

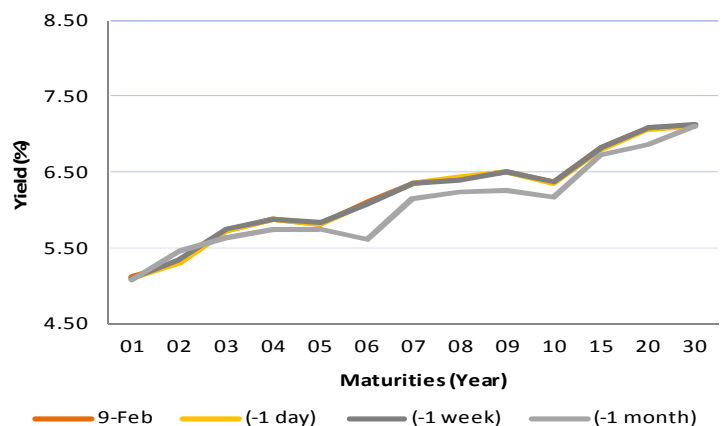
February 12, 2018

Fixed Income Daily Notes



Indonesia Government Bonds Yield				
Maturities (Year)	9-Feb	(-1 day)	(-1 week)	(-1 month)
01	5.11	5.10	5.11	5.08
02	5.31	5.31	5.36	5.45
03	5.73	5.74	5.75	5.64
04	5.88	5.89	5.89	5.75
05	5.83	5.82	5.84	5.75
06	6.10	6.08	6.08	5.62
07	6.36	6.35	6.35	6.16
08	6.43	6.45	6.39	6.24
09	6.51	6.50	6.50	6.25
10	6.37	6.36	6.37	6.18
15	6.82	6.81	6.81	6.73
20	7.10	7.08	7.10	6.86
30	7.11	7.12	7.13	7.12

Source: Bloomberg



Global Market Update

- 10 yr US treasury yield in the last trading rose softly to 2.85% after two year budget proposal was finally approved by the house and then signed by Trump. During voting time in the house, the proposal gained 240 supporters against 186 opponents. The proposal added USD300 billion to accommodate several programs namely increasing military budget and natural disaster relief. This circumstance raised another pressure on US debt market (yield raise) because the raising budget will be followed by additional issuance of US treasury to minimize budget deficit. Under this circumstances, Bank of America revised US budget deficit up by USD35 billion in 2018 and USD20 billion in 2019. In addition to that, raising government expenditure increased worrisome about the impact on inflation that could close or even match with the fed's target at 2% and triggering The Fed to lift its benchmark rates more than 3 times this year. Different with US treasury, global yield tended to be lower in which UK Gilt and German Bund declined to 1.57% and 0.74%, respectively.
- Yield 10 tahun US treasury pada perdagangan terakhir meningkat tipis ke level 2,85% setelah rancangan anggaran untuk 2 tahun akhirnya disetujui oleh House (DPR) dan kemudian ditandatangani oleh Trump. Selama voting di dalam DPR, rancangan tersebut memperoleh 240 suara yang mendukung berbanding 186 yang menolaknya. Rancangan tersebut meningkat USD300 miliar untuk mengakomodasi beberapa program seperti peningkatan anggaran militer dan bantuan bencana alam. Keadaan tersebut memberikan tambahan tekanan bagi pasar obligasi AS (yield meningkat) karena meningkatnya anggaran akan diikuti dengan penambahan penerbitan surat utang untuk meminimalisir defisit anggaran. Dengan kondisi tersebut, Bank of America memperkirakan tambahan defisit sebesar USD35 miliar di tahun 2018 dan USD20 miliar di 2019. Selain itu, meningkatnya pengeluaran pemerintah meningkatkan kekhawatiran terkait dampaknya terhadap inflasi yang dapat mendekati atau mencapai target The Fed sebesar 2% dan mendorong The Fed menaikkan suku bunga acuannya lebih dari 3 kali di tahun ini. Berbeda dengan US treasury, yield global cenderung menurun di mana yield UK Gilt dan German Bund turun masing-masing menjadi sebesar 1,57% dan 0,74%.

Domestic Market Update

- Indonesia composite bond index in the last trading on the secondary market was relatively stagnant at 245,22 compared with previous day.
- Indonesia's current account deficit in the fourth quarter of 2017 rose by 2.2% GDP compared with previous day at 1.75% GDP due to declining balance of trade surplus. Meanwhile, in full year, current account deficit in 2017 was slightly lower to 1.7% GDP compared with previous year at 1.8% GDP.
- Today, despite US treasury rose somewhat, Indonesia government bonds prices in the secondary market are likely to rise softly due to positive sentiment from the expectation of rupiah appreciation that driven by low current account deficit and several global yield namely UK gilt and German Bund that moved lower. The yield of 10 year Indonesian bond (FR0064) is likely to move in the range of 6.29% (98.75) - 6.32% (98.50).
- Indonesia Composite Bond Index pada perdagangan terakhir cenderung stagnan di level 245,22 dibandingkan hari sebelumnya.
- Defisit neraca transaksi berjalan Indonesia pada kuartal IV-2017 meningkat menjadi sebesar 2,2% PDB dibandingkan dengan kuartal sebelumnya sebesar 1,7% PDB yang disebabkan oleh menurunnya surplus neraca perdagangan pada kuartal tersebut. Secara full year di tahun 2017, defisit neraca transaksi berjalan turun tipis menjadi sebesar 1,7% PDB dibandingkan dengan tahun 2016 sebesar 1,8% PDB.
- Hari ini, meski yield US treasury meningkat tipis, pergerakan harga SBN di pasar sekunder berpotensi menguat terbatas seiring dengan proyeksi menguatnya nilai tukar rupiah akibat sentimen turunnya defisit transaksi berjalan serta cenderung menurunnya beberapa yield global seperti UK Gilt dan German Bund. Yield benchmark 10 tahun (FR0064) diperkirakan akan bergerak pada kisaran 6,29% (98,75) - 6,32% (98,50).

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0075	103.75	7.15	1967
FR0074	104.35	7.02	1789
FR0061	104.40	5.81	1661
FR0072	111.75	7.09	1401
FR0056	112.00	6.53	1256
FR0053	108.01	5.64	1212
FR0064	98.50	6.32	1122
SPN12190131	95.40	4.99	900
SPN03180430	99.08	4.40	820
FR0068	112.30	7.08	794

Most Active Corporate Bonds		Last Price	Last Yield	Volume (IDR bn)
ASDF03ACN3	AAA(idn)	100.26	3.93	126
FIFA03ACN1	idAAA	100.48	6.27	84
BBKP01SBCN1	idA	102.30	6.98	76
SANF02ACN2	idAA-	100.46	4.74	70
WOMF02BCN3	AA-(idn)	101.75	7.75	47
BBIA01CCN1	AAA(idn)	103.75	7.11	30
WOMF01BCN3	AA-(idn)	100.54	6.15	30
SMFP04ACN1	idAAA	100.32	6.06	28
WOMF02ACN3	AA-(idn)	100.73	6.23	25
MEDCO1CN2	idA+	100.23	6.24	24

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6506	-39.11	-0.60%	22.82%
Malaysia (KLCI)	1837	-19.62	-1.07%	10.85%
Thailand (SET)	1786	-0.21	-0.01%	15.79%
Singapore (STI)	3377	-38.66	-1.13%	17.2%
Hang Seng	29507	-943.85	-3.10%	34.1%
Nikkei 225	21383	-508.24	-2.32%	11.87%
Shanghai	3130	-132.20	-4.05%	0.85%
Dow Jones (DJIA)	24191	330.44	1.38%	22.40%
London (FTSE 100)	7092	-78.26	-1.09%	-0.71%
DAX	12107	-152.81	-1.25%	5.5%

Global Bonds	9-Feb			
	9-Feb	(-1 day)	(-1 week)	(-1 month)
Fed Fund Rate & US T-Bonds Yield				
Fed Fund Rate	1.50	1.50	1.50	1.50
2-Year	2.075	2.104	2.14	2.00
5-Year	2.544	2.539	2.59	2.35
10-Year	2.852	2.83	2.79	2.54
30-Year	3.16	3.13	3.09	2.85
10-Year Government Bond Yield				
UK	1.570	1.616	1.58	1.34
Germany	0.741	0.759	0.77	0.58
France	0.98	0.99	1.02	0.85
China	3.89	3.89	3.91	3.94
Japan	0.061	0.076	0.08	0.07
Korea	2.76	2.75	2.75	2.62
Thailand	2.42	2.41	2.35	2.30
Malaysia	3.95	3.95	3.91	3.84
Singapore	2.24	2.22	2.28	2.07
Indonesia USD Bond Yield				
INDO-22	3.30	3.21	3.10	2.92
INDO-27	4.00	3.89	3.77	3.57
INDO-47	4.81	4.69	4.60	4.48

FX Rate	9-Feb		
	9-Feb	(-1 day)	(-1 week)
USD/IDR	13,604	13,669	13,507
GBP/USD	1.384	1.391	1.413
USD/JPY	108.8	108.7	110.2
USD/SGD	1.328	1.331	1.320
USD/THB	31.71	31.88	31.45
USD/MYR	3.957	3.961	3.887

Macroeconomic Data	Jan-18	Dec-17	Nov-17
Consumer Price Index (MoM)	0.62	0.71	0.20
Consumer Price Index (YoY)	3.25	3.61	3.3
Core Inflation (YoY)	2.69	2.95	3.05
BI 7-Day RR Rate (%)	4.25	4.25	4.25
Foreign Reserve (US\$ Bn)	131.98	130.2	125.9

Indonesia Sovereign CDS	2-year	5-year	10-year
As of			
9-Feb	38.90	100.43	164.49
(-1 Day)	35.14	90.85	151.95
(-1 Week)	33.09	83.58	147.31
(-1 Month)	27.48	76.72	139.43
(-1 Year)	57.82	139.69	214.10

Money Market	9-Feb			
	9-Feb	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	3.94	3.94	3.90	3.90
1M	4.92	4.92	4.92	4.96
3M	5.30	5.30	5.31	5.30
LIBOR				
1M	1.58	1.58	1.58	1.56
3M	1.82	1.81	1.79	1.72
6M	2.04	2.03	1.99	1.89
Indonesia Interest Rates				
Deposit 1M	5.61	5.57	5.57	5.65
Lending	14.1	14.0	13.8	14.3

Government Bond Ownership As of February 08, 2017 (in Trillion)

Holders	2013	2014	2015	2016	5-Feb-18	6-Feb-18	7-Feb-18	8-Feb-18
Banks	335.43	375.55	350.07	399.46	553.08	552.88	563.02	571.65
Bank Indonesia	44.44	41.63	148.91	134.25	38.73	38.73	32.23	34.13
Mutual Fund	42.50	45.79	61.60	85.66	104.57	104.48	104.27	103.90
Insurance	129.55	150.60	171.62	238.24	154.77	156.03	156.08	156.57
Foreign Investor	323.83	461.35	558.52	665.81	869.39	867.57	863.68	862.26
Pension Fund	39.47	43.30	49.83	87.28	203.06	203.16	203.33	203.31
Individual Investors	32.48	30.41	42.53	57.75	56.66	56.66	56.68	56.70
Others	47.56	61.32	78.76	104.84	116.09	116.84	117.06	117.89
Total	995.25	1,209.96	1,461.85	1,773.28	2,096.35	2,096.35	2,096.35	2,106.42

Source: Bloomberg, IDX & DJPPR

February 12, 2018

Government Bonds Prices

Closing Price Data : 9-Feb-2018



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0066	15-May-18	0.25	5.25%	100.31	3.97%	100.32	-0.9
FR0032	15-Jul-18	0.42	15.00%	104.68	3.65%	104.70	-2.8
FR0038	15-Aug-18	0.51	11.60%	104.12	3.31%	104.11	0.6
FR0048	15-Sep-18	0.59	9.00%	102.61	4.40%	102.62	-0.4
FR0069	15-Apr-19	1.17	7.88%	103.28	4.94%	103.28	-0.1
FR0036	15-Sep-19	1.59	11.50%	109.35	5.26%	109.46	-11.6
FR0031	15-Nov-20	2.76	11.00%	113.77	5.53%	113.71	5.6
FR0034	15-Jun-21	3.34	12.80%	121.41	5.66%	121.42	-0.6
FR0053	15-Jul-21	3.42	8.25%	107.92	5.67%	107.91	1.3
FR0061	15-May-22	4.26	7.00%	104.39	5.82%	104.36	2.9
FR0035	15-Jun-22	4.34	12.90%	126.65	5.85%	126.65	0.3
FR0043	15-Jul-22	4.42	10.25%	116.72	5.90%	116.72	0.1
FR0063	15-May-23	5.26	5.625%	99.34	5.77%	99.30	3.6
FR0046	15-Jul-23	5.42	9.50%	116.02	5.99%	116.02	0.0
FR0039	15-Aug-23	5.51	11.75%	126.26	6.07%	126.23	3.1
FR0070	15-Mar-24	6.09	8.38%	111.86	6.02%	111.80	6.1
FR0044	15-Sep-24	6.60	10.00%	119.77	6.29%	119.70	6.6
FR0040	15-Sep-25	7.60	11.00%	127.42	6.38%	127.33	9.2
FR0037	15-Sep-26	8.60	12.00%	135.90	6.48%	136.05	-14.4
FR0056	15-Sep-26	8.60	8.38%	112.33	6.48%	112.34	-1.0
FR0059	15-May-27	9.26	7.00%	103.65	6.47%	103.62	2.4
FR0042	15-Jul-27	9.43	10.25%	125.54	6.57%	125.57	-3.0
FR0047	15-Feb-28	10.02	10.00%	125.68	6.48%	125.68	0.0
FR0064	15-May-28	10.26	6.125%	98.42	6.34%	98.39	3.7
FR0071	15-Mar-29	11.10	9.00%	117.83	6.70%	118.18	-34.9
FR0052	15-Aug-30	12.52	10.50%	129.98	6.89%	130.00	-2.4
FR0073	15-May-31	13.26	8.75%	115.51	6.94%	115.51	0.3
FR0054	15-Jul-31	13.43	9.50%	121.87	6.96%	121.77	9.9
FR0058	15-Jun-32	14.35	8.25%	111.32	6.99%	110.85	47.6
FR0074	15-Aug-32	14.52	7.50%	104.50	7.00%	104.62	-11.4
FR0065	15-May-33	15.27	6.625%	98.53	6.78%	98.51	1.5
FR0068	15-Mar-34	16.10	8.38%	112.20	7.09%	112.28	-8.7
FR0072	15-May-36	18.27	8.25%	111.10	7.15%	111.25	-14.9
FR0045	15-May-37	19.27	9.75%	126.50	7.19%	126.5	0.0
FR0075	15-May-38	138.47	7.500%	104.65	7.06%	104.75	-9.3
FR0050	15-Jul-38	20.44	10.50%	133.80	7.29%	133.85	-5.1
FR0057	15-May-41	23.27	9.50%	125.47	7.22%	125.31	15.6
FR0062	15-Apr-42	24.19	6.38%	91.63	7.10%	91.62	0.1
FR0067	15-Jul-43	25.44	8.75%	116.75	7.30%	116.58	17.1
FR0076	15-May-48	30.28	7.38%	103.42	7.12%	103.31	10.2

Source: Bloomberg, IBPA, MCS Estimates

Macroeconomic Indicator Calendar (12 Februari - 16 Februari 2018)
INDONESIA

Tgl	Indikator	Series Data	Aktual	Sebelumnya	Proyeksi
12	Pertumbuhan Kredit (YoY)	Jan-2018	-	8,35%	
15	Neraca Perdagangan	Jan-2018	-	USD-0,27 miliar	USD0,64 miliar
15	Ekspor	Jan-2018	-	6,93%	
15	Impor	Jan-2018	-	17,83%	
15	BI-7DRRR	Feb-2018	-	4,25%	4,25%
15	<i>Lending Facility Rates</i>	Feb-2018	-	5%	5%
15	<i>Deposit Facility Rates</i>	Feb-2018	-	3,5%	3,5%

GLOBAL

Tgl	Indikator	Negara	Series Data	Aktual	Sebelumnya	Proyeksi
13	Defisit/Surplus APBN	AS	Jan-2018	-	USD-23 miliar	USD-37.8 miliar
14	Inflasi Inti (YoY)	AS	Jan-2018	-	1,8%	1,8%
14	Inflasi (YoY)	AS	Jan-2018	-	2,1%	2,1%
14	Inflasi (MoM)	AS	Jan-2018	-	0,1%	0,3%
14	Penjualan Eceran (YoY)	AS	Jan-2018	-	5,4%	5,38%
14	EIA Stok Minyak Mentah	AS	<i>Week Ended February 09 - 2018</i>	-	1,89 juta	0,28 juta
14	Produksi Industri (YoY)	Euro	Dec-2017	-	3,2%	3,6%
14	PDB (YoY) (Flash)	Euro	Dec-2017	-	2,8%	2,7%
14	PDB (YoY)	Jepang	Q4-2017	-	0,6%	0,3%
15	<i>Continuing Jobless Claims</i>	AS	<i>Week Ended February 03-2018</i>	-	1,92 ribu	1,93 ribu
15	<i>Initial Jobless Claims</i>	AS	<i>Week Ended February 10- 2018</i>	-	221 ribu	224 ribu
15	Produksi Industri (YoY)	AS	Jan-2018	-	3,6%	3,84%
15	Neraca Perdagangan	Euro	Dec-2017	-	€26,3 miliar	€28,1 miliar
16	<i>Building Permit (MoM)</i>	AS	Jan-2018	-	-0,2%	-

Sumber: Tradingeconomics dan MCS Estimates (2018)

February 12, 2018

PT. MEGA CAPITAL SEKURITAS
Head Office
Menara Bank Mega Lt. 2
Jl. Kapten P. Tendean Kav 12-14A
Jakarta 12790

Dealing Room

Phone No : +62 21 7995795

Fax No : +62 21 79175965

Eva Sarah Hutabarat	eva@megasekuritas.id	Head of Debt Capital Market
Cicah Sukaesih	cicah@megasekuritas.id	Debt Sales
Emilda Mardiyanti	emilda.mardiyanti@megasekuritas.id	Debt Sales
Ajeng Palupi P.	palupi@megasekuritas.id	Debt Sales
Dhian Karyantono	dhian@megasekuritas.id	Economist & Fixed Income Analyst
Siti Maulina M.	siti.maulina@megasekuritas.id	Administrative Assistant

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