Daily Bond Market Update

September 4, 2026

Market Review

Government bond prices closed higher in trading on Thursday (03/09). Indonesia Composite Bond Index increased by 0.20% to 438.27. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark dropped 12.4 bps and 8.4 bps to 6.94% and 7.10%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark declined 4.4 bps and 1.8 bps to 7.19% and 7.16%, respectively.

More Americans filed for unemployment benefits last week. However, layoffs are still rare and jobless claims remain at historically low levels. The Labor Department reported Thursday filings for benefits ticked up to 206,000 last week from a revised 204,000 the week before. The four-week average of claims, which smooths out week-to-week volatility, rose modestly to 207,250 last week. Claims for jobless benefits are a proxy for layoffs, and economists watch them because they can be a sign of where the job market is headed. For the past year, claims have mostly stayed within a historically low range of 200,000 to 230,000 a week. The number of people collecting unemployment benefits rose slightly to 1.78 million the week that ended Aug. 22, up by 8,000 from the week before. Companies, remembering the worker shortages that followed the end of Covid-19 lockups, are still reluctant to let go of staff. The unemployment rate is low at 4.1%. But employers aren't eager to take on new workers. The Labor Department reported Tuesday that gross hiring—before subtracting people who lost or left their jobs—fell 5% to fewer than 5.1 million new jobs. The result is what economists call a "no-hire, no-fire'' labor market in which those have work enjoy job security but times are tough for young workers trying to land an entry-level job or unemployed people seeking to get back to work. In July, companies, government agencies and nonprofits together cut 23,000 jobs. So far this year, employers are adding 61,000 jobs a month, up from the 9,700 they averaged last year—the weakest hiring outside a recession since 2002. The lingering effects of high interest rates and Trump's erratic trade policies discouraged companies from hiring in 2025.

Indonesia's manufacturing sector performance came under pressure in August 2026. This was reflected in the Indonesia Manufacturing Purchasing Managers' Index (PMI), which fell back below the 50-point mark. According to an S&P Global survey, the index stood at 49.8 in August 2026, down from 50.2 in July 2026. A reading below 50 indicates a contraction in manufacturing activity, following a slight expansion the previous month. An economist from S&P Global Market Intelligence noted that the sector's weakness in August was primarily driven by renewed declines in output and employment. Indonesian manufacturing production and employment have declined in five of the last six survey periods. The drop in output in August was moderate. Industry players cited intensifying competition, sluggish demand, and rising goods prices as factors weighing on production. Pressure on production also impacted the workforce. Some companies reduced their headcount, while others struggled to retain staff due to voluntary resignations. Nevertheless, there were signs of improvement on the demand side. The seasonally adjusted new orders index returned to expansion territory for the first time in three months. However, the improvement was marginal, as the index sat only slightly above the neutral 50-point level. Some companies reported increased customer demand, though this was still tempered by weak overall demand, stiff competition, and declining consumer purchasing power. Regarding prices, manufacturing inflationary pressures began to ease in August. Rising raw material prices and supplier costs continued to be the primary factors driving up companies' operating expenses, with some businesses passing these increased costs on to customers through higher selling prices.

Corporate News

PEFINDO has affirmed its idAAA ratings to PT Bank Mandiri (Persero) Tbk and its outstanding bonds. Outlook for the corporate rating is stable. The corporate rating is mainly driven by the very strong likelihood of support from its controlling shareholder (the Indonesian government). The standalone credit profile reflects its superior business position, very strong liquidity profile, and very strong capitalization profile. However, these strengths are partly offset by tight competition amid challenging macroeconomic conditions. The rating may be lowered if PEFINDO perceive a downward shift in support from the government, which may be indicated by the absence of parental support when Bank Mandiri suffers from a deteriorating standalone credit profile.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.53	47	6.94%	95.90
FR0108	9.62	56	7.10%	95.89
FR0106	14.0	38	7.19%	99.43
FR0107	19.0	19	7.16%	99.60

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	6.95	6.98	-3.00
Turkey	31.7	31.8	-11.5
Singapore	2.38	2.42	-3.80
Thailand	2.20	2.22	-1.80
Malaysia	3.93	3.92	0.20
Korea	4.42	4.42	0.00
China	1.68	1.68	-0.60
Japan	2.95	3.01	-5.90
US	4.77	4.78	-1.10

Source: Bloomberg

Government Bond Ownership

Institution	In Trillion IDR	In Percentage (%)
Bank	1,140.0	16.3%
Bank Indonesia	1,923.8	27.5%
Mutual Fund	247.7	3.54%
Insurance & Pension Fund	1,440.0	20.6%
Foreigners	**907.3**	**13.0%**
Individual	589.7	8.43%
Others	748.2	10.7%
Total	**6,996.7**	**100.0%**

Source: DJPPR (as of August 31, 2026)

Currency Movement

FX Rate	3-Sep	(-1 day)	Chg. (%)
USD/IDR	17660	17760	-0.56%
EUR/USD	1.163	1.159	0.33%
GBP/USD	1.353	1.349	0.29%
USD/JPY	155.8	158.7	-1.83%
USD/SGD	1.267	1.271	-0.30%
USD/MYR	4.042	4.047	-0.10%

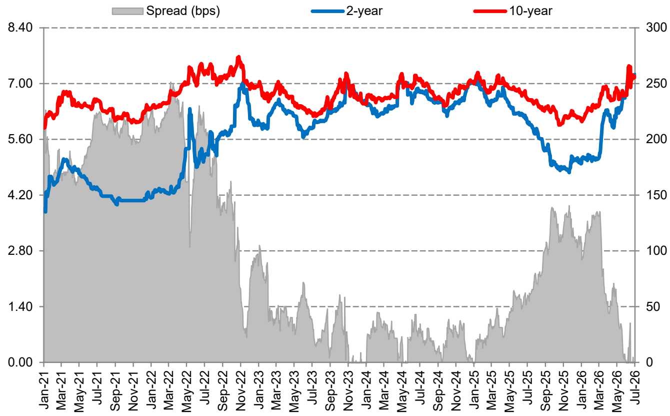
Source: Bloomberg

Money Market

	3-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	4.16	4.11	4.18	4.12
Lending	14.8	14.6	14.7	14.9

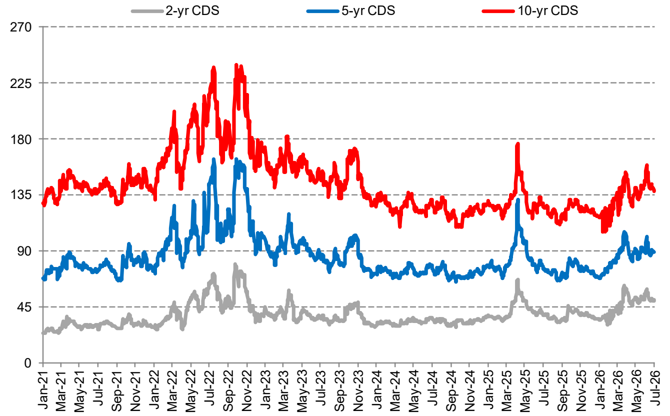
Source: Bloomberg

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%

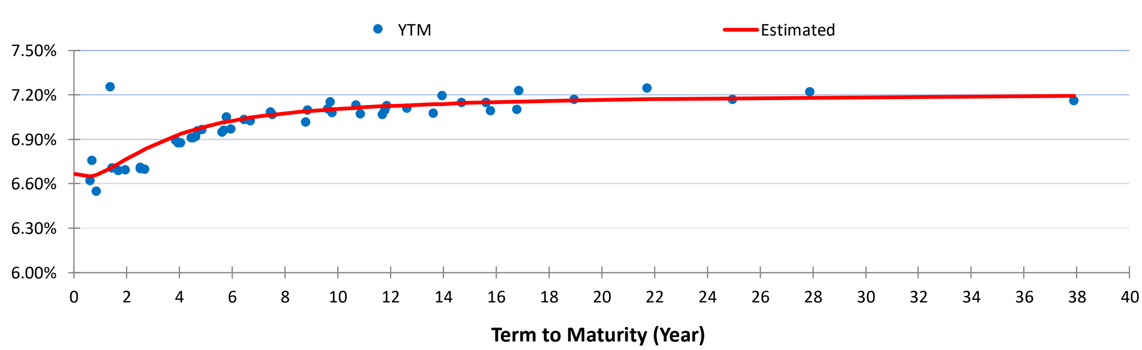
Source: DJPPR

Government Bonds Prices

Closing Data: 3-Sep-2026

Series	Maturity	TTM	Coupon	Price	YTM	Estimated Yield	Fair Price	Spread (bps)	Modified Duration	Recommendation
FR0037	15-Sep-26	0.03	12.00%	100.14	5.099%	6.666%	100.16	2	0.032	Fair
FR0056	15-Sep-26	0.03	8.375%	100.08	4.694%	6.666%	100.05	-3	0.032	Fair
FR0090	15-Apr-27	0.61	5.125%	99.12	6.617%	6.649%	99.09	-3	0.583	Fair
FR0059	15-May-27	0.70	7.000%	100.15	6.757%	6.652%	100.22	7	0.659	Fair
FR0042	15-Jul-27	0.86	10.25%	103.01	6.545%	6.661%	102.95	-6	0.814	Fair
FR0094	15-Jan-28	1.37	5.600%	97.89	7.254%	6.702%	98.58	68	1.277	Cheap
FR0047	15-Feb-28	1.45	10.00%	104.44	6.704%	6.710%	104.46	2	1.335	Fair
FR0064	15-May-28	1.70	6.125%	99.11	6.687%	6.735%	99.02	-8	1.558	Fair
FR0095	15-Aug-28	1.95	6.375%	99.43	6.692%	6.760%	99.30	-12	1.797	Dear
FR0071	15-Mar-29	2.53	9.000%	105.24	6.707%	6.818%	104.99	-24	2.165	Dear
FR0101	15-Mar-29	2.53	6.875%	100.41	6.698%	6.818%	100.13	-28	2.220	Dear
FR0078	15-May-29	2.70	8.250%	103.75	6.695%	6.833%	103.42	-33	2.345	Dear
FR0104	15-Jul-30	3.87	6.500%	98.68	6.893%	6.924%	98.57	-11	3.332	Dear
FR0052	15-Aug-30	3.95	10.50%	112.31	6.876%	6.930%	112.14	-16	3.245	Dear
FR0082	15-Sep-30	4.04	7.000%	100.43	6.876%	6.935%	100.22	-20	3.356	Dear
FR0087	15-Feb-31	4.45	6.500%	98.46	6.908%	6.959%	98.26	-19	3.786	Dear
FR0109	**15-Mar-31**	**4.53**	**5.875%**	**96.05**	**6.907%**	**6.963%**	**95.83**	**-22**	**3.790**	**Dear**
FR0085	15-Apr-31	4.62	7.750%	103.23	6.915%	6.968%	103.03	-20	3.740	Dear
FR0073	15-May-31	4.70	8.750%	107.06	6.955%	6.972%	107.00	-6	3.757	Fair
FR0054	15-Jul-31	4.87	9.500%	110.27	6.965%	6.980%	110.23	-4	3.874	Fair
FR0091	15-Apr-32	5.62	6.375%	97.38	6.945%	7.012%	97.08	-30	4.521	Dear
FR0110	15-May-32	5.70	7.250%	101.33	6.961%	7.015%	101.07	-25	4.520	Dear
FR0058	15-Jun-32	5.79	8.250%	105.61	7.047%	7.018%	105.76	15	4.510	Cheap
FR0074	15-Aug-32	5.95	7.500%	102.55	6.967%	7.024%	102.28	-27	4.739	Dear
FR0096	15-Feb-33	6.46	7.000%	99.84	7.030%	7.039%	99.79	-5	5.100	Fair
FR0065	15-May-33	6.70	6.625%	97.90	7.021%	7.046%	97.77	-13	5.211	Dear
FR0100	15-Feb-34	7.46	6.625%	97.39	7.082%	7.064%	97.48	10	5.751	Fair
FR0068	15-Mar-34	7.53	8.375%	107.55	7.064%	7.066%	107.54	-1	5.414	Fair
FR0080	15-Jun-35	8.79	7.500%	103.11	7.016%	7.089%	102.64	-47	6.304	Dear
FR0103	15-Jul-35	8.87	6.750%	97.75	7.094%	7.090%	97.78	3	6.494	Fair
FR0108	**15-Apr-36**	**9.62**	**6.500%**	**95.84**	**7.103%**	**7.100%**	**95.86**	**1**	**6.815**	**Fair**
FR0072	15-May-36	9.70	8.250%	107.58	7.150%	7.102%	107.94	36	6.583	Cheap
FR0088	15-Jun-36	9.79	6.250%	94.22	7.078%	7.103%	94.05	-17	7.030	Dear
FR0045	15-May-37	10.70	9.750%	119.37	7.128%	7.113%	119.50	13	6.806	Cheap
FR0093	15-Jul-37	10.87	6.375%	94.79	7.069%	7.115%	94.46	-33	7.575	Dear
FR0075	15-May-38	11.70	7.500%	103.40	7.065%	7.122%	102.95	-46	7.618	Dear
FR0098	15-Jun-38	11.79	7.125%	100.22	7.096%	7.123%	100.00	-22	7.771	Dear
FR0050	15-Jul-38	11.87	10.50%	126.68	7.126%	7.124%	126.72	4	7.264	Fair
FR0079	15-Apr-39	12.62	8.375%	110.44	7.106%	7.130%	110.23	-20	7.752	Dear
FR0083	15-Apr-40	13.62	7.500%	103.67	7.074%	7.137%	103.12	-55	8.319	Dear
FR0106	**15-Aug-40**	**13.96**	**7.125%**	**99.39**	**7.195%**	**7.139%**	**99.87**	**49**	**8.700**	**Cheap**
FR0057	15-May-41	14.71	9.500%	121.16	7.148%	7.143%	121.21	5	8.313	Fair
FR0062	15-Apr-42	15.62	6.375%	92.82	7.145%	7.148%	92.79	-3	9.299	Fair
FR0092	15-Jun-42	15.79	7.125%	100.32	7.090%	7.149%	99.76	-55	9.257	Dear
FR0097	15-Jun-43	16.79	7.125%	100.24	7.099%	7.153%	99.71	-53	9.565	Dear
FR0067	15-Jul-43	16.87	8.750%	114.95	7.227%	7.154%	115.48	53	9.198	Cheap
FR0107	**15-Aug-45**	**18.96**	**7.125%**	**99.54**	**7.169%**	**7.161%**	**99.62**	**8**	**10.25**	**Fair**
FR0076	15-May-48	21.71	7.375%	101.42	7.243%	7.169%	102.23	81	10.59	Cheap
FR0089	15-Aug-51	24.96	6.875%	96.60	7.169%	7.176%	96.52	-8	11.59	Fair
FR0102	15-Jul-54	27.88	6.875%	95.87	7.220%	7.181%	96.32	45	11.92	Cheap
FR0105	15-Jul-64	37.89	6.875%	96.28	7.161%	7.192%	95.88	-40	12.94	Dear

Source: Bloomberg, Shinhan Sekuritas Indonesia & NSS Model Calculation



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