/2027	2.20	6.0%	98.84	6.6%	6.3%	99.34	24.47	Cheap	2.07
6	PBS020	10/22/2018	10/15/2027	2.95	9.0%	107.07	6.3%	6.4%	106.99	(3.74)	Expensive	2.62
7	PBS018	6/4/2018	5/15/2028	3.53	7.6%	103.87	6.4%	6.4%	103.86	(0.71)	Expensive	3.09
8	PBS030	6/4/2021	7/15/2028	3.70	5.9%	98.12	6.5%	6.4%	98.32	5.95	Cheap	3.33
9	PBSG1	9/22/2022	9/15/2029	4.87	6.6%	100.45	6.5%	6.4%	100.75	7.07	Cheap	4.16
10	PBS023	5/15/2019	5/15/2030	5.53	8.1%	107.46	6.5%	6.5%	107.59	2.50	Cheap	4.48
11	PBS012	1/28/2016	11/15/2031	7.03	8.9%	113.04	6.5%	6.5%	113.07	0.24	Cheap	5.33
12	PBS024	5/28/2019	5/15/2032	7.53	8.4%	110.55	6.6%	6.5%	110.75	2.98	Cheap	5.67
13	PBS025	5/29/2019	5/15/2033	8.53	8.4%	111.06	6.7%	6.6%	111.58	7.35	Cheap	6.21
14	PBS029	1/14/2021	3/15/2034	9.36	6.4%	98.31	6.6%	6.6%	98.40	1.24	Cheap	7.04
15	PBS022	1/24/2019	4/15/2034	9.45	8.6%	113.70	6.6%	6.6%	114.00	3.72	Cheap	6.73
16	PBS037	6/23/2021	6/23/2036	11.64	6.5%	98.28	6.7%	6.7%	98.68	4.90	Cheap	8.15
17	PBS004	2/16/2012	2/15/2037	12.29	6.1%	94.04	6.8%	6.7%	95.08	12.93	Cheap	8.48
18	PBS034	1/13/2022	6/15/2039	14.62	6.5%	97.67	6.8%	6.8%	97.68	0.03	Cheap	9.39
19	PBS007	9/29/2014	9/15/2040	15.87	9.0%	122.28	6.7%	6.8%	121.38	(8.43)	Expensive	9.21
20	PBS039	1/11/2024	7/15/2041	16.70	6.6%	98.07	6.8%	6.8%	98.29	2.15	Cheap	10.12
21	PBS035	3/30/2022	3/15/2042	17.37	6.8%	99.24	6.8%	6.8%	99.38	1.28	Cheap	10.23
22	PBS005	5/2/2013	4/15/2043	18.45	6.8%	99.48	6.8%	6.8%	99.15	(3.20)	Expensive	10.62
23	PBS028	7/23/2020	10/15/2046	21.96	7.8%	110.56	6.8%	6.9%	109.69	(7.22)	Expensive	11.20
24	PBS033	1/13/2022	6/15/2047	22.62	6.8%	98.48	6.9%	6.9%	98.34	(1.36)	Expensive	11.56
25	PBS015	7/21/2017	7/15/2047	22.71	8.0%	112.75	6.9%	6.9%	112.56	(1.70)	Expensive	11.26
26	PBS038	12/7/2023	12/15/2049	25.13	6.9%	98.94	7.0%	6.9%	99.40	3.81	Cheap	11.95

Source: Bloomberg, SSI Research

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