

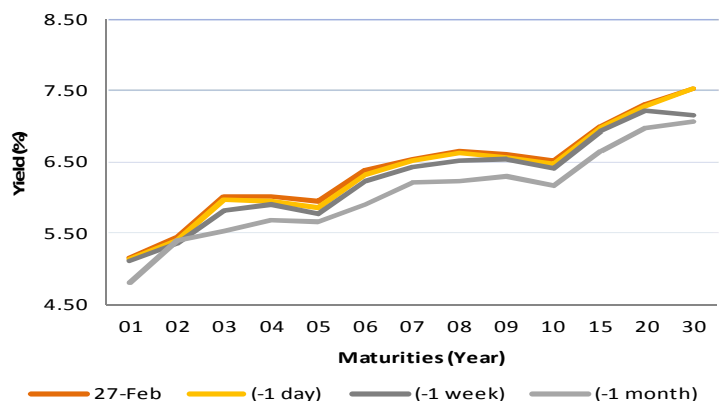
February 28, 2018

## Fixed Income Daily Notes



Indonesia Government Bonds Yield				
Maturities (Year)	27-Feb	(-1 day)	(-1 week)	(-1 month)
01	5.16	5.14	5.13	4.82
02	5.45	5.40	5.37	5.41
03	6.02	5.98	5.82	5.55
04	6.01	5.95	5.91	5.70
05	5.95	5.87	5.79	5.67
06	6.39	6.32	6.24	5.90
07	6.56	6.52	6.43	6.22
08	6.65	6.64	6.53	6.24
09	6.61	6.58	6.54	6.30
10	6.52	6.47	6.42	6.18
15	7.00	6.99	6.93	6.65
20	7.31	7.29	7.23	6.97
30	7.53	7.53	7.15	7.08

Source: Bloomberg



### Global Market Update

- Responding hawkish tone from Powell's testimony, yield of 10 year US treasury in the last trading inclined modestly to 2.90%. During his testimony in US lawmaker, Powell said that The Fed will try to keep US economy to grow and let the inflation flow without create a disruption to the economy. This was perceived by the market that The Fed will lift its benchmark rates gradually. Nonetheless, the main focus switched to the concerns if the fed lift its benchmark rates more than 3 times this year after Powell personally viewed that the economy has been improving and the inflation will follow path of economy to close to The Fed's target at 2%. Following US treasury, several yield of 10 year global bond namely UK Gilt and German Bund increase to 1.56% and 0.68%, respectively.
- Yield US treasury tenor 10 tahun pada perdagangan terakhir meningkat ke level 2,90% pada penutupan di perdagangan terakhir merespon pernyataan hawkish dari Gubernur The Fed, Jerome Powell. Powell menyatakan bahwa The Fed akan berupaya untuk menjaga ekonomi AS untuk tetap tumbuh dan membiarkan inflasi meningkat tanpa mendisrupsi ekonomi. Hal tersebut dipersepsikan oleh pasar bahwa The Fed akan menaikkan suku bunga acuannya secara gradual di tahun ini. Namun demikian, fokus pasar tertuju pada ekspektasi kenaikan lebih dari 3 kali di tahun ini yang kembali meningkat setelah Jerome Powell menyatakan pandangannya bahwa ekonomi AS diperkirakan akan terus menguat yang diikuti dengan kenaikan inflasi (PCE) AS yang bisa mendekati target The Fed sebesar 2%. Sementara itu, meningkatnya yield 10 tahun US treasury diikuti dengan meningkatnya yield 10 tahun UK Gilt dan German Bund masing-masing ke level 1,56% dan 0,68%.

### Domestic Market Update

- Indonesia composite bond index in the last trading was 0.03% lower to 243.77. Meanwhile, the transaction of government bonds dropped to IDR23.72 trillion in which FR0063 became the most active series while transaction of corporate bonds dropped to only IDR589 billion.
- Governor of Bank Indonesia expected that highly volatility of rupiah against US dollar will take part until the third week of March 2018. Furthermore, he indicated that raising price of non subsidized fuel will add pressure on inflation. Meanwhile, the government, issued IDR23.10 trillion from IDR41 trillion of incoming bids in the last government securities auction. Nonetheless, the market interest on auction was lower that was mirrored by declining of incoming bids compared with prior auction. SPN03180528 became the most favorite series among the market with the incoming bids reached IDR9 trillion.
- Today, the government bond on the secondary market was predicted to weaken due to rising global yield especially yield of US treasury. Rupiah against US dollar is also predicted to depreciate at IDR13.680 - IDR13.720 while yield of 10 year benchmark bond (FR0064) will rise to 6.47% - 6.52%.
- Indonesia Composite Bond Index pada perdagangan terakhir turun sebesar 0,03% ke level 243,77. Sementara itu, transaksi SBN pada perdagangan terakhir turun menjadi sebesar Rp23,72 triliun di mana seri FR0063 menjadi seri yang paling banyak diperdagangkan sementara transaksi obligasi korporasi turun menjadi hanya sebesar Rp589 miliar.
- Gubernur Bank Indonesia menyatakan bahwa tingginya volatilitas nilai tukar rupiah terhadap dolar AS diperkirakan akan terjadi hingga pekan ketiga Maret 2018. Selain itu, ia juga mengatakan kenaikan harga BBM non subsidi diperkirakan akan meningkatkan tekanan kepada inflasi. Sementara itu, pemerintah berhasil menyerap Rp23,10 triliun dari total penawaran yang datang (*incoming bids*) sebesar Rp41 triliun rupiah dalam lelang SUN kemarin. Meskipun demikian, minat dalam lelang tersebut cenderung menurun yang tercermin dari turunnya *incoming bids* dibandingkan dengan lelang SUN sebelumnya. Seri SPN03180528 menjadi seri yang paling banyak diminati dalam lelang tersebut dengan tingkat *incoming bids* mencapai Rp9 triliun.
- Hari ini, pergerakan harga SBN di pasar sekunder diprediksi akan cenderung terkoreksi seiring dengan meningkatnya yield global khususnya yield US treasury. Nilai tukar rupiah diperkirakan bergerak melemah di kisaran Rp13.680 – 13.720 sedangkan yield benchmark 10 tahun (FR0064) diperkirakan meningkat ke level 6,47% - 6,52%.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0063	99.20	5.80	6320
FR0072	109.15	7.33	2411
FR0075	102.19	7.29	1900
FR0059	103.51	6.49	1366
FR0065	96.60	6.99	1048
SPN12190214	95.42	5.00	1028
FR0061	103.70	5.99	974
SPN03180417	99.47	4.15	959
FR0053	106.85	5.98	887
FR0071	115.50	6.96	807

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
LTLS02BCN2	idA-	100.00	10.00	85
BMTR01ACN1	idA+	98.99	11.79	72
TPIA01CCN1	idAA-	100.00	9.75	70
IMFI02CCN4	idA	100.00	9.40	65
BEXI03CCN1	idAAA	105.65	6.76	60
BFIN02CCN3	AA-(idn)	103.90	6.62	47
BBRI02BCN4	idAAA	99.50	6.99	43
JMPD14JM10	idAA	104.45	7.46	30
SIISAT02CCN1	idAAA(sy)	104.39	-	22
IMFI03CCN1	idA	100.03	9.09	10

Global Stock Marketss	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6599	44.25	0.68%	24.59%
Malaysia (KLCI)	1862	11.38	0.61%	14.00%
Thailand (SET)	1830	-3.79	-0.21%	18.63%
Singapore (STI)	3540	-15.46	-0.43%	22.9%
Hang Seng	31269	-229.94	-0.73%	42.1%
Nikkei 225	22390	236.23	1.07%	17.14%
Shanghai	3292	-37.51	-1.13%	6.07%
Dow Jones (DJIA)	25410	-299.24	-1.16%	28.57%
London (FTSE 100)	7282	-7.13	-0.10%	1.96%
DAX	12491	-36.31	-0.29%	8.8%

FX Rate	27-Feb		
	27-Feb	(-1 day)	(-1 week)
USD/IDR	13,705	13,669	13,568
GBP/USD	1.391	1.397	1.400
USD/JPY	107.3	106.9	107.3
USD/SGD	1.324	1.316	1.319
USD/THB	31.49	31.28	31.51
USD/MYR	3.924	3.903	3.893

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			
27-Feb	31.58	85.28	150.74
(-1 Day)	31.50	85.12	150.50
(-1 Week)	33.00	88.11	152.63
(-1 Month)	27.93	88.10	141.91
(-1 Year)	49.35	130.16	187.49

Global Bonds	27-Feb			
	27-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	2.264	2.224	2.22	2.13
5-Year	2.664	2.611	2.65	2.51
10-Year	2.897	2.89	2.89	2.72
30-Year	3.16	3.15	3.15	2.97
<b>10-Year Government Bond Yield</b>				
UK	1.560	1.509	1.59	1.46
Germany	0.676	0.650	0.73	0.68
France	0.95	0.93	1.00	0.96
China	3.83	3.86	3.87	3.93
Japan	0.044	0.042	0.06	0.09
Korea	2.74	2.75	2.81	2.79
Thailand	2.38	2.39	2.43	2.35
Malaysia	4.03	4.06	4.02	3.95
Singapore	2.36	2.37	2.37	2.25
<b>Indonesia USD Bond Yield</b>				
INDO-22	3.50	3.47	3.39	2.98
INDO-27	4.12	4.10	4.05	3.61
INDO-47	4.84	4.84	4.83	4.50

Money Market	27-Feb			
	27-Feb	(-1 day)	(-1 week)	(-1 month)
<b>JIBOR</b>				
O/N	3.95	3.92	3.95	3.91
1M	4.91	4.91	4.92	4.94
3M	5.31	5.31	5.30	5.31
<b>LIBOR</b>				
1M	1.65	1.65	1.60	1.57
3M	1.98	1.98	1.90	1.77
6M	2.20	2.20	2.13	1.97
<b>Indonesia Interest Rates</b>				
Deposit 1M	5.58	5.55	5.56	5.60
Lending	14.1	13.9	14.3	14.0

**Government Bond Ownership As of February 26, 2017 (in Trillion)**

Holders	2013	2014	2015	2016	21-Feb-18	22-Feb-18	23-Feb-18	26-Feb-18
Banks	335.43	375.55	350.07	399.46	572.28	579.07	587.24	591.76
Bank Indonesia	44.44	41.63	148.91	134.25	46.94	48.21	38.09	40.34
Mutual Fund	42.50	45.79	61.60	85.66	103.38	103.65	103.61	103.84
Insurance	129.55	150.60	171.62	238.24	160.07	160.41	160.70	161.26
<b>Foreign Investor</b>	<b>323.83</b>	<b>461.35</b>	<b>558.52</b>	<b>665.81</b>	<b>856.26</b>	<b>855.06</b>	<b>856.50</b>	<b>848.92</b>
Pension Fund	39.47	43.30	49.83	87.28	204.89	205.11	205.13	205.23
Individual Investors	32.48	30.41	42.53	57.75	56.65	56.78	56.78	56.88
Others	47.56	61.32	78.76	104.84	118.37	119.03	119.27	119.59
<b>Total</b>	<b>995.25</b>	<b>1,209.96</b>	<b>1,461.85</b>	<b>1,773.28</b>	<b>2,118.84</b>	<b>2,127.32</b>	<b>2,127.32</b>	<b>2,127.82</b>

Source: Bloomberg, IDX & DJPPR

February 28, 2018

**Government Bonds Prices**

**Closing Price Data : 27-Feb-2018**



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0066	15-May-18	0.21	5.25%	100.28	3.85%	100.35	-6.9
FR0032	15-Jul-18	0.38	15.00%	104.24	3.50%	104.47	-23.1
FR0038	15-Aug-18	0.46	11.60%	103.50	3.82%	103.25	25.0
FR0048	15-Sep-18	0.55	9.00%	102.45	4.35%	102.64	-18.9
FR0069	15-Apr-19	1.13	7.88%	103.14	4.96%	103.13	0.7
FR0036	15-Sep-19	1.55	11.50%	109.06	5.29%	109.04	1.9
FR0031	15-Nov-20	2.72	11.00%	113.29	5.63%	113.22	7.2
FR0034	15-Jun-21	3.30	12.80%	120.85	5.75%	120.83	1.3
FR0053	15-Jul-21	3.38	8.25%	106.93	5.95%	107.03	-9.6
FR0061	15-May-22	4.21	7.00%	103.87	5.94%	104.07	-19.8
FR0035	15-Jun-22	4.30	12.90%	125.64	6.02%	126.03	-39.0
FR0043	15-Jul-22	4.38	10.25%	116.08	6.01%	116.32	-24.6
<b>FR0063</b>	<b>15-May-23</b>	<b>5.21</b>	<b>5.625%</b>	<b>98.91</b>	<b>5.87%</b>	<b>99.10</b>	<b>-18.5</b>
FR0046	15-Jul-23	5.38	9.50%	116.05	5.96%	116.06	-0.3
FR0039	15-Aug-23	5.47	11.75%	126.02	6.08%	<b>125.25</b>	77.2
FR0070	15-Mar-24	6.05	8.38%	110.26	6.31%	110.36	-10.3
FR0044	15-Sep-24	6.55	10.00%	118.54	6.48%	118.67	-12.6
FR0040	15-Sep-25	7.55	11.00%	125.76	6.61%	125.80	-4.1
FR0037	15-Sep-26	8.55	12.00%	134.69	6.62%	134.71	-1.6
FR0056	15-Sep-26	8.55	8.38%	111.36	6.61%	111.37	-1.6
FR0059	15-May-27	9.22	7.00%	103.05	6.55%	103.11	-6.0
FR0042	15-Jul-27	9.38	10.25%	124.02	6.75%	123.74	27.8
FR0047	15-Feb-28	9.97	10.00%	123.00	6.79%	123.00	0.0
<b>FR0064</b>	<b>15-May-28</b>	<b>10.22</b>	<b>6.125%</b>	<b>97.42</b>	<b>6.47%</b>	<b>97.61</b>	<b>-19.4</b>
FR0071	15-Mar-29	11.05	9.00%	116.07	6.90%	116.18	-11.0
FR0052	15-Aug-30	12.47	10.50%	128.59	7.02%	128.83	-23.2
FR0073	15-May-31	13.22	8.75%	114.28	7.07%	114.38	-9.9
FR0054	15-Jul-31	13.39	9.50%	120.48	7.10%	120.75	-26.9
FR0058	15-Jun-32	14.31	8.25%	109.78	7.15%	110.33	-55.7
FR0074	15-Aug-32	14.47	7.50%	103.36	7.12%	103.72	-36.0
<b>FR0065</b>	<b>15-May-33</b>	<b>15.22</b>	<b>6.625%</b>	<b>96.77</b>	<b>6.97%</b>	<b>96.86</b>	<b>-9.0</b>
FR0068	15-Mar-34	16.05	8.38%	110.19	7.29%	110.21	-2.4
FR0072	15-May-36	18.22	8.25%	109.28	7.32%	109.29	-1.7
FR0045	15-May-37	19.22	9.75%	124.16	7.38%	124.163	0.0
<b>FR0075</b>	<b>15-May-38</b>	<b>138.47</b>	<b>7.500%</b>	<b>102.28</b>	<b>7.28%</b>	<b>102.58</b>	<b>-30.0</b>
FR0050	15-Jul-38	20.39	10.50%	132.87	7.36%	<b>132.93</b>	-5.3
FR0057	15-May-41	23.23	9.50%	123.71	7.35%	123.68	3.0
FR0062	15-Apr-42	24.15	6.38%	88.58	7.40%	88.63	-4.3
FR0067	15-Jul-43	25.39	8.75%	116.26	7.34%	116.42	-15.8
FR0076	15-May-48	30.23	7.11%	103.45	7.08%	103.64	-19.0

Source: Bloomberg, IBPA dan MCS Estimates

**Macroeconomic Indicator Calendar (26 Februari - 2 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	AS	Jan-2018	-7,8%	-9,3%	3,8%
27	Keyakinan Konsumen	Euro Area	Feb-2018	0,1	1,4	0,1
28	Fed Powell <i>Testimony</i>	AS	-	-	-	-
28	PDB (QoQ)	AS	Q4-2017	-	3,2%	2,5%
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 28, 2018

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