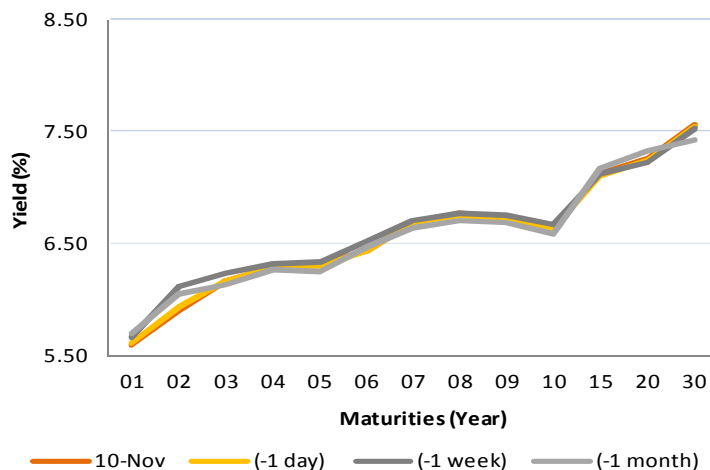


Indonesia Government Bonds Yield

Maturities (Year)	10-Nov	(-1 day)	(-1 week)	(-1 month)
01	5.61	5.62	5.66	5.70
02	5.91	5.94	6.12	6.06
03	6.18	6.17	6.23	6.14
04	6.29	6.28	6.32	6.27
05	6.32	6.31	6.33	6.26
06	6.44	6.43	6.53	6.47
07	6.70	6.69	6.70	6.64
08	6.77	6.76	6.77	6.71
09	6.75	6.72	6.75	6.68
10	6.66	6.64	6.67	6.58
15	7.13	7.11	7.12	7.17
20	7.26	7.24	7.23	7.32
30	7.55	7.54	7.53	7.43

Source: Bloomberg



Global Market Update

- 10 Yr US treasury rose dramatically to 2.40% due to selling action of government bond in Eurozone. Bond selling in Eurozone occurred after The ECB release its macroeconomics forecast of Eurozone that one of key point revealed that Eurozone economic growth will grow modestly by 2.7% (YoY) in this year compared to prior prediction at only 1.7% (YoY). This leded expectation that ECB normalization will come earlier than previous estimation. In general, what happened in Eurozone, pushed global yield higher in the last trading in which 10 Yr UK Gilt rose to 1.34% while 10 yr-German Bund and 10 yr Japan went up to 0.41% and 0.043% respectively. This week, global sentiment will come from US (Wednesday) and Eurozone (Thursday) inflation release. Moreover, preliminary economic growth of Eurozone (Tuesday) and Japan (Wednesday) in the third quarter of 2017 should be taken into account.
- Yield US treasury tenor 10 tahun meningkat drastis ke level 2,40% akibat sentimen aksi jual obligasi pemerintah di Kawasan Euro. Aksi jual tersebut didorong oleh update rilis forecast makroekonomi Kawasan Euro oleh ECB di mana forecast tersebut salah satunya menunjukkan prediksi pertumbuhan ekonomi Kawasan Euro yang lebih tinggi di tahun 2017 sebesar 2,7% (YoY) dibandingkan dengan *forecast* sebelumnya sebesar 1,7% (YoY). Hal tersebut mendorong ekspektasi bahwa normalisasi kebijakan moneter ECB akan berlangsung lebih cepat. Sentimen tersebut juga secara umum mendorong pergerakan yield global di mana yield UK Gilt 10 tahun naik ke level 1,34% sedangkan yield German Bund 10 tahun dan yield obligasi 10 tahun Jepang naik masing-masing ke level 0,41% dan 0,043%. Minggu ini, sentimen global terhadap pasar SBN domestik diperkirakan berasal dari rilis data inflasi AS (Rabu) dan Kawasan Euro (Kamis) serta rilis data sementara pertumbuhan ekonomi kuartal III-2017 Kawasan Euro (Selasa) dan Jepang (Rabu).

Domestic Market Update

- Indonesia Composite Bond Index rose slightly by 0,03% compared with previous trading to 237.06 in the last trading in the secondary market.
- Indonesia' balance of payment continued to post surplus level to USD5.4 billion in the third quarter of 2017 or higher than previous quarter of USD0.7 billion, thanks to declining of current account deficit and rising the surplus of capital and financial transaction caused by high capital inflow and FDI.
- Tax realization in the period of January until October 2017 was 0.15% (YoY) lower to IDR869 trillion. Therefore, the realization just covered 59% from government target of IDR 1472.7 trillion that is posted in IDR1472.7 trillion.
- This week, domestic sentiment that could drive government bond are government securities auction and BI monetary policy meeting (RDG). Related to RDG BI, BI benchmark rates (BI-7DRRR) is predicted to be maintained at 4.25%
- Indonesia Composite Bond Index menguat tipis sebesar 0,03% dibandingkan dengan hari sebelumnya ke level 237,06 pada perdagangan terakhir di pasar sekunder.
- Surplus neraca pembayaran Indonesia pada kuartal III-2017 meningkat signifikan menjadi sebesar USD5,4 miliar atau lebih tinggi dibandingkan dengan kuartal sebelumnya sebesar USD0,7 miliar yang disebabkan oleh menurunnya defisit transaksi berjalan dan meningkatnya surplus transaksi modal dan finansial yang disebabkan oleh capital inflow dan FDI.
- Penerimaan pajak dari awal tahun hingga Oktober 2017 tercatat sebesar Rp869 triliun atau turun sebesar 0,15% dibandingkan dengan periode yang sama di tahun 2016. Dengan demikian, perolehan pajak baru mencapai sekitar 59% dari target dalam APBNP-2017 sebesar Rp1472,7 triliun.
- Pada minggu ini, sentimen domestik yang dapat mempengaruhi pasar obligasi adalah lelang SUN yang dijadwalkan esok hari serta Rapat Dewan Gubernur (RDG) Bank Indonesia pada Rabu-Kamis di mana diperkirakan suku bunga acuan (BI-7DRRR) masih akan dipertahankan di level 4,25%.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0074	103.50	7.111	1137
SPNS02022018	99.11	4.047	985
SR009	101.10	6.390	749
FR0072	109.30	7.324	511
SPN12180201	98.96	4.800	500
FR0061	102.80	6.276	498
FR0068	109.41	7.373	459
ORI013	100.30	6.430	318
FR0054	119.35	7.039	310
FR0059	102.40	6.655	286

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
BFIN03ACN3	AA-(idn)	100.04	6.71	400
PPLN09B	idAAA	112.85	7.60	100
BIIF01ACN3	AA+(idn)	100.54	8.00	80
IMFIO3ACN1	idA	100.45	6.93	80
BMTPO1A	AA(idn)	100.13	8.44	50
WSKT03BCN1	A(idn)	101.00	8.25	48
BNGA02ACN3	idAAA	100.06	6.13	45
ANTM01ACN1	idBBB+	100.50	7.89	40
BFIN03BCN3	AA-(idn)	100.00	7.25	40
BBKP01SBCN1	idA	100.48	8.86	32

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6022	-20.63	-0.34%	13.69%
Malaysia (KLCI)	1744	-4.53	-0.26%	6.13%
Thailand (SET)	1689	-13.75	-0.81%	9.49%
Singapore (STI)	3420	-3.81	-0.11%	18.7%
Hang Seng	29121	-15.65	-0.05%	32.4%
Nikkei 225	22681	-187.29	-0.82%	18.66%
Shanghai	3433	4.88	0.14%	10.60%
Dow Jones (DJIA)	23422	-39.73	-0.17%	18.52%
London (FTSE 100)	7433	-51.11	-0.68%	4.06%
DAX	13127	-55.09	-0.42%	14.3%

FX Rate	10-Nov		
	10-Nov	(-1 day)	(-1 week)
USD/IDR	13,531	13,518	13,495
GBP/USD	1.319	1.315	1.308
USD/JPY	113.5	113.5	114.1
USD/SGD	1.360	1.359	1.365
USD/THB	33.12	33.10	33.18
USD/MYR	4.192	4.192	4.236

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			
10-Nov	42.08	103.20	170.22
(-1 Day)	41.61	102.06	168.75
(-1 Week)	37.03	95.26	166.23
(-1 Month)	39.80	100.90	168.41
(-1 Year)	79.41	188.165	262.48

Global Bonds	10-Nov			
	10-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	1.658	1.636	1.62	1.50
5-Year	2.052	2.012	1.99	1.90
10-Year	2.396	2.34	2.33	2.27
30-Year	2.88	2.82	2.81	2.81
10-Year Government Bond Yield				
UK	1.34	1.26	1.26	1.37
Germany	0.409	0.374	0.36	0.40
France	0.78	0.75	0.75	0.82
China	3.92	3.90	3.88	3.67
Japan	0.043	0.025	0.05	0.06
Korea	2.57	2.54	2.53	2.39
Thailand	2.35	2.30	2.30	2.22
Malaysia	4.09	4.09	4.01	3.90
Singapore	2.15	2.12	2.14	2.06
Indonesia USD Bond Yield				
INDO-22	2.85	2.80	2.77	2.64
INDO-27	3.69	3.62	3.58	3.50
INDO-47	4.62	4.52	4.47	4.41

Money Market	10-Nov			
	10-Nov	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	3.90	3.90	3.89	3.91
1M	4.80	4.80	4.79	4.78
3M	5.19	5.19	5.17	5.20
LIBOR				
1M	1.25	1.24	1.24	1.24
3M	1.41	1.41	1.39	1.35
6M	1.61	1.61	1.59	1.53
Indonesia Interest Rates				
Deposit 1M	5.71	5.73	5.67	5.76
Lending	14.2	14.0	13.6	14.2

Government Bond Ownership As of November 9, 2017 (in Trillion)

Holders	2013	2014	2015	2016	3-Nov-17	6-Nov-17	7-Nov-17	8-Nov-17	9-Nov-17
Banks	335.43	375.55	350.07	399.46	623.20	613.48	612.87	613.14	613.98
Bank Indonesia	44.44	41.63	148.91	134.25	33.38	39.08	39.08	39.25	37.57
Mutual Fund	42.50	45.79	61.60	85.66	101.25	101.36	101.29	101.08	101.10
Insurance	129.55	150.60	171.62	238.24	263.83	263.57	263.23	262.92	263.08
Foreign Investor	323.83	461.35	558.52	665.81	804.57	808.88	810.05	810.00	811.05
Pension Fund	39.47	43.30	49.83	87.28	87.25	87.19	87.09	87.06	86.90
Individual Investors	32.48	30.41	42.53	57.75	62.84	62.84	62.80	62.77	62.76
Others	47.56	61.32	78.76	104.84	118.15	118.06	118.05	118.23	118.26
Total	995.25	1,209.96	1,461.85	1,773.28	2,094.47	2,094.47	2,094.47	2,094.47	2,094.72

Source: Bloomberg, IDX & DJPPR

November 13, 2017

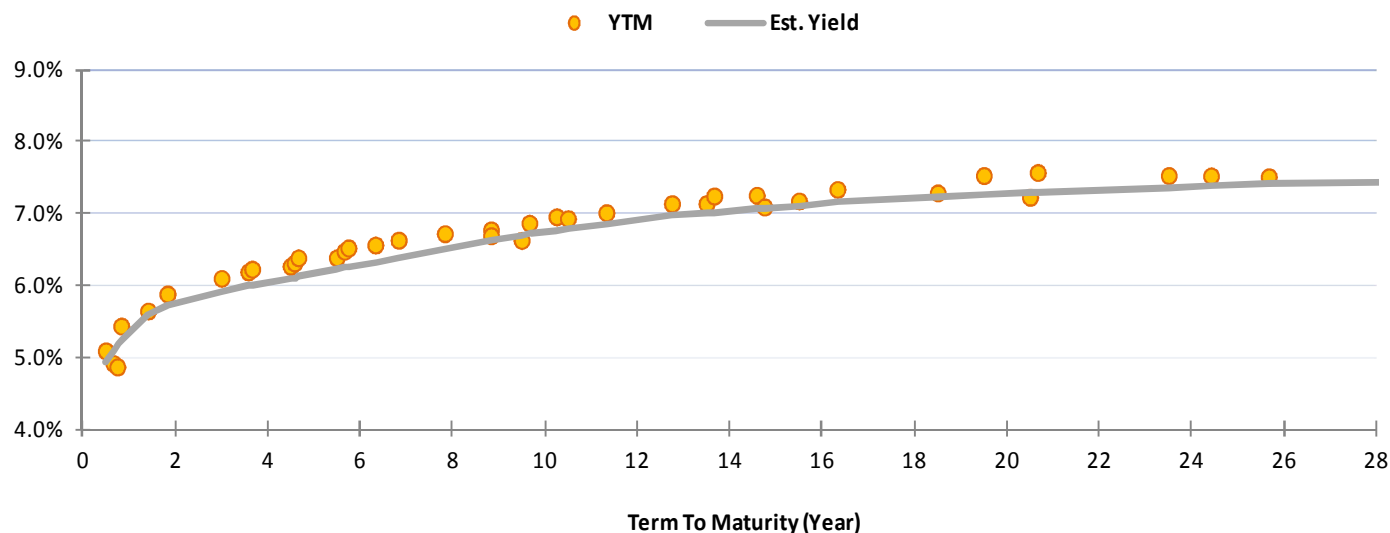
Government Bonds Prices

Closing Price Data : 10-Nov-2017



Series	Maturity	TTM	Coupon	Price	YTM	Est. Yield	Fair Price	Spread (bps)	Recommendation
FR0066	15-May-18	0.50	5.25%	100.08	5.08%	4.93%	100.16	8	Fair
FR0032	15-Jul-18	0.67	15.00%	106.54	4.91%	5.11%	106.45	-8	Fair
FR0038	15-Aug-18	0.76	11.60%	104.97	4.86%	5.18%	104.69	-28	Dear
FR0048	15-Sep-18	0.84	9.00%	102.86	5.43%	5.25%	103.03	17	Cheap
FR0069	15-Apr-19	1.42	7.875%	103.00	5.64%	5.59%	103.08	9	Fair
FR0036	15-Sep-19	1.84	11.50%	109.63	5.88%	5.72%	109.93	31	Cheap
FR0031	15-Nov-20	3.01	11.00%	113.28	6.09%	5.92%	113.80	52	Cheap
FR0034	15-Jun-21	3.59	12.80%	120.97	6.18%	5.99%	121.69	72	Cheap
FR0053	15-Jul-21	3.67	8.25%	106.55	6.22%	6.00%	107.31	76	Cheap
FR0061	15-May-22	4.51	7.00%	102.86	6.26%	6.10%	103.52	66	Cheap
FR0035	15-Jun-22	4.59	12.90%	125.88	6.31%	6.11%	126.83	94	Cheap
FR0043	15-Jul-22	4.67	10.25%	115.40	6.38%	6.12%	116.57	117	Cheap
FR0063	15-May-23	5.51	5.625%	96.54	6.38%	6.22%	97.26	72	Cheap
FR0046	15-Jul-23	5.67	9.50%	114.17	6.47%	6.24%	115.35	118	Cheap
FR0039	15-Aug-23	5.76	11.75%	124.76	6.52%	6.25%	126.22	147	Cheap
FR0070	15-Mar-24	6.34	8.375%	109.28	6.56%	6.33%	110.54	126	Cheap
FR0044	15-Sep-24	6.85	10.00%	118.30	6.62%	6.39%	119.72	142	Cheap
FR0040	15-Sep-25	7.85	11.00%	125.75	6.72%	6.52%	127.17	142	Cheap
FR0037	15-Sep-26	8.85	12.00%	134.35	6.77%	6.63%	135.47	112	Cheap
FR0056	15-Sep-26	8.85	8.375%	111.11	6.69%	6.63%	111.52	41	Cheap
FR0059	15-May-27	9.51	7.00%	102.64	6.62%	6.70%	102.09	-55	Dear
FR0042	15-Jul-27	9.68	10.25%	123.65	6.86%	6.72%	124.83	118	Cheap
FR0047	15-Feb-28	10.27	10.00%	122.08	6.95%	6.77%	123.58	150	Cheap
FR0064	15-May-28	10.51	6.125%	94.11	6.92%	6.79%	95.03	93	Cheap
FR0071	15-Mar-29	11.35	9.00%	115.41	7.01%	6.86%	116.63	123	Cheap
FR0052	15-Aug-30	12.76	10.50%	127.89	7.13%	6.97%	129.53	164	Cheap
FR0073	15-May-31	13.51	8.75%	113.87	7.13%	7.01%	115.01	114	Cheap
FR0054	15-Jul-31	13.68	9.50%	119.40	7.24%	7.02%	121.53	214	Cheap
FR0058	15-Jun-32	14.60	8.25%	108.91	7.25%	7.07%	110.60	169	Cheap
FR0074	15-Aug-32	14.77	7.50%	103.73	7.09%	7.08%	103.78	5	Fair
FR0065	15-May-33	15.52	6.625%	94.94	7.17%	7.12%	95.42	48	Cheap
FR0068	15-Mar-34	16.35	8.375%	109.83	7.33%	7.15%	111.64	182	Cheap
FR0072	15-May-36	18.52	8.25%	109.77	7.28%	7.23%	110.28	51	Cheap
FR0045	15-May-37	19.52	9.75%	122.58	7.52%	7.26%	125.70	312	Cheap
FR0075	15-May-38	20.52	7.50%	102.95	7.22%	7.30%	102.11	-84	Dear
FR0050	15-Jul-38	20.68	10.50%	130.42	7.57%	7.30%	133.89	348	Cheap
FR0057	15-May-41	23.52	9.50%	121.64	7.52%	7.36%	123.72	208	Cheap
FR0062	15-Apr-42	24.44	6.375%	87.28	7.52%	7.38%	88.69	141	Cheap
FR0067	15-Jul-43	25.69	8.75%	114.16	7.51%	7.40%	115.36	120	Cheap
FR0076	15-May-48	30.53	7.375%	101.15	7.28%	7.44%	99.23	-192	Dear

Source: Bloomberg, IBPA, MCS Estimates



November 13, 2017

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