

February 01, 2017

## Fixed Income Daily Notes



Indonesia Government Bonds Yield				
Maturities (Year)	31-Jan	(-1 day)	(-1 week)	(-1 month)
01	5.16	5.19	4.82	5.26
02	5.43	5.44	5.41	5.54
03	5.76	5.77	5.55	5.83
04	5.83	5.86	5.70	5.93
05	5.78	5.87	5.67	5.96
06	6.02	6.09	5.90	6.03
07	6.26	6.33	6.22	6.40
08	6.37	6.43	6.24	6.46
09	6.40	6.53	6.30	6.45
10	6.27	6.37	6.18	6.32
15	6.71	6.81	6.65	6.93
20	7.00	7.14	6.97	7.06
30	7.13	7.14	7.08	7.16

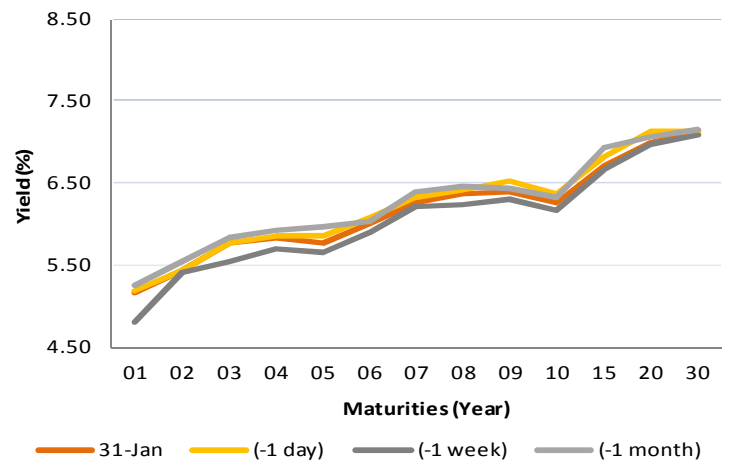
Source: Bloomberg

### Global Market Update

- Yield of 10 yr US treasury in the last trading seemed to stagnate at 2.72% after FOMC meeting that decided to keep its benchmark rates. The Fed's benchmark rates remained unchanged at 1.25% - 1.5% in the meeting last night although FOMC members delivered hawkish tone in which they foresaw US inflation (gauged by PCE) will reach The Fed's target at 2% (YoY) in this year and stay in the medium term. This indicated another possibility that The Fed will raise its benchmark rates more than 3 times in this year. So far, market still predicts The Fed will start to raise its benchmark rate in this year to 1.5% - 1.75% in March meeting.
- Meanwhile, Moody's yesterday revealed their outlook related to ASIA Pacific bonds market in 2018 in which they thought that in general the outlook remains stable although they concerned about Chinese government bonds.
- Generally, global yield rose in the last trading in which yield of 10 yr UK Gilt and German Bund increased to 1.51% and 0.695%, respectively.
- Yield US treasury tenor 10 tahun pada perdagangan kemarin cenderung stagnan di level 2,72% pasca pertemuan FOMC yang memutuskan untuk mempertahankan suku bunga acuannya. Suku bunga acuan The Fed dipertahankan di level 1,25% - 1,5% pada pertemuan FOMC tadi malam meski pejabat The Fed memberikan sentimen *hawkish* ke pasar melalui prediksi inflasi (PCE) yang akan mencapai target The Fed sebesar 2% (YoY) pada tahun ini dan akan bertahan dalam jangka waktu menengah. Hal tersebut memberikan indikasi adanya kemungkinan kenaikan suku bunga acuan The Fed lebih dari 3 kali di tahun ini sedangkan kami masih memprediksi kenaikan suku bunga acuan The Fed sejumlah 3 kali di tahun ini. Sejauh ini, pasar memprediksi The Fed mulai menaikkan suku bunga acuannya yang pertama kali di tahun ini ke level 1,5% - 1,75% pada pertemuan FOMC Maret 2018.
- Sementara itu, kemarin Moody's memberikan *outlook* 2018 terkait dengan surat utang pemerintah maupun korporasi negara-negara di ASIA Pasifik yang secara umum diproyeksi stabil. Namun demikian, Moody's menyatakan *concern*-nya terhadap surat utang Pemerintah Tiongkok.
- Secara umum yield global cenderung meningkat di mana yield 10 tahun UK Gilt dan German Bund masing-masing meningkat ke level 1,51% dan 0,695%.

### Domestic Market Update

- Indonesia Composite Bond Index rebounded by 0.27% to 245.69 compared with prior day in the last trading on the secondary market.
- Today, BPS about to release Indonesia's inflation in January 2018 at 10 or 11 AM in which Bank Indonesia (BI) predicts the inflation will be 0.73% (MoM) and 3.38% (YoY). BI's prediction is slightly higher than market consensus at 0.7% (MoM) and 3.12% (YoY). Meanwhile, we estimate the inflation will post 0.32% (MoM) and 2.72% (YoY).
- Government bond prices, today, are predicted to be bearish somewhat in the first session but will potentially be rebound at the second session. This are driven by FOMC meeting last night and rising global yield but offset by the inflation that we predicts will be lower than market expectation.
- Indonesia Composite Bond Index mengalami rebound sebesar 0,27% ke level 245,69 dibandingkan hari sebelumnya pada perdagangan terakhir.
- Hari ini, BPS dijadwalkan akan merilis data inflasi Januari 2018 pada pukul 10 atau 11 siang di mana Bank Indonesia memprediksi inflasi Januari 2018 akan mencapai 0,73% (MoM) dan 3,38% (YoY). Sementara berdasarkan konsensus pasar, inflasi diprediksi akan mencapai 0,7% (MoM) dan 3,12% (YoY) sedangkan kami memprediksi inflasi akan melandai ke level 0,32% (MoM) dan 2,72% (YoY).
- Pergerakan harga SBN di pasar sekunder hari ini diperkirakan melemah terbatas pada perdagangan di sesi 1 namun berpotensi untuk menguat di sesi 2. Hal tersebut didorong oleh sentimen pertemuan FOMC semalam dan kenaikan yield global namun diimbangi dengan rilis data inflasi yang kami perkirakan bisa di bawah ekspektasi pasar.



Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0064	99.37	6.21	4118
FR0075	106.85	6.87	3270
FR0072	112.22	7.05	2937
FR0059	105.00	6.28	2886
FR0063	99.30	5.78	2134
FR0074	106.00	6.84	2023
PBS013	101.25	5.22	1515
FR0065	99.95	6.63	1247
FR0061	105.10	5.64	1211
FR0052	130.20	6.87	922

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6606	30.14	0.46%	24.71%
Malaysia (KLCI)	1871	0.00	0.00%	13.82%
Thailand (SET)	1827	0.25	0.01%	18.40%
Singapore (STI)	3534	-14.75	-0.42%	22.7%
Hang Seng	32887	279.98	0.86%	49.5%
Nikkei 225	23098	-193.68	-0.83%	20.84%
Shanghai	3481	-7.18	-0.21%	12.15%
Dow Jones (DJIA)	26149	72.50	0.28%	32.31%
London (FTSE 100)	7534	-54.43	-0.72%	5.47%
DAX	13189	-8.23	-0.06%	14.9%

FX Rate	31-Jan		
	31-Jan	(-1 day)	(-1 week)
USD/IDR	13,376	13,397	13,299
GBP/USD	1.419	1.415	1.424
USD/JPY	109.2	108.8	109.2
USD/SGD	1.312	1.311	1.307
USD/THB	31.34	31.42	31.54
USD/MYR	3.901	3.901	3.896

Macroeconomic Data	Dec-17	Nov-17	Oct-17
Consumer Price Index (MoM)	0.71	0.20	0.01
Consumer Price Index (YoY)	3.61	3.3	3.58
Core Inflation (YoY)	2.95	3.05	3.07
BI 7-Day RR Rate (%)	4.25	4.25	4.25
Foreign Reserve (US\$ Bn)	130.2	125.9	126.5

Indonesia Sovereign CDS	2-year	5-year	10-year
As of			
31-Jan	31.02	81.36	144.94
(-1 Day)	30.18	83.06	144.95
(-1 Week)	28.33	78.68	141.78
(-1 Month)	33.75	84.87	141.78
(-1 Year)	61.64	153.12	225.32

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
BIIF01ACN4	AA+(idn)	100.00	7.65	273
TINS01BCN1	idA+	102.60	8.07	258
TPIA01CCN1	idAA-	102.42	9.27	120
SMGR01CN1	idAA+	105.72	7.07	60
BMTR01ACN1	idA+	100.00	11.50	50
ISAT01BCN1	idAAA	106.33	6.65	40
BBMISMSB1CN2	idA-(sy)	98.20	8.06	28
PRTL01ACN1	AAA(idn)	101.65	6.92	24
PIGN01B	idAA	104.72	7.41	20
SMRA01CN1	idA+	103.78	6.31	20

Global Bonds	31-Jan			
	31-Jan	(-1 day)	(-1 week)	(-1 month)
<b>Fed Fund Rate &amp; UST-Bonds Yield</b>				
Fed Fund Rate	1.50	1.50	1.50	1.50
2-Year	2.159	2.126	2.08	1.93
5-Year	2.538	2.506	2.44	2.25
10-Year	2.727	2.71	2.65	2.45
30-Year	2.95	2.97	2.93	2.79
<b>10-Year Government Bond Yield</b>				
UK	1.509	1.460	1.41	1.21
Germany	0.695	0.680	0.59	0.44
France	0.97	0.96	0.86	0.79
China	3.91	3.93	3.95	3.91
Japan	0.084	0.089	0.08	0.04
Korea	2.78	2.79	2.65	2.50
Thailand	2.35	2.35	2.32	2.33
Malaysia	3.95	3.95	3.94	3.91
Singapore	2.18	2.25	2.14	2.02
<b>Indonesia USD Bond Yield</b>				
INDO-22	3.07	3.06	2.98	2.90
INDO-27	3.71	3.72	3.62	3.56
INDO-47	4.56	4.57	4.51	4.43

Money Market	31-Jan			
	31-Jan	(-1 day)	(-1 week)	(-1 month)
<b>JIBOR</b>				
O/N	3.90	3.91	3.91	3.90
1M	4.94	4.94	4.94	5.03
3M	5.31	5.31	5.32	5.31
<b>LIBOR</b>				
1M	1.57	1.57	1.56	1.56
3M	1.77	1.77	1.75	1.70
6M	1.97	1.97	1.94	1.84
<b>Indonesia Interest Rates</b>				
Deposit 1M	5.63	5.60	5.60	5.55
Lending	14.1	14.0	14.0	14.1

### Government Bond Ownership As of January 30, 2017 (in Trillion)

Holders	2013	2014	2015	2016	25-Jan-18	26-Jan-18	29-Jan-18	30-Jan-18
Banks	335.43	375.55	350.07	399.46	554.82	549.18	551.26	552.14
Bank Indonesia	44.44	41.63	148.91	134.25	47.57	52.89	49.54	49.54
Mutual Fund	42.50	45.79	61.60	85.66	103.19	104.37	104.44	104.34
Insurance	129.55	150.60	171.62	238.24	153.33	153.50	154.06	154.45
<b>Foreign Investor</b>	<b>323.83</b>	<b>461.35</b>	<b>558.52</b>	<b>665.81</b>	<b>874.75</b>	<b>873.14</b>	<b>873.81</b>	<b>872.11</b>
Pension Fund	39.47	43.30	49.83	87.28	201.54	201.94	202.14	202.30
Individual Investors	32.48	30.41	42.53	57.75	56.50	56.47	56.42	56.43
Others	47.56	61.32	78.76	104.84	115.04	115.25	115.09	115.44
<b>Total</b>	<b>995.25</b>	<b>1,209.96</b>	<b>1,461.85</b>	<b>1,773.28</b>	<b>2,106.74</b>	<b>2,106.74</b>	<b>2,106.74</b>	<b>2,106.74</b>

Source: Bloomberg, IDX & DJPPR

February 01, 2017

## Government Bonds Prices

Closing Price Data : 31-Jan-2018



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0066	15-May-18	0.28	5.25%	100.33	4.03%	100.34	-1.6
FR0032	15-Jul-18	0.45	15.00%	104.84	4.02%	104.95	-10.2
FR0038	15-Aug-18	0.54	11.60%	103.93	4.10%	103.99	-5.9
FR0048	15-Sep-18	0.62	9.00%	102.68	4.50%	102.72	-3.9
FR0069	15-Apr-19	1.20	7.88%	103.30	4.99%	103.25	5.5
FR0036	15-Sep-19	1.62	11.50%	109.41	5.32%	109.42	-0.3
FR0031	15-Nov-20	2.79	11.00%	113.83	5.56%	113.90	-6.9
FR0034	15-Jun-21	3.37	12.80%	121.51	5.68%	121.57	-6.1
FR0053	15-Jul-21	3.45	8.25%	107.94	5.68%	107.86	8.5
FR0061	15-May-22	4.29	7.00%	104.54	5.79%	104.46	7.3
FR0035	15-Jun-22	4.37	12.90%	126.79	5.85%	126.87	-7.9
FR0043	15-Jul-22	4.45	10.25%	116.83	5.89%	116.92	-9.1
<b>FR0063</b>	<b>15-May-23</b>	<b>5.29</b>	<b>5.625%</b>	<b>99.43</b>	<b>5.75%</b>	<b>99.08</b>	<b>34.7</b>
FR0046	15-Jul-23	5.45	9.50%	116.41	5.93%	116.41	-0.2
FR0039	15-Aug-23	5.54	11.75%	126.52	6.04%	<b>126.57</b>	-5.1
FR0070	15-Mar-24	6.12	8.38%	112.09	5.98%	112.06	2.7
FR0044	15-Sep-24	6.63	10.00%	120.21	6.22%	119.94	27.2
FR0040	15-Sep-25	7.63	11.00%	127.81	6.34%	127.51	30.5
FR0037	15-Sep-26	8.63	12.00%	136.16	6.46%	136.12	3.9
FR0056	15-Sep-26	8.63	8.38%	112.88	6.40%	112.70	18.2
FR0059	15-May-27	9.29	7.00%	104.15	6.40%	103.46	69.2
FR0042	15-Jul-27	9.46	10.25%	125.94	6.53%	125.80	13.7
FR0047	15-Feb-28	10.05	10.00%	125.63	6.49%	125.23	39.7
<b>FR0064</b>	<b>15-May-28</b>	<b>10.29</b>	<b>6.125%</b>	<b>98.82</b>	<b>6.28%</b>	<b>98.43</b>	<b>39.0</b>
FR0071	15-Mar-29	11.13	9.00%	119.15	6.55%	119.24	-8.5
FR0052	15-Aug-30	12.55	10.50%	129.87	6.90%	129.77	10.2
FR0073	15-May-31	13.29	8.75%	115.94	6.90%	115.80	14.0
FR0054	15-Jul-31	13.46	9.50%	122.11	6.94%	122.19	-8.6
FR0058	15-Jun-32	14.38	8.25%	110.84	7.04%	110.90	-5.9
FR0074	15-Aug-32	14.55	7.50%	104.88	6.96%	104.15	72.9
<b>FR0065</b>	<b>15-May-33</b>	<b>15.30</b>	<b>6.625%</b>	<b>99.20</b>	<b>6.71%</b>	<b>98.48</b>	<b>72.0</b>
FR0068	15-Mar-34	16.13	8.38%	112.40	7.07%	112.34	5.6
FR0072	15-May-36	18.30	8.25%	111.71	7.10%	111.26	45.7
FR0045	15-May-37	19.30	9.75%	127.96	7.07%	127.958	0.0
<b>FR0075</b>	<b>15-May-38</b>	<b>138.47</b>	<b>7.500%</b>	<b>104.73</b>	<b>7.06%</b>	<b>103.99</b>	<b>74.4</b>
FR0050	15-Jul-38	20.47	10.50%	134.76	7.22%	<b>134.76</b>	-0.6
FR0057	15-May-41	23.30	9.50%	125.02	7.26%	125.09	-6.3
FR0062	15-Apr-42	24.22	6.38%	91.64	7.10%	91.64	0.0
FR0067	15-Jul-43	25.47	8.75%	116.30	7.34%	116.12	18.1
FR0076	15-May-48	30.31	7.38%	103.47	7.14%	103.47	-0.9

Source: Bloomberg, IBPA, MCS Estimates

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