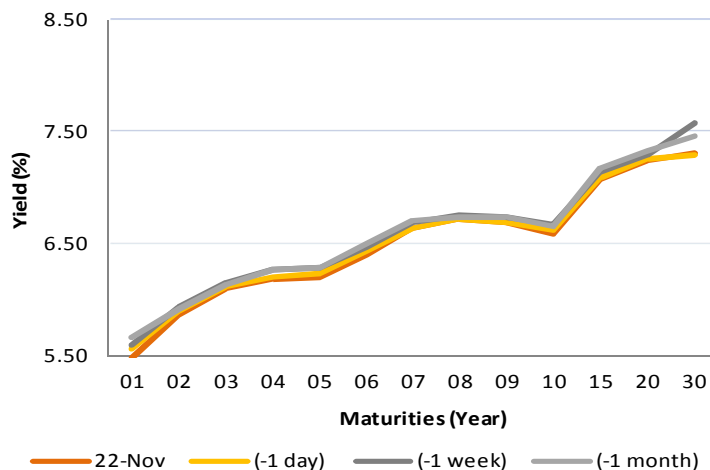


Indonesia Government Bonds Yield

| Maturities (Year) | 22-Nov | (-1 day) | (-1 week) | (-1 month) |
|-------------------|--------|----------|-----------|------------|
| 01 | 5.48 | 5.57 | 5.60 | 5.66 |
| 02 | 5.87 | 5.91 | 5.93 | 5.91 |
| 03 | 6.10 | 6.12 | 6.15 | 6.14 |
| 04 | 6.18 | 6.21 | 6.27 | 6.27 |
| 05 | 6.20 | 6.23 | 6.29 | 6.28 |
| 06 | 6.40 | 6.43 | 6.47 | 6.51 |
| 07 | 6.63 | 6.64 | 6.69 | 6.71 |
| 08 | 6.72 | 6.72 | 6.76 | 6.75 |
| 09 | 6.69 | 6.70 | 6.74 | 6.74 |
| 10 | 6.59 | 6.62 | 6.67 | 6.65 |
| 15 | 7.08 | 7.09 | 7.15 | 7.17 |
| 20 | 7.24 | 7.25 | 7.29 | 7.32 |
| 30 | 7.30 | 7.30 | 7.57 | 7.46 |

Source: Bloomberg



Global Market Update

- 10 year US treasury declined to 2.32% after FOMC minutes releases ,October 31 - November 1 2017 meeting, showed low optimism related to US inflation outlook. Several FOMC members considered that waiting inflation movement too long could hamper US economy while rest members chose to wait several upcoming data to ensure that inflation is on the track to The Fed target. Meanwhile, all of members believed that US economy recovery has been continuing, supported by strong employment sector, rising consumption spending, and robust manufacture sector. Related to benchmark rates (FFR), FOMC members agreed to increase FFR gradually in the future in which market perceived that the Fed is ready to lift FFR in last meeting in 2017 and one up to two hikes in 2018.
- Yield US treasury tenor 10 tahun turun ke level 2,32% setelah rilis risalah pertemuan FOMC 31 Oktober – 1 November 2017 yang menunjukkan adanya kekhawatiran terkait dengan outlook inflasi AS. Beberapa anggota FOMC menganggap bahwa menunggu inflasi mencapai target akan berbahaya bagi perekonomian AS sedangkan sebagian anggota FOMC memilih menunggu beberapa rilis data ekonomi guna memastikan inflasi mendekati target The Fed. Selain itu, seluruh anggota FOMC sepakat bahwa pertumbuhan ekonomi AS akan terus menguat yang didorong oleh membaiknya sektor tenaga kerja, konsumsi masyarakat, dan sektor manufaktur. Terkait dengan suku bunga acuan, para anggota FOMC sepakat terkait dengan kenaikan secara bertahap (gradual) dalam pengambilan kebijakan moneter berikutnya di mana pasar memprediksi kenaikan pada pertemuan FOMC Desember 2017 serta 1 hingga 2 kali kenaikan di tahun 2018

Domestic Market Update

- Indonesia Composite Bond Index continued to rise with 0.14% alteration compared with previous days to 234.27 in the last trading on the secondary market. Meanwhile, transaction volume of government bonds rose slightly to IDR11.69 trillion while corporate bonds declined to only IDR505 billion.
- Indonesia Composite Bond Index kembali mengalami peningkatan dengan perubahan sebesar 0,14% ke level 238,27 dibandingkan hari sebelumnya. Sementara itu, volume transaksi SBN pada perdagangan terakhir di pasar sekunder naik tipis menjadi sebesar Rp11,69 triliun sedangkan volume transaksi obligasi korporasi turun menjadi sebesar Rp505 miliar.
- Bank OCBC NISP to issue IDR2 trillion continuous II phase III of 2017 that comprised 3 series. Series A (for 370 days) offers interest rate of 6.15% while series B (for 2 years) offers interest rate of 6.75%. Meanwhile, series C with tenor of 3 years offers interest rate of 7.20%. Bank OCBC NISP was affirmed with triple A ratings (AAA) by Fitch Indonesia and Pefindo. Public offering is scheduled in December 5-7, 2017 while this bond will be listed in IDX in December 13, 2017.
- Bank OCBC NISP menerbitkan obligasi berkelanjutan II tahap III 2017 senilai Rp2 triliun. Terdapat tiga seri yang ditawarkan yaitu seri A (370 hari) dengan kupon sebesar 6,15%, seri B (2 tahun) dengan kupon sebesar 6,75%, dan seri C (3 tahun) dengan kupon sebesar 7,20%. Bank OCBC NISP sendiri telah mendapatkan rating triple A (AAA) dari Fitch dan Pefindo. Masa penawaran obligasi tersebut adalah 5-7 Desember 2017 sedangkan tanggal pencatatan pada BEI adalah 13 Desember 2017.

| Most Active Government Bonds | Last Price | Last Yield | Volume (IDR bn) |
|------------------------------|------------|------------|-----------------|
| FR0075 | 102.95 | 7.222 | 1326 |
| FR0068 | 110.03 | 7.310 | 1044 |
| FR0059 | 103.08 | 6.559 | 920 |
| FR0069 | 103.06 | 5.550 | 914 |
| SPN12180104 | 99.51 | 4.400 | 830 |
| FR0074 | 104.15 | 7.041 | 796 |
| PBS013 | 100.60 | 5.819 | 790 |
| FR0061 | 103.45 | 6.105 | 766 |
| FR0058 | 109.15 | 7.223 | 447 |
| FR0072 | 109.90 | 7.268 | 443 |

| Most Active Corporate Bonds | | Last Price | Last Yield | Volume (IDR bn) |
|-----------------------------|----------|------------|------------|-----------------|
| WSKT03ACN1 | A(idn) | 100.28 | 7.89 | 200 |
| ADMFO3CCN3 | idAAA | 107.25 | 7.72 | 35 |
| FIFA02BCN4 | idAAA | 102.05 | 6.75 | 32 |
| MEDCO2ACN4 | idA+ | 104.87 | 8.49 | 28 |
| BNLI01SBCN2 | idAA+ | 102.96 | 7.83 | 21 |
| ASDF03BCN3 | AAA(idn) | 102.50 | 7.30 | 20 |
| SANFO2BCN2 | idAA- | 100.52 | 8.75 | 20 |
| BRAP01 | idBBB+ | 101.25 | 8.04 | 19 |
| AKRA01ACN1 | idAA- | 100.00 | 8.50 | 17 |
| BIIF01ACN1 | AA+(idn) | 103.08 | 7.02 | 15 |

| Global Stock Markets | Last Price | Chg (bps) | % Chg | % YTD |
|----------------------|------------|-----------|--------|--------|
| Indonesia (JCI) | 6070 | 37.92 | 0.63% | 14.60% |
| Malaysia (KLCI) | 1718 | 2.86 | 0.17% | 4.99% |
| Thailand (SET) | 1713 | 2.65 | 0.15% | 11.03% |
| Singapore (STI) | 3430 | 6.64 | 0.19% | 19.1% |
| Hang Seng | 30003 | 185.42 | 0.62% | 36.4% |
| Nikkei 225 | 22523 | 106.67 | 0.48% | 17.84% |
| Shanghai | 3430 | 19.97 | 0.59% | 10.53% |
| Dow Jones (DJIA) | 23526 | -64.65 | -0.27% | 19.04% |
| London (FTSE 100) | 7419 | 7.68 | 0.10% | 3.87% |
| DAX | 13015 | -152.50 | -1.16% | 13.4% |

| FX Rate | 22-Nov | | |
|---------|--------|----------|-----------|
| | 22-Nov | (-1 day) | (-1 week) |
| USD/IDR | 13,516 | 13,507 | 13,532 |
| GBP/USD | 1.333 | 1.324 | 1.317 |
| USD/JPY | 111.2 | 112.5 | 112.9 |
| USD/SGD | 1.347 | 1.354 | 1.357 |
| USD/THB | 32.70 | 32.75 | 33.01 |
| USD/MYR | 4.112 | 4.132 | 4.180 |

| 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 | | | |
| 22-Nov | 38.80 | 98.47 | 167.80 |
| (-1 Day) | 40.20 | 97.94 | 16.24 |
| (-1 Week) | 39.22 | 99.03 | 169.78 |
| (-1 Month) | 35.83 | 94.73 | 161.84 |
| (-1 Year) | 73.72 | 174.00 | 245.84 |

| Global Bonds | 22-Nov | | | |
|---------------------------------------------|--------|----------|-----------|------------|
| | 22-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 | 1.729 | 1.773 | 1.69 | 1.60 |
| 5-Year | 2.043 | 2.099 | 2.03 | 2.05 |
| 10-Year | 2.320 | 2.36 | 2.32 | 2.43 |
| 30-Year | 2.74 | 2.76 | 2.77 | 2.94 |
| 10-Year Government Bond Yield | | | | |
| UK | 1.274 | 1.273 | 1.29 | 1.40 |
| Germany | 0.348 | 0.349 | 0.38 | 0.48 |
| France | 0.66 | 0.67 | 0.73 | 0.88 |
| China | 4.00 | 3.97 | 3.96 | 3.78 |
| Japan | 0.017 | 0.028 | 0.04 | 0.07 |
| Korea | 2.55 | 2.55 | 2.57 | 2.51 |
| Thailand | 2.39 | 2.36 | 2.35 | 2.30 |
| Malaysia | 3.93 | 3.96 | 3.99 | 4.01 |
| Singapore | 2.03 | 2.09 | 2.12 | 2.26 |
| Indonesia USD Bond Yield | | | | |
| INDO-22 | 2.83 | 2.83 | 2.84 | 2.69 |
| INDO-27 | 3.60 | 3.61 | 3.67 | 3.61 |
| INDO-47 | 4.51 | 4.53 | 4.60 | 4.49 |

| Money Market | 22-Nov | | | |
|---------------------------------|--------|----------|-----------|------------|
| | 22-Nov | (-1 day) | (-1 week) | (-1 month) |
| JIBOR | | | | |
| O/N | 3.90 | 3.90 | 3.90 | 3.91 |
| 1M | 4.80 | 4.80 | 4.80 | 4.79 |
| 3M | 5.20 | 5.20 | 5.20 | 5.18 |
| LIBOR | | | | |
| 1M | 1.31 | 1.31 | 1.27 | 1.24 |
| 3M | 1.45 | 1.45 | 1.42 | 1.37 |
| 6M | 1.64 | 1.64 | 1.62 | 1.56 |
| Indonesia Interest Rates | | | | |
| Deposit 1M | 5.71 | 5.69 | 5.68 | 5.79 |
| Lending | 14.1 | 14.1 | 14.3 | 14.2 |

Government Bond Ownership As of November 21, 2017 (in Trillion)

| Holders | 2013 | 2014 | 2015 | 2016 | 15-Nov-17 | 16-Nov-17 | 17-Nov-17 | 20-Nov-17 | 21-Nov-17 |
|-------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Banks | 335.43 | 375.55 | 350.07 | 399.46 | 599.66 | 610.09 | 618.35 | 623.92 | 619.02 |
| Bank Indonesia | 44.44 | 41.63 | 148.91 | 134.25 | 52.73 | 54.47 | 46.51 | 42.02 | 42.02 |
| Mutual Fund | 42.50 | 45.79 | 61.60 | 85.66 | 100.89 | 101.60 | 101.60 | 101.21 | 101.17 |
| Insurance | 129.55 | 150.60 | 171.62 | 238.24 | 262.77 | 263.32 | 263.62 | 263.57 | 263.53 |
| Foreign Investor | 323.83 | 461.35 | 558.52 | 665.81 | 810.90 | 816.02 | 815.49 | 816.90 | 821.96 |
| Pension Fund | 39.47 | 43.30 | 49.83 | 87.28 | 86.91 | 87.08 | 86.95 | 86.95 | 86.83 |
| Individual Investors | 32.48 | 30.41 | 42.53 | 57.75 | 62.72 | 62.73 | 62.77 | 62.78 | 62.75 |
| Others | 47.56 | 61.32 | 78.76 | 104.84 | 118.12 | 118.80 | 118.83 | 116.76 | 116.84 |
| Total | 995.25 | 1,209.96 | 1,461.85 | 1,773.28 | 2,094.72 | 2,114.12 | 2,114.12 | 2,114.12 | 2,114.12 |

Source: Bloomberg, IDX & DJPPR

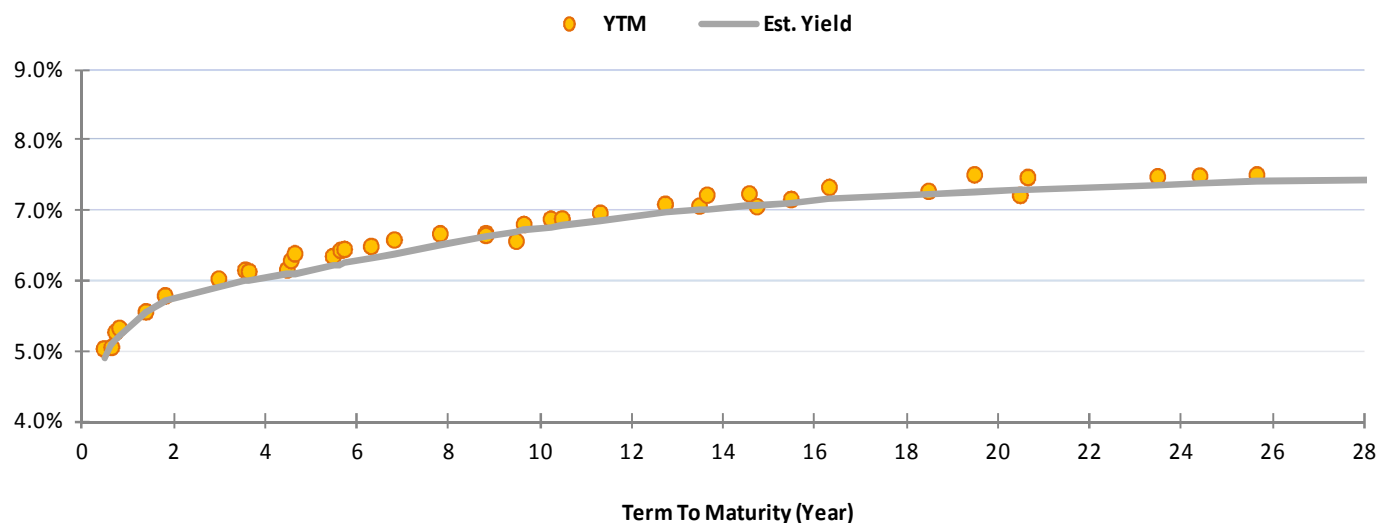
November 23, 2017

Government Bonds Prices
Closing Price Data : 22-Nov-2017



| Series | Maturity | TTM | Coupon | Price | YTM | Est. Yield | Fair Price | Spread (bps) | Recommendation |
|---------------|------------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|----------------|
| FR0066 | 15-May-18 | 0.48 | 5.25% | 100.10 | 5.03% | 4.90% | 100.16 | 7 | Fair |
| FR0032 | 15-Jul-18 | 0.64 | 15.00% | 106.18 | 5.06% | 5.08% | 106.22 | 4 | Fair |
| FR0038 | 15-Aug-18 | 0.73 | 11.60% | 104.43 | 5.27% | 5.16% | 104.55 | 12 | Cheap |
| FR0048 | 15-Sep-18 | 0.81 | 9.00% | 102.85 | 5.33% | 5.23% | 102.95 | 10 | Fair |
| FR0069 | 15-Apr-19 | 1.39 | 7.875% | 103.05 | 5.56% | 5.57% | 103.04 | -1 | Fair |
| FR0036 | 15-Sep-19 | 1.81 | 11.50% | 109.65 | 5.79% | 5.72% | 109.80 | 16 | Cheap |
| FR0031 | 15-Nov-20 | 2.98 | 11.00% | 113.35 | 6.03% | 5.92% | 113.69 | 34 | Cheap |
| FR0034 | 15-Jun-21 | 3.56 | 12.80% | 120.94 | 6.15% | 5.99% | 121.56 | 61 | Cheap |
| FR0053 | 15-Jul-21 | 3.65 | 8.25% | 106.81 | 6.13% | 6.00% | 107.27 | 46 | Cheap |
| FR0061 | 15-May-22 | 4.48 | 7.00% | 103.24 | 6.16% | 6.09% | 103.51 | 27 | Cheap |
| FR0035 | 15-Jun-22 | 4.56 | 12.90% | 125.83 | 6.29% | 6.10% | 126.71 | 87 | Cheap |
| FR0043 | 15-Jul-22 | 4.65 | 10.25% | 115.29 | 6.39% | 6.11% | 116.50 | 121 | Cheap |
| FR0063 | 15-May-23 | 5.48 | 5.625% | 96.69 | 6.35% | 6.22% | 97.29 | 59 | Cheap |
| FR0046 | 15-Jul-23 | 5.65 | 9.50% | 114.30 | 6.43% | 6.24% | 115.31 | 101 | Cheap |
| FR0039 | 15-Aug-23 | 5.73 | 11.75% | 125.02 | 6.45% | 6.25% | 126.14 | 111 | Cheap |
| FR0070 | 15-Mar-24 | 6.32 | 8.375% | 109.61 | 6.49% | 6.32% | 110.52 | 91 | Cheap |
| FR0044 | 15-Sep-24 | 6.82 | 10.00% | 118.49 | 6.58% | 6.39% | 119.68 | 119 | Cheap |
| FR0040 | 15-Sep-25 | 7.82 | 11.00% | 126.01 | 6.67% | 6.51% | 127.12 | 111 | Cheap |
| FR0037 | 15-Sep-26 | 8.82 | 12.00% | 135.01 | 6.68% | 6.63% | 135.41 | 41 | Cheap |
| FR0056 | 15-Sep-26 | 8.82 | 8.375% | 111.36 | 6.65% | 6.63% | 111.51 | 15 | Cheap |
| FR0059 | 15-May-27 | 9.48 | 7.000% | 103.03 | 6.57% | 6.70% | 102.10 | -93 | Dear |
| FR0042 | 15-Jul-27 | 9.65 | 10.25% | 124.06 | 6.80% | 6.71% | 124.80 | 74 | Cheap |
| FR0047 | 15-Feb-28 | 10.24 | 10.00% | 122.63 | 6.88% | 6.77% | 123.56 | 92 | Cheap |
| FR0064 | 15-May-28 | 10.48 | 6.125% | 94.41 | 6.88% | 6.79% | 95.06 | 65 | Cheap |
| FR0071 | 15-Mar-29 | 11.32 | 9.00% | 115.76 | 6.96% | 6.86% | 116.62 | 86 | Cheap |
| FR0052 | 15-Aug-30 | 12.74 | 10.50% | 128.28 | 7.09% | 6.96% | 129.51 | 124 | Cheap |
| FR0073 | 15-May-31 | 13.48 | 8.75% | 114.49 | 7.07% | 7.01% | 115.01 | 52 | Cheap |
| FR0054 | 15-Jul-31 | 13.65 | 9.50% | 119.56 | 7.22% | 7.02% | 121.53 | 197 | Cheap |
| FR0058 | 15-Jun-32 | 14.57 | 8.25% | 109.01 | 7.24% | 7.07% | 110.60 | 159 | Cheap |
| FR0074 | 15-Aug-32 | 14.74 | 7.50% | 104.01 | 7.06% | 7.08% | 103.79 | -22 | Dear |
| FR0065 | 15-May-33 | 15.49 | 6.625% | 95.05 | 7.16% | 7.12% | 95.43 | 39 | Cheap |
| FR0068 | 15-Mar-34 | 16.32 | 8.375% | 109.84 | 7.33% | 7.15% | 111.64 | 181 | Cheap |
| FR0072 | 15-May-36 | 18.49 | 8.25% | 109.83 | 7.27% | 7.23% | 110.28 | 45 | Cheap |
| FR0045 | 15-May-37 | 19.49 | 9.75% | 122.75 | 7.51% | 7.26% | 125.70 | 295 | Cheap |
| FR0075 | 15-May-38 | 20.49 | 7.50% | 103.01 | 7.22% | 7.30% | 102.11 | -90 | Dear |
| FR0050 | 15-Jul-38 | 20.66 | 10.50% | 131.62 | 7.47% | 7.30% | 133.89 | 227 | Cheap |
| FR0057 | 15-May-41 | 23.49 | 9.50% | 122.18 | 7.48% | 7.36% | 123.72 | 154 | Cheap |
| FR0062 | 15-Apr-42 | 24.41 | 6.375% | 87.58 | 7.49% | 7.38% | 88.70 | 112 | Cheap |
| FR0067 | 15-Jul-43 | 25.66 | 8.75% | 114.16 | 7.51% | 7.40% | 115.36 | 121 | Cheap |
| FR0076 | 15-May-48 | 30.50 | 7.375% | 101.09 | 7.29% | 7.44% | 99.23 | -186 | Dear |

Source: Bloomberg, IBPA, MCS Estimates



November 23, 2017

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