

Daily Bond Market Update

May 21, 2026

Market Review

Government bond prices closed lower in trading on Wednesday (20/05).

Indonesia Composite Bond Index decreased by 0.18% to 436.26. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark increased 10 bps and 4.7 bps to 6.74% and 6.77%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark declined 1.8 bps and advanced 2.7 bps to 6.82% and 6.87%, respectively.

The minutes from the most recent meeting of the Federal Open Market Committee revealed a noticeably more hawkish tone than markets had expected.

At the April 28–29, 2026 meeting, policymakers kept the federal funds rate unchanged at 3.50%–3.75%, but the discussion showed growing concern that inflation could remain elevated for longer, particularly because of rising energy prices, tariffs, and geopolitical tensions in the Middle East. Several officials indicated they would support another rate hike if inflation failed to move convincingly back toward the Fed's 2% target, while only a smaller group still favored eventual rate cuts. The minutes also highlighted divisions inside the committee, with four dissents—the largest number in decades—reflecting disagreement over whether the Fed should maintain an easing bias in its statement. The overall message from the minutes was that the Fed remains highly cautious and is prioritizing inflation control over growth concerns. Policymakers acknowledged that economic activity and labor markets have stayed relatively resilient despite higher oil prices and global uncertainty, reducing the urgency for near-term rate cuts. Officials also worried that persistent inflation expectations could become unanchored if financial conditions eased prematurely. The impact on the US Treasury market was immediate and significant. Treasury yields, especially on the short and intermediate end of the curve, rose as investors repriced expectations for future Fed policy. The 10-year Treasury yield climbed toward the 4.6% area, while long-dated yields approached their highest levels since 2007. Markets interpreted the minutes as reducing the probability of rate cuts in 2026 and increasing the possibility of another hike before year-end.

The Bank Indonesia Board of Governors Meeting (RDG) on May 19-20, 2026, decided to raise the BI-Rate by 50 bps to 5.25%.

The central bank also raised the Deposit Facility interest rate by 50 bps to 4.25% and the Lending Facility interest rate by 50 bps to 6.00%. This increase is a further step to strengthen the stabilization of the Rupiah exchange rate from the impact of high global turmoil due to the war in the Middle East and as a pre-emptive measure to maintain inflation in 2026 and 2027 to remain within the target range of 2.5% ± 1% set by the Government. This decision is in line with the focus of monetary policy on stability (pro-stability) to strengthen the external resilience of the Indonesian economy from the impact of global turmoil. Meanwhile, macroprudential policies and payment system policies remain directed at promoting growth (pro-growth). Loose macroprudential policies continue to be strengthened to encourage economic growth by increasing credit/financing to the real sector while maintaining financial system stability. Payment system policies continue to be directed towards supporting digital economic activities and inclusive finance by expanding digital payment acceptance, strengthening the payment system industry structure, and improving the reliability and resilience of payment system infrastructure. Bank Indonesia also continues to strengthen policy coordination with the Government, including close synergy between monetary and fiscal policies to mitigate the impact of global uncertainty resulting from the war in the Middle East on the domestic economy, thereby maintaining economic stability and growth.

Corporate News

PEFINDO has affirmed its idAA ratings for PT Indosat Tbk (ISAT). Outlook for the corporate rating is stable. The rating reflects ISAT's strong support likelihood from its majority shareholders, very strong market position, and strong profit margin. However, the rating is offset by its moderate capital structure and the intense competition within the telecommunications industry. The rating could be lowered if ISAT aggressively funds business expansion with substantially larger debt than projected without being compensated by improvement in revenue and profit margins in the near to medium term. The rating may also be lowered if PEFINDO views a significant reduction in linkage with or support from the shareholders.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.82	-41	6.74%	96.48
FR0108	9.9	-37	6.77%	98.02
FR0106	14.2	16	6.82%	102.76
FR0107	19.3	-29	6.87%	102.70

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	7.08	7.11	-2.90
Turkey	33.0	33.0	9.00
Singapore	2.23	2.18	5.20
Thailand	2.40	2.34	6.00
Malaysia	3.62	3.60	2.20
Korea	4.20	4.21	-1.60
China	1.74	1.74	0.10
Japan	2.77	2.78	-0.90
US	4.59	4.67	-8.10

Source: Bloomberg

Government Bond Ownership

Institution	In Trillion IDR	In Percentage (%)
Bank	1,175.3	17.2%
Bank Indonesia	1,876.2	27.5%
Mutual Fund	261.5	3.83%
Insurance & Pension Fund	1,387.6	20.3%
Foreigners	867.0	12.7%
Individual	552.6	8.09%
Others	714.8	10.5%
Total	6,835.0	100.0%

Source: DJPPR (as of May 18, 2026)

Currency Movement

FX Rate	20-May	(-1 day)	Chg. (%)
USD/IDR	17605	17705	-0.56%
EUR/USD	1.162	1.161	0.16%
GBP/USD	1.344	1.340	0.30%
USD/JPY	158.9	159.1	-0.09%
USD/SGD	1.278	1.282	-0.33%
USD/MYR	3.970	3.977	-0.18%

Source: Bloomberg

Money Market

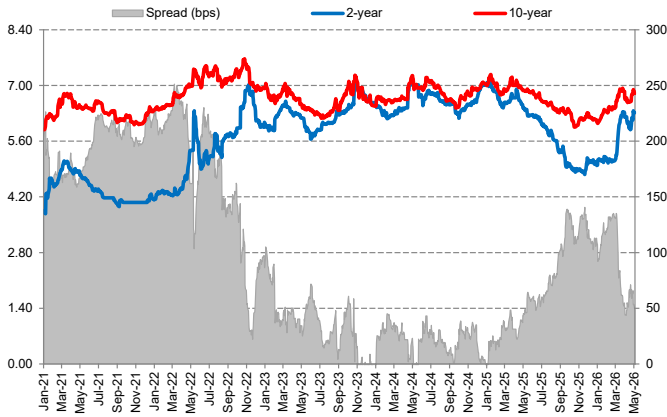
	20-May	(-1 day)	(-1 week)	1 month
JIBOR				
O/N	5.90	5.90	5.90	5.90
1M	5.03	5.03	5.03	5.03
3M	5.46	5.46	5.46	5.46
LIBOR				
1M	4.96	4.96	4.96	4.96
3M	4.85	4.85	4.85	4.85
6M	4.68	4.68	4.68	4.68

Indonesia Interest Rates

Deposit 1M	3.63	3.64	3.65	3.57
Lending	15.0	14.6	14.4	14.3

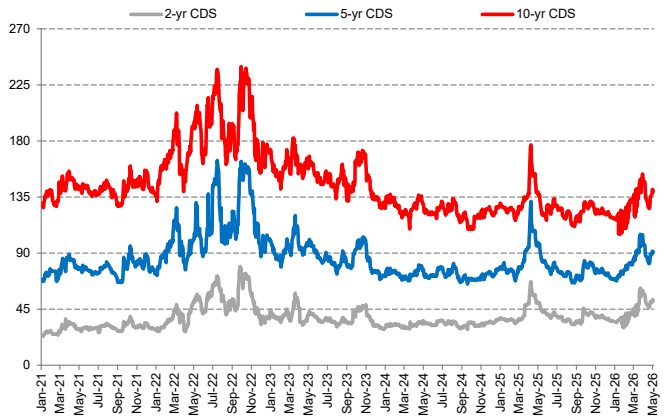
Source: Bloomberg

Yield Spread Between 2- and 10-year Bond



Source: Bloomberg

Credit Default Swap



Source: Bloomberg

US Economic Calendar

Date	Report
May 18, 2026	---
May 19, 2026	Pending Home Sales
May 20, 2026	Minutes of Fed's May FOMC Meeting
May 21, 2026	Initial Jobless Claims
May 22, 2026	Consumer Sentiment
May 25, 2026	---
May 26, 2026	CB Consumer Confidence
May 27, 2026	Money Supply
May 28, 2026	Initial Jobless Claims; PCE Price Index
May 29, 2026	Durable Goods Orders

Indonesia Economic Calendar

Date	Report
May 18, 2026	External Debt Position
May 19, 2026	Sukuk Auction
May 20, 2026	Interest Rate Decision
May 21, 2026	---
May 22, 2026	Balance of Payments; M2 Money Supply
May 25, 2026	---
May 26, 2026	Conventional Auction
May 27, 2026	---
May 28, 2026	---
May 29, 2026	---

Auction Result: Conventional IGB (in Billion IDR)

Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
12-May-26	SPN01260617	01-mo	36,000	4,195	51,399	3,850	30,300	5.250%
	SPN12260813	03-mo		1,651		1,650		5.900%
	SPN12270517	12-mo		4,260		1,000		6.150%
	FR0109	05-yr		14,982		3,350		6.679%
	FR0108	10-yr		7,482		4,200		6.730%
	FR0106	14-yr		4,891		4,450		6.840%
	FR0107	19-yr		5,175		4,400		6.830%
	FR0102	29-yr		4,717		4,300		6.919%
	FR0105	39-yr		4,046		3,100		6.930%

Source: DJPPR

Auction Result: Sukuk (in Billion IDR)

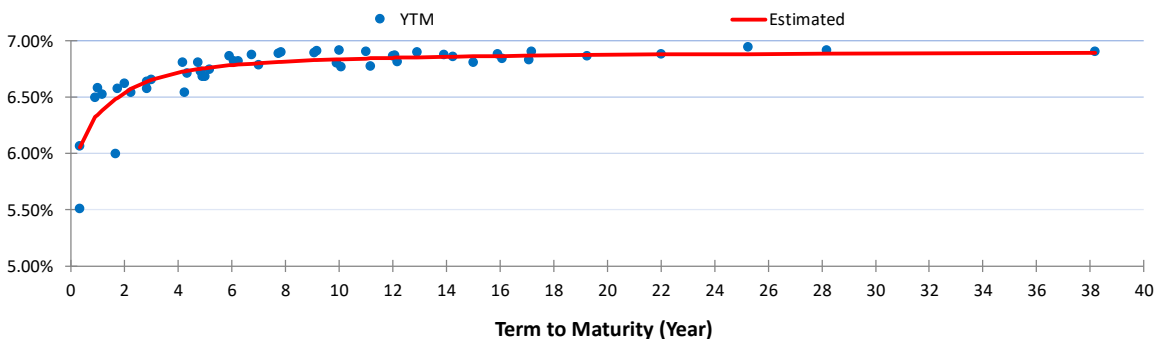
Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
19-May-26	SPNS13072026	01-mo	12,000	930	18,795	500	12,000	5.750%
	SPNS23112026	06-mo		1,589		1,500		5.850%
	SPNS03022027	09-mo		4,499		2,450		6.100%
	PBS030	02-yr		3,664		1,250		6.540%
	PBS040	04-yr		1,184		500		6.597%
	PBSG02	07-yr		1,590		750		6.749%
	PBS034	13-yr		640		600		6.810%
	PBS038	23-yr		4,699		4,450		6.870%

Source: DJPPR

Government Bonds Prices
Closing Data: 20-May-2026

Series	Maturity	TTM	Coupon	Price	YTM	Estimated Yield	Fair Price	Spread (bps)	Modified Duration	Recommendation
FR0037	15-Sep-26	0.32	12.00%	101.97	5.510%	6.054%	101.83	-14	0.312	Dear
FR0056	15-Sep-26	0.32	8.375%	100.69	6.063%	6.054%	100.70	2	0.311	Fair
FR0090	15-Apr-27	0.90	5.125%	98.82	6.492%	6.321%	98.96	14	0.864	Cheap
FR0059	15-May-27	0.99	7.000%	100.39	6.580%	6.341%	100.62	23	0.939	Cheap
FR0042	15-Jul-27	1.15	10.25%	104.05	6.523%	6.378%	104.23	18	1.050	Cheap
FR0094	15-Jan-28	1.66	5.600%	99.38	5.996%	6.479%	98.63	-75	1.528	Dear
FR0047	15-Feb-28	1.74	10.00%	105.51	6.576%	6.494%	105.66	15	1.555	Cheap
FR0064	15-May-28	1.99	6.125%	99.10	6.617%	6.535%	99.25	15	1.838	Cheap
FR0095	15-Aug-28	2.24	6.375%	99.66	6.537%	6.571%	99.58	-7	2.024	Fair
FR0071	15-Mar-29	2.82	9.000%	105.96	6.638%	6.636%	105.97	2	2.445	Fair
FR0101	15-Mar-29	2.82	6.875%	100.78	6.573%	6.636%	100.59	-18	2.501	Dear
FR0078	15-May-29	2.99	8.250%	104.26	6.651%	6.651%	104.27	1	2.624	Fair
FR0104	15-Jul-30	4.16	6.500%	98.90	6.806%	6.724%	99.19	29	3.505	Cheap
FR0052	15-Aug-30	4.24	10.50%	114.43	6.539%	6.727%	113.70	-73	3.391	Dear
FR0082	15-Sep-30	4.33	7.000%	101.06	6.709%	6.731%	100.98	-8	3.639	Fair
FR0087	15-Feb-31	4.75	6.500%	98.77	6.806%	6.747%	99.00	23	3.949	Cheap
FR0109	15-Mar-31	4.82	5.875%	96.53	6.728%	6.750%	96.44	-9	4.075	Fair
FR0085	15-Apr-31	4.91	7.750%	104.38	6.684%	6.752%	104.10	-28	4.028	Dear
FR0073	15-May-31	4.99	8.750%	108.63	6.683%	6.755%	108.33	-31	4.046	Dear
FR0054	15-Jul-31	5.16	9.500%	111.81	6.744%	6.760%	111.74	-6	4.000	Fair
FR0091	15-Apr-32	5.91	6.375%	97.65	6.865%	6.780%	98.05	40	4.805	Cheap
FR0058	15-Jun-32	6.08	8.250%	107.02	6.816%	6.783%	107.19	17	4.627	Cheap
FR0074	15-Aug-32	6.24	7.500%	103.41	6.817%	6.787%	103.56	16	4.861	Cheap
FR0096	15-Feb-33	6.75	7.000%	100.65	6.875%	6.796%	101.07	43	5.218	Cheap
FR0065	15-May-33	6.99	6.625%	99.13	6.784%	6.800%	99.04	-9	5.506	Fair
FR0100	15-Feb-34	7.75	6.625%	98.45	6.884%	6.811%	98.88	43	5.859	Cheap
FR0068	15-Mar-34	7.82	8.375%	108.80	6.897%	6.812%	109.34	54	5.707	Cheap
FR0080	15-Jun-35	9.08	7.500%	104.03	6.893%	6.826%	104.50	46	6.371	Cheap
FR0103	15-Jul-35	9.16	6.750%	98.91	6.911%	6.827%	99.47	56	6.576	Cheap
FR0108	15-Apr-36	9.91	6.500%	97.84	6.802%	6.833%	97.62	-22	7.136	Dear
FR0072	15-May-36	9.99	8.250%	109.53	6.912%	6.834%	110.13	60	6.895	Cheap
FR0088	15-Jun-36	10.08	6.250%	96.27	6.767%	6.835%	95.79	-48	7.123	Dear
FR0045	15-May-37	10.99	9.750%	121.67	6.903%	6.841%	122.21	54	7.122	Cheap
FR0093	15-Jul-37	11.16	6.375%	96.91	6.772%	6.842%	96.38	-53	7.658	Dear
FR0075	15-May-38	11.99	7.500%	105.13	6.865%	6.847%	105.28	15	7.936	Cheap
FR0098	15-Jun-38	12.08	7.125%	102.07	6.869%	6.847%	102.25	18	7.826	Cheap
FR0050	15-Jul-38	12.16	10.50%	130.11	6.814%	6.848%	129.79	-33	7.316	Dear
FR0079	15-Apr-39	12.91	8.375%	112.48	6.898%	6.852%	112.90	43	8.080	Cheap
FR0083	15-Apr-40	13.92	7.500%	105.51	6.877%	6.856%	105.70	19	8.651	Cheap
FR0106	15-Aug-40	14.25	7.125%	102.38	6.859%	6.857%	102.39	1	8.775	Fair
FR0057	15-May-41	15.00	9.500%	125.08	6.804%	6.860%	124.48	-60	8.694	Dear
FR0062	15-Apr-42	15.92	6.375%	95.15	6.881%	6.863%	95.31	16	9.671	Cheap
FR0092	15-Jun-42	16.08	7.125%	102.75	6.839%	6.864%	102.51	-24	9.304	Dear
FR0097	15-Jun-43	17.08	7.125%	102.96	6.828%	6.867%	102.57	-39	9.619	Dear
FR0067	15-Jul-43	17.16	8.750%	118.69	6.904%	6.867%	118.80	11	9.264	Cheap
FR0107	15-Aug-45	19.25	7.125%	102.75	6.864%	6.872%	102.67	-9	10.33	Fair
FR0076	15-May-48	22.00	7.375%	105.59	6.878%	6.877%	105.60	1	11.09	Fair
FR0089	15-Aug-51	25.25	6.875%	99.20	6.941%	6.881%	99.91	71	11.65	Cheap
FR0102	15-Jul-54	28.17	6.875%	99.48	6.916%	6.885%	99.87	39	12.06	Cheap
FR0105	15-Jul-64	38.18	6.875%	99.62	6.902%	6.892%	99.76	14	13.10	Cheap

Source: Bloomberg, Shinhan Sekuritas Indonesia & NSS Model Calculation





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