

## Indonesia Government Bonds Yield

Maturities (Year)	1-Feb	(-1 day)	(-1 week)	(-1 month)
01	5.12	5.16	4.76	5.26
02	5.34	5.43	5.40	5.54
03	5.71	5.76	5.56	5.83
04	5.82	5.83	5.70	5.93
05	5.76	5.78	5.72	5.96
06	6.02	6.02	5.93	6.03
07	6.24	6.26	6.26	6.40
08	6.31	6.37	6.30	6.46
09	6.36	6.40	6.38	6.45
10	6.22	6.27	6.22	6.32
15	6.69	6.71	6.67	6.93
20	6.98	7.00	7.02	7.06
30	7.11	7.13	7.08	7.16

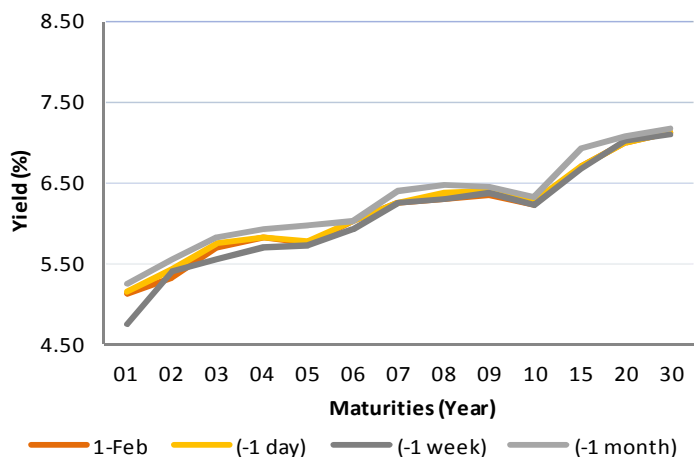
Source: Bloomberg

## Global Market Update

- 10 yr US treasury in the last trading rose to the highest level since early 2014 at 2.79% as a response of FOMC meeting and revised up projection of The Atlanta Fed's GDP Now Model that showed US economy in the first quarter of 2018 will grow at 5,4% (YoY) from earlier estimates at 4,2%. This was in line with FOMC members projection that said US economy will grow significantly and the inflation (PCE) will reach The Fed's target at 2% (YoY) in this year. Meanwhile, the early estimation of Euro inflation in January 2018 posted tepid level at 1,3% (YoY) compared with previous month at 1.4% (YoY) although in line with market consensus.

## Domestic Market Update

- Indonesia composite bonds index was 0,21% higher to 246,21 compared with previous day.
- Inflation in January 2018 was 0.62% (MoM) and 3.25% (YoY), slightly lower if compared with December 2017 at 0.71% (MoM) and 3.61% (YoY). Furthermore, it was also lower than market consensus at 0.7% (MoM) and 3.33% (YoY) although the inflation was still above our estimates at 0.32% (MoM) and 2.72% (YoY).
- Today, market is likely to focus on the release of economic growth in the last quarter of 2017. We estimate that the economy will grow at 5.12% (YoY) or in line with market consensus. Meanwhile, in full year of 2017, we predict that Indonesia's economy in 2017 will alter by 5.05% (YoY) or lower than government target at 5.2% (YoY).
- Government bond prices on the secondary market are likely to be bearish amid rising global yield specifically US treasury and rupiah against US dollar depreciation. Nonetheless, the investor need to focus on the second session of the trading to anticipate economic growth release above market consensus that triggers government market to rebound.



- Yield US treasury tenor 10 tahun pada perdagangan kemarin mencapai level tertinggi sejak awal tahun 2014 ke level 2,79% sebagai respon pasca pertemuan FOMC dan rilis proyeksi pertumbuhan ekonomi AS yang direvisi meningkat. Berdasarkan The Atlanta Fed's GDP Now model, pertumbuhan ekonomi AS pada kuartal I-2018 direvisi meningkat menjadi sebesar 5,4% (YoY) dibandingkan proyeksi sebelumnya sebesar 4,2% (YoY). Hal tersebut juga selaras dengan proyeksi anggota FOMC pasca pertemuan kemarin di mana pertumbuhan ekonomi AS diprediksi meningkat dan inflasi (PCE) akan mencapai target The Fed sebesar 2% (YoY) tahun ini. Sementara itu, estimasi awal inflasi Kawasan Euro pada Januari 2018 tercatat sebesar 1,3% (YoY) atau selaras dengan konsensus pasar namun lebih rendah dibandingkan dengan inflasi bulan sebelumnya.

- Indonesia Composite Bond Index meningkat sebesar 0,21% ke level 246,21 dibandingkan hari sebelumnya.
- Inflasi pada Januari 2018 tercatat sebesar 0,62% (MoM) dan 3,25%, sedikit lebih rendah jika dibandingkan dengan inflasi Desember 2017 sebesar 0,71% (MoM) dan 3,61% (YoY). Lebih lanjut lagi, inflasi Januari 2018 juga lebih rendah dibandingkan dengan konsensus pasar sebesar 0,7% (MoM) dan 3,33% (YoY) meski masih di atas ekspektasi kami sebesar 0,32% (MoM) dan 2,72% (YoY).
- Hari ini, pasar diprediksi akan fokus pada rilis data pertumbuhan ekonomi pada kuartal terakhir di tahun 2017. Kami memprediksi bahwa ekonomi Indonesia akan tumbuh sebesar 5,12% (YoY) atau selaras dengan konsensus pasar. Sementara itu, secara keseluruhan di tahun 2017, kami memprediksi ekonomi Indonesia akan tumbuh sebesar 5,05% (YoY) atau lebih rendah dibandingkan dengan target pemerintah sebesar 5,2% (YoY).
- Pergerakan harga SBN di pasar sekunder hari ini diperkirakan menurun seiring dengan kenaikan yield global terutama US treasury dan melemahnya nilai tukar rupiah. Namun demikian, investor perlu memperhatikan pergerakan harga pada sesi kedua setelah rilis data pertumbuhan ekonomi Indonesia sebagai antisipasi kenaikan di atas konsensus pasar yang dapat memicu harga SBN mengalami *rebound*.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0075	106.75	6.88	4041
FR0061	104.47	5.80	3310
FR0064	99.40	6.20	3079
FR0059	104.25	6.38	2980
FR0074	105.90	6.85	2293
FR0071	120.00	6.45	2052
FR0056	113.35	6.34	1598
FR0063	99.70	5.69	1492
FR0072	113.25	6.96	1491
FR0070	112.30	5.94	1395

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6598	-7.17	-0.11%	24.58%
Malaysia (KLCI)	1869	0.00	0.00%	13.82%
Thailand (SET)	1834	6.74	0.37%	18.84%
Singapore (STI)	3547	13.24	0.37%	23.1%
Hang Seng	32642	-245.18	-0.75%	48.4%
Nikkei 225	23486	387.82	1.68%	22.87%
Shanghai	3447	-33.85	-0.97%	11.06%
Dow Jones (DJIA)	26187	37.32	0.14%	32.50%
London (FTSE 100)	7490	-43.16	-0.57%	4.87%
DAX	13004	-185.58	-1.41%	13.3%

FX Rate	1-Feb		
	1-Feb	(-1 day)	(-1 week)
USD/IDR	13,393	13,376	13,304
GBP/USD	1.426	1.419	1.414
USD/JPY	109.4	109.2	109.4
USD/SGD	1.309	1.312	1.310
USD/THB	31.31	31.34	31.47
USD/MYR	3.901	3.901	3.877

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			
2-Feb	31.93	80.71	143.48
(-1 Day)	31.02	81.37	144.94
(-1 Week)	28.33	78.68	141.78
(-1 Month)	33.81	86.22	154.09
(-1 Year)	64.00	151.50	223.00

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
SANF02ACN2	idAA-	100.59	4.72	134
FIFA03BCN1	idAAA	102.90	7.04	109
ASDF03ACN3	AAA(idn)	100.30	4.54	106
BBRI02ACN2	idAAA	100.25	5.82	100
PTHK01BCN3	idAAA(gg)	100.77	8.28	100
BMTR01ACN1	idA+	103.00	10.64	96
SMFP04BCN2	idAAA	100.46	7.06	82
ASDF03BCN4	AAA(idn)	100.83	7.15	80
BNGA02BCN3	idAAA	101.06	7.05	78
APIA01A	idAAA	102.46	7.77	60

Global Bonds	1-Feb			
	1-Feb	(-1 day)	(-1 week)	(-1 month)
<b>Fed Fund Rate &amp; US T-Bonds Yield</b>				
Fed Fund Rate	1.50	1.50	1.50	1.50
2-Year	2.167	2.143	2.09	1.95
5-Year	2.572	2.515	2.42	2.27
10-Year	2.791	2.79	2.62	2.45
30-Year	3.03	2.94	2.88	2.79
<b>10-Year Government Bond Yield</b>				
UK	1.528	1.510	1.41	1.23
Germany	0.718	0.695	0.61	0.43
France	0.97	0.97	0.88	0.78
China	3.91	3.91	3.94	3.93
Japan	0.096	0.080	0.08	0.05
Korea	2.79	2.78	2.66	2.52
Thailand	2.35	2.35	2.32	2.36
Malaysia	3.95	3.95	3.92	3.89
Singapore	2.24	2.18	2.12	2.03
<b>Indonesia USD Bond Yield</b>				
INDO-22	3.07	3.07	2.98	2.91
INDO-27	3.71	3.71	3.62	3.56
INDO-47	4.55	4.56	4.52	4.44

Money Market	1-Feb			
	1-Feb	(-1 day)	(-1 week)	(-1 month)
<b>JIBOR</b>				
O/N	3.90	3.90	3.92	3.90
1M	4.93	4.94	4.94	4.99
3M	5.31	5.31	5.32	5.29
<b>LIBOR</b>				
1M	1.58	1.58	1.57	1.56
3M	1.78	1.78	1.76	1.70
6M	1.97	1.97	1.95	1.86
<b>Indonesia Interest Rates</b>				
Deposit 1M	5.56	5.63	5.61	5.61
Lending	13.5	14.1	14.0	13.9

### Government Bond Ownership As of January 31, 2017 (in Trillion)

Holders	2013	2014	2015	2016	26-Jan-18	29-Jan-18	30-Jan-18	31-Jan-18
Banks	335.43	375.55	350.07	399.46	549.18	551.26	552.14	544.59
Bank Indonesia	44.44	41.63	148.91	134.25	52.89	49.54	49.54	58.16
Mutual Fund	42.50	45.79	61.60	85.66	104.37	104.44	104.34	104.31
Insurance	129.55	150.60	171.62	238.24	153.50	154.06	154.45	154.89
<b>Foreign Investor</b>	<b>323.83</b>	<b>461.35</b>	<b>558.52</b>	<b>665.81</b>	<b>873.14</b>	<b>873.81</b>	<b>872.11</b>	<b>869.77</b>
Pension Fund	39.47	43.30	49.83	87.28	201.94	202.14	202.30	202.81
Individual Investors	32.48	30.41	42.53	57.75	56.47	56.42	56.43	56.42
Others	47.56	61.32	78.76	104.84	115.25	115.09	115.44	115.79
<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 02, 2018

## Government Bonds Prices

Closing Price Data : 1-Feb-2018



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0066	15-May-18	0.28	5.25%	100.35	3.90%	100.33	2.7
FR0032	15-Jul-18	0.45	15.00%	104.82	3.88%	104.84	-2.4
FR0038	15-Aug-18	0.53	11.60%	104.03	3.81%	103.93	10.0
FR0048	15-Sep-18	0.62	9.00%	102.65	4.50%	102.68	-3.3
FR0069	15-Apr-19	1.20	7.88%	103.30	4.97%	103.30	-0.3
FR0036	15-Sep-19	1.62	11.50%	109.52	5.23%	109.41	10.8
FR0031	15-Nov-20	2.79	11.00%	113.87	5.53%	113.83	3.7
FR0034	15-Jun-21	3.37	12.80%	121.57	5.65%	121.51	6.1
FR0053	15-Jul-21	3.45	8.25%	107.94	5.68%	107.94	-0.7
FR0061	15-May-22	4.28	7.00%	104.64	5.76%	104.54	10.7
FR0035	15-Jun-22	4.37	12.90%	126.96	5.80%	126.79	17.0
FR0043	15-Jul-22	4.45	10.25%	116.93	5.86%	116.83	10.2
<b>FR0063</b>	<b>15-May-23</b>	<b>5.28</b>	<b>5.625%</b>	<b>99.57</b>	<b>5.72%</b>	<b>99.43</b>	<b>14.1</b>
FR0046	15-Jul-23	5.45	9.50%	116.45	5.92%	116.41	4.3
FR0039	15-Aug-23	5.54	11.75%	126.59	6.02%	<b>126.52</b>	7.2
FR0070	15-Mar-24	6.12	8.38%	112.29	5.94%	112.09	19.8
FR0044	15-Sep-24	6.62	10.00%	120.47	6.18%	120.21	25.9
FR0040	15-Sep-25	7.62	11.00%	128.19	6.28%	127.81	38.1
FR0037	15-Sep-26	8.62	12.00%	137.35	6.31%	136.16	118.5
FR0056	15-Sep-26	8.62	8.38%	113.51	6.31%	112.88	63.1
FR0059	15-May-27	9.29	7.00%	104.65	6.33%	104.15	49.8
FR0042	15-Jul-27	9.45	10.25%	126.55	6.45%	125.94	60.7
FR0047	15-Feb-28	10.04	10.00%	125.82	6.46%	125.63	19.9
<b>FR0064</b>	<b>15-May-28</b>	<b>10.29</b>	<b>6.125%</b>	<b>99.45</b>	<b>6.20%</b>	<b>98.82</b>	<b>62.2</b>
FR0071	15-Mar-29	11.12	9.00%	119.73	6.48%	119.15	57.8
FR0052	15-Aug-30	12.54	10.50%	130.15	6.87%	129.87	28.3
FR0073	15-May-31	13.29	8.75%	115.94	6.90%	115.94	0.0
FR0054	15-Jul-31	13.46	9.50%	122.11	6.94%	122.11	0.0
FR0058	15-Jun-32	14.38	8.25%	112.63	6.85%	110.84	179.1
FR0074	15-Aug-32	14.55	7.50%	105.84	6.86%	104.88	96.2
<b>FR0065</b>	<b>15-May-33</b>	<b>15.29</b>	<b>6.625%</b>	<b>99.60</b>	<b>6.67%</b>	<b>99.20</b>	<b>40.1</b>
FR0068	15-Mar-34	16.13	8.38%	113.47	6.97%	112.40	107.0
FR0072	15-May-36	18.30	8.25%	112.39	7.03%	111.71	68.0
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>105.86</b>	<b>6.96%</b>	<b>104.73</b>	<b>113.0</b>
FR0050	15-Jul-38	20.46	10.50%	134.74	7.22%	<b>134.76</b>	-1.7
FR0057	15-May-41	23.30	9.50%	125.30	7.24%	125.02	27.5
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%	116.30	0.0
FR0076	15-May-48	30.30	7.38%	103.45	7.13%	103.47	-1.8

Source: Bloomberg, IBPA, MCS Estimates

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