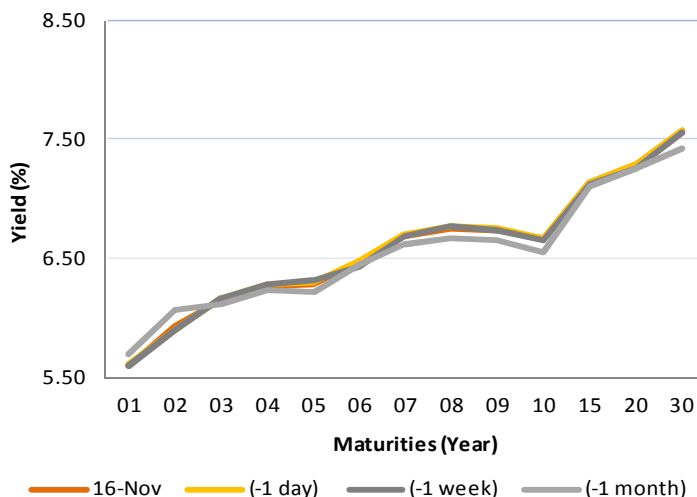


## Indonesia Government Bonds Yield

| Maturities (Year) | 16-Nov | (-1 day) | (-1 week) | (-1 month) |
|-------------------|--------|----------|-----------|------------|
| 01                | 5.60   | 5.62     | 5.61      | 5.70       |
| 02                | 5.93   | 5.90     | 5.91      | 6.07       |
| 03                | 6.15   | 6.17     | 6.18      | 6.11       |
| 04                | 6.27   | 6.29     | 6.29      | 6.23       |
| 05                | 6.29   | 6.29     | 6.32      | 6.22       |
| 06                | 6.47   | 6.48     | 6.44      | 6.45       |
| 07                | 6.69   | 6.70     | 6.70      | 6.62       |
| 08                | 6.76   | 6.77     | 6.77      | 6.67       |
| 09                | 6.74   | 6.75     | 6.75      | 6.66       |
| 10                | 6.67   | 6.67     | 6.66      | 6.56       |
| 15                | 7.15   | 7.14     | 7.13      | 7.11       |
| 20                | 7.29   | 7.28     | 7.26      | 7.25       |
| 30                | 7.57   | 7.57     | 7.55      | 7.42       |

Source: Bloomberg



## Global Market Update

- 10 year US treasury rose slightly to 2.37% due to robust US economic indicator that lead expectation that US economy recovery is on the way that affiliated to how many times FFR will be risen in 2018. US industrial production in October 2017 showed strong growth at 0.9% (MoM) or higher than previous month of 0.4% (MoM) and market expectation of 0.5% (MoM). Meanwhile, the recovery was also indicated from US employment sector in which continuing jobless claims in the third week of November 2017 dropped to 1.86 million claims compared with prior week of 1.9 million claims and market expectation of 1.89 million claims. In general, global yield was various where 10 year UK Gilt rose to 1.31% while 10yr German Bund stagnated at 0.37%. Meanwhile, 10 yr Japan tended to rise to 0.40%.
- Yield US treasury tenor 10 tahun meningkat ke level 2,37% yang disebabkan oleh rilis data ekonomi AS yang membaik sehingga memicu ekspektasi pulihnya ekonomi AS yang berafiliasi dengan frekuensi kenaikan FFR di tahun 2018. Data produksi industri AS pada Oktober 2017 meningkat sebesar 0,9% (MoM) atau lebih besar dibandingkan dengan September 2017 sebesar 0,4% (MoM) dan ekspektasi pasar sebesar 0,5% (MoM). Sementara itu, proses pemulihan juga terindikasi dari membaiknya sektor tenaga kerja di mana klaim pengangguran berkelanjutan AS pada pekan ketiga November 2017 turun menjadi sebesar 1,86 juta klaim dibandingkan minggu sebelumnya sebesar 1,90 juta klaim dan ekspektasi pasar sebesar 1,89 juta klaim. Secara umum, pergerakan *yield* global pada penutupan perdagangan terakhir bervariasi di mana 10 tahun UK Gilt naik ke level 1,31% sedangkan 10 tahun German Bund stagnan di level 0,37%. Sementara itu, 10 tahun Jepang cenderung meningkat ke level 0,40%.

## Domestic Market Update

- Indonesia Composite Bond Index rose slightly to 0.02% to 237.15 compared with previous days. Meanwhile, the transaction volume of government bonds in the last trading on the secondary market declined to IDR11.34 trillion while corporate bonds went up to IDR1.42 trillion compared with previous day.
- Bank Indonesia (BI) kept its benchmark rates (BI-7DRRR) unchanged at 4.25% in the last monetary policy meeting. BI considered that current benchmark rates level still appropriate to maintain inflation in BI's target (4±1%) and supporting economy growth at once. Meanwhile, BI projected Indonesia economy will grow at only 5.1% (YoY) in this year or lower than government's target at 5.2% (YoY). Moreover, BI expected inflation in 2017 will be 3.0% (YoY) - 3.5% (YoY) or lower than government target of 4.3% (YoY) but still in BI's target.
- Indonesia Composite Bond Index meningkat tipis sebesar 0,02% ke level 237,15 dibandingkan hari sebelumnya. Sementara itu, volume transaksi SBN pada perdagangan terakhir di pasar sekunder turun menjadi sebesar Rp11,34 triliun sedangkan volume transaksi obligasi korporasi naik menjadi sebesar Rp1,42 triliun dibandingkan dengan hari sebelumnya.
- Bank Indonesia (BI) mempertahankan suku bunga acuannya (BI-7DRRR) di level 4,25% pada pertemuan RDG November ini. BI menganggap bahwa level suku bunga acuan saat ini masih cukup memadai untuk mendukung inflasi berada dalam target inflasi BI (4±1%) dan pertumbuhan ekonomi. Selain itu, BI memproyeksi pertumbuhan ekonomi di tahun 2017 diperkirakan sebesar 5,1% (YoY) atau lebih rendah dibandingkan target pemerintah sebesar 5,2% (YoY). BI juga memperkirakan inflasi di tahun 2017 akan lebih rendah di bawah target pemerintah sebesar 4,3% (YoY) yaitu berkisar 3,0%(YoY) - 3,5%(YoY) namun masih dalam target BI.

| Most Active Government Bonds | Last Price | Last Yield | Volume (IDR bn) |
|------------------------------|------------|------------|-----------------|
| FR0075                       | 102.60     | 7.254      | 2384            |
| FR0074                       | 103.50     | 7.111      | 1744            |
| FR0059                       | 102.50     | 6.640      | 1052            |
| FR0061                       | 102.90     | 6.248      | 752             |
| FR0069                       | 102.97     | 5.634      | 722             |
| FR0053                       | 106.85     | 6.124      | 520             |
| FR0072                       | 109.40     | 7.314      | 459             |
| FR0034                       | 120.97     | 6.160      | 452             |
| SPN12180301                  | 98.74      | 4.600      | 412             |
| FR0065                       | 98.80      | 6.750      | 391             |

| Most Active Corporate Bonds | Last Price | Last Yield | Volume (IDR bn) |     |
|-----------------------------|------------|------------|-----------------|-----|
| BBRI02DCN2                  | idAAA      | 102.64     | 8.39            | 665 |
| BIIF01ACN4                  | AA+(idn)   | 101.00     | 7.27            | 303 |
| SMII01ACN2                  | idAAA      | 100.06     | 6.01            | 140 |
| BFIN02CCN2                  | AA-(idn)   | 101.35     | 6.80            | 44  |
| ISAT02ACN2                  | idAAA      | 100.00     | 6.15            | 33  |
| ISAT08A                     | idAAA      | 102.10     | 7.22            | 32  |
| BBMISMSB1CN2                | idA-(sy)   | 91.80      | 9.96            | 30  |
| APLN01CN1                   | idA-       | 101.05     | 7.44            | 18  |
| BNLIO2SB                    | idAA+      | 102.50     | 6.74            | 16  |
| INDFO8                      | idAA+      | 103.48     | 7.78            | 15  |

| Global Stock Markets | Last Price | Chg (bps) | % Chg  | % YTD  |
|----------------------|------------|-----------|--------|--------|
| Indonesia (JCI)      | 6038       | 65.60     | 1.10%  | 13.99% |
| Malaysia (KLCI)      | 1734       | -4.88     | -0.28% | 4.65%  |
| Thailand (SET)       | 1691       | 0.99      | 0.06%  | 9.62%  |
| Singapore (STI)      | 3341       | -27.40    | -0.81% | 16.0%  |
| Hang Seng            | 29019      | 167.07    | 0.58%  | 31.9%  |
| Nikkei 225           | 22351      | 322.80    | 1.47%  | 16.94% |
| Shanghai             | 3399       | -3.27     | -0.10% | 9.53%  |
| Dow Jones (DJIA)     | 23458      | 187.08    | 0.80%  | 18.70% |
| London (FTSE 100)    | 7387       | 14.33     | 0.19%  | 3.42%  |
| DAX                  | 13047      | 70.85     | 0.55%  | 13.6%  |

| FX Rate | 16-Nov |          |           |
|---------|--------|----------|-----------|
|         | 16-Nov | (-1 day) | (-1 week) |
| USD/IDR | 13,521 | 13,532   | 13,518    |
| GBP/USD | 1.320  | 1.317    | 1.315     |
| USD/JPY | 113.1  | 112.9    | 113.5     |
| USD/SGD | 1.357  | 1.357    | 1.359     |
| USD/THB | 32.91  | 33.01    | 33.10     |
| USD/MYR | 4.168  | 4.180    | 4.192     |

| 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                   |        |        |         |
| 16-Nov                  | 40.55  | 98.77  | 172.19  |
| (-1 Day)                | 41.84  | 103.48 | 173.33  |
| (-1 Week)               | 42.08  | 103.20 | 170.22  |
| (-1 Month)              | 37.32  | 99.07  | 168.09  |
| (-1 Year)               | 78.01  | 184.34 | 258.02  |

| Global Bonds                                | 16-Nov |          |           |            |
|---|--------|----------|-----------|------------|
|   | 16-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                                      | 1.714  | 1.685    | 1.64      | 1.53       |
| 5-Year                                      | 2.062  | 2.032    | 2.01      | 1.95       |
| 10-Year                                     | 2.367  | 2.32     | 2.34      | 2.32       |
| 30-Year                                     | 2.82   | 2.77     | 2.82      | 2.84       |
| <b>10-Year Government Bond Yield</b>        |        |          |           |            |
| UK  | 1.31   | 1.29     | 1.26      | 1.28       |
| Germany                                     | 0.375  | 0.375    | 0.37      | 0.39       |
| France                                      | 0.73   | 0.73     | 0.75      | 0.81       |
| China                                       | 3.93   | 3.96     | 3.90      | 3.71       |
| Japan                                       | 0.040  | 0.041    | 0.03      | 0.06       |
| Korea                                       | 2.57   | 2.57     | 2.54      | 2.43       |
| Thailand                                    | 2.37   | 2.35     | 2.30      | 2.26       |
| Malaysia                                    | 3.97   | 3.99     | 4.09      | 3.91       |
| Singapore                                   | 2.12   | 2.12     | 2.12      | 2.10       |
| <b>Indonesia USD Bond Yield</b>             |        |          |           |            |
| INDO-22                                     | 2.85   | 2.84     | 2.80      | 2.66       |
| INDO-27                                     | 3.67   | 3.67     | 3.62      | 3.54       |
| INDO-47                                     | 4.59   | 4.60     | 4.52      | 4.43       |

| Money Market                    | 16-Nov |          |           |            |
|---------------------------------|--------|----------|-----------|------------|
|                                 | 16-Nov | (-1 day) | (-1 week) | (-1 month) |
| <b>JIBOR</b>                    |        |          |           |            |
| O/N                             | 3.93   | 3.90     | 3.90      | 3.93       |
| 1M                              | 4.80   | 4.80     | 4.80      | 4.79       |
| 3M                              | 5.20   | 5.20     | 5.19      | 5.19       |
| <b>LIBOR</b>                    |        |          |           |            |
| 1M                              | 1.27   | 1.27     | 1.24      | 1.24       |
| 3M                              | 1.42   | 1.42     | 1.41      | 1.36       |
| 6M                              | 1.62   | 1.62     | 1.61      | 1.55       |
| <b>Indonesia Interest Rates</b> |        |          |           |            |
| Deposit 1M                      | 5.73   | 5.68     | 5.73      | 5.74       |
| Lending                         | 14.3   | 14.3     | 14.0      | 14.3       |

### Government Bond Ownership As of November 15, 2017 (in Trillion)

| Holders                 | 2013          | 2014            | 2015            | 2016            | 9-Nov-17        | 10-Nov-17       | 13-Nov-17       | 14-Nov-17       | 15-Nov-17       |
|-------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Banks                   | 335.43        | 375.55          | 350.07          | 399.46          | 613.98          | 607.86          | 604.27          | 604.57          | 599.66          |
| Bank Indonesia          | 44.44         | 41.63           | 148.91          | 134.25          | 37.57           | 42.94           | 46.90           | 46.90           | 52.73           |
| Mutual Fund             | 42.50         | 45.79           | 61.60           | 85.66           | 101.10          | 101.25          | 101.30          | 101.05          | 100.89          |
| Insurance               | 129.55        | 150.60          | 171.62          | 238.24          | 263.08          | 262.92          | 262.73          | 262.76          | 262.77          |
| <b>Foreign Investor</b> | <b>323.83</b> | <b>461.35</b>   | <b>558.52</b>   | <b>665.81</b>   | <b>811.05</b>   | <b>811.97</b>   | <b>811.73</b>   | <b>811.72</b>   | <b>810.90</b>   |
| Pension Fund            | 39.47         | 43.30           | 49.83           | 87.28           | 86.90           | 86.89           | 86.89           | 86.91           | 86.91           |
| Individual Investors    | 32.48         | 30.41           | 42.53           | 57.75           | 62.76           | 62.74           | 62.73           | 62.72           | 62.72           |
| Others                  | 47.56         | 61.32           | 78.76           | 104.84          | 118.26          | 118.14          | 118.16          | 118.09          | 118.12          |
| <b>Total</b>            | <b>995.25</b> | <b>1,209.96</b> | <b>1,461.85</b> | <b>1,773.28</b> | <b>2,094.72</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 17, 2017

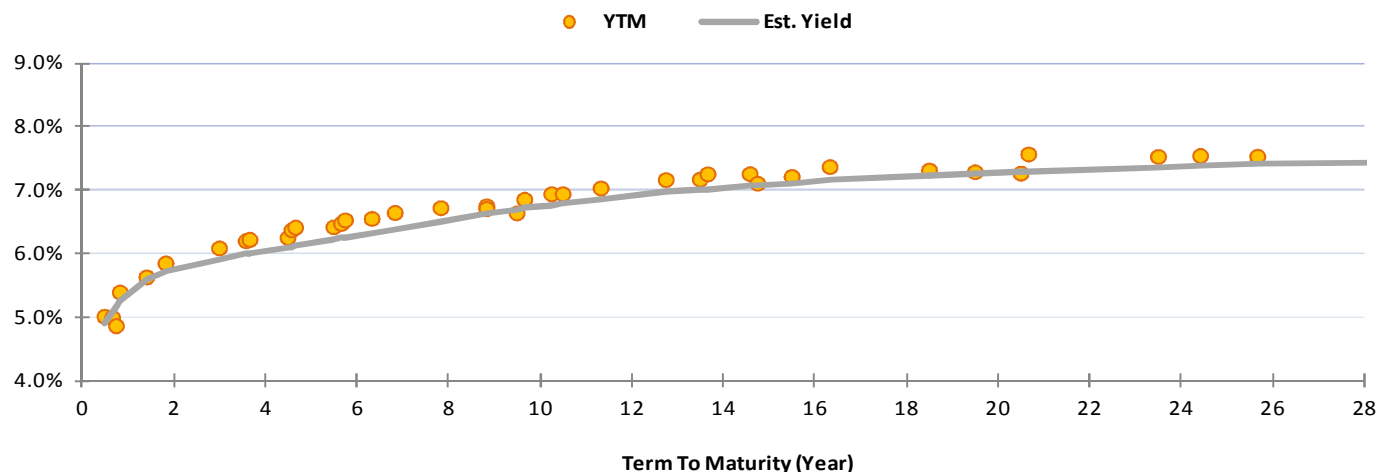
Government Bonds Prices

Closing Price Data : 16-Nov-2017



| Series        | Maturity         | TTM          | Coupon        | Price         | YTM          | Est. Yield   | Fair Price    | Spread (bps) | Recommendation |
|---------------|------------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|----------------|
| FR0066        | 15-May-18        | 0.49         | 5.25%         | 100.11        | 5.01%        | 4.92%        | 100.16        | 5            | Fair           |
| FR0032        | 15-Jul-18        | 0.66         | 15.00%        | 106.32        | 4.99%        | 5.09%        | 106.36        | 3            | Fair           |
| FR0038        | 15-Aug-18        | 0.75         | 11.60%        | 104.97        | 4.86%        | 5.17%        | 104.63        | -34          | Dear           |
| FR0048        | 15-Sep-18        | 0.83         | 9.00%         | 102.84        | 5.39%        | 5.24%        | 103.00        | 16           | Cheap          |
| FR0069        | 15-Apr-19        | 1.41         | 7.875%        | 102.98        | 5.63%        | 5.58%        | 103.07        | 9            | Fair           |
| FR0036        | 15-Sep-19        | 1.83         | 11.50%        | 109.60        | 5.85%        | 5.72%        | 109.88        | 29           | Cheap          |
| FR0031        | 15-Nov-20        | 3.00         | 11.00%        | 113.23        | 6.09%        | 5.92%        | 113.76        | 53           | Cheap          |
| FR0034        | 15-Jun-21        | 3.58         | 12.80%        | 120.83        | 6.20%        | 5.99%        | 121.64        | 81           | Cheap          |
| FR0053        | 15-Jul-21        | 3.66         | 8.25%         | 106.53        | 6.22%        | 6.00%        | 107.29        | 76           | Cheap          |
| <b>FR0061</b> | <b>15-May-22</b> | <b>4.50</b>  | <b>7.00%</b>  | <b>102.89</b> | <b>6.25%</b> | <b>6.09%</b> | <b>103.51</b> | <b>62</b>    | <b>Cheap</b>   |
| FR0035        | 15-Jun-22        | 4.58         | 12.90%        | 125.52        | 6.37%        | 6.10%        | 126.78        | 126          | Cheap          |
| FR0043        | 15-Jul-22        | 4.66         | 10.25%        | 115.21        | 6.41%        | 6.11%        | 116.54        | 133          | Cheap          |
| FR0063        | 15-May-23        | 5.50         | 5.625%        | 96.38         | 6.42%        | 6.22%        | 97.27         | 89           | Cheap          |
| FR0046        | 15-Jul-23        | 5.66         | 9.50%         | 114.13        | 6.47%        | 6.24%        | 115.34        | 121          | Cheap          |
| FR0039        | 15-Aug-23        | 5.75         | 11.75%        | 124.64        | 6.53%        | 6.25%        | 126.19        | 155          | Cheap          |
| FR0070        | 15-Mar-24        | 6.33         | 8.375%        | 109.31        | 6.55%        | 6.33%        | 110.53        | 123          | Cheap          |
| FR0044        | 15-Sep-24        | 6.84         | 10.00%        | 118.14        | 6.64%        | 6.39%        | 119.70        | 156          | Cheap          |
| FR0040        | 15-Sep-25        | 7.84         | 11.00%        | 125.68        | 6.72%        | 6.51%        | 127.15        | 147          | Cheap          |
| FR0037        | 15-Sep-26        | 8.84         | 12.00%        | 134.45        | 6.75%        | 6.63%        | 135.45        | 99           | Cheap          |
| FR0056        | 15-Sep-26        | 8.84         | 8.375%        | 110.96        | 6.71%        | 6.63%        | 111.52        | 55           | Cheap          |
| <b>FR0059</b> | <b>15-May-27</b> | <b>9.50</b>  | <b>7.000%</b> | <b>102.52</b> | <b>6.64%</b> | <b>6.70%</b> | <b>102.10</b> | <b>-42</b>   | <b>Dear</b>    |
| FR0042        | 15-Jul-27        | 9.67         | 10.25%        | 123.69        | 6.85%        | 6.71%        | 124.82        | 113          | Cheap          |
| FR0047        | 15-Feb-28        | 10.25        | 10.00%        | 122.16        | 6.94%        | 6.77%        | 123.57        | 141          | Cheap          |
| FR0064        | 15-May-28        | 10.50        | 6.125%        | 94.01         | 6.94%        | 6.79%        | 95.05         | 103          | Cheap          |
| FR0071        | 15-Mar-29        | 11.33        | 9.00%         | 115.19        | 7.03%        | 6.86%        | 116.63        | 144          | Cheap          |
| FR0052        | 15-Aug-30        | 12.75        | 10.50%        | 127.57        | 7.16%        | 6.97%        | 129.52        | 196          | Cheap          |
| FR0073        | 15-May-31        | 13.50        | 8.75%         | 113.53        | 7.17%        | 7.01%        | 115.01        | 148          | Cheap          |
| FR0054        | 15-Jul-31        | 13.67        | 9.50%         | 119.26        | 7.25%        | 7.02%        | 121.53        | 227          | Cheap          |
| FR0058        | 15-Jun-32        | 14.59        | 8.25%         | 108.85        | 7.26%        | 7.07%        | 110.60        | 175          | Cheap          |
| <b>FR0074</b> | <b>15-Aug-32</b> | <b>14.76</b> | <b>7.50%</b>  | <b>103.57</b> | <b>7.10%</b> | <b>7.08%</b> | <b>103.78</b> | <b>22</b>    | <b>Cheap</b>   |
| FR0065        | 15-May-33        | 15.50        | 6.625%        | 94.59         | 7.21%        | 7.12%        | 95.43         | 84           | Cheap          |
| FR0068        | 15-Mar-34        | 16.34        | 8.375%        | 109.47        | 7.37%        | 7.15%        | 111.64        | 217          | Cheap          |
| <b>FR0072</b> | <b>15-May-36</b> | <b>18.51</b> | <b>8.25%</b>  | <b>109.43</b> | <b>7.31%</b> | <b>7.23%</b> | <b>110.28</b> | <b>85</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%         | 102.50        | 7.26%        | 7.30%        | 102.11        | -38          | Dear           |
| FR0050        | 15-Jul-38        | 20.67        | 10.50%        | 130.42        | 7.57%        | 7.30%        | 133.89        | 347          | Cheap          |
| FR0057        | 15-May-41        | 23.51        | 9.50%         | 121.60        | 7.53%        | 7.36%        | 123.72        | 213          | Cheap          |
| FR0062        | 15-Apr-42        | 24.43        | 6.375%        | 87.08         | 7.54%        | 7.38%        | 88.69         | 162          | Cheap          |
| FR0067        | 15-Jul-43        | 25.68        | 8.75%         | 113.88        | 7.53%        | 7.40%        | 115.36        | 148          | Cheap          |
| FR0076        | 15-May-48        | 30.52        | 7.375%        | 100.98        | 7.29%        | 7.44%        | 99.23         | -175         | Dear           |

Source: Bloomberg, IBPA, MCS Estimates



November 17, 2017

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