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Overview

Indonesia's economy shows a mix of resilience and targeted policy adjustments, with foreign exchange reserves reaching a record USD 151.2 billion in October 2024, offering a crucial buffer against global economic volatility. President Prabowo's administration is focusing on stimulating Q4 growth through policies that strengthen middle-class spending, highlighted by recent meetings with the National Economic Council. Structural changes are also underway, with plans to restructure SOEs through a super-holding entity, Danantara, to increase investment potential. Meanwhile, the car market is seeing reduced targets due to high prices and stagnant incomes, with household spending heavily concentrated on essentials like food. Digital economy growth remains robust, surpassing IDR 1,420 trillion, and recent policy efforts aim to expand natural gas networks to lower LPG imports. Indonesia is strengthening ties with Singapore and engaging in BRICS to bolster its geopolitical stance on the international front. However, the administration faces environmental scrutiny over its coal plant policies, and regional resistance to internal migration programs in Papua underscores ongoing cultural and socio-political challenges.

Key Comments

Economy, Business and Finance

International Reserves: In October 2024, Indonesia's foreign exchange reserves rose to an unprecedented USD 151.2 billion, surpassing our estimate of USD 149 billion and up from USD 149.9 billion in September. This increase, mainly driven by tax and service revenues and foreign loan withdrawals, underscores Indonesia's strong external position, capable of covering 6.6 months of imports or 6.4 months, including debt obligations. This robust reserve level enhances Indonesia's macroeconomic stability, particularly amid currency pressures, providing a crucial buffer against global uncertainties, though caution is warranted given ongoing export constraints as reflected in recent PMI data.

Prabowo Targets Economic Growth in Q4 2024: President Prabowo Subianto met with the National Economic Council (DEN) to strategize economic measures aimed at accelerating growth in Q4 beyond the Q3 figure of 4.95%. The council has pinpointed middle-class spending as a key driver, urging policy support to enhance consumer purchasing power and sustain the economy's momentum. The meeting underscores the administration's goal of bolstering domestic consumption as a buffer against external risks.

Foreign Exchange Reserves See Modest Increase: Bank Indonesia reported that the country's foreign exchange reserves rose to USD 151.2 billion by the end of October, up by USD 1.3 billion from September's USD 149.9 billion. The increase provides the central bank with a stronger reserve base to manage currency stability, a vital asset as global financial volatility increases with shifts in US policy and global trade uncertainties.

Constitutional Court Annuls Minimum Wage Regulation: Following a Constitutional Court decision, the government has voided Government Regulation No. 51 of 2023, which previously governed minimum wage setting. Despite the regulatory gap, the new Manpower Minister is committed to establishing a revised minimum wage framework for 2025. This decision has significant implications for labor markets, as it may impact wage expectations and household spending in the short term.

Super-Holding SOE Agency "Danantara" to Restructure State-Owned Enterprises: President Prabowo's government plans to unveil details of the Daya Anagata Nusantara Investment Management Agency (Danantara), a super-holding entity for SOEs, designed to improve efficiency, coordination, and investment potential across key sectors. This restructuring aims to boost productivity in strategic industries, increase public-private partnerships, and attract foreign investment by presenting SOEs as more cohesive, streamlined entities.

Energy Subsidy Distribution Overhaul: Social Affairs Minister Saifullah Yusuf announced efforts to consolidate data across ministries to improve the targeting of energy subsidies, including those for fuel and electricity. This initiative is part of a broader fiscal consolidation strategy, aiming to reduce waste in subsidy allocations while ensuring vulnerable populations receive adequate support.

Natural Gas Network Expansion to Cut LPG Imports: In a bid to reduce reliance on costly LPG imports, the Indonesian government is expanding natural gas infrastructure, especially in rural areas of Java. This policy aligns with the national energy strategy to increase domestic gas use, lower subsidies, and support local energy security.

New formula for minimum wage increase in 2025F: The minimum wage increase for 2025F has yet to be announced thus far – from initial expectations of announcement today. But, there is more clarity in regards to the new formula: it is still based on inflation + (alpha x GDP growth), but the alpha is changed from last year's 0.1-0.3, to 0.2-0.8...

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...With the new formula, the minimum wage increase for 2025F is expected to be in the range of 2.7%-5.67%, using Oct inflation and 3Q24 GDP number as a base. Meanwhile, worker demands an alpha coefficient of 1.2, suggesting minimum wage hike of 7.65%

Car Market Faces Decline Amid High Prices and Low Household Incomes: Rising car prices and stagnant household incomes have pressured the Indonesian automotive market, leading to a downward adjustment in 2024 sales targets from 1.1 million to 850,000 units. This contraction indicates a slowdown in consumer demand within the automotive sector, which could have broader implications for manufacturing output and related industries.

Food Dominates Household Spending, Study Finds: A recent study by the Bright Institute reveals that food spending accounts for 50.1% of household expenses in Indonesia. This high percentage indicates limited disposable income for non-essential goods, underscoring the economic challenges many households face amid inflation and rising costs.

Indonesian Car Sales Struggles Lead to Target Adjustment: The Association of Indonesian Automotive Industries (GAIKINDO) has revised its 2024 car sales target down to 850,000 units, reflecting reduced consumer spending power. Rising prices and stagnant household incomes have suppressed demand, illustrating broader economic pressures affecting discretionary spending.

Politics, National

Prabowo Assembles Cabinet and Regional Leaders for Strategic Alignment: President Prabowo held a coordination meeting in Sentul, West Java, with top ministers and regional leaders to discuss alignment of central and regional priorities. This national gathering highlights the administration's commitment to cohesive governance as it addresses diverse economic and social challenges.

Prabowo's "Red and White Cabinet" Signals Strategic Direction: The new "Red and White Cabinet" under Prabowo's leadership has been presented with a focus on continuity and ambition. However, gender advocates have voiced concerns over the low representation of women, who make up only 13.46% of the 104-member cabinet, despite women constituting nearly half of Indonesia's population.

Congratulations to Trump Sparks US-Indonesia Partnership Hopes: President Prabowo congratulated Donald Trump on his US presidential election win, suggesting potential for strengthened bilateral ties. Prabowo's administration views this political shift as an opportunity to further strategic cooperation with the US, particularly in trade, investment, and security.

Digital Economy and Telcos

Digital Economy Surpasses IDR 1,420 Trillion: Indonesia's digital economy has seen a substantial expansion, with the transaction value reaching an estimated IDR 1,420 trillion in 2024, reflecting a 13% year-on-year growth. This demonstrates the increasing digitalization of commerce, finance, and services, reinforcing the sector's role as a pillar of the national economy.

Indosat and Ericsson's Digital Monetisation Platform: Indosat Ooredoo Hutchison and Ericsson launched a Digital Monetisation Platform to support digital transformation, aiming to optimize Indonesia's telecommunications infrastructure and digital service offerings. The initiative is expected to accelerate business digitalization, creating new revenue streams and enhancing customer engagement.

Environment and Green Economy

Coal Plant Retirement Policy Faces Expert Criticism: Environmental experts have questioned the government's commitment to retiring coal-fired power plants, noting inconsistent policy signals. Environmental advocates are urging the administration to adopt a clear and steady approach to coal phase-out, which would align with Indonesia's green energy targets.

Karaha Geothermal Plant Inaugurated: Indonesia's renewable energy portfolio has expanded with the inauguration of the Karaha geothermal plant. This development marks a significant milestone in sustainable power generation, showcasing Indonesia's potential in geothermal energy as part of its broader energy transition agenda.

Regional Issues

Progressive Vehicle Tax for Jakarta in 2025: Jakarta will implement a new progressive vehicle tax starting in 2025, targeting owners of multiple vehicles to curb excessive ownership and alleviate urban congestion. This policy reflects an effort to promote environmental sustainability and reduce traffic in the capital.

Papuan Resistance to "Transmigrasi" Program: Indigenous communities in West Papua have opposed the government's plan to resume the transmigration program, which seeks to relocate people from densely populated areas to Papua. Local opposition highlights long-standing cultural and territorial concerns within Papua's indigenous population.

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International Relation

Expanded Indonesia-Singapore Cooperation: During a recent meeting, President Prabowo and Singaporean Prime Minister Lawrence Wong discussed expanding bilateral cooperation in defense, renewable energy, and other areas. This collaboration represents Indonesia's commitment to strengthening regional ties, especially in sectors critical to long-term economic growth.

Indonesia Joins BRICS Amid Geopolitical Rebalancing: Indonesia's membership in BRICS reflects a strategic move to bolster its global standing. As a BRICS member, Indonesia aims to leverage its position to attract investment, secure trade opportunities, and balance geopolitical dynamics without fully aligning with anti-Western sentiments.

Market Movement

Global markets saw varied performance, with key Asian indices reflecting a mix of gains and declines. The Nikkei 225 index in Japan closed down by 0.3%, ending the session at 39,381. Hong Kong's Hang Seng index and Singapore's STI both enjoyed positive movement, each increasing by 2.0% and closing at 20,953 and 3,674, respectively. Shanghai's Composite Index rose by 2.6% to 3,471, continuing its recent upward momentum. In South Korea, the Kospi remained unchanged at 2,565. However, Indonesia's Jakarta Composite Index (JCI) was a notable underperformer, falling 1.9% to 7,244, reflecting some regional market disparities.

In Indonesia, the JCI's performance was further mirrored in the Indonesia Sharia Stock Index (ISSI), which declined by 1.94%, closing at 220.0. The dip in Indonesian equities was accompanied by significant foreign capital outflows. Foreign investors recorded a net sell of IDR 1,560 billion in the regular market and IDR 60.1 billion in the negotiated market, indicating a clear retreat from Indonesian equities amidst global market uncertainties.

Sector performance in Indonesia revealed a mixed outlook, with IDXPROP emerging as the top sector gainer, while IDXBASIC was the day's top sector loser. Leading movers included Bayan Resources (BYAN), Telekomunikasi Indonesia (TLKM), and MAPA Active Adiperkasa (MAPA), with MAPA particularly notable for its substantial gain of 8.0%. In contrast, some stocks faced declines, with Chandra Asri Petrochemical (TPIA) dropping sharply by 11.5%, Amman Mineral Internasional (AMMN) falling by 5.4%, and Bank Central Asia (BBCA) down 2.6%.

Foreign trading activity was diverse, with notable net buys in Antam (ANTM), Perusahaan Gas Negara (PGAS), and Indofood Sukses Makmur (INDF), which gained 2.3%, 2.9%, and 1.3%, respectively. Conversely, stocks such as BBCA, Bank Rakyat Indonesia (BBRI), and Bank Mandiri (BMRI) were on the foreign net sell list, with BBCA and BMRI declining by 2.6% and 1.9%. The most significant declines were observed in Bumi Resources Minerals (BRMS) and Adaro Energy (ADRO), which dropped 9.5% and 2.2%, respectively.

Commodity prices saw modest fluctuations, with gold closing up by 0.3% at USD 2,666 per ounce, continuing its trend as a safe-haven asset amid global market volatility. Brent crude oil prices declined by 0.5%, settling at USD 75 per barrel, reflecting broader pressures on the energy market. In currency markets, the USD/IDR exchange rate increased by 0.6%, closing at 15,735, indicating a slight depreciation of the Indonesian rupiah against the dollar.

Overall, the session reflected a cautious mood among investors, with selective gains and losses across various sectors and indices. The JCI's decline, compounded by foreign investor outflows, suggests a risk-averse sentiment in the Indonesian market amid a global backdrop of mixed economic signals.

Fixed Income

Rupiah-denominated bond prices experienced a strengthening trend, buoyed by favorable movements in the Rupiah exchange rate and an increase in Indonesia's foreign exchange reserve surplus. The Indonesia Composite Bond Index (ICBI) rose by 0.15%, resulting in a year-to-date return of 4.84%. The 10-year Indonesian government benchmark bond (SBN FR0100) closed with a yield of 6.73%. In foreign exchange, the Rupiah appreciated by 93 points, reaching IDR 15,740 per USD, while the U.S. Treasury 10-year bond yield declined slightly by 0.004 points to 4.433%.

Trading Activity

Bond trading volume fell by 21.32% to IDR 19.01 trillion, compared to the previous trading day's IDR 24.16 trillion. However, transaction frequency increased by 2.06%, with a total of 2,830 transactions, up from 2,773 transactions on the previous day. This divergence in volume and frequency suggests active engagement among market participants, with higher trade counts despite lower transaction amounts.

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US 10 Year Treasury

The yield on the 10-year US Treasury note remained around 4.43% on Thursday, close to a four-month peak, as investors awaited the Federal Reserve's forthcoming policy decision. The Fed is broadly anticipated to reduce interest rates by 25 basis points later in the day, with market participants watching for hints on the possibility of another cut in December. On Wednesday, the benchmark yield jumped by up to 20 basis points following Republican Donald Trump's decisive victory in the US presidential election. Republicans regained control of the Senate, potentially opening the door for substantial legislative shifts, although the status of the House remains unclear. Trump's agenda, which includes measures to curb illegal immigration, increase tariffs, cut taxes, and ease regulations, is expected to boost economic growth and inflation. The prospect of increased government spending and higher debt levels also contributed to the rise in Treasury yields.

Outlook

The increase in ICBI and the decline in the U.S. Treasury yield reflect favorable market sentiment toward Indonesian bonds, likely influenced by Indonesia's robust macroeconomic indicators. The appreciation of the Rupiah strengthens the appeal of Rupiah-denominated assets, adding further attractiveness for both domestic and foreign investors.

The bond market is expected to remain supported in the near term, especially if the Rupiah continues to hold its strength and external factors, like U.S. yield movements, remain favorable.

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.

For now, investors may adopt a cautious approach, monitoring U.S. economic indicators 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

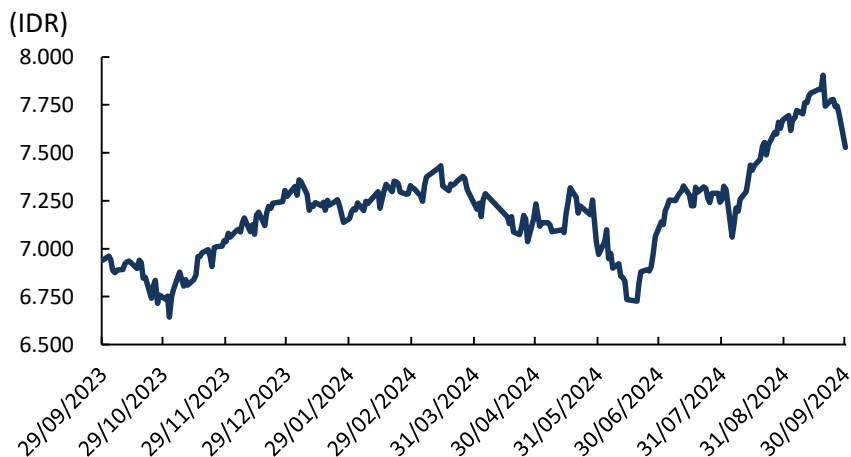
Source: SSI Research

Currencies

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,445
CNY / USD	7.1	CNY / IDR	2,199
EUR / USD	1.0	EUR / IDR	16,950
GBP / USD	1.2	GBP / IDR	20,352
HKD / USD	7.7	HKD / IDR	2,025
JPY / USD	154	JPY / IDR	102
MYR / USD	4.4	MYR / IDR	3,575
NZD / USD	0.5	NZD / IDR	9,443
SAR / USD	3.7	SAR / IDR	4,190
SGD / USD	1.3	SGD / IDR	11,865
		USD / IDR	15,740

Source: STAR, SSI Research

JCI Chart Intraday



Source: Bloomberg, SSI Research

DAILY ECONOMIC INSIGHTS



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Net Foreign Flow: IDR 1.6 Tn **Outflow**

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBCA	7.2	10,175	-2.6	-0.7	8.2	-547
BBRI	6.0	4,550	-1.0	-5.2	-20.5	-371
BMRI	4.9	6,425	-1.9	-4.1	6.1	-268
BRMS	1.3	398	-9.5	8.1	134.1	-237
ADRO	0.8	3,920	-2.2	8.2	64.7	-118
BBNI	1.3	5,025	-1.9	-4.2	-6.5	-80
TPIA	0.5	6,700	-11.5	-23.4	27.6	-34
PANI	0.3	16,800	-0.5	4.3	242.8	-30
ICBP	0.4	12,075	-0.6	-2.0	14.1	-29
GOTO	0.5	61	-4.6	-10.2	-29.0	-24

Source: STAR, SSI Research

Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
BYAN	2.7	38.25	589	TPIA	-11.5	-182.91	580
MAPA	8.0	5.51	31	BREN	-5.8	-121.23	803
TLKM	0.7	4.78	273	AMMN	-5.4	-87.61	631
RAJA	23.0	4.03	9	BBCA	-2.6	-81.09	1,242
FILM	4.5	3.76	36	DSSA	-3.5	-29.79	333
AVIA	4.3	3.14	31	BMRI	-1.9	-27.90	594
ISAT	1.7	3.11	74	BBRI	-1.0	-18.12	683
PGAS	2.9	2.63	38	BRMS	-9.5	-14.38	56
CTRA	4.8	2.46	22	MLPT	-19.0	-13.36	23
INDF	1.2	2.12	69	CUAN	-6.4	-12.22	74

Source: Bloomberg, STAR, SSI Research

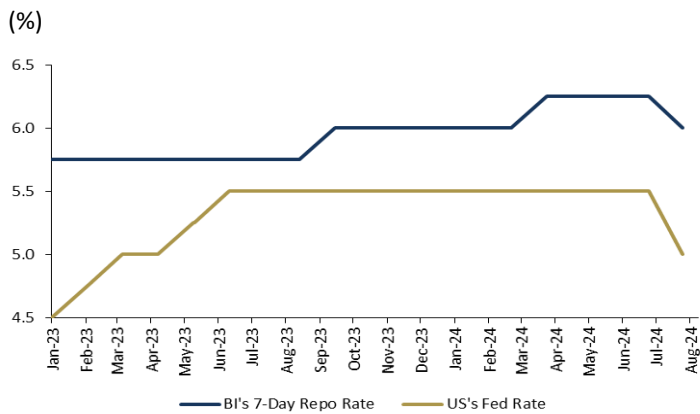
Daily Sector Summary

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

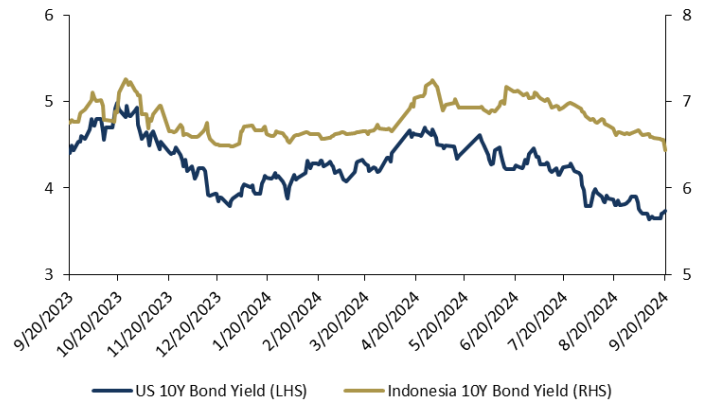
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Monetary Policy



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%	100.14	6.2%	6.4%	100.04	(19.31)	Expensive	0.60
2	FR40	9/21/2006	9/15/2025	0.86	11.0%	103.72	6.4%	6.5%	103.74	(7.75)	Expensive	0.82
3	FR84	5/4/2020	2/15/2026	1.28	7.3%	101.07	6.3%	6.5%	100.93	(13.75)	Expensive	1.21
4	FR86	8/13/2020	4/15/2026	1.44	5.5%	98.64	6.5%	6.5%	98.66	2.06	Cheap	1.39
5	FR37	5/18/2006	9/15/2026	1.86	12.0%	109.50	6.4%	6.5%	109.45	(7.75)	Expensive	1.68
6	FR56	9/23/2010	9/15/2026	1.86	8.4%	103.34	6.4%	6.5%	103.21	(9.78)	Expensive	1.72
7	FR90	7/8/2021	4/15/2027	2.44	5.1%	96.88	6.5%	6.5%	96.84	(1.39)	Expensive	2.30
8	FR59	9/15/2011	5/15/2027	2.52	7.0%	101.03	6.5%	6.6%	101.03	(0.43)	Expensive	2.30
9	FR42	1/25/2007	7/15/2027	2.69	10.3%	109.02	6.5%	6.6%	108.96	(4.45)	Expensive	2.39
10	FR94	3/4/2022	1/15/2028	3.19	5.6%	97.01	6.7%	6.6%	97.20	6.75	Cheap	2.93
11	FR47	8/30/2007	2/15/2028	3.28	10.0%	110.10	6.5%	6.6%	109.90	(8.64)	Expensive	2.80
12	FR64	8/13/2012	5/15/2028	3.52	6.1%	98.67	6.6%	6.6%	98.51	(4.97)	Expensive	3.15
13	FR95	8/19/2022	8/15/2028	3.78	6.4%	99.20	6.6%	6.6%	99.20	(0.09)	Expensive	3.33
14	FR99	1/27/2023	1/15/2029	4.19	6.4%	99.69	6.5%	6.6%	99.14	(15.45)	Expensive	3.69
15	FR71	9/12/2013	3/15/2029	4.36	9.0%	108.54	6.7%	6.6%	108.78	5.06	Cheap	3.64
16	101	11/2/2023	4/15/2029	4.44	6.9%	100.70	6.7%	6.6%	100.86	3.84	Cheap	3.85
17	FR78	9/27/2018	5/15/2029	4.52	8.3%	105.82	6.7%	6.7%	106.15	7.78	Cheap	3.78
18	104	8/22/2024	7/15/2030	5.69	6.5%	99.17	6.7%	6.7%	99.04	(2.84)	Expensive	4.78
19	FR52	8/20/2009	8/15/2030	5.78	10.5%	118.03	6.7%	6.7%	117.91	(3.40)	Expensive	4.44
20	FR82	8/1/2019	9/15/2030	5.86	7.0%	101.23	6.7%	6.7%	101.38	2.84	Cheap	4.82
21	FR87	8/13/2020	2/15/2031	6.28	6.5%	98.68	6.8%	6.7%	98.84	3.17	Cheap	5.12
22	FR85	5/4/2020	4/15/2031	6.44	7.8%	105.67	6.7%	6.7%	105.23	(8.47)	Expensive	5.15
23	FR73	8/6/2015	5/15/2031	6.52	8.8%	110.12	6.8%	6.7%	110.48	6.27	Cheap	5.03
24	FR54	7/22/2010	7/15/2031	6.69	9.5%	114.60	6.7%	6.7%	114.64	0.02	Cheap	5.13
25	FR91	7/8/2021	4/15/2032	7.44	6.4%	98.00	6.7%	6.8%	97.71	(5.20)	Expensive	5.94
26	FR58	7/21/2011	6/15/2032	7.61	8.3%	108.38	6.8%	6.8%	108.64	3.81	Cheap	5.75
27	FR74	11/10/2016	8/15/2032	7.78	7.5%	104.07	6.8%	6.8%	104.27	3.02	Cheap	5.91
28	FR96	8/19/2022	2/15/2033	8.28	7.0%	101.08	6.8%	6.8%	101.25	2.34	Cheap	6.26
29	FR65	8/30/2012	5/15/2033	8.53	6.6%	98.83	6.8%	6.8%	98.83	(0.04)	Expensive	6.47
30	100	8/24/2023	2/15/2034	9.28	6.6%	99.09	6.8%	6.8%	98.60	(7.43)	Expensive	6.88
31	FR68	8/1/2013	3/15/2034	9.36	8.4%	110.32	6.9%	6.8%	110.53	2.56	Cheap	6.66
32	FR80	7/4/2019	6/15/2035	10.61	7.5%	104.39	6.9%	6.9%	104.71	3.97	Cheap	7.41
33	103	8/8/2024	7/15/2035	10.69	6.8%	99.27	6.8%	6.9%	99.11	(2.32)	Expensive	7.66
34	FR72	7/9/2015	5/15/2036	11.53	8.3%	110.29	6.9%	6.9%	110.71	4.76	Cheap	7.63
35	FR88	1/7/2021	6/15/2036	11.61	6.3%	96.03	6.7%	6.9%	94.93	(14.30)	Expensive	8.19
36	FR45	5/24/2007	5/15/2037	12.53	9.8%	122.88	7.0%	6.9%	123.55	6.80	Cheap	7.76
37	FR93	1/6/2022	7/15/2037	12.70	6.4%	96.18	6.8%	6.9%	95.50	(8.44)	Expensive	8.67
38	FR75	8/10/2017	5/15/2038	13.53	7.5%	104.32	7.0%	6.9%	104.96	7.10	Cheap	8.58
39	FR98	9/15/2022	6/15/2038	13.61	7.1%	101.55	6.9%	6.9%	101.70	1.58	Cheap	8.77
40	FR50	1/24/2008	7/15/2038	13.70	10.5%	132.24	6.8%	6.9%	131.23	(9.96)	Expensive	8.21
41	FR79	1/7/2019	4/15/2039	14.45	8.4%	112.51	7.0%	6.9%	112.92	3.99	Cheap	8.83
42	FR83	11/7/2019	4/15/2040	15.45	7.5%	104.85	7.0%	7.0%	105.08	2.30	Cheap	9.39
43	FR57	4/21/2011	5/15/2041	16.53	9.5%	123.95	7.0%	7.0%	124.60	5.55	Cheap	9.15
44	FR62	2/9/2012	4/15/2042	17.45	6.4%	93.59	7.0%	7.0%	93.96	3.79	Cheap	10.36
45	FR92	7/8/2021	6/15/2042	17.62	7.1%	101.25	7.0%	7.0%	101.45	1.87	Cheap	10.11
46	FR97	8/19/2022	6/15/2043	18.62	7.1%	101.28	7.0%	7.0%	101.41	1.19	Cheap	10.40
47	FR67	7/18/2013	2/15/2044	19.29	8.8%	117.93	7.0%	7.0%	118.46	4.27	Cheap	10.06
48	FR76	9/22/2017	5/15/2048	23.54	7.4%	104.40	7.0%	7.0%	104.29	(0.97)	Expensive	11.40
49	FR89	1/7/2021	8/15/2051	26.79	6.9%	98.94	7.0%	7.0%	98.61	(2.92)	Expensive	12.15
50	102	1/5/2024	7/15/2054	29.71	6.9%	99.23	6.9%	7.0%	98.79	(3.67)	Expensive	12.73
51	105	8/27/2024	7/15/2064	39.72	6.9%	100.12	6.9%	6.9%	100.19	0.37	Cheap	13.76

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%	99.46	6.1%	6.3%	99.29	(22.92)	Expensive	0.75
2	PBS017	1/11/2018	10/15/2025	0.94	6.1%	100.01	6.1%	6.3%	99.81	(23.43)	Expensive	0.91
3	PBS032	7/29/2021	7/15/2026	1.68	4.9%	97.21	6.7%	6.4%	97.64	27.88	Cheap	1.62
4	PBS021	12/5/2018	11/15/2026	2.02	8.5%	104.25	6.2%	6.4%	103.94	(17.45)	Expensive	1.85
5	PBS003	2/2/2012	1/15/2027	2.19	6.0%	98.91	6.5%	6.4%	99.20	14.22	Cheap	2.06
6	PBS020	10/22/2018	10/15/2027	2.94	9.0%	107.00	6.3%	6.4%	106.78	(9.31)	Expensive	2.61
7	PBS018	6/4/2018	5/15/2028	3.52	7.6%	103.86	6.4%	6.5%	103.64	(7.19)	Expensive	3.08
8	PBS030	6/4/2021	7/15/2028	3.69	5.9%	97.86	6.5%	6.5%	98.11	7.61	Cheap	3.32
9	PBSG1	9/22/2022	9/15/2029	4.86	6.6%	100.44	6.5%	6.5%	100.49	1.03	Cheap	4.15
10	PBS023	5/15/2019	5/15/2030	5.52	8.1%	107.51	6.5%	6.5%	107.29	(4.87)	Expensive	4.47
11	PBS012	1/28/2016	11/15/2031	7.02	8.9%	113.04	6.5%	6.6%	112.73	(5.58)	Expensive	5.32
12	PBS024	5/28/2019	5/15/2032	7.52	8.4%	110.64	6.6%	6.6%	110.40	(4.06)	Expensive	5.66
13	PBS025	5/29/2019	5/15/2033	8.52	8.4%	110.95	6.7%	6.6%	111.22	3.71	Cheap	6.20
14	PBS029	1/14/2021	3/15/2034	9.36	6.4%	98.31	6.6%	6.7%	98.07	(3.59)	Expensive	7.03
15	PBS022	1/24/2019	4/15/2034	9.44	8.6%	113.71	6.6%	6.7%	113.63	(1.40)	Expensive	6.72
16	PBS037	6/23/2021	6/23/2036	11.63	6.5%	98.23	6.7%	6.7%	98.35	1.37	Cheap	8.14
17	PBS004	2/16/2012	2/15/2037	12.28	6.1%	94.20	6.8%	6.7%	94.77	7.09	Cheap	8.47
18	PBS034	1/13/2022	6/15/2039	14.61	6.5%	97.21	6.8%	6.8%	97.38	1.88	Cheap	9.37
19	PBS007	9/29/2014	9/15/2040	15.87	9.0%	121.19	6.8%	6.8%	121.04	(1.61)	Expensive	9.17
20	PBS039	1/11/2024	7/15/2041	16.70	6.6%	98.15	6.8%	6.8%	98.02	(1.43)	Expensive	10.11
21	PBS035	3/30/2022	3/15/2042	17.36	6.8%	98.49	6.9%	6.8%	99.12	6.23	Cheap	10.19
22	PBS005	5/2/2013	4/15/2043	18.45	6.8%	98.55	6.9%	6.9%	98.91	3.40	Cheap	10.58
23	PBS028	7/23/2020	10/15/2046	21.95	7.8%	110.25	6.8%	6.9%	109.51	(6.26)	Expensive	11.18
24	PBS033	1/13/2022	6/15/2047	22.62	6.8%	98.61	6.9%	6.9%	98.18	(3.84)	Expensive	11.56
25	PBS015	7/21/2017	7/15/2047	22.70	8.0%	112.75	6.9%	6.9%	112.39	(3.08)	Expensive	11.25
26	PBS038	12/7/2023	12/15/2049	25.12	6.9%	98.83	7.0%	6.9%	99.30	3.95	Cheap	11.93

Source: Bloomberg, SSI Research

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