

February 13, 2018

## Fixed Income Daily Notes



Indonesia Government Bonds Yield				
Maturities (Year)	12-Feb	(-1 day)	(-1 week)	(-1 month)
01	5.11	5.11	5.09	5.06
02	5.34	5.31	5.38	5.50
03	5.74	5.73	5.75	5.68
04	5.88	5.88	5.89	5.82
05	5.80	5.83	5.86	5.83
06	6.11	6.10	6.13	5.70
07	6.38	6.36	6.39	6.20
08	6.49	6.43	6.44	6.30
09	6.53	6.51	6.50	6.31
10	6.38	6.37	6.38	6.24
15	6.83	6.82	6.84	6.83
20	7.12	7.10	7.08	6.95
30	7.10	7.11	7.14	7.15

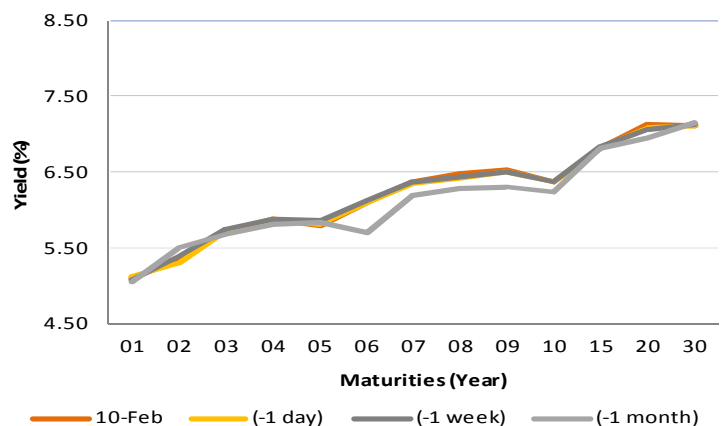
Source: Bloomberg

### Global Market Update

- The yield of 10-year US Treasury in the last trading rose slightly to 2.86% due to market anticipation ahead of US inflation release in January 2018 and fears of a wider US deficit after the approval of two years budget proposal. US inflation is scheduled to be released later on Wednesday (WIB) in which according to a Bloomberg consensus, US inflation will be 1.9% (YoY) or slightly lower than December 2017 at 2,1% (YoY). Meanwhile, in line with US treasury, several 10 yr global bond namely UK Gilt and German Bund posted a higher level at 1.60% and 0.75%, respectively.

### Domestic Market Update

- Indonesia composite bond index declined by 0.05% to 245.19 compared with previous day in the last trading. The transaction volume of government bonds, meanwhile, was higher to IDR13.03 trillion while corporate bonds raised softly to IDR884 billion.
- The government, today, is about to issue government securities with an indicative target ranging from IDR17 trillion to IDR25.5 trillion. There are 5 auctioned government securities with an estimation of awarded yield described as follows. SPN03180514 (4,13% - 4,18%) , SPN12190214 (5,04% - 5,09%), FR0064 (6,34% - 6,39%), FR0065(6,80% - 6,85%), and FR0075 (7,09% - 7,14%). Furthermore, the auction is still fascinating among the market with the prediction of incoming bids will reach IDR40– 50 trillion.
- The government bonds prices on the secondary market are likely to be bearish amid rising global yield and rupiah against US dollar depreciation. Moreover, ahead of government bonds auction sometimes trigger government bond yield to rise. Today, rupiah against US dollar will be ranging from IDR13.638 - IDR13.648 while 10 years benchmark yield (FR0064) is expected to be 6.34% - 6.39%.



- Yield 10 tahun US treasury pada perdagangan terakhir meningkat tipis ke level 2.86% seiring dengan antisipasi menjelang rilis inflasi pada Januari 2018 dan kecemasan terkait melebarnya defisit anggaran AS pasca disetujuinya rancangan anggaran untuk 2 tahun ke depan. Inflasi AS dijadwalkan akan dirilis pada Rabu (WIB) di mana berdasarkan konsensus Bloomberg, inflasi AS akan mencapai 1,9% (YoY) or sedikit lebih rendah dibandingkan Desember 2017 sebesar 2,1% (YoY). Sementara itu, selaras dengan US treasury, beberapa yield global 10 tahun seperti UK Gilt dan German Bund meningkat masing-masing ke level 1,60% dan 0,75%.
- Indonesia Composite Bond Index turun sebesar 0,05% ke level 245,19 dibandingkan hari sebelumnya pada perdagangan terakhir. Sementara itu, volume transaksi SBN turun menjadi sebesar Rp13,03 triliun sedangkan transaksi obligasi korporasi meningkat tipis menjadi sebesar Rp884 miliar.
- Hari ini, pemerintah akan kembali melelang SUN dengan target penyerapan sebesar Rp17 triliun hingga Rp25,5 triliun. Terdapat 5 seri SUN yang akan dilelang dengan estimasi yield yang akan dimenangkan oleh pemerintah adalah sebagai berikut SPN03180514 (4,13% - 4,18%) , SPN12190214 (5,04% - 5,09%), FR0064 (6,34% - 6,39%), FR0065(6,80% - 6,85%), dan FR0075 (7,09% - 7,14%). Pada lelang kali ini juga diprediksi minat investor masih tinggi dengan perkiraan tingkat penawaran yang datang (*incoming bids*) sebesar Rp40 - 50 triliun.
- Pergerakan harga SBN di pasar sekunder hari ini diperkirakan menurun seiring dengan kenaikan yield global terutama US treasury dan melemahnya nilai tukar rupiah. Selain itu, sentimen lelang juga diperkirakan menyebabkan yield SBN cenderung meningkat. Rupiah pada hari ini diprediksi bergerak pada kisaran Rp13.638 – Rp13.648 sedangkan yield benchmark 10 tahun (FR0064) diprediksi sebesar 6,34% - 6,39%.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0064	98.30	6.35	2157
FR0072	110.78	7.18	2071
FR0074	104.00	7.05	1567
FR0075	104.33	7.09	770
FR0071	117.65	6.71	484
FR0073	115.25	6.97	456
FR0061	104.20	5.86	378
FR0059	103.15	6.54	354
SPN03180404	99.49	3.88	348
FR0065	101.00	6.52	324

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6523	17.93	0.28%	23.16%
Malaysia (KLCI)	1839	10.35	0.57%	11.48%
Thailand (SET)	1799	13.00	0.73%	16.63%
Singapore (STI)	3385	7.74	0.23%	17.5%
Hang Seng	29460	-47.79	-0.16%	33.9%
Nikkei 225	21383	0.00	0.00%	11.87%
Shanghai	3154	24.27	0.78%	1.63%
Dow Jones (DJIA)	24601	410.37	1.70%	24.48%
London (FTSE 100)	7177	84.63	1.19%	0.48%
DAX	12283	175.29	1.45%	7.0%

FX Rate	10-Feb		
	10-Feb	(-1 day)	(-1 week)
USD/IDR	13,614	13,604	13,562
GBP/USD	1.384	1.384	1.396
USD/JPY	108.7	108.8	109.1
USD/SGD	1.323	1.328	1.322
USD/THB	31.64	31.71	31.63
USD/MYR	3.945	3.957	3.900

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	38.35	93.45	162.89
(-1 Day)	38.90	100.43	164.49
(-1 Week)	38.90	100.43	164.49
(-1 Month)	28.72	78.87	141.39
(-1 Year)	56.72	136.91	210.55

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
ADMFO3ACN5	idAAA	-	200	
SMII01BCN2	idAAA	101.90	6.64	135
SIPPLN02CCN2	idAAA(sy)	105.00	8.11	60
ADMFO3ACN1	idAAA	101.12	6.51	50
ADMFO4BCN1	idAAA	100.00	7.45	50
SIEXCL01ACN2	AAA(idn)	-	-	50
WSKT03BCN1	A(idn)	101.55	8.09	40
WOMFO2ACN3	AA-(idn)	100.25	6.83	30
BEXIO2CCN5	idAAA	106.30	6.24	25
ADHIO2CN1	idA-	100.02	9.24	20

Global Bonds	10-Feb			
	10-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	2.088	2.075	2.03	2.00
5-Year	2.558	2.544	2.44	2.35
10-Year	2.858	2.86	2.71	2.55
30-Year	3.15	3.16	3.01	2.85
<b>10-Year Government Bond Yield</b>				
UK	1.600	1.570	1.56	1.32
Germany	0.754	0.741	0.73	0.58
France	0.99	0.98	0.99	0.86
China	3.88	3.89	3.91	3.96
Japan	0.065	0.061	0.08	0.07
Korea	2.81	2.76	2.81	2.66
Thailand	2.41	2.42	2.40	2.29
Malaysia	3.97	3.95	3.94	3.84
Singapore	2.25	2.24	2.30	2.06
<b>Indonesia USD Bond Yield</b>				
INDO-22	3.37	3.30	3.17	2.92
INDO-27	4.10	4.00	3.86	3.57
INDO-47	4.93	4.81	4.67	4.48

Money Market	10-Feb			
	10-Feb	(-1 day)	(-1 week)	(-1 month)
<b>JIBOR</b>				
O/N	3.91	3.94	3.90	3.90
1M	4.92	4.92	4.91	4.94
3M	5.30	5.30	5.31	5.30
<b>LIBOR</b>				
1M	1.58	1.58	1.58	1.56
3M	1.82	1.82	1.79	1.73
6M	2.04	2.04	2.00	1.90
<b>Indonesia Interest Rates</b>				
Deposit 1M	5.55	5.61	5.56	5.61
Lending	13.9	14.1	13.5	14.2

### 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
<b>Foreign Investor</b>	<b>323.83</b>	<b>461.35</b>	<b>558.52</b>	<b>665.81</b>	<b>869.39</b>	<b>867.57</b>	<b>863.68</b>	<b>862.26</b>
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
<b>Total</b>	<b>995.25</b>	<b>1,209.96</b>	<b>1,461.85</b>	<b>1,773.28</b>	<b>2,096.35</b>	<b>2,096.35</b>	<b>2,096.35</b>	<b>2,106.42</b>

Source: Bloomberg, IDX & DJPPR

February 13, 2018

**Government Bonds Prices**

**Closing Price Data : 12-Feb-2018**



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0066	15-May-18	0.25	5.25%	100.35	3.78%	100.31	4.3
FR0032	15-Jul-18	0.42	15.00%	104.74	3.43%	104.68	6.4
FR0038	15-Aug-18	0.50	11.60%	104.12	3.26%	104.12	0.5
FR0048	15-Sep-18	0.59	9.00%	102.63	4.35%	102.61	1.6
FR0069	15-Apr-19	1.17	7.88%	103.27	4.94%	103.28	-0.7
FR0036	15-Sep-19	1.59	11.50%	109.37	5.24%	109.35	2.4
FR0031	15-Nov-20	2.76	11.00%	113.66	5.57%	113.77	-10.8
FR0034	15-Jun-21	3.34	12.80%	121.37	5.67%	121.41	-4.7
FR0053	15-Jul-21	3.42	8.25%	107.92	5.67%	107.92	-0.4
FR0061	15-May-22	4.25	7.00%	104.39	5.82%	104.39	0.4
FR0035	15-Jun-22	4.34	12.90%	126.63	5.85%	126.65	-2.4
FR0043	15-Jul-22	4.42	10.25%	116.70	5.90%	116.72	-1.8
<b>FR0063</b>	<b>15-May-23</b>	<b>5.25</b>	<b>5.625%</b>	<b>99.39</b>	<b>5.76%</b>	<b>99.34</b>	<b>4.7</b>
FR0046	15-Jul-23	5.42	9.50%	115.92	6.01%	116.02	-10.1
FR0039	15-Aug-23	5.51	11.75%	126.31	6.06%	<b>126.26</b>	4.8
FR0070	15-Mar-24	6.09	8.38%	111.68	6.05%	111.86	-18.2
FR0044	15-Sep-24	6.59	10.00%	119.69	6.30%	119.77	-7.3
FR0040	15-Sep-25	7.59	11.00%	127.05	6.43%	127.42	-37.8
FR0037	15-Sep-26	8.59	12.00%	135.93	6.48%	135.90	2.7
FR0056	15-Sep-26	8.59	8.38%	112.16	6.50%	112.33	-16.7
FR0059	15-May-27	9.26	7.00%	103.48	6.49%	103.65	-17.3
FR0042	15-Jul-27	9.42	10.25%	125.33	6.59%	125.54	-20.2
FR0047	15-Feb-28	10.01	10.00%	125.68	6.48%	125.68	0.0
<b>FR0064</b>	<b>15-May-28</b>	<b>10.26</b>	<b>6.125%</b>	<b>98.37</b>	<b>6.34%</b>	<b>98.42</b>	<b>-5.1</b>
FR0071	15-Mar-29	11.09	9.00%	117.74	6.70%	117.83	-8.3
FR0052	15-Aug-30	12.51	10.50%	130.09	6.87%	129.98	11.2
FR0073	15-May-31	13.26	8.75%	115.42	6.95%	115.51	-9.2
FR0054	15-Jul-31	13.43	9.50%	121.82	6.97%	121.87	-5.4
FR0058	15-Jun-32	14.35	8.25%	111.30	6.99%	111.32	-2.9
FR0074	15-Aug-32	14.52	7.50%	104.22	7.03%	104.50	-28.3
<b>FR0065</b>	<b>15-May-33</b>	<b>15.26</b>	<b>6.625%</b>	<b>98.37</b>	<b>6.80%</b>	<b>98.53</b>	<b>-15.5</b>
FR0068	15-Mar-34	16.10	8.38%	111.97	7.11%	112.20	-23.0
FR0072	15-May-36	18.27	8.25%	110.98	7.16%	111.10	-12.3
FR0045	15-May-37	19.27	9.75%	126.96	7.15%	126.5	46.0
<b>FR0075</b>	<b>15-May-38</b>	<b>138.47</b>	<b>7.500%</b>	<b>104.35</b>	<b>7.09%</b>	<b>104.65</b>	<b>-30.7</b>
FR0050	15-Jul-38	20.43	10.50%	133.69	7.30%	<b>133.80</b>	-10.7
FR0057	15-May-41	23.27	9.50%	125.45	7.22%	125.47	-2.1
FR0062	15-Apr-42	24.19	6.38%	91.63	7.10%	91.63	0.0
FR0067	15-Jul-43	25.44	8.75%	116.99	7.28%	116.75	24.3
FR0076	15-May-48	30.27	7.38%	103.61	7.11%	103.42	19.8

Source: Bloomberg, IBPA, MCS Estimates

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

Tgl	Indikator	Series Data	Aktual	Sebelumnya	Proyeksi
13	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	USD49 miliar	USD-23 miliar	USD51 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 13, 2018

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