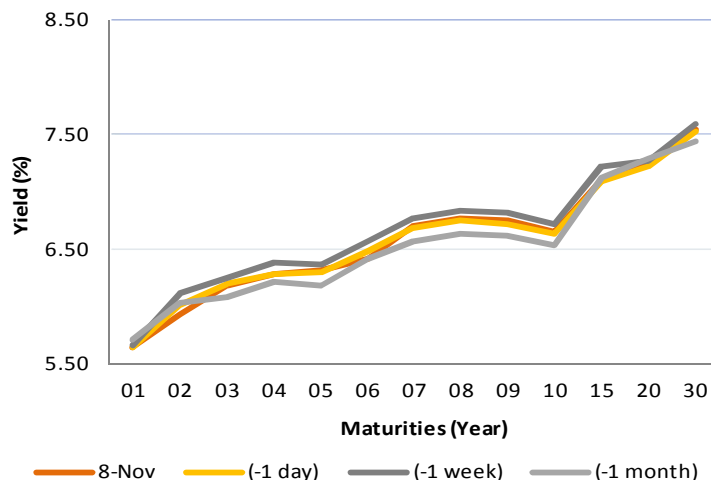


Indonesia Government Bonds Yield

Maturities (Year)	8-Nov	(-1 day)	(-1 week)	(-1 month)
01	5.65	5.66	5.67	5.72
02	5.93	6.01	6.12	6.03
03	6.19	6.20	6.26	6.08
04	6.29	6.29	6.39	6.22
05	6.32	6.31	6.37	6.19
06	6.43	6.49	6.57	6.42
07	6.71	6.69	6.77	6.57
08	6.76	6.76	6.84	6.63
09	6.75	6.72	6.82	6.63
10	6.65	6.64	6.73	6.53
15	7.10	7.10	7.22	7.12
20	7.24	7.23	7.28	7.29
30	7.54	7.53	7.60	7.44

Source: Bloomberg



Global Market Update

- 10 yr US treasury yield rose slightly to 2.33% after US ministry of finance reported 10 yr US treasury auction of USD23 billion. Meanwhile, yield 10 year US treasury has been generally flattening amid uncertainty whether Republicans could pass its tax proposal in senate in voting meeting scheduled in the next week.
- Yield US treasury tenor 10 tahun meningkat tipis ke level 2,33% setelah Kementerian Keuangan AS melelang USD23 miliar obligasi tenor tersebut. Sementara itu, secara umum, yield 10 tahun US treasury yang cenderung datar dipengaruhi oleh ketidakpastian apakah Partai Republik mampu meloloskan rancangan reformasi pajaknya di dalam senat yang rencananya akan dilakukan voting pada minggu depan.

Domestic Market Update

- Indonesia Composite Bond Index went up slightly by 0,03% change compared with previous day to 236.98. Meanwhile, transaction volume of government bonds in the last trading on the secondary market declined to only IDR9.48 trillion while corporate bonds transaction rose to IDR1.85 trillion.
- Indonesia Composite Bond Index meningkat tipis sebesar 0,03% dibandingkan hari sebelumnya ke level 236,98. Sementara itu, volume transaksi SBN pada perdagangan terakhir di pasar sekunder turun menjadi sebesar Rp9,48 triliun sedangkan volume transaksi obligasi korporasi naik menjadi sebesar Rp1,85 triliun.
- Based on retail sales survey conducted by Bank Indonesia (BI), retail sales in September 2017 posted only 1.8% (YoY) growth or lower than prior month of 2.2% (YoY). Moreover, the retail sales is predicted to remain sluggish by 1.3% (YoY) growth in October 2017. In the meantime, based on the same survey, pricing pressure (often correlated with inflation) in the fourth quarter of 2017 is predicted to be higher. This is reflected by rising expectation price index (IEH) in December 2017 that posted higher level to 148 compared with previous month of 145. In the fourth quarter there are several events that could boost personal or household consumption and eventually triggering higher inflation namely Christmas and new year event.
- Berdasarkan survei penjualan eceran Bank Indonesia (BI), pertumbuhan eceran pada September 2017 hanya sebesar 1,8% (YoY) atau lebih rendah dibandingkan dengan bulan sebelumnya sebesar 2,2% (YoY). Dari survei tersebut juga diprediksi bahwa penjualan eceran pada Oktober 2017 diprediksi hanya akan tumbuh sebesar 1,3% (YoY). Sementara itu masih berdasarkan sumber yang sama, tekanan harga (sering dikorelasikan dengan inflasi) yang direpresentasikan melalui Indeks Ekspektasi Harga Umum (IEH) pada 3 bulan yang akan datang (Desember 2017) meningkat menjadi sebesar 148 atau lebih tinggi dibandingkan dengan November 2017 sebesar 145. Secara umum, pada kuartal IV-2017 tekanan harga cenderung meningkat seiring tahun baru dan perayaan Natal.
- PT. KAI to offer IDR 2 trillion bonds that is comprised into 2 offered series. A series with 5 years tenor offered indicative interest rate of 7.25% - 8% while B series with 7 years tenor offered higher indicative rate with 7.5% - 8.35%. This is affirmed by Pefindo with triple A rating and stable outlook (AAA, stable). General offer is scheduled at November 14-16, 2017.
- PT. KAI menawarkan obligasi senilai Rp2 triliun rupiah yang terdiri dari 2 seri yang ditawarkan. Seri A dengan tenor 5 tahun menawarkan kupon sebesar 7,25% -8% sedangkan Seri B dengan tenor 7 tahun menawarkan kupon yang lebih tinggi yaitu 7,5% - 8,35%. Obligasi ini telah mendapatkan rating triple A dan outlook stabil (AAA, stable) dari Pefind. Masa penawaran umum obligasi ini adalah 14-16 November 2017.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0061	102.95	6.240	1684
FR0059	102.65	6.620	1146
FR0074	103.55	7.106	1033
FR0072	109.00	7.352	836
FR0068	110.50	7.265	444
FR0053	106.55	6.222	365
FR0065	95.50	7.109	342
FR0075	102.00	7.310	337
FR0070	109.25	6.566	329
FR0069	103.10	5.582	284

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6049	-11.07	-0.18%	14.21%
Malaysia (KLCI)	1742	-6.74	-0.38%	6.24%
Thailand (SET)	1715	1.90	0.11%	11.13%
Singapore (STI)	3421	8.15	0.24%	18.8%
Hang Seng	28908	-86.74	-0.30%	31.4%
Nikkei 225	22914	-23.78	-0.10%	19.88%
Shanghai	3415	1.89	0.06%	10.05%
Dow Jones (DJIA)	23563	6.13	0.03%	19.23%
London (FTSE 100)	7530	16.61	0.22%	5.42%
DAX	13382	3.15	0.02%	16.6%

FX Rate	8-Nov		
	8-Nov	(-1 day)	(-1 week)
USD/IDR	13,524	13,509	13,550
GBP/USD	1.312	1.317	1.324
USD/JPY	113.9	114.0	114.2
USD/SGD	1.362	1.364	1.361
USD/THB	33.12	33.15	33.14
USD/MYR	4.229	4.230	4.232

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)	126.5	129.4	128.80

Indonesia Sovereign CDS	2-year	5-year	10-year
As of			
8-Nov	39.18	100.87	167.76
(-1 Day)	38.29	98.63	164.29
(-1 Week)	37.03	95.27	16.23
(-1 Month)	38.15	101.02	167.24
(-1 Year)	67.18	159.5	229.50

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
TBIG02CN3	AA-(idn)	100.00	8.40	375
WSKT03ACN1	A(idn)	100.16	7.94	231
SMRA01CN2	idA+	100.02	11.48	205
AKRA01ACN1	idAA-	100.10	8.46	123
BAFI01A	idAA	100.00	6.75	121
TUFI03BCN2	idAA+	101.70	8.40	105
BBTN03ACN1	idAA+	102.60	7.22	90
MLJK01B	idAAA(sf)	99.99	7.75	70
WSKT02BCN3	idA-	105.07	7.60	40
WSKT03BCN1	A(idn)	101.00	8.25	40

Global Bonds	8-Nov			
	8-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	1.647	1.631	1.61	1.52
5-Year	2.011	1.989	2.02	1.96
10-Year	2.33	2.32	2.37	2.35
30-Year	2.79	2.78	2.86	2.88
10-Year Government Bond Yield				
UK	1.22	1.23	1.34	1.38
Germany	0.324	0.326	0.37	0.46
France	0.69	0.69	0.76	0.88
China	3.89	3.89	3.86	3.65
Japan	0.023	0.024	0.06	0.06
Korea	2.54	2.54	2.54	2.42
Thailand	2.29	2.29	2.32	2.23
Malaysia	3.99	4.00	3.95	3.90
Singapore	2.13	2.11	2.16	2.08
Indonesia USD Bond Yield				
INDO-22	2.79	2.78	2.74	2.68
INDO-27	3.61	3.58	3.58	3.52
INDO-47	4.49	4.47	4.47	4.44

Money Market	8-Nov			
	8-Nov	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	3.91	3.95	3.90	3.90
1M	4.80	4.79	4.79	4.78
3M	5.18	5.18	5.17	5.21
LIBOR				
1M	1.24	1.24	1.24	1.24
3M	1.40	1.40	1.38	1.36
6M	1.60	1.60	1.58	1.53
Indonesia Interest Rates				
Deposit 1M	5.69	5.65	5.70	5.81
Lending	14.3	14.2	14.9	14.4

Government Bond Ownership As of November 7, 2017 (in Trillion)

Holders	2013	2014	2015	2016	1-Nov-17	2-Nov-17	3-Nov-17	6-Nov-17	7-Nov-17
Banks	335.43	375.55	350.07	399.46	601.44	640.16	623.20	613.48	612.87
Bank Indonesia	44.44	41.63	148.91	134.25	46.20	23.38	33.38	39.08	39.08
Mutual Fund	42.50	45.79	61.60	85.66	100.42	101.16	101.25	101.36	101.29
Insurance	129.55	150.60	171.62	238.24	263.73	263.80	263.83	263.57	263.23
Foreign Investor	323.83	461.35	558.52	665.81	796.20	801.72	804.57	808.88	810.05
Pension Fund	39.47	43.30	49.83	87.28	87.18	87.29	87.25	87.19	87.09
Individual Investors	32.48	30.41	42.53	57.75	62.76	62.83	62.84	62.84	62.80
Others	47.56	61.32	78.76	104.84	118.05	118.11	118.15	118.06	118.05
Total	995.25	1,209.96	1,461.85	1,773.28	2,075.97	2,098.47	2,094.47	2,094.47	2,094.47

Source: Bloomberg, IDX & DJPPR

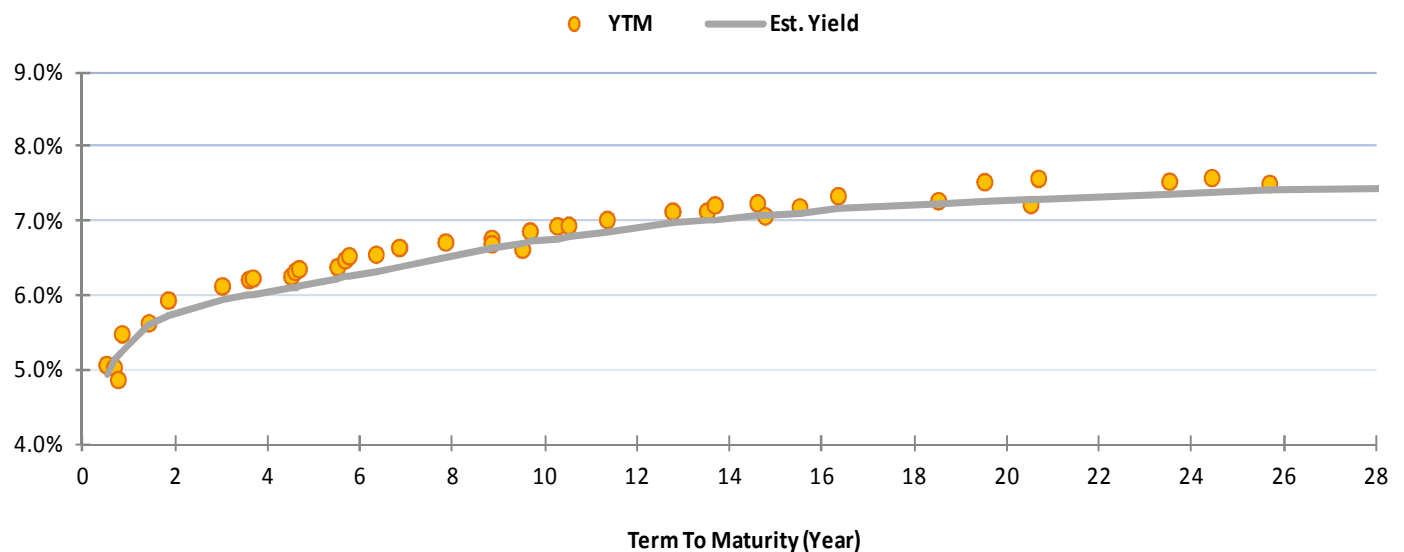
November 9 2017

Government Bonds Prices
Closing Price Data : 8-Nov-2017



Series	Maturity	TTM	Coupon	Price	YTM	Est. Yield	Fair Price	Spread (bps)	Recommendation
FR0066	15-May-18	0.52	5.25%	100.09	5.06%	4.94%	100.15	6	Fair
FR0032	15-Jul-18	0.68	15.00%	106.56	5.03%	5.12%	106.55	-1	Fair
FR0038	15-Aug-18	0.77	11.60%	104.97	4.86%	5.19%	104.75	-22	Dear
FR0048	15-Sep-18	0.85	9.00%	102.86	5.48%	5.26%	103.06	20	Cheap
FR0069	15-Apr-19	1.43	7.875%	103.04	5.63%	5.59%	103.10	6	Fair
FR0036	15-Sep-19	1.85	11.50%	109.58	5.93%	5.73%	109.99	41	Cheap
FR0031	15-Nov-20	3.02	11.00%	113.24	6.12%	5.92%	113.84	60	Cheap
FR0034	15-Jun-21	3.60	12.80%	120.94	6.21%	5.99%	121.75	81	Cheap
FR0053	15-Jul-21	3.68	8.25%	106.55	6.23%	6.00%	107.32	78	Cheap
FR0061	15-May-22	4.52	7.00%	102.90	6.25%	6.10%	103.52	62	Cheap
FR0035	15-Jun-22	4.60	12.90%	125.90	6.32%	6.11%	126.88	98	Cheap
FR0043	15-Jul-22	4.68	10.25%	115.55	6.35%	6.12%	116.60	105	Cheap
FR0063	15-May-23	5.52	5.625%	96.53	6.38%	6.22%	97.25	71	Cheap
FR0046	15-Jul-23	5.68	9.50%	114.18	6.47%	6.24%	115.37	119	Cheap
FR0039	15-Aug-23	5.77	11.75%	124.73	6.53%	6.25%	126.26	152	Cheap
FR0070	15-Mar-24	6.35	8.375%	109.35	6.55%	6.33%	110.55	120	Cheap
FR0044	15-Sep-24	6.86	10.00%	118.23	6.64%	6.39%	119.74	151	Cheap
FR0040	15-Sep-25	7.86	11.00%	125.81	6.71%	6.52%	127.19	139	Cheap
FR0037	15-Sep-26	8.86	12.00%	134.44	6.76%	6.63%	135.49	106	Cheap
FR0056	15-Sep-26	8.86	8.375%	111.11	6.69%	6.63%	111.52	41	Cheap
FR0059	15-May-27	9.52	7.000%	102.69	6.62%	6.70%	102.08	-60	Dear
FR0042	15-Jul-27	9.69	10.25%	123.67	6.86%	6.72%	124.84	117	Cheap
FR0047	15-Feb-28	10.28	10.00%	122.28	6.93%	6.77%	123.59	131	Cheap
FR0064	15-May-28	10.52	6.125%	94.01	6.94%	6.79%	95.02	101	Cheap
FR0071	15-Mar-29	11.36	9.00%	115.34	7.02%	6.86%	116.63	130	Cheap
FR0052	15-Aug-30	12.78	10.50%	127.94	7.13%	6.97%	129.54	160	Cheap
FR0073	15-May-31	13.52	8.75%	113.92	7.13%	7.01%	115.01	109	Cheap
FR0054	15-Jul-31	13.69	9.50%	119.67	7.21%	7.02%	121.54	187	Cheap
FR0058	15-Jun-32	14.61	8.25%	109.02	7.24%	7.07%	110.60	157	Cheap
FR0074	15-Aug-32	14.78	7.50%	103.95	7.06%	7.08%	103.78	-17	Dear
FR0065	15-May-33	15.53	6.625%	94.81	7.19%	7.12%	95.41	60	Cheap
FR0068	15-Mar-34	16.36	8.375%	109.80	7.34%	7.15%	111.64	184	Cheap
FR0072	15-May-36	18.53	8.25%	109.89	7.27%	7.23%	110.27	38	Cheap
FR0045	15-May-37	19.53	9.75%	122.58	7.52%	7.27%	125.70	312	Cheap
FR0075	15-May-38	20.53	7.50%	103.01	7.22%	7.30%	102.11	-89	Dear
FR0050	15-Jul-38	20.70	10.50%	130.38	7.57%	7.30%	133.90	352	Cheap
FR0057	15-May-41	23.53	9.50%	121.55	7.53%	7.36%	123.72	217	Cheap
FR0062	15-Apr-42	24.45	6.375%	86.68	7.58%	7.38%	88.68	200	Cheap
FR0067	15-Jul-43	25.70	8.75%	114.25	7.50%	7.40%	115.36	111	Cheap
FR0076	15-May-48	30.54	7.375%	101.30	7.27%	7.44%	99.23	-207	Dear

Source: Bloomberg, IBPA, MCS Estimates



November 9 2017

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