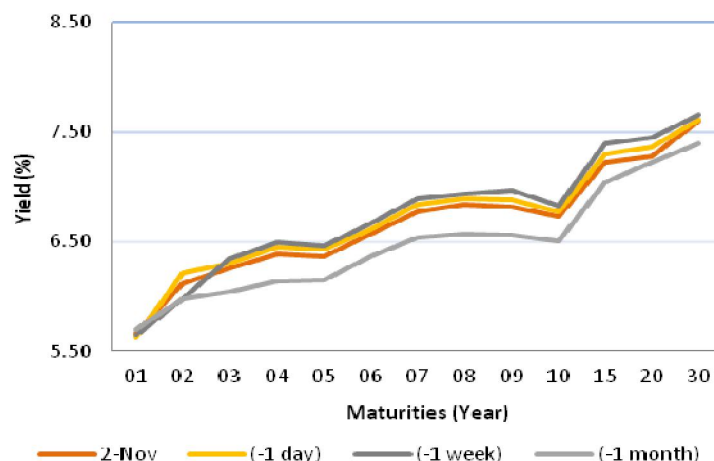


Indonesia Government Bonds Yield

Maturities (Year)	2-Nov	(-1 day)	(-1 week)	(-1 month)
01	5.67	5.63	5.65	5.70
02	6.12	6.21	5.98	5.98
03	6.26	6.30	6.35	6.05
04	6.39	6.45	6.49	6.14
05	6.37	6.43	6.46	6.16
06	6.57	6.61	6.66	6.37
07	6.77	6.84	6.89	6.53
08	6.84	6.89	6.94	6.57
09	6.82	6.89	6.96	6.56
10	6.73	6.77	6.83	6.51
15	7.22	7.30	7.39	7.04
20	7.28	7.36	7.45	7.22
30	7.60	7.61	7.65	7.40

Source: Bloomberg



Global Market Update

- 10-year US treasury yield dropped to 2.35% after Donald Trump appointed Jerome Powell as the new Fed governor replacing Janet Yellen whose term expires in February 2018. Jerome Powell is perceived by the market having similar monetary perspective as Janet Yellen which considers the need for normalization of interest rates (FFR) in a gradual manner. The appointment of the new Fed Governor that in line with market expectations lowered the potential rise in US Treasury yields due to the release of Trump's tax reform plan which one of the key points is the corporate tax cut from 35% to 20%. In addition, this was also minimizing the rise in US treasury yields due to sentiment from Bank of England policy that decided to rising its benchmark rates from 0.25% to 0.50%. Global yield also tended to decline in which the 10-yr UK gilt dropped to 1.26% while the 10-yr German Bund went down to 0.37% while the Japanese 10-yr moved lower to the 0.05% level. In general, the declining of global yields could be a positive catalyst for government bond prices today.
- Yield US treasury tenor 10 tahun menurun ke level 2,35% setelah Donald Trump menunjuk Jerome Powell sebagai Gubernur The Fed yang baru menggantikan Janet Yellen yang masa jabatannya berakhir Februari 2018. Jerome Powell dianggap oleh pasar memiliki perspektif moneter yang dovish dan mirip dengan Janet Yellen yang menganggap perlunya normalisasi suku bunga acuan (FFR) secara gradual. Penunjukan Gubernur The Fed baru yang sesuai dengan ekspektasi pasar tersebut menurunkan potensi kenaikan yield US treasury akibat rilis rancangan reformasi pajak Trump yang salah satu poin pentingnya adalah pemotongan pajak korporasi dari sebelumnya 35% menjadi 20%. Selain itu, momen tersebut juga meminimalisir kenaikan yield US treasury akibat sentimen dari kenaikan suku bunga acuan Bank Sentral Inggris (BoE) dari sebelumnya sebesar 0,25% menjadi 0,50%. Yield global juga cenderung menurun di mana 10-yr UK gilt turun ke level 1,26% sedangkan 10-yr German Bund turun ke level 0,37% sementara 10-yr Jepang turun ke level 0,05%. Penurunan yield global secara umum dapat menjadi katalis positif bagi harga SBN pada hari ini.

Domestic Market Update

- Indonesia Composite Bond Index was 0.25% higher compared with previous day to 235.41 in the last trading on the secondary market. Meanwhile, transaction volume of government bonds dropped to IDR14.79 trillion while corporate bonds rose to IDR1.14 trillion.
- The Indonesia Deposit Insurance Corporation (LPS) decided to lower its insurance rate of deposit in conventional banking and rural bank (BPR). The deposit insurance rates in conventional banking set to be lower to 5.75% from 6% while in rural bank the rate was lowered to 8.25% from 8.5%. This was in line with the declining of BI-7DRRR.
- Indonesia Composite Bond Index menguat sebesar 0,25% dibandingkan dengan hari sebelumnya ke level 235,41 pada perdagangan terakhir di pasar sekunder. Sementara itu, volume transaksi SBN di pasar sekunder turun menjadi sebesar Rp14,79 triliun sementara volume transaksi obligasi korporasi meningkat menjadi sebesar Rp1,14 triliun.
- LPS menurunkan tingkat suku bunga penjaminan simpanan dalam rupiah dalam bank umum dan BPR. Tingkat suku bunga penjaminan simpanan dalam rupiah di bank umum diturunkan menjadi sebesar 5,75% dari sebelumnya sebesar 6% sedangkan simpanan dalam rupiah di BPR diturunkan menjadi sebesar 8,25% dari sebelumnya sebesar 8,5%. Penurunan suku bunga penjaminan simpanan tersebut seiring dengan penurunan BI-7DRRR.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0074	102.78	7.190	2950
FR0059	102.25	6.677	2879
FR0072	108.00	7.447	1447
SPN12180201	98.92	4.600	794
SPN12180104	99.21	4.680	750
SPN12180412	97.90	4.980	650
FR0061	102.70	6.304	611
FR0070	109.00	6.615	575
FR0068	109.00	7.415	562
FR0071	114.50	7.115	420

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6031	-7.04	-0.12%	13.87%
Malaysia (KLCI)	1748	-2.88	-0.17%	6.05%
Thailand (SET)	1702	-12.62	-0.74%	10.31%
Singapore (STI)	3381	-11.11	-0.33%	17.3%
Hang Seng	28519	-75.42	-0.26%	29.6%
Nikkei 225	22539	119.04	0.53%	17.92%
Shanghai	3383	-12.60	-0.37%	9.01%
Dow Jones (DJIA)	23516	81.25	0.35%	18.99%
London (FTSE 100)	7555	67.36	0.90%	5.78%
DAX	13441	-24.58	-0.18%	17.1%

FX Rate	2-Nov		
	2-Nov	(-1 day)	(-1 week)
USD/IDR	13,495	13,550	13,648
GBP/USD	1.306	1.324	1.316
USD/JPY	114.1	114.2	114.0
USD/SGD	1.359	1.361	1.367
USD/THB	33.09	33.14	33.24
USD/MYR	4.235	4.232	4.234

Macroeconomic Data	Oct-17	Sep-17	Aug-17
Consumer Price Index (MoM)	0.01	0.13	-0.07
Consumer Price Index (YoY)	3.58	3.72	3.82
Core Inflation (YoY)	3.07	3	2.98
BI 7-Day RR Rate (%)	4.25	4.25	4.5
Foreign Reserve (US\$ Bn)	-	129.4	128.80

Indonesia Sovereign CDS	2-year	5-year	10-year
As of			
2-Nov	37.59	94.48	160.22
(-1 Day)	36.22	92.89	157.76
(-1 Week)	36.39	93.42	158.76
(-1 Month)	42.11	103.68	172
(-1 Year)	65.94	156.94	227

Government Bond Ownership As of November 1, 2017 (in Trillion)

Holders	2013	2014	2015	2016	26-Oct-17	27-Oct-17	30-Oct-17	31-Oct-17	1-Nov-17
Banks	335.43	375.55	350.07	399.46	627.78	590.84	590.84	597.97	601.44
Bank Indonesia	44.44	41.63	148.91	134.25	11.24	49.36	49.36	46.05	46.20
Mutual Fund	42.50	45.79	61.60	85.66	99.75	99.88	99.88	100.01	100.42
Insurance	129.55	150.60	171.62	238.24	262.63	263.46	263.46	263.75	263.73
Foreign Investor	323.83	461.35	558.52	665.81	807.59	805.13	805.13	800.48	796.20
Pension Fund	39.47	43.30	49.83	87.28	86.78	86.95	86.95	87.09	87.18
Individual Investors	32.48	30.41	42.53	57.75	62.39	62.49	62.49	62.70	62.76
Others	47.56	61.32	78.76	104.84	117.81	117.85	117.85	117.93	118.05
Total	995.25	1,209.96	1,461.85	1,773.28	2,075.97	2,075.97	2,075.97	2,075.97	2,075.97

Source: Bloomberg, IDX & DJPPR

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
BNGA02ACN3	idAAA	100.00	6.20	150
FIFA02BCN4	idAAA	101.40	7.15	110
BNII01SB	idAA+	102.09	6.75	100
ASDF03ACN3	AAA(idn)	100.50	5.87	86
MJAG01	idAAA	100.00	8.40	65
FIFA03BCN1	idAAA	100.00	8.45	60
WOMF01BCN4	AA-(idn)	103.75	7.30	50
PPGD03ACN1	idAAA	100.02	6.52	44
ADMFO3ACN5	idAAA	100.48	6.22	40
BEXIO3ACN5	idAAA	100.00	7.60	40

Global Bonds	2-Nov			
	2-Nov	(-1 day)	(-1 week)	(-1 month)
Fed Fund Rate & US T-Bonds Yield				
Fed Fund Rate	1.25	1.25	1.25	1.25
2-Year	1.610	1.614	1.62	1.49
5-Year	2.001	2.019	2.08	1.95
10-Year	2.35	2.37	2.46	2.35
30-Year	2.83	2.86	2.97	2.89
10-Year Government Bond Yield				
UK	1.26	1.34	1.38	1.39
Germany	0.37	0.37	0.41	0.45
France	0.76	0.76	0.82	0.73
China	3.87	3.86	3.78	3.62
Japan	0.05	0.06	0.07	0.04
Korea	2.52	2.54	2.56	2.38
Thailand	2.31	2.32	2.30	2.28
Malaysia	3.99	3.95	4.01	3.91
Singapore	2.13	2.16	2.26	2.11
Indonesia USD Bond Yield				
INDO-22	2.77	2.74	2.69	2.71
INDO-27	3.59	3.58	3.60	3.54
INDO-47	4.48	4.47	4.48	4.46

Money Market	2-Nov			
	2-Nov	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	3.96	3.90	3.94	3.90
1M	4.79	4.79	4.79	4.78
3M	5.17	5.17	5.18	5.20
LIBOR				
1M	1.24	1.24	1.24	1.24
3M	1.38	1.38	1.38	1.35
6M	1.58	1.58	1.56	1.51
Indonesia Interest Rates				
Deposit 1M	5.68	5.70	5.73	5.79
Lending	14.0	14.9	14.2	17.8

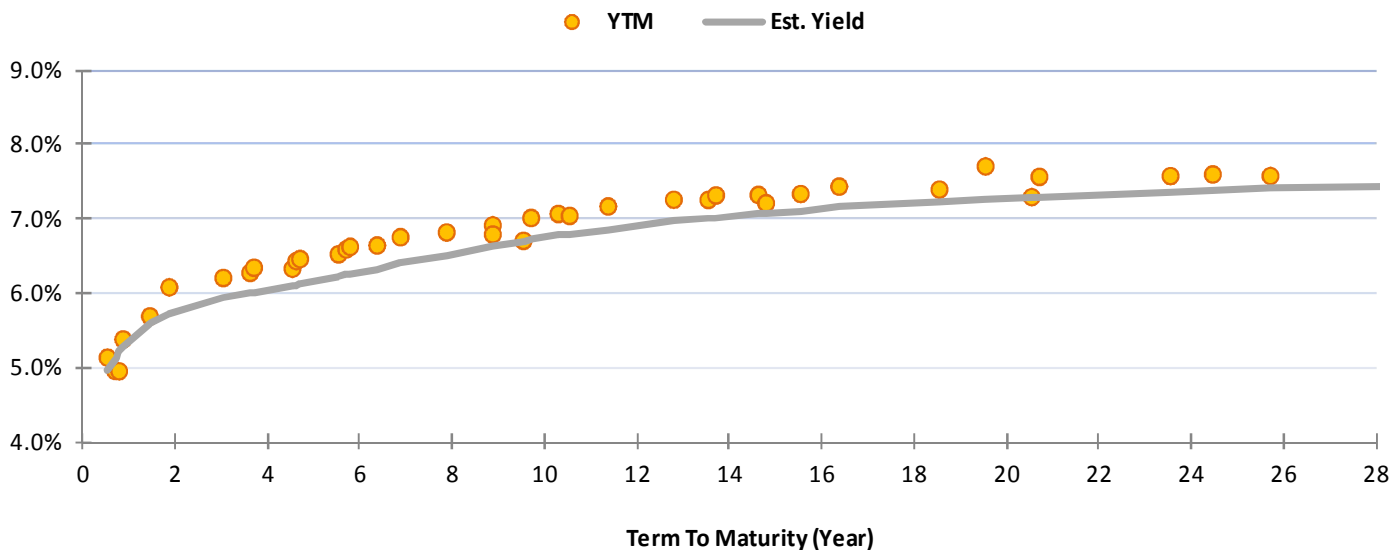
November 3, 2017

Government Bonds Prices
Closing Price Data : 2-Nov-2017



Series	Maturity	TTM	Coupon	Price	YTM	Est. Yield	Fair Price	Spread (bps)	Recommendation
FR0066	15-May-18	0.53	5.25%	100.06	5.14%	4.96%	100.15	9	Fair
FR0032	15-Jul-18	0.70	15.00%	106.71	4.96%	5.13%	106.69	-2	Fair
FR0038	15-Aug-18	0.78	11.60%	104.97	4.95%	5.21%	104.84	-13	Dear
FR0048	15-Sep-18	0.87	9.00%	102.98	5.38%	5.27%	103.11	13	Cheap
FR0069	15-Apr-19	1.45	7.875%	102.97	5.69%	5.60%	103.13	16	Cheap
FR0036	15-Sep-19	1.87	11.50%	109.36	6.08%	5.73%	110.07	71	Cheap
FR0031	15-Nov-20	3.04	11.00%	113.03	6.21%	5.93%	113.90	87	Cheap
FR0034	15-Jun-21	3.62	12.80%	120.75	6.28%	5.99%	121.83	108	Cheap
FR0053	15-Jul-21	3.70	8.25%	106.16	6.35%	6.00%	107.34	118	Cheap
FR0061	15-May-22	4.53	7.00%	102.59	6.33%	6.10%	103.52	93	Cheap
FR0035	15-Jun-22	4.62	12.90%	125.40	6.44%	6.11%	126.95	155	Cheap
FR0043	15-Jul-22	4.70	10.25%	115.09	6.46%	6.12%	116.64	154	Cheap
FR0063	15-May-23	5.53	5.625%	95.87	6.53%	6.22%	97.23	136	Cheap
FR0046	15-Jul-23	5.70	9.50%	113.59	6.59%	6.25%	115.40	180	Cheap
FR0039	15-Aug-23	5.79	11.75%	124.23	6.63%	6.26%	126.31	208	Cheap
FR0070	15-Mar-24	6.37	8.375%	108.84	6.65%	6.33%	110.56	172	Cheap
FR0044	15-Sep-24	6.87	10.00%	117.55	6.76%	6.40%	119.76	221	Cheap
FR0040	15-Sep-25	7.87	11.00%	125.08	6.82%	6.52%	127.22	215	Cheap
FR0037	15-Sep-26	8.87	12.00%	133.23	6.92%	6.63%	135.53	230	Cheap
FR0056	15-Sep-26	8.87	8.375%	110.39	6.79%	6.63%	111.53	114	Cheap
FR0059	15-May-27	9.54	7.000%	102.03	6.71%	6.70%	102.07	4	Fair
FR0042	15-Jul-27	9.70	10.25%	122.45	7.02%	6.72%	124.86	241	Cheap
FR0047	15-Feb-28	10.29	10.00%	121.14	7.07%	6.77%	123.60	246	Cheap
FR0064	15-May-28	10.54	6.125%	93.25	7.04%	6.80%	95.01	175	Cheap
FR0071	15-Mar-29	11.37	9.00%	114.04	7.17%	6.87%	116.64	260	Cheap
FR0052	15-Aug-30	12.79	10.50%	126.65	7.26%	6.97%	129.56	291	Cheap
FR0073	15-May-31	13.54	8.75%	112.72	7.26%	7.01%	115.01	229	Cheap
FR0054	15-Jul-31	13.71	9.50%	118.64	7.32%	7.02%	121.54	290	Cheap
FR0058	15-Jun-32	14.63	8.25%	108.20	7.33%	7.07%	110.59	240	Cheap
FR0074	15-Aug-32	14.79	7.50%	102.56	7.21%	7.08%	103.77	121	Cheap
FR0065	15-May-33	15.54	6.625%	93.45	7.34%	7.12%	95.40	195	Cheap
FR0068	15-Mar-34	16.38	8.375%	108.77	7.44%	7.15%	111.64	288	Cheap
FR0072	15-May-36	18.55	8.25%	108.51	7.40%	7.23%	110.27	176	Cheap
FR0045	15-May-37	19.55	9.75%	120.44	7.71%	7.27%	125.71	527	Cheap
FR0075	15-May-38	20.55	7.50%	102.15	7.30%	7.30%	102.11	-4	Fair
FR0050	15-Jul-38	20.71	10.50%	130.38	7.57%	7.30%	133.90	352	Cheap
FR0057	15-May-41	23.55	9.50%	120.94	7.58%	7.36%	123.72	278	Cheap
FR0062	15-Apr-42	24.47	6.375%	86.47	7.60%	7.38%	88.68	221	Cheap
FR0067	15-Jul-43	25.72	8.75%	113.23	7.58%	7.40%	115.36	213	Cheap
FR0076	15-May-48	30.55	7.375%	100.79	7.31%	7.44%	99.23	-156	Dear

Source: Bloomberg, IBPA, MCS Estimates



November 3, 2017

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