Daily Bond Market Update

August 26, 2026

Market Review

Government bond prices moved sideways in trading on Monday (24/07). Indonesia Composite Bond Index increased by 0.07% to 439.46. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark advanced 0.8 bps and 3.6 bps to 6.81% and 6.97%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark gained 0.1 bps and declined 0.3 bps to 7.06% and 7.07%, respectively.

Long-term US Treasury yields fell during Tuesday's trading (25/08), as crude oil prices slumped to a one-week low. Investors also continued to monitor US Treasury Secretary Scott Bessent's plan to expand US government bond buybacks. Oil prices dropped more than 3% after the market assessed that the latest US sanctions against Iran posed less risk to oil supplies than a military escalation. Energy market participants may be growing accustomed to the changing dynamics of the conflict, resulting in a more muted response to geopolitical developments. Iran had previously vowed to respond to the expansion of US sanctions aimed at isolating its economy. Tehran also expressed optimism that its trading partners would resist pressure from Washington. In the bond market, investors remain divided over the US Treasury Department's plan to more than double the value of bond buybacks. The plan follows Bessent's assessment that the recent rise in long-term US bond yields had become excessive. However, there is no strong evidence yet that Treasury bonds are currently oversold. Investor attention is now turning to the Personal Consumption Expenditures (PCE) data for July, due for release on Wednesday (26/08). This data will serve as a key indicator of whether price pressures in the US are beginning to ease and will provide clues regarding the Federal Reserve's interest rate policy trajectory. Subsequently, market focus will shift to a speech by Fed Chair Kevin Warsh at the Jackson Hole symposium on Friday (28/08). Investors will be watching closely to see if Warsh signals that the US central bank is inclined to adopt a more hawkish stance on inflation.

Banking intermediation continues to rise, supported by maintained banking resilience. Bank lending grew by 13.58% (yoy) in July 2026, up from 12.67% (yoy) in June 2026. This positive trend was supported by accommodative macroprudential policies, specifically the continued optimization of the Macroprudential Liquidity Incentive (KLM) policy aimed at boosting bank lending and financing to priority sectors. As of August 2026, KLM incentives received by banks totaled IDR446.5 trillion, allocated across the financing channel (IDR368.4 trillion), interest rate channel (IDR73.2 trillion), and financing-to-funding channel (IDR4.9 trillion). Meanwhile, banking resilience remained robust, supporting credit growth; the banking sector's Capital Adequacy Ratio (CAR) stood at a high level of 23.70% in June 2026. Aggregate Non-Performing Loan (NPL) ratios remained low at 2.09% (gross) and 0.82% (net) in June 2026. The ratio of liquid assets to third-party funds (AL/DPK) remained stable at 23.10% in July 2026. Furthermore, digital economic and financial transactions continued to grow in July 2026, supported by a secure, smooth, and reliable payment system, as well as stable infrastructure and a healthy industry structure. Digital payment transaction volume reached 5.50 billion transactions—a year-on-year growth of 28.69%—in July 2026, driven by the expanded acceptance of digital payments. Transaction volumes via internet and mobile applications grew by 9.39% (yoy) and 24.25% (yoy), respectively—including QRIS transactions, which continued to see robust growth of 82.42% (yoy) driven by an expanding user and merchant base.

Corporate News

PEFINDO has assigned its idAA rating with a stable outlook to PT Bank DKI (Bank Jakarta). The rating reflects a strong likelihood of support from the Provincial Government of Jakarta (Pemprov DKI) as the controlling shareholder, very strong market position and capitalization profile. The rating is constrained by moderate asset quality profile and tight competition outside the captive market. The rating may be raised if Bank Jakarta strengthens its business profile substantially and consistently, which must also be accompanied by a significant improvement in its financial profile. Conversely, the rating may be lowered if Bank Jakarta's business profile deteriorates significantly, particularly through a loss of market presence. The downward rating pressure may also come from a significant deterioration in its overall financial profile, particularly its asset quality, or from signs of weakening support from Pemprov DKI.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.56	-2	6.81%	96.39
FR0108	9.65	-24	6.97%	96.73
FR0106	14.0	-2	7.06%	100.55
FR0107	19.0	2	7.07%	100.60

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	6.85	6.87	-1.80
Turkey	31.9	32.0	-4.50
Singapore	2.28	2.30	-2.00
Thailand	2.10	2.10	0.30
Malaysia	3.80	3.80	0.00
Korea	4.32	4.34	-1.70
China	1.68	1.68	0.10
Japan	2.89	2.88	1.00
US	4.63	4.70	-6.80

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	24-Aug	(-1 day)	Chg. (%)
USD/IDR	17712	17712	0.00%
EUR/USD	1.168	1.166	0.09%
GBP/USD	1.365	1.363	0.12%
USD/JPY	159.2	159.1	0.05%
USD/SGD	1.269	1.271	-0.09%
USD/MYR	4.043	4.043	0.00%

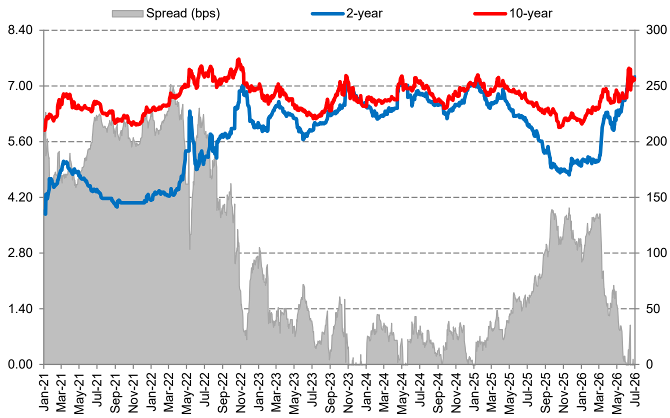
Source: Bloomberg

Money Market

	24-Aug	(-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	4.08	4.08	4.12	4.01
Lending	14.8	14.8	14.8	14.8

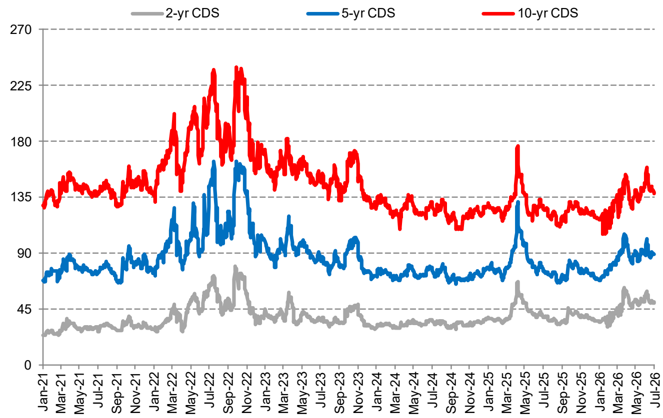
Source: Bloomberg

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
	SPN01260919	01-mo		670		-		-
	SPN03261118	03-mo		2,425		-		-
	SPN12270805	12-mo		8,632		-		-
	FR0110	06-yr		37,650		12,800		7.008%
18-Aug-26	FR0108	10-yr	**32,000**	16,187	**84,757**	10,300	**34,000**	7.110%
	FR0106	14-yr		7,868		4,750		7.240%
	FR0107	19-yr		6,996		4,850		7.250%
	FR0102	29-yr		2,403		850		7.300%
	FR0105	39-yr		1,926		450		7.297%

Source: DJPPR

Auction Result: Sukuk (in Billion IDR)

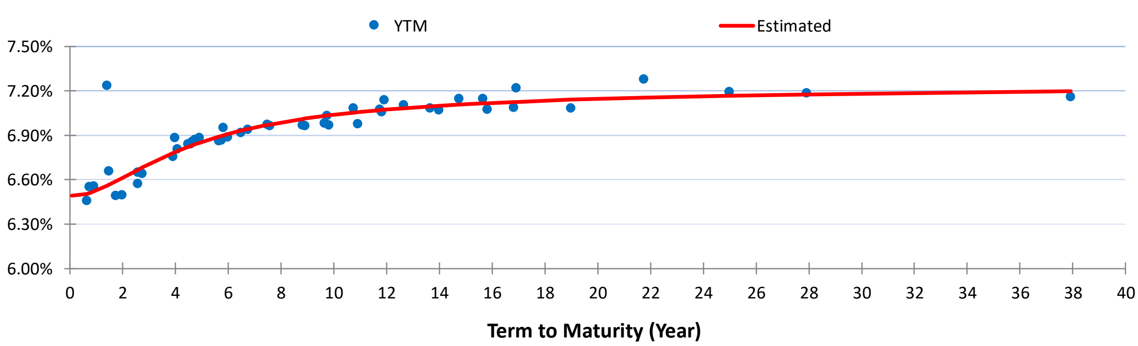
Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
	SPNS08092026	01-mo		2,177		450		6.800%
	SPNS03022027	06-mo		3,745		1,000		6.900%
	SPNS12042027	09-mo		7,740		2,050		7.000%
11-Aug-26	PBS030	02-yr	**10,000**	8,673	**39,085**	3,900	**12,000**	7.060%
	PBS040	04-yr		6,874		2,550		7.130%
	PBSG02	07-yr		3,758		700		7.196%
	PBS034	13-yr		3,046		850		7.230%
	PBS038	23-yr		3,072		500		7.245%

Source: DJPPR

Government Bonds Prices
Closing Data: 24-Aug-2026

Series	Maturity	TTM	Coupon	Price	YTM	Estimated Yield	Fair Price	Spread (bps)	Modified Duration	Recommendation
FR0037	15-Sep-26	0.06	12.00%	100.35	4.890%	6.491%	100.31	-5	0.058	Fair
FR0056	15-Sep-26	0.06	8.375%	100.13	5.733%	6.491%	100.10	-3	0.058	Fair
FR0090	15-Apr-27	0.64	5.125%	99.18	6.459%	6.505%	99.14	-4	0.610	Fair
FR0059	15-May-27	0.72	7.000%	100.30	6.553%	6.509%	100.33	3	0.686	Fair
FR0042	15-Jul-27	0.89	10.25%	103.11	6.555%	6.519%	103.17	6	0.840	Fair
FR0094	15-Jan-28	1.39	5.600%	97.88	7.234%	6.558%	98.74	86	1.303	Cheap
FR0047	15-Feb-28	1.48	10.00%	104.59	6.659%	6.566%	104.75	16	1.362	Cheap
FR0064	15-May-28	1.73	6.125%	99.40	6.492%	6.588%	99.24	-16	1.586	Dear
FR0095	15-Aug-28	1.98	6.375%	99.78	6.496%	6.611%	99.57	-21	1.825	Dear
FR0071	15-Mar-29	2.56	9.000%	105.61	6.574%	6.666%	105.40	-21	2.194	Dear
FR0101	15-Mar-29	2.56	6.875%	100.53	6.649%	6.666%	100.48	-5	2.247	Fair
FR0078	15-May-29	2.73	8.250%	103.92	6.642%	6.681%	103.83	-9	2.372	Fair
FR0104	15-Jul-30	3.89	6.500%	99.13	6.755%	6.779%	99.05	-8	3.362	Fair
FR0052	15-Aug-30	3.98	10.50%	112.36	6.884%	6.785%	112.75	39	3.271	Cheap
FR0082	15-Sep-30	4.06	7.000%	100.67	6.806%	6.792%	100.72	5	3.384	Fair
FR0087	15-Feb-31	4.48	6.500%	98.71	6.839%	6.821%	98.78	7	3.814	Fair
FR0109	**15-Mar-31**	**4.56**	**5.875%**	**96.27**	**6.842%**	**6.826%**	**96.32**	**5**	**3.819**	**Fair**
FR0085	15-Apr-31	4.64	7.750%	103.49	6.855%	6.832%	103.59	10	3.768	Fair
FR0073	15-May-31	4.73	8.750%	107.46	6.868%	6.837%	107.60	14	3.787	Cheap
FR0054	15-Jul-31	4.89	9.500%	110.68	6.883%	6.848%	110.85	17	3.903	Cheap
FR0091	15-Apr-32	5.65	6.375%	97.75	6.860%	6.891%	97.61	-14	4.551	Dear
FR0110	15-May-32	5.73	7.250%	101.78	6.866%	6.895%	101.64	-14	4.551	Dear
FR0058	15-Jun-32	5.81	8.250%	106.11	6.949%	6.899%	106.36	25	4.542	Cheap
FR0074	15-Aug-32	5.98	7.500%	102.95	6.888%	6.908%	102.86	-9	4.769	Fair
FR0096	15-Feb-33	6.48	7.000%	100.43	6.915%	6.931%	100.35	-8	5.133	Fair
FR0065	15-May-33	6.73	6.625%	98.34	6.936%	6.941%	98.31	-3	5.243	Fair
FR0100	15-Feb-34	7.48	6.625%	98.00	6.973%	6.970%	98.01	2	5.786	Fair
FR0068	15-Mar-34	7.56	8.375%	108.18	6.963%	6.973%	108.13	-5	5.449	Fair
FR0080	15-Jun-35	8.81	7.500%	103.45	6.967%	7.010%	103.16	-28	6.336	Dear
FR0103	15-Jul-35	8.90	6.750%	98.58	6.965%	7.013%	98.27	-31	6.535	Dear
FR0108	**15-Apr-36**	**9.65**	**6.500%**	**96.65**	**6.982%**	**7.031%**	**96.32**	**-34**	**6.858**	**Dear**
FR0072	15-May-36	9.73	8.250%	108.46	7.032%	7.033%	108.45	0	6.626	Fair
FR0088	15-Jun-36	9.82	6.250%	94.96	6.966%	7.035%	94.50	-47	7.071	Dear
FR0045	15-May-37	10.73	9.750%	119.79	7.081%	7.053%	120.04	25	6.841	Cheap
FR0093	15-Jul-37	10.90	6.375%	95.45	6.978%	7.056%	94.88	-57	7.616	Dear
FR0075	15-May-38	11.73	7.500%	103.32	7.076%	7.070%	103.38	6	7.642	Fair
FR0098	15-Jun-38	11.82	7.125%	100.52	7.058%	7.071%	100.41	-11	7.805	Dear
FR0050	15-Jul-38	11.90	10.50%	126.64	7.136%	7.072%	127.24	61	7.288	Cheap
FR0079	15-Apr-39	12.65	8.375%	110.48	7.103%	7.083%	110.66	18	7.780	Cheap
FR0083	15-Apr-40	13.65	7.500%	103.59	7.083%	7.095%	103.49	-11	8.343	Dear
FR0106	**15-Aug-40**	**13.99**	**7.125%**	**100.48**	**7.070%**	**7.099%**	**100.22**	**-26**	**8.759**	**Dear**
FR0057	15-May-41	14.73	9.500%	121.21	7.145%	7.107%	121.61	40	8.340	Cheap
FR0062	15-Apr-42	15.65	6.375%	92.81	7.145%	7.116%	93.07	26	9.325	Cheap
FR0092	15-Jun-42	15.82	7.125%	100.45	7.076%	7.117%	100.06	-38	9.289	Dear
FR0097	15-Jun-43	16.82	7.125%	100.35	7.087%	7.125%	99.98	-37	9.596	Dear
FR0067	15-Jul-43	16.90	8.750%	115.09	7.217%	7.126%	115.80	71	9.228	Cheap
FR0107	**15-Aug-45**	**18.99**	**7.125%**	**100.43**	**7.084%**	**7.140%**	**99.85**	**-58**	**10.32**	**Dear**
FR0076	15-May-48	21.74	7.375%	101.03	7.279%	7.154%	102.40	137	10.60	Cheap
FR0089	15-Aug-51	24.99	6.875%	96.32	7.194%	7.167%	96.63	30	11.60	Cheap
FR0102	15-Jul-54	27.91	6.875%	96.30	7.183%	7.176%	96.38	8	11.98	Fair
FR0105	15-Jul-64	37.92	6.875%	96.27	7.161%	7.196%	95.83	-44	12.96	Dear

Source: Bloomberg, Shinhan Sekuritas Indonesia & NSS Model Calculation



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