Daily Bond Market Update

August 28, 2026

Market Review

Government bond prices closed mixed in trading on Thursday (27/07). Indonesia Composite Bond Index decreased by 0.01% to 439.13. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark declined 2.7 bps and advanced 2.4 bps to 6.84% and 7.02%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark increased 0.7 bps and 1.1 bps to 7.07% and 7.09%, respectively.

Initial jobless claims in the US declined in the latest weekly reading, providing another encouraging signal about the resilience of the labor market. New applications for unemployment benefits totaled 203,000, below the forecast of 208,000 and down from 207,000 in the previous week. The figures indicate that layoffs remain relatively contained despite continued uncertainty surrounding the broader economic outlook. Initial jobless claims measure the number of people applying for unemployment insurance for the first time and are closely followed as one of the earliest weekly indicators of conditions in the US labor market. The latest decline suggests fewer workers are losing their jobs than economists had anticipated. The stronger-than-expected reading may also provide some support for the US dollar, as evidence of continued labor-market strength can influence expectations surrounding economic growth and monetary policy. The drop in claims could reflect continued demand for workers and an economic environment in which employers remain relatively reluctant to reduce staffing levels. Healthy employment conditions are particularly important for the broader economy because steady wages and job security can underpin household spending. Continued strength in this area could therefore help support economic momentum even as businesses and consumers contend with higher borrowing costs and other uncertainties. Although the latest jobless claims figures are encouraging, investors will consider them alongside other indicators including inflation, interest rates, employment growth and developments across the global economy.

Bank Indonesia (BI) is set to update its Macroprudential Liquidity Policy (MLP) in the near future. Banks could potentially receive larger incentives if they maintain their holdings of debt securities at specified levels. Previously, MLP incentives were granted by reducing the Statutory Reserve Requirement (SRR) by a maximum of 5.5% of third-party funds (TPF). Specifically, a 4.5% incentive was provided under the MLP financing channel scheme for lending to priority sectors, while a 1% incentive was granted under the MLP interest channel scheme to banks that maximized the transmission of lending rates. Starting September 1, 2026, the MLP interest channel scheme will be replaced by the MLP Money Market Deepening (PPU) scheme. Under this new scheme, banks can obtain an incentive of 2% of TPF if their holdings of Government Securities (SBN) and non-repo Bank Indonesia Rupiah Securities (SRBI)—denominated in rupiah—account for less than 19% of their total funding. Concurrently, the MLP financing channel incentive will be reduced to a maximum of 4%. Consequently, banks could potentially secure a total SRR incentive of up to 6% if they optimally meet all requirements. However, this policy will not automatically prompt banks to trim their debt security portfolios. Banks with smaller debt security holdings—including those where the loan-to-TPF ratio is already dominant—will find it easier to leverage this new policy. Conversely, banks that have been accumulating debt security assets will likely weigh their options carefully; as long as the benchmark interest rate remains relatively high, SRBI and SBN offer highly attractive yields for securing non-lending interest income.

Corporate News

PEFINDO has lowered the rating for PT Pembangunan Perumahan (Persero) Tbk (PTPP) to idBB (CreditWatch with Negative Implications) from previously idBBB+/Negative. The rating actions reflect PTPP's intention to seek bondholders' approval at the upcoming bondholders meeting (RUPO) to restructure the coupon and maturity of its outstanding bonds and sukuk, with the nearest coupon payment due on September 28, 2026. The proposal reflects PTPP's severe liquidity constraints and materially weakened credit profile, driven by limited funding access and refinancing challenges amid upcoming bond maturities. These conditions have constrained the Company's financial flexibility and led to the proposed restructuring, indicating a reduced capacity to meet its financial obligations in a timely manner.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.55	10	6.84%	96.26
FR0108	9.64	-16	7.02%	96.42
FR0106	14.0	-7	7.07%	100.47
FR0107	19.0	-11	7.09%	100.33

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	6.87	6.85	1.90
Turkey	31.9	31.9	-2.50
Singapore	2.30	2.27	2.40
Thailand	2.09	2.09	0.00
Malaysia	3.85	3.82	2.40
Korea	4.25	4.29	-4.60
China	1.69	1.69	-0.10
Japan	2.89	2.89	0.30
US	4.68	4.65	2.90

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	27-Aug	(-1 day)	Chg. (%)
USD/IDR	17726	17712	0.08%
EUR/USD	1.165	1.165	0.02%
GBP/USD	1.359	1.360	-0.01%
USD/JPY	159.4	159.3	0.05%
USD/SGD	1.271	1.272	-0.05%
USD/MYR	4.033	4.027	0.16%

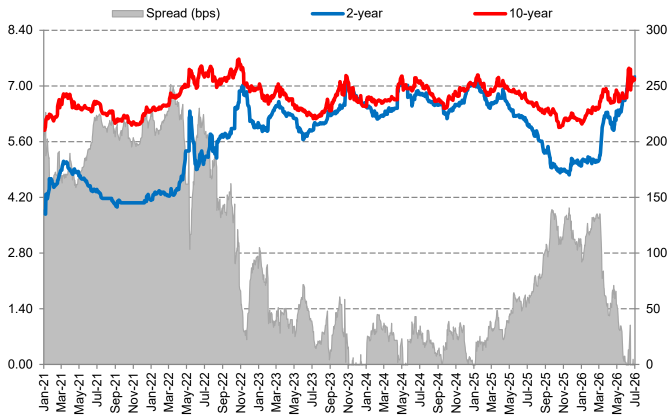
Source: Bloomberg

Money Market

	27-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	4.18	4.13	4.10	4.15
Lending	14.7	14.7	14.9	15.1

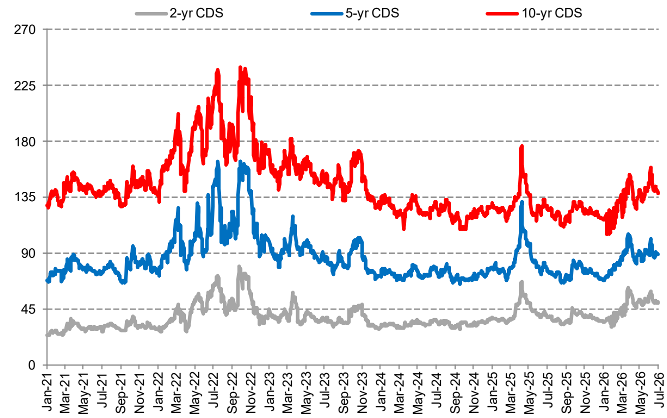
Source: Bloomberg

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)

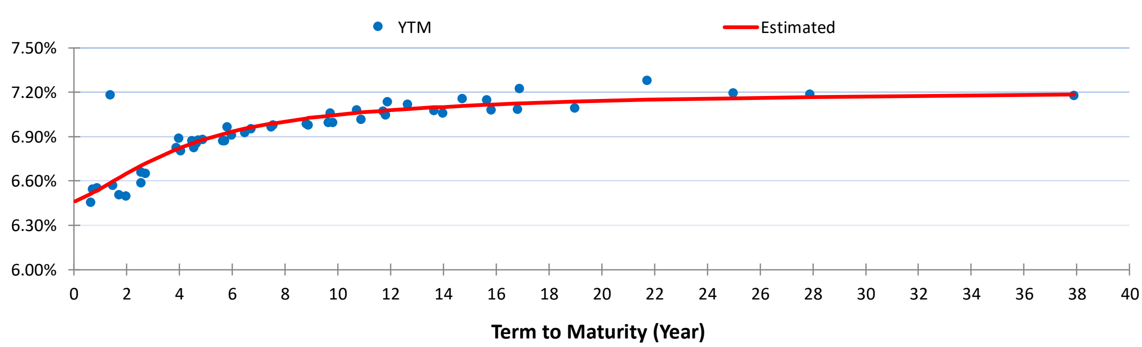
Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
	SPNS12102026	01-mo		1,771		1,000		6.552%
	SPNS01032027	06-mo		2,775		-		-
	SPNS25052027	09-mo		4,323		-		-
26-Aug-26	PBS030	02-yr	10,000	3,602	23,543	1,150	10,000	6.639%
	PBS040	04-yr		4,128		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: 27-Aug-2026

Series	Maturity	TTM	Coupon	Price	YTM	Estimated Yield	Fair Price	Spread (bps)	Modified Duration	Recommendation
FR0037	15-Sep-26	0.05	12.00%	100.29	4.673%	6.462%	100.27	-2	0.050	Fair
FR0056	15-Sep-26	0.05	8.375%	100.09	5.916%	6.462%	100.09	-1	0.050	Fair
FR0090	15-Apr-27	0.63	5.125%	99.19	6.454%	6.510%	99.15	-5	0.602	Fair
FR0059	15-May-27	0.72	7.000%	100.30	6.544%	6.518%	100.32	2	0.678	Fair
FR0042	15-Jul-27	0.88	10.25%	103.07	6.551%	6.535%	103.12	5	0.832	Fair
FR0094	15-Jan-28	1.39	5.600%	97.96	7.179%	6.587%	98.71	75	1.296	Cheap
FR0047	15-Feb-28	1.47	10.00%	104.69	6.568%	6.596%	104.68	0	1.354	Fair
FR0064	15-May-28	1.72	6.125%	99.38	6.505%	6.621%	99.19	-19	1.578	Dear
FR0095	15-Aug-28	1.97	6.375%	99.78	6.496%	6.647%	99.50	-27	1.817	Dear
FR0071	15-Mar-29	2.55	9.000%	105.56	6.585%	6.704%	105.30	-26	2.186	Dear
FR0101	15-Mar-29	2.55	6.875%	100.51	6.657%	6.704%	100.39	-12	2.239	Dear
FR0078	15-May-29	2.72	8.250%	103.90	6.647%	6.719%	103.73	-17	2.364	Dear
FR0104	15-Jul-30	3.88	6.500%	98.91	6.821%	6.813%	98.94	2	3.352	Fair
FR0052	15-Aug-30	3.97	10.50%	112.32	6.886%	6.819%	112.60	28	3.264	Cheap
FR0082	15-Sep-30	4.05	7.000%	100.68	6.803%	6.825%	100.60	-8	3.376	Fair
FR0087	15-Feb-31	4.47	6.500%	98.60	6.869%	6.853%	98.66	6	3.805	Fair
FR0109	**15-Mar-31**	**4.55**	**5.875%**	**96.35**	**6.822%**	**6.857%**	**96.21**	**-14**	**3.811**	**Dear**
FR0085	15-Apr-31	4.64	7.750%	103.50	6.852%	6.863%	103.46	-4	3.760	Fair
FR0073	15-May-31	4.72	8.750%	107.41	6.876%	6.867%	107.46	5	3.779	Fair
FR0054	15-Jul-31	4.88	9.500%	110.68	6.878%	6.877%	110.71	3	3.896	Fair
FR0091	15-Apr-32	5.64	6.375%	97.72	6.870%	6.916%	97.50	-22	4.543	Dear
FR0110	15-May-32	5.72	7.250%	101.75	6.871%	6.920%	101.52	-23	4.543	Dear
FR0058	15-Jun-32	5.81	8.250%	106.03	6.962%	6.924%	106.23	20	4.533	Cheap
FR0074	15-Aug-32	5.97	7.500%	102.85	6.907%	6.931%	102.74	-11	4.760	Dear
FR0096	15-Feb-33	6.48	7.000%	100.37	6.927%	6.952%	100.24	-13	5.124	Dear
FR0065	15-May-33	6.72	6.625%	98.26	6.952%	6.961%	98.21	-5	5.234	Fair
FR0100	15-Feb-34	7.48	6.625%	98.04	6.965%	6.987%	97.92	-12	5.779	Dear
FR0068	15-Mar-34	7.55	8.375%	108.08	6.977%	6.989%	108.02	-6	5.440	Fair
FR0080	15-Jun-35	8.81	7.500%	103.34	6.983%	7.023%	103.08	-26	6.326	Dear
FR0103	15-Jul-35	8.89	6.750%	98.50	6.978%	7.024%	98.20	-30	6.525	Dear
FR0108	**15-Apr-36**	**9.64**	**6.500%**	**96.56**	**6.995%**	**7.040%**	**96.25**	**-31**	**6.848**	**Dear**
FR0072	15-May-36	9.72	8.250%	108.28	7.055%	7.042%	108.38	10	6.615	Cheap
FR0088	15-Jun-36	9.81	6.250%	94.78	6.994%	7.044%	94.44	-34	7.060	Dear
FR0045	15-May-37	10.72	9.750%	119.79	7.079%	7.060%	119.97	18	6.833	Cheap
FR0093	15-Jul-37	10.89	6.375%	95.19	7.013%	7.062%	94.83	-36	7.602	Dear
FR0075	15-May-38	11.72	7.500%	103.37	7.071%	7.075%	103.33	-3	7.635	Fair
FR0098	15-Jun-38	11.81	7.125%	100.63	7.043%	7.076%	100.37	-26	7.800	Dear
FR0050	15-Jul-38	11.89	10.50%	126.64	7.134%	7.077%	127.19	55	7.280	Cheap
FR0079	15-Apr-39	12.64	8.375%	110.36	7.116%	7.086%	110.63	27	7.769	Cheap
FR0083	15-Apr-40	13.64	7.500%	103.70	7.072%	7.097%	103.47	-23	8.338	Dear
FR0106	**15-Aug-40**	**13.98**	**7.125%**	**100.59**	**7.057%**	**7.100%**	**100.21**	**-38**	**8.755**	**Dear**
FR0057	15-May-41	14.73	9.500%	121.12	7.153%	7.107%	121.60	48	8.329	Cheap
FR0062	15-Apr-42	15.64	6.375%	92.81	7.145%	7.115%	93.08	26	9.318	Cheap
FR0092	15-Jun-42	15.81	7.125%	100.44	7.077%	7.116%	100.07	-37	9.280	Dear
FR0097	15-Jun-43	16.81	7.125%	100.40	7.083%	7.123%	100.00	-39	9.590	Dear
FR0067	15-Jul-43	16.89	8.750%	115.04	7.221%	7.124%	115.81	78	9.219	Cheap
FR0107	**15-Aug-45**	**18.98**	**7.125%**	**100.36**	**7.090%**	**7.136%**	**99.88**	**-47**	**10.31**	**Dear**
FR0076	15-May-48	21.73	7.375%	101.02	7.279%	7.148%	102.46	144	10.59	Cheap
FR0089	15-Aug-51	24.98	6.875%	96.36	7.191%	7.160%	96.71	35	11.60	Cheap
FR0102	15-Jul-54	27.90	6.875%	96.29	7.184%	7.168%	96.48	19	11.97	Cheap
FR0105	15-Jul-64	37.91	6.875%	96.11	7.174%	7.185%	95.97	-15	12.94	Dear

Source: Bloomberg, Shinhan Sekuritas Indonesia & NSS Model Calculation



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