

23 January 2025

## Overview

The government's decision to mandate the onshore retention of export proceeds is expected to stabilize the rupiah, although it may strain companies' working capital in the process. Meanwhile, efforts to position Indonesia as a manufacturing hub for Chinese firms seeking to avoid US tariffs could enhance industrial growth. The administration remains committed to ambitious projects, including the USD 3 billion investment in Nusantara and energy expansion initiatives, though funding challenges persist for social programs like the free meals initiative. Indonesia's BRICS membership and robust foreign exchange reserves are seen as buffers against global economic volatility. In the digital economy, regulatory measures targeting Google and alternative credit scoring underscore the government's focus on fair competition and financial inclusion. Politically, concerns over Prabowo's extensive cabinet and ASEAN tensions with Malaysia highlight governance and regional stability issues. Additionally, Indonesia continues to push sustainability efforts, with investments in clean energy and marine conservation, while navigating challenges related to industrial expansion and social impact.

## Key Comments

### Economy, Business and Finance

#### Economic Outlook

**Indonesia Mandates Onshore Holding of Export Proceeds:** The Indonesian government will require natural resource exporters to retain all export proceeds onshore for at least a year. This policy, expected to bolster the nation's foreign exchange reserves by USD 90 billion annually, is aimed at stabilizing the rupiah. The regulation aligns with the revised Foreign Exchange from Natural Resource Exports (DHE SDA) framework as policymakers respond to currency depreciation pressures. However, a potential downside risk remains, as the policy could strain companies' working capital, which may, in turn, depress future exports and ultimately weaken the rupiah.

**Indonesia Welcomes Factory Relocations from China:** Indonesia is actively promoting itself as a destination for Chinese manufacturers to avoid higher US tariffs, particularly following the return of President Donald Trump. The government sees this as an opportunity to attract investments that can drive industrial growth, create jobs, and boost exports.

#### **US Investors Unfazed by Indonesia's BRICS Membership:**

American businesses remain confident about their investments in Indonesia despite the country's recent accession to BRICS. The US-ASEAN Business Council emphasized that geopolitical concerns have not dampened investor sentiment, with key sectors such as energy, infrastructure, and digital economy continuing to attract capital inflows.

#### **Apple Nears Deal to Lift iPhone Ban in Indonesia:**

Indonesia is close to reaching an agreement with Apple to resume iPhone 16 sales in the country. The government is negotiating investment commitments from Apple, which could involve expanding manufacturing and software development initiatives locally. A resolution is expected within the next two weeks.

#### **Government Weighs Additional Funding for Free Meals Program:**

President Prabowo Subianto's flagship free nutritious meals initiative is facing budgetary constraints, prompting considerations for additional funding. Options include reallocations from state-owned enterprises (SOEs), regional government contributions, and public-private partnerships.

#### **Indonesia's USD 3 Billion Investment in New Capital City:**

The Prabowo administration has allocated IDR 48.8 trillion (USD 2.99 billion) of the 2025 state budget for the development of Nusantara, Indonesia's new capital city. The government aims to relocate administrative functions by 2028, with significant private sector involvement anticipated in infrastructure projects.

#### **Indonesia's CoreTax System Overhauls Tax Administration:**

The launch of the CoreTax Administration System marks a significant step in modernizing Indonesia's tax framework. The digital transformation is part of broader economic reforms aimed at improving revenue collection efficiency.

#### **Indonesia Expands Power Generation by 71GW:**

State-owned PLN has unveiled plans to expand the country's electricity capacity by 71GW by 2034. The initiative focuses on private investment participation, renewable energy adoption, and the integration of Carbon Capture, Utilization, and Storage (CCUS) technologies to support the energy transition.

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**RI Aims to Lead in EV Battery Material Processing:** Indonesia is setting industry benchmarks for EV battery material processing, with the Chamber of Commerce (Kadin) pushing for globally recognized standards. This ambition aligns with the country's long-term goal of positioning itself as a key EV supply chain player.

**Japan Extends USD 528 Million Loan for Indonesia's Port Expansion:** Japan has granted a USD 528 million loan via JICA to upgrade Patimban Port in West Java. The modernization efforts aim to enhance trade competitiveness and integrate the port with Indonesia's growing automotive and logistics sectors.

**Indonesia's Cement Industry Faces Headwinds:** Indonesia's cement industry is grappling with oversupply, pricing pressures, and shifting infrastructure priorities. Major players like INTP and SMGR are expected to adapt through efficiency improvements and diversification strategies.

**OJK Tightens Rules for Online Borrowers and Credit Scoring:** Indonesia's Financial Services Authority (OJK) has imposed stricter eligibility requirements for online loans, mandating that borrowers must be at least 18 years old and have a minimum income of IDR 3 million (USD 184). Additionally, new regulations on Alternative Credit Scoring (PKA) are being introduced to improve credit access and risk assessment.

## Politics, Security, and Regional Affairs

**Prabowo's Expanding Cabinet Sparks Governance Concerns:** The Prabowo administration's unprecedented 100-minister cabinet is drawing scrutiny over potential inefficiencies and concerns about centralizing power. While supporters argue it enhances policy coordination, critics warn of bureaucratic bloat and weakened institutional checks and balances.

**ASEAN Faces Internal Strains Amidst Prabowo-Anwar Rivalry:** Diplomatic tensions are emerging within ASEAN as Indonesia and Malaysia's leaders prioritize national interests over regional cooperation. Analysts warn that a lack of unity could undermine ASEAN's geopolitical influence, especially amid intensifying US-China competition.

**Indonesia Plans Pardons for Papua Separatists:** The Indonesian government is considering granting pardons to Papuan separatists willing to renounce violence. This move, aimed at de-escalating tensions in the resource-rich region, signals a shift toward reconciliation rather than military confrontation.

**India Nears Sale of BrahMos Missiles to Indonesia:** India is close to finalizing a USD 450 million deal to supply Indonesia with BrahMos supersonic cruise missiles. The agreement is part of Indonesia's broader defense modernization efforts, particularly in countering maritime security threats.

## Digital Economy and Telcos

**Indonesia Fines Google USD 12 Million for Antitrust Violations:** Indonesia's competition watchdog has fined Google IDR 202 billion (USD 12.4 million) for monopolistic practices related to its Play Store payment policies. The decision reinforces Indonesia's push for fair digital market competition.

**Southeast Asia's Startup Funding Declines for Third Consecutive Year:** Venture capital funding in Southeast Asia has declined for the third straight year, reflecting investor caution amid global economic uncertainties. Indonesia's startup ecosystem, however, remains resilient, with notable deals such as Banyu's USD 1.25 million seed round in the seaweed sector.

**Indonesian Startups Shine at ASEAN Digital Awards:** Indonesian tech firms won nine medals at the ASEAN Digital Awards 2025, reaffirming the country's growing influence in the regional digital economy. Key winners included companies specializing in AI, fintech, and sustainable tech solutions.

## Environment and Green Economy

**Indonesia Advances Giant Sea Wall Project:** President Prabowo Subianto is prioritizing the Java Giant Sea Wall project to combat coastal erosion and rising sea levels. The initiative forms part of broader climate resilience efforts but faces opposition over potential environmental consequences.

**Indonesia Expands Clean Energy Infrastructure:** Indonesia has inaugurated 37 strategic electricity projects as part of its energy transition roadmap. These projects span 18 provinces and focus on integrating renewable energy into the national grid.

**Indonesia Strengthens Marine Conservation Efforts:** The government is seeking international collaborations to enhance marine biodiversity protection. The Ministry of Marine Affairs and Fisheries aims to position Indonesia as a leader in sustainable ocean governance.

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## Regional Developments

**Regional Governments Expected to Contribute USD 305 Million to Free Meals Program:** The Ministry of Home Affairs is urging regional administrations to allocate IDR 5 trillion (USD 305 million) to support the national free nutritious meals program. The funding would help expand the program's reach and infrastructure.

**Bali Targets 6.5 Million Foreign Tourists in 2025:** Bali's tourism board has set an ambitious target of attracting 6.5 million international visitors this year. The province is implementing new strategies, including digital marketing campaigns and sustainable tourism initiatives, to drive recovery.

**Rempang Residents Protest Eco City Project:** Local communities on Rempang Island are calling on President Prabowo to reconsider the controversial Rempang Eco City project. Residents argue that the project threatens their traditional livelihoods and environment.

## Outlook & Market Implications

- The rupiah's stability will largely hinge on the successful implementation of the DHE SDA regulation and BRICS trade opportunities.
- Foreign direct investment is expected to rise, particularly in manufacturing, EV battery supply chains, and infrastructure, as Indonesia positions itself as an alternative to China.
- The tech sector faces regulatory headwinds, but Indonesia remains a key digital economy player in Southeast Asia.
- Energy policies are shifting towards renewables and decarbonization, yet coal and gas still play dominant roles.

The Prabowo administration's economic agenda will be closely monitored, with key projects such as IKN development, food security programs, and trade diplomacy shaping Indonesia's growth trajectory.

## Market Movement

Asian markets showed mixed movements with Japan's Nikkei 225 surging 1.6% to close at 39,646, driven by strong corporate earnings and a weaker yen. Meanwhile, the Hang Seng Index in Hong Kong dropped 1.6% to 19,779, as concerns over China's economic slowdown continued to weigh on investor sentiment. The Shanghai Composite also declined 0.9% to 3,214, reflecting weakness in property and financial stocks. South Korea's Kospi gained 1.2% to 2,547, supported by a rebound in semiconductor shares, while Singapore's Straits Times Index (STI) edged 0.4% lower to 3,781.

In Indonesia, the Jakarta Composite Index (JCI) rose 1.05% to 7,257.1, marking a strong session as banking and technology stocks led the gains. The Indonesia Sharia Stock Index (ISSI) also saw an increase of 1.41%, closing at 216.4, highlighting positive momentum in Islamic finance-related stocks. Foreign investors were net buyers, accumulating IDR 246 billion in the regular market and IDR 46.9 billion in the negotiated market, reflecting continued foreign interest in Indonesian equities.

## Sector and Stock Performance

The IDXTECH sector emerged as the top gainer, buoyed by strong performances in digital and technology stocks, while IDXPROP (property sector) was the biggest laggard amid concerns over rising interest rates and a sluggish real estate market.

Among individual stocks, major banks played a crucial role in driving the JCI higher. BBRI (Bank Rakyat Indonesia), BMRI (Bank Mandiri), and BBNI (Bank Negara Indonesia) were among the leading movers, benefiting from solid earnings expectations and foreign inflows. On the other hand, BBKA (Bank Central Asia), BREN (Barito Renewables Energy), and TLKM (Telkom Indonesia) were among the biggest lagging movers, with TLKM still attracting foreign net buying despite being on the laggard list.

## Foreign Transactions

Foreign investors showed strong interest in TLKM (Telkom Indonesia), which saw a 3.8% increase to IDR 2,730, along with BMRI (+1.7%), AMMN (+5.5%), EXCL (+0.4%), and MEDC (+0.9%). Conversely, stocks that faced significant foreign net selling included PTRO (-3.8%), GOTO (unchanged at 84), RAJA (unchanged at 4,230), BBKA (+0.3%), and JPFA (-1.3%).

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## Market Highlights

In terms of value, BBCA, BBRI, BMRI, PANI, and PTRO were the most actively traded stocks. Notably, AMRT (Alfamart) surged 6.6%, reflecting strong retail sector optimism. Meanwhile, PANI fell 2.0%, and PTRO declined 3.8%, likely due to profit-taking after recent gains.

## Commodities and Currency Update

In the commodities market, gold rose 0.6% to USD 2,761 per ounce, reflecting increased safe-haven demand amid global economic uncertainties. Brent crude oil climbed 0.5% to USD 80 per barrel, supported by supply concerns and geopolitical tensions. In the currency market, the Indonesian Rupiah (IDR) weakened slightly against the USD, with USD/IDR closing at 16,285 (+0.3%), indicating mild pressure on the local currency.

## Market Outlook

The overall market sentiment remains mixed, with investors closely watching global economic developments, corporate earnings, and geopolitical risks. The strong performance of the banking and technology sectors suggests that liquidity remains supportive of select equities. However, ongoing concerns regarding China's economy and rising global interest rates may continue to influence market volatility in the coming sessions.

## Fixed Income

The Indonesian Rupiah-denominated bond market continued its upward trajectory supported by a stronger Rupiah. The Indonesia Composite Bond Index (ICBI) edged up by 0.02%, bringing its year-to-date (YTD) return to 0.21%. Meanwhile, the benchmark 10-year SBN (FR0103) saw its yield drop to 7.05%, reflecting increased investor demand.

This movement aligns with the appreciation of the Rupiah, which strengthened by 63 points to IDR 16,280 per USD, a key factor bolstering market confidence. Additionally, the U.S. Treasury (UST) 10-year yield dipped slightly by 0.002 percentage points to 4.566%, providing further support for Indonesia's bond market, as lower UST yields tend to enhance the attractiveness of emerging-market bonds.

## Trading Activity

Despite the price appreciation, trading activity declined significantly. The total bond trading volume dropped by 47.84% to IDR 17.59 trillion, compared to IDR 33.72 trillion in the previous session. Likewise, the transaction frequency decreased by 7.25%, from 3,931 trades to 3,646 trades.

This decline may indicate some profit-taking after recent gains or a cautious stance among investors ahead of key economic data releases.

The Indonesian bond market remains supported by a stronger Rupiah and stable global yield trends, but trading activity has slowed, signaling possible consolidation. In the near term, market movements will be influenced by global monetary policy trends, local macroeconomic indicators, and investor risk appetite. A dovish U.S. Fed stance and continued Rupiah strength could push yields lower, while external shocks could increase volatility.

Investors should adopt a selective approach, focusing on longer-duration bonds for yield pickup while remaining cautious of potential near-term fluctuations due to global uncertainties.

## US 10 Year Treasury

The yield on the 10-year US Treasury note stabilized around 4.59% on Wednesday after experiencing downward pressure in recent sessions, as investors assessed US President Donald Trump's proposed tariff measures. On Tuesday, Trump mentioned that he is considering imposing a 10% tariff on Chinese imports as early as February 1, following his recent threat to implement a 25% tariff on goods from Mexico and Canada. However, none of these tariff plans have been formally enacted, raising hopes that the administration may take a more measured approach, which could help alleviate inflation concerns. Earlier this month, the benchmark 10-year yield climbed to its highest level in over a year amid worries that Trump's "America First" agenda and pro-growth policies might drive inflation higher, potentially limiting the Federal Reserve's ability to continue cutting interest rates. Despite these concerns, markets still anticipate a Fed rate cut by July, with the possibility of an additional reduction before the end of the year.

## Outlook

Several factors will shape the bond market trajectory in the near term:

### Macroeconomic Developments & Rupiah Stability

The recent appreciation of the Rupiah has provided relief for the bond market. However, its sustainability will depend on external factors, including global risk sentiment, U.S. Federal Reserve policies, and Indonesia's trade balance.

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Bank Indonesia's policy stance on interest rates and liquidity management will be key in determining bond yield movements.

## Global Yield Trends & U.S. Fed Policy

The U.S. Federal Reserve's interest rate path remains a major driver for global bond markets. A dovish shift or softer U.S. inflation data could push UST yields lower, further strengthening foreign inflows into Indonesian bonds.

Conversely, hawkish Fed comments or stronger-than-expected U.S. economic data could trigger outflows, pressuring both bond prices and the Rupiah.

## Liquidity & Market Sentiment

The sharp drop in bond trading volume suggests a degree of caution among investors. If this trend continues, liquidity concerns could emerge, impacting bond price stability.

However, demand for government bonds remains resilient, particularly from long-term investors such as pension funds, insurance companies, and foreign investors looking for high-yield opportunities.

## Domestic Fiscal & Policy Landscape

Investors will monitor government bond issuance plans and fiscal policy adjustments, especially given the government's commitment to fiscal consolidation and infrastructure spending.

A well-managed issuance schedule and continued investor confidence in fiscal discipline should provide stability to bond yields.

The yield on Indonesia's 10-year government bond (SUN) continued to decline last week after reaching 7.33%, its highest level since January 2023. The critical level for further declines is at 7.1%. If a rebound occurs at this level, the yield is likely to consolidate within the 7.1%–7.33% range.

The U.S. 3-day bond yield correlation indicates reduced tension in the bond market following the release of expected U.S. inflation data. The market moves proportionally with both the equity and bond markets, leading to an increase in stock indices while simultaneously depressing bond yields.

However, at the start of the week, the market may shift gradually towards equities while decreasing demand for bonds (potentially causing bond yields to rise) in response to Trump's inauguration, which could trigger a rising inflationary environment due to expansive fiscal policies.

December's price data indicated some softening in underlying inflation, raising hopes of disinflation in sectors with persistent price growth. Shortly after, other reports showed that retail sales rose less than expected, while initial jobless claims rebounded more than expected in the second week of January. These results challenged the prevailing view that the U.S. economy remains unresponsive to the Federal Reserve's higher interest rates, briefly leading the market to erase expectations of any rate cuts this year. However, import prices surged to a two-year high, heightening concerns that tariffs imposed by President-elect Trump could amplify inflationary pressures. Markets currently expect the Fed to deliver a single rate cut this year, which is currently priced in for the third quarter.

The Indonesian 3-day bond yield correlation suggests an increase in diversified portfolio inflows following Bank Indonesia's rate cuts. This trend may continue this week due to tamer U.S. inflation data, which has depressed the U.S. 10-year yield. However, investors should remain cautious as the post-Trump inauguration could reverse the momentum. If market sentiment shifts abruptly, the correlation may change, potentially halting capital inflows.

## Strategy

Based on the Relative Rotation Graph (RRG) chart, short-term SUN yields (below the 10-year benchmark) are leading compared to the benchmark. However, most short-term tenors are starting to lose momentum.

Meanwhile, long-term yields (above the 10-year benchmark) remain in the lagging quadrant, with momentum still weakening, albeit at a slower pace. Currently, only the 12-year tenor remains in the leading quadrant, but it is expected to start lagging within the next one or two weeks. Given the Market Dynamics, we recommend the following:

**INDOGB: FR42, FR94, FR47, FR83, FR67**

**INDOIS: PBS30, PBS34, PBS12**

# DAILY ECONOMIC INSIGHTS



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## Macro Forecasts

| Macro                           | 2024A  | 2025F  | 2026F  |
|---------------------------------|--------|--------|--------|
| GDP (% YoY)                     | 5.02   | 5.05   | 5.2    |
| Inflation (% YoY)               | 1.57   | 2.7    | 3.0    |
| Current Account Balance (% GDP) | -0.9   | -1.4   | -1.9   |
| Fiscal Balance (% to GDP)       | -2.29  | -2.9   | -2.9   |
| BI 7DRRR (%)                    | 6.0    | 5.75   | 5.25   |
| 10Y. Government Bond Yield (%)  | 7.0    | 7.3    | 7.24   |
| Exchange Rate (USD/IDR)         | 16,162 | 16,500 | 16,900 |

Source: SSI Research

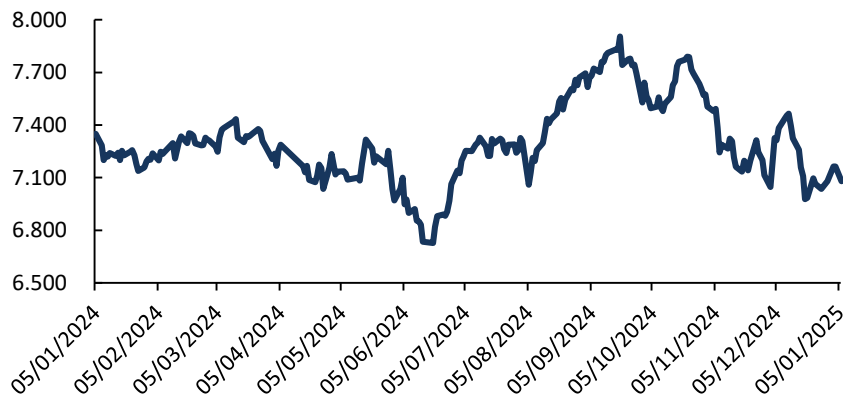
## Currencies

| Currency Pair | Index, Last | Currency Pair | Index, Last |
|---------------|-------------|---------------|-------------|
| AUD / USD     | 0.6         | AUD / IDR     | 10,244      |
| CNY / USD     | 7.2         | CNY / IDR     | 2,247       |
| EUR / USD     | 1.0         | EUR / IDR     | 15,748      |
| GBP / USD     | 1.2         | GBP / IDR     | 20,174      |
| HKD / USD     | 7.7         | HKD / IDR     | 2,099       |
| JPY / USD     | 156         | JPY / IDR     | 105         |
| MYR / USD     | 4.4         | MYR / IDR     | 3,662       |
| NZD / USD     | 0.5         | NZD / IDR     | 9,268       |
| SAR / USD     | 3.7         | SAR / IDR     | 4,356       |
| SGD / USD     | 1.3         | SGD / IDR     | 12,084      |
|               |             | USD / IDR     | 16,343      |

Source: STAR, SSI Research

## JCI Chart Intraday

(IDR)



Source: Bloomberg, SSI Research

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## Net Foreign Flow: IDR 292.9 bn **Inflow**

| Stock | % TVAL | Last   | % CHG | % MTD | % YTD | NVAL (IDR bn) |
|-------|--------|--------|-------|-------|-------|---------------|
| TLKM  | 1.3    | 2,730  | 3.8   | 0.7   | 0.7   | 153           |
| BMRI  | 4.5    | 6,150  | 1.6   | 7.8   | 7.8   | 104           |
| AMMN  | 0.4    | 8,600  | 5.5   | 1.4   | 1.4   | 41            |
| EXCL  | 0.3    | 2,280  | 0.4   | 1.3   | 1.3   | 36            |
| MEDC  | 0.1    | 1,105  | 0.9   | 0.4   | 0.4   | 22            |
| TPIA  | 0.2    | 6,975  | 3.3   | -7.0  | -7.0  | 22            |
| FILM  | 0.0    | 3,990  | 0.0   | 3.3   | 3.3   | 19            |
| CBDK  | 0.1    | 9,425  | -5.5  | 132.1 | 132.1 | 18            |
| BBNI  | 1.5    | 4,790  | 1.0   | 10.1  | 10.1  | 17            |
| UNTR  | 0.3    | 25,925 | 0.8   | -3.1  | -3.1  | 16            |

Source: STAR, SSI Research

## Index Stock Mover Summary

| Stock | % CHG | JCI (+) | M.CAP (IDR tn) | Stock | % CHG | JCI (+) | M.CAP (IDR tn) |
|-------|-------|---------|----------------|-------|-------|---------|----------------|
| AMMN  | 5.5   | 29.27   | 624            | PANI  | -1.9  | -4.16   | 233            |
| TPIA  | 3.3   | 17.45   | 603            | CBDK  | -5.5  | -2.79   | 53             |
| DCII  | 12.6  | 11.17   | 111            | BRIS  | -1.3  | -1.63   | 130            |
| TLKM  | 3.8   | 8.88    | 270            | PTRO  | -3.8  | -1.44   | 41             |
| BMRI  | 1.6   | 8.27    | 568            | UNVR  | -2.0  | -1.19   | 65             |
| JSPT  | 19.8  | 7.33    | 49             | HMSP  | -1.6  | -1.04   | 71             |
| AMRT  | 6.6   | 6.70    | 120            | ARTO  | -2.7  | -0.86   | 34             |
| PGEO  | 14.5  | 5.01    | 44             | TBIG  | -1.9  | -0.81   | 46             |
| CUAN  | 2.8   | 4.03    | 165            | MAPA  | -3.1  | -0.76   | 26             |
| ICBP  | 3.4   | 3.92    | 133            | BYAN  | -0.1  | -0.74   | 679            |

Source: Bloomberg, STAR, SSI Research

## Daily Sector Summary

| SECTOR     | TVAL   | %TVAL | FNVAL  | FBVAL  | DBVAL  | FSVAL  | DSVAL  |
|------------|--------|-------|--------|--------|--------|--------|--------|
| IDXINFRA   | 1.0T   | 8.4   | 212.5B | 481.6B | 605.5B | 269.1B | 818.1B |
| IDXFİNANCE | 3.6T   | 30.2  | 150.1B | 2.3T   | 1.3T   | 2.1T   | 1.5T   |
| IDXBASİC   | 1.0T   | 8.4   | 108.6B | 299.4B | 794.0B | 190.8B | 902.7B |
| IDXCYCLİC  | 374.3B | 3.1   | 35.3B  | 145.9B | 228.3B | 110.5B | 263.7B |
| IDXINDUST  | 391.1B | 3.2   | 3.8B   | 147.7B | 243.4B | 143.9B | 247.2B |
| IDXPROPERT | 1.0T   | 8.4   | 1.0B   | 135.0B | 892.8B | 134.0B | 893.8B |
| IDXTRANS   | 39.7B  | 0.3   | 987.9M | 2.4B   | 37.3B  | 1.4B   | 38.3B  |
| COMPOSITE  | 11.9T  | 100.0 |        | 4.4T   | 7.5T   | 4.1T   | 7.7T   |
| IDXNONCYC  | 819.4B | 6.8   | 6.5B   | 293.2B | 526.1B | 299.8B | 519.5B |
| IDXHEALTH  | 555.6B | 4.6   | 37.3B  | 60.4B  | 495.2B | 97.8B  | 457.8B |
| IDXTECHNO  | 510.3B | 4.2   | 51.4B  | 203.2B | 307.1B | 254.6B | 255.7B |
| IDXENERGY  | 2.3T   | 19.3  | 124.1B | 317.2B | 2.0T   | 441.4B | 1.8T   |

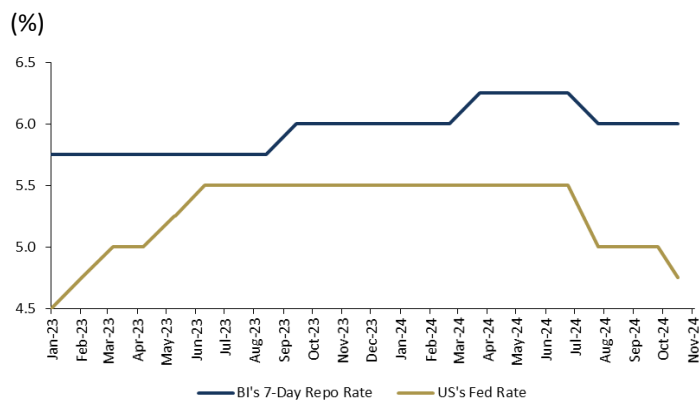
Source: Bloomberg, STAR, SSI Research

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## Monetary Policy



Source: Bloomberg, SSI Research

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



Source: 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     | 0.40          | 6.5%        | 99.96        | 6.6%              | 6.7%        | 99.93           | (12.59)            | Expensive      | 0.39     |
| 2   | FR40   | 9/21/2006  | 9/15/2025     | 0.65          | 11.0%       | 102.62       | 6.7%              | 6.7%        | 102.69          | 0.80               | Cheap          | 0.63     |
| 3   | FR84   | 5/4/2020   | 2/15/2026     | 1.07          | 7.3%        | 100.52       | 6.7%              | 6.7%        | 100.53          | 0.73               | Cheap          | 1.02     |
| 4   | FR86   | 8/13/2020  | 4/15/2026     | 1.23          | 5.5%        | 98.51        | 6.8%              | 6.7%        | 98.57           | 4.55               | Cheap          | 1.20     |
| 5   | FR37   | 5/18/2006  | 9/15/2026     | 1.65          | 12.0%       | 107.95       | 6.8%              | 6.8%        | 108.05          | 2.09               | Cheap          | 1.51     |
| 6   | FR56   | 9/23/2010  | 9/15/2026     | 1.65          | 8.4%        | 102.38       | 6.8%              | 6.8%        | 102.48          | 5.02               | Cheap          | 1.55     |
| 7   | FR90   | 7/8/2021   | 4/15/2027     | 2.23          | 5.1%        | 96.63        | 6.8%              | 6.8%        | 96.60           | (1.67)             | Expensive      | 2.12     |
| 8   | FR59   | 9/15/2011  | 5/15/2027     | 2.31          | 7.0%        | 100.33       | 6.8%              | 6.8%        | 100.43          | 4.05               | Cheap          | 2.13     |
| 9   | FR42   | 1/25/2007  | 7/15/2027     | 2.48          | 10.3%       | 107.66       | 6.8%              | 6.8%        | 107.73          | 2.46               | Cheap          | 2.23     |
| 10  | FR94   | 3/4/2022   | 1/15/2028     | 2.98          | 5.6%        | 96.52        | 6.9%              | 6.8%        | 96.71           | 7.92               | Cheap          | 2.76     |
| 11  | FR47   | 8/30/2007  | 2/15/2028     | 3.07          | 10.0%       | 108.67       | 6.8%              | 6.8%        | 108.61          | (3.19)             | Expensive      | 2.65     |
| 12  | FR64   | 8/13/2012  | 5/15/2028     | 3.32          | 6.1%        | 98.05        | 6.8%              | 6.9%        | 97.87           | (6.58)             | Expensive      | 2.99     |
| 13  | FR95   | 8/19/2022  | 8/15/2028     | 3.57          | 6.4%        | 98.63        | 6.8%              | 6.9%        | 98.47           | (5.44)             | Expensive      | 3.18     |
| 14  | FR99   | 1/27/2023  | 1/15/2029     | 3.99          | 6.4%        | 99.52        | 6.5%              | 6.9%        | 98.32           | (35.12)            | Expensive      | 3.54     |
| 15  | FR71   | 9/12/2013  | 3/15/2029     | 4.15          | 9.0%        | 107.50       | 6.9%              | 6.9%        | 107.48          | (1.44)             | Expensive      | 3.51     |
| 16  | 101    | 11/2/2023  | 4/15/2029     | 4.23          | 6.9%        | 100.06       | 6.9%              | 6.9%        | 99.91           | (4.50)             | Expensive      | 3.71     |
| 17  | FR78   | 9/27/2018  | 5/15/2029     | 4.32          | 8.3%        | 104.89       | 6.9%              | 6.9%        | 104.95          | 0.83               | Cheap          | 3.64     |
| 18  | 104    | 8/22/2024  | 7/15/2030     | 5.48          | 6.5%        | 98.33        | 6.9%              | 7.0%        | 97.94           | (8.83)             | Expensive      | 4.64     |
| 19  | FR52   | 8/20/2009  | 8/15/2030     | 5.57          | 10.5%       | 116.12       | 7.0%              | 7.0%        | 116.10          | (1.04)             | Expensive      | 4.32     |
| 20  | FR82   | 8/1/2019   | 9/15/2030     | 5.65          | 7.0%        | 100.40       | 6.9%              | 7.0%        | 100.15          | (5.65)             | Expensive      | 4.68     |
| 21  | FR87   | 8/13/2020  | 2/15/2031     | 6.07          | 6.5%        | 97.63        | 7.0%              | 7.0%        | 97.64           | 0.16               | Cheap          | 4.99     |
| 22  | FR85   | 5/4/2020   | 4/15/2031     | 6.23          | 7.8%        | 103.55       | 7.0%              | 7.0%        | 103.78          | 4.17               | Cheap          | 5.02     |
| 23  | FR73   | 8/6/2015   | 5/15/2031     | 6.32          | 8.8%        | 108.66       | 7.0%              | 7.0%        | 108.84          | 2.80               | Cheap          | 4.91     |
| 24  | FR54   | 7/22/2010  | 7/15/2031     | 6.48          | 9.5%        | 112.60       | 7.0%              | 7.0%        | 112.84          | 4.07               | Cheap          | 5.01     |
| 25  | FR91   | 7/8/2021   | 4/15/2032     | 7.24          | 6.4%        | 96.28        | 7.0%              | 7.0%        | 96.33           | 0.80               | Cheap          | 5.81     |
| 26  | FR58   | 7/21/2011  | 6/15/2032     | 7.40          | 8.3%        | 106.61       | 7.1%              | 7.0%        | 106.91          | 4.59               | Cheap          | 5.63     |
| 27  | FR74   | 11/10/2016 | 8/15/2032     | 7.57          | 7.5%        | 102.48       | 7.1%              | 7.0%        | 102.64          | 2.59               | Cheap          | 5.79     |
| 28  | FR96   | 8/19/2022  | 2/15/2033     | 8.07          | 7.0%        | 99.64        | 7.1%              | 7.1%        | 99.63           | (0.35)             | Expensive      | 6.15     |
| 29  | FR65   | 8/30/2012  | 5/15/2033     | 8.32          | 6.6%        | 97.12        | 7.1%              | 7.1%        | 97.24           | 1.85               | Cheap          | 6.35     |
| 30  | 100    | 8/24/2023  | 2/15/2034     | 9.07          | 6.6%        | 96.84        | 7.1%              | 7.1%        | 96.90           | 0.85               | Cheap          | 6.76     |
| 31  | FR68   | 8/1/2013   | 3/15/2034     | 9.15          | 8.4%        | 108.26       | 7.1%              | 7.1%        | 108.50          | 3.05               | Cheap          | 6.55     |
| 32  | FR80   | 7/4/2019   | 6/15/2035     | 10.40         | 7.5%        | 102.62       | 7.1%              | 7.1%        | 102.66          | 0.34               | Cheap          | 7.30     |
| 33  | 103    | 8/8/2024   | 7/15/2035     | 10.48         | 6.8%        | 97.61        | 7.1%              | 7.1%        | 97.18           | (5.90)             | Expensive      | 7.55     |
| 34  | FR72   | 7/9/2015   | 5/15/2036     | 11.32         | 8.3%        | 108.13       | 7.2%              | 7.2%        | 108.38          | 2.74               | Cheap          | 7.52     |
| 35  | FR88   | 1/7/2021   | 6/15/2036     | 11.41         | 6.3%        | 93.57        | 7.1%              | 7.2%        | 92.99           | (7.96)             | Expensive      | 8.06     |
| 36  | FR45   | 5/24/2007  | 5/15/2037     | 12.32         | 9.8%        | 120.41       | 7.2%              | 7.2%        | 120.77          | 3.61               | Cheap          | 7.66     |
| 37  | FR93   | 1/6/2022   | 7/15/2037     | 12.49         | 6.4%        | 94.51        | 7.0%              | 7.2%        | 93.40           | (14.19)            | Expensive      | 8.57     |
| 38  | FR75   | 8/10/2017  | 5/15/2038     | 13.32         | 7.5%        | 102.45       | 7.2%              | 7.2%        | 102.52          | 0.71               | Cheap          | 8.48     |
| 39  | FR98   | 9/15/2022  | 6/15/2038     | 13.41         | 7.1%        | 99.33        | 7.2%              | 7.2%        | 99.33           | (0.16)             | Expensive      | 8.66     |
| 40  | FR50   | 1/24/2008  | 7/15/2038     | 13.49         | 10.5%       | 129.68       | 7.1%              | 7.2%        | 128.12          | (15.40)            | Expensive      | 8.11     |
| 41  | FR79   | 1/7/2019   | 4/15/2039     | 14.24         | 8.4%        | 109.66       | 7.3%              | 7.2%        | 110.18          | 5.23               | Cheap          | 8.71     |
| 42  | FR83   | 11/7/2019  | 4/15/2040     | 15.24         | 7.5%        | 102.32       | 7.2%              | 7.2%        | 102.42          | 0.92               | Cheap          | 9.27     |
| 43  | 106    | 1/9/2025   | 8/15/2040     | 15.58         | 7.1%        | 98.77        | 7.3%              | 7.2%        | 98.93           | 1.75               | Cheap          | 9.36     |
| 44  | FR57   | 4/21/2011  | 5/15/2041     | 16.32         | 9.5%        | 120.92       | 7.3%              | 7.3%        | 121.32          | 3.39               | Cheap          | 9.03     |
| 45  | FR62   | 2/9/2012   | 4/15/2042     | 17.24         | 6.4%        | 91.25        | 7.3%              | 7.3%        | 91.36           | 1.08               | Cheap          | 10.23    |
| 46  | FR92   | 7/8/2021   | 6/15/2042     | 17.41         | 7.1%        | 98.80        | 7.2%              | 7.3%        | 98.65           | (1.72)             | Expensive      | 9.99     |
| 47  | FR97   | 8/19/2022  | 6/15/2043     | 18.41         | 7.1%        | 98.96        | 7.2%              | 7.3%        | 98.51           | (4.58)             | Expensive      | 10.27    |
| 48  | FR67   | 7/18/2013  | 2/15/2044     | 19.08         | 8.8%        | 114.74       | 7.3%              | 7.3%        | 115.05          | 2.63               | Cheap          | 9.92     |
| 49  | 107    | 1/9/2025   | 8/15/2045     | 20.58         | 7.1%        | 98.68        | 7.2%              | 7.3%        | 98.28           | (3.89)             | Expensive      | 10.74    |
| 50  | FR76   | 9/22/2017  | 5/15/2048     | 23.33         | 7.4%        | 101.08       | 7.3%              | 7.3%        | 100.89          | (1.79)             | Expensive      | 11.21    |
| 51  | FR89   | 1/7/2021   | 8/15/2051     | 26.58         | 6.9%        | 96.06        | 7.2%              | 7.3%        | 95.13           | (8.09)             | Expensive      | 11.95    |
| 52  | 102    | 1/5/2024   | 7/15/2054     | 29.50         | 6.9%        | 96.12        | 7.2%              | 7.3%        | 95.14           | (8.33)             | Expensive      | 12.50    |
| 53  | 105    | 8/27/2024  | 7/15/2064     | 39.51         | 6.9%        | 95.89        | 7.2%              | 7.2%        | 96.04           | 1.25               | Cheap          | 13.37    |

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     | 0.56          | 5.4%        | 99.39        | 6.5%              | 6.7%        | 99.28           | (21.46)            | Expensive      | 0.55     |
| 2   | PBS017 | 1/11/2018  | 10/15/2025    | 0.73          | 6.1%        | 99.81        | 6.4%              | 6.7%        | 99.59           | (32.76)            | Expensive      | 0.72     |
| 3   | PBS032 | 7/29/2021  | 7/15/2026     | 1.48          | 4.9%        | 97.20        | 6.9%              | 6.7%        | 97.43           | 17.15              | Cheap          | 1.44     |
| 4   | PBS021 | 12/5/2018  | 11/15/2026    | 1.81          | 8.5%        | 103.09       | 6.6%              | 6.7%        | 102.96          | (9.09)             | Expensive      | 1.68     |
| 5   | PBS003 | 2/2/2012   | 1/15/2027     | 1.98          | 6.0%        | 98.37        | 6.9%              | 6.7%        | 98.65           | 15.69              | Cheap          | 1.88     |
| 6   | PBS020 | 10/22/2018 | 10/15/2027    | 2.73          | 9.0%        | 105.64       | 6.7%              | 6.8%        | 105.51          | (6.15)             | Expensive      | 2.46     |
| 7   | PBS018 | 6/4/2018   | 5/15/2028     | 3.31          | 7.6%        | 102.67       | 6.7%              | 6.8%        | 102.51          | (5.98)             | Expensive      | 2.93     |
| 8   | PBS030 | 6/4/2021   | 7/15/2028     | 3.48          | 5.9%        | 96.93        | 6.9%              | 6.8%        | 97.26           | 11.03              | Cheap          | 3.16     |
| 9   | PBSG1  | 9/22/2022  | 9/15/2029     | 4.65          | 6.6%        | 99.73        | 6.7%              | 6.8%        | 99.33           | (10.48)            | Expensive      | 4.01     |
| 10  | PBS023 | 5/15/2019  | 5/15/2030     | 5.31          | 8.1%        | 105.95       | 6.8%              | 6.8%        | 105.79          | (4.05)             | Expensive      | 4.34     |
| 11  | PBS012 | 1/28/2016  | 11/15/2031    | 6.82          | 8.9%        | 109.71       | 7.1%              | 6.8%        | 110.95          | 21.23              | Cheap          | 5.19     |
| 12  | PBS024 | 5/28/2019  | 5/15/2032     | 7.32          | 8.4%        | 108.85       | 6.8%              | 6.8%        | 108.67          | (3.33)             | Expensive      | 5.55     |
| 13  | PBS025 | 5/29/2019  | 5/15/2033     | 8.32          | 8.4%        | 109.27       | 6.9%              | 6.9%        | 109.43          | 2.04               | Cheap          | 6.10     |
| 14  | PBS029 | 1/14/2021  | 3/15/2034     | 9.15          | 6.4%        | 97.79        | 6.7%              | 6.9%        | 96.59           | (18.35)            | Expensive      | 6.92     |
| 15  | PBS022 | 1/24/2019  | 4/15/2034     | 9.23          | 8.6%        | 111.29       | 6.9%              | 6.9%        | 111.74          | 5.81               | Cheap          | 6.61     |
| 16  | PBS037 | 6/23/2021  | 6/23/2036     | 11.42         | 6.5%        | 96.97        | 6.9%              | 6.9%        | 96.74           | (3.07)             | Expensive      | 8.04     |
| 17  | PBS004 | 2/16/2012  | 2/15/2037     | 12.07         | 6.1%        | 93.64        | 6.9%              | 6.9%        | 93.21           | (5.60)             | Expensive      | 8.39     |
| 18  | PBS034 | 1/13/2022  | 6/15/2039     | 14.40         | 6.5%        | 95.93        | 7.0%              | 7.0%        | 95.65           | (3.26)             | Expensive      | 9.27     |
| 19  | PBS007 | 9/29/2014  | 9/15/2040     | 15.66         | 9.0%        | 117.85       | 7.1%              | 7.0%        | 118.78          | 8.50               | Cheap          | 9.04     |
| 20  | PBS039 | 1/11/2024  | 7/15/2041     | 16.49         | 6.6%        | 96.47        | 7.0%              | 7.0%        | 96.17           | (3.18)             | Expensive      | 10.01    |
| 21  | PBS035 | 3/30/2022  | 3/15/2042     | 17.15         | 6.8%        | 97.02        | 7.1%              | 7.0%        | 97.20           | 1.80               | Cheap          | 10.10    |
| 22  | PBS005 | 5/2/2013   | 4/15/2043     | 18.24         | 6.8%        | 97.27        | 7.0%              | 7.1%        | 96.92           | (3.60)             | Expensive      | 10.49    |
| 23  | PBS028 | 7/23/2020  | 10/15/2046    | 21.74         | 7.8%        | 107.16       | 7.1%              | 7.1%        | 107.00          | (1.59)             | Expensive      | 11.02    |
| 24  | PBS033 | 1/13/2022  | 6/15/2047     | 22.41         | 6.8%        | 95.47        | 7.2%              | 7.1%        | 95.84           | 3.38               | Cheap          | 11.37    |
| 25  | PBS015 | 7/21/2017  | 7/15/2047     | 22.49         | 8.0%        | 111.18       | 7.0%              | 7.1%        | 109.73          | (12.12)            | Expensive      | 11.17    |
| 26  | PBS038 | 12/7/2023  | 12/15/2049    | 24.91         | 6.9%        | 95.86        | 7.2%              | 7.2%        | 96.64           | 6.95               | Cheap          | 11.74    |

Source: Bloomberg, SSI Research

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