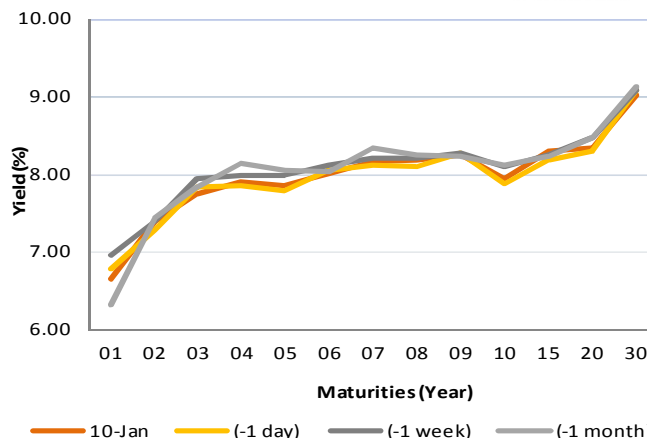


# Fixed Income Daily Notes



| Indonesia Government Bonds Yield |        |          |           |            |
|----------------------------------|--------|----------|-----------|------------|
| Maturities (Year)                | 10-Jan | (-1 day) | (-1 week) | (-1 month) |
| 01                               | 6.66   | 6.79     | 6.95      | 6.33       |
| 02                               | 7.41   | 7.29     | 7.40      | 7.43       |
| 03                               | 7.75   | 7.83     | 7.94      | 7.84       |
| 04                               | 7.89   | 7.87     | 8.00      | 8.14       |
| 05                               | 7.86   | 7.80     | 7.98      | 8.07       |
| 06                               | 8.02   | 8.05     | 8.13      | 8.04       |
| 07                               | 8.16   | 8.12     | 8.21      | 8.33       |
| 08                               | 8.18   | 8.11     | 8.21      | 8.25       |
| 09                               | 8.26   | 8.27     | 8.27      | 8.24       |
| 10                               | 7.94   | 7.88     | 8.10      | 8.11       |
| 15                               | 8.30   | 8.20     | 8.25      | 8.23       |
| 20                               | 8.34   | 8.29     | 8.48      | 8.48       |
| 30                               | 9.02   | 9.08     | 9.09      | 9.13       |

Source: Bloomberg



## Global Market Update

- The Fed stated that they would implement 'wait and see' monetary policy in 2019. Chairman of The Fed, Jerome Powell, stated that The Fed would wait stable inflation before hike interest rate. He also stated that Fed Rate hike in 2019 would be based on US economic condition, and there are no clear path guidance for 2019.
- The Fed kembali menyatakan akan cenderung menerapkan kebijakan moneter 'wait and see' pada 2019 ini. Diungkapkan oleh kepala The Fed, Jerome Powell, The Fed cenderung akan menunggu stabilnya inflasi sebelum kembali menaikkan tingkat suku bunga. Ia juga menyatakan bahwa proyeksi kenaikan 2 kali tingkat suku bunga The Fed pada 2019 tidaklah tepat karena The Fed cenderung akan mempertimbangkan kondisi data ekonomi AS sebelum menaikkan tingkat suku bunga sehingga tidak ada kepastian kenaikan tingkat suku bunga pada tahun ini.
- Yesterday, January 10 2019, US 10-years treasury note yield rose to 2.73%, after bullish stock market pushed investors to shift their assets to stock market. On the other hand, yield of majority global benchmark bond moved varied, reflected by 10-years UK Gilt, which rose to 1.27%, while 10-years German Bunds fell to 0.25%.
- Yield 10-years US Treasury note pada kemarin, 10 Januari 2019, ditutup naik ke level 2,73% setelah kembali pasar saham AS yang cenderung bullish mendorong investor untuk kembali ke pasar saham. Namun demikian, mayoritas yield obligasi benchmark global ditutup bervariasi, tercermin dari yield 10-years UK Gilt, yang ditutup naik ke level 1,27%, sementara 10-years German Bunds ditutup turun ke level 0,25%.

## Domestic Market Update

- Today, Government bond prices on the secondary market are likely to flat amidst of Rupiah stability today. Rupiah will be ranging from IDR 13,982 - IDR 14,160 and yield of 10-years benchmark bond (FR0078) will be ranging from 7.87% - 7.93%.
- Hari ini, pergerakan harga SBN secara umum di pasar sekunder diprediksi cenderung datar di tengah stabilnya nilai tukar Rupiah. Nilai tukar rupiah terhadap dolar AS sendiri diprediksi bergerak pada kisaran Rp 13.982 – Rp 14.160, sedangkan yield benchmark 10 tahun (FR0078) pada perdagangan hari ini diperkirakan bergerak di rentang 7,87% - 7,93%.

| Most Active Government Bonds | Last Price | Last Yield | Volume (IDR bn) |
|------------------------------|------------|------------|-----------------|
| FR0070                       | 101.50     | 8.01       | 3993            |
| FR0071                       | 105.90     | 5.23       | 2682            |
| FR0059                       | 93.45      | 8.09       | 2641            |
| FR0068                       | 100.85     | 8.27       | 2391            |
| FR0078                       | 102.35     | 7.91       | 1213            |
| FR0053                       | 101.31     | 7.66       | 1044            |
| FR0061                       | 97.89      | 7.72       | 1022            |
| FR0069                       | 100.35     | 6.33       | 760             |
| FR0079                       | 102.50     | 8.12       | 721             |
| FR0063                       | 91.85      | 4.49       | 628             |

| Most Active Corporate Bonds | Last Price | Last Yield | Volume (IDR bn) |     |
|-----------------------------|------------|------------|-----------------|-----|
| SMLPPI01A                   | idA+(sy)   | 100.00     | 10.00           | 500 |
| SMBEXI01BCN2                | idAAA(sy)  | 100.00     | 8.75            | 100 |
| BBRI02ACN4                  | idAAA      | 93.15      | 8.65            | 60  |
| ISAT02BCN2                  | idAAA      | 97.68      | 6.39            | 60  |
| WOMF02ACN4                  | AA-(idn)   | 99.37      | 9.37            | 40  |
| BBKP02SBCN2                 | idA-       | 96.55      | 8.20            | 28  |
| BVIC02SB                    | idBBB+     | 100.32     | 9.10            | 26  |
| TUFI02BCN2                  | idAA+      | 100.75     | 7.14            | 24  |
| ADMFO4CCN3                  | idAAA      | 100.50     | 8.28            | 20  |
| BSSB02BCN1                  | idA+       | 102.50     | 10.00           | 20  |

| Global Stock Markets | Last Price | Chg (bps) | % Chg  | % YTD  |
|----------------------|------------|-----------|--------|--------|
| Indonesia (ICI)      | 6328.71    | 56.48     | 0.90%  | 2.17%  |
| Malaysia (KLCI)      | 1678.88    | 11.05     | 0.66%  | -0.69% |
| Thailand (SET)       | 1587.63    | -2.87     | -0.18% | 1.52%  |
| Singapore (STI)      | 3183.51    | 25.44     | 0.81%  | 3.74%  |
| Hang Seng            | 26521.43   | 59.11     | 0.22%  | 2.61%  |
| Nikkei 225           | 20163.80   | -263.26   | -1.29% | 0.74%  |
| Shanghai             | 2535.10    | -9.25     | -0.36% | 1.65%  |
| Dow Jones (DJIA)     | 24001.92   | 122.80    | 0.51%  | 2.89%  |
| London (FTSE 100)    | 6942.87    | 36.24     | 0.52%  | 3.19%  |
| DAX                  | 10921.59   | 28.27     | 0.26%  | 3.43%  |

| FX Rate | 10-Jan | (-1 day) | (-1 week) |
|---------|--------|----------|-----------|
| USD/IDR | 14,071 | 14,081   | 14,380    |
| GBP/USD | 1.275  | 1.279    | 1.263     |
| USD/JPY | 108.4  | 108.2    | 107.7     |
| USD/SGD | 1.353  | 1.353    | 1.364     |
| USD/THB | 31.93  | 31.94    | 32.23     |
| USD/MYR | 4.091  | 4.102    | 4.145     |

| Macroeconomic Data         | Dec-18 | Nov-18 | Oct-18 |
|----------------------------|--------|--------|--------|
| Consumer Price Index (MoM) | 0.62   | 0.27   | 0.28   |
| Consumer Price Index (YoY) | 3.13   | 3.23   | 3.16   |
| Core Inflation (YoY)       | 3.07   | 3.03   | 2.94   |
| BI 7-Day RR Rate (%)       | 6.00   | 6.00   | 5.75   |
| Foreign Reserve (US\$ Bn)  | 120.70 | 117.20 | 115.20 |

| Indonesia Sovereign CDS | 2-year | 5-year | 10-year |
|-------------------------|--------|--------|---------|
| As of                   |        |        |         |
| 10-Jan                  | 53.80  | 128.49 | 206.60  |
| (-1 Day)                | 55.59  | 126.25 | 204.02  |
| (-1 Week)               | 62.74  | 142.84 | 220.83  |
| (-1 Month)              | 60.83  | 132.28 | 216.05  |
| (-1 Year)               | 29.85  | 78.33  | 141.74  |

| Global Bonds                                | 10-Jan | (-1 day) | (-1 week) | (-1 month) |
|---|--------|----------|-----------|------------|
| <b>Fed Fund Rate &amp; US T-Bonds Yield</b> |        |          |           |            |
| Fed Fund Rate                               | 2.50   | 2.50     | 2.50      | 2.25       |
| 2-Year                                      | 2.58   | 2.55     | 2.38      | 2.76       |
| 5-Year                                      | 2.57   | 2.55     | 2.36      | 2.76       |
| 10-Year                                     | 2.74   | 2.71     | 2.62      | 2.91       |
| 30-Year                                     | 3.06   | 3.00     | 2.90      | 3.17       |
| <b>10-Year Government Bond Yield</b>        |        |          |           |            |
| UK  | 1.27   | 1.26     | 1.19      | 1.29       |
| Germany                                     | 0.25   | 0.28     | 0.15      | 0.28       |
| France                                      | 0.67   | 0.71     | 0.65      | 0.73       |
| China                                       | 3.13   | 3.13     | 3.14      | 3.34       |
| Japan                                       | 0.02   | 0.03     | -0.01     | 0.05       |
| Korea                                       | 2.73   | 2.73     | 2.73      | 2.73       |
| Thailand                                    | 2.52   | 2.54     | 2.38      | 2.68       |
| Malaysia                                    | 4.06   | 4.07     | 4.06      | 4.09       |
| Singapore                                   | 2.22   | 2.27     | 2.04      | 2.29       |
| <b>Indonesia USD Bond Yield</b>             |        |          |           |            |
| INDO-22                                     | 3.85   | 3.87     | 3.94      | 4.09       |
| INDO-27                                     | 4.32   | 4.30     | 4.48      | 4.69       |
| INDO-47                                     | 5.00   | 4.98     | 5.17      | 5.41       |

| Money Market                    | 10-Jan | (-1 day) | (-1 week) | (-1 month) |
|---------------------------------|--------|----------|-----------|------------|
| <b>JIBOR</b>                    |        |          |           |            |
| O/N                             | 5.90   | 5.90     | 5.90      | 5.90       |
| 1M                              | 7.27   | 7.34     | 7.51      | 7.42       |
| 3M                              | 7.50   | 7.62     | 7.70      | 7.70       |
| <b>LIBOR</b>                    |        |          |           |            |
| 1M                              | 2.52   | 2.52     | 2.51      | 2.46       |
| 3M                              | 2.80   | 2.78     | 2.80      | 2.79       |
| 6M                              | 2.87   | 2.85     | 2.86      | 2.90       |
| <b>Indonesia Interest Rates</b> |        |          |           |            |
| Deposit 1M                      | 6.25   | 6.24     | 6.28      | 6.28       |
| Lending                         | 13.8   | 13.9     | 13.6      | 13.9       |

| 2018 Benchmark | 10-Jan | (-1 day) | Change | Yield |
|----------------|--------|----------|--------|-------|
| FR0063         | 92.03  | 92.02    | 1      | 7.83% |
| FR0064         | 87.61  | 87.66    | -5     | 8.04% |
| FR0065         | 85.95  | 86.12    | -17    | 8.32% |
| FR0075         | 91.95  | 91.86    | 9      | 8.34% |

**Government Bond Ownership As of January 09, 2019 (in Trillion)**

| Holders                 | 2014            | 2015            | 2016            | 2017            | 2018            | 4-Jan-19        | 7-Jan-19        | 8-Jan-19        | 9-Jan-19        |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Banks                   | 375.55          | 350.07          | 399.46          | 491.61          | 481.33          | 593.74          | 649.42          | 647.22          | 636.39          |
| Bank Indonesia          | 41.63           | 148.91          | 134.25          | 141.83          | 253.47          | 131.38          | 95.16           | 95.16           | 104.31          |
| Mutual Fund             | 45.79           | 61.60           | 85.66           | 104.00          | 118.63          | 118.83          | 119.48          | 119.14          | 119.13          |
| Insurance               | 150.60          | 171.62          | 238.24          | 150.80          | 201.59          | 202.81          | 202.42          | 202.36          | 202.27          |
| <b>Foreign Investor</b> | <b>461.35</b>   | <b>558.52</b>   | <b>665.81</b>   | <b>836.15</b>   | <b>893.25</b>   | <b>891.68</b>   | <b>899.86</b>   | <b>902.44</b>   | <b>904.27</b>   |
| Pension Fund            | 43.30           | 49.83           | 87.28           | 198.06          | 212.88          | 212.82          | 213.03          | 213.04          | 212.97          |
| Individual Investors    | 30.41           | 42.53           | 57.75           | 59.84           | 73.07           | 73.02           | 73.04           | 73.05           | 73.05           |
| Others                  | 61.32           | 78.76           | 104.84          | 117.48          | 134.22          | 134.16          | 134.28          | 134.30          | 134.30          |
| <b>Total</b>            | <b>1,209.96</b> | <b>1,461.85</b> | <b>1,773.28</b> | <b>2,099.77</b> | <b>2,368.45</b> | <b>2,358.45</b> | <b>2,386.70</b> | <b>2,386.70</b> | <b>2,386.70</b> |

Source: Bloomberg, IDX & DJPPR

January 11, 2019

**Government Bonds Prices**

**Closing Price Data : 10-Jan-2019**



| Series        | Maturity         | TTM          | Coupon        | Price         | YTM          | Price (-1)    | Price Spread (bps) |
|---------------|------------------|--------------|---------------|---------------|--------------|---------------|--------------------|
| FR0069        | 15-Apr-19        | 0.26         | 7.875%        | 100.38        | 6.23%        | 100.39        | -0.9               |
| FR0036        | 15-Sep-19        | 0.68         | 11.500%       | 103.22        | 6.45%        | 103.19        | 2.7                |
| FR0031        | 15-Nov-20        | 1.85         | 11.000%       | 106.30        | 7.26%        | 106.33        | -3.4               |
| FR0034        | 15-Jun-21        | 2.43         | 12.800%       | 111.31        | 7.58%        | 111.33        | -1.9               |
| FR0053        | 15-Jul-21        | 2.51         | 8.250%        | 101.35        | 7.65%        | 101.33        | 2.1                |
| FR0061        | 15-May-22        | 3.35         | 7.000%        | 98.04         | 7.67%        | 97.92         | 12.0               |
| FR0035        | 15-Jun-22        | 3.43         | 12.900%       | 114.55        | 7.95%        | 114.59        | -4.1               |
| FR0043        | 15-Jul-22        | 3.51         | 10.250%       | 107.30        | 7.83%        | 107.28        | 2.6                |
| FR0063        | 15-May-23        | 4.35         | 5.625%        | 92.03         | 7.83%        | 92.02         | 1.0                |
| FR0046        | 15-Jul-23        | 4.51         | 9.500%        | 106.15        | 7.86%        | 106.15        | 0.0                |
| FR0039        | 15-Aug-23        | 4.60         | 11.750%       | 114.38        | 7.96%        | 114.38        | 0.0                |
| FR0070        | 15-Mar-24        | 5.18         | 8.375%        | 101.52        | 8.01%        | 101.50        | 2.1                |
| <b>FR0077</b> | <b>15-May-24</b> | <b>5.35</b>  | <b>8.125%</b> | <b>101.32</b> | <b>7.82%</b> | <b>101.24</b> | <b>7.8</b>         |
| FR0044        | 15-Sep-24        | 5.68         | 10.000%       | 109.14        | 7.96%        | 108.83        | 30.4               |
| FR0040        | 15-Sep-25        | 6.68         | 11.000%       | 114.72        | 8.09%        | 114.66        | 6.6                |
| FR0037        | 15-Sep-26        | 7.68         | 12.000%       | 121.77        | 8.12%        | 121.57        | 20.1               |
| FR0056        | 15-Sep-26        | 7.68         | 8.375%        | 101.49        | 8.11%        | 101.55        | -5.7               |
| FR0059        | 15-May-27        | 8.35         | 7.000%        | 93.49         | 8.09%        | 93.34         | 14.8               |
| FR0042        | 15-Jul-27        | 8.52         | 10.250%       | 112.55        | 8.17%        | 112.41        | 14.0               |
| FR0047        | 15-Feb-28        | 9.10         | 10.000%       | 111.53        | 8.18%        | 111.37        | 16.5               |
| FR0064        | 15-May-28        | 9.35         | 6.125%        | 87.61         | 8.04%        | 87.66         | -4.6               |
| FR0071        | 15-Mar-29        | 10.18        | 9.000%        | 105.60        | 8.18%        | 105.72        | -12.3              |
| <b>FR0078</b> | <b>15-May-29</b> | <b>10.35</b> | <b>8.500%</b> | <b>102.43</b> | <b>7.90%</b> | <b>102.28</b> | <b>14.9</b>        |
| FR0052        | 15-Aug-30        | 11.60        | 10.500%       | 116.75        | 8.23%        | 116.75        | 0.0                |
| FR0073        | 15-May-31        | 12.35        | 8.750%        | 103.35        | 8.31%        | 103.33        | 2.8                |
| FR0054        | 15-Jul-31        | 12.52        | 9.500%        | 108.92        | 8.34%        | 109.52        | -60.4              |
| FR0058        | 15-Jun-32        | 13.44        | 8.250%        | 99.11         | 8.36%        | 99.11         | 0.0                |
| FR0074        | 15-Aug-32        | 13.61        | 7.500%        | 93.16         | 8.35%        | 93.17         | -0.8               |
| FR0065        | 15-May-33        | 14.35        | 6.625%        | 85.95         | 8.32%        | 86.12         | -16.6              |
| <b>FR0068</b> | <b>15-Mar-34</b> | <b>15.19</b> | <b>8.375%</b> | <b>100.88</b> | <b>8.27%</b> | <b>100.90</b> | <b>-2.2</b>        |
| FR0072        | 15-May-36        | 17.36        | 8.250%        | 98.91         | 8.37%        | 98.85         | 6.4                |
| FR0045        | 15-May-37        | 18.36        | 9.750%        | 111.98        | 8.45%        | 111.98        | 0.0                |
| FR0075        | 15-May-38        | 19.36        | 7.500%        | 91.95         | 8.34%        | 91.86         | 9.0                |
| FR0050        | 15-Jul-38        | 19.52        | 10.500%       | 117.74        | 8.61%        | 117.77        | -2.6               |
| FR0057        | 15-May-41        | 22.36        | 9.500%        | 108.46        | 8.64%        | 108.41        | 5.4                |
| FR0062        | 15-Apr-42        | 23.28        | 6.375%        | 77.12         | 8.68%        | 77.13         | -0.7               |
| FR0067        | 15-Jul-43        | 24.53        | 8.750%        | 100.85        | 8.67%        | 100.85        | 0.6                |
| FR0076        | 15-May-48        | 29.36        | 7.375%        | 83.90         | 9.03%        | 83.83         | 7.4                |

Source: Bloomberg, IBPA & MCS Estimates

January 11, 2019

## Macroeconomic Indicator Calendar (January 07 2019 - January 11 2019)

### INDONESIA

| Date | Indicator                 | Series Data | Actual            | Previous          | Projection        |
|------|---------------------------|-------------|-------------------|-------------------|-------------------|
| 07   | Consumer Confidence       | Dec-18      | 127.0             | 122.7             | 122.0             |
| 07   | Foreign Exchange Reserves | Dec-18      | USD 120.7 billion | USD 117.2 billion | USD 116.3 billion |

### GLOBAL

| Date | Indicator                 | Country       | Series Data                  | Actual               | Previous            | Projection       |
|------|---------------------------|---------------|------------------------------|----------------------|---------------------|------------------|
| 08   | Business Confidence       | Euro Area     | Dec-18                       | 0.82                 | 1.04                | 1.10             |
| 09   | Balance of Trade          | Germany       | Nov-18                       | EUR 20.5 billion     | EUR 18.9 billion    | EUR 19.5 billion |
| 09   | Unemployment Rate         | Euro Area     | Nov-18                       | 7.9%                 | 8.0%                | 8.1%             |
| 09   | Crude Oil Inventory       | US            | Week Ended,<br>Jan 04 - 2019 | -1.68 million barrel | 0.01 million barrel | -                |
| 10   | Inflation Rate (YoY)      | China         | Dec-18                       | 1.9%                 | 2.2%                | 2.2%             |
| 10   | Initial Jobless Claims    | US            | Week Ended,<br>Jan 06 - 2019 | 216 thousand         | 233 thousand        | -                |
| 10   | Continuing Jobless Claims | US            | Week Ended,<br>Dec 30 - 2018 | 1722 thousand        | 1750 thousand       | -                |
| 11   | Balance of Trade          | Great Britain | Nov-18                       | -                    | GBP -3.3 billion    | GBP -2.2 billion |
| 11   | Inflation Rate (YoY)      | US            | Dec-18                       | -                    | 2.2%                | 2.2%             |

Source: Tradingeconomics, Bloomberg, and MCS Estimates (2018)

January 11, 2019

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