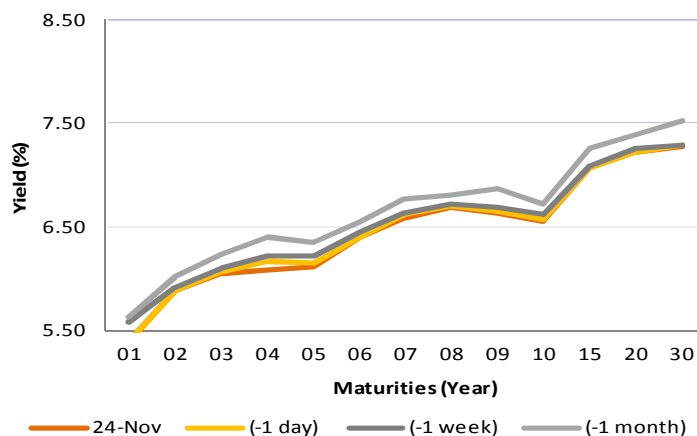


Indonesia Government Bonds Yield

| Maturities (Year) | 24-Nov | (-1 day) | (-1 week) | (-1 month) |
|-------------------|--------|----------|-----------|------------|
| 01 | 5.40 | 5.40 | 5.58 | 5.63 |
| 02 | 5.88 | 5.88 | 5.92 | 6.01 |
| 03 | 6.05 | 6.07 | 6.10 | 6.24 |
| 04 | 6.09 | 6.17 | 6.22 | 6.40 |
| 05 | 6.12 | 6.15 | 6.22 | 6.35 |
| 06 | 6.40 | 6.40 | 6.45 | 6.56 |
| 07 | 6.59 | 6.62 | 6.64 | 6.77 |
| 08 | 6.68 | 6.70 | 6.72 | 6.81 |
| 09 | 6.64 | 6.66 | 6.69 | 6.87 |
| 10 | 6.55 | 6.57 | 6.62 | 6.73 |
| 15 | 7.07 | 7.07 | 7.10 | 7.26 |
| 20 | 7.23 | 7.23 | 7.26 | 7.40 |
| 30 | 7.27 | 7.30 | 7.30 | 7.52 |

Source: Bloomberg



Global Market Update

- Global yield movement in the last trading tended to rise in which 10 yr US treasury rose slightly to 2.34% while 10 yr German Bund and UK Gilt increased to 0.359% and 1.249% respectively. This was due to Germany Ifo Business Climate releases that posted higher level to 117.5 compared with previous month and market expectation. This raising shows that Euro Zone economy has been improving and eventually triggering ECB to normalize its monetary policy soon. This week, bond market sentiment are likely coming from preliminary economic growth of US in the third quarter of 2017 and US PCE inflation in October 2017 that are projected to rise. Furthermore, Euro Zone inflation in November 2017 is also scheduled to release in this week that is similarly forecasted to rise.
- Yield global pada perdagangan terakhir cenderung meningkat di mana US treasury tenor 10 tahun meningkat tipis ke level 2,34%, sementara 10 tahun German Bund dan UK Gilt masing-masing naik ke level 0,359% dan 1,249%. Hal tersebut dipengaruhi rilis data Ifo Business Climate Index Jerman pada November 2017 menjadi sebesar 117,5 atau lebih tinggi dibandingkan dengan bulan sebelumnya dan ekspektasi pasar. Kenaikan indikator tersebut menunjukkan bahwa ekonomi Kawasan Euro terus membaik yang berafiliasi dengan kemungkinan lebih cepatnya normalisasi kebijakan moneter ECB. Pada minggu ini, sentimen terhadap pasar obligasi dari global dipengaruhi oleh rilis data estimasi awal pertumbuhan ekonomi kuartal III-2017 dan inflasi PCE AS Oktober 2017 yang masing-masing diproyeksi meningkat serta rilis inflasi November 2017 Kawasan Euro yang juga diproyeksi meningkat.

Domestic Market Update

- Indonesia Composite Bond Index rose significantly by 0.11% to 238.66 compared with previous day.
- Moody's stated that Indonesia need to improve its state revenue to get rising level of sovereign credit ratings. Moody's projected that state revenue in this year will growth moderately by 11.6% (YoY). In general, Indonesia's state revenue to GDP ratio is relatively low compared with median countries state revenue that get similar level (Baa3). Meanwhile, Moody's also considered that foreign holding of Indonesia's government bonds is relatively big that makes government bond prices are susceptible from currency, interest rates, and foreign flow changes. Based on ASEAN bond online, foreign holding of government bond comprises 38.9% of total tradable bond or relatively higher compared with Thailand and Malaysia at only 16.23% and 26.99% respectively.
- Today, government bond prices in the trading on the secondary market are predicted to be bearish (yield rise) compared with previous day (Friday) due to rupiah depreciation against US dollar and rising global yield.
- Indonesia Composite Bond Index meningkat sebesar 0,11% ke level 238,66 dibandingkan hari sebelumnya.
- Moody's menyatakan bahwa Indonesia perlu meningkatkan penerimaan negara untuk mendapatkan kenaikan rating dari lembaganya. Moody's memproyeksi kenaikan penerimaan negara di tahun ini hanya sebesar 11,6% (YoY). Secara umum, rasio pendapatan terhadap PDB relatif rendah dibandingkan dengan median negara-negara yang mendapatkan rating yang sama (Baa3). Sementara itu, Moody's juga menganggap bahwa porsi kepemilikan SBN oleh asing yaitu sebesar 39% terhadap total tradable SBN membuat harga SBN rentan terhadap pengaruh performa kurs, suku Bunga dan arus keluar masuk asing. Berdasarkan data ASEAN Bond Online, kepemilikan SBN oleh asing tergolong tinggi yaitu sebesar 38,9% (data Oktober 2017) dibandingkan dengan Thailand dan Malaysia sebesar 16,23% dan 26,99%.
- Hari ini, pergerakan harga SBN di pasar sekunder diperkirakan akan melemah (*yield meningkat*) dibandingkan dengan hari sebelumnya (Jumat) seiring dengan melemahnya nilai tukar rupiah dan kecenderungan kenaikan *yield* global.

| Most Active Government Bonds | Last Price | Last Yield | Volume (IDR bn) |
|------------------------------|------------|------------|-----------------|
| SPN12180104 | 99.56 | 4.350 | 1513 |
| FR0059 | 103.25 | 6.534 | 988 |
| SPN12180301 | 98.80 | 4.699 | 850 |
| FR0076 | 102.05 | 7.208 | 767 |
| FR0053 | 107.20 | 6.009 | 577 |
| SPN03180118 | 99.39 | 4.400 | 550 |
| SPN12180412 | 98.27 | 4.750 | 519 |
| SPN03171221 | 99.74 | 4.150 | 400 |
| FR0074 | 107.25 | 6.720 | 351 |
| FR0062 | 89.24 | 7.327 | 317 |

| Most Active Corporate Bonds | Last Price | Last Yield | Volume (IDR bn) | |
|-----------------------------|------------|------------|-----------------|-----|
| PPGD03BCN1 | idAAA | 100.60 | 7.16 | 120 |
| MEDCO2ACN6 | idA+ | 100.15 | 10.24 | 100 |
| SMII01ACN2 | idAAA | 100.07 | 6.07 | 55 |
| BIIF02B | AA+(idn) | 101.13 | 6.17 | 50 |
| ASDF03ACN4 | AAA(idn) | 100.09 | 6.17 | 28 |
| MAYA04SB | idBBB+ | 106.00 | 10.66 | 28 |
| SMGR01CN1 | idAA+ | 103.75 | 7.62 | 24 |
| PPGD01DCN2 | idAAA | 101.15 | 6.75 | 21 |
| BEXI02CCN3 | idAAA | 104.21 | 7.33 | 20 |
| IMFIO2CCN3 | idA | 105.54 | 7.99 | 20 |

| Global Stock Markets | Last Price | Chg (bps) | % Chg | % YTD |
|----------------------|------------|-----------|--------|--------|
| Indonesia (JCI) | 6067 | 3.90 | 0.06% | 14.55% |
| Malaysia (KLCI) | 1724 | -4.04 | -0.23% | 4.60% |
| Thailand (SET) | 1696 | -11.54 | -0.68% | 9.91% |
| Singapore (STI) | 3442 | 18.98 | 0.55% | 19.5% |
| Hang Seng | 29866 | 158.38 | 0.53% | 35.7% |
| Nikkei 225 | 22551 | 27.70 | 0.12% | 17.98% |
| Shanghai | 3354 | 1.90 | 0.06% | 8.06% |
| Dow Jones (DJIA) | 23558 | 31.81 | 0.14% | 19.20% |
| London (FTSE 100) | 7410 | -7.60 | -0.10% | 3.74% |
| DAX | 13060 | 51.29 | 0.39% | 13.8% |

| FX Rate | 24-Nov | | |
|---------|--------|----------|-----------|
| | 24-Nov | (-1 day) | (-1 week) |
| USD/IDR | 13,508 | 13,478 | 13,513 |
| GBP/USD | 1.334 | 1.331 | 1.322 |
| USD/JPY | 111.5 | 111.2 | 112.1 |
| USD/SGD | 1.346 | 1.345 | 1.357 |
| USD/THB | 32.68 | 32.67 | 32.85 |
| USD/MYR | 4.114 | 4.108 | 4.156 |

| 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 | | | |
| 24-Nov | 38.95 | 97.06 | 166.33 |
| (-1 Day) | 38.15 | 97.59 | 170.39 |
| (-1 Week) | 39.92 | 99.03 | 169.70 |
| (-1 Month) | 34.91 | 94.00 | 158.54 |
| (-1 Year) | 74.12 | 175.00 | 246.93 |

| Global Bonds | 24-Nov | | | |
|---|--------|----------|-----------|------------|
| | 24-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 | 1.755 | 1.729 | 1.72 | 1.59 |
| 5-Year | 2.076 | 2.043 | 2.06 | 2.03 |
| 10-Year | 2.343 | 2.32 | 2.34 | 2.41 |
| 30-Year | 2.76 | 2.74 | 2.78 | 2.92 |
| 10-Year Government Bond Yield | | | | |
| UK | 1.249 | 1.248 | 1.29 | 1.35 |
| Germany | 0.359 | 0.346 | 0.36 | 0.38 |
| France | 0.69 | 0.68 | 0.71 | 0.79 |
| China | 3.96 | 4.00 | 3.94 | 3.83 |
| Japan | 0.027 | 0.017 | 0.03 | 0.07 |
| Korea | 2.53 | 2.55 | 2.57 | 2.54 |
| Thailand | 2.40 | 2.39 | 2.36 | 2.34 |
| Malaysia | 3.95 | 3.94 | 3.98 | 4.05 |
| Singapore | 2.10 | 2.05 | 2.12 | 2.27 |
| Indonesia USD Bond Yield | | | | |
| INDO-22 | 2.83 | 2.83 | 2.84 | 2.71 |
| INDO-27 | 3.60 | 3.60 | 3.64 | 3.61 |
| INDO-47 | 4.52 | 4.51 | 4.55 | 4.50 |

| Money Market | 24-Nov | | | |
|---------------------------------|--------|----------|-----------|------------|
| | 24-Nov | (-1 day) | (-1 week) | (-1 month) |
| JIBOR | | | | |
| O/N | 3.90 | 3.90 | 3.90 | 3.92 |
| 1M | 4.80 | 4.80 | 4.80 | 4.79 |
| 3M | 5.20 | 5.20 | 5.20 | 5.19 |
| LIBOR | | | | |
| 1M | 1.34 | 1.33 | 1.29 | 1.24 |
| 3M | 1.47 | 1.46 | 1.44 | 1.38 |
| 6M | 1.65 | 1.65 | 1.63 | 1.57 |
| Indonesia Interest Rates | | | | |
| Deposit 1M | 5.68 | 5.68 | 5.69 | 5.71 |
| Lending | 14.1 | 14.2 | 14.1 | 13.9 |

Government Bond Ownership As of November 23, 2017 (in Trillion)

| Holders | 2013 | 2014 | 2015 | 2016 | 17-Nov-17 | 20-Nov-17 | 21-Nov-17 | 22-Nov-17 | 23-Nov-17 |
|-------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Banks | 335.43 | 375.55 | 350.07 | 399.46 | 618.35 | 623.92 | 619.02 | 623.81 | 625.95 |
| Bank Indonesia | 44.44 | 41.63 | 148.91 | 134.25 | 46.51 | 42.02 | 42.02 | 36.11 | 35.18 |
| Mutual Fund | 42.50 | 45.79 | 61.60 | 85.66 | 101.60 | 101.21 | 101.17 | 101.12 | 101.35 |
| Insurance | 129.55 | 150.60 | 171.62 | 238.24 | 263.62 | 263.57 | 263.53 | 263.38 | 263.82 |
| Foreign Investor | 323.83 | 461.35 | 558.52 | 665.81 | 815.49 | 816.90 | 821.96 | 823.24 | 822.14 |
| Pension Fund | 39.47 | 43.30 | 49.83 | 87.28 | 86.95 | 86.95 | 86.83 | 86.87 | 86.96 |
| Individual Investors | 32.48 | 30.41 | 42.53 | 57.75 | 62.77 | 62.78 | 62.75 | 62.73 | 62.74 |
| Others | 47.56 | 61.32 | 78.76 | 104.84 | 118.83 | 116.76 | 116.84 | 116.85 | 116.94 |
| Total | 995.25 | 1,209.96 | 1,461.85 | 1,773.28 | 2,114.12 | 2,114.12 | 2,114.12 | 2,114.12 | 2,115.07 |

Source: Bloomberg, IDX & DJPPR

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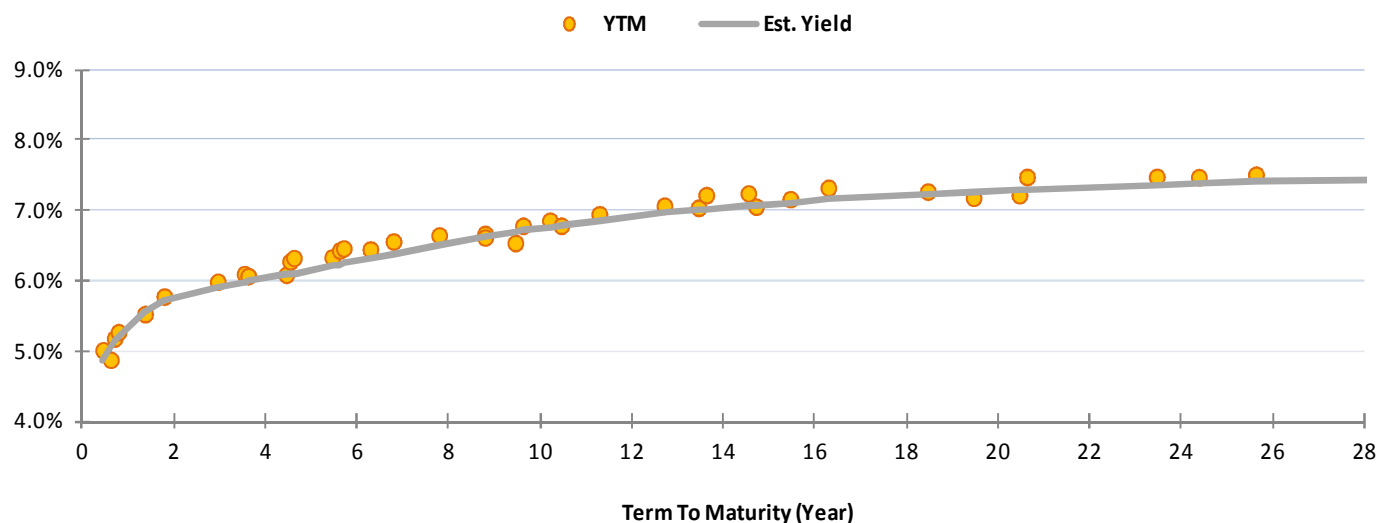
Government Bonds Prices

Closing Price Data : 24-Nov-2017



| Series | Maturity | TTM | Coupon | Price | YTM | Est. Yield | Fair Price | Spread (bps) | Recommendation |
|---------------|------------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|----------------|
| FR0066 | 15-May-18 | 0.47 | 5.25% | 100.11 | 5.01% | 4.89% | 100.16 | 6 | Fair |
| FR0032 | 15-Jul-18 | 0.63 | 15.00% | 106.20 | 4.87% | 5.07% | 106.12 | -8 | Fair |
| FR0038 | 15-Aug-18 | 0.72 | 11.60% | 104.43 | 5.18% | 5.15% | 104.49 | 5 | Fair |
| FR0048 | 15-Sep-18 | 0.80 | 9.00% | 102.86 | 5.27% | 5.22% | 102.91 | 6 | Fair |
| FR0069 | 15-Apr-19 | 1.38 | 7.875% | 103.07 | 5.52% | 5.57% | 103.02 | -5 | Fair |
| FR0036 | 15-Sep-19 | 1.80 | 11.50% | 109.62 | 5.77% | 5.71% | 109.75 | 13 | Cheap |
| FR0031 | 15-Nov-20 | 2.97 | 11.00% | 113.44 | 5.98% | 5.92% | 113.65 | 21 | Cheap |
| FR0034 | 15-Jun-21 | 3.55 | 12.80% | 121.11 | 6.09% | 5.99% | 121.51 | 40 | Cheap |
| FR0053 | 15-Jul-21 | 3.64 | 8.25% | 107.02 | 6.06% | 6.00% | 107.26 | 23 | Cheap |
| FR0061 | 15-May-22 | 4.47 | 7.00% | 103.54 | 6.08% | 6.09% | 103.51 | -4 | Fair |
| FR0035 | 15-Jun-22 | 4.55 | 12.90% | 125.87 | 6.27% | 6.10% | 126.66 | 79 | Cheap |
| FR0043 | 15-Jul-22 | 4.64 | 10.25% | 115.55 | 6.32% | 6.11% | 116.47 | 92 | Cheap |
| FR0063 | 15-May-23 | 5.47 | 5.625% | 96.80 | 6.33% | 6.22% | 97.30 | 50 | Cheap |
| FR0046 | 15-Jul-23 | 5.64 | 9.50% | 114.33 | 6.43% | 6.24% | 115.29 | 97 | Cheap |
| FR0039 | 15-Aug-23 | 5.72 | 11.75% | 124.95 | 6.46% | 6.25% | 126.10 | 115 | Cheap |
| FR0070 | 15-Mar-24 | 6.30 | 8.375% | 109.86 | 6.44% | 6.32% | 110.52 | 65 | Cheap |
| FR0044 | 15-Sep-24 | 6.81 | 10.00% | 118.64 | 6.55% | 6.39% | 119.66 | 102 | Cheap |
| FR0040 | 15-Sep-25 | 7.81 | 11.00% | 126.17 | 6.64% | 6.51% | 127.10 | 92 | Cheap |
| FR0037 | 15-Sep-26 | 8.81 | 12.00% | 135.09 | 6.66% | 6.63% | 135.39 | 29 | Cheap |
| FR0056 | 15-Sep-26 | 8.81 | 8.375% | 111.62 | 6.61% | 6.63% | 111.51 | -11 | Dear |
| FR0059 | 15-May-27 | 9.47 | 7.000% | 103.25 | 6.53% | 6.70% | 102.11 | -114 | Dear |
| FR0042 | 15-Jul-27 | 9.64 | 10.25% | 124.25 | 6.78% | 6.71% | 124.79 | 55 | Cheap |
| FR0047 | 15-Feb-28 | 10.23 | 10.00% | 122.86 | 6.85% | 6.77% | 123.55 | 69 | Cheap |
| FR0064 | 15-May-28 | 10.47 | 6.125% | 95.16 | 6.78% | 6.79% | 95.07 | -9 | Fair |
| FR0071 | 15-Mar-29 | 11.31 | 9.00% | 115.92 | 6.94% | 6.86% | 116.62 | 69 | Cheap |
| FR0052 | 15-Aug-30 | 12.73 | 10.50% | 128.52 | 7.06% | 6.96% | 129.50 | 99 | Cheap |
| FR0073 | 15-May-31 | 13.47 | 8.75% | 114.78 | 7.03% | 7.01% | 115.00 | 22 | Cheap |
| FR0054 | 15-Jul-31 | 13.64 | 9.50% | 119.62 | 7.21% | 7.02% | 121.52 | 190 | Cheap |
| FR0058 | 15-Jun-32 | 14.56 | 8.25% | 109.01 | 7.24% | 7.07% | 110.60 | 160 | Cheap |
| FR0074 | 15-Aug-32 | 14.73 | 7.50% | 104.08 | 7.05% | 7.08% | 103.79 | -28 | Dear |
| FR0065 | 15-May-33 | 15.48 | 6.625% | 95.08 | 7.16% | 7.12% | 95.44 | 36 | Cheap |
| FR0068 | 15-Mar-34 | 16.31 | 8.375% | 109.97 | 7.32% | 7.15% | 111.64 | 167 | Cheap |
| FR0072 | 15-May-36 | 18.48 | 8.25% | 109.96 | 7.26% | 7.23% | 110.28 | 32 | Cheap |
| FR0045 | 15-May-37 | 19.48 | 9.75% | 126.80 | 7.17% | 7.26% | 125.69 | -111 | Dear |
| FR0075 | 15-May-38 | 20.48 | 7.50% | 103.07 | 7.21% | 7.30% | 102.11 | -96 | Dear |
| FR0050 | 15-Jul-38 | 20.65 | 10.50% | 131.62 | 7.47% | 7.30% | 133.88 | 226 | Cheap |
| FR0057 | 15-May-41 | 23.48 | 9.50% | 122.28 | 7.47% | 7.36% | 123.71 | 143 | Cheap |
| FR0062 | 15-Apr-42 | 24.40 | 6.375% | 87.81 | 7.47% | 7.38% | 88.70 | 89 | Cheap |
| FR0067 | 15-Jul-43 | 25.65 | 8.75% | 114.19 | 7.50% | 7.40% | 115.37 | 117 | Cheap |
| FR0076 | 15-May-48 | 30.49 | 7.375% | 101.23 | 7.27% | 7.44% | 99.23 | -200 | Dear |

Source: Bloomberg, IBPA, MCS Estimates



November 27, 2017

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