Daily Bond Market Update

September 3, 2026

Market Review

Government bond prices closed higher in trading on Wednesday (02/09). Indonesia Composite Bond Index decreased by 0.47% to 437.42. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark advanced 13.5 bps and 14.1 bps to 7.07% and 7.18%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark increased 11 bps and 5.5 bps to 7.23% and 7.18%, respectively.

US Treasury yields reached a fresh multiyear high on Wednesday as inflation and debt concerns pressured global government borrowing costs. The yield on the 10-year Treasury note was last down more than 1 basis point at 4.78%. It reached 4.818%, its highest level since November 2023 earlier in the day. Yields had also risen higher globally as investors continued to demand a greater premium to take on medium- and long-term government debt. The latest escalation in tensions in the Middle East has renewed fears about inflation proving entrenched, while traders increasingly expect interest rate hikes this month in the US and beyond. With inflation top of mind, investors paid attention to more economic data releases this week for further insights on the economy. Payrolls processing firm ADP reported Wednesday that private companies in the US added 38,000 jobs in August, down from the upwardly revised 46,000 in July and less than the 47,000 that economists polled by Dow Jones expected. While New York Federal Reserve President John Williams told CNBC Wednesday that he believes the latest spike in Treasury yields is the result of a strong economy, he also said he's still processing recent economic data releases, adding that we have to wait and see on the need for raising interest rates. On the other hand, factory orders rose 0.9% after a revised 0.2% drop in June, the Commerce Department's Census Bureau said on Wednesday. Manufacturing, which accounts for 9.4% of the economy, is getting a tailwind from the artificial intelligence buildout, though the six-month US-Israeli war with Iran is straining supply chains and keeping input prices elevated.

Indonesia's trade balance recorded a surplus of US$0.12 billion in July 2026, following a deficit of US$0.45 billion in the previous month. With this development, the cumulative trade balance for the January–July 2026 period posted a surplus of US$3.70 billion. Bank Indonesia views this trade surplus as a positive factor in further bolstering the external resilience of the Indonesian economy. Moving forward, Bank Indonesia continues to strengthen policy synergy with the Government and other authorities to further enhance external resilience and support sustainable national economic growth. The July 2026 trade surplus stemmed from an increased non-oil and gas trade surplus and a narrowed oil and gas trade deficit. The non-oil and gas trade balance recorded a surplus of US$3.10 billion in July 2026, up from the US$3.04 billion surplus in the previous month. This performance was driven by a rise in non-oil and gas exports to US$25.43 billion, primarily fueled by exports of natural resource-based products—such as mineral fuels—and manufactured goods, including iron and steel, as well as electrical machinery, equipment, and parts. By destination, non-oil and gas exports to China, the United States, and India remained the primary contributors to Indonesia's exports. Meanwhile, the oil and gas trade deficit narrowed to US$2.98 billion in July 2026 from US$3.49 billion in the previous month, reflecting a decline in oil and gas imports that outpaced the drop in exports.

Corporate News

PT Indonesia Asahan Aluminium (Persero) (Inalum) rated idAA with stable outlook. The rating reflects its strong likelihood of support from the parent, PT Mineral Industri Indonesia (Persero) (MIND ID), strong market position, and strong financial profile. However, the rating is constrained by its exposure to commodity price fluctuation and project execution risk. The rating may be raised if Inalum successfully expands its smelting capacity and completes its alumina refinery projects, resulting in a material increase in revenue and EBITDA that are proven to be stable and sustained, while maintaining a strong financial profile, as reflected in significantly declining leverage and improving liquidity. On the other hand, PEFINFO may lower the rating if the Company incurs debt greater than projected to support its significant capital expenditure requirements without being compensated by stronger business performance, resulting in lower EBITDA and cash flow generation. The rating may also be under pressure if there are signs of diminishing support from the Parent.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.53	-51	7.07%	95.43
FR0108	9.62	-94	7.18%	95.33
FR0106	14.0	-95	7.23%	99.05
FR0107	19.0	-57	7.18%	99.41

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	6.98	6.96	2.00
Turkey	31.8	31.8	-0.50
Singapore	2.42	2.40	1.90
Thailand	2.22	2.16	5.30
Malaysia	3.93	3.90	2.40
Korea	4.42	4.37	4.60
China	1.68	1.68	0.30
Japan	3.01	3.00	1.10
US	4.78	4.80	-1.90

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	2-Sep	(-1 day)	Chg. (%)
USD/IDR	17760	17726	0.19%
EUR/USD	1.159	1.159	-0.04%
GBP/USD	1.349	1.352	-0.22%
USD/JPY	158.7	160.2	-0.92%
USD/SGD	1.271	1.273	-0.16%
USD/MYR	4.047	4.040	0.17%

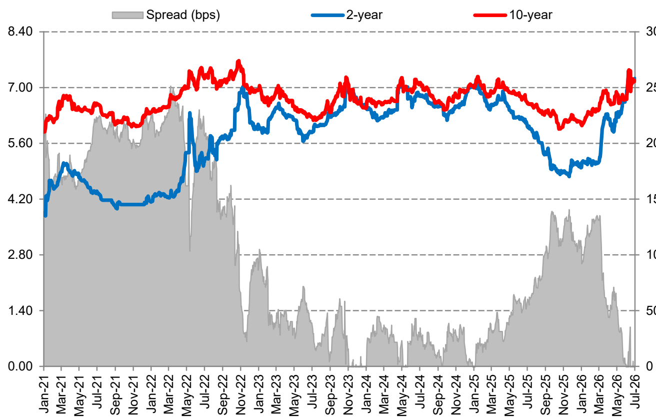
Source: Bloomberg

Money Market

	2-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	4.11	4.14	4.13	4.05
Lending	14.6	14.3	14.7	14.9

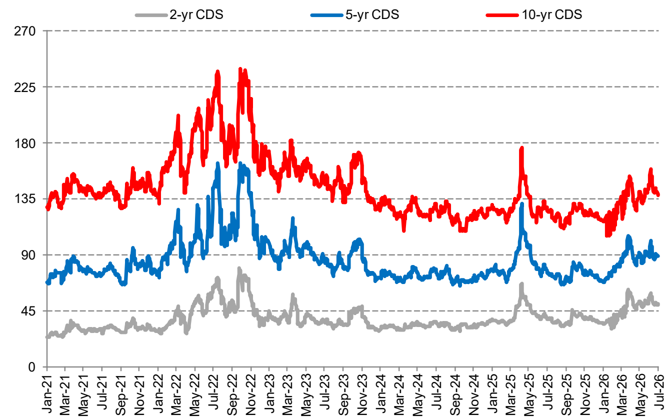
Source: Bloomberg

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)

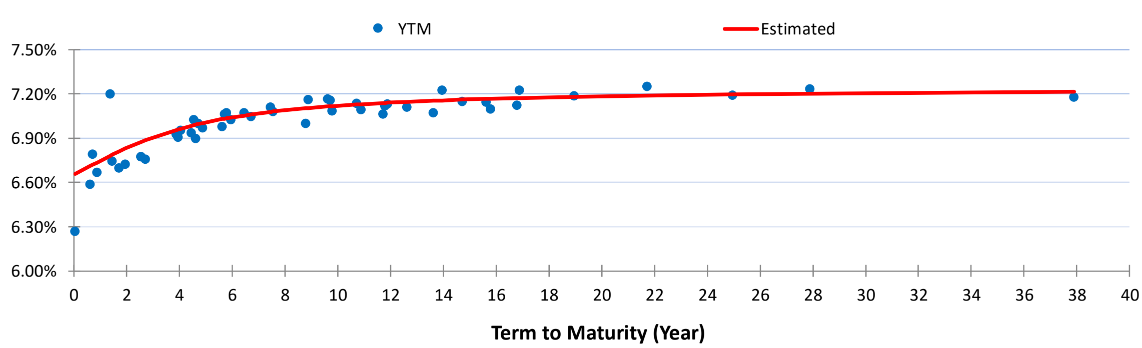
Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
26-Aug-26	SPNS12102026	01-mo	10,000	1,771	23,543	1,000	10,000	6.552%
	SPNS01032027	06-mo		2,775		-		-
	SPNS25052027	09-mo		4,323		-		-
	PBS030	02-yr		3,602		1,150		6.639%
	PBS040	04-yr		4,128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

Series	Maturity	TTM	Coupon	Price	YTM	Estimated Yield	Fair Price	Spread (bps)	Modified Duration	Recommendation
FR0037	15-Sep-26	0.04	12.00%	100.16	6.265%	6.656%	100.18	1	0.034	Fair
FR0056	15-Sep-26	0.04	8.375%	100.07	5.673%	6.656%	100.05	-2	0.034	Fair
FR0090	15-Apr-27	0.62	5.125%	99.13	6.586%	6.711%	99.05	-8	0.586	Fair
FR0059	15-May-27	0.70	7.000%	100.13	6.791%	6.719%	100.18	5	0.662	Fair
FR0042	15-Jul-27	0.87	10.25%	102.94	6.665%	6.734%	102.90	-4	0.816	Fair
FR0094	15-Jan-28	1.37	5.600%	97.96	7.196%	6.781%	98.47	52	1.280	Cheap
FR0047	15-Feb-28	1.45	10.00%	104.41	6.742%	6.788%	104.36	-5	1.337	Fair
FR0064	15-May-28	1.70	6.125%	99.09	6.696%	6.809%	98.91	-18	1.561	Dear
FR0095	15-Aug-28	1.95	6.375%	99.37	6.722%	6.830%	99.18	-19	1.799	Dear
FR0071	15-Mar-29	2.53	9.000%	105.10	6.770%	6.874%	104.87	-24	2.167	Dear
FR0101	15-Mar-29	2.53	6.875%	100.24	6.771%	6.874%	100.00	-24	2.222	Dear
FR0078	15-May-29	2.70	8.250%	103.62	6.753%	6.886%	103.29	-32	2.346	Dear
FR0104	15-Jul-30	3.87	6.500%	98.57	6.926%	6.956%	98.47	-10	3.334	Fair
FR0052	15-Aug-30	3.95	10.50%	112.23	6.904%	6.960%	112.04	-19	3.247	Dear
FR0082	15-Sep-30	4.04	7.000%	100.17	6.950%	6.964%	100.12	-5	3.356	Fair
FR0087	15-Feb-31	4.46	6.500%	98.36	6.933%	6.984%	98.17	-19	3.788	Dear
FR0109	**15-Mar-31**	**4.53**	**5.875%**	**95.61**	**7.024%**	**6.987%**	**95.74**	**13**	**3.789**	**Cheap**
FR0085	15-Apr-31	4.62	7.750%	103.31	6.897%	6.991%	102.94	-37	3.743	Dear
FR0073	15-May-31	4.70	8.750%	106.89	6.998%	6.994%	106.91	2	3.758	Fair
FR0054	15-Jul-31	4.87	9.500%	110.28	6.966%	7.001%	110.14	-14	3.877	Dear
FR0091	15-Apr-32	5.62	6.375%	97.24	6.975%	7.029%	97.00	-24	4.522	Dear
FR0110	15-May-32	5.70	7.250%	100.86	7.062%	7.031%	101.00	14	4.517	Cheap
FR0058	15-Jun-32	5.79	8.250%	105.51	7.068%	7.034%	105.68	17	4.512	Cheap
FR0074	15-Aug-32	5.96	7.500%	102.28	7.022%	7.039%	102.20	-8	4.739	Fair
FR0096	15-Feb-33	6.46	7.000%	99.64	7.069%	7.054%	99.72	8	5.100	Fair
FR0065	15-May-33	6.70	6.625%	97.78	7.043%	7.060%	97.69	-9	5.213	Fair
FR0100	15-Feb-34	7.46	6.625%	97.25	7.106%	7.078%	97.41	16	5.752	Cheap
FR0068	15-Mar-34	7.54	8.375%	107.47	7.077%	7.079%	107.46	-1	5.415	Fair
FR0080	15-Jun-35	8.79	7.500%	103.24	6.998%	7.102%	102.55	-69	6.308	Dear
FR0103	15-Jul-35	8.87	6.750%	97.34	7.160%	7.104%	97.69	36	6.490	Cheap
FR0108	**15-Apr-36**	**9.62**	**6.500%**	**95.45**	**7.162%**	**7.115%**	**95.76**	**32**	**6.810**	**Cheap**
FR0072	15-May-36	9.71	8.250%	107.54	7.156%	7.116%	107.83	29	6.585	Cheap
FR0088	15-Jun-36	9.79	6.250%	94.18	7.083%	7.117%	93.95	-23	7.032	Dear
FR0045	15-May-37	10.71	9.750%	119.33	7.133%	7.128%	119.38	5	6.808	Fair
FR0093	15-Jul-37	10.87	6.375%	94.64	7.089%	7.130%	94.35	-29	7.574	Dear
FR0075	15-May-38	11.71	7.500%	103.45	7.060%	7.138%	102.82	-63	7.621	Dear
FR0098	15-Jun-38	11.79	7.125%	100.06	7.115%	7.139%	99.88	-18	7.770	Dear
FR0050	15-Jul-38	11.87	10.50%	126.65	7.131%	7.140%	126.58	-7	7.265	Fair
FR0079	15-Apr-39	12.62	8.375%	110.43	7.107%	7.146%	110.09	-34	7.755	Dear
FR0083	15-Apr-40	13.63	7.500%	103.71	7.069%	7.153%	102.97	-74	8.323	Dear
FR0106	**15-Aug-40**	**13.96**	**7.125%**	**99.15**	**7.222%**	**7.156%**	**99.73**	**58**	**8.695**	**Cheap**
FR0057	15-May-41	14.71	9.500%	121.16	7.148%	7.160%	121.04	-12	8.315	Dear
FR0062	15-Apr-42	15.63	6.375%	92.82	7.144%	7.165%	92.63	-19	9.302	Dear
FR0092	15-Jun-42	15.79	7.125%	100.28	7.094%	7.166%	99.60	-68	9.259	Dear
FR0097	15-Jun-43	16.79	7.125%	100.04	7.119%	7.171%	99.54	-51	9.560	Dear
FR0067	15-Jul-43	16.88	8.750%	115.02	7.221%	7.171%	115.29	27	9.203	Cheap
FR0107	**15-Aug-45**	**18.96**	**7.125%**	**99.37**	**7.186%**	**7.180%**	**99.43**	**6**	**10.25**	**Fair**
FR0076	15-May-48	21.72	7.375%	101.37	7.248%	7.188%	102.02	65	10.59	Cheap
FR0089	15-Aug-51	24.97	6.875%	96.39	7.188%	7.196%	96.30	-9	11.58	Fair
FR0102	15-Jul-54	27.88	6.875%	95.76	7.230%	7.202%	96.09	33	11.92	Cheap
FR0105	15-Jul-64	37.89	6.875%	96.06	7.178%	7.214%	95.61	-44	12.92	Dear

Source: Bloomberg, Shinhan Sekuritas Indonesia & NSS Model Calculation



SHINHAN
SEKURITAS INDONESIA

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