

July 02, 2018

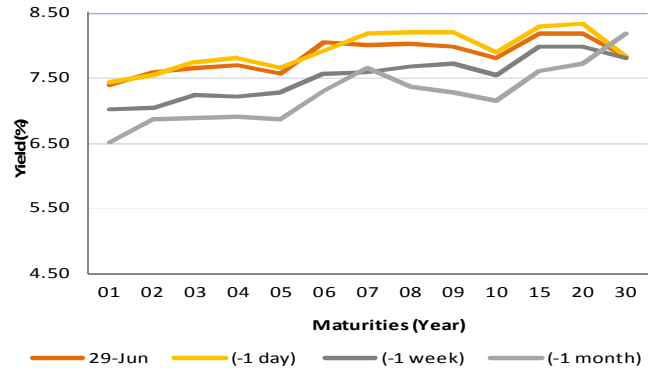
Fixed Income Daily Notes



Indonesia Government Bonds Yield

Maturities (Year)	29-Jun	(-1 day)	(-1 week)	(-1 month)
01	7.39	7.43	7.01	6.51
02	7.58	7.55	7.04	6.87
03	7.65	7.73	7.24	6.88
04	7.69	7.80	7.21	6.90
05	7.57	7.66	7.29	6.87
06	8.04	7.92	7.57	7.30
07	8.01	8.18	7.59	7.64
08	8.02	8.21	7.68	7.36
09	7.98	8.21	7.71	7.29
10	7.80	7.90	7.54	7.15
15	8.17	8.29	7.98	7.61
20	8.17	8.32	7.98	7.72
30	7.82	7.82	7.82	8.19

Source: Bloomberg



Global Market Update

- At Friday, June 29 2018, US Treasury yield flat at 2.86% amidst of various respond from investor when US inflation touched 2%, first time in the last 6 years. On the other side, global benchmark bond yield move varied, 10-years UK gilt yield climbed up to 1.28%, while 10-years German Bund yield fell to 0.30%.
- Yield US Treasury pada hari Jum'at, 29 Juni 2018 ditutup datar pada level 2,86% di tengah respon pasar obligasi yang bervariasi pada saat rilis data inflasi inti AS yang menyentuh angka 2%, pertama kalinya dalam 6 tahun terakhir. Dari pasar obligasi global, yield acuan global ditutup bervariasi, terlihat dari yield 10 tahun UK Gilt yang ditutup naik ke level 1,28%, sementara yield 10 tahun German Bund ditutup turun ke level 0,30%.

Domestic Market Update

- Minister of Economy Coordinator, Darmin Nasution, predicted that June inflation would be around 0.25%, fewer than 4-year average, 0.77%. According to ADB economist, Eric Sugandi, inflation weakening was caused by demand side and supply side. From the supply side, government effort to reduce logistic and distribution cost were proven to reduce inflation. Meanwhile, from the demand side, people were tend to save their income for anticipating lower purchasing power in the future.
- Menurut Menteri Koordinator Perekonomian, Darmin Nasution, inflasi pada bulan Juni diperkirakan sebesar 0,25% (MoM), lebih rendah dibandingkan rerata inflasi bulanan Juni sebesar 0,77%. Ekonom ADB, Eric Sugandi, mengungkapkan bahwa pelemahan inflasi ini disebabkan tekanan dari sisi permintaan maupun penawaran. Dari sisi penawaran, pelemahan ini didorong oleh perbaikan distribusi maupun logistik bahan pangan oleh pemerintah. Sementara dari sisi permintaan, masyarakat cenderung menahan pendapatan dari THR dan pemasukan rutin lainnya demi mengantisipasi pelemahan daya beli di masa depan.
- At Tuesday, July 03 2018, Government will issue IDR10—15 trillion of government securities. There are 5 auctioned government securities; SPN12190704 (New Issuance), SPN12181004 (Reopening), FR0063 (Reopening), FR0065 (Reopening), and FR0075 (Reopening).
- Pada hari Selasa, 03 Juli 2018, pemerintah akan mengadakan lelang Surat Utang Negara (SUN) dengan target indikatif Rp 10-15 triliun. Adapun seri SUN yang akan dilelang ialah SPN12181004 (reopening), SPN12190704 (New Issuance), FR0063 (Reopening), FR0065 (Reopening), dan FR0075 (Reopening).
- Today, Government bond prices on the secondary market are likely to weaken moderately which is pushed by lower price tendency near government bond auction. Rupiah will be ranging from IDR 14,231—14,305 and yield of 10 year benchmark bond (FR0064) will be ranging from 7.78% - 7.83%.
- Hari ini, pergerakan harga SBN secara umum di pasar sekunder diprediksi cenderung melemah terbatas akibat kecenderungan tingginya yield menjelang lelang SUN esok hari. Nilai tukar rupiah terhadap dolar AS diprediksi bergerak pada kisaran Rp 14.231 – Rp14.305 sedangkan yield benchmark 10 tahun (FR0064) pada perdagangan hari ini diperkirakan bergerak di rentang 7,78% - 7,83%.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0075	94.25	8.08	1674
FR0070	102.50	7.82	1631
FR0068	99.90	8.38	1575
FR0072	99.25	8.33	1132
FR0059	94.25	7.91	1042
FR0069	100.50	7.19	1033
SPN12180712	99.91	5.20	1000
FR0064	89.00	7.74	911
FR0073	104.00	8.24	650
FR0063	92.30	7.54	563

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
ISAT08A	idAAA	101.53	7.00	118
NISPO2ACN3	idAAA	99.86	6.47	112
BNII02ACN1	idAAA	96.60	9.12	100
BFIN04BCN1	AA-(idn)	100.02	7.74	90
ISAT02ACN3	idAAA	99.95	6.11	69
BEXI02CCN5	idAAA	103.02	7.58	66
PNBN02CN3	idAA	97.30	8.31	60
BIIF01ACN4	AA+(idn)	98.72	8.25	50
SMBNII01CN2	idAAA(sy)	100.79		32
BEXI01CCN1	idAAA	100.75	6.81	25

Global Stock Marketss	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	5799	131.92	2.33%	-8.75%
Malaysia (KLCI)	1692	25.82	1.55%	-5.86%
Thailand (SET)	1596	-3.96	-0.25%	-9.02%
Singapore (STI)	3269	11.13	0.34%	-3.9%
Hang Seng	28955	457.79	1.61%	-3.2%
Nikkei 225	22305	34.12	0.15%	-2.02%
Shanghai	2847	60.52	2.17%	-13.90%
Dow Jones (DJIA)	24271	55.36	0.23%	-1.81%
London (FTSE 100)	7637	21.30	0.28%	-0.66%
DAX	12306	128.77	1.06%	-4.7%

Global Bonds	29-Jun	(-1 day)	(-1 week)	(-1 month)
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Fed Fund Rate & US T-Bonds Yield	29-Jun	(-1 day)	(-1 week)	(-1 month)
Fed Fund Rate	2.00	2.00	2.00	1.75
2-Year	2.549	2.567	2.54	2.46
5-Year	2.889	2.937	2.84	2.80
10-Year	2.861	2.84	2.90	2.90
30-Year	3.20	3.25	3.11	3.15

10-Year Government Bond Yield	29-Jun	(-1 day)	(-1 week)	(-1 month)
UK	1.277	1.262	1.32	1.28
Germany	0.300	0.317	0.34	0.38
France	0.66	0.70	0.71	0.70
China	3.48	3.53	3.58	3.63
Japan	0.029	0.030	0.03	0.04
Korea	2.73	2.73	2.73	2.73
Thailand	2.58	2.56	2.64	2.59
Malaysia	4.20	4.20	4.21	4.18
Singapore	2.52	2.54	2.56	2.55
Indonesia USD Bond Yield				
INDO-22	3.94	3.95	3.98	3.90
INDO-27	4.51	4.53	4.47	4.35
INDO-47	5.21	5.25	5.20	5.10

FX Rate	29-Jun	(-1 day)	(-1 week)
USD/IDR	14,268	14,328	14,080
GBP/USD	1.321	1.308	1.326
USD/JPY	110.8	110.5	110.0
USD/SGD	1.363	1.368	1.359
USD/THB	33.03	33.15	32.93
USD/MYR	4.032	4.043	4.002

Money Market	29-Jun	(-1 day)	(-1 week)	(-1 month)
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JIBOR	29-Jun	(-1 day)	(-1 week)	(-1 month)
O/N	4.49	4.46	4.45	4.32
1M	6.96	6.95	6.86	6.74
3M	7.10	7.10	7.08	6.95
LIBOR				
1M	2.09	2.09	2.10	2.00
3M	2.34	2.34	2.34	2.32
6M	2.50	2.50	2.51	2.47

Indonesia Interest Rates	29-Jun	(-1 day)	(-1 week)	(-1 month)
Deposit 1M	5.65	5.64	5.63	5.61
Lending	13.6	13.8	13.9	13.6

Macroeconomic Data	May-18	Apr-18	Mar-18
Consumer Price Index (MoM)	0.21	0.10	0.20
Consumer Price Index (YoY)	3.23	3.41	3.4
Core Inflation (YoY)	2.75	2.69	2.67
BI 7-Day RR Rate (%)	4.75	4.25	4.25
Foreign Reserve (US\$ Bn)	122.9	124.9	126

Benchmark	29-Jun	(-1 day)	Change	Yield
FR0061	97.86	97.99	-14	7.65%
FR0059	94.43	93.21	123	7.88%
FR0074	92.76	92.97	-21	8.38%
FR0072	98.13	98.26	-13	8.45%

Indonesia Sovereign CDS	2-year	5-year	10-year
As of 29-Jun	53.24	136.07	219.68
(-1 Day)	50.92	142.60	221.98
(-1 Week)	51.32	130.75	214.64
(-1 Month)	45.60	122.71	199.75
(-1 Year)	46.26	117.45	185.58

Government Bond Ownership As of June 28, 2018 (in Trillion)

Holders	2013	2014	2015	2016	2017	25-Jun-18	26-Jun-18	27-Jun-18	28-Jun-18
Banks	335.43	375.55	350.07	399.46	491.61	389.27	390.00	412.74	421.51
Bank Indonesia	44.44	41.63	148.91	134.25	141.83	278.72	278.61	255.65	247.32
Mutual Fund	42.50	45.79	61.60	85.66	104.00	111.8	111.6	111.6	111.2
Insurance	129.55	150.60	171.62	238.24	150.80	172.4	172.4	172.4	172.7
Foreign Investor	323.83	461.35	558.52	665.81	836.15	835.66	835.08	835.30	834.33
Pension Fund	39.47	43.30	49.83	87.28	198.06	217.64	217.72	217.72	218.38
Individual Investors	32.48	30.41	42.53	57.75	59.84	61.83	61.89	61.89	61.89
Others	47.56	61.32	78.76	104.84	117.48	129.44	129.46	129.46	129.48
Total	995.25	1,209.96	1,461.85	1,773.28	2,099.77	2,196.76	2,196.76	2,196.76	2,196.92

Source: Bloomberg, IDX & DJPPR

July 02, 2018

Government Bonds Prices

Closing Price Data : 29-Jun-2018



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0032	15-Jul-18	0.04	15.000%	100.36	3.86%	100.84	-48.4
FR0038	15-Aug-18	0.13	11.600%	101.03	2.99%	101.03	0.0
FR0048	15-Sep-18	0.21	9.000%	100.57	5.95%	100.67	-9.3
FR0069	15-Apr-19	0.79	7.875%	100.52	7.16%	100.56	-4.2
FR0036	15-Sep-19	1.21	11.500%	104.73	7.29%	104.82	-9.2
FR0031	15-Nov-20	2.38	11.000%	107.38	7.53%	107.97	-59.7
FR0034	15-Jun-21	2.96	12.800%	113.84	7.48%	114.06	-21.7
FR0053	15-Jul-21	3.05	8.250%	101.83	7.56%	102.09	-26.9
FR0061	15-May-22	3.88	7.000%	97.86	7.65%	97.99	-13.6
FR0035	15-Jun-22	3.96	12.900%	118.91	7.32%	118.91	0.0
FR0043	15-Jul-22	4.05	10.250%	109.24	7.55%	109.24	0.0
FR0063	15-May-23	4.88	5.625%	92.40	7.52%	92.29	10.9
FR0046	15-Jul-23	5.05	9.500%	108.50	7.44%	108.50	0.0
FR0039	15-Aug-23	5.13	11.750%	115.96	7.89%	116.82	-85.4
FR0070	15-Mar-24	5.72	8.375%	101.57	8.02%	102.60	-102.8
FR0044	15-Sep-24	6.22	10.000%	109.40	8.04%	109.72	-31.8
FR0040	15-Sep-25	7.22	11.000%	115.76	8.07%	116.26	-50.1
FR0037	15-Sep-26	8.22	12.000%	122.56	8.17%	128.96	-639.1
FR0056	15-Sep-26	8.22	8.375%	102.76	7.91%	101.63	113.5
FR0059	15-May-27	8.88	7.000%	94.43	7.88%	93.21	122.6
FR0042	15-Jul-27	9.05	10.250%	113.97	8.04%	114.78	-81.3
FR0047	15-Feb-28	9.64	10.000%	111.93	8.18%	112.99	-105.9
FR0064	15-May-28	9.88	6.125%	88.77	7.78%	88.66	11.0
FR0071	15-Mar-29	10.72	9.000%	106.12	8.13%	106.15	-2.4
FR0052	15-Aug-30	12.14	10.500%	116.66	8.29%	121.70	-503.5
FR0073	15-May-31	12.88	8.750%	102.95	8.37%	103.37	-41.4
FR0054	15-Jul-31	13.05	9.500%	109.71	8.27%	109.71	0.0
FR0058	15-Jun-32	13.97	8.250%	99.97	8.25%	99.97	0.0
FR0074	15-Aug-32	14.14	7.500%	92.76	8.38%	92.97	-20.9
FR0065	15-May-33	14.89	6.625%	86.70	8.19%	86.65	5.6
FR0068	15-Mar-34	15.72	8.375%	100.23	8.35%	99.79	44.0
FR0072	15-May-36	17.89	8.250%	98.13	8.45%	98.26	-12.5
FR0045	15-May-37	18.89	9.750%	113.15	8.35%	113.15	0.0
FR0075	15-May-38	138.47	7.500%	93.97	8.12%	92.71	125.3
FR0050	15-Jul-38	20.06	10.500%	122.00	8.24%	122.00	0.0
FR0057	15-May-41	22.89	9.500%	111.17	8.39%	111.59	-42.8
FR0062	15-Apr-42	23.81	6.375%	79.57	8.37%	79.57	0.0
FR0067	15-Jul-43	25.06	8.750%	103.50	8.41%	104.20	-70.2
FR0076	15-May-48	29.90	7.375%	95.14	8.30%	92.72	241.3

Source: Bloomberg, IBPA & MCS Estimates

Macroeconomic Indicator Calendar (July, 02 - 05 2018)

INDONESIA

Date	Indicator	Series Data	Actual	Previous	Projection
02	Inflation Rate (MoM)	Jun-18	-	0.21%	0.44%
02	Inflation Rate (YoY)	Jun-18	-	3.23%	3.30%
02	Core Inflation Rate (YoY)	Jun-18	-	2.75%	2.72%
04	M2 Money Supply	May-18	-	7.4%	-

GLOBAL

Date	Indicator	Country	Series Data	Actual	Previous	Projection
02	Unemployment Rate	Euro Area	May-18	-	8.5%	8.5%
02	ISM Manufacturing PMI	US	Jun-18	-	58.7	57.0
03	Factory Orders (MoM)	US	May-18	-	-0.8%	-0.2%
04	Markit Composite PMI Final	Euro Area	Jun-18	-	54.1	54.8
04	Crude Oil Inventory	US	Week Ended, June 29 - 2018	-	-9.89 million barrel	-2.0 million barrel
05	ADP Employment Change	US	Jun-18	-	178 thousand	190 thousand
05	ISM Non-Manufacturing PMI	US	Jun-18	-	58.6	56.0
05	Initial Jobless Claims	US	Week Ended, June 30-2018	-	227 thousand	225 thousand
05	Continuing Jobless Claims	US	Week Ended, June 23- 2018	-	1705 thousand	1707 thousand
06	Balance of Trade	US	May-18	-	USD -46.2 billion	USD -45.5 billion
06	Non-Farm Payrolls	US	Jun-18	-	223 thousand	178 thousand
06	Unemployment Rate	US	Jun-18	-	3.8%	3.8%

Source: Tradingeconomics and Bloomberg (2018)

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