

7 November 2024

Overview

A victory for Donald Trump in the U.S. presidential election could have significant impacts on Indonesia's economy through trade, fiscal, and currency channels. In the short term, Trump's aggressive trade stance toward China and tax policies may strengthen the U.S. dollar, leading to capital outflows from emerging markets and increasing the cost of servicing dollar-denominated debt for Indonesia. Over the long term, his "Make America Great Again" strategy might allow the dollar to depreciate, which could benefit the rupiah and ease currency pressures. Additionally, Trump's preference for bilateral trade could provide favorable terms for Indonesia. Domestically, Indonesia remains focused on its 5% growth target despite economic slowdowns and is implementing fiscal measures to stimulate consumption and stabilize the rupiah. Efforts are underway to boost digital infrastructure, strengthen regional trade, support local manufacturing, and address environmental challenges. Meanwhile, labor unrest and policy adjustments, particularly in response to the Job Creation Law, highlight ongoing socio-economic issues that could affect future stability.

Key Comments

Economy, Business and Finance

US Election Result

A victory for Donald Trump in the U.S. presidential election could significantly influence emerging markets, including Indonesia, through several channels:

Short Term

- **Trade:** The Trump administration is expected to maintain an aggressive trade policy toward China, potentially implementing stricter regulations and higher tariffs. This approach could strengthen the U.S. dollar, adversely affecting the Chinese yuan and other Asian currencies, including the Indonesian rupiah. A stronger dollar may lead to capital outflows from emerging markets, increasing the cost of servicing dollar-denominated debt and potentially causing currency depreciation. Additionally, heightened tariffs on Chinese goods might prompt China to redirect its exports to other markets, intensifying competition for Indonesian products globally.

- Fiscal Policy

A Trump administration is anticipated to implement tax cuts without corresponding spending reductions, potentially accelerating U.S. economic growth and inflation. This scenario could prompt the Federal Reserve to adopt a more hawkish stance, leading to higher interest rates and a stronger dollar. For Indonesia, a stronger dollar may increase the burden of dollar-denominated debt and necessitate tighter monetary policies to stabilize the rupiah, potentially impacting economic growth.

Mid to Long Term

- Currency Channel

Through the "Make America Great Again" policy, a Trump administration would likely push exports aggressively while systematically allowing the U.S. dollar to depreciate, making American goods cheaper abroad. This could benefit the Indonesian rupiah, as a depreciating dollar may ease the pressures on emerging market currencies.

- Trade

Trump generally favors bilateral trade and economic relations, in contrast to Biden or Harris, who lean toward a multilateral approach. For Indonesia, a bilateral approach with the U.S. may offer favorable terms and more focused opportunities, allowing for more tailored agreements that can directly benefit the Indonesian economy.

Indonesia Remains Confident in 5% Growth Target Despite Slowdown: The Indonesian government maintains its 5% GDP growth target for 2024, undeterred by a slower Q3. Chief Economic Affairs Minister Airlangga Hartarto noted that Q3 growth traditionally lags, and the government is optimistic that a stronger Q4 performance will help achieve the annual target. The current slowdown is attributed to weaker household consumption, as declining purchasing power has tempered spending across various sectors. The government is preparing further economic incentives to boost consumer demand and support domestic businesses amid challenges from job cuts and factory closures.

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Additional Measures to Support Consumption and Economic Stability: With the dip in consumer spending, the government is exploring new policies to stimulate purchasing power. Manufacturing has seen reduced output, with closures impacting labor markets and supply chains. This underscores the need for an expansive fiscal policy to counter weak consumer demand, an effort being supported by the central bank's accommodative stance. Bank Indonesia has indicated it is prepared to take measures to stabilize the rupiah amid global uncertainties, including the U.S. presidential election results, which have influenced the currency market.

Bank Indonesia and Exchange Rate Stability Amid Global Factors: Amid market volatility tied to the U.S. election and dollar strength, Bank Indonesia reaffirmed its readiness to stabilize the rupiah, which has declined to 15,828 per USD, its lowest level in nearly three months. The depreciation aligns with broader Asian currency trends, as global markets react to potential policy shifts in the U.S. Economic resilience remains essential to manage these pressures, and the central bank's proactive approach underscores Indonesia's focus on maintaining financial stability.

Strong Banking Performance Amid Liquidity Concerns: As the global economy transitions to potential interest rate cuts, Indonesia's banking sector remains robust, with leading banks reporting strong Q3 results. However, liquidity challenges persist, particularly for smaller businesses and sectors facing high-interest rates. The start of the new government has brought expectations for expansive economic policies, particularly in light of President Prabowo Subianto's focus on supporting the middle class to counter the broader economic slowdown. Debt write-offs for farmers, fishermen, and MSMEs totaling Rp 10 trillion highlight the government's commitment to alleviating financial pressures for smaller economic players.

Economic Policies and Trade Adjustments: Indonesia is advancing multiple trade and industry policies to stimulate growth. The recent decision to ban Apple's iPhone 16 series aims to protect the domestic electronics market and promote local manufacturers. Additionally, a shift in import entry points to Eastern Indonesia is intended to support regional growth and strengthen supply chain efficiencies. In energy, a new natural gas regulation is set to transform the manufacturing industry by ensuring a stable supply, and initiatives to produce bio-aviation fuel from seaweed reflect Indonesia's move toward energy independence.

Unemployment Rate Decline and Wage Policy Developments:

The national unemployment rate dropped to 4.91%, signaling a gradual recovery, with job creation outpacing previous quarters. However, gender disparities persist, with men earning 28% more than women. Labor conditions remain under scrutiny, particularly as the Ministry of Manpower discusses minimum wage adjustments following the Constitutional Court's decision on the Job Creation Law. Labor unions have voiced concerns, planning nationwide strikes in protest of the law, which could impact economic stability in the coming months.

Vehicle Market and Retail Adjustments:

Indonesia's vehicle market has contracted, with a 16% decline in wholesale sales over the first nine months of 2024. The Association of Indonesian Automotive Industries (Gaikindo) has revised its full-year estimates, reflecting reduced consumer demand. In retail, conglomerate CT Corp aims to leverage customer data to strengthen its market position across sectors, integrating data from supermarkets, banks, and other consumer touchpoints to drive engagement and sales.

Digital Economy and Telcos

Expanding Digital and Crypto Infrastructure: The government continues its push to expand 4G infrastructure, especially in underdeveloped regions, aiming to bridge digital divides across the archipelago. Bappebti, Indonesia's Commodity Futures Trading Regulatory Agency, has opened opportunities for institutional investment in the crypto market, positioning Indonesia as a future hub for digital assets in Asia. This policy shift aligns with the country's broader digital transformation strategy, attracting both local and foreign investors.

Crackdown on Online Gambling and Digital Regulation: Amid rising concerns over illegal online gambling, the Communications Ministry has intensified investigations, resulting in over 13,000 frozen bank accounts tied to these activities. This crackdown demonstrates the government's commitment to maintaining digital law and order, emphasizing accountability within the digital sector as it targets the burgeoning online ecosystem.

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Environment & Climate Change

Collaborations to Advance Energy Transition: Indonesia's transition toward renewable energy is advancing through collaborations with international partners, such as France's Agence Française de Développement (AFD). These partnerships aim to tackle climate change and expedite the country's journey to achieving net-zero emissions by 2060. However, the country faces substantial challenges, including reliance on fossil fuels and high annual costs from natural disasters, ranging from Rp 20-50 trillion. Encouraging climate initiatives at the village level is part of the government's strategy to mitigate these impacts.

Addressing Peatland Fire Pollution and Health Risks: Research on the health impacts of peatland fire emissions, including PM2.5 pollutants, has highlighted the need for effective management to prevent air quality deterioration. The government's focus on environmental health underscores the urgency of sustainable practices in forest management and fire prevention as Indonesia contends with the health implications of air pollution.

Politics, Security and Asia Pacific Relations

Strengthening Regional Ties Through Diplomatic Visits: President Prabowo's foreign engagements reflect Indonesia's ambition to play a more active role on the global stage. His upcoming visit to China marks a key step in enhancing economic cooperation and strategic partnerships with Asia's leading economy. The discussions are expected to cover trade, technology, and infrastructure, underscoring Indonesia's commitment to fostering regional ties and securing foreign investment.

Labor Union Strikes and National Policy Challenges: Nationwide strikes announced by the Confederation of Indonesian Trade Unions (KSPI) reflect mounting tension over the Job Creation Law. Union demands for fair labor practices and wage adjustments signal potential disruptions in the labor market. Meanwhile, the government's continued dialogue with labor and employer representatives following the Constitutional Court's recent rulings is critical to navigating these labor challenges.

Market Movement

Market Movement

The Indonesian stock exchange closed negative, with the Jakarta Composite Index (JCI) closing down -1.44% to 7,383.9. The Indonesian Sharia Stock Index (ISSI) closed down -0.82% to 224.4. Foreign investors posted a net sell of IDR 1,089.9 billion in the regular market and a net sell of IDR 58.5 billion in the negotiation market.

Among the leading stocks, AMMN and BRMS, while AMMN rose 2.2% to IDR 9,200. BRMS also experienced a significant increase, rising 6.8% to IDR 440. On the other hand, several stocks such as BMRI, BBRI, and BBNI, experienced a slump in today's trading session, with BMRI experiencing a significant decline of 5.4%, which was most likely influenced by bearish sentiment in the energy sector.

By sector, IDX Industril (IDXINDUS) emerged as the top gainer. On the other hand, IDX Technology (IDXTECH) recorded a decline in today's trading

In terms of foreign activity, BRMS, UNTR and INDF were among the most favored stocks, each posting gains, with BRMS leading the way with a 6.8% increase to IDR 440. In contrast, BMRI, BBRI and BBNI experienced significant foreign net selling, possibly due to sentiment of Trump's victory in the US.

Commodities also showed mixed trends. Gold prices fell -0.8% to USD 2,722 per ounce and Brent oil prices fell -2.0% to USD 74 per barrel.

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Fixed Income

Rupiah-denominated bond prices experienced a correction amid pressures on the Rupiah exchange rate. The market reacted to the increasing possibility of Donald Trump returning to the U.S. presidency, adding uncertainty to global market sentiments. Investors are now focusing on the upcoming FOMC meeting, where further guidance on the Federal Reserve's monetary policy will likely shape bond market movements.

The Indonesia Composite Bond Index (ICBI) fell by 0.22%, bringing its year-to-date return to 4.68%. The benchmark 10-year government bond (FR0100) closed with a yield of 6.73%. Simultaneously, the Rupiah weakened by 84 points to IDR 15,833 against the U.S. dollar, reflecting the upward pressure on the exchange rate. U.S. 10-year Treasury yields also saw a sharp increase of 0.129 basis points, closing at 4.437%, indicating a stronger demand for safer U.S. assets amid global economic uncertainty.

Trading Activity

Bond trading activity surged significantly today, with transaction volume rising by 54.38% to IDR 24.16 trillion compared to IDR 15.65 trillion in the previous trading session. Transaction frequency also increased by 6.04%, with 2,773 transactions compared to 2,615 previously. This heightened activity indicates investors' responsiveness to market movements, with many adjusting their positions in response to both domestic and international economic developments.

US 10 Year Treasury

The yield on the 10-year US Treasury note climbed to about 4.4% on Wednesday, marking its highest point in four months, as investors reacted to early results in the US presidential election, where Trump has taken a lead over Harris.

Although the results align with general expectations, the election outcome is anticipated to hinge on seven crucial swing states. Investors are also keeping a close eye on the Congressional power balance, given its potential impact on future fiscal policies regarding spending and taxes. Treasury yields started increasing in mid-September, driven by so-called "Trump trades," as his stances on immigration, tariffs, and taxes are seen as likely to boost inflation. Additionally, forecasts of increased government spending and a higher debt load in Washington—regardless of the election's winner—have further fueled the rise in bond yields. Meanwhile, the Federal Reserve is expected to announce a more conservative 25 basis point rate cut on Thursday in terms of monetary policy.

Outlook

The Indonesian bond market is expected to face continued short-term pressure influenced by both domestic and external factors. The depreciation of the Rupiah, combined with the recent surge in U.S. Treasury yields, has created a challenging environment for Rupiah-denominated bonds. If U.S. interest rates remain high or even increase, further downward pressure on the Rupiah and Indonesian bond prices is possible as investors seek higher yields abroad.

The upcoming FOMC meeting will be pivotal. Should the Federal Reserve signal a prolonged period of steady rates, there may be increased outflows from emerging markets, including Indonesia, as investors rebalance their portfolios in favor of U.S. assets. This could lead to further bond yield increases domestically as Indonesia may need to offer more competitive yields to retain investment.

In the medium term, the fundamentals of the Indonesian economy, particularly if supported by stable domestic monetary policies and measured fiscal discipline, should provide resilience. Continued investor interest in Indonesian bonds, especially from regional and global players seeking yield diversification, is likely. However, short-term fluctuations will hinge heavily on U.S. monetary policy directions and the evolving political landscape, both domestically and internationally.

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For now, investors may adopt a cautious approach, monitoring U.S. economic indicators and the FOMC's statements closely, while balancing potential returns in the Indonesian bond market with an awareness of global interest rate pressures.

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 with Trump winning the US 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

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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

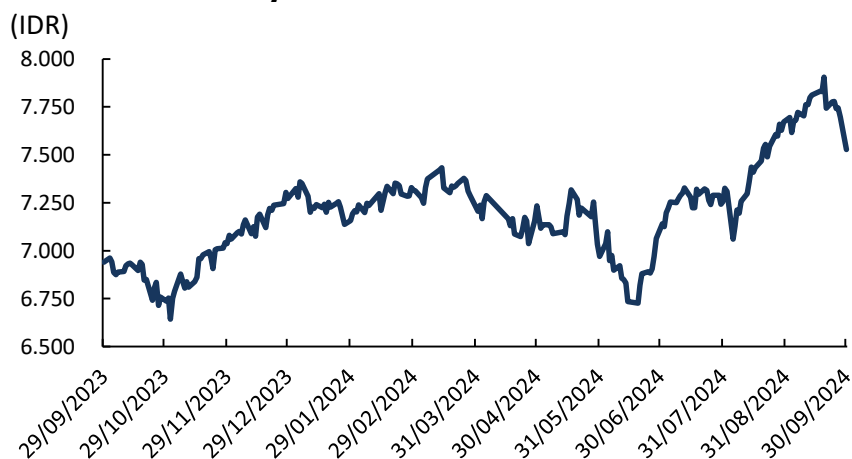
Source: SSI Research

Currencies

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,428
CNY / USD	7.1	CNY / IDR	2,212
EUR / USD	1.0	EUR / IDR	17,059
GBP / USD	1.2	GBP / IDR	20,454
HKD / USD	7.7	HKD / IDR	2,037
JPY / USD	154	JPY / IDR	103
MYR / USD	4.4	MYR / IDR	3,596
NZD / USD	0.5	NZD / IDR	9,446
SAR / USD	3.7	SAR / IDR	4,214
SGD / USD	1.3	SGD / IDR	11,915
		USD / IDR	15,833

Source: STAR, SSI Research

JCI Chart Intraday



Source: Bloomberg, SSI Research

DAILY ECONOMIC INSIGHTS



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Net Foreign Flow: IDR 1.15 Tn **Outflow**

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BMRI	4.2	6,550	-5.4	-2.2	8.2	-583
BBRI	3.3	4,600	-2.3	-4.1	-19.6	-480
BBNI	1.1	5,125	-5.0	-2.3	-4.6	-132
BBCA	3.3	10,450	-0.4	1.9	11.1	-48
PANI	0.2	16,900	-2.8	4.9	244.8	-42
TLKM	0.7	2,740	-1.0	-2.8	-30.6	-30
BRIS	0.1	2,900	-2.3	-4.2	66.6	-28
AMMN	0.6	9,200	2.2	0.2	40.4	-21
DEWA	0.1	98	-3.9	5.3	63.3	-21
ISAT	0.2	2,250	-5.8	-10.0	-3.9	-21

Source: STAR, SSI Research

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
AMMN	2.2	35.04	667	BMRI	-5.4	-83.72	605
BRMS	6.7	9.59	62	BBRI	-2.3	-39.88	690
FILM	12.6	9.40	35	TPIA	-1.6	-26.13	655
CPIN	3.5	6.93	83	BBNI	-5.0	-24.53	189
KPIG	13.6	5.18	18	DCII	-9.1	-23.18	95
DSSA	0.5	4.65	346	PANI	-2.8	-20.39	285
JSPT	9.8	2.40	11	AMRT	-4.8	-16.05	130
MIKA	2.2	2.00	38	BBCA	-0.4	-14.74	1,275
UNTR	0.7	1.80	101	ICBP	-3.5	-12.68	142
BNBR	9.5	1.54	7	ASII	-2.4	-12.22	204

Source: Bloomberg, STAR, SSI Research

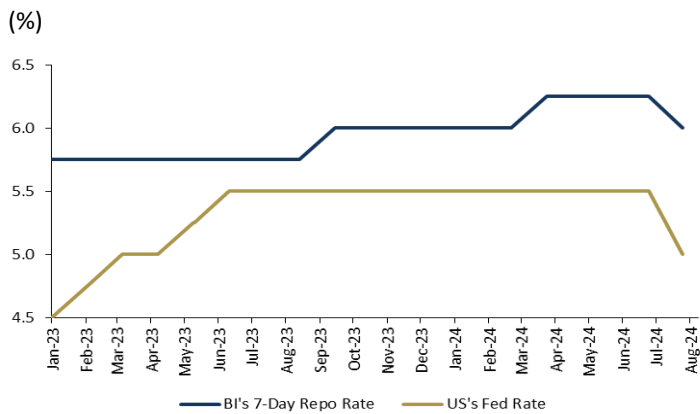
Daily Sector Summary

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXBASIC	2.6T	21.8	204.3B	690.7B	1.9T	486.3B	2.1T
IDXNONCYC	785.5B	6.6	37.1B	310.3B	475.2B	273.1B	512.3B
IDXINDUST	448.7B	3.7	26.3B	187.0B	261.7B	160.7B	288.0B
IDXTECHNO	435.2B	3.6	8.7B	146.1B	289.0B	137.4B	297.7B
COMPOSITE	11.9T	100.0		3.0T	8.9T	4.1T	7.8T
IDXTRANS	50.6B	0.4	-1.5B	4.2B	46.4B	5.7B	44.9B
IDXHEALTH	314.3B	2.6	-10.3B	63.7B	250.5B	74.1B	240.1B
IDXCYCLIC	995.3B	8.3	-11.6B	192.1B	803.2B	203.8B	791.5B
IDXENERGY	1.6T	13.4	-16.6B	261.1B	1.3T	277.7B	1.3T
IDXINFRA	590.4B	4.9	47.6B	162.0B	428.4B	209.7B	380.7B
IDXPROPERT	582.7B	4.8	57.2B	89.6B	493.0B	146.9B	435.8B
IDXFINANCE	3.5T	29.4	-1,279.9B	895.7B	2.6T	2.1T	1.3T

Source: Bloomberg, STAR, SSI Research

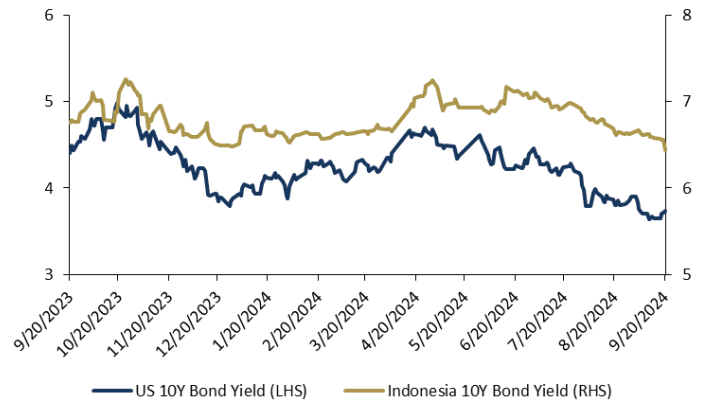
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Monetary Policy



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	(4.51)	Expensive	0.60
2	FR40	9/21/2006	9/15/2025	0.86	11.0%	103.73	6.4%	6.3%	103.86	8.46	Cheap	0.82
3	FR84	5/4/2020	2/15/2026	1.28	7.3%	101.12	6.3%	6.3%	101.10	(3.62)	Expensive	1.21
4	FR86	8/13/2020	4/15/2026	1.44	5.5%	98.61	6.5%	6.4%	98.84	17.50	Cheap	1.39
5	FR37	5/18/2006	9/15/2026	1.86	12.0%	109.50	6.5%	6.4%	109.72	8.62	Cheap	1.68
6	FR56	9/23/2010	9/15/2026	1.86	8.4%	103.33	6.4%	6.4%	103.45	5.17	Cheap	1.73
7	FR90	7/8/2021	4/15/2027	2.44	5.1%	96.91	6.5%	6.4%	97.14	10.97	Cheap	2.30
8	FR59	9/15/2011	5/15/2027	2.52	7.0%	100.99	6.6%	6.4%	101.35	15.47	Cheap	2.30
9	FR42	1/25/2007	7/15/2027	2.69	10.3%	109.02	6.5%	6.4%	109.32	10.13	Cheap	2.39
10	FR94	3/4/2022	1/15/2028	3.19	5.6%	97.01	6.7%	6.4%	97.58	20.41	Cheap	2.93
11	FR47	8/30/2007	2/15/2028	3.28	10.0%	110.31	6.4%	6.5%	110.33	(0.70)	Expensive	2.80
12	FR64	8/13/2012	5/15/2028	3.53	6.1%	98.52	6.6%	6.5%	98.94	13.53	Cheap	3.15
13	FR95	8/19/2022	8/15/2028	3.78	6.4%	99.14	6.6%	6.5%	99.66	15.33	Cheap	3.34
14	FR99	1/27/2023	1/15/2029	4.20	6.4%	99.69	6.5%	6.5%	99.64	(1.73)	Expensive	3.70
15	FR71	9/12/2013	3/15/2029	4.36	9.0%	108.29	6.8%	6.5%	109.33	25.80	Cheap	3.65
16	101	11/2/2023	4/15/2029	4.44	6.9%	100.55	6.7%	6.5%	101.39	21.77	Cheap	3.85
17	FR78	9/27/2018	5/15/2029	4.53	8.3%	105.77	6.7%	6.5%	106.71	23.31	Cheap	3.78
18	104	8/22/2024	7/15/2030	5.69	6.5%	99.03	6.7%	6.6%	99.68	13.69	Cheap	4.78
19	FR52	8/20/2009	8/15/2030	5.78	10.5%	118.05	6.7%	6.6%	118.64	10.41	Cheap	4.44
20	FR82	8/1/2019	9/15/2030	5.86	7.0%	101.01	6.8%	6.6%	102.04	20.97	Cheap	4.82
21	FR87	8/13/2020	2/15/2031	6.28	6.5%	98.48	6.8%	6.6%	99.53	20.72	Cheap	5.12
22	FR85	5/4/2020	4/15/2031	6.44	7.8%	105.54	6.7%	6.6%	105.96	7.55	Cheap	5.15
23	FR73	8/6/2015	5/15/2031	6.53	8.8%	110.10	6.8%	6.6%	111.24	20.23	Cheap	5.03
24	FR54	7/22/2010	7/15/2031	6.69	9.5%	114.61	6.7%	6.6%	115.43	13.55	Cheap	5.13
25	FR91	7/8/2021	4/15/2032	7.45	6.4%	97.45	6.8%	6.6%	98.47	17.80	Cheap	5.94
26	FR58	7/21/2011	6/15/2032	7.61	8.3%	108.38	6.8%	6.6%	109.47	17.20	Cheap	5.75
27	FR74	11/10/2016	8/15/2032	7.78	7.5%	104.16	6.8%	6.7%	105.09	14.78	Cheap	5.91
28	FR96	8/19/2022	2/15/2033	8.28	7.0%	100.90	6.9%	6.7%	102.08	18.40	Cheap	6.26
29	FR65	8/30/2012	5/15/2033	8.53	6.6%	98.89	6.8%	6.7%	99.66	12.11	Cheap	6.47
30	100	8/24/2023	2/15/2034	9.28	6.6%	99.18	6.7%	6.7%	99.46	4.04	Cheap	6.89
31	FR68	8/1/2013	3/15/2034	9.36	8.4%	110.30	6.9%	6.7%	111.47	15.56	Cheap	6.66
32	FR80	7/4/2019	6/15/2035	10.61	7.5%	104.21	6.9%	6.7%	105.66	18.64	Cheap	7.41
33	103	8/8/2024	7/15/2035	10.70	6.8%	99.28	6.8%	6.7%	100.02	9.69	Cheap	7.66
34	FR72	7/9/2015	5/15/2036	11.53	8.3%	110.03	7.0%	6.8%	111.71	19.78	Cheap	7.62
35	FR88	1/7/2021	6/15/2036	11.62	6.3%	95.71	6.8%	6.8%	95.84	1.63	Cheap	8.18
36	FR45	5/24/2007	5/15/2037	12.53	9.8%	123.05	7.0%	6.8%	124.65	16.51	Cheap	7.76
37	FR93	1/6/2022	7/15/2037	12.70	6.4%	96.21	6.8%	6.8%	96.42	2.48	Cheap	8.68
38	FR75	8/10/2017	5/15/2038	13.53	7.5%	104.20	7.0%	6.8%	105.95	19.40	Cheap	8.58
39	FR98	9/15/2022	6/15/2038	13.62	7.1%	101.22	7.0%	6.8%	102.66	16.20	Cheap	8.77
40	FR50	1/24/2008	7/15/2038	13.70	10.5%	132.25	6.8%	6.8%	132.39	0.91	Cheap	8.21
41	FR79	1/7/2019	4/15/2039	14.45	8.4%	112.36	7.0%	6.8%	113.95	16.01	Cheap	8.83
42	FR83	11/7/2019	4/15/2040	15.45	7.5%	104.77	7.0%	6.9%	106.05	13.04	Cheap	9.39
43	FR57	4/21/2011	5/15/2041	16.53	9.5%	123.90	7.0%	6.9%	125.66	15.29	Cheap	9.15
44	FR62	2/9/2012	4/15/2042	17.45	6.4%	93.49	7.0%	6.9%	94.79	13.56	Cheap	10.36
45	FR92	7/8/2021	6/15/2042	17.62	7.1%	101.22	7.0%	6.9%	102.33	10.76	Cheap	10.12
46	FR97	8/19/2022	6/15/2043	18.62	7.1%	101.41	7.0%	6.9%	102.25	7.89	Cheap	10.41
47	FR67	7/18/2013	2/15/2044	19.29	8.8%	117.81	7.0%	6.9%	119.37	12.82	Cheap	10.06
48	FR76	9/22/2017	5/15/2048	23.54	7.4%	104.47	7.0%	7.0%	104.86	3.24	Cheap	11.41
49	FR89	1/7/2021	8/15/2051	26.79	6.9%	98.92	7.0%	7.0%	98.93	(0.04)	Expensive	12.15
50	102	1/5/2024	7/15/2054	29.71	6.9%	99.16	6.9%	7.0%	98.89	(2.24)	Expensive	12.73
51	105	8/27/2024	7/15/2064	39.72	6.9%	100.15	6.9%	6.9%	99.49	(4.98)	Expensive	13.77

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	PBS036	8/25/2022	8/15/2025	0.77	5.4%	99.44	6.1%	6.3%	99.34	(13.75)	Expensive	0.75
2	PBS017	1/11/2018	10/15/2025	0.94	6.1%	100.01	6.1%	6.3%	99.87	(15.72)	Expensive	0.92
3	PBS032	7/29/2021	7/15/2026	1.69	4.9%	97.21	6.6%	6.3%	97.75	34.40	Cheap	1.63
4	PBS021	12/5/2018	11/15/2026	2.02	8.5%	104.20	6.3%	6.3%	104.09	(6.71)	Expensive	1.85
5	PBS003	2/2/2012	1/15/2027	2.19	6.0%	98.84	6.6%	6.3%	99.34	24.69	Cheap	2.06
6	PBS020	10/22/2018	10/15/2027	2.94	9.0%	106.92	6.4%	6.4%	106.98	1.53	Cheap	2.62
7	PBS018	6/4/2018	5/15/2028	3.52	7.6%	103.74	6.4%	6.4%	103.85	3.46	Cheap	3.08
8	PBS030	6/4/2021	7/15/2028	3.69	5.9%	97.86	6.5%	6.4%	98.32	14.13	Cheap	3.33
9	PBSG1	9/22/2022	9/15/2029	4.86	6.6%	100.44	6.5%	6.4%	100.75	7.27	Cheap	4.16
10	PBS023	5/15/2019	5/15/2030	5.52	8.1%	107.37	6.5%	6.5%	107.59	4.30	Cheap	4.47
11	PBS012	1/28/2016	11/15/2031	7.03	8.9%	113.04	6.5%	6.5%	113.07	0.16	Cheap	5.32
12	PBS024	5/28/2019	5/15/2032	7.53	8.4%	110.54	6.6%	6.5%	110.74	2.98	Cheap	5.67
13	PBS025	5/29/2019	5/15/2033	8.53	8.4%	110.98	6.7%	6.6%	111.58	8.51	Cheap	6.21
14	PBS029	1/14/2021	3/15/2034	9.36	6.4%	98.31	6.6%	6.6%	98.40	1.23	Cheap	7.03
15	PBS022	1/24/2019	4/15/2034	9.44	8.6%	113.70	6.6%	6.6%	113.99	3.58	Cheap	6.73
16	PBS037	6/23/2021	6/23/2036	11.64	6.5%	98.31	6.7%	6.7%	98.68	4.51	Cheap	8.15
17	PBS004	2/16/2012	2/15/2037	12.28	6.1%	94.07	6.8%	6.7%	95.08	12.64	Cheap	8.47
18	PBS034	1/13/2022	6/15/2039	14.61	6.5%	97.47	6.8%	6.8%	97.68	2.23	Cheap	9.38
19	PBS007	9/29/2014	9/15/2040	15.87	9.0%	122.31	6.7%	6.8%	121.37	(8.65)	Expensive	9.21
20	PBS039	1/11/2024	7/15/2041	16.70	6.6%	98.15	6.8%	6.8%	98.29	1.36	Cheap	10.11
21	PBS035	3/30/2022	3/15/2042	17.36	6.8%	98.77	6.9%	6.8%	99.38	6.05	Cheap	10.21
22	PBS005	5/2/2013	4/15/2043	18.45	6.8%	98.70	6.9%	6.8%	99.15	4.37	Cheap	10.58
23	PBS028	7/23/2020	10/15/2046	21.95	7.8%	110.25	6.8%	6.9%	109.69	(4.66)	Expensive	11.18
24	PBS033	1/13/2022	6/15/2047	22.62	6.8%	98.61	6.9%	6.9%	98.34	(2.50)	Expensive	11.56
25	PBS015	7/21/2017	7/15/2047	22.70	8.0%	112.75	6.9%	6.9%	112.56	(1.70)	Expensive	11.25
26	PBS038	12/7/2023	12/15/2049	25.12	6.9%	98.53	7.0%	6.9%	99.40	7.39	Cheap	11.91

Source: Bloomberg, SSI Research

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Research Team			
Harry Su	Managing Director of Research, Digital Production	Harry.su@samuel.co.id	+6221 2854 8100
Prasetya Gunadi	Head of Equity Research, Strategy, Banking	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Fithra Faisal Hastiadi, Ph.D	Senior Economist	Fithra.faisal@samuel.co.id	+6221 2854 8854
Farras Farhan	Commodity, Plantation, Media, Technology	farras.farhan@samuel.co.id	+6221 2854 8346
Jonathan Guyadi	Consumer, Retail, Auto, Cigarettes	Jonathan.guyadi@samuel.co.id	+6221 2854 8846
Adolf Richardo	Editor	adolfrichardo@samuel.co.id	+6221 2864 8397
Ashalia Fitri Yuliana	Research Associate	ashalia.fitri@samuel.co.id	+6221 2854 8389
Brandon Boedhiman	Research Associate	brandon.boedhiman@samuel.co.id	+6221 2854 8392
Belva Monica	Research Associate, Poultry	belva.monica@samuel.co.id	+6221 2854 8339
Ahnaf Yassar Lilo	Research Associate, Toll Roads, Property	ahnaf.yassar@samuel.co.id	+6221 2854 8392
Hernanda Cahyo Suryadi	Research Associate, Mining Contracting	hernanda.cahyo@samuel.co.id	+6221 2854 8392
Steven Prasetya	Research Associate, Renewables	steven.prasetya@samuel.co.id	+6221 2854 8392
Jason Sebastian	Research Associate, Telco, Auto	Jason.sebastian@samuel.co.id	+6221 2854 8392

Equity Institutional Team			
Widya Meidrianto	Head of Institutional Equity Sales	widya.meidrianto@samuel.co.id	+6221 2854 8317
Muhamad Alfatih, CSA, CTA, CFTe	Institutional Technical Analyst	m.alfatih@samuel.co.id	+6221 2854 8129
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
Lucia Irawati	Institutional Sales Trader	lucia.irawati@samuel.co.id	+6221 2854 8173
Alexander Tayus	Institutional Equity Dealer	alexander.tayus@samuel.co.id	+6221 2854 8319
Leonardo Christian	Institutional Equity Dealer	leonardo.christian@samuel.co.id	+6221 2854 8147

Equity Retail Team			
Joseph Soegandhi	Director of Equity	joseph.soegandhi@samuel.co.id	+6221 2854 8872
Damargumilang	Head of Equity Retail	damargumilang@samuel.co.id	+6221 2854 8309
Anthony Yunus	Head of Equity Sales	anthony.yunus@samuel.co.id	+6221 2854 8314
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Denzel Obaja	Equity Retail Chartist	denzel.obaja@samuel.co.id	+6221 2854 8342
Gitta Wahyu Retnani	Equity Sales & Trainer	gitta.wahyu@samuel.co.id	+6221 2854 8365
Vincentius Darren	Equity Sales	darren@samuel.co.id	+6221 2854 8348
Sylviawati	Equity Sales Support	sylviawati@samuel.co.id	+6221 2854 8112
Handa Sandiawan	Equity Sales Support	handa.sandiawan@samuel.co.id	+6221 2854 8302
Michael Alexander	Equity Dealer	michael.alexander@samuel.co.id	+6221 2854 8369
Yonathan	Equity Dealer	yonathan@samuel.co.id	+6221 2854 8347
Reza Fahlevi	Equity Dealer	reza.fahlevi@samuel.co.id	+6221 2854 8359

Fixed Income Sales Team			
R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 2854 8104
Dina Afrilia	Fixed Income Sales	dina.afrilia@samuel.co.id	+6221 2854 8100
Muhammad Alfizar	Fixed Income Sales	muhammad.alfizar@samuel.co.id	+6221 2854 8305
Matthew Kenji	Fixed Income Sales	matthew.kenji@samuel.co.id	+6221 2854 8100

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