Daily Bond Market Update

August 19, 2026

Market Review

Government bond prices closed lower in trading on Tuesday (18/07). Indonesia Composite Bond Index slightly decreased by 0.01% to 435.59. Yield of 5-year (FR0109) and 10-year (FR0108) IGB benchmark declined 0.6 bps and advanced 1.4 bps to 6.91% and 7.09%. Meanwhile, yield of 15-year (FR0106) and 20-year (FR0107) IGB benchmark increased 5.3 bps and 4.6 bps to 7.21% and 7.17%, respectively.

The yield on the long-dated US Treasury has surged to its highest level in nearly two decades. The 30-year Treasury yield, which is typically sensitive to geopolitical events, advanced more than 4 basis points to 5.311% on Monday, reaching its highest level since June 2007. Foreign holdings of Treasurys fell in June, the Treasury Department reported on Monday, with top holders UK, China and Japan all reducing their holdings. That comes despite recent US economic data that might normally be expected to push yields lower. July retail sales were the weakest since May 2025, while recent labor-market data has also pointed toward cooling conditions. The latest jump in Treasury yields did not originate entirely in the US. If yields in other major developed markets continue climbing, investors may demand higher returns to hold US government debt as well. BMO strategists flagged fiscal concerns across the US, Japan, UK and Europe as one possible factor behind recent weakness in long-dated bonds. Even if US economic data softens, a global repricing of long-term borrowing costs could keep upward pressure on Treasury yields. Another risk is that the US economy simply remains too strong for interest rates to fall much. Markets are currently pricing an unusually benign combination: resilient growth and record-high equities, Deutsche Bank said in a note late Monday, only limited by additional central-bank tightening, and contained commodity supply shocks. The bank argued that combination may prove difficult to sustain.

Bank Indonesia (BI) is expected to maintain the BI Rate at 5.75% during the August Board of Governors Meeting (RDG), which will be announced today. There are three main reasons why BI does not yet need to raise interest rates. First, domestic inflation remains manageable. Inflation in July 2026 was recorded at 2.88% year-on-year (yoy), with a monthly deflation of 0.14% (mtm), while core inflation stood at 2.76% (yoy). Second, BI raised interest rates by a cumulative 100 basis points between May and June, and in July, it stated that this tightening was temporarily sufficient to safeguard the rupiah and manage inflation expectations. Third, pressure from the US has also begun to ease. US core consumer inflation slowed to 2.5% in July, while the market probability of a Federal Reserve rate hike in September dropped to around 30% from 50% the previous week. Nevertheless, BI cannot yet declare the rate-hike cycle over. This is because current pressure on the rupiah stems not only from the interest rate differential between Indonesia and the US but also from the balance of payments situation. The current account deficit is projected to widen to approximately 3.09% of GDP in the second quarter and 3.03% in the third quarter. For the full year of 2026, the current account deficit is estimated to reach 2.46% of GDP. Beyond the current account, BI also needs to monitor oil prices, the conflict in the Middle East, foreign capital flows, and foreign exchange reserves. BI should rely on a policy mix to support the rupiah rather than raising the BI Rate. Under current conditions, the quality of intervention, foreign exchange supply, capital flows, and policy credibility will be more decisive for the rupiah than a further hike in the BI Rate.

Corporate News

PEFINDO has lowered the ratings of PT Adhi Karya (Persero) Tbk (ADHI) and its bonds to idB from idBB. The outlook for the corporate rating remains in CreditWatch with Negative Implications. The rating action follows the result of the bondholders' meeting, which declined ADHI's proposal to defer the coupon payment on the Shelf-Registered Bonds III Series B and C, with the nearest coupon payment on August 24, 2026. The rating reflects ADHI's heightened liquidity risk amid weak financial flexibility, high leverage, execution risks associated with its order book, and volatile business environment. ADHI's inability to meet the coupon payment obligation due August 24, 2026, would constitute an actual payment default and result in a further rating downgrade. PEFINDO may review the Company's rating if ADHI could demonstrate its capacity and sustainable resolution of its near-term financial obligations.

IGB Benchmark Bonds

Series	TTM (Year)	Price (bps)	Yield	Price
FR0109	4.58	4	6.91%	96.00
FR0108	9.67	-9	7.09%	95.92
FR0106	14.0	-46	7.21%	99.26
FR0107	19.0	-47	7.21%	99.08

Source: PHEI

10-year Government Bond Yield

Country	Yield (%)	(-1 day)	Chg. (bps)
India	6.83	6.81	1.60
Turkey	32.5	32.4	1.50
Singapore	2.35	2.28	6.40
Thailand	2.10	2.07	2.70
Malaysia	3.75	3.74	1.40
Korea	4.39	4.31	7.50
China	1.67	1.68	-1.10
Japan	2.94	2.91	3.00
US	4.71	4.72	-1.80

Source: Bloomberg

Government Bond Ownership

Institution	In Trillion IDR	In Percentage (%)
Bank	1,162.9	16.7%
Bank Indonesia	1,900.2	27.3%
Mutual Fund	250.5	3.59%
Insurance & Pension Fund	1,433.2	20.6%
Foreigners	**895.6**	**12.8%**
Individual	588.0	8.43%
Others	740.6	10.6%
Total	**6,970.9**	**100.0%**

Source: DJPPR (as of August 12, 2026)

Currency Movement

FX Rate	18-Aug	(-1 day)	Chg. (%)
USD/IDR	17857	17825	0.18%
EUR/USD	1.158	1.158	-0.03%
GBP/USD	1.353	1.354	-0.09%
USD/JPY	159.6	159.5	0.09%
USD/SGD	1.278	1.278	0.05%
USD/MYR	4.060	4.061	-0.03%

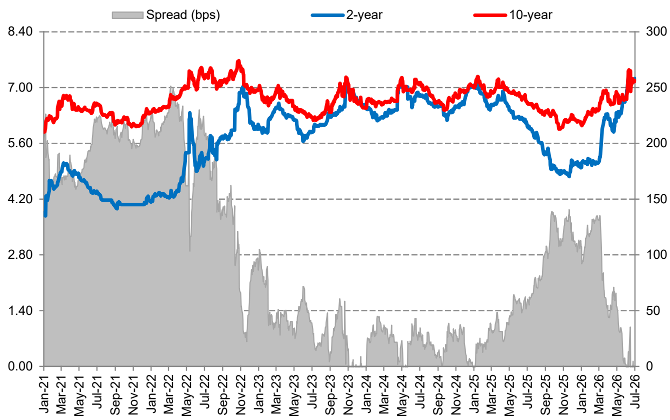
Source: Bloomberg

Money Market

	18-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	4.07	4.11	3.97
Lending	14.8	14.5	14.6	14.9

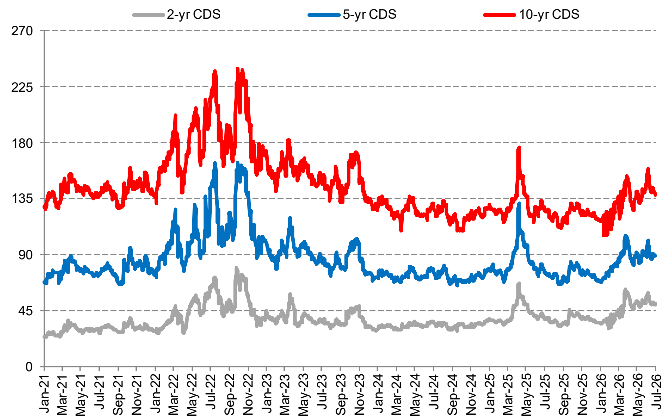
Source: Bloomberg

Yield Spread Between 2- and 10-year Bond



Source: Bloomberg

Credit Default Swap



Source: Bloomberg

US Economic Calendar

Date	Report
August 10, 2026	**---**
August 11, 2026	**NFIB Index of Small Business Optimism**
August 12, 2026	**Consumer Price Index**
August 13, 2026	**Initial Jobless Claims; Producer Price Index**
August 14, 2026	**Retail Sales**
August 17, 2026	**NY Empire State Manufacturing Index**
August 18, 2026	**Industrial Production**
August 19, 2026	**---**
August 20, 2026	**Initial Jobless Claims; FOMC Minutes**
August 21, 2026	**S&P Global Manufacturing PMI Flash**

Indonesia Economic Calendar

Date	Report
August 10, 2026	**Consumer Confidence**
August 11, 2026	**Sukuk Auction; Retail Sales**
August 12, 2026	**---**
August 13, 2026	**---**
August 14, 2026	**---**
August 17, 2026	**---**
August 18, 2026	**Conventional Auction; External Debt**
August 19, 2026	**Interest Rate Decision**
August 20, 2026	**---**
August 21, 2026	**Balance of Payment; M2 Money Supply**

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)

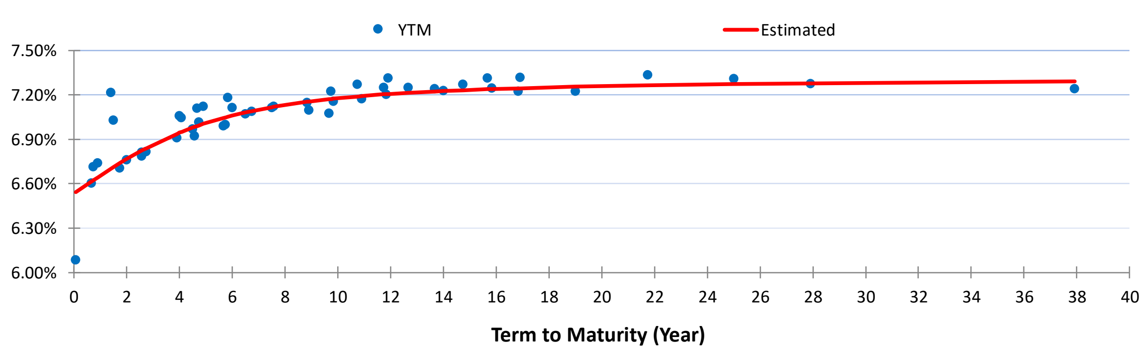
Date	Series	TTM	Target Issuance	Incoming Bids	Total Incoming Bids	Nominal Awarded	Total Awarded	Awarded Yield
11-Aug-26	SPNS08092026	01-mo	**10,000**	2,177	**39,085**	450	**12,000**	6.800%
	SPNS03022027	06-mo		3,745		1,000		6.900%
	SPNS12042027	09-mo		7,740		2,050		7.000%
	PBS030	02-yr		8,673		3,900		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: 18-Aug-2026

Series	Maturity	TTM	Coupon	Price	YTM	Estimated Yield	Fair Price	Spread (bps)	Modified Duration	Recommendation
FR0037	15-Sep-26	0.08	12.00%	100.42	5.677%	6.542%	100.39	-4	0.074	Fair
FR0056	15-Sep-26	0.08	8.375%	100.15	6.084%	6.542%	100.12	-2	0.074	Fair
FR0090	15-Apr-27	0.66	5.125%	99.06	6.603%	6.613%	99.05	-1	0.625	Fair
FR0059	15-May-27	0.74	7.000%	100.19	6.711%	6.623%	100.25	6	0.701	Fair
FR0042	15-Jul-27	0.91	10.25%	103.01	6.739%	6.644%	103.11	10	0.855	Cheap
FR0094	15-Jan-28	1.41	5.600%	97.88	7.214%	6.703%	98.54	66	1.319	Cheap
FR0047	15-Feb-28	1.50	10.00%	104.12	7.028%	6.712%	104.59	47	1.375	Cheap
FR0064	15-May-28	1.74	6.125%	99.05	6.706%	6.740%	98.99	-6	1.600	Fair
FR0095	15-Aug-28	1.99	6.375%	99.30	6.760%	6.767%	99.28	-1	1.839	Fair
FR0071	15-Mar-29	2.58	9.000%	105.13	6.786%	6.825%	105.05	-8	2.206	Fair
FR0101	15-Mar-29	2.58	6.875%	100.14	6.812%	6.825%	100.11	-3	2.261	Fair
FR0078	15-May-29	2.74	8.250%	103.52	6.813%	6.841%	103.45	-6	2.385	Fair
FR0104	15-Jul-30	3.91	6.500%	98.62	6.907%	6.937%	98.52	-10	3.374	Dear
FR0052	15-Aug-30	3.99	10.50%	111.78	7.057%	6.944%	112.21	43	3.283	Cheap
FR0082	15-Sep-30	4.08	7.000%	99.84	7.043%	6.950%	100.17	33	3.393	Cheap
FR0087	15-Feb-31	4.50	6.500%	98.22	6.968%	6.978%	98.18	-4	3.826	Fair
FR0109	**15-Mar-31**	**4.58**	**5.875%**	**95.96**	**6.919%**	**6.983%**	**95.72**	**-25**	**3.832**	**Dear**
FR0085	15-Apr-31	4.66	7.750%	102.49	7.109%	6.988%	102.97	48	3.775	Cheap
FR0073	15-May-31	4.74	8.750%	106.88	7.014%	6.993%	106.97	9	3.797	Fair
FR0054	15-Jul-31	4.91	9.500%	109.68	7.122%	7.003%	110.21	53	3.910	Cheap
FR0091	15-Apr-32	5.66	6.375%	97.16	6.990%	7.043%	96.91	-24	4.561	Dear
FR0110	15-May-32	5.75	7.250%	101.16	6.997%	7.047%	100.93	-23	4.560	Dear
FR0058	15-Jun-32	5.83	8.250%	105.00	7.180%	7.052%	105.63	63	4.546	Cheap
FR0074	15-Aug-32	6.00	7.500%	101.86	7.112%	7.059%	102.12	26	4.773	Cheap
FR0096	15-Feb-33	6.50	7.000%	99.65	7.068%	7.081%	99.58	-7	5.139	Fair
FR0065	15-May-33	6.75	6.625%	97.55	7.085%	7.090%	97.53	-3	5.249	Fair
FR0100	15-Feb-34	7.50	6.625%	97.21	7.112%	7.117%	97.18	-3	5.791	Fair
FR0068	15-Mar-34	7.58	8.375%	107.23	7.121%	7.119%	107.25	1	5.451	Fair
FR0080	15-Jun-35	8.83	7.500%	102.27	7.146%	7.153%	102.23	-5	6.331	Fair
FR0103	15-Jul-35	8.91	6.750%	97.74	7.095%	7.155%	97.36	-38	6.536	Dear
FR0108	**15-Apr-36**	**9.67**	**6.500%**	**96.01**	**7.075%**	**7.171%**	**95.37**	**-64**	**6.861**	**Dear**
FR0072	15-May-36	9.75	8.250%	107.09	7.221%	7.172%	107.44	35	6.616	Cheap
FR0088	15-Jun-36	9.83	6.250%	93.69	7.154%	7.174%	93.55	-14	7.062	Dear
FR0045	15-May-37	10.75	9.750%	118.26	7.268%	7.190%	118.92	65	6.825	Cheap
FR0093	15-Jul-37	10.92	6.375%	94.04	7.171%	7.192%	93.89	-16	7.600	Dear
FR0075	15-May-38	11.75	7.500%	101.96	7.247%	7.203%	102.31	35	7.624	Cheap
FR0098	15-Jun-38	11.83	7.125%	99.37	7.203%	7.204%	99.36	-1	7.792	Fair
FR0050	15-Jul-38	11.92	10.50%	125.02	7.314%	7.205%	126.03	101	7.269	Cheap
FR0079	15-Apr-39	12.67	8.375%	109.22	7.247%	7.214%	109.52	29	7.762	Cheap
FR0083	15-Apr-40	13.67	7.500%	102.22	7.239%	7.223%	102.36	14	8.317	Cheap
FR0106	**15-Aug-40**	**14.00**	**7.125%**	**99.11**	**7.227%**	**7.226%**	**99.12**	**1**	**8.733**	**Fair**
FR0057	15-May-41	14.75	9.500%	119.97	7.268%	7.232%	120.34	37	8.319	Cheap
FR0062	15-Apr-42	15.67	6.375%	91.36	7.310%	7.238%	91.98	63	9.284	Cheap
FR0092	15-Jun-42	15.84	7.125%	98.89	7.243%	7.239%	98.92	3	9.247	Fair
FR0097	15-Jun-43	16.84	7.125%	99.05	7.222%	7.245%	98.83	-22	9.560	Dear
FR0067	15-Jul-43	16.92	8.750%	114.01	7.317%	7.245%	114.52	52	9.207	Cheap
FR0107	**15-Aug-45**	**19.01**	**7.125%**	**98.98**	**7.224%**	**7.255%**	**98.67**	**-31**	**10.27**	**Dear**
FR0076	15-May-48	21.76	7.375%	100.43	7.334%	7.264%	101.19	76	10.58	Cheap
FR0089	15-Aug-51	25.01	6.875%	95.05	7.309%	7.272%	95.45	41	11.53	Cheap
FR0102	15-Jul-54	27.93	6.875%	95.28	7.272%	7.278%	95.21	-7	11.92	Fair
FR0105	15-Jul-64	37.93	6.875%	95.30	7.239%	7.291%	94.66	-64	12.88	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