

4 December 2024

## Overview

The newly signed CEPA with Canada is expected to enhance trade and investment opportunities, providing Indonesia better access to North American markets. Meanwhile, U.S. support for the Astacita program strengthens Indonesia's focus on sustainable development through technology and infrastructure. Despite strong fundamentals highlighted by low inflation and debt-to-GDP ratios, manufacturing continues to face contraction, and concerns loom over the planned VAT increase in 2025. Initiatives such as a USD 1.2 billion methanol factory and expanded oil and gas auctions aim to drive industrial growth, while tourism shows recovery with a 20% increase in foreign arrivals. However, regulatory measures, including tightened local content rules for smartphones and efforts to stimulate geothermal energy, underline the complexities of sustaining long-term economic momentum.

## Key Comments

### Economy, Business and Finance

**Indonesia and Canada Sign CEPA:** Indonesia and Canada finalized a Comprehensive Economic Partnership Agreement (CEPA) aimed at reducing trade barriers, promoting investment, and enhancing bilateral trade. The agreement is expected to provide Indonesia with better access to North American markets, including the United States, while boosting exports in key sectors such as textiles, automotive, and agriculture.

**Astacita Program Gains U.S. Support:** The US-ASEAN Business Council pledged support for Indonesia's Astacita program, aligning with President Prabowo Subianto's focus on sustainable economic development. This collaboration emphasizes investment in technology and infrastructure, further strengthening Indonesia-U.S. business ties.

**Indonesia's Economic Stability Highlighted:** Finance Minister Sri Mulyani underscored Indonesia's strong economic fundamentals, including low inflation and debt-to-GDP ratios, despite global uncertainties. The government projects 2024 economic growth at 4.7-5.5% with further improvements anticipated through 2026. However, the prolonged contraction in manufacturing activity, as indicated by PMI of 49.6, continues to pose challenges.

**Government Considers Bulog Autonomy:** The government is exploring the possibility of transforming state logistics agency Bulog into an autonomous body directly under the President. This move aims to streamline food distribution and enhance efforts to achieve food self-sufficiency by 2027.

**Tourism Boost for the Year-End:** The Transportation Ministry is offering a 10% discount on domestic flight tickets during the year-end holiday season to stimulate domestic travel. However, the initiative faces challenges as the upcoming VAT hike threatens to offset the discounts.

**Oil and Gas Auctions Expand:** Indonesia launched its second round of oil and gas block auctions for 2024, offering six additional blocks. This move reflects efforts to attract investment in the energy sector as part of its broader energy security strategy.

**Methanol Plant Construction in East Java:** The Energy and Mineral Resources Ministry announced a USD 1.2 billion investment to construct a methanol factory in East Java. The project aligns with Indonesia's commitment to industrial diversification and reduced energy imports.

**Manufacturing Faces Growth Struggles:** Despite a slight increase in the November PMI to 49.6 from 49.2, Indonesia's manufacturing sector remains in contraction. Weak domestic demand and declining export orders are among the key factors hindering recovery.

**Inflation Nears Historical Lows:** Indonesia's inflation rate has dropped to just above the lower end of Bank Indonesia's target range. This marks the slowest year-on-year rise in CPI since mid-2021 and signals strong monetary policy control.

**Geothermal Energy Development Challenges:** Financial and regulatory hurdles are slowing Indonesia's geothermal energy expansion despite its vast potential. The government is pushing for private sector participation to unlock growth in this sector.

**Kadin Urges Layoff Avoidance:** Following the announcement of a 6.5% minimum wage increase for 2025, the Indonesian Chamber of Commerce and Industry (Kadin) called on businesses to avoid layoffs and support economic stability.

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**Bank Indonesia's 2025 Monetary Strategy:** Bank Indonesia projected GDP growth to accelerate in 2025 to 4.9-5.7%. The central bank plans to implement a stronger policy mix, including tighter coordination with fiscal stimulus policies, to maintain economic momentum.

**Potential VAT Impact on Consumers:** As the government prepares for a VAT increase to 12% in January 2025, concerns are rising over its potential inflationary impact on goods and services, including airfares and essential items.

**Foreign Tourist Surge:** Indonesia welcomed 11.56 million foreign tourists from January to October 2024, a 20% increase year-on-year. While below pre-pandemic levels, this uptick signals a recovering tourism sector.

**Local Component Rules Tightened for Smartphones:** The government plans to increase local content requirements for smartphones sold in Indonesia, aiming to boost domestic manufacturing and reduce reliance on imports.

## Politics, Security, National

**Central Java Becomes Political Battleground:** Once a stronghold of the PDI-P, Central Java is now witnessing intense political competition after a significant defeat in the gubernatorial race. This shift could influence national political dynamics ahead of the 2025 elections.

**TNI Supports National Police Restructuring:** The Indonesian Armed Forces (TNI) expressed readiness to follow state decisions on potential restructuring of the National Police (Polri), signaling openness to dialogue over reforms.

**Indonesia Strengthens Maritime Doctrine:** President Prabowo Subianto has emphasized bolstering maritime capabilities, particularly in the North Natuna Sea. This aligns with Indonesia's strategic shift towards safeguarding territorial waters amid rising regional tensions.

**BRICS and OECD Membership Discussed:** Foreign Minister Sugiono assured lawmakers that Indonesia's membership in BRICS complements its OECD ambitions, reflecting a strategic balancing act in global diplomacy.

**Indonesia Refuses China's Sea Claims:** Indonesia reaffirmed its stance against recognizing China's claims in the South China Sea, addressing concerns about sovereignty following a recent joint maritime development agreement with Beijing.

**KPK Investigates Rubber Procurement Corruption:** The Corruption Eradication Commission (KPK) has launched a probe into alleged graft within the Ministry of Agriculture related to rubber procurement, intensifying anti-corruption efforts under the new administration.

**Palace Defends Vice President's Social Assistance:** Vice President Gibran Rakabuming Raka's social assistance distribution program faced criticism but was defended by the Palace as a legitimate use of his authority.

**Foreign Minister Outlines Priorities:** In his debut address to lawmakers, Foreign Minister Sugiono detailed plans to revive the ministry's Directorate General for Economic Affairs, reflecting a strategic focus on international trade.

## Digital Economy, Telcos

**Microsoft Invests USD 1.7 Billion in AI Development:** Microsoft is moving forward with a USD 1.7 billion investment in Indonesia, including programs to train one million Indonesians in artificial intelligence. This initiative reflects the growing emphasis on digital transformation in the country.

**Digital Lending Concerns:** A Financial Services Authority (OJK) report revealed that 137 million Indonesians are struggling with a combined 66 trillion rupiah in digital debt. This underscores growing financial vulnerability amid slowing spending power.

**Ban on Apple Products Sparks Debate:** Indonesia's ban on Apple's latest devices, including the iPhone 16, reflects its "ban or pay" strategy to force tech companies to comply with local regulations.

**E-Commerce Players Face Rising Competition:** Local firms like GoTo and Tokopedia are competing against international giants such as Shopee and Lazada. This intensifying competition highlights Indonesia's dynamic e-commerce landscape.

**Startup Innovation in Job Market:** Edtech startup Maxy Academy is helping bridge the gap between education and employment, addressing the 13.4% youth unemployment rate amid the country's digital economy boom.

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## Environment, Energy, Green Economy

**Methanol Plant Promotes Green Economy:** The USD 1.2 billion methanol plant in East Java aligns with Indonesia's green industrialization efforts, supporting cleaner energy alternatives and industrial diversification.

**Indonesia Advances Tidal Power Plant:** In a first, Indonesia partnered with UK-based HydroWing to develop a tidal power plant, highlighting its commitment to renewable energy expansion.

**Carbon Market Opportunities Explored:** A UK-led roundtable in London discussed Indonesia's potential in carbon trading, emphasizing private sector collaboration for environmental sustainability.

**El Niño Challenges Mitigated:** President Prabowo Subianto lauded former President Joko Widodo's leadership in addressing climate challenges, including the El Niño and La Niña phenomena.

## Market Movement

The global markets displayed positive momentum on December 3, 2024, with significant gains across major indices in Asia. Japan's Nikkei soared by 1.9%, closing at 39,249, while South Korea's Kospi matched this performance with a 1.9% increase, settling at 2,500. The Hang Seng in Hong Kong advanced 1.0% to 19,746, and the Shanghai Composite saw a modest uptick of 0.4%, closing at 3,379. In Southeast Asia, Singapore's STI climbed 0.9% to 3,786, and Indonesia's JCI outperformed regional peers with a robust gain of 2.1%, ending at 7,196.

The Indonesian market saw notable strength, as the JCI rose 2.11% to its highest level of the year. The Indonesia Sharia Stock Index (ISSI) also gained 1.65%, reflecting broad-based market participation. Foreign investors were net buyers, posting an IDR 797 billion inflow in the regular market and a substantial IDR 1,283.1 billion in the negotiated market. Leading the index were key stocks such as BBCA, BMRI, and TLKM, while laggards included TPIA, SMGR, and PANI. IDXTECH emerged as the top-performing sector, while IDXTRANS was the sole laggard.

Blue-chip stocks attracted significant foreign interest, with BBCA rising 4.6% to IDR 10,200, BMRI also gaining 4.6% to IDR 6,275, and TLKM advancing 5.2% to IDR 2,820. Other notable gainers included INDF, which climbed 2.9% to IDR 7,775, and GOTO, which surged 7.1% to IDR 75. Conversely, foreign outflows were seen in BBRI, BBNI, ICBP, UNTR, and TINS. UNTR, in particular, declined by 0.9%, closing at IDR 27,150, while STTP faced the steepest loss of the day, dropping 4.2% to IDR 13,075.

Market activity highlighted strong investor interest in technology and financial stocks. IDXTECH led sectoral gains, reflecting optimism in the digital economy, while banking giants BBCA, BMRI, and BBRI remained focal points for both domestic and international investors. Commodity-linked stocks like ADRO and INDF also performed well amid steady gold prices, which edged up 0.2% to USD 2,646 per ounce, and Brent crude oil, which rose 0.9% to USD 73 per barrel.

Overall, the positive sentiment in the JCI was driven by strong buying interest in large-cap stocks and continued foreign inflows, signaling growing investor confidence in Indonesia's economic resilience and growth potential.

## Fixed Income

The Indonesian Rupiah-denominated bond market showed limited strengthening despite continued pressure from Rupiah depreciation. The Indonesia Composite Bond Index (ICBI) rose slightly by 0.02%, contributing to a year-to-date (YTD) return of 4.87%. Benchmark government bonds, specifically the 10-year FR0100, saw a marginal decline in yield to 6.85%, reflecting slightly higher prices. However, the Rupiah weakened by 40 points to IDR 15,946/USD, while the U.S. Treasury 10-year bond yield inched up by 0.003% to 4.214%.

## Trading Activity

Trading volume in the bond market increased significantly by 22.45%, reaching IDR 16.80 trillion compared to the previous trading day at IDR 13.72 trillion. However, trading frequency dropped sharply by 29.87%, from 4,021 transactions to 2,820 transactions. This divergence suggests that while larger transactions were conducted, overall market participation by smaller traders may have declined.

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## Market Dynamics and Drivers

**Rupiah Weakness:** The depreciation of the Rupiah continues to create a cautious environment for domestic bond investors. External pressures, particularly from the Federal Reserve's rate outlook, continue to weigh on the currency and investor sentiment.

**Global Interest Rates:** The slight increase in U.S. Treasury yields reflects persistent uncertainty over global monetary tightening. Indonesian bonds remain attractive due to their higher yield spreads, but sensitivity to global rate movements could limit further price appreciation.

**Liquidity Trends:** The significant rise in trading volume despite lower frequency points to institutional activity dominating today's market. This is consistent with a cautious stance among smaller investors in light of macroeconomic uncertainties.

**Stable Inflation and Policy Environment:** Domestically, Indonesia's stable inflation and accommodative central bank policies provide a solid foundation for bond performance. However, the external environment continues to exert downward pressure on the Rupiah and could influence yield movements.

### Key Risks:

- Prolonged Rupiah depreciation could deter foreign investors.
- Higher-than-expected U.S. yields could reduce the relative attractiveness of Indonesian bonds.
- Geopolitical tensions in global markets could disrupt risk sentiment.

## Conclusion

The Indonesian bond market remains a resilient asset class, supported by favorable domestic fundamentals and attractive yield spreads. However, continued vigilance is necessary as external risks persist. The outlook remains cautiously optimistic, with opportunities for yield hunters amid a dynamic macroeconomic backdrop.

## US 10 Year Treasury

The yield on the US 10-year Treasury note held steady at approximately 4.2% on Tuesday as investors awaited key US labor market data to assess the trajectory of interest rates. Scheduled releases include job openings on Tuesday, initial jobless claims on Thursday, and the November nonfarm payrolls report on Friday. Additionally, market attention is focused on speeches by several Federal Reserve officials, including Fed Chair Jerome Powell, who is set to speak on Wednesday evening. On Monday, Fed Governor Christopher Waller signaled support for a rate cut at the December meeting, prompting markets to increase their expectations of a 25-basis-point reduction, with the likelihood now estimated at 76%.

### Outlook

**Short-Term:** Bond prices are likely to remain range-bound in the near term as investors weigh domestic resilience against external headwinds. With the Rupiah under pressure, capital inflows into the bond market may face constraints, keeping yields stable to slightly higher.

**Medium-Term:** The Indonesian bond market is expected to benefit from ongoing macroeconomic stability and higher yield spreads compared to global peers. Any indications of a U.S. Federal Reserve pause or dovish pivot would provide a tailwind, potentially boosting demand for local bonds. However, volatility in the currency market and geopolitical risks may cap gains.

The yield of the 10-year benchmark government bonds (SUN) weakened last week, despite a brief increase at the start of the week. As long as the yield does not rise above 6.91%, there is potential for a decline toward 6.7-6.65, following the rising wedge pattern (observed since early September 2024).

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## Strategy

**Conservative Investors:** Focus on short- to medium-tenor bonds, which offer better protection against yield curve volatility.

**Risk-Tolerant Investors:** Consider benchmark series like FR0100 for its liquidity and sensitivity to yield movements, particularly as global central bank policies evolve.

**Currency Hedging:** Given ongoing Rupiah weakness, investors may benefit from hedging their FX exposure when entering long-duration positions.

Based on the RRG (Relative Rotation Graph) chart, most shorter-tenor SUN yields are trending upward, narrowing the gap with the 10-year benchmark yield as their momentum increases. Notably, the 4-year tenor has already begun to lead compared to the 10-year benchmark. However, the 1- and 2-year tenors remain increasingly lagging behind the 10-year benchmark and, like other tenors, are losing momentum.

Other tenors, while losing momentum, are also seeing their relative distance to the 10-year benchmark shrink. In fact, the 7- and 8-year tenors have started to lag compared to the 10-year benchmark. Given the market dynamics, we suggest adopting a defensive approach by collecting the following:

**INDOGB: FR86, FR56, FR91, FR74, FR96**

**INDOGB: PBS21, PBS012**



# 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	5.75	5.5
10Y. Government Bond Yield (%)	6.6	6.8	7.0
Exchange Rate (USD/IDR)	15,399	15,900	16,300

Source: SSI Research

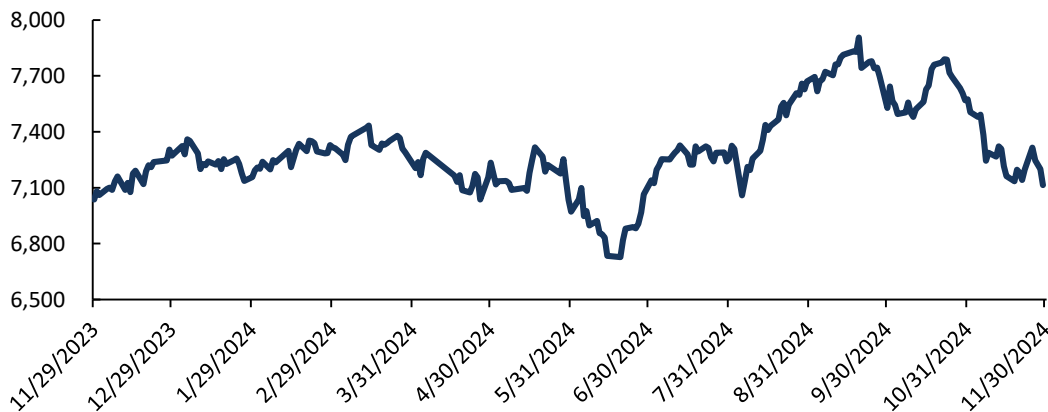
## Currencies

Currency Pair	Index, Last	Currency Pair	Index, Last
AUD / USD	0.6	AUD / IDR	10,369
CNY / USD	7.2	CNY / IDR	2,189
EUR / USD	1.0	EUR / IDR	16,782
GBP / USD	1.2	GBP / IDR	20,228
HKD / USD	7.7	HKD / IDR	2,049
JPY / USD	150	JPY / IDR	106
MYR / USD	4.4	MYR / IDR	3,567
NZD / USD	0.5	NZD / IDR	9,412
SAR / USD	3.7	SAR / IDR	4,244
SGD / USD	1.3	SGD / IDR	11,858
		USD / IDR	15,946

Source: STAR, SSI Research

## JCI Chart Intraday

(IDR)



Source: Bloomberg, SSI Research

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## Net Foreign Flow: IDR 2.08 tn Inflow

Stock	% TVAL	Last	% CHG	% MTD	% YTD	NVAL (IDR bn)
BBCA	7.9	10,200	4.6	2.0	8.5	346
BMRI	3.2	6,275	4.5	2.0	3.7	144
TLKM	2.2	2,820	5.2	4.0	-28.6	117
INDF	0.7	7,775	2.9	2.9	20.5	93
GOTO	1.6	75	7.1	5.6	-12.7	86
ASII	1.3	5,125	3.7	0.4	-9.2	79
BRPT	0.3	865	6.7	1.1	-34.9	45
ADRO	1.4	2,360	2.1	13.4	-0.8	36
ANTM	0.3	1,450	2.8	1.3	-14.9	29
PGAS	0.3	1,585	0.9	4.2	41.5	24

Source: STAR, SSI Research

## Index Stock Mover Summary

Stock	% CHG	JCI (+)	M.CAP (IDR tn)	Stock	% CHG	JCI (+)	M.CAP (IDR tn)
BBCA	4.6	132.69	1,245	TPIA	-1.0	-15.67	603
BMRI	4.5	61.40	580	PANI	-1.2	-8.15	257
AMMN	3.6	56.95	678	JIHD	-17.9	-2.47	5
DSSA	4.8	33.51	302	UNTR	-0.9	-2.25	101
TLKM	5.2	33.51	279	SMGR	-3.8	-2.12	22
BBRI	1.6	25.37	636	STTP	-4.2	-1.82	17
BREN	1.1	24.24	910	TBIG	-1.5	-1.64	44
ASII	3.7	18.09	207	MAPI	-2.0	-1.20	24
GOTO	7.1	13.78	86	FREN	-4.0	-1.14	11
BRPT	6.7	12.45	81	INCO	-1.1	-1.01	37

Source: Bloomberg, STAR, SSI Research

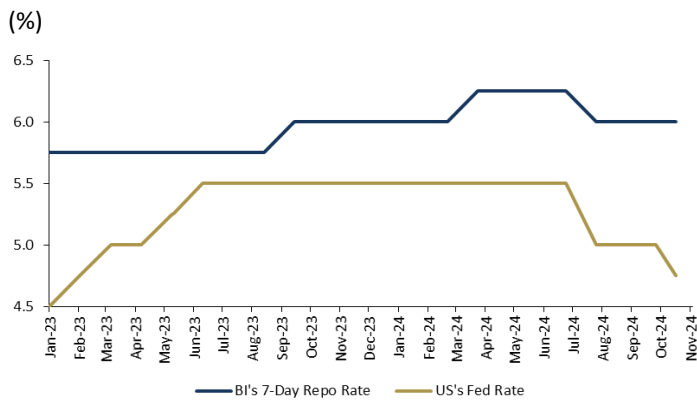
## Daily Sector Summary

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXCYCLIC	1.7T	13.3	1,268.7B	1.3T	356.3B	103.2B	1.6T
IDXFINANCE	4.9T	38.5	278.8B	3.5T	1.4T	3.2T	1.6T
IDXINFRA	874.6B	6.8	122.1B	486.5B	388.0B	364.4B	510.2B
IDXTECHNO	632.1B	4.9	110.1B	306.8B	325.2B	196.7B	435.4B
IDXNONCYC	797.4B	6.2	95.1B	468.2B	329.1B	373.1B	424.3B
IDXENERGY	1.5T	11.8	92.7B	428.0B	1.1T	335.2B	1.2T
IDXINDUST	428.9B	3.3	67.2B	266.4B	162.5B	199.2B	229.7B
IDXBASIC	1.2T	9.4	48.2B	468.0B	770.8B	419.7B	819.1B
IDXPROPERT	275.8B	2.1	12.7B	57.6B	218.1B	44.9B	230.9B
COMPOSITE	12.7T	100.0		7.4T	5.2T	5.3T	7.3T
IDXTRANS	50.0B	0.3	-892.9M	4.3B	45.6B	5.2B	44.7B
IDXHEALTH	146.7B	1.1	14.9B	45.0B	101.6B	59.9B	86.7B

Source: Bloomberg, STAR, SSI Research

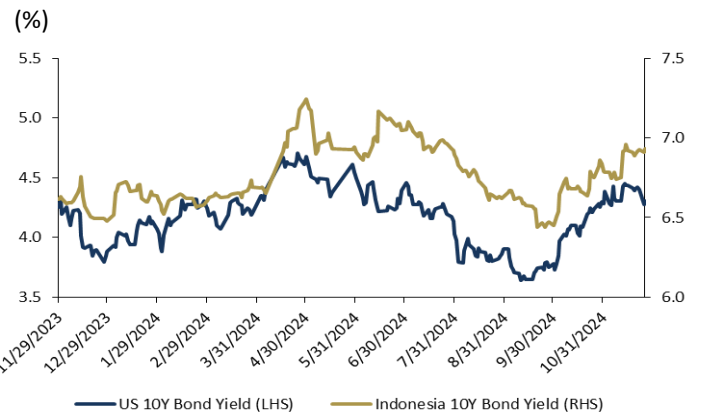
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## Monetary Policy



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	0.53	6.5%	99.96	6.6%	6.4%	100.03	12.16	Cheap	0.52
2	FR40	9/21/2006	9/15/2025	0.79	11.0%	103.30	6.5%	6.5%	103.42	6.85	Cheap	0.75
3	FR84	5/4/2020	2/15/2026	1.21	7.3%	101.09	6.3%	6.5%	100.86	(22.19)	Expensive	1.16
4	FR86	8/13/2020	4/15/2026	1.37	5.5%	98.38	6.8%	6.5%	98.70	24.88	Cheap	1.32
5	FR37	5/18/2006	9/15/2026	1.79	12.0%	108.97	6.6%	6.5%	109.06	0.90	Cheap	1.60
6	FR56	9/23/2010	9/15/2026	1.79	8.4%	102.85	6.6%	6.5%	103.04	9.59	Cheap	1.65
7	FR90	7/8/2021	4/15/2027	2.37	5.1%	96.52	6.7%	6.6%	96.85	15.59	Cheap	2.23
8	FR59	9/15/2011	5/15/2027	2.45	7.0%	100.70	6.7%	6.6%	100.91	9.14	Cheap	2.27
9	FR42	1/25/2007	7/15/2027	2.62	10.3%	108.54	6.6%	6.6%	108.63	2.64	Cheap	2.32
10	FR94	3/4/2022	1/15/2028	3.12	5.6%	96.65	6.8%	6.6%	97.12	17.40	Cheap	2.86
11	FR47	8/30/2007	2/15/2028	3.21	10.0%	109.30	6.7%	6.6%	109.56	6.95	Cheap	2.79
12	FR64	8/13/2012	5/15/2028	3.45	6.1%	98.24	6.7%	6.7%	98.38	4.80	Cheap	3.13
13	FR95	8/19/2022	8/15/2028	3.70	6.4%	98.92	6.7%	6.7%	99.04	3.25	Cheap	3.32
14	FR99	1/27/2023	1/15/2029	4.12	6.4%	99.90	6.4%	6.7%	98.94	(27.06)	Expensive	3.62
15	FR71	9/12/2013	3/15/2029	4.28	9.0%	108.09	6.8%	6.7%	108.42	7.71	Cheap	3.57
16	101	11/2/2023	4/15/2029	4.37	6.9%	100.46	6.7%	6.7%	100.61	3.58	Cheap	3.78
17	FR78	9/27/2018	5/15/2029	4.45	8.3%	105.57	6.8%	6.7%	105.82	5.82	Cheap	3.78
18	104	8/22/2024	7/15/2030	5.62	6.5%	98.62	6.8%	6.8%	98.71	1.98	Cheap	4.70
19	FR52	8/20/2009	8/15/2030	5.70	10.5%	117.26	6.8%	6.8%	117.34	0.84	Cheap	4.46
20	FR82	8/1/2019	9/15/2030	5.79	7.0%	100.69	6.9%	6.8%	101.00	6.29	Cheap	4.74
21	FR87	8/13/2020	2/15/2031	6.21	6.5%	98.22	6.9%	6.8%	98.46	4.71	Cheap	5.13
22	FR85	5/4/2020	4/15/2031	6.37	7.8%	104.62	6.8%	6.8%	104.76	2.35	Cheap	5.07
23	FR73	8/6/2015	5/15/2031	6.45	8.8%	109.44	6.9%	6.8%	109.94	8.97	Cheap	5.06
24	FR54	7/22/2010	7/15/2031	6.62	9.5%	114.61	6.7%	6.8%	114.05	(10.24)	Expensive	5.06
25	FR91	7/8/2021	4/15/2032	7.37	6.4%	97.20	6.9%	6.9%	97.23	0.46	Cheap	5.86
26	FR58	7/21/2011	6/15/2032	7.54	8.3%	107.62	6.9%	6.9%	108.04	6.61	Cheap	5.67
27	FR74	11/10/2016	8/15/2032	7.71	7.5%	103.47	6.9%	6.9%	103.70	3.57	Cheap	5.94
28	FR96	8/19/2022	2/15/2033	8.21	7.0%	100.42	6.9%	6.9%	100.66	3.59	Cheap	6.29
29	FR65	8/30/2012	5/15/2033	8.45	6.6%	98.04	6.9%	6.9%	98.25	3.34	Cheap	6.50
30	100	8/24/2023	2/15/2034	9.21	6.6%	98.35	6.9%	6.9%	97.96	(6.13)	Expensive	6.92
31	FR68	8/1/2013	3/15/2034	9.29	8.4%	109.23	7.0%	6.9%	109.77	7.18	Cheap	6.57
32	FR80	7/4/2019	6/15/2035	10.54	7.5%	103.46	7.0%	7.0%	103.91	5.94	Cheap	7.32
33	103	8/8/2024	7/15/2035	10.62	6.8%	98.40	7.0%	7.0%	98.35	(0.74)	Expensive	7.57
34	FR72	7/9/2015	5/15/2036	11.46	8.3%	109.44	7.0%	7.0%	109.79	4.05	Cheap	7.68
35	FR88	1/7/2021	6/15/2036	11.54	6.3%	95.04	6.9%	7.0%	94.16	(11.61)	Expensive	8.09
36	FR45	5/24/2007	5/15/2037	12.46	9.8%	122.38	7.0%	7.0%	122.45	0.52	Cheap	7.83
37	FR93	1/6/2022	7/15/2037	12.62	6.4%	95.63	6.9%	7.0%	94.65	(12.30)	Expensive	8.59
38	FR75	8/10/2017	5/15/2038	13.46	7.5%	103.63	7.1%	7.0%	103.98	3.88	Cheap	8.65
39	FR98	9/15/2022	6/15/2038	13.54	7.1%	101.16	7.0%	7.0%	100.74	(4.84)	Expensive	8.69
40	FR50	1/24/2008	7/15/2038	13.62	10.5%	129.99	7.0%	7.0%	130.00	(0.27)	Expensive	8.09
41	FR79	1/7/2019	4/15/2039	14.38	8.4%	111.82	7.1%	7.1%	111.82	(0.23)	Expensive	8.74
42	FR83	11/7/2019	4/15/2040	15.38	7.5%	104.03	7.1%	7.1%	104.02	(0.23)	Expensive	9.29
43	FR57	4/21/2011	5/15/2041	16.46	9.5%	123.12	7.1%	7.1%	123.31	1.56	Cheap	9.23
44	FR62	2/9/2012	4/15/2042	17.38	6.4%	94.30	6.9%	7.1%	92.94	(14.36)	Expensive	10.32
45	FR92	7/8/2021	6/15/2042	17.55	7.1%	100.43	7.1%	7.1%	100.36	(0.76)	Expensive	10.01
46	FR97	8/19/2022	6/15/2043	18.55	7.1%	100.36	7.1%	7.1%	100.30	(0.59)	Expensive	10.29
47	FR67	7/18/2013	2/15/2044	19.22	8.8%	118.31	7.0%	7.1%	117.18	(9.83)	Expensive	10.19
48	FR76	9/22/2017	5/15/2048	23.47	7.4%	103.56	7.1%	7.1%	103.15	(3.57)	Expensive	11.48
49	FR89	1/7/2021	8/15/2051	26.72	6.9%	97.72	7.1%	7.1%	97.58	(1.34)	Expensive	12.21
50	102	1/5/2024	7/15/2054	29.64	6.9%	97.84	7.0%	7.1%	97.83	(0.13)	Expensive	12.55
51	105	8/27/2024	7/15/2064	39.64	6.9%	97.70	7.0%	6.9%	99.58	14.15	Cheap	13.45

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	0.70	5.4%	99.50	6.1%	6.4%	99.34	(25.06)	Expensive	0.69
2	PBS017	1/11/2018	10/15/2025	0.87	6.1%	99.94	6.2%	6.4%	99.80	(17.68)	Expensive	0.84
3	PBS032	7/29/2021	7/15/2026	1.61	4.9%	97.01	6.9%	6.4%	97.74	48.93	Cheap	1.55
4	PBS021	12/5/2018	11/15/2026	1.95	8.5%	103.98	6.3%	6.4%	103.82	(9.58)	Expensive	1.81
5	PBS003	2/2/2012	1/15/2027	2.12	6.0%	99.44	6.3%	6.4%	99.24	(10.47)	Expensive	1.99
6	PBS020	10/22/2018	10/15/2027	2.87	9.0%	106.58	6.4%	6.4%	106.66	2.10	Cheap	2.54
7	PBS018	6/4/2018	5/15/2028	3.45	7.6%	103.44	6.5%	6.4%	103.60	4.89	Cheap	3.06
8	PBS030	6/4/2021	7/15/2028	3.62	5.9%	97.34	6.7%	6.5%	98.17	26.16	Cheap	3.25
9	PBSG1	9/22/2022	9/15/2029	4.79	6.6%	99.97	6.6%	6.5%	100.48	12.26	Cheap	4.08
10	PBS023	5/15/2019	5/15/2030	5.45	8.1%	106.73	6.6%	6.5%	107.19	9.44	Cheap	4.48
11	PBS012	1/28/2016	11/15/2031	6.95	8.9%	111.85	6.7%	6.6%	112.52	10.96	Cheap	5.35
12	PBS024	5/28/2019	5/15/2032	7.45	8.4%	109.83	6.7%	6.6%	110.19	5.58	Cheap	5.69
13	PBS025	5/29/2019	5/15/2033	8.45	8.4%	110.96	6.7%	6.7%	110.97	(0.05)	Expensive	6.25
14	PBS029	1/14/2021	3/15/2034	9.28	6.4%	98.15	6.6%	6.7%	97.88	(4.11)	Expensive	6.96
15	PBS022	1/24/2019	4/15/2034	9.37	8.6%	113.30	6.7%	6.7%	113.33	0.08	Cheap	6.65
16	PBS037	6/23/2021	6/23/2036	11.56	6.5%	98.03	6.8%	6.7%	98.11	0.93	Cheap	8.07
17	PBS004	2/16/2012	2/15/2037	12.21	6.1%	94.02	6.8%	6.8%	94.54	6.57	Cheap	8.54
18	PBS034	1/13/2022	6/15/2039	14.54	6.5%	97.03	6.8%	6.8%	97.17	1.56	Cheap	9.29
19	PBS007	9/29/2014	9/15/2040	15.79	9.0%	120.92	6.8%	6.8%	120.77	(1.60)	Expensive	9.09
20	PBS039	1/11/2024	7/15/2041	16.62	6.6%	97.56	6.9%	6.8%	97.87	3.03	Cheap	10.02
21	PBS035	3/30/2022	3/15/2042	17.29	6.8%	98.41	6.9%	6.9%	98.99	5.72	Cheap	10.12
22	PBS005	5/2/2013	4/15/2043	18.38	6.8%	98.58	6.9%	6.9%	98.82	2.21	Cheap	10.51
23	PBS028	7/23/2020	10/15/2046	21.88	7.8%	109.89	6.9%	6.9%	109.55	(2.93)	Expensive	11.09
24	PBS033	1/13/2022	6/15/2047	22.55	6.8%	98.04	6.9%	6.9%	98.26	1.90	Cheap	11.45
25	PBS015	7/21/2017	7/15/2047	22.63	8.0%	112.59	6.9%	6.9%	112.46	(1.19)	Expensive	11.17
26	PBS038	12/7/2023	12/15/2049	25.05	6.9%	98.21	7.0%	6.9%	99.46	10.65	Cheap	11.82

Source: Bloomberg, SSI Research

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