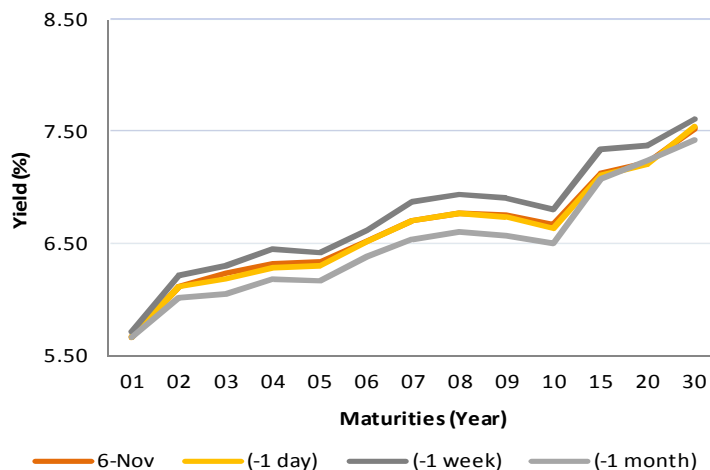


## Indonesia Government Bonds Yield

Maturities (Year)	6-Nov	(-1 day)	(-1 week)	(-1 month)
01	5.66	5.66	5.72	5.67
02	6.12	6.12	6.22	6.03
03	6.23	6.19	6.31	6.05
04	6.32	6.28	6.45	6.18
05	6.33	6.31	6.43	6.16
06	6.53	6.52	6.63	6.39
07	6.70	6.71	6.88	6.54
08	6.77	6.77	6.93	6.61
09	6.75	6.75	6.91	6.57
10	6.67	6.64	6.80	6.50
15	7.12	7.11	7.34	7.08
20	7.23	7.21	7.38	7.25
30	7.53	7.55	7.62	7.43

Source: Bloomberg



## Global Market Update

- 10-yr US treasury yield continued to slip to 2.32% due to infrequently US economic data release and amid market focus on tax reform progress that set to be voted by the senate on Thursday this week. Meanwhile, dovish sentiment came from the governor of Bank of Japan (BoJ), Haruhiko Kuroda, which said that they will maintain its policy related to Japan 10-yr yield target close to 0%. This was responded by the market to take an action that pushed 10-yr Japan slipped to 0.02%. In general, global yield tended to drop in which 10-yr UK Gilt went down to 1.25% while 10-yr German Bund declined to 0.33%.
- Yield US treasury tenor 10 tahun kembali melanjutkan tren penurunan dengan penutupan di level 2,32% setelah minimnya rilis data ekonomi AS serta di tengah minimnya aksi pelaku pasar akibat fokus terhadap perkembangan rencana reformasi pajak. Senat AS dijadwalkan akan melakukan pemungutan suara terkait dengan reformasi pajak pada Kamis minggu ini. Sementara itu, sentimen *dovish* datang dari Gubernur Bank Sentral Jepang (BoJ), Haruhiko Kuroda, yang mengatakan bahwa pihaknya akan mempertahankan kebijakan target yield Jepang tenor 10 tahun di level mendekati 0% di mana hal tersebut langsung direspon oleh pasar yang membuat yield 10 tahun Jepang turun ke level 0,02%. Secara umum, yield global mengalami penurunan pada perdagangan terakhir di mana UK Gilt 10 tahun turun ke level 1,25% sedangkan German Bund 10 tahun turun ke level 0,33%.

## Domestic Market Update

- Indonesia Composite Bond Index tended to stagnate at 236.42. Meanwhile, volume transaction of government bonds and corporate bonds rose to IDR9.86 trillion and IDR1.3 trillion respectively, in the last trading on the secondary market.
- Indonesia's economic growth in the third quarter of 2017 was only 5.06% (YoY) or below economist consensus conducted by Bloomberg at 5.18% (YoY) and our estimation at 5.16% (YoY). The economic growth in this quarter mainly supported by export growth which reported significant growth of 17.27 (YoY) and contributed 3.38% to economic growth. In the meantime, household expenditure remained stagnant compared with prior period to only 4.93% (YoY).
- Today, the government is scheduled to auction sukuk with an indicative target of IDR5 trillion. There are 5 series sukuk to be auctioned with the indicated yield to be awarded is detailed as follows SPN-S 08052018 (4.69% - 4.79%), PBS013 (5.85% - 5.90%), PBS014 (6.37% - 6.42%), PBS011 (6.59% - 6.64%), and PBS012 (7.42% - 7.47%).
- Indonesia Composite Bond Index cenderung stagnan di level 236,42. Sementara itu, volume transaksi SBN dan korporasi masing-masing turun menjadi Rp9,86 triliun dan Rp1,3 triliun pada perdagangan terakhir di pasar sekunder.
- Pertumbuhan ekonomi Indonesia pada kuartal III-2017 hanya sebesar 5,06% (YoY) atau di bawah konsensus ekonom (survei oleh Bloomberg) sebesar 5,18% (YoY) dan estimasi Kami sebesar 5,16% meski lebih tinggi dibandingkan dengan kuartal sebelumnya. Pertumbuhan ekonomi kuartal III-2017 secara umum didorong ekspor yang tumbuh signifikan sebesar 17,27% (YoY) dengan kontribusi terhadap pertumbuhan ekonomi sebesar 3,38%. Sementara itu, konsumsi rumah tangga cenderung stagnan dengan pertumbuhan hanya sebesar 4,93% (YoY).
- Hari ini, pemerintah dijadwalkan akan kembali melelang sukuk dengan target indikatif sebesar Rp 5 triliun. Terdapat 5 seri sukuk yang akan dilelang dengan indikasi yield yang akan dimenangkan adalah sebagai berikut SPN-S 08052018 (4,69% - 4,79%), PBS013(5,85% - 5,90%), PBS014 (6,37% - 6,42%), PBS011(6,59% - 6,64%), dan PBS012(7,42% - 7,47%).

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0059	102.49	6.643	1520
FR0074	103.71	7.089	1256
FR0072	109.60	7.296	1138
FR0075	102.90	7.227	934
FR0061	102.70	6.304	878
FR0056	110.85	6.726	814
FR0071	115.45	7.002	586
FR0070	109.14	6.588	278
FR0073	114.15	7.104	234
FR0048	103.07	5.260	227

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
WSKT03ACN1	A(idn)	100.90	7.65	140
FIFA03BCN2	idAAA	102.50	6.55	100
BTPN03BCN2	AAA(idn)	100.02	7.49	85
LTLS02CN1	idA-	102.00	9.95	80
BBMISMSB1CN2	idA-(sy)	100.00	7.60	65
TAFS01BCN3	AAA(idn)	101.81	7.60	60
MAYA04SB	idBBB+	103.00	11.57	60
TELE01ACN3	idA	100.62	7.96	50
BSBR02SB	idA-	102.00	8.82	44
BBRIO2ECN1	idAAA	105.53	8.04	44

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6051	11.28	0.19%	14.24%
Malaysia (KLCI)	1741	1.36	0.08%	6.13%
Thailand (SET)	1712	10.27	0.60%	10.94%
Singapore (STI)	3382	-0.46	-0.01%	17.4%
Hang Seng	28597	-6.81	-0.02%	30.0%
Nikkei 225	22548	9.23	0.04%	17.97%
Shanghai	3388	16.43	0.49%	9.17%
Dow Jones (DJIA)	23548	9.23	0.04%	19.15%
London (FTSE 100)	7562	1.93	0.03%	5.87%
DAX	13469	-10.07	-0.07%	17.3%

FX Rate	6-Nov		
	6-Nov	(-1 day)	(-1 week)
USD/IDR	13,524	13,495	13,575
GBP/USD	1.317	1.308	1.321
USD/JPY	113.7	114.1	113.2
USD/SGD	1.362	1.365	1.361
USD/THB	33.11	33.18	33.23
USD/MYR	4.233	4.236	4.238

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			
6-Nov	37.95	96.41	161.46
(-1 Day)	37.03	95.27	160.26
(-1 Week)	37.03	95.27	160.23
(-1 Month)	37.47	100.50	167
(-1 Year)	63.77	151.70	220

Global Bonds	6-Nov			
	6-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	1.623	1.615	1.58	1.51
5-Year	1.988	1.991	2.00	1.96
10-Year	2.32	2.33	2.37	2.36
30-Year	2.80	2.81	2.88	2.89
<b>10-Year Government Bond Yield</b>				
UK	1.26	1.26	1.33	1.36
Germany	0.33	0.36	0.37	0.44
France	0.72	0.75	0.76	0.72
China	3.86	3.88	3.91	3.65
Japan	0.02	0.05	0.07	0.05
Korea	2.55	2.53	2.52	2.38
Thailand	2.28	2.30	2.33	2.30
Malaysia	4.00	4.01	4.02	3.92
Singapore	2.12	2.14	2.20	2.11
<b>Indonesia USD Bond Yield</b>				
INDO-22	2.77	2.77	2.71	2.71
INDO-27	3.57	3.58	3.58	3.55
INDO-47	4.45	4.47	4.47	4.47

Money Market	6-Nov			
	6-Nov	(-1 day)	(-1 week)	(-1 month)
<b>JIBOR</b>				
O/N	3.90	3.89	3.92	3.90
1M	4.79	4.79	4.79	4.78
3M	5.18	5.17	5.17	5.20
<b>LIBOR</b>				
1M	1.24	1.24	1.24	1.24
3M	1.39	1.39	1.38	1.36
6M	1.59	1.59	1.57	1.52
<b>Indonesia Interest Rates</b>				
Deposit 1M	5.73	5.67	5.72	5.80
Lending	14.2	13.6	14.1	14.2

### Government Bond Ownership As of November 3, 2017 (in Trillion)

Holders	2013	2014	2015	2016	30-Oct-17	31-Oct-17	1-Nov-17	2-Nov-17	3-Nov-17
Banks	335.43	375.55	350.07	399.46	590.84	597.97	601.44	640.16	623.20
Bank Indonesia	44.44	41.63	148.91	134.25	49.36	46.05	46.20	23.38	33.38
Mutual Fund	42.50	45.79	61.60	85.66	99.88	100.01	100.42	101.16	101.25
Insurance	129.55	150.60	171.62	238.24	263.46	263.75	263.73	263.80	263.83
<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>800.48</b>	<b>796.20</b>	<b>801.72</b>	<b>804.57</b>
Pension Fund	39.47	43.30	49.83	87.28	86.95	87.09	87.18	87.29	87.25
Individual Investors	32.48	30.41	42.53	57.75	62.49	62.70	62.76	62.83	62.84
Others	47.56	61.32	78.76	104.84	117.85	117.93	118.05	118.11	118.15
<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>2,098.47</b>	<b>2,094.47</b>

Source: Bloomberg, IDX & DJPPR

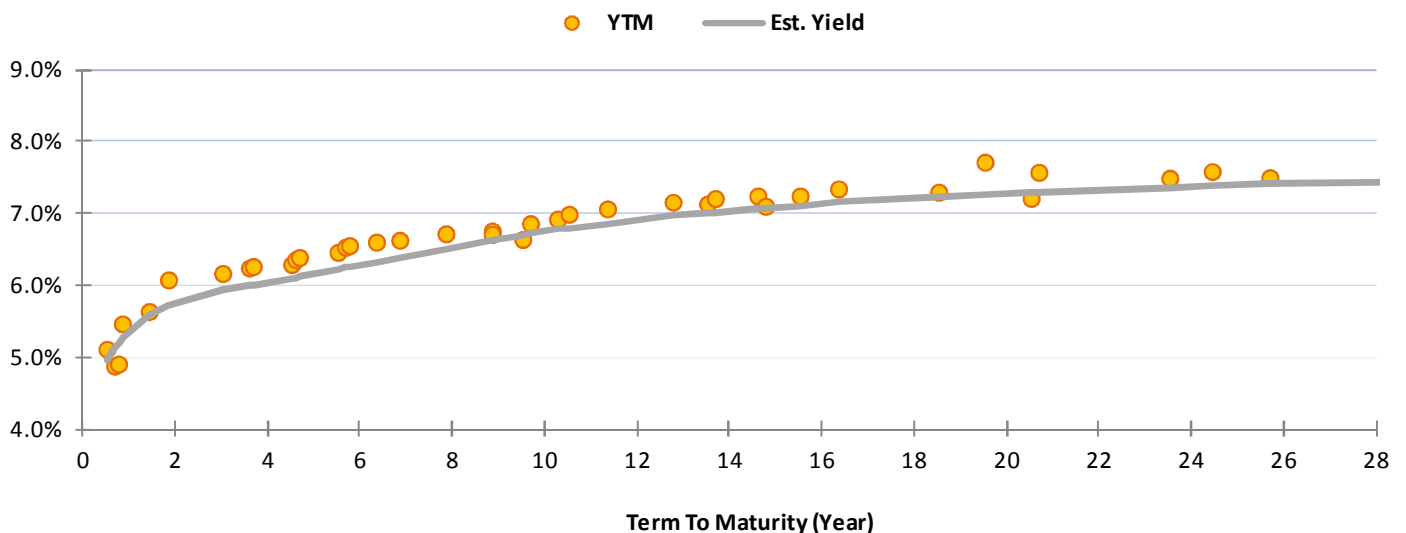
November 7, 2017

**Government Bonds Prices**  
**Closing Price Data : 6-Nov-2017**



Series	Maturity	TTM	Coupon	Price	YTM	Est. Yield	Fair Price	Spread (bps)	Recommendation
FR0066	15-May-18	0.53	5.25%	100.07	5.11%	4.96%	100.15	8	Fair
FR0032	15-Jul-18	0.69	15.00%	106.72	4.87%	5.13%	106.64	-8	Fair
FR0038	15-Aug-18	0.78	11.60%	104.98	4.90%	5.20%	104.81	-17	Dear
FR0048	15-Sep-18	0.86	9.00%	102.89	5.46%	5.27%	103.09	20	Cheap
FR0069	15-Apr-19	1.44	7.875%	103.04	5.63%	5.59%	103.12	8	Fair
FR0036	15-Sep-19	1.86	11.50%	109.35	6.07%	5.73%	110.04	69	Cheap
FR0031	15-Nov-20	3.03	11.00%	113.14	6.16%	5.93%	113.88	74	Cheap
FR0034	15-Jun-21	3.61	12.80%	120.86	6.24%	5.99%	121.80	94	Cheap
FR0053	15-Jul-21	3.70	8.25%	106.45	6.26%	6.00%	107.34	88	Cheap
<b>FR0061</b>	<b>15-May-22</b>	<b>4.53</b>	<b>7.00%</b>	<b>102.77</b>	<b>6.29%</b>	<b>6.10%</b>	<b>103.52</b>	<b>75</b>	<b>Cheap</b>
FR0035	15-Jun-22	4.61	12.90%	125.75	6.35%	6.11%	126.92	118	Cheap
FR0043	15-Jul-22	4.70	10.25%	115.43	6.38%	6.12%	116.62	120	Cheap
FR0063	15-May-23	5.53	5.625%	96.20	6.46%	6.22%	97.24	104	Cheap
FR0046	15-Jul-23	5.70	9.50%	113.91	6.53%	6.24%	115.39	147	Cheap
FR0039	15-Aug-23	5.78	11.75%	124.63	6.55%	6.26%	126.29	166	Cheap
FR0070	15-Mar-24	6.36	8.375%	109.09	6.60%	6.33%	110.56	147	Cheap
FR0044	15-Sep-24	6.87	10.00%	118.34	6.62%	6.40%	119.76	141	Cheap
FR0040	15-Sep-25	7.87	11.00%	125.81	6.71%	6.52%	127.21	140	Cheap
FR0037	15-Sep-26	8.87	12.00%	134.51	6.75%	6.63%	135.52	101	Cheap
FR0056	15-Sep-26	8.87	8.375%	110.99	6.71%	6.63%	111.52	54	Cheap
<b>FR0059</b>	<b>15-May-27</b>	<b>9.53</b>	<b>7.000%</b>	<b>102.55</b>	<b>6.64%</b>	<b>6.70%</b>	<b>102.08</b>	<b>-47</b>	<b>Dear</b>
FR0042	15-Jul-27	9.70	10.25%	123.73	6.85%	6.72%	124.85	112	Cheap
FR0047	15-Feb-28	10.29	10.00%	122.38	6.92%	6.77%	123.60	122	Cheap
FR0064	15-May-28	10.53	6.125%	93.66	6.99%	6.80%	95.01	135	Cheap
FR0071	15-Mar-29	11.37	9.00%	114.98	7.06%	6.87%	116.64	166	Cheap
FR0052	15-Aug-30	12.79	10.50%	127.70	7.15%	6.97%	129.55	185	Cheap
FR0073	15-May-31	13.53	8.75%	113.92	7.13%	7.01%	115.01	109	Cheap
FR0054	15-Jul-31	13.70	9.50%	119.75	7.20%	7.02%	121.54	179	Cheap
FR0058	15-Jun-32	14.62	8.25%	109.02	7.24%	7.07%	110.59	157	Cheap
<b>FR0074</b>	<b>15-Aug-32</b>	<b>14.79</b>	<b>7.50%</b>	<b>103.64</b>	<b>7.10%</b>	<b>7.08%</b>	<b>103.77</b>	<b>13</b>	<b>Cheap</b>
FR0065	15-May-33	15.54	6.625%	94.33	7.24%	7.12%	95.41	107	Cheap
FR0068	15-Mar-34	16.37	8.375%	109.77	7.34%	7.15%	111.64	187	Cheap
<b>FR0072</b>	<b>15-May-36</b>	<b>18.54</b>	<b>8.25%</b>	<b>109.63</b>	<b>7.29%</b>	<b>7.23%</b>	<b>110.27</b>	<b>64</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%	103.13	7.21%	7.30%	102.11	-101	Dear
FR0050	15-Jul-38	20.71	10.50%	130.38	7.57%	7.30%	133.90	353	Cheap
FR0057	15-May-41	23.54	9.50%	122.13	7.49%	7.36%	123.72	160	Cheap
FR0062	15-Apr-42	24.46	6.375%	86.68	7.58%	7.38%	88.68	201	Cheap
FR0067	15-Jul-43	25.71	8.75%	114.32	7.49%	7.40%	115.36	104	Cheap
FR0076	15-May-48	30.55	7.375%	101.31	7.27%	7.44%	99.23	-208	Dear

Source: Bloomberg, IBPA, MCS Estimates



November 7, 2017

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