

February 06, 2018

## Fixed Income Daily Notes



### Indonesia Government Bonds Yield

Maturities (Year)	5-Feb	(-1 day)	(-1 week)	(-1 month)
01	5.11	5.09	5.19	5.14
02	5.36	5.32	5.44	5.53
03	5.75	5.71	5.77	5.76
04	5.89	5.86	5.86	5.82
05	5.84	5.81	5.87	5.86
06	6.08	6.03	6.09	5.88
07	6.35	6.26	6.33	6.37
08	6.39	6.32	6.43	6.35
09	6.50	6.42	6.53	6.36
10	6.37	6.28	6.37	6.25
15	6.81	6.73	6.81	6.87
20	7.10	7.03	7.14	7.01
30	7.13	7.11	7.14	7.15

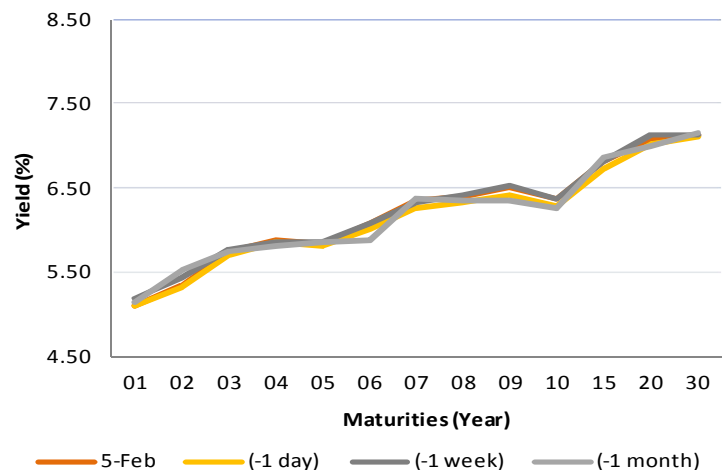
Source: Bloomberg

### Global Market Update

- The yield of 10 year US treasury in the last trading declined to 2.74% compared with previous day at 2.84% after global investor switched its asset from stock to bond after deep correction on US stock market.

### Domestic Market Update

- Indonesia composite bond index declined by 0.21% to 245.80 compared with previous day in the last trading.
- Economy of Indonesia in 2017 grew moderately by 5.07% (YoY) or higher than market expectation at 5.05% (YoY), Therefore, this growth relatively higher if compared with 2016 at 5.02% (YoY) though the figure still behind government's target at 5.2% (YoY). Moreover, the economy was still supported by household consumption and investment.
- Goldman Sachs expected that Indonesia's local currency bonds in the upcoming weeks will be included in Bloomberg Aggregate Bond Index that potentially attracts additional USD5 billion of capital inflow. The potency seems significant if we see that in 2017 Indonesia's capital inflow reaches USD12 billion.
- Today, government will issue sukuk with an indicative target reaches IDR8 trillion. There are six series auctioned today with the estimation of awarded yield described as follows SPN-S 07082018 (4,87500% - 4,90625%), PBS016 (5,687500% - 5,7187500%), PBS002 (6,156250% - 6,187500%), PBS017 (6,28250% - 6,343750%), PBS012 (7,156250% - 7,218750%), and PBS004 (7,34375% - 7,40625%).
- The government bonds prices in the secondary market are likely to rise amid declining global yield. Nonetheless, the investor need to focus on rupiah against US dollar exchange rates movement and sukuk auction today that is expected still fascinating with an incoming bids will reach IDR20-25 trillion.



- Yield US treasury tenor 10 tahun pada perdagangan terakhir di tutup menurun menjadi sebesar 2,74% dibandingkan hari sebelumnya yang mencapai 2,84% setelah investor global melakukan *switching* dari saham ke obligasi setelah pasar saham AS mengalami koreksi yang cukup dalam.

- Indonesia Composite Bond Index mengalami koreksi sebesar 0,21% ke level 245,80 dibandingkan hari sebelumnya pada perdagangan terakhir.
- Ekonomi Indonesia di tahun 2017 tumbuh sebesar 5,07% (YOY) atau sedikit lebih tinggi dibandingkan ekspektasi pasar sebesar 5,05% (YoY). Dengan demikian, pertumbuhan ekonomi di tahun 2017 masih lebih tinggi dibandingkan dengan pertumbuhan ekonomi di tahun 2016 sebesar 5,02% (YoY) meski masih di bawah target pemerintah sebesar 5,2% (YoY). Secara umum di tahun 2017, ekonomi masih ditopang oleh konsumsi rumah tangga dan investasi.
- Goldman Sachs memprediksi Indonesia dalam beberapa minggu ke depan akan masuk ke dalam Indeks Agregat Global Bloomberg yang berpotensi menambah arus *capital inflow* sebesar USD5 miliar ke obligasi Indonesia. Potensi *capital inflow* menjadi cukup krusial mengingat jumlah capital inflow di tahun 2017 sekitar USD12 miliar.
- Hari ini, pemerintah akan kembali melelang sukuk dengan target indikatif sebesar Rp 8 triliun. Rincian seri sukuk yang akan dilelang dan estimasi yield yang dimenangkan oleh pemerintah adalah sebagai berikut SPN-S 07082018 (4,87500% - 4,90625%), PBS016 (5,687500% - 5,7187500%), PBS002 (6,156250% - 6,187500%), PBS017 (6,28250% - 6,343750%), PBS012 (7,156250% - 7,218750%), dan PBS004 (7,34375% - 7,40625%).
- Hari ini, pergerakan harga SBN di pasar sekunder diprediksi menguat akibat sentimen turunnya yield global. Meski demikian, investor perlu memperhatikan pergerakan kurs nilai tukar rupiah terhadap dolar AS yang masing dalam tren terdepresiasi serta hasil lelang sukuk hari ini yang kami prediksi masih cukup menarik bagi investor dengan estimasi incoming bids mencapai Rp20 – 25 triliun.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0064	98.10	6.38	2068
FR0059	103.50	6.49	1747
FR0075	104.85	7.05	1541
FR0063	99.35	5.77	1253
FR0074	105.10	6.94	1167
FR0061	104.25	5.86	995
FR0056	112.75	6.42	946
FR0072	111.50	7.11	856
FR0073	116.00	6.89	808
FR0053	107.75	5.73	607

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6590	-39.14	-0.59%	24.41%
Malaysia (KLCI)	1869	-17.41	-0.93%	12.88%
Thailand (SET)	1810	-17.03	-0.93%	17.33%
Singapore (STI)	3483	-46.89	-1.33%	20.9%
Hang Seng	32245	-356.56	-1.09%	46.6%
Nikkei 225	22682	-592.45	-2.55%	18.67%
Shanghai	3487	25.42	0.73%	12.37%
Dow Jones (DJIA)	24346	-1175.21	-4.60%	23.19%
London (FTSE 100)	7335	-108.45	-1.46%	2.69%
DAX	12687	-97.67	-0.76%	10.5%

FX Rate	5-Feb		
	5-Feb	(-1 day)	(-1 week)
USD/IDR	13,562	13,507	13,389
GBP/USD	1.396	1.413	1.407
USD/JPY	109.1	110.2	109.0
USD/SGD	1.322	1.320	1.310
USD/THB	31.63	31.45	31.44
USD/MYR	3.900	3.887	3.882

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			
6-Feb	33.29	83.99	147.74
(-1 Day)	33.09	83.58	147.31
(-1 Week)	33.09	83.58	147.31
(-1 Month)	28.68	79.59	154.40
(-1 Year)	58.07	142.88	214.63

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
BMTPO1B	AA(idn)	102.05	8.19	150
ADMFO4BCN1	idAAA	100.65	7.19	120
BIIF01ACN3	AA+(idn)	102.15	6.98	85
WSKT03BCN1	A(idn)	99.04	8.75	58
TPIA01ACN1	idAA-	101.50	7.81	52
BBRI02BCN3	idAAA	104.00	6.97	24
BBNI01CN1	idAAA	105.55	6.55	20
BNLI02SBCN2	idAA	112.00	7.98	20
TAFS02BCN2	AAA(idn)	103.10	6.84	20
IMFIO2CCN3	idA	106.49	7.30	15

Global Bonds	5-Feb			
	5-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	2.038	2.143	2.12	1.96
5-Year	2.456	2.589	2.49	2.29
10-Year	2.735	2.71	2.70	2.48
30-Year	3.04	3.09	2.94	2.81
<b>10-Year Government Bond Yield</b>				
UK	1.557	1.576	1.45	1.24
Germany	0.733	0.765	0.69	0.43
France	0.99	1.02	0.97	0.79
China	3.90	3.91	3.94	3.91
Japan	0.069	0.080	0.08	0.06
Korea	2.78	2.75	2.74	2.54
Thailand	2.39	2.35	2.34	2.32
Malaysia	3.95	3.91	3.93	3.86
Singapore	2.30	2.28	2.17	2.05
<b>Indonesia USD Bond Yield</b>				
INDO-22	3.17	3.10	3.03	2.90
INDO-27	3.86	3.77	3.66	3.53
INDO-47	4.67	4.60	4.54	4.41

Money Market	5-Feb			
	5-Feb	(-1 day)	(-1 week)	(-1 month)
<b>JIBOR</b>				
O/N	3.90	3.90	3.91	3.90
1M	4.91	4.92	4.94	4.98
3M	5.31	5.31	5.31	5.30
<b>LIBOR</b>				
1M	1.58	1.58	1.57	1.55
3M	1.79	1.79	1.77	1.71
6M	1.99	1.99	1.97	1.87
<b>Indonesia Interest Rates</b>				
Deposit 1M	5.56	5.57	5.65	5.61
Lending	13.5	13.8	13.9	14.3

### Government Bond Ownership As of February 1, 2017 (in Trillion)

Holders	2013	2014	2015	2016	29-Jan-18	30-Jan-18	31-Jan-18	1-Feb-18
Banks	335.43	375.55	350.07	399.46	551.26	552.14	544.59	548.13
Bank Indonesia	44.44	41.63	148.91	134.25	49.54	49.54	58.16	56.09
Mutual Fund	42.50	45.79	61.60	85.66	104.44	104.34	104.31	104.64
Insurance	129.55	150.60	171.62	238.24	154.06	154.45	154.89	153.99
<b>Foreign Investor</b>	<b>323.83</b>	<b>461.35</b>	<b>558.52</b>	<b>665.81</b>	<b>873.81</b>	<b>872.11</b>	<b>869.77</b>	<b>864.33</b>
Pension Fund	39.47	43.30	49.83	87.28	202.14	202.30	202.81	203.06
Individual Investors	32.48	30.41	42.53	57.75	56.42	56.43	56.42	56.53
Others	47.56	61.32	78.76	104.84	115.09	115.44	115.79	116.24
<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>2,103.00</b>

Source: Bloomberg, IDX & DJPPR

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**Government Bonds Prices**

**Closing Price Data : 5-Feb-2018**



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0066	15-May-18	0.28	5.25%	100.42	3.63%	100.37	5.1
FR0032	15-Jul-18	0.44	15.00%	104.91	3.54%	104.82	9.6
FR0038	15-Aug-18	0.53	11.60%	104.12	3.55%	104.10	2.0
FR0048	15-Sep-18	0.61	9.00%	102.63	4.50%	102.63	0.0
FR0069	15-Apr-19	1.19	7.88%	103.29	4.97%	103.31	-1.9
FR0036	15-Sep-19	1.61	11.50%	109.47	5.24%	109.55	-7.5
FR0031	15-Nov-20	2.78	11.00%	113.79	5.55%	113.82	-3.0
FR0034	15-Jun-21	3.36	12.80%	121.63	5.62%	121.62	1.0
FR0053	15-Jul-21	3.45	8.25%	107.95	5.67%	107.99	-3.7
FR0061	15-May-22	4.28	7.00%	104.39	5.82%	104.51	-12.2
FR0035	15-Jun-22	4.36	12.90%	126.79	5.84%	126.97	-17.6
FR0043	15-Jul-22	4.45	10.25%	116.96	5.85%	116.98	-2.1
<b>FR0063</b>	<b>15-May-23</b>	<b>5.28</b>	<b>5.625%</b>	<b>99.23</b>	<b>5.80%</b>	<b>99.46</b>	<b>-23.0</b>
FR0046	15-Jul-23	5.45	9.50%	116.93	5.82%	116.45	48.1
FR0039	15-Aug-23	5.53	11.75%	126.80	5.98%	<b>126.61</b>	18.8
FR0070	15-Mar-24	6.12	8.38%	111.99	6.00%	112.26	-26.5
FR0044	15-Sep-24	6.62	10.00%	120.25	6.21%	120.42	-17.4
FR0040	15-Sep-25	7.62	11.00%	127.84	6.33%	128.42	-57.8
FR0037	15-Sep-26	8.62	12.00%	136.51	6.41%	137.48	-96.9
FR0056	15-Sep-26	8.62	8.38%	112.61	6.44%	113.29	-67.8
FR0059	15-May-27	9.28	7.00%	103.66	6.47%	104.46	-79.7
FR0042	15-Jul-27	9.45	10.25%	126.19	6.49%	126.59	-39.9
FR0047	15-Feb-28	10.04	10.00%	125.68	6.48%	125.82	-14.3
<b>FR0064</b>	<b>15-May-28</b>	<b>10.28</b>	<b>6.125%</b>	<b>98.40</b>	<b>6.34%</b>	<b>99.24</b>	<b>-84.3</b>
FR0071	15-Mar-29	11.12	9.00%	119.23	6.54%	119.89	-66.3
FR0052	15-Aug-30	12.54	10.50%	130.42	6.84%	130.42	-0.8
FR0073	15-May-31	13.28	8.75%	115.98	6.89%	116.84	-86.0
FR0054	15-Jul-31	13.45	9.50%	123.08	6.85%	123.08	0.0
FR0058	15-Jun-32	14.37	8.25%	112.44	6.87%	112.44	0.0
FR0074	15-Aug-32	14.54	7.50%	104.72	6.98%	105.78	-106.6
<b>FR0065</b>	<b>15-May-33</b>	<b>15.29</b>	<b>6.625%</b>	<b>98.66</b>	<b>6.77%</b>	<b>99.34</b>	<b>-67.9</b>
FR0068	15-Mar-34	16.12	8.38%	112.98	7.02%	113.49	-50.8
FR0072	15-May-36	18.29	8.25%	111.51	7.11%	112.30	-79.5
FR0045	15-May-37	19.29	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>104.69</b>	<b>7.06%</b>	<b>105.53</b>	<b>-83.3</b>
FR0050	15-Jul-38	20.46	10.50%	134.74	7.22%	<b>134.74</b>	0.0
FR0057	15-May-41	23.29	9.50%	125.31	7.23%	125.19	12.0
FR0062	15-Apr-42	24.21	6.38%	91.64	7.10%	91.64	0.0
FR0067	15-Jul-43	25.46	8.75%	117.98	7.21%	117.15	82.9
FR0076	15-May-48	30.30	7.38%	103.51	7.12%	103.54	-3.0

Source: Bloomberg, IBPA, MCS Estimates

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