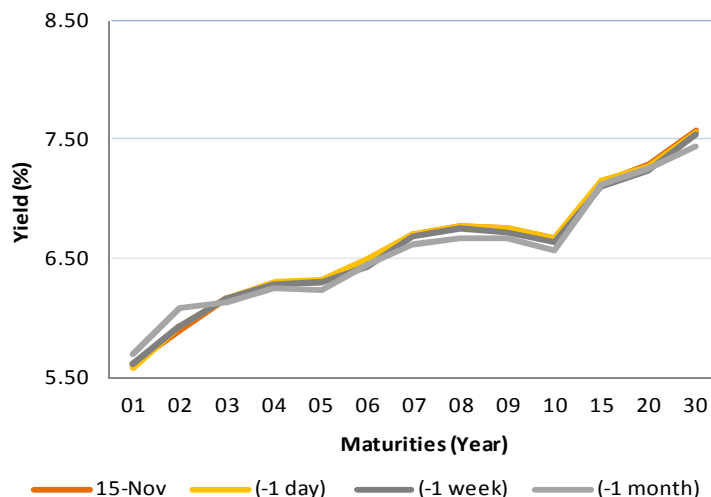


## Indonesia Government Bonds Yield

Maturities (Year)	15-Nov	(-1 day)	(-1 week)	(-1 month)
01	5.62	5.58	5.62	5.70
02	5.90	5.93	5.94	6.09
03	6.17	6.17	6.17	6.14
04	6.29	6.30	6.28	6.26
05	6.29	6.32	6.31	6.24
06	6.48	6.51	6.43	6.46
07	6.70	6.71	6.69	6.63
08	6.77	6.77	6.76	6.68
09	6.75	6.76	6.72	6.68
10	6.67	6.66	6.64	6.56
15	7.14	7.15	7.11	7.13
20	7.28	7.28	7.24	7.26
30	7.57	7.57	7.54	7.44

Source: Bloomberg



## Global Market Update

- 10-yr US treasury continued to drop to 2.33% due to benign inflation and bearish US stock market. US inflation in October 2017 posted only 2% (YoY) or lower than previous month of 2.2% (YoY). This led to the expectation that US inflation will not be higher as expected and additionally amid uncertainty of tax reform enactment. Nonetheless, the market still believed that FFR will be risen to 1.25% -1.5% as represented by Fedwatch Tools where the probability reached 96.7%. Meanwhile, US stock market risk (represented by CBOE VIX) rose after Dow Jones index contracted by 0.59% and S&P declined 0.55%, thanks to dropping energy sector amid declining crude oil prices.
- Yield US treasury tenor 10 tahun turun ke level 2,33% yang disebabkan oleh rilis data inflasi AS yang menunjukkan penurunan dibandingkan dengan bulan sebelumnya serta bearish-nya pasar saham. Terkait dengan inflasi, inflasi AS pada oktober 2017 tercatat hanya sebesar 2% (YoY) atau turun dibandingkan dengan September 2017 sebesar 2,2% (YoY). Hal tersebut mendorong ekspektasi bahwa inflasi AS tidak akan setinggi yang diperkirakan apalagi di tengah isu tertundanya reformasi pajak AS. Namun demikian, pasar tetap meyakini bahwa FFR tetap akan dinaikkan ke level 1,25% - 1,5% yang tercermin dari probabilitas Fedwatch Tools yang telah mencapai level 96,7%. Sementara itu, risiko di pasar saham AS (tercermin dari meningkatnya CBOE VIX) meningkat setelah Index Dow Jones turun sebesar 0,59% dan S&P turun sebesar 0,55% akibat pelemahan sektor energi yang didorong oleh penurunan harga minyak mentah dunia.

## Domestic Market Update

- Indonesia composite bond index was 0.06% higher to 237.11 compared with previous day. Meanwhile, the transaction of government bonds in the last trading on the secondary market rose to IDR24.63 trillion while corporate bonds transaction increased to IDR1.37 trillion compared with previous day.
- Indonesia balance trade surplus posted lower level to USD895 million in October 2017 compared with September 2017 of USD1.78 billion. This was caused by robust import growth by 23.33% (YoY) and 11.04% (MoM) compared with export growth at only 18.39% (YoY) and 3.62% (MoM).
- Today, the market is likely to focus on Bank Indonesia' monetary policy meeting where we predicts its benchmark rates (BI-7DRRR) will be set to unchanged at 4.25%.
- Aneka Gas Industri (AGII) to offer IDR256 billion of conventional bonds comprises of A series (3 years and 9.5% per year of interest rates) and B series (5 years and 9.9% per year of interest rates). This is affirmed by Fitch Rating Indonesia with single A minus (A-).
- Indonesia Composite Bond Index meningkat sebesar 0,06% ke level 237,11 dibandingkan hari sebelumnya. Sementara itu, volume transaksi SBN pada perdagangan terakhir di pasar sekunder meningkat menjadi sebesar Rp24,63 triliun sedangkan obligasi korporasi meningkat menjadi sebesar Rp1,37 triliun dibandingkan dengan hari sebelumnya.
- Surplus neraca perdagangan Indonesia pada Oktober 2017 tercatat sebesar USD 895 juta atau turun dibandingkan dengan surplus September 2017 sebesar USD1,78 miliar. Hal tersebut didorong oleh kuatnya pertumbuhan impor sebesar 23,33% (YoY) dan 11,04% (MoM) dibandingkan dengan ekspor yang hanya tumbuh sebesar 18,39% (YoY) dan 3,62% (MoM).
- Hari ini, pasar diperkirakan fokus pada Rapat Dewan Gubernur Bank Indonesia (BI) di mana kami memprediksi suku bunga acuan (BI-7DRRR) masih akan dipertahankan di level 4,25%.
- Aneka Gas Industri (AGII) menawarkan Rp256 miliar obligasi konvensional yang terdiri dari seri A (3 tahun dan kupon 9.5% per tahun) dan seri B (5 tahun dan kupon 9.9% per tahun). Rating untuk obligasi ini adalah single A minus (A-) oleh Fitch Rating Indonesia.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0075	103.00	7.217	7175
FR0059	102.40	6.655	6128
FR0034	120.74	6.237	3082
FR0061	103.00	6.224	1808
SPN12180201	99.08	4.450	960
FR0074	103.45	7.117	946
FR0072	109.15	7.338	819
SPN12180412	98.03	5.000	600
FR0069	102.97	5.647	537
FR0071	112.00	7.413	371

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
BNLI02SB	idAA+	101.52	8.43	230
MEDC02BCN5	idA+	100.00	10.80	120
SMII01BCN2	idAAA	100.20	7.32	115
BIIF01ACN3	AA+(idn)	100.53	8.00	110
AKRA01A	idAA-	100.16	6.66	100
JSMR01CCN1S	idAA	102.20	6.25	80
BBIA01C	AAA(idn)	104.16	7.67	62
PPGD03CCN1	idAAA	101.15	7.42	60
PPGD03BCN1	idAAA	100.63	7.15	60
ASDF03ACN4	AAA(idn)	100.00	6.25	45

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	5972	-15.98	-0.27%	12.76%
Malaysia (KLCI)	1737	-10.62	-0.61%	4.95%
Thailand (SET)	1690	-12.37	-0.73%	9.55%
Singapore (STI)	3369	-30.39	-0.89%	16.9%
Hang Seng	28852	-300.43	-1.03%	31.1%
Nikkei 225	22028	-351.69	-1.57%	15.25%
Shanghai	3403	-27.02	-0.79%	9.63%
Dow Jones (DJIA)	23271	-138.19	-0.59%	17.75%
London (FTSE 100)	7373	-41.81	-0.56%	3.22%
DAX	12976	-57.11	-0.44%	13.0%

FX Rate	15-Nov		
	15-Nov	(-1 day)	(-1 week)
USD/IDR	13,532	13,555	13,524
GBP/USD	1.317	1.317	1.312
USD/JPY	112.9	113.5	113.9
USD/SGD	1.357	1.359	1.362
USD/THB	33.01	33.06	33.12
USD/MYR	4.180	4.194	4.229

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			
15-Nov	41.84	103.48	173.33
(-1 Day)	41.00	101.43	170.57
(-1 Week)	42.08	103.20	170.22
(-1 Month)	37.32	99.07	168.09
(-1 Year)	75.10	177.58	250.19

Global Bonds	15-Nov			
	15-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	1.685	1.689	1.65	1.57
5-Year	2.037	2.059	2.01	1.99
10-Year	2.328	2.37	2.34	2.35
30-Year	2.77	2.83	2.79	2.86
<b>10-Year Government Bond Yield</b>				
UK	1.28	1.32	1.22	1.31
Germany	0.375	0.396	0.33	0.40
France	0.73	0.76	0.70	0.81
China	3.96	3.98	3.89	3.73
Japan	0.035	0.045	0.02	0.07
Korea	2.57	2.61	2.54	2.39
Thailand	2.35	2.37	2.28	2.25
Malaysia	3.99	4.07	4.00	3.90
Singapore	2.12	2.17	2.11	2.07
<b>Indonesia USD Bond Yield</b>				
INDO-22	2.84	2.84	2.79	2.65
INDO-27	3.67	3.67	3.61	3.53
INDO-47	4.60	4.59	4.49	4.43

Money Market	15-Nov			
	15-Nov	(-1 day)	(-1 week)	(-1 month)
<b>JIBOR</b>				
O/N	3.90	3.91	3.91	3.90
1M	4.80	4.80	4.80	4.78
3M	5.20	5.19	5.18	5.19
<b>LIBOR</b>				
1M	1.26	1.26	1.25	1.24
3M	1.42	1.42	1.41	1.36
6M	1.62	1.62	1.60	1.55
<b>Indonesia Interest Rates</b>				
Deposit 1M	5.68	5.70	5.69	5.73
Lending	14.3	14.2	14.3	14.3

### Government Bond Ownership As of November 14, 2017 (in Trillion)

Holders	2013	2014	2015	2016	8-Nov-17	9-Nov-17	10-Nov-17	13-Nov-17	14-Nov-17
Banks	335.43	375.55	350.07	399.46	613.14	613.98	607.86	604.27	604.57
Bank Indonesia	44.44	41.63	148.91	134.25	39.25	37.57	42.94	46.90	46.90
Mutual Fund	42.50	45.79	61.60	85.66	101.08	101.10	101.25	101.30	101.05
Insurance	129.55	150.60	171.62	238.24	262.92	263.08	262.92	262.73	262.76
<b>Foreign Investor</b>	<b>323.83</b>	<b>461.35</b>	<b>558.52</b>	<b>665.81</b>	<b>810.00</b>	<b>811.05</b>	<b>811.97</b>	<b>811.73</b>	<b>811.72</b>
Pension Fund	39.47	43.30	49.83	87.28	87.06	86.90	86.89	86.89	86.91
Individual Investors	32.48	30.41	42.53	57.75	62.77	62.76	62.74	62.73	62.72
Others	47.56	61.32	78.76	104.84	118.23	118.26	118.14	118.16	118.09
<b>Total</b>	<b>995.25</b>	<b>1,209.96</b>	<b>1,461.85</b>	<b>1,773.28</b>	<b>2,094.47</b>	<b>2,094.72</b>	<b>2,094.72</b>	<b>2,094.72</b>	<b>2,094.72</b>

Source: Bloomberg, IDX & DJPPR

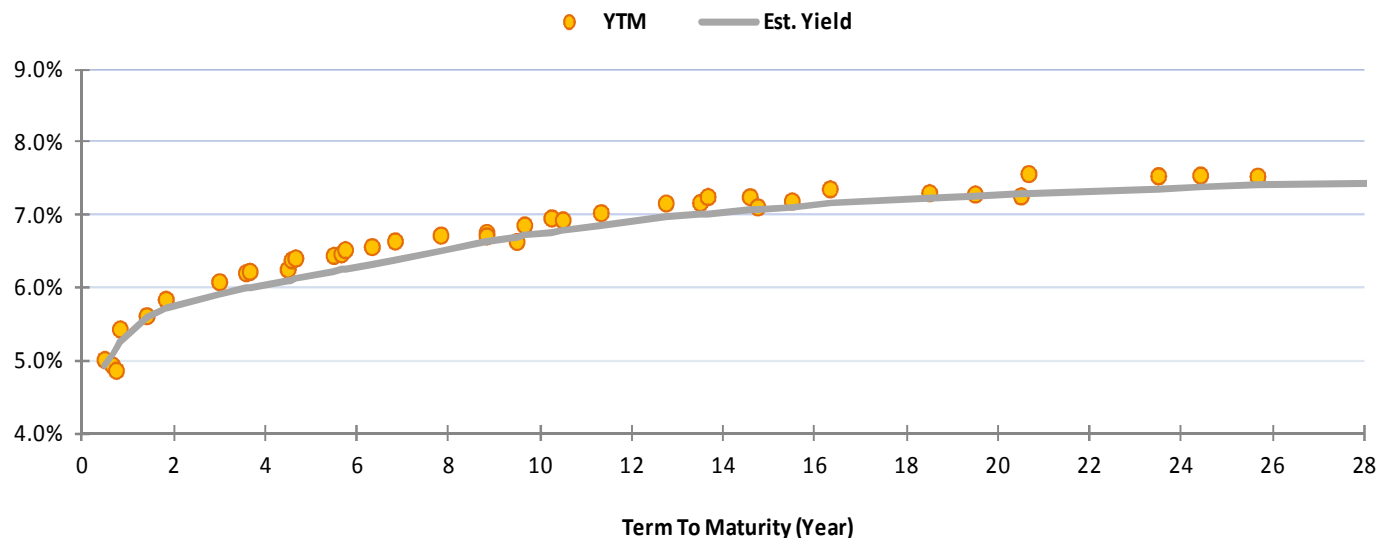
November 16, 2017

**Government Bonds Prices**  
**Closing Price Data : 15-Nov-2017**



Series	Maturity	TTM	Coupon	Price	YTM	Est. Yield	Fair Price	Spread (bps)	Recommendation
FR0066	15-May-18	0.50	5.25%	100.11	5.01%	4.92%	100.16	5	Fair
FR0032	15-Jul-18	0.66	15.00%	106.44	4.94%	5.10%	106.38	-6	Fair
FR0038	15-Aug-18	0.75	11.60%	104.97	4.86%	5.17%	104.65	-32	Dear
FR0048	15-Sep-18	0.83	9.00%	102.83	5.43%	5.25%	103.00	17	Cheap
FR0069	15-Apr-19	1.41	7.875%	103.02	5.61%	5.58%	103.07	5	Fair
FR0036	15-Sep-19	1.83	11.50%	109.65	5.84%	5.72%	109.90	24	Cheap
FR0031	15-Nov-20	3.00	11.00%	113.29	6.08%	5.92%	113.77	48	Cheap
FR0034	15-Jun-21	3.58	12.80%	120.85	6.21%	5.99%	121.65	80	Cheap
FR0053	15-Jul-21	3.67	8.25%	106.53	6.22%	6.00%	107.30	76	Cheap
<b>FR0061</b>	<b>15-May-22</b>	<b>4.50</b>	<b>7.00%</b>	<b>102.90</b>	<b>6.25%</b>	<b>6.10%</b>	<b>103.52</b>	<b>62</b>	<b>Cheap</b>
FR0035	15-Jun-22	4.58	12.90%	125.51	6.38%	6.11%	126.79	128	Cheap
FR0043	15-Jul-22	4.67	10.25%	115.26	6.41%	6.12%	116.55	129	Cheap
FR0063	15-May-23	5.50	5.625%	96.27	6.44%	6.22%	97.27	100	Cheap
FR0046	15-Jul-23	5.67	9.50%	114.19	6.46%	6.24%	115.34	115	Cheap
FR0039	15-Aug-23	5.75	11.75%	124.70	6.52%	6.25%	126.20	150	Cheap
FR0070	15-Mar-24	6.33	8.375%	109.26	6.56%	6.33%	110.54	128	Cheap
FR0044	15-Sep-24	6.84	10.00%	118.19	6.64%	6.39%	119.71	151	Cheap
FR0040	15-Sep-25	7.84	11.00%	125.71	6.72%	6.52%	127.15	145	Cheap
FR0037	15-Sep-26	8.84	12.00%	134.41	6.76%	6.63%	135.45	104	Cheap
FR0056	15-Sep-26	8.84	8.375%	110.95	6.71%	6.63%	111.52	57	Cheap
<b>FR0059</b>	<b>15-May-27</b>	<b>9.50</b>	<b>7.000%</b>	<b>102.55</b>	<b>6.63%</b>	<b>6.70%</b>	<b>102.10</b>	<b>-46</b>	<b>Dear</b>
FR0042	15-Jul-27	9.67	10.25%	123.66	6.86%	6.71%	124.82	116	Cheap
FR0047	15-Feb-28	10.26	10.00%	122.03	6.96%	6.77%	123.57	154	Cheap
FR0064	15-May-28	10.50	6.125%	94.08	6.93%	6.79%	95.04	97	Cheap
FR0071	15-Mar-29	11.34	9.00%	115.22	7.03%	6.86%	116.63	141	Cheap
FR0052	15-Aug-30	12.76	10.50%	127.58	7.16%	6.97%	129.53	194	Cheap
FR0073	15-May-31	13.50	8.75%	113.55	7.17%	7.01%	115.01	146	Cheap
FR0054	15-Jul-31	13.67	9.50%	119.29	7.25%	7.02%	121.53	224	Cheap
FR0058	15-Jun-32	14.59	8.25%	108.94	7.25%	7.07%	110.60	166	Cheap
<b>FR0074</b>	<b>15-Aug-32</b>	<b>14.76</b>	<b>7.50%</b>	<b>103.54</b>	<b>7.11%</b>	<b>7.08%</b>	<b>103.78</b>	<b>25</b>	<b>Cheap</b>
FR0065	15-May-33	15.51	6.625%	94.77	7.19%	7.12%	95.43	65	Cheap
FR0068	15-Mar-34	16.34	8.375%	109.57	7.36%	7.15%	111.64	207	Cheap
<b>FR0072</b>	<b>15-May-36</b>	<b>18.51</b>	<b>8.25%</b>	<b>109.53</b>	<b>7.30%</b>	<b>7.23%</b>	<b>110.28</b>	<b>75</b>	<b>Cheap</b>
FR0045	15-May-37	19.51	9.75%	125.45	7.29%	7.26%	125.70	25	Cheap
FR0075	15-May-38	20.51	7.50%	102.55	7.26%	7.30%	102.11	-44	Dear
FR0050	15-Jul-38	20.68	10.50%	130.42	7.57%	7.30%	133.89	348	Cheap
FR0057	15-May-41	23.51	9.50%	121.51	7.53%	7.36%	123.72	222	Cheap
FR0062	15-Apr-42	24.43	6.375%	87.05	7.54%	7.38%	88.69	164	Cheap
FR0067	15-Jul-43	25.68	8.75%	113.85	7.53%	7.40%	115.36	151	Cheap
FR0076	15-May-48	30.52	7.375%	101.02	7.29%	7.44%	99.23	-179	Dear

Source: Bloomberg, IBPA, MCS Estimates



November 16, 2017

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