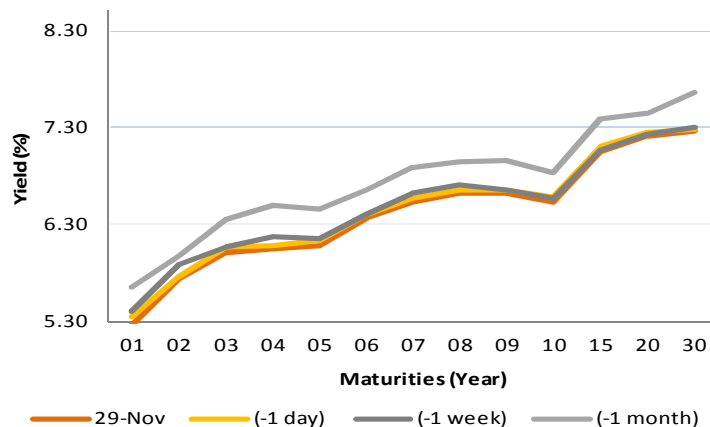


## Indonesia Government Bonds Yield

| Maturities (Year) | 29-Nov | (-1 day) | (-1 week) | (-1 month) |
|-------------------|--------|----------|-----------|------------|
| 01                | 5.26   | 5.34     | 5.40      | 5.65       |
| 02                | 5.75   | 5.77     | 5.88      | 5.98       |
| 03                | 6.02   | 6.06     | 6.07      | 6.35       |
| 04                | 6.04   | 6.09     | 6.17      | 6.49       |
| 05                | 6.08   | 6.14     | 6.15      | 6.46       |
| 06                | 6.37   | 6.41     | 6.40      | 6.66       |
| 07                | 6.54   | 6.57     | 6.62      | 6.89       |
| 08                | 6.63   | 6.65     | 6.70      | 6.94       |
| 09                | 6.62   | 6.65     | 6.66      | 6.96       |
| 10                | 6.53   | 6.59     | 6.57      | 6.83       |
| 15                | 7.06   | 7.10     | 7.07      | 7.39       |
| 20                | 7.21   | 7.25     | 7.23      | 7.45       |
| 30                | 7.27   | 7.29     | 7.30      | 7.65       |

Source: Bloomberg



## Global Market Update

- 10 Yr US treasury in the last trading increased to 2.39% after US economic growth was higher than previous earlier estimation in which the higher economic alteration affiliate with inflation level and rising benchmark rates then pushing yield US treasury at the end. In the second estimates, US economic growth in the third quarter of 2017 posted 3.3% (QoQ) or went up from previous estimates and the second quarter of 2017 of 3.1% (QoQ). This was supported by robust investment growth that posted 10.4% (QoQ). Also, this was the highest level since the same quarter of 2014 and continuing upward trend in 2017 at once. Meanwhile, during her speech in front of US senate, Janet Yellen considered that US economy recovery has been continuing though the productivity level still low. In addition to that, she was pessimistic tax reform could boost US economy stronger. The rising US treasury yield has triggered yield of 10 yr UK Gilt and German Bund to rise to 1.34% and 0.38% respectively.
- Yield 10 tahun US treasury pada perdagangan terakhir meningkat ke level 2,39% setelah rilis data pertumbuhan ekonomi AS yang meningkat dibandingkan estimasi sebelumnya di mana meningkatnya pertumbuhan ekonomi tersebut berafiliasi dengan tingkat inflasi dan frekuensi kenaikan suku bunga acuan yang pada akhirnya mendorong kenaikan *yield*. Berdasarkan estimasi awal kedua, pertumbuhan ekonomi AS pada kuartal III-2017 tercatat sebesar 3,3% (QoQ) atau lebih tinggi dibandingkan dengan estimasi sebelumnya sebesar 3% (QoQ) dan data aktual pertumbuhan ekonomi pada kuartal II-2017 sebesar 3,1% (QoQ). Hal tersebut didorong oleh tingginya pertumbuhan investasi yang mencapai 10,4% (QoQ). Pertumbuhan ekonomi tersebut merupakan level tertinggi sejak kuartal III-2014 dan melanjutkan tren kenaikan di tahun 2017. Sementara itu, dalam pidatonya di depan senat, Janet Yellen menyatakan bahwa pertumbuhan ekonomi AS akan terus berlanjut meski dihadapkan pada rendahnya tingkat produktivitas. Selain itu, ia pesimis bahwa rancangan reformasi pajak AS dapat mendorong pertumbuhan ekonomi lebih kuat. Meningkatnya yield US treasury juga diikuti dengan meningkatnya 10 tahun yield UK Gilt dan German Bund yang masing-masing meningkat ke level 1,34% dan 0,38%.

## Domestic Market Update

- Indonesia Composite Bond Index posted robust alteration by 0.21% higher to 239.24 compared with previous day.
- Based on weekly survey in the third week of November 2017, Bank Indonesia (BI) predicted November 2017 inflation will be 0.23% (MoM) or higher than previous estimates of 0.18% (MoM) and prior month of 0.01% (MoM) due to rising volatile foods. In yearly basis, the inflation of November 2017 will become 3.56% (YoY) or still in BI target at 4% ± 1%
- Today, government bond prices in the secondary market is predicted to decline (yield rise) due to rupiah depreciation against US dollar and rising global yield.
- Indonesia Composite Bond Index meningkat signifikan sebesar 0,21% ke level 239,24 dibandingkan hari sebelumnya.
- Berdasarkan survei harga mingguan pekan ketiga November 2017, Bank Indonesia (BI) memprediksi inflasi November 2017 akan mencapai 0,23% (MoM) atau lebih tinggi dibandingkan dengan prediksi sebelumnya sebesar 0,18% (MoM) dan inflasi bulanan Oktober 2017 sebesar 0,01% (MoM). Hal tersebut didorong oleh inflasi barang-barang bergejolak (*volatile food*). Secara tahunan, tingkat inflasi November 2017 mencapai 3,56% (YoY) atau masih dalam target BI yaitu sebesar 4% ± 1%.
- Seiring dengan melemahnya nilai tukar rupiah terhadap dolar AS dan meningkatnya yield global pada perdagangan terakhir, harga SBN di pasar sekunder pada hari ini diperkirakan akan menurun (*yield* meningkat) dibandingkan dengan hari sebelumnya.

| Most Active Government Bonds | Last Price | Last Yield | Volume (IDR bn) |
|------------------------------|------------|------------|-----------------|
| FR0068                       | 109.30     | 7.382      | 1673            |
| FR0059                       | 103.59     | 6.485      | 1656            |
| FR0061                       | 103.80     | 6.013      | 1577            |
| SPN12180201                  | 99.29      | 4.400      | 1459            |
| FR0056                       | 111.70     | 6.596      | 1384            |
| FR0072                       | 110.40     | 7.220      | 1368            |
| SPN12180301                  | 98.95      | 4.450      | 1315            |
| FR0074                       | 103.45     | 7.152      | 1242            |
| FR0070                       | 110.15     | 6.384      | 688             |
| FR0075                       | 103.90     | 7.134      | 591             |

| Global Stock Marketss | Last Price | Chg (bps) | % Chg  | % YTD  |
|-----------------------|------------|-----------|--------|--------|
| Indonesia (JCI)       | 6061       | -9.35     | -0.15% | 14.44% |
| Malaysia (KLCI)       | 1720       | 5.96      | 0.35%  | 4.79%  |
| Thailand (SET)        | 1705       | -1.19     | -0.07% | 10.53% |
| Singapore (STI)       | 3439       | -3.36     | -0.10% | 19.4%  |
| Hang Seng             | 29624      | -57.02    | -0.19% | 34.6%  |
| Nikkei 225            | 22597      | 110.96    | 0.49%  | 18.22% |
| Shanghai              | 3338       | 4.20      | 0.13%  | 7.55%  |
| Dow Jones (DJIA)      | 23941      | 103.97    | 0.44%  | 21.14% |
| London (FTSE 100)     | 7394       | -67.09    | -0.90% | 3.51%  |
| DAX                   | 13062      | 2.34      | 0.02%  | 13.8%  |

| FX Rate | 29-Nov |          |           |
|---------|--------|----------|-----------|
|         | 29-Nov | (-1 day) | (-1 week) |
| USD/IDR | 13,492 | 13,498   | 13,516    |
| GBP/USD | 1.341  | 1.334    | 1.333     |
| USD/JPY | 111.9  | 111.5    | 111.2     |
| USD/SGD | 1.347  | 1.346    | 1.347     |
| USD/THB | 32.57  | 32.59    | 32.70     |
| USD/MYR | 4.091  | 4.102    | 4.112     |

| 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                   |        |        |         |
| 29-Nov                  | 34.66  | 93.12  | 162.04  |
| (-1 Day)                | 34.72  | 93.73  | 163.69  |
| (-1 Week)               | 38.95  | 97.07  | 166.33  |
| (-1 Month)              | 35.05  | 93.79  | 158.11  |
| (-1 Year)               | 74.15  | 167.92 | 235.93  |

#### Government Bond Ownership As of November 28, 2017 (in Trillion)

| Holders                 | 2013          | 2014            | 2015            | 2016            | 22-Nov-17       | 23-Nov-17       | 24-Nov-17       | 27-Nov-17       | 28-Nov-17       |
|-------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Banks                   | 335.43        | 375.55          | 350.07          | 399.46          | 623.81          | 625.95          | 605.09          | 605.91          | 603.91          |
| Bank Indonesia          | 44.44         | 41.63           | 148.91          | 134.25          | 36.11           | 35.18           | 53.15           | 50.38           | 50.38           |
| Mutual Fund             | 42.50         | 45.79           | 61.60           | 85.66           | 101.12          | 101.35          | 101.37          | 101.40          | 101.36          |
| Insurance               | 129.55        | 150.60          | 171.62          | 238.24          | 263.38          | 263.82          | 263.21          | 263.25          | 263.44          |
| <b>Foreign Investor</b> | <b>323.83</b> | <b>461.35</b>   | <b>558.52</b>   | <b>665.81</b>   | <b>823.24</b>   | <b>822.14</b>   | <b>825.76</b>   | <b>827.65</b>   | <b>829.67</b>   |
| Pension Fund            | 39.47         | 43.30           | 49.83           | 87.28           | 86.87           | 86.96           | 86.84           | 86.86           | 86.72           |
| Individual Investors    | 32.48         | 30.41           | 42.53           | 57.75           | 62.73           | 62.74           | 62.73           | 62.71           | 62.68           |
| Others                  | 47.56         | 61.32           | 78.76           | 104.84          | 116.85          | 116.94          | 116.92          | 116.90          | 116.90          |
| <b>Total</b>            | <b>995.25</b> | <b>1,209.96</b> | <b>1,461.85</b> | <b>1,773.28</b> | <b>2,114.12</b> | <b>2,115.07</b> | <b>2,115.07</b> | <b>2,115.07</b> | <b>2,115.07</b> |

Source: Bloomberg, IDX & DJPPR

| Most Active Corporate Bonds | Last Price | Last Yield | Volume (IDR bn) |    |
|-----------------------------|------------|------------|-----------------|----|
| BIIF01ACN4                  | AA+(idn)   | 99.90      | 7.69            | 98 |
| BMTR01ACN1                  | idA+       | 100.00     | 11.50           | 91 |
| BBRI02ACN2                  | idAAA      | 101.45     | 5.00            | 84 |
| ADMFO2CCN2                  | idAAA      | 104.28     | 6.07            | 66 |
| BNII01SB                    | idAA+      | 102.98     | 5.00            | 40 |
| AKRA01ACN1                  | idAA-      | 100.02     | 8.49            | 30 |
| WOMFO1BCN3                  | AA-(idn)   | 100.85     | 7.58            | 30 |
| WSKT02CN1                   | idA-       | 101.93     | 7.90            | 30 |
| SMFP03BCN7                  | idAAA      | 101.95     | 7.45            | 25 |
| PTHK01CN2                   | idAAA(gg)  | 100.75     | 7.96            | 21 |

| Global Bonds                                | 29-Nov |          |           |            |
|---|--------|----------|-----------|------------|
|   | 29-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                                      | 1.760  | 1.748    | 1.73      | 1.61       |
| 5-Year                                      | 2.102  | 2.060    | 2.04      | 2.02       |
| 10-Year                                     | 2.389  | 2.33     | 2.32      | 2.37       |
| 30-Year                                     | 2.82   | 2.76     | 2.74      | 2.86       |
| <b>10-Year Government Bond Yield</b>        |        |          |           |            |
| UK  | 1.336  | 1.252    | 1.27      | 1.34       |
| Germany                                     | 0.383  | 0.338    | 0.35      | 0.37       |
| France                                      | 0.71   | 0.67     | 0.66      | 0.76       |
| China                                       | 3.94   | 3.98     | 4.01      | 3.86       |
| Japan                                       | 0.032  | 0.035    | 0.02      | 0.06       |
| Korea                                       | 2.49   | 2.50     | 2.55      | 2.54       |
| Thailand                                    | 2.31   | 2.36     | 2.39      | 2.32       |
| Malaysia                                    | 3.95   | 3.96     | 3.93      | 3.95       |
| Singapore                                   | 2.11   | 2.12     | 2.07      | 2.16       |
| <b>Indonesia USD Bond Yield</b>             |        |          |           |            |
| INDO-22                                     | 2.86   | 2.85     | 2.83      | 2.74       |
| INDO-27                                     | 3.61   | 3.61     | 3.60      | 3.58       |
| INDO-47                                     | 4.51   | 4.51     | 4.51      | 4.47       |

| Money Market                    | 29-Nov |          |           |            |
|---------------------------------|--------|----------|-----------|------------|
|                                 | 29-Nov | (-1 day) | (-1 week) | (-1 month) |
| <b>JIBOR</b>                    |        |          |           |            |
| O/N                             | 3.90   | 3.90     | 3.90      | 3.90       |
| 1M                              | 4.81   | 4.80     | 4.80      | 4.79       |
| 3M                              | 5.23   | 5.23     | 5.20      | 5.17       |
| <b>LIBOR</b>                    |        |          |           |            |
| 1M                              | 1.35   | 1.35     | 1.33      | 1.24       |
| 3M                              | 1.48   | 1.48     | 1.46      | 1.38       |
| 6M                              | 1.66   | 1.66     | 1.65      | 1.58       |
| <b>Indonesia Interest Rates</b> |        |          |           |            |
| Deposit 1M                      | 5.66   | 5.70     | 5.71      | 5.70       |
| Lending                         | 13.9   | 14.2     | 14.1      | 14.9       |

November 30, 2017

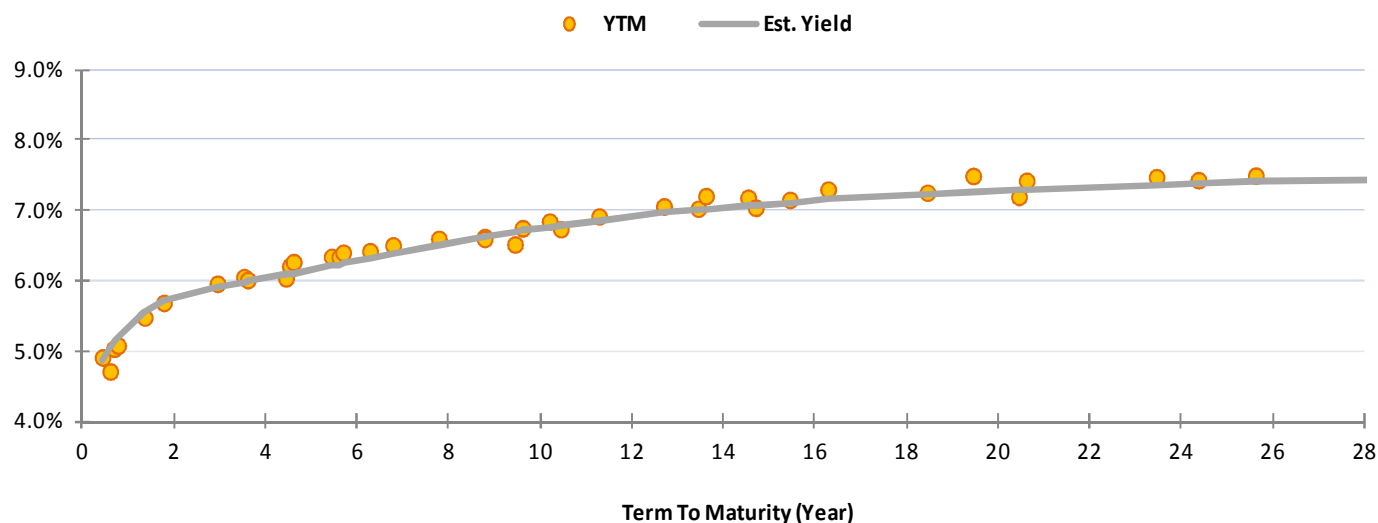
Government Bonds Prices

Closing Price Data : 29-Nov-2017



| Series        | Maturity         | TTM          | Coupon        | Price         | YTM          | Est. Yield   | Fair Price    | Spread (bps) | Recommendation |
|---------------|------------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|----------------|
| FR0066        | 15-May-18        | 0.46         | 5.25%         | 100.15        | 4.91%        | 4.88%        | 100.16        | 2            | Fair           |
| FR0032        | 15-Jul-18        | 0.62         | 15.00%        | 106.15        | 4.71%        | 5.06%        | 106.05        | -10          | Fair           |
| FR0038        | 15-Aug-18        | 0.71         | 11.60%        | 104.44        | 5.03%        | 5.14%        | 104.44        | 1            | Fair           |
| FR0048        | 15-Sep-18        | 0.79         | 9.00%         | 102.95        | 5.08%        | 5.21%        | 102.89        | -6           | Fair           |
| FR0069        | 15-Apr-19        | 1.38         | 7.875%        | 103.10        | 5.47%        | 5.57%        | 103.01        | -9           | Fair           |
| FR0036        | 15-Sep-19        | 1.79         | 11.50%        | 109.70        | 5.68%        | 5.71%        | 109.71        | 2            | Fair           |
| FR0031        | 15-Nov-20        | 2.96         | 11.00%        | 113.45        | 5.95%        | 5.92%        | 113.62        | 16           | Cheap          |
| FR0034        | 15-Jun-21        | 3.55         | 12.80%        | 121.17        | 6.05%        | 5.99%        | 121.46        | 30           | Cheap          |
| FR0053        | 15-Jul-21        | 3.63         | 8.25%         | 107.18        | 6.01%        | 5.99%        | 107.24        | 6            | Fair           |
| <b>FR0061</b> | <b>15-May-22</b> | <b>4.46</b>  | <b>7.00%</b>  | <b>103.73</b> | <b>6.03%</b> | <b>6.09%</b> | <b>103.50</b> | <b>-23</b>   | <b>Dear</b>    |
| FR0035        | 15-Jun-22        | 4.55         | 12.90%        | 126.10        | 6.20%        | 6.10%        | 126.62        | 53           | Cheap          |
| FR0043        | 15-Jul-22        | 4.63         | 10.25%        | 115.76        | 6.26%        | 6.11%        | 116.45        | 70           | Cheap          |
| FR0063        | 15-May-23        | 5.46         | 5.625%        | 96.77         | 6.34%        | 6.21%        | 97.30         | 54           | Cheap          |
| FR0046        | 15-Jul-23        | 5.63         | 9.50%         | 114.76        | 6.33%        | 6.24%        | 115.28        | 52           | Cheap          |
| FR0039        | 15-Aug-23        | 5.71         | 11.75%        | 125.22        | 6.40%        | 6.25%        | 126.08        | 86           | Cheap          |
| FR0070        | 15-Mar-24        | 6.30         | 8.375%        | 109.98        | 6.42%        | 6.32%        | 110.51        | 53           | Cheap          |
| FR0044        | 15-Sep-24        | 6.80         | 10.00%        | 118.94        | 6.50%        | 6.39%        | 119.65        | 71           | Cheap          |
| FR0040        | 15-Sep-25        | 7.80         | 11.00%        | 126.47        | 6.59%        | 6.51%        | 127.08        | 61           | Cheap          |
| FR0037        | 15-Sep-26        | 8.80         | 12.00%        | 135.37        | 6.62%        | 6.62%        | 135.37        | 0            | Fair           |
| FR0056        | 15-Sep-26        | 8.80         | 8.375%        | 111.74        | 6.59%        | 6.62%        | 111.51        | -23          | Dear           |
| <b>FR0059</b> | <b>15-May-27</b> | <b>9.46</b>  | <b>7.000%</b> | <b>103.39</b> | <b>6.51%</b> | <b>6.69%</b> | <b>102.11</b> | <b>-128</b>  | <b>Dear</b>    |
| FR0042        | 15-Jul-27        | 9.63         | 10.25%        | 124.51        | 6.74%        | 6.71%        | 124.79        | 28           | Cheap          |
| FR0047        | 15-Feb-28        | 10.22        | 10.00%        | 122.95        | 6.84%        | 6.77%        | 123.54        | 59           | Cheap          |
| FR0064        | 15-May-28        | 10.47        | 6.125%        | 95.52         | 6.73%        | 6.79%        | 95.08         | -44          | Dear           |
| FR0071        | 15-Mar-29        | 11.30        | 9.00%         | 116.18        | 6.91%        | 6.86%        | 116.62        | 43           | Cheap          |
| FR0052        | 15-Aug-30        | 12.72        | 10.50%        | 128.59        | 7.05%        | 6.96%        | 129.50        | 91           | Cheap          |
| FR0073        | 15-May-31        | 13.47        | 8.75%         | 114.90        | 7.02%        | 7.01%        | 115.00        | 10           | Cheap          |
| FR0054        | 15-Jul-31        | 13.63        | 9.50%         | 119.76        | 7.20%        | 7.02%        | 121.52        | 176          | Cheap          |
| FR0058        | 15-Jun-32        | 14.55        | 8.25%         | 109.59        | 7.18%        | 7.07%        | 110.61        | 102          | Cheap          |
| <b>FR0074</b> | <b>15-Aug-32</b> | <b>14.72</b> | <b>7.50%</b>  | <b>104.22</b> | <b>7.03%</b> | <b>7.08%</b> | <b>103.80</b> | <b>-42</b>   | <b>Dear</b>    |
| FR0065        | 15-May-33        | 15.47        | 6.625%        | 95.18         | 7.15%        | 7.12%        | 95.44         | 26           | Cheap          |
| FR0068        | 15-Mar-34        | 16.30        | 8.375%        | 110.20        | 7.29%        | 7.15%        | 111.64        | 144          | Cheap          |
| <b>FR0072</b> | <b>15-May-36</b> | <b>18.47</b> | <b>8.25%</b>  | <b>110.10</b> | <b>7.25%</b> | <b>7.23%</b> | <b>110.28</b> | <b>18</b>    | <b>Cheap</b>   |
| FR0045        | 15-May-37        | 19.47        | 9.75%         | 123.00        | 7.49%        | 7.26%        | 125.69        | 269          | Cheap          |
| FR0075        | 15-May-38        | 20.47        | 7.50%         | 103.31        | 7.19%        | 7.30%        | 102.11        | -120         | Dear           |
| FR0050        | 15-Jul-38        | 20.64        | 10.50%        | 132.30        | 7.42%        | 7.30%        | 133.88        | 158          | Cheap          |
| FR0057        | 15-May-41        | 23.47        | 9.50%         | 122.32        | 7.47%        | 7.36%        | 123.71        | 139          | Cheap          |
| FR0062        | 15-Apr-42        | 24.39        | 6.375%        | 88.24         | 7.43%        | 7.38%        | 88.70         | 46           | Cheap          |
| FR0067        | 15-Jul-43        | 25.64        | 8.75%         | 114.36        | 7.49%        | 7.40%        | 115.37        | 101          | Cheap          |
| FR0076        | 15-May-48        | 30.48        | 7.375%        | 101.52        | 7.25%        | 7.44%        | 99.23         | -229         | Dear           |

Source: Bloomberg, IBPA, MCS Estimates



November 30, 2017

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