

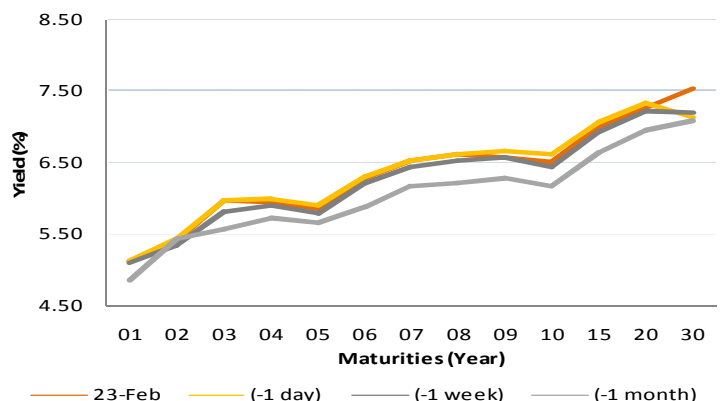
February 26, 2018

Fixed Income Daily Notes



Indonesia Government Bonds Yield				
Maturities (Year)	23-Feb	(-1 day)	(-1 week)	(-1 month)
01	5.12	5.13	5.09	4.86
02	5.41	5.43	5.36	5.44
03	5.98	5.98	5.82	5.56
04	5.94	5.99	5.91	5.72
05	5.85	5.90	5.79	5.67
06	6.29	6.30	6.22	5.88
07	6.52	6.52	6.44	6.17
08	6.62	6.61	6.54	6.22
09	6.59	6.66	6.57	6.28
10	6.52	6.62	6.45	6.18
15	7.00	7.06	6.93	6.65
20	7.28	7.33	7.23	6.96
30	7.53	7.13	7.20	7.09

Source: Bloomberg



Global Market Update

- Yield of 10 year US treasury was down to 2.87% in the last trading compared with previous day after poured with dovish sentiment from semiannual the fed's report and research conclusion in the monetary policy forum sponsored by Chicago University. Related to the fed's report, they said to the Congress that US economy has been progressing although they was still doubt the inflation (gauged by PCE) will reach the target because in labor market the growth of labor cost was still lower that affiliated with low labor salary due to technology development. In the meantime, at monetary policy forum, some panelist/researchers were suggest that the fed balance sheet normalization would not be harmful as market expected before. Following US treasury, several 10 year global yield namely UK Gilt and German Bund declined to 1.52% and 0.65%, respectively.
- Yield 10 tahun US treasury turun ke level 2,87% dibandingkan pada perdagangan terakhir akibat sentimen *dovish* dari laporan semi tahunan The Fed ke kongres dan pertemuan kebijakan moneter yang diselenggarakan di Universitas Chicago. Dalam laporan semi tahunan The Fed, disampaikan bahwa saat ini pemulihan ekonomi AS terus berlangsung. Namun demikian, The Fed meyakini bahwa inflasi belum akan mencapai target The Fed sebesar 2% seiring rendahnya pertumbuhan biaya tenaga kerja yang berafiliasi terhadap rendahnya pertumbuhan pendapatan akibat perkembangan teknologi. Sementara itu, dalam pertemuan kebijakan moneter (*monetary policy forum*), disampaikan bahwa normalisasi neraca keuangan tidak akan berdampak besar terhadap pasar seperti yang sebelumnya dikhawatirkan. Secara umum, beberapa yield global cenderung mengalami penurunan diantaranya yield 10 tahun UK Gilt dan German Bund yang masing-masing turun ke level 1,52% dan 0,65%.

Domestic Market Update

- Indonesia Composite Bond Index in the last trading dropped by 0.05% to 243.32. Meanwhile, government bond transaction in the last trading decreased to be IDR16.7 triliun in which FR0064 became the most active series while corporates bond was down softly to IDR904 billion.
- Based on weekly survey conducted by BI in the third week of February 2018, inflation in this month will post lower level compared with January 2018 at 0.19% (MoM). Meanwhile, we estimate the inflation in the second month of 2018 will be 0.18% (MoM).
- Jokowi proposed Perry Warjiyo to the house of representatives (DPR) to be Agus Martowardojo's successor as a Governor of BI who will be stepping down on May 2018.
- Today, the price of government bonds in the secondary market are predicted to strengthen due to declining global yield, especially US treasury yield. Rupiah against US dollar is also expected to appreciate in the level of higher in the level IDR13.640 - IDR13.670 while the 10 year benchmark yield will be ranging at 6.44% - 6.50%.
- Indonesia Composite Bond Index pada perdagangan terakhir turun sebesar 0,05% ke level 243,32. Sementara itu, transaksi SBN pada perdagangan terakhir turun menjadi sebesar Rp16,7 triliun di mana seri FR0064 menjadi seri yang paling banyak diperdagangkan semetara transaksi obligasi korporasi turun tipis menjadi hanya sebesar Rp904 miliar.
- Berdasarkan survei harga mingguan pekan ketiga BI, inflasi Februari 2018 diperkirakan hanya sebesar 0,19% (MoM) atau lebih rendah dibandingkan dengan inflasi Januari 2018 yang mencapai 0,62% (MoM). Sementara itu, kami memperkirakan inflasi Februari 2018 dapat mencapai level yang lebih rendah yaitu sebesar 0,18% (MoM).
- Presiden Jokowi mengusulkan Perry Warjiyo sebagai Gubernur BI yang baru kepada DPR guna menggantikan Agus Martowardojo yang masa jabatannya akan habis pada Mei 2018.
- Hari ini, pergerakan harga SBN di pasar sekunder diprediksi akan cenderung menguat seiring dengan menurunnya yield global khususnya yield US treasury. Nilai tukar rupiah juga diperkirakan bergerak cenderung menguat di level Rp Rp13.640 – Rp13.670 sedangkan yield benchmark 10 tahun diperkirakan sebesar 6,44% - 6,50%.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0064	97.30	6.49	4256
FR0072	109.75	7.27	1830
FR0075	103.65	7.15	1193
FR0059	102.84	6.58	949
FR0074	103.38	7.12	924
FR0061	103.85	5.94	918
FR0068	110.30	7.28	849
FR0071	116.20	6.88	657
FR0040	125.65	6.62	640
FR0069	103.40	4.74	568

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
IMFI03ACN2	idA	100.10	6.69	253
WSKT03ACN2	A-(idn)	100.00	7.75	100
PIHC01BCN2	AAA(idn)	100.02	7.90	90
SMII01BCN2	idAAA	102.31	6.46	65
MYOR01CN2	idAA	102.93	7.52	50
BEXI03CCN2	idAAA	101.56	7.84	38
PTHK01B	idA-	100.93	6.27	36
FIFA02BCN3	idAAA	102.90	6.41	32
PIHC01ACN2	AAA(idn)	100.00	7.50	32
SIISAT01BCN3	idAAA(sy)	117.80	-	25

Global Stock Marketss	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6620	26.74	0.41%	24.98%
Malaysia (KLCI)	1858	6.43	0.35%	13.39%
Thailand (SET)	1808	19.43	1.09%	17.19%
Singapore (STI)	3533	44.76	1.28%	22.6%
Hang Seng	31267	301.49	0.97%	42.1%
Nikkei 225	21893	156.34	0.72%	14.54%
Shanghai	3289	20.46	0.63%	5.97%
Dow Jones (DJIA)	25310	347.51	1.39%	28.07%
London (FTSE 100)	7244	-7.98	-0.11%	1.42%
DAX	12484	21.88	0.18%	8.7%

FX Rate	23-Feb		
	23-Feb	(-1 day)	(-1 week)
USD/IDR	13,661	13,678	13,548
GBP/USD	1.397	1.396	1.404
USD/JPY	106.9	106.8	106.2
USD/SGD	1.319	1.319	1.311
USD/THB	31.40	31.47	31.30
USD/MYR	3.919	3.918	3.894

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 23-Feb	33.00	88.11	152.63
(-1 Day)	33.06	88.79	153.09
(-1 Week)	33.46	85.54	151.37
(-1 Month)	29.69	80.09	144.75
(-1 Year)	48.45	127.66	196.64

Global Bonds	23-Feb			
	23-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	2.236	2.248	2.19	2.12
5-Year	2.616	2.656	2.63	2.47
10-Year	2.865	2.87	2.88	2.66
30-Year	3.15	3.21	3.13	2.91
10-Year Government Bond Yield				
UK	1.521	1.545	1.58	1.44
Germany	0.650	0.703	0.70	0.63
France	0.93	0.98	0.95	0.91
China	3.89	3.88	3.87	3.94
Japan	0.041	0.051	0.05	0.07
Korea	2.80	2.82	2.76	2.68
Thailand	2.41	2.41	2.40	2.31
Malaysia	4.08	4.06	4.01	3.92
Singapore	2.39	2.41	2.28	2.11
Indonesia USD Bond Yield				
INDO-22	3.46	3.46	3.42	2.98
INDO-27	4.10	4.11	4.11	3.62
INDO-47	4.86	4.87	4.89	4.51

Money Market	23-Feb			
	23-Feb	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	3.94	3.94	3.92	3.93
1M	4.91	4.91	4.93	4.94
3M	5.31	5.31	5.30	5.32
LIBOR				
1M	1.63	1.62	1.59	1.57
3M	1.96	1.94	1.88	1.77
6M	2.18	2.17	2.11	1.96
Indonesia Interest Rates				
Deposit 1M	5.53	5.58	5.61	5.61
Lending	13.9	14.0	14.1	14.1

Government Bond Ownership As of February 22, 2017 (in Trillion)

Holders	2013	2014	2015	2016	19-Feb-18	20-Feb-18	21-Feb-18	22-Feb-18
Banks	335.43	375.55	350.07	399.46	570.25	567.93	572.28	579.07
Bank Indonesia	44.44	41.63	148.91	134.25	51.25	51.25	46.94	48.21
Mutual Fund	42.50	45.79	61.60	85.66	103.43	103.43	103.38	103.65
Insurance	129.55	150.60	171.62	238.24	159.59	159.76	160.07	160.41
Foreign Investor	323.83	461.35	558.52	665.81	854.51	856.44	856.26	855.06
Pension Fund	39.47	43.30	49.83	87.28	204.63	204.88	204.89	205.11
Individual Investors	32.48	30.41	42.53	57.75	56.77	56.77	56.65	56.78
Others	47.56	61.32	78.76	104.84	118.41	118.38	118.37	119.03
Total	995.25	1,209.96	1,461.85	1,773.28	2,118.84	2,118.84	2,118.84	2,127.32

Source: Bloomberg, IDX & DJPPR

February 26, 2018

Government Bonds Prices

Closing Price Data : 23-Feb-2018



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0066	15-May-18	0.22	5.25%	100.32	3.70%	100.36	-4.8
FR0032	15-Jul-18	0.38	15.00%	104.48	3.05%	104.54	-5.5
FR0038	15-Aug-18	0.47	11.60%	103.25	4.48%	103.25	0.0
FR0048	15-Sep-18	0.55	9.00%	102.64	4.05%	102.59	4.6
FR0069	15-Apr-19	1.13	7.88%	103.14	4.97%	103.17	-3.0
FR0036	15-Sep-19	1.55	11.50%	109.10	5.28%	109.06	3.8
FR0031	15-Nov-20	2.72	11.00%	113.30	5.64%	113.40	-10.1
FR0034	15-Jun-21	3.30	12.80%	120.93	5.74%	121.13	-19.8
FR0053	15-Jul-21	3.39	8.25%	106.97	5.94%	107.30	-32.6
FR0061	15-May-22	4.22	7.00%	103.99	5.91%	103.97	2.0
FR0035	15-Jun-22	4.30	12.90%	125.72	6.01%	125.84	-12.2
FR0043	15-Jul-22	4.39	10.25%	116.08	6.02%	116.41	-33.1
FR0063	15-May-23	5.22	5.625%	99.04	5.84%	99.20	-16.1
FR0046	15-Jul-23	5.39	9.50%	115.65	6.05%	115.65	0.0
FR0039	15-Aug-23	5.47	11.75%	125.25	6.23%	125.60	-34.9
FR0070	15-Mar-24	6.05	8.38%	110.39	6.28%	110.71	-31.5
FR0044	15-Sep-24	6.56	10.00%	118.60	6.47%	119.08	-48.0
FR0040	15-Sep-25	7.56	11.00%	125.91	6.59%	126.50	-59.3
FR0037	15-Sep-26	8.56	12.00%	134.06	6.70%	134.79	-72.4
FR0056	15-Sep-26	8.56	8.38%	110.93	6.68%	111.21	-28.0
FR0059	15-May-27	9.22	7.00%	102.77	6.59%	102.93	-16.1
FR0042	15-Jul-27	9.39	10.25%	123.74	6.79%	124.55	-81.6
FR0047	15-Feb-28	9.98	10.00%	123.00	6.79%	123.00	0.0
FR0064	15-May-28	10.22	6.125%	97.00	6.53%	96.97	3.4
FR0071	15-Mar-29	11.06	9.00%	115.89	6.92%	116.19	-30.4
FR0052	15-Aug-30	12.48	10.50%	128.21	7.06%	128.46	-25.8
FR0073	15-May-31	13.22	8.75%	113.90	7.11%	113.71	19.3
FR0054	15-Jul-31	13.39	9.50%	120.27	7.12%	120.72	-44.3
FR0058	15-Jun-32	14.31	8.25%	109.23	7.20%	109.68	-45.0
FR0074	15-Aug-32	14.48	7.50%	103.18	7.14%	102.95	23.0
FR0065	15-May-33	15.23	6.625%	96.51	7.00%	96.39	11.9
FR0068	15-Mar-34	16.06	8.38%	109.75	7.33%	110.30	-55.0
FR0072	15-May-36	18.23	8.25%	109.02	7.34%	109.05	-3.2
FR0045	15-May-37	19.23	9.75%	124.16	7.38%	124.163	0.0
FR0075	15-May-38	138.47	7.500%	102.29	7.28%	102.11	18.0
FR0050	15-Jul-38	20.40	10.50%	132.92	7.36%	133.01	-8.8
FR0057	15-May-41	23.23	9.50%	123.63	7.36%	124.11	-48.4
FR0062	15-Apr-42	24.15	6.38%	88.63	7.39%	90.13	-150.0
FR0067	15-Jul-43	25.40	8.75%	116.42	7.33%	116.37	5.0
FR0076	15-May-48	30.24	7.38%	100.67	7.53%	103.16	-249.1

Source: Bloomberg, IBPA, MCS Estimates

Macroeconomic Indicator Calendar (26 Februari - 02 Maret 2018)
INDONESIA

Tgl	Indikator	Series Data	Aktual	Sebelumnya	Proyeksi
1	PMI Manufaktur	Feb-2018	-	49,9	50
1	Inflasi Inti (YoY)	Feb-2018	-	2,69%	-
1	Inflasi (MoM)	Feb-2018	-	0,62%	0,18%
1	Inflasi (YoY)	Feb-2018	-	3,25%	2,67%

GLOBAL

Tgl	Indikator	Negara	Series Data	Aktual	Sebelumnya	Proyeksi
26	Draghi's Speech	Euro Area	-	-	-	-
26	Penjualan Rumah Baru (MoM)	AS	Jan-2018	-	-9,3%	-1%
27	Keyakinan Konsumen	Euro Area	Feb-2018	-	1,4	0,1
28	PDB (QoQ)	AS	Q4-2017	-	3,2%	2,5%
28	Fed Powell <i>Testimony</i>	AS	-	-	-	-
28	EIA Simpanan Minyak Mentah	AS	<i>Week ended Feb-23,2018</i>	-	-1,62 juta	0,79 juta
28	PMI Manufaktur	Jepang	Feb-2018	-	54,8	54
1	PMI Manufaktur	Euro Area	Feb-2018	-	59,6	58,5
1	Tingkat Pengangguran Terbuka	Euro Area	Jan-2018	-	8,7%	8,7%
1	<i>Continuing Jobless Claims</i>	AS	<i>Week ended Feb-17,2018</i>	-	1,87 juta	1,89 juta
1	<i>Initial Jobless Claims</i>	AS	<i>Week ended Feb-24, 2018</i>	-	222 ribu	225 ribu
1	PCE Inti (YoY)	AS	Jan-2018	-	1,7%	-
1	Pengeluaran konsumen (MoM)	AS	Feb-2018	-	0,4%	0,3%
1	PMI Manufaktur	AS	Feb-2018	-	55,5	55,9
1	PMI Manufaktur	Tiongkok	Feb-2018	-	51,5	51,2

Source: *Tradingeconomics & MCS Estimates*

February 26, 2018

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