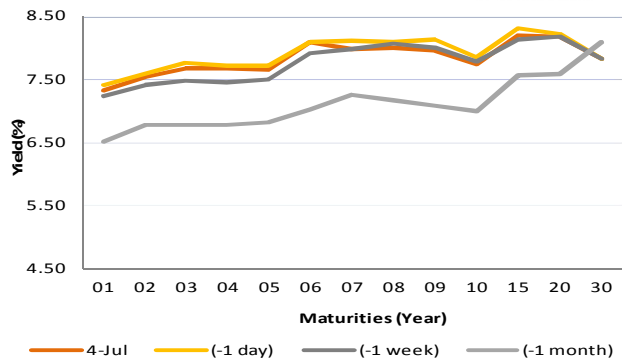


Fixed Income Daily Notes

Indonesia Government Bonds Yield

Maturities (Year)	4-Jul	(-1 day)	(-1 week)	(-1 month)
01	7.33	7.41	7.23	6.52
02	7.55	7.59	7.42	6.77
03	7.67	7.75	7.49	6.77
04	7.67	7.73	7.46	6.78
05	7.65	7.71	7.51	6.83
06	8.08	8.08	7.92	7.03
07	7.98	8.11	7.98	7.27
08	8.01	8.08	8.07	7.18
09	7.97	8.14	8.00	7.07
10	7.74	7.85	7.79	6.99
15	8.20	8.31	8.12	7.56
20	8.18	8.22	8.17	7.58
30	7.82	7.82	7.82	8.09

Source: Bloomberg



Global Market Update

- Yesterday, US bond market was closed due to Independence Day. On the other hand, majority of global benchmark bond yield move upward, 10-years UK gilt yield rose to 1.28%, while 10-years German Bund yield climbed up to 0.30%.
- Pada hari Selasa, 04 Juli 2018, pasar AS libur karena hari kemerdekaan AS. Dari pasar obligasi global, mayoritas yield acuan global ditutup naik, terlihat dari yield 10 tahun UK Gilt yang ditutup naik ke level 1,28% dan yield 10 tahun German Bund yang ditutup naik ke level 0,30%.

Domestic Market Update

- Ministry of Finance and Budget Body of Legislative (Banggar DPR) agreed that indicative ceiling budget for Ministry/Institution (K/L) in RAPBN 2019 is IDR 838.6 trillion. This amount was lower 1.05% than previous ceiling budget in 2018, IDR 847.4 trillion. On the other side, they agreed to increase oil subsidy, with the amount IDR 1,500—2,000 per liter, far higher than oil subsidy in 2016 and 2017, IDR 500 per liter. According to ADB economist, Eric Sugandi, additional oil subsidy would stimulate consumer purchasing power. On the other hand, increasing subsidy would give negative sentiment to rating institution because government would be considered as restraining energy reform.
- Kementerian Keuangan dan Badan Anggaran (Banggar) DPR pada hari Rabu, 4 Juli 2018, menyetujui pagu indikatif anggaran Kementerian atau Lembaga (K/L) di RAPBN 2019 sebesar Rp 838,6 triliun atau menurun sebanyak 1,05% dari pagu anggaran tahun 2018, Rp 847,4 triliun. Di sisi lain, anggaran untuk subsidi BBM pada tahun 2019 disepakati meningkat dengan besaran subsidi sebesar Rp 1500 – 2000 per liter. Jumlah ini jauh lebih besar dibandingkan subsidi pada tahun 2016 dan 2017 sebesar Rp 500 per liter. Menurut ekonom ADB, Eric Sugandi, di satu sisi kenaikan subsidi ini dapat merangsang daya beli masyarakat di tahun depan. Namun demikian, dikhawatirkan akan ada sentimen negatif dari lembaga rating karena pemerintah akan dianggap menghambat kemajuan reformasi energi.
- Hari ini, pergerakan harga SBN secara umum di pasar sekunder diprediksi cenderung datar kecenderungan perubahan kurs Rupiah yang tidak signifikan. Nilai tukar rupiah terhadap dolar AS diprediksi bergerak pada kisaran Rp 14.341 – Rp14.380 sedangkan yield benchmark 10 tahun (FR0064) pada perdagangan hari ini diperkirakan bergerak di rentang 7,70% - 7,75%.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0061	98.33	7.50	4209
FR0065	87.25	8.12	2681
FR0070	102.70	7.77	2354
PBS016	98.25	7.37	1972
SPN12190104	96.86	6.50	1955
FR0063	92.50	7.49	1379
SPN12181004	98.64	5.60	1236
PBS002	93.11	7.72	1113
FR0075	93.70	8.14	885
FR0064	89.60	7.64	793

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
SMH01BCN2	idAAA	98.20	8.25	445
PNBNO2CN3	idAA	97.32	8.30	120
PIKIO1B	idAA	100.00	9.15	120
AISA01	idBB+	100.02	10.17	119
SMBNII01CN2	idAAA(sy)	100.80		118
SMADMFO3ACN2	idAAA(sy)	99.55	6.10	91
SIAISA02	idBB+	98.83	11.01	85
NISPO2ACN3	idAAA	99.58	7.08	60
BSDE01CCN1	idAA-	101.82	7.59	58
SIAISA01	idBB+	100.02	10.26	57

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	5734	99.70	1.77%	-9.79%
Malaysia (KLCI)	1688	8.08	0.48%	-6.03%
Thailand (SET)	1629	2.58	0.16%	-7.10%
Singapore (STI)	3245	8.99	0.28%	-4.6%
Hang Seng	28242	-303.90	-1.06%	-5.6%
Nikkei 225	21717	-68.50	-0.31%	-4.60%
Shanghai	2759	-27.76	-1.00%	-16.57%
Dow Jones (DJIA)	24175	0.00	0.00%	-2.20%
London (FTSE 100)	7573	-20.20	-0.27%	-1.49%
DAX	12318	-31.53	-0.26%	-4.6%

FX Rate	4-Jul		
	4-Jul	(-1 day)	(-1 week)
USD/IDR	14,361	14,360	14,250
GBP/USD	1.323	1.319	1.311
USD/JPY	110.5	110.6	110.3
USD/SGD	1.365	1.365	1.367
USD/THB	33.16	33.15	33.06
USD/MYR	4.058	4.042	4.030

Macroeconomic Data	Jun-18	May-18	Apr-18
Consumer Price Index (MoM)	0.59	0.21	0.10
Consumer Price Index (YoY)	3.12	3.23	3.41
Core Inflation (YoY)	2.72	2.75	2.69
BI 7-Day RR Rate (%)	5.25	4.75	4.25
Foreign Reserve (US\$ Bn)		122.9	124.9

Indonesia Sovereign CDS	2-year	5-year	10-year
As of			
4-Jul	52.45	133.85	216.77
(-1 Day)	53.50	136.45	220.09
(-1 Week)	49.34	138.17	216.34
(-1 Month)	50.39	125.47	204.58
(-1 Year)	47.41	120.11	188.72

Global Bonds	4-Jul	(-1 day)	(-1 week)	(-1 month)
Fed Fund Rate & US T-Bonds Yield				
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	2.832	2.83	2.83	2.97
30-Year	3.20	3.25	3.11	3.15
10-Year Government Bond Yield				
UK	1.275	1.241	1.24	1.37
Germany	0.303	0.292	0.32	0.46
France	0.64	0.64	0.71	0.80
China	3.51	3.50	3.56	3.67
Japan	0.029	0.027	0.03	0.05
Korea	2.73	2.73	2.73	2.75
Thailand	2.55	2.56	2.55	2.53
Malaysia	4.16	4.20	4.20	4.19
Singapore	2.46	2.48	2.54	2.58
Indonesia USD Bond Yield				
INDO-22	3.94	3.94	3.96	3.97
INDO-27	4.52	4.52	4.51	4.43
INDO-47	5.23	5.23	5.22	5.19

Money Market	4-Jul	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	4.90	4.79	4.44	4.30
1M	7.16	7.14	6.90	7.04
3M	7.31	7.31	7.10	7.14
LIBOR				
1M	2.09	2.09	2.09	2.03
3M	2.34	2.34	2.33	2.32
6M	2.51	2.51	2.50	2.48
Indonesia Interest Rates				
Deposit 1M	5.69	5.64	5.58	5.61
Lending	14.2	14.3	13.4	13.8

Benchmark	4-Jul	(-1 day)	Change	Yield
FR0061	97.97	97.92	5	7.61%
FR0059	93.92	93.31	61	7.97%
FR0074	93.22	92.92	30	8.32%
FR0072	98.46	98.10	36	8.42%

Government Bond Ownership As of June 29, 2018 (in Trillion)

Holders	2013	2014	2015	2016	2017	26-Jun-18	27-Jun-18	28-Jun-18	29-Jun-18
Banks	335.43	375.55	350.07	399.46	491.61	390.00	412.74	421.51	461.15
Bank Indonesia	44.44	41.63	148.91	134.25	141.83	278.61	255.65	247.32	210.04
Mutual Fund	42.50	45.79	61.60	85.66	104.00	111.6	111.6	111.2	111.4
Insurance	129.55	150.60	171.62	238.24	150.80	172.4	172.4	172.7	172.8
Foreign Investor	323.83	461.35	558.52	665.81	836.15	835.08	835.30	834.33	830.17
Pension Fund	39.47	43.30	49.83	87.28	198.06	217.72	217.72	218.38	219.41
Individual Investors	32.48	30.41	42.53	57.75	59.84	61.89	61.89	61.89	61.94
Others	47.56	61.32	78.76	104.84	117.48	129.46	129.46	129.48	130.02
Total	995.25	1,209.96	1,461.85	1,773.28	2,099.77	2,196.76	2,196.76	2,196.92	2,196.92

Source: Bloomberg, IDX & DJPPR

July 05, 2018



Government Bonds Prices

Closing Price Data : 4-Jul-2018

Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0032	15-Jul-18	0.03	15.000%	100.52	-5.42%	100.49	2.6
FR0038	15-Aug-18	0.12	11.600%	101.03	2.99%	101.03	0.0
FR0048	15-Sep-18	0.20	9.000%	100.56	5.92%	100.46	9.9
FR0069	15-Apr-19	0.78	7.875%	100.61	7.03%	100.52	9.1
FR0036	15-Sep-19	1.20	11.500%	104.93	7.10%	104.85	8.2
FR0031	15-Nov-20	2.37	11.000%	107.49	7.47%	107.52	-2.8
FR0034	15-Jun-21	2.95	12.800%	113.65	7.54%	113.71	-6.7
FR0053	15-Jul-21	3.03	8.250%	101.87	7.55%	101.81	6.1
FR0061	15-May-22	3.87	7.000%	97.97	7.61%	97.92	4.7
FR0035	15-Jun-22	3.95	12.900%	117.64	7.63%	123.03	-538.1
FR0043	15-Jul-22	4.03	10.250%	108.97	7.62%	109.07	-10.3
FR0063	15-May-23	4.87	5.625%	92.11	7.60%	92.06	4.7
FR0046	15-Jul-23	5.03	9.500%	108.50	7.44%	108.50	0.0
FR0039	15-Aug-23	5.12	11.750%	115.96	7.89%	115.96	0.0
FR0070	15-Mar-24	5.70	8.375%	101.71	7.99%	101.57	13.8
FR0044	15-Sep-24	6.21	10.000%	110.08	7.91%	109.91	16.6
FR0040	15-Sep-25	7.21	11.000%	116.38	7.96%	116.31	7.9
FR0037	15-Sep-26	8.21	12.000%	123.14	8.08%	123.30	-16.0
FR0056	15-Sep-26	8.21	8.375%	102.46	7.96%	102.20	26.4
FR0059	15-May-27	8.87	7.000%	93.92	7.97%	93.31	60.9
FR0042	15-Jul-27	9.04	10.250%	114.12	8.02%	114.01	11.6
FR0047	15-Feb-28	9.62	10.000%	112.78	8.06%	111.93	85.1
FR0064	15-May-28	9.87	6.125%	89.07	7.73%	88.78	29.7
FR0071	15-Mar-29	10.70	9.000%	105.89	8.16%	106.05	-16.3
FR0052	15-Aug-30	12.12	10.500%	116.66	8.29%	116.66	0.0
FR0073	15-May-31	12.87	8.750%	103.95	8.24%	103.71	23.9
FR0054	15-Jul-31	13.04	9.500%	109.48	8.30%	109.60	-11.9
FR0058	15-Jun-32	13.96	8.250%	99.97	8.25%	99.97	0.0
FR0074	15-Aug-32	14.13	7.500%	93.22	8.32%	92.92	30.5
FR0065	15-May-33	14.87	6.625%	86.69	8.19%	86.10	58.9
FR0068	15-Mar-34	15.71	8.375%	99.46	8.44%	99.24	22.2
FR0072	15-May-36	17.88	8.250%	98.46	8.42%	98.10	36.1
FR0045	15-May-37	18.88	9.750%	127.03	7.12%	127.025	0.0
FR0075	15-May-38	138.47	7.500%	93.57	8.16%	93.51	6.0
FR0050	15-Jul-38	20.04	10.500%	119.19	8.49%	121.35	-215.6
FR0057	15-May-41	22.88	9.500%	110.60	8.44%	110.61	-1.1
FR0062	15-Apr-42	23.80	6.375%	79.57	8.37%	79.57	0.0
FR0067	15-Jul-43	25.05	8.750%	102.89	8.47%	103.01	-11.6
FR0076	15-May-48	29.88	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	0.59%	0.21%	0.44%
02	Inflation Rate (YoY)	Jun-18	3.12%	3.23%	3.30%
02	Core Inflation Rate (YoY)	Jun-18	2.72%	2.75%	2.72%
04	M2 Money Supply	May-18	6.1%	7.4%	-

GLOBAL

Date	Indicator	Country	Series Data	Actual	Previous	Projection
02	Unemployment Rate	Euro Area	May-18	8.4%	8.4%	8.5%
02	ISM Manufacturing PMI	US	Jun-18	60.2	58.7	57.0
03	Factory Orders (MoM)	US	May-18	0.4%	-0.4%	-0.2%
04	Markit Composite PMI Final	Euro Area	Jun-18	54.9	54.1	54.8
05	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)

July 05, 2018

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