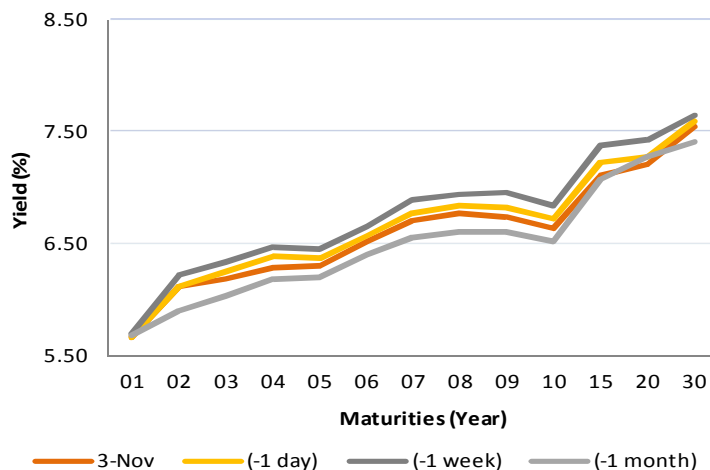


## Indonesia Government Bonds Yield

Maturities (Year)	3-Nov	(-1 day)	(-1 week)	(-1 month)
01	5.66	5.67	5.70	5.69
02	6.12	6.12	6.22	5.90
03	6.19	6.26	6.34	6.04
04	6.28	6.39	6.47	6.19
05	6.31	6.37	6.45	6.19
06	6.52	6.57	6.65	6.41
07	6.71	6.77	6.89	6.55
08	6.77	6.84	6.94	6.60
09	6.75	6.82	6.95	6.60
10	6.64	6.73	6.83	6.51
15	7.11	7.22	7.37	7.07
20	7.21	7.28	7.42	7.27
30	7.55	7.60	7.65	7.41

Source: Bloomberg



## Global Market Update

- 10-year US Treasury yield dropped to 2.34% after the release of employment data in October 2017 below market expectations driven mainly by US non-farm payroll data in October 2017 of 261 thousand or higher compared with prior month of 18 thousand but still below market expectation of 310 thousand. Moreover, the declining of 10-year US treasury yield was due to the announcement of US Ministry of Treasury that did not emphasize the additional financing through long-term US treasury but instead underscored the addition of short-term US treasury. In general, global yields tended to be mixed where 10-yr UK gilts and Japan stagnated at 1.26% and 0.05% respectively while the 10-yr German Bund dropped to 0.36%.
- Yield US treasury tenor 10 tahun menurun ke level 2,34% setelah rilis data ketenagakerjaan pada Oktober 2017 di bawah ekspektasi pasar terutama didorong oleh data akun gaji non pertanian AS pada Oktober 2017 yang tercatat sebesar 261 ribu akun atau meningkat dibandingkan bulan sebelumnya sebesar 18 ribu akun namun masih di bawah konsensus pasar sebesar 310 ribu akun. Selain itu, penurunan yield US treasury tenor 10 tahun juga tidak lepas dari pengumuman Kementerian Keuangan AS yang tidak menekankan penambahan pembiayaan melalui US treasury bertenor panjang namun justru menekankan adanya tambahan penerbitan US treasury berjangka pendek. Secara umum, yield global cenderung beragam di mana 10-yr UK gilt dan Jepang stagnan masing-masing di level 1,26% dan 0,05% sedangkan 10-yr German Bund turun ke level 0,36%.

## Domestic Market Update

- Indonesia Composite Bond Index continued to rise with 0.37% higher compared to previous day to 236.29 in the last trading on the secondary market. Meanwhile, the volume of transaction of government bonds declined to IDR12.67 trillion while transaction volume of corporate bonds rose slightly to IDR1.3 trillion.
- Indonesia Composite Bond Index menguat sebesar 0,37% dibandingkan dengan hari sebelumnya ke level 236,29 pada perdagangan terakhir di pasar sekunder. Sementara itu, volume transaksi SBN turun menjadi sebesar Rp12,67 triliun sedangkan volume transaksi obligasi korporasi meningkat tipis menjadi Rp1,3 triliun.
- Based on the analysis of Goldman Sachs, Indonesia potentially to enter into the Global Aggregate Bloomberg Index which can bring a positive impact on the Indonesian bond market with a potential capital inflow of USD4-5 billion. The announcement is expected to release in January 2018.
- Berdasarkan analisis Goldman Sachs, Indonesia berpotensi untuk masuk ke dalam indeks aggregate global Bloomberg yang dapat memberikan dampak positif terhadap pasar obligasi dengan potensi arus modal masing yang masuk (*capital inflow*) sebesar USD4-5 miliar. Pengumuman tersebut diperkirakan akan dirilis pada Januari 2018.
- Today, the market is likely to focus on economic growth release in the third quarter of 2017. We expect that the economy will grow by 5.16% (YoY) or higher than prior quarter. Meanwhile, based on Bloomberg survey, the economy will post 5.18% (YoY) alteration.
- Hari ini, pasar diperkirakan akan fokus pada rilis pertumbuhan ekonomi pada kuartal III-2017. Kami memperkirakan bahwa ekonomi pada kuartal III-2017 akan tumbuh sebesar 5,16% (YoY) atau menguat dibandingkan dengan kuartal sebelumnya. Sementara itu, berdasarkan survei Bloomberg, ekonomi akan tumbuh sebesar 5,18% (YoY).

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0059	102.70	6.613	2584
FR0072	109.90	7.269	2139
FR0074	103.63	7.098	1935
PBS009	100.56	5.000	875
FR0075	103.25	7.194	814
FR0056	111.10	6.691	807
FR0061	103.00	6.230	449
FR0071	115.35	7.014	441
FR0068	109.99	7.316	391
FR0047	122.00	6.963	356

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
BNGA02ACN3	idAAA	100.00	6.20	140
BAFI01B	idAA	100.00	7.75	100
BAFI01A	idAA	100.00	6.75	85
ISAT01CCN4	idAAA	102.45	7.85	80
MJAG01	idAAA	100.02	8.39	65
BIIF01ACN3	AA+(idn)	101.20	7.64	60
FIFA03BCN1	idAAA	101.55	7.76	60
ASDF03ACN4	AAA(idn)	100.00	6.25	50
SIEXCL01ACN2	AAA(idn)	100.58		44
BEXI03ACN5	idAAA	101.25	7.10	44

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6040	8.43	0.14%	14.02%
Malaysia (KLCI)	1744	-0.12	-0.01%	6.04%
Thailand (SET)	1701	-0.46	-0.03%	10.28%
Singapore (STI)	3382	1.81	0.05%	17.4%
Hang Seng	28604	84.97	0.30%	30.0%
Nikkei 225	22539	0.00	0.00%	17.92%
Shanghai	3372	-11.57	-0.34%	8.64%
Dow Jones (DJIA)	23539	22.93	0.10%	19.11%
London (FTSE 100)	7560	5.03	0.07%	5.85%
DAX	13479	37.93	0.28%	17.4%

FX Rate	3-Nov		
	3-Nov	(-1 day)	(-1 week)
USD/IDR	13,495	13,495	13,614
GBP/USD	1.308	1.306	1.313
USD/JPY	114.1	114.1	113.7
USD/SGD	1.365	1.359	1.365
USD/THB	33.18	33.09	33.23
USD/MYR	4.236	4.235	4.242

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			
3-Nov	37.03	95.27	160.23
(-1 Day)	37.59	94.48	160.22
(-1 Week)	36.39	93.42	158.75
(-1 Month)	39.16	103.69	170
(-1 Year)	67.43	160.50	231

Global Bonds	3-Nov			
	3-Nov	(-1 day)	(-1 week)	(-1 month)
<b>Fed Fund Rate &amp; US T-Bonds Yield</b>				
Fed Fund Rate	1.25	1.25	1.25	1.25
2-Year	1.618	1.610	1.59	1.51
5-Year	1.999	2.001	2.03	1.96
10-Year	2.34	2.35	2.41	2.36
30-Year	2.82	2.83	2.92	2.89
<b>10-Year Government Bond Yield</b>				
UK	1.26	1.26	1.35	1.36
Germany	0.36	0.37	0.38	0.46
France	0.75	0.76	0.79	0.73
China	3.88	3.87	3.83	3.62
Japan	0.04	0.05	0.07	0.05
Korea	2.53	2.52	2.54	2.38
Thailand	2.30	2.31	2.34	2.29
Malaysia	4.01	3.99	4.05	3.91
Singapore	2.15	2.13	2.27	2.13
<b>Indonesia USD Bond Yield</b>				
INDO-22	2.77	2.77	2.71	2.71
INDO-27	3.58	3.59	3.61	3.55
INDO-47	4.47	4.48	4.50	4.47

Money Market	3-Nov			
	3-Nov	(-1 day)	(-1 week)	(-1 month)
<b>JIBOR</b>				
O/N	3.89	3.96	3.92	3.90
1M	4.79	4.79	4.79	4.77
3M	5.17	5.17	5.19	5.20
<b>LIBOR</b>				
1M	1.24	1.24	1.24	1.24
3M	1.39	1.39	1.38	1.35
6M	1.59	1.59	1.57	1.52
<b>Indonesia Interest Rates</b>				
Deposit 1M	5.67	5.68	5.71	5.79
Lending	13.6	14.0	13.9	14.2

### Government Bond Ownership As of November 2, 2017 (in Trillion)

Holders	2013	2014	2015	2016	27-Oct-17	30-Oct-17	31-Oct-17	1-Nov-17	2-Nov-17
Banks	335.43	375.55	350.07	399.46	590.84	590.84	597.97	601.44	640.16
Bank Indonesia	44.44	41.63	148.91	134.25	49.36	49.36	46.05	46.20	23.38
Mutual Fund	42.50	45.79	61.60	85.66	99.88	99.88	100.01	100.42	101.16
Insurance	129.55	150.60	171.62	238.24	263.46	263.46	263.75	263.73	263.80
<b>Foreign Investor</b>	<b>323.83</b>	<b>461.35</b>	<b>558.52</b>	<b>665.81</b>	<b>805.13</b>	<b>805.13</b>	<b>800.48</b>	<b>796.20</b>	<b>801.72</b>
Pension Fund	39.47	43.30	49.83	87.28	86.95	86.95	87.09	87.18	87.29
Individual Investors	32.48	30.41	42.53	57.75	62.49	62.49	62.70	62.76	62.83
Others	47.56	61.32	78.76	104.84	117.85	117.85	117.93	118.05	118.11
<b>Total</b>	<b>995.25</b>	<b>1,209.96</b>	<b>1,461.85</b>	<b>1,773.28</b>	<b>2,075.97</b>	<b>2,075.97</b>	<b>2,075.97</b>	<b>2,075.97</b>	<b>2,098.47</b>

Source: Bloomberg, IDX & DJPPR

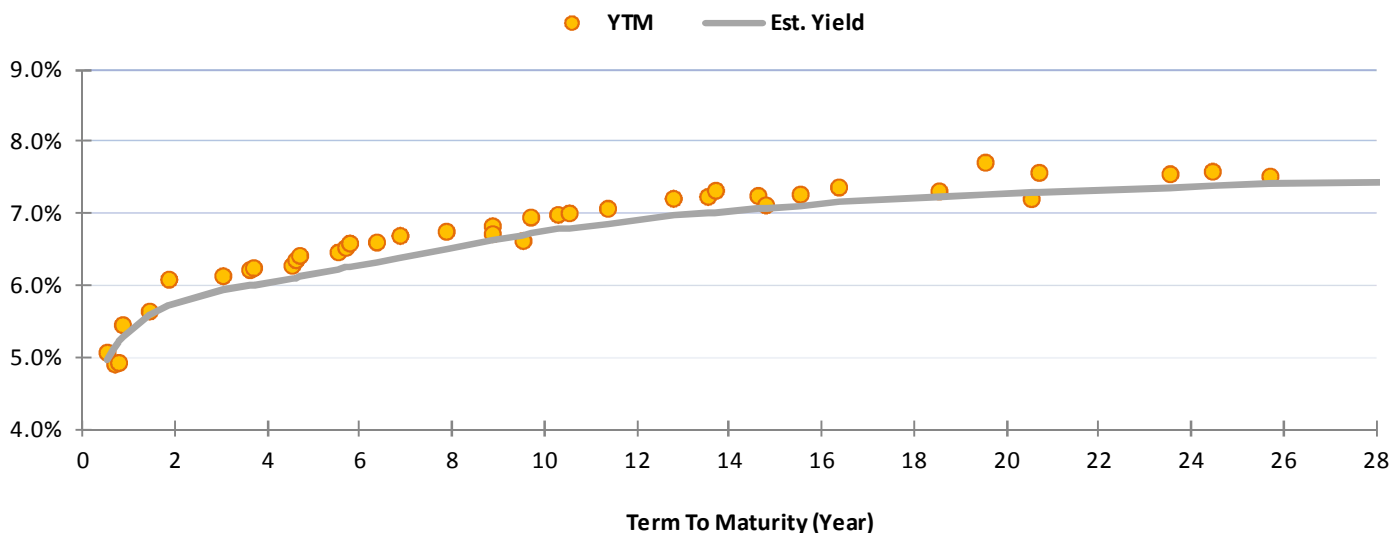
November 6, 2017

**Government Bonds Prices**  
**Closing Price Data : 3-Nov-2017**



Series	Maturity	TTM	Coupon	Price	YTM	Est. Yield	Fair Price	Spread (bps)	Recommendation
FR0066	15-May-18	0.53	5.25%	100.09	5.07%	4.96%	100.15	6	Fair
FR0032	15-Jul-18	0.70	15.00%	106.72	4.90%	5.13%	106.67	-6	Fair
FR0038	15-Aug-18	0.78	11.60%	104.98	4.93%	5.20%	104.83	-15	Dear
FR0048	15-Sep-18	0.87	9.00%	102.91	5.45%	5.27%	103.10	19	Cheap
FR0069	15-Apr-19	1.45	7.875%	103.04	5.64%	5.60%	103.12	9	Fair
FR0036	15-Sep-19	1.87	11.50%	109.36	6.08%	5.73%	110.05	70	Cheap
FR0031	15-Nov-20	3.04	11.00%	113.24	6.13%	5.93%	113.89	65	Cheap
FR0034	15-Jun-21	3.62	12.80%	120.95	6.22%	5.99%	121.81	86	Cheap
FR0053	15-Jul-21	3.70	8.25%	106.51	6.24%	6.00%	107.34	83	Cheap
<b>FR0061</b>	<b>15-May-22</b>	<b>4.53</b>	<b>7.00%</b>	<b>102.82</b>	<b>6.27%</b>	<b>6.10%</b>	<b>103.52</b>	<b>70</b>	<b>Cheap</b>
FR0035	15-Jun-22	4.62	12.90%	125.77	6.35%	6.11%	126.94	116	Cheap
FR0043	15-Jul-22	4.70	10.25%	115.30	6.41%	6.12%	116.63	133	Cheap
FR0063	15-May-23	5.53	5.625%	96.17	6.46%	6.22%	97.23	107	Cheap
FR0046	15-Jul-23	5.70	9.50%	113.94	6.52%	6.24%	115.39	146	Cheap
FR0039	15-Aug-23	5.78	11.75%	124.45	6.59%	6.26%	126.30	185	Cheap
FR0070	15-Mar-24	6.37	8.375%	109.08	6.60%	6.33%	110.56	148	Cheap
FR0044	15-Sep-24	6.87	10.00%	117.94	6.69%	6.40%	119.76	182	Cheap
FR0040	15-Sep-25	7.87	11.00%	125.57	6.75%	6.52%	127.22	165	Cheap
FR0037	15-Sep-26	8.87	12.00%	133.95	6.83%	6.63%	135.52	157	Cheap
FR0056	15-Sep-26	8.87	8.375%	110.92	6.72%	6.63%	111.52	61	Cheap
<b>FR0059</b>	<b>15-May-27</b>	<b>9.53</b>	<b>7.000%</b>	<b>102.65</b>	<b>6.62%</b>	<b>6.70%</b>	<b>102.07</b>	<b>-57</b>	<b>Dear</b>
FR0042	15-Jul-27	9.70	10.25%	122.99	6.95%	6.72%	124.85	187	Cheap
FR0047	15-Feb-28	10.29	10.00%	121.83	6.98%	6.77%	123.60	177	Cheap
FR0064	15-May-28	10.54	6.125%	93.53	7.00%	6.80%	95.01	148	Cheap
FR0071	15-Mar-29	11.37	9.00%	114.90	7.07%	6.87%	116.64	174	Cheap
FR0052	15-Aug-30	12.79	10.50%	127.17	7.21%	6.97%	129.55	239	Cheap
FR0073	15-May-31	13.54	8.75%	112.94	7.23%	7.01%	115.01	207	Cheap
FR0054	15-Jul-31	13.70	9.50%	118.64	7.32%	7.02%	121.54	290	Cheap
FR0058	15-Jun-32	14.62	8.25%	108.95	7.25%	7.07%	110.59	164	Cheap
<b>FR0074</b>	<b>15-Aug-32</b>	<b>14.79</b>	<b>7.50%</b>	<b>103.45</b>	<b>7.12%</b>	<b>7.08%</b>	<b>103.77</b>	<b>33</b>	<b>Cheap</b>
FR0065	15-May-33	15.54	6.625%	94.10	7.27%	7.12%	95.40	130	Cheap
FR0068	15-Mar-34	16.37	8.375%	109.50	7.37%	7.15%	111.64	215	Cheap
<b>FR0072</b>	<b>15-May-36</b>	<b>18.54</b>	<b>8.25%</b>	<b>109.45</b>	<b>7.31%</b>	<b>7.23%</b>	<b>110.27</b>	<b>82</b>	<b>Cheap</b>
FR0045	15-May-37	19.54	9.75%	120.44	7.71%	7.27%	125.71	527	Cheap
FR0075	15-May-38	20.54	7.50%	103.14	7.20%	7.30%	102.11	-103	Dear
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%	121.33	7.55%	7.36%	123.72	239	Cheap
FR0062	15-Apr-42	24.46	6.375%	86.65	7.58%	7.38%	88.68	203	Cheap
FR0067	15-Jul-43	25.71	8.75%	114.02	7.52%	7.40%	115.36	134	Cheap
FR0076	15-May-48	30.55	7.375%	101.27	7.27%	7.44%	99.23	-204	Dear

Source: Bloomberg, IBPA, MCS Estimates



November 6, 2017

**PT. MEGA CAPITAL SEKURITAS**  
**Head Office**  
**Menara Bank Mega Lt. 2**  
**Jl. Kapten P. Tendean Kav 12-14A**  
**Jakarta 12790**

**Dealing Room**

Phone No : +62 21 7995795

Fax No : +62 21 79175965

Eva Sarah Hutabarat	eva@megasekuritas.id	Head of Debt Capital Market
Cicah Sukaesih	cicah@megasekuritas.id	Debt Sales
Emilda Mardiyanti	emilda.mardiyanti@megasekuritas.id	Debt Sales
Ajeng Palupi P.	palupi@megasekuritas.id	Debt Sales
Dhian Karyantono	dhian@megasekuritas.id	Fixed Income Analyst
Yulia	yulia@megasekuritas.id	Administrative Assistant

**DISCLAIMER**

This Document is for information only and for the use of the recipient. It is not to be reproduced or copied or made available to others. Under no circumstances is it to be considered as an offer to sell or solicitation to buy any security. Any recommendation contained in this report may not be suitable for all investors and strictly a personal view and should not be used as a sole judgment for investment. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy, completeness and reliability cannot be guaranteed. All rights