Daily Bond Market Update

September 2, 2026

Market Review

Government bond prices closed higher in trading on Tuesday (01/09). Indonesia Composite Bond Index decreased by 0.13% to 439.49. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark advanced 10.1 bps and 5.9 bps to 6.93% and 7.04%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark increased 5.1 bps and 4.2 bps to 7.12% and 7.13%, respectively.

US manufacturing activity eased in August after strong growth in the prior month. New orders slowing and input prices remaining high amid persistent supply-chain strains. The Institute for Supply Management said on Tuesday the manufacturing PMI fell to a still-elevated 54.6 last month from 55.6 in July, which was the highest reading since May 2022. Economists polled by Reuters had forecast the PMI would drop to 55.2. The PMI has held above the 50 threshold this year, indicating growth in the manufacturing sector. Some of the retreat last month could be the result of the fading boost from businesses front-loading orders to avoid higher prices and shortages stemming from the six-month US-Israeli war with Iran. Manufacturing, which accounts for about 9.4% of the economy, remains supported by an artificial intelligence buildout. A further lift is expected from replenishment of business inventories, which have declined for five straight quarters, the longest such stretch since the Great Recession. The ISM survey's new orders measure slipped to 53.7 last month from 56.7 in July. The stock of unfinished work decreased, though export orders edged up. A measure of factory employment fell to 51.2 after rebounding in July to 52.8, the highest level since August 2022. This measure has, however, been a poor predictor of manufacturing employment in the government's monthly employment report. A Reuters survey of economists expects factory employment to have remained weak in August, though overall nonfarm payrolls are seen rebounding after a surprise decline in July. The government will publish the report on Friday. The pullback in orders did not ease the pressure on supply chains.

The Consumer Price Index (CPI) in August 2026 recorded inflation of 0.21% (mtm), or 3.19% on yearly basis (yoy). This maintained inflation level is the result of consistent monetary policy, close synergy in inflation control between Bank Indonesia and the Government (central and regional) through the Central and Regional Inflation Control Teams (TPIP and TPID), and the strengthened implementation of the National Food Security Program. Looking ahead, Bank Indonesia is confident that inflation will remain controlled within the 2.5%±1% range in 2026 and 2027. Additionally, core inflation in August 2026 was recorded at 0.21% (mtm), higher than the 0.14% (mtm) recorded in the previous month. This core inflation was primarily driven by gold jewelry, following a rise in global gold prices amidst stable inflation expectations. On an annual basis, core inflation in August 2026 stood at 2.92% (yoy), higher than the 2.76% (yoy) recorded in the previous month. Furthermore, the volatile food group experienced inflation of 0.88% (mtm) in August 2026, contrasting with the 1.68% (mtm) deflation recorded in the previous month. Inflation in the volatile food group was primarily driven by broiler chicken meat, bird's eye chili, and rice. On an annual basis, the volatile food group recorded inflation of 4.06% (yoy), higher than the 2.52% (yoy) recorded in the previous month. Finally, the administered prices group recorded deflation. In August 2026, the administered prices group recorded deflation of 0.33% (mtm), contrasting with the inflation of 0.25% (mtm) observed in the previous month.

Corporate News

PEFINDO has assigned its idBBB+ rating with stable outlook to PT Metra Digital Investama Ventura (MDI Ventures or MDI). The rating reflects a strong likelihood of support from PT Telkom Indonesia (Persero) Tbk (Telkom), conservative capital structure, and strong liquidity. The rating is constrained by the inherent risk of the venture capital industry and the Company's exposure to concentration risk. The rating may be raised if MDI Ventures sustainably improves its investment performance alongside greater portfolio diversification. Conversely, the rating may be lowered if PEFINDO observes material evidence of a lower likelihood of support from Telkom, for instance, changes in shareholder composition or ownership structure that diminish Telkom's ownership interest, control, or strategic importance to the Company. The rating may also be lowered if the Company's business position or financial profile deteriorates significantly.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.54	-37	6.93%	95.94
FR0108	9.63	-40	7.04%	96.27
FR0106	14.0	-45	7.12%	100.00
FR0107	19.0	-44	7.13%	99.98

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	6.96	6.95	1.00
Turkey	31.8	31.8	0.50
Singapore	2.40	2.34	5.70
Thailand	2.16	2.13	3.40
Malaysia	3.90	3.86	3.70
Korea	4.37	4.31	6.20
China	1.68	1.69	-0.60
Japan	3.00	2.94	6.10
US	4.80	4.75	4.80

Source: Bloomberg

Government Bond Ownership

Institution	In Trillion IDR	In Percentage (%)
Bank	1,181.4	16.9%
Bank Indonesia	1,894.5	27.0%
Mutual Fund	250.3	3.57%
Insurance & Pension Fund	1,439.1	20.5%
Foreigners	**909.0**	**13.0%**
Individual	589.3	8.41%
Others	747.2	10.7%
Total	**7,010.7**	**100.0%**

Source: DJPPR (as of August 20, 2026)

Currency Movement

FX Rate	1-Sep	(-1 day)	Chg. (%)
USD/IDR	17726	17720	0.03%
EUR/USD	1.159	1.162	-0.22%
GBP/USD	1.352	1.355	-0.24%
USD/JPY	160.2	159.7	0.28%
USD/SGD	1.273	1.271	0.18%
USD/MYR	4.040	4.025	0.37%

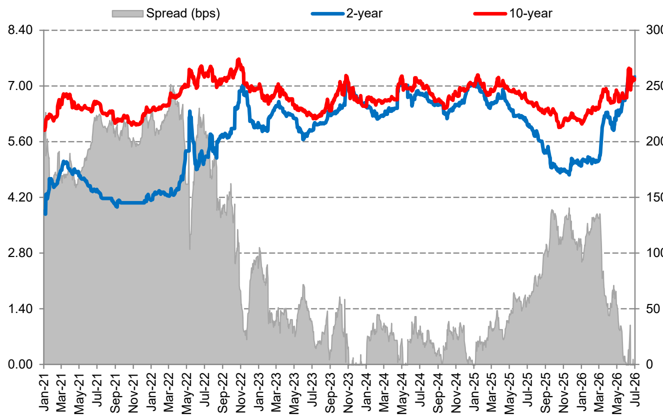
Source: Bloomberg

Money Market

	1-Sep	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	5.90	5.90	5.90	5.90
1M	5.03	5.03	5.03	5.03
3M	5.46	5.46	5.46	5.46
LIBOR				
1M	4.96	4.96	4.96	4.96
3M	4.85	4.85	4.85	4.85
6M	4.68	4.68	4.68	4.68
Indonesia Interest Rates				
Deposit 1M	4.14	4.19	4.08	4.08
Lending	14.3	14.7	14.8	14.7

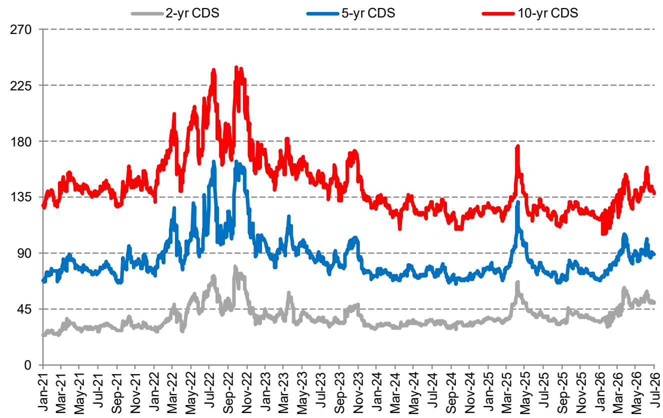
Source: Bloomberg

Yield Spread Between 2- and 10-year Bond



Source: Bloomberg

Credit Default Swap



Source: Bloomberg

US Economic Calendar

Date	Report
August 24, 2026	---
August 25, 2026	New Home Sales
August 26, 2026	Durable Goods; Personal Consumption Expenditure (PCE)
August 27, 2026	Initial Jobless Claims; Trade Balance
August 28, 2026	University of Michigan Consumer Survey (Final)
August 31, 2026	---
September 1, 2026	S&P Global Manufacturing PMI (Final); JOLTs Job Openings
September 2, 2026	Factory Orders
September 3, 2026	Initial Jobless Claims
September 4, 2026	Employment Report

Indonesia Economic Calendar

Date	Report
August 24, 2026	M2 Money Supply
August 25, 2026	---
August 26, 2026	Sukuk Auction
August 27, 2026	---
August 28, 2026	---
August 31, 2026	---
September 1, 2026	Conventional Auction; Inflation Rate
September 2, 2026	Trade Balance
September 3, 2026	S&P Global Manufacturing PMI
September 4, 2026	---

Auction Result: Conventional IGB (in Billion IDR)

Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
1-Sep-26	SPN01261003	01-mo	32,000	1,570	65,965	1,000	34,000	6.550%
	SPN12261203	03-mo		3,900		1,000		6.750%
	SPN12270902	12-mo		7,551		3,000		6.950%
	FR0110	06-yr		22,109		12,300		6.979%
	FR0111	11-yr		19,998		12,000		7.070%
	FR0106	14-yr		3,933		1,850		7.139%
	FR0107	19-yr		2,956		1,600		7.148%
	FR0102	29-yr		2,296		950		7.226%
	FR0105	39-yr		1,652		300		7.220%

Source: DJPPR

Auction Result: Sukuk (in Billion IDR)

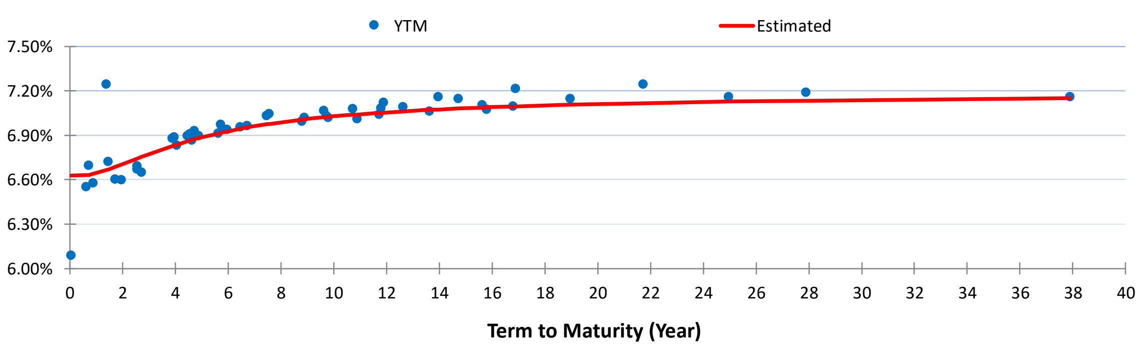
Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
26-Aug-26	SPNS12102026	01-mo	10,000	1,771	23,543	1,000	10,000	6.552%
	SPNS01032027	06-mo		2,775		-		-
	SPNS25052027	09-mo		4,323		-		-
	PBS030	02-yr		3,602		1,150		6.639%
	PBS040	04-yr		4,128		3,700		6.813%
	PBS034	13-yr		2,608		1,650		7.099%
	PBS005	17-yr		1,779		1,300		7.109%
	PBS038	23-yr		2,557		1,200		7.162%

Source: DJPPR

Government Bonds Prices
Closing Data: 1-Sep-2026

Series	Maturity	TTM	Coupon	Price	YTM	Estimated Yield	Fair Price	Spread (bps)	Modified Duration	Recommendation
FR0037	15-Sep-26	0.04	12.00%	100.20	5.610%	6.627%	100.19	-1	0.037	Fair
FR0056	15-Sep-26	0.04	8.375%	100.07	6.087%	6.627%	100.06	-1	0.037	Fair
FR0090	15-Apr-27	0.62	5.125%	99.15	6.550%	6.629%	99.09	-5	0.588	Fair
FR0059	15-May-27	0.70	7.000%	100.19	6.697%	6.631%	100.24	5	0.665	Fair
FR0042	15-Jul-27	0.87	10.25%	103.02	6.577%	6.637%	102.99	-3	0.819	Fair
FR0094	15-Jan-28	1.37	5.600%	97.89	7.242%	6.664%	98.62	73	1.282	Cheap
FR0047	15-Feb-28	1.46	10.00%	104.45	6.720%	6.669%	104.54	9	1.340	Fair
FR0064	15-May-28	1.70	6.125%	99.23	6.604%	6.685%	99.10	-13	1.564	Dear
FR0095	15-Aug-28	1.96	6.375%	99.60	6.597%	6.701%	99.41	-19	1.803	Dear
FR0071	15-Mar-29	2.54	9.000%	105.30	6.690%	6.742%	105.18	-11	2.171	Dear
FR0101	15-Mar-29	2.54	6.875%	100.48	6.669%	6.742%	100.30	-17	2.226	Dear
FR0078	15-May-29	2.70	8.250%	103.88	6.649%	6.753%	103.63	-25	2.351	Dear
FR0104	15-Jul-30	3.87	6.500%	98.72	6.880%	6.827%	98.89	17	3.337	Cheap
FR0052	15-Aug-30	3.96	10.50%	112.30	6.886%	6.832%	112.52	22	3.250	Cheap
FR0082	15-Sep-30	4.04	7.000%	100.58	6.833%	6.837%	100.56	-1	3.362	Fair
FR0087	15-Feb-31	4.46	6.500%	98.51	6.894%	6.859%	98.64	13	3.791	Cheap
FR0109	**15-Mar-31**	**4.54**	**5.875%**	**96.03**	**6.908%**	**6.863%**	**96.20**	**16**	**3.795**	**Cheap**
FR0085	15-Apr-31	4.62	7.750%	103.44	6.865%	6.868%	103.43	-1	3.747	Fair
FR0073	15-May-31	4.70	8.750%	107.18	6.930%	6.872%	107.42	25	3.764	Cheap
FR0054	15-Jul-31	4.87	9.500%	110.59	6.896%	6.880%	110.67	8	3.882	Fair
FR0091	15-Apr-32	5.62	6.375%	97.52	6.914%	6.913%	97.52	0	4.528	Fair
FR0110	15-May-32	5.71	7.250%	101.27	6.974%	6.916%	101.54	27	4.524	Cheap
FR0058	15-Jun-32	5.79	8.250%	106.12	6.942%	6.920%	106.24	12	4.521	Cheap
FR0074	15-Aug-32	5.96	7.500%	102.70	6.937%	6.926%	102.76	6	4.746	Fair
FR0096	15-Feb-33	6.46	7.000%	100.23	6.954%	6.944%	100.28	5	5.109	Fair
FR0065	15-May-33	6.71	6.625%	98.21	6.962%	6.952%	98.26	5	5.221	Fair
FR0100	15-Feb-34	7.46	6.625%	97.66	7.033%	6.974%	97.99	33	5.760	Cheap
FR0068	15-Mar-34	7.54	8.375%	107.67	7.044%	6.976%	108.09	42	5.421	Cheap
FR0080	15-Jun-35	8.79	7.500%	103.26	6.994%	7.006%	103.19	-7	6.311	Fair
FR0103	15-Jul-35	8.87	6.750%	98.23	7.019%	7.007%	98.31	8	6.508	Fair
FR0108	**15-Apr-36**	**9.63**	**6.500%**	**96.10**	**7.065%**	**7.021%**	**96.39**	**29**	**6.826**	**Cheap**
FR0072	15-May-36	9.71	8.250%	108.44	7.032%	7.023%	108.51	7	6.605	Fair
FR0088	15-Jun-36	9.79	6.250%	94.62	7.018%	7.024%	94.57	-5	7.043	Fair
FR0045	15-May-37	10.71	9.750%	119.78	7.080%	7.039%	120.13	35	6.820	Cheap
FR0093	15-Jul-37	10.88	6.375%	95.20	7.012%	7.041%	94.99	-21	7.589	Dear
FR0075	15-May-38	11.71	7.500%	103.61	7.041%	7.052%	103.52	-9	7.628	Fair
FR0098	15-Jun-38	11.79	7.125%	100.34	7.081%	7.053%	100.56	22	7.780	Cheap
FR0050	15-Jul-38	11.88	10.50%	126.76	7.120%	7.054%	127.38	63	7.270	Cheap
FR0079	15-Apr-39	12.63	8.375%	110.57	7.092%	7.062%	110.84	27	7.761	Cheap
FR0083	15-Apr-40	13.63	7.500%	103.80	7.060%	7.072%	103.70	-10	8.328	Dear
FR0106	**15-Aug-40**	**13.96**	**7.125%**	**99.70**	**7.159%**	**7.074%**	**100.44**	**74**	**8.715**	**Cheap**
FR0057	15-May-41	14.71	9.500%	121.17	7.148%	7.080%	121.87	70	8.318	Cheap
FR0062	15-Apr-42	15.63	6.375%	93.17	7.105%	7.087%	93.33	16	9.318	Cheap
FR0092	15-Jun-42	15.80	7.125%	100.47	7.073%	7.088%	100.33	-14	9.269	Dear
FR0097	15-Jun-43	16.80	7.125%	100.26	7.097%	7.095%	100.28	2	9.571	Fair
FR0067	15-Jul-43	16.88	8.750%	115.09	7.216%	7.095%	116.12	103	9.208	Cheap
FR0107	**15-Aug-45**	**18.97**	**7.125%**	**99.78**	**7.146%**	**7.106%**	**100.19**	**42**	**10.27**	**Cheap**
FR0076	15-May-48	21.72	7.375%	101.39	7.245%	7.117%	102.82	142	10.59	Cheap
FR0089	15-Aug-51	24.97	6.875%	96.70	7.160%	7.127%	97.08	38	11.61	Cheap
FR0102	15-Jul-54	27.89	6.875%	96.22	7.190%	7.134%	96.87	66	11.95	Cheap
FR0105	15-Jul-64	37.90	6.875%	96.28	7.161%	7.150%	96.42	14	12.94	Cheap

Source: Bloomberg, Shinhan Sekuritas Indonesia & NSS Model Calculation



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