Daily Bond Market Update

August 31, 2026

Market Review

Government bond prices closed higher in trading on Friday (28/07). Indonesia Composite Bond Index increased by 0.15% to 439.78. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark dropped 1.6 bps and 6.9 bps to 6.83% and 6.95%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark declined 2.4 bps and 3.6 bps to 7.05% and 7.06%, respectively.

The market eagerly awaited the speech by Federal Reserve Governor Kevin Warsh at the economic symposium hosted by the Federal Reserve Bank of Kansas City in Jackson Hole, Wyoming. In his address, Warsh signaled that the US central bank still had work to do if inflation remained above target levels. This statement marked one of Warsh's clearest indications that a Federal Reserve interest rate hike might be necessary to curb price pressures. Previously, he had not explicitly signaled the possibility of a monetary policy tightening. Market participants raised the probability for a rate hike at the September policy meeting to 55.7%, or about 20 percentage points higher than a day ago, according to the CME Group's FedWatch tool. Aside from the inflation concerns, which he said should be the Fed's primary focus, Warsh largely expressed confidence in the economy which he said appears to have strengthened. As he has done previously, the Chairman cited benefits from artificial intelligence and said business and consumer spending has held up well. While acknowledging a slowdown in hiring, he attributed that to a flattening labor supply. Warsh also used the speech to outline his philosophy on policymaking while carefully sidestepping any signals on what he thinks should be done to achieve the Fed's dual mandate of low inflation and full employment. The chairman has been criticized for being cagey about his approach to policy at a time when inflation continues to run well above the Fed's 2% goal. He has opposed the prior use of forward guidance as hand-holding for markets that should be interpreting data, not Fed rhetoric. Since taking office in May, Warsh noted that this is his 100th day in office, he has initiated five task forces to look at a variety of Fed functions.

Indonesia's trade balance is projected to record another negative performance in July 2026. High import growth, particularly in the oil and gas sector, is a primary factor weighing on the national trade balance. The trade balance is expected to record a deficit of approximately US$250 million. This deficit is driven largely by import growth of 28.85% year-on-year (yoy), whereas exports grew by only 3.36% (yoy). The trade deficit stems primarily from high oil and gas imports; consequently, the oil and gas trade deficit has not been offset by the surplus in the non-oil and gas trade balance. Meanwhile, continued pressure on the global economy is also constraining Indonesia's export performance. Demand for Indonesian products remains stagnant, thereby exerting pressure on the trade balance in July. Despite the pressures facing Indonesia's trade sector, certain commodities continue to bolster export performance. Crude palm oil (CPO) is one such commodity, recording growth alongside rising prices. Conversely, the situation differs for coal. International coal prices remain under pressure, mirroring the decline in oil prices in July, which has negatively impacted Indonesia's coal export performance. On a positive note, export performance in the manufacturing sector remains solid. Indonesian manufactured goods are attracting demand from non-traditional markets, including India, Africa, and parts of Central Asia. Demand remains particularly strong for textile-related manufactured products, even amidst rising textile production from competitors like China and Vietnam in the global market.

Corporate News

PEFINDO has lowered the rating of PT Industri Kereta Api (INKA) to iaBB from previously idA-. Outlook is maintained at Negative. The rating action reflects heightened pressure on INKA's business profile and weakening credit metrics due to prolonged delivery delays on the Kereta Commuter Indonesia (KCI) project, which have constrained INKA's cash flow and resulted in its inability to make timely payments to its suppliers. The corporate rating reflects INKA's established market position in domestic rolling stock manufacturing. However, the rating is constrained by its heightened liquidity risk, risk associated with project execution, as well as high dependency on a single customer. INKA's rating may be lowered if delays in the KCI and other ongoing projects persist, resulting in further weakening of profitability, cash flow generation, and leverage metrics.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.55	6	6.83%	96.32
FR0108	9.64	47	6.95%	96.89
FR0106	14.0	21	7.05%	100.68
FR0107	19.0	37	7.06%	100.70

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	6.91	6.87	4.00
Turkey	31.8	31.9	-4.00
Singapore	2.32	2.30	2.80
Thailand	2.11	2.09	1.60
Malaysia	3.86	3.85	1.90
Korea	4.28	4.25	3.40
China	1.69	1.69	-0.40
Japan	2.92	2.89	3.40
US	4.72	4.68	4.30

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	28-Aug	(-1 day)	Chg. (%)
USD/IDR	17692	17726	-0.19%
EUR/USD	1.159	1.165	-0.58%
GBP/USD	1.354	1.359	-0.40%
USD/JPY	160.1	159.4	0.44%
USD/SGD	1.274	1.271	0.22%
USD/MYR	4.025	4.033	-0.21%

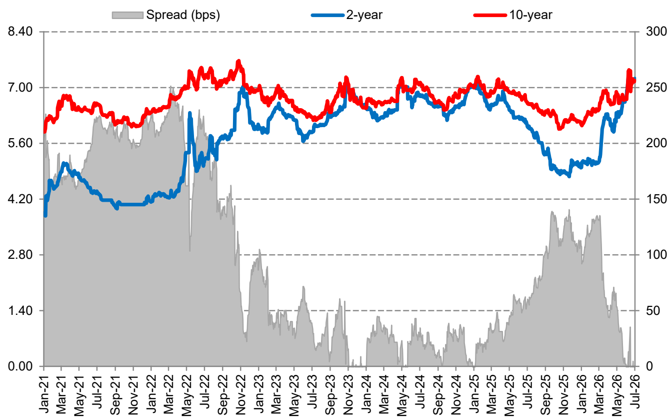
Source: Bloomberg

Money Market

	28-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	4.10	4.18	4.08	4.11
Lending	14.8	14.7	14.8	14.7

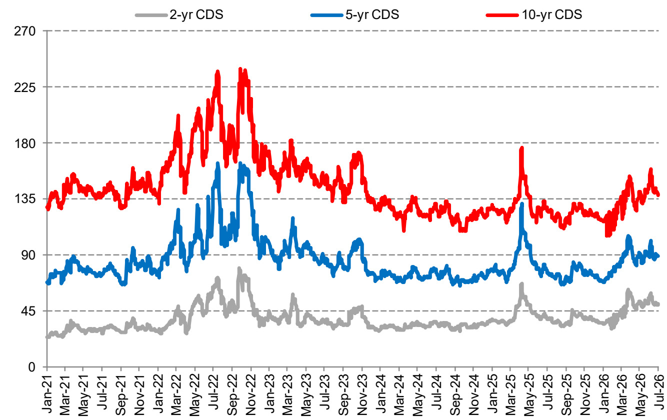
Source: Bloomberg

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
18-Aug-26	SPN01260919	01-mo	32,000	670	84,757	-	34,000	-
	SPN03261118	03-mo		2,425		-		-
	SPN12270805	12-mo		8,632		-		-
	FR0110	06-yr		37,650		12,800		7.008%
	FR0108	10-yr		16,187		10,300		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)

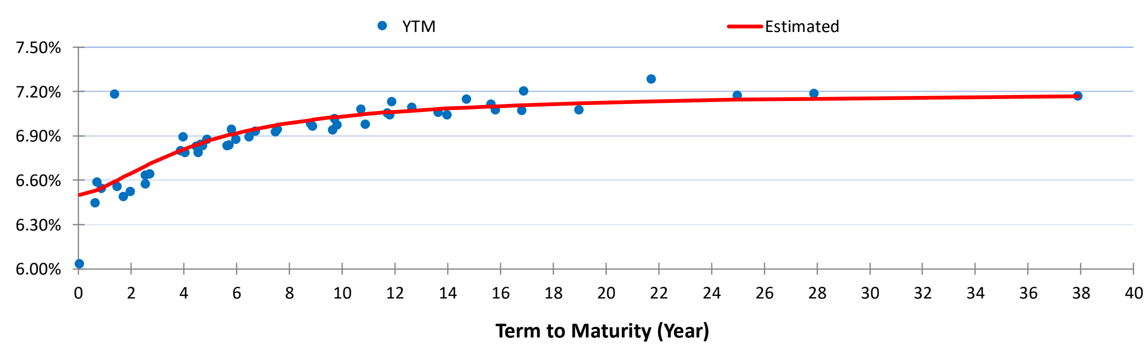
Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
26-Aug-26	SPNS12102026	01-mo	10,000	1,771	23,543	1,000	10,000	6.552%
	SPNS01032027	06-mo		2,775		-		-
	SPNS25052027	09-mo		4,323		-		-
	PBS030	02-yr		3,602		1,150		6.639%
	PBS040	04-yr		4,128		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: 28-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%	100.28	4.514%	6.499%	100.25	-2	0.048	Fair
FR0056	15-Sep-26	0.05	8.375%	100.08	6.034%	6.499%	100.08	0	0.047	Fair
FR0090	15-Apr-27	0.63	5.125%	99.20	6.445%	6.529%	99.14	-7	0.599	Fair
FR0059	15-May-27	0.71	7.000%	100.27	6.584%	6.535%	100.31	4	0.676	Fair
FR0042	15-Jul-27	0.88	10.25%	103.07	6.544%	6.548%	103.10	4	0.829	Fair
FR0094	15-Jan-28	1.38	5.600%	97.96	7.182%	6.591%	98.70	74	1.293	Cheap
FR0047	15-Feb-28	1.47	10.00%	104.70	6.556%	6.599%	104.67	-3	1.352	Fair
FR0064	15-May-28	1.72	6.125%	99.41	6.486%	6.621%	99.20	-22	1.576	Dear
FR0095	15-Aug-28	1.97	6.375%	99.73	6.520%	6.644%	99.51	-23	1.815	Dear
FR0071	15-Mar-29	2.55	9.000%	105.59	6.572%	6.696%	105.31	-28	2.183	Dear
FR0101	15-Mar-29	2.55	6.875%	100.57	6.631%	6.696%	100.41	-16	2.237	Dear
FR0078	15-May-29	2.72	8.250%	103.91	6.641%	6.711%	103.75	-16	2.361	Dear
FR0104	15-Jul-30	3.88	6.500%	98.99	6.797%	6.801%	98.98	-1	3.350	Fair
FR0052	15-Aug-30	3.97	10.50%	112.30	6.890%	6.807%	112.64	34	3.261	Cheap
FR0082	15-Sep-30	4.05	7.000%	100.74	6.786%	6.812%	100.65	-9	3.374	Fair
FR0087	15-Feb-31	4.47	6.500%	98.75	6.829%	6.839%	98.71	-4	3.804	Fair
FR0109	**15-Mar-31**	**4.55**	**5.875%**	**96.50**	**6.784%**	**6.844%**	**96.26**	**-23**	**3.810**	**Dear**
FR0085	15-Apr-31	4.63	7.750%	103.54	6.840%	6.849%	103.51	-3	3.758	Fair
FR0073	15-May-31	4.72	8.750%	107.58	6.833%	6.853%	107.51	-7	3.778	Fair
FR0054	15-Jul-31	4.88	9.500%	110.70	6.873%	6.863%	110.77	7	3.893	Fair
FR0091	15-Apr-32	5.64	6.375%	97.88	6.833%	6.901%	97.57	-31	4.542	Dear
FR0110	15-May-32	5.72	7.250%	101.91	6.836%	6.905%	101.59	-32	4.542	Dear
FR0058	15-Jun-32	5.80	8.250%	106.13	6.943%	6.909%	106.30	18	4.532	Cheap
FR0074	15-Aug-32	5.97	7.500%	103.00	6.876%	6.916%	102.81	-19	4.759	Dear
FR0096	15-Feb-33	6.47	7.000%	100.56	6.890%	6.937%	100.32	-24	5.124	Dear
FR0065	15-May-33	6.72	6.625%	98.38	6.930%	6.946%	98.29	-9	5.233	Fair
FR0100	15-Feb-34	7.47	6.625%	98.27	6.925%	6.971%	98.01	-26	5.779	Dear
FR0068	15-Mar-34	7.55	8.375%	108.29	6.943%	6.973%	108.11	-18	5.440	Dear
FR0080	15-Jun-35	8.80	7.500%	103.37	6.979%	7.007%	103.18	-18	6.324	Dear
FR0103	15-Jul-35	8.88	6.750%	98.59	6.964%	7.009%	98.30	-29	6.524	Dear
FR0108	**15-Apr-36**	**9.64**	**6.500%**	**96.96**	**6.937%**	**7.025%**	**96.36**	**-59**	**6.853**	**Dear**
FR0072	15-May-36	9.72	8.250%	108.57	7.015%	7.026%	108.50	-7	6.618	Fair
FR0088	15-Jun-36	9.81	6.250%	94.94	6.970%	7.028%	94.55	-39	7.060	Dear
FR0045	15-May-37	10.72	9.750%	119.80	7.078%	7.044%	120.10	30	6.831	Cheap
FR0093	15-Jul-37	10.89	6.375%	95.47	6.975%	7.046%	94.95	-52	7.606	Dear
FR0075	15-May-38	11.72	7.500%	103.50	7.053%	7.059%	103.46	-4	7.636	Fair
FR0098	15-Jun-38	11.81	7.125%	100.66	7.040%	7.060%	100.50	-15	7.798	Dear
FR0050	15-Jul-38	11.89	10.50%	126.66	7.131%	7.061%	127.33	67	7.278	Cheap
FR0079	15-Apr-39	12.64	8.375%	110.59	7.090%	7.070%	110.77	18	7.772	Cheap
FR0083	15-Apr-40	13.64	7.500%	103.84	7.055%	7.081%	103.61	-23	8.340	Dear
FR0106	**15-Aug-40**	**13.98**	**7.125%**	**100.73**	**7.042%**	**7.084%**	**100.35**	**-37**	**8.756**	**Dear**
FR0057	15-May-41	14.72	9.500%	121.20	7.145%	7.091%	121.77	56	8.329	Cheap
FR0062	15-Apr-42	15.64	6.375%	93.12	7.111%	7.099%	93.22	11	9.327	Cheap
FR0092	15-Jun-42	15.81	7.125%	100.44	7.076%	7.100%	100.22	-22	9.278	Dear
FR0097	15-Jun-43	16.81	7.125%	100.54	7.068%	7.107%	100.16	-38	9.593	Dear
FR0067	15-Jul-43	16.89	8.750%	115.25	7.201%	7.108%	115.99	74	9.224	Cheap
FR0107	**15-Aug-45**	**18.98**	**7.125%**	**100.50**	**7.076%**	**7.120%**	**100.05**	**-45**	**10.31**	**Dear**
FR0076	15-May-48	21.73	7.375%	101.00	7.281%	7.132%	102.64	165	10.58	Cheap
FR0089	15-Aug-51	24.98	6.875%	96.58	7.171%	7.144%	96.89	31	11.61	Cheap
FR0102	15-Jul-54	27.90	6.875%	96.29	7.184%	7.151%	96.67	38	11.97	Cheap
FR0105	15-Jul-64	37.91	6.875%	96.20	7.167%	7.169%	96.17	-3	12.95	Fair

Source: Bloomberg, Shinhan Sekuritas Indonesia & NSS Model Calculation



Research Team		
Helmi Therik, FRM	Head of Research	helmi@shinhan.com
Billy Ibrahim Djaya	Research Analyst	billy.ibrahim@shinhan.com
Muhammad Adra Wijasena	Fixed Income Analyst	adra.wijasena@shinhan.com

Office

PT. Shinhan Sekuritas Indonesia
Member of Indonesia Stock Exchange

Head Office :
Equity Tower Floor. 50
Sudirman Central Business District Lot 9
Jl. Jend. Sudirman Kav. 52-53
Senayan
Jakarta 12920 Indonesia
Telp.: (+62-21) 80869900
Fax : (+62-21) 22057925