Daily Bond Market Update

August 7, 2026

Market Review

Government bond prices closed higher in trading on Thursday (06/07). Indonesia Composite Bond Index increased by 0.12% to 431.66. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark dropped 2.0 bps and 1.6 bps to 7.21% and 7.24%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark declined 3.4 bps and 4.2 bps to 7.28% and 7.25%, respectively.

The number of Americans applying for unemployment benefits rose last week but layoffs remain in the historically low range of the past few years. US filings for jobless aid in the week ending August 1 rose by 1,000 to 199,000, the Labor Department reported Thursday. The previous week's figure was revised up by 1,000 to 198,000. Weekly filings for unemployment benefits are considered representative of layoffs and are close to a real-time indicator of the health of the US job market. Last week, the Federal Reserve's preferred inflation metric, PCE, came in at 3.7% for June, still well above the US central bank's 2% target. If inflation remains elevated, Fed officials say they are ready to raise interest rates to combat higher prices, raising costs for businesses and making them less likely to hire. Last month, the government reported that employers pulled back on hiring in June, adding only 57,000 jobs. That's less than half the previous month's total and a sign that companies remain cautious about adding to their head counts. The unemployment rate dropped to 4.2% from 4.3% in May, though that decline is mostly because many out-of-work people gave up looking for jobs and were no longer counted as unemployed. June's tepid hiring comes after a relative surge in job gains the previous three months, countering concerns that the conflict in Iran could trip up an already wobbly labor market. Weekly jobless aid applications have stabilized in a range mostly between 200,000 and 250,000 since the U.S. economy emerged from the pandemic recession. However, hiring began slowing about two years ago and tapered further in 2025 due to President Donald Trump's tariffs, his purge of the federal workforce and the lingering effects of high rates meant to control inflation.

Indonesia's manufacturing activity returned to expansionary territory in July, ending the contraction phase seen in June. S&P Global reported that Indonesia's manufacturing Purchasing Managers' Index (PMI) stood at 50.2 for July, up from 46.9 the previous month; a PMI reading above 50 indicates expansion rather than contraction. Growth in production volume, alongside stable new orders, drove this positive performance. Meanwhile, confidence regarding production prospects over the next 12 months strengthened, with optimism reaching a six-month high. July data showed production volume returning to growth after four consecutive months of decline, although the pace of growth remained relatively modest. Survey respondents attributed the production increase largely to improved demand conditions; however, persistent rises in raw material costs continued to limit the potential for stronger production expansion. Positive sentiment was also evident in the volume of new orders, which stabilized in July following a sharp contraction in June. Companies reported increased sales, linking the rise to growing customer confidence and the launch of new projects. At the same time, companies expanded their workforces for the first time in five months, albeit modestly, as stronger expansion was still somewhat constrained by the lingering impact of high prices. These developments bolstered optimism regarding the outlook for the coming year, with business confidence hitting a six-month high, supported by expectations of continued sales growth and improving customer confidence.

Corporate News

PEFINDO has affirmed its ratings for PT Kereta Api Indonesia (Persero) (KAI) and its outstanding bonds at idAAA as well as its outstanding sukuk at idAAA(sy). Outlook for the corporate rating is stable. The rating reflects strong likelihood of government support, KAI's superior business position, as well as growing and stable revenue from freight transportation. The rating is constrained by its moderate leverage and cash flow protection indicators amid the large capital expenditure (capex). The rating has not factored in the plan for the consolidation of PT Industri Kereta Api (INKA) into KAI, as the integration remains at a nascent stage and its credit impact in the near term is expected to be limited. PEFINDO may lower the rating if KAI adopts a more aggressive financial policy, as evidenced by a substantial increase in leverage that is not offset by stronger earnings prospects.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.61	8	7.21%	94.85
FR0108	9.70	11	7.24%	94.89
FR0106	14.0	29	7.28%	98.62
FR0107	19.0	43	7.25%	98.69

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	6.77	6.79	-1.90
Turkey	32.3	32.1	20.5
Singapore	2.27	2.27	-0.80
Thailand	2.04	2.04	-0.50
Malaysia	3.72	3.72	-0.10
Korea	4.15	4.15	0.00
China	1.71	1.71	0.00
Japan	2.77	2.81	-4.00
US	4.68	4.62	6.60

Source: Bloomberg

Government Bond Ownership

Institution	In Trillion IDR	In Percentage (%)
Bank	1,061.3	15.4%
Bank Indonesia	1,996.9	28.9%
Mutual Fund	248.0	3.59%
Insurance & Pension Fund	1,430.9	20.7%
Foreigners	**890.6**	**12.9%**
Individual	546.5	7.91%
Others	737.0	10.7%
Total	**6,911.2**	**100.0%**

Source: DJPPR (as of August 04, 2026)

Currency Movement

FX Rate	6-Aug	(-1 day)	Chg. (%)
USD/IDR	17918	17930	-0.07%
EUR/USD	1.153	1.155	-0.24%
GBP/USD	1.346	1.347	-0.10%
USD/JPY	158.4	157.8	0.43%
USD/SGD	1.284	1.281	0.21%
USD/MYR	4.090	4.094	-0.09%

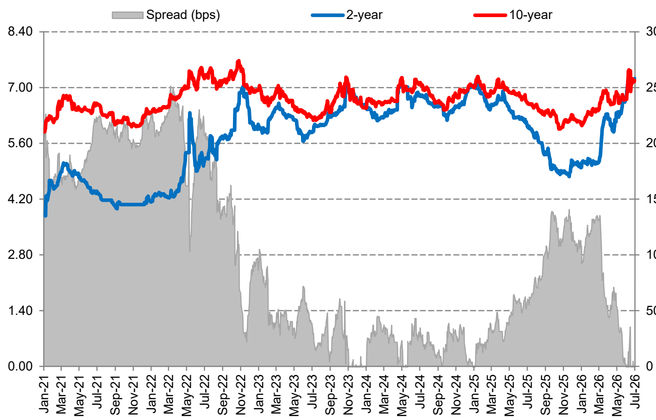
Source: Bloomberg

Money Market

	6-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	4.12	4.05	4.15	4.04
Lending	14.9	14.9	15.1	15.1

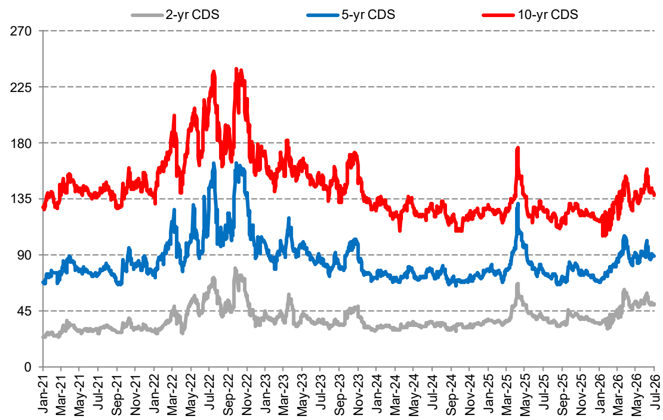
Source: Bloomberg

Yield Spread Between 2- and 10-year Bond



Source: Bloomberg

Credit Default Swap



Source: Bloomberg

US Economic Calendar

Date	Report
July 27, 2026	Durable Goods Orders
July 28, 2026	Advance Economic Indicator Report
July 29, 2026	US Interest Rate Decision
July 30, 2026	Initial Jobless Claims; PCE Price Index
July 31, 2026	Advance Estimate GDP
August 3, 2026	US Manufacturing PMI
August 4, 2026	Job Openings & Labor Turnover Survey
August 5, 2026	ADP National Employment Report
August 6, 2026	Initial Jobless Claims
August 7, 2026	Employment Report; Consumer Credit

Indonesia Economic Calendar

Date	Report
July 27, 2026	---
July 28, 2026	Sukuk Auction
July 29, 2026	---
July 30, 2026	---
July 31, 2026	---
August 3, 2026	Inflation Rate; Trade Balance
August 4, 2026	Conventional Auction; S&P Global Manufacturing PMI
August 5, 2026	GDP Growth Rate
August 6, 2026	---
August 7, 2026	Foreign Exchange Reserves

Auction Result: Conventional IGB (in Billion IDR)

Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
4-Aug-26	SPN01260905	01-mo	32,000	2,205	70,719	1,000	32,000	6.890%
	SPN12261105	03-mo		2,676		1,000		7.040%
	SPN12270805	12-mo		5,320		5,000		7.150%
	FR0109	05-yr		34,494		15,800		7.296%
	FR0108	10-yr		10,151		3,800		7.320%
	FR0106	14-yr		8,017		1,200		7.350%
	FR0107	19-yr		4,223		3,050		7.350%
	FR0102	29-yr		1,725		400		7.370%
	FR0105	39-yr		1,908		750		7.389%

Source: DJPPR

Auction Result: Sukuk (in Billion IDR)

Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
28-Jul-26	SPNS08092026	01-mo	10,000	1,310	24,881	1,200	10,000	6.800%
	SPNS03022027	06-mo		3,185		2,000		7.000%
	SPNS12042027	09-mo		6,407		4,000		7.122%
	PBS030	02-yr		4,747		1,700		7.199%
	PBS040	04-yr		4,193		600		7.300%
	PBS034	13-yr		3,483		200		7.308%
	PBS005	17-yr		676		100		7.336%
	PBS038	23-yr		880		200		7.316%

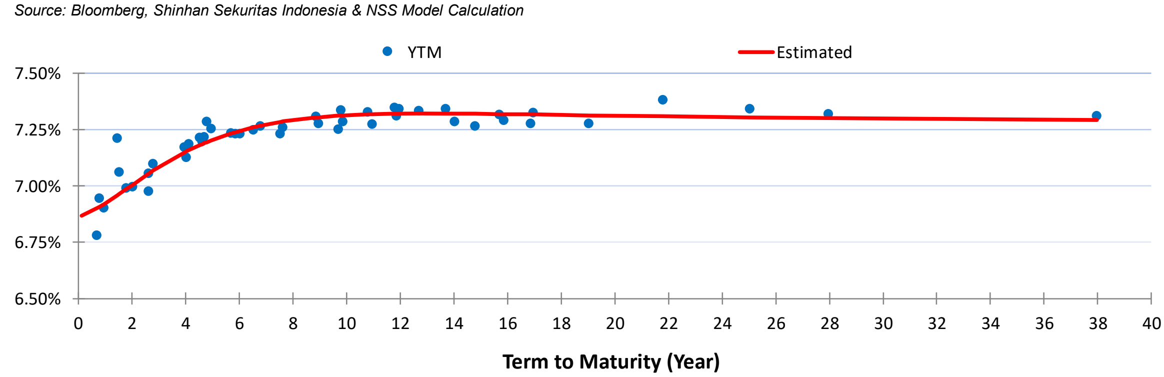
Source: DJPPR

Government Bonds Prices

Closing Data: 6-Aug-2026

Series	Maturity	TTM	Coupon	Price	YTM	Estimated Yield	Fair Price	Spread (bps)	Modified Duration	Recommendation
FR0037	15-Sep-26	0.11	12.00%	100.51	6.421%	6.866%	100.52	1	0.105	Fair
FR0056	15-Sep-26	0.11	8.375%	100.18	6.326%	6.866%	100.14	-4	0.105	Fair
FR0090	15-Apr-27	0.69	5.125%	98.91	6.778%	6.900%	98.81	-10	0.656	Fair
FR0059	15-May-27	0.77	7.000%	100.03	6.945%	6.906%	100.06	3	0.732	Fair
FR0042	15-Jul-27	0.94	10.25%	102.96	6.900%	6.918%	102.97	2	0.886	Fair
FR0094	15-Jan-28	1.44	5.600%	97.84	7.211%	6.958%	98.16	32	1.351	Cheap
FR0047	15-Feb-28	1.53	10.00%	104.15	7.060%	6.965%	104.32	17	1.343	Cheap
FR0064	15-May-28	1.78	6.125%	98.57	6.990%	6.986%	98.57	0	1.629	Fair
FR0095	15-Aug-28	2.03	6.375%	98.85	6.996%	7.007%	98.82	-3	1.811	Fair
FR0071	15-Mar-29	2.61	9.000%	104.53	7.055%	7.054%	104.55	2	2.234	Fair
FR0101	15-Mar-29	2.61	6.875%	99.75	6.975%	7.054%	99.57	-18	2.290	Dear
FR0078	15-May-29	2.78	8.250%	102.83	7.097%	7.067%	102.92	9	2.412	Fair
FR0104	15-Jul-30	3.94	6.500%	97.73	7.170%	7.147%	97.80	7	3.399	Fair
FR0052	15-Aug-30	4.03	10.50%	111.60	7.126%	7.153%	111.53	-7	3.165	Fair
FR0082	15-Sep-30	4.11	7.000%	99.34	7.185%	7.158%	99.44	9	3.420	Fair
FR0087	15-Feb-31	4.53	6.500%	97.30	7.212%	7.181%	97.41	11	3.727	Cheap
FR0109	**15-Mar-31**	**4.61**	**5.875%**	**94.90**	**7.195%**	**7.185%**	**94.93**	**3**	**3.854**	**Fair**
FR0085	15-Apr-31	4.69	7.750%	102.08	7.215%	7.189%	102.18	11	3.803	Cheap
FR0073	15-May-31	4.78	8.750%	105.80	7.283%	7.193%	106.18	38	3.819	Cheap
FR0054	15-Jul-31	4.94	9.500%	109.17	7.252%	7.201%	109.41	24	3.937	Cheap
FR0091	15-Apr-32	5.70	6.375%	96.04	7.234%	7.233%	96.04	0	4.581	Fair
FR0058	15-Jun-32	5.86	8.250%	104.77	7.231%	7.239%	104.74	-3	4.575	Fair
FR0074	15-Aug-32	6.03	7.500%	101.30	7.229%	7.245%	101.23	-7	4.629	Fair
FR0096	15-Feb-33	6.53	7.000%	98.74	7.246%	7.260%	98.66	-8	4.985	Fair
FR0065	15-May-33	6.78	6.625%	96.62	7.264%	7.267%	96.60	-2	5.269	Fair
FR0100	15-Feb-34	7.53	6.625%	96.53	7.231%	7.284%	96.23	-30	5.621	Dear
FR0068	15-Mar-34	7.61	8.375%	106.42	7.259%	7.285%	106.27	-15	5.470	Dear
FR0080	15-Jun-35	8.86	7.500%	101.23	7.307%	7.304%	101.25	2	6.345	Fair
FR0103	15-Jul-35	8.95	6.750%	96.58	7.276%	7.305%	96.40	-18	6.547	Dear
FR0108	**15-Apr-36**	**9.70**	**6.500%**	**94.83**	**7.251%**	**7.311%**	**94.42**	**-41**	**6.869**	**Dear**
FR0072	15-May-36	9.78	8.250%	106.28	7.336%	7.312%	106.45	18	6.631	Cheap
FR0088	15-Jun-36	9.87	6.250%	92.81	7.284%	7.312%	92.62	-19	7.076	Dear
FR0045	15-May-37	10.78	9.750%	117.81	7.326%	7.317%	117.90	9	6.847	Fair
FR0093	15-Jul-37	10.95	6.375%	93.29	7.274%	7.318%	92.98	-31	7.614	Dear
FR0075	15-May-38	11.78	7.500%	101.17	7.347%	7.320%	101.39	22	7.635	Cheap
FR0098	15-Jun-38	11.87	7.125%	98.54	7.310%	7.320%	98.46	-8	7.803	Fair
FR0050	15-Jul-38	11.95	10.50%	124.81	7.341%	7.320%	125.02	21	7.295	Cheap
FR0079	15-Apr-39	12.70	8.375%	108.51	7.331%	7.321%	108.60	9	7.775	Fair
FR0083	15-Apr-40	13.70	7.500%	101.34	7.341%	7.321%	101.52	17	8.322	Cheap
FR0106	**15-Aug-40**	**14.04**	**7.125%**	**98.60**	**7.285%**	**7.321%**	**98.30**	**-30**	**8.445**	**Dear**
FR0057	15-May-41	14.78	9.500%	120.02	7.265%	7.320%	119.47	-55	8.351	Dear
FR0062	15-Apr-42	15.70	6.375%	91.29	7.316%	7.318%	91.27	-3	9.314	Fair
FR0092	15-Jun-42	15.87	7.125%	98.46	7.289%	7.318%	98.19	-27	9.263	Dear
FR0097	15-Jun-43	16.87	7.125%	98.53	7.276%	7.317%	98.15	-38	9.571	Dear
FR0067	15-Jul-43	16.95	8.750%	113.93	7.325%	7.316%	113.79	-14	9.235	Dear
FR0107	**15-Aug-45**	**19.04**	**7.125%**	**98.46**	**7.276%**	**7.313%**	**98.08**	**-37**	**9.92**	**Dear**
FR0076	15-May-48	21.79	7.375%	99.94	7.379%	7.308%	100.71	77	10.58	Cheap
FR0089	15-Aug-51	25.04	6.875%	94.68	7.342%	7.304%	95.10	42	11.14	Cheap
FR0102	15-Jul-54	27.96	6.875%	94.75	7.318%	7.300%	94.95	20	11.91	Cheap
FR0105	15-Jul-64	37.97	6.875%	94.45	7.309%	7.293%	94.65	20	12.83	Cheap

Source: Bloomberg, Shinhan Sekuritas Indonesia & NSS Model Calculation



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