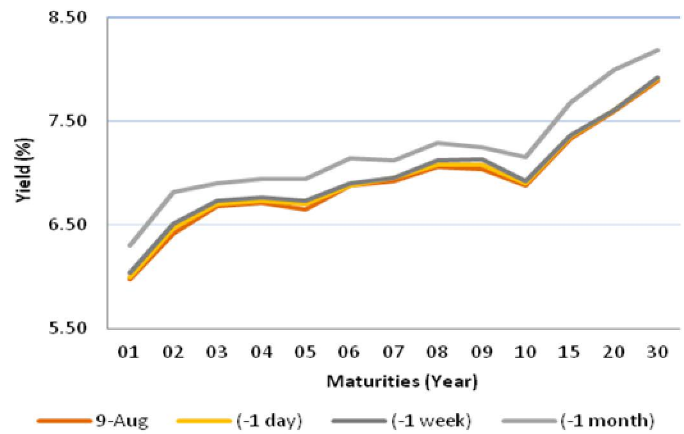
Fixed Income Daily Notes

Indonesia Government Bonds Yield				
Maturities (Year)	9-Aug	(-1 day)	(-1 week)	(-1 month)
01	5.97	6.00	6.04	6.30
02	6.42	6.48	6.52	6.82
03	6.68	6.70	6.74	6.90
04	6.72	6.74	6.77	6.95
05	6.66	6.70	6.74	6.95
06	6.88	6.88	6.90	7.15
07	6.92	6.95	6.96	7.13
08	7.07	7.09	7.12	7.29
09	7.05	7.08	7.13	7.25
10	6.88	6.90	6.93	7.15
15	7.33	7.36	7.37	7.68
20	7.60	7.61	7.60	8.00
30	7.90	7.92	7.92	8.19

Source: Bloomberg



Global Market Update

- US Treasury prices rose and 10-yr US Treasury yield dropped to 2.25% after escalating tension between North Korea and US. Meanwhile, the price of Indonesia government bond denominated US dollar went down in the last trading in secondary market in which the yield of INDON 27 and INDON 47 rose to 3.62% and 4.57% respectively.

- Harga US Treasury menguat dan *yield* US Treasury tenor 10 tahun turun ke level 2,26% setelah tensi hubungan antara Korea Utara dan AS memanas. Sementara itu, harga SUN denominasi dolar AS beragam pada perdagangan terakhir di mana *yield* INDON 27 dan INDON 47 naik masing-masing ke level 3,63% dan level 4,57%.

Government Bond Market Update

- Indonesia Composite Bond Index continued to rise by 0.14% to 229.01 in the last trading in secondary market. Meanwhile, the government bonds transaction volume surged to IDR16,61 trillion compared to previous day of IDR14.12 trillion. FR0061 was the most active government bond with transaction volume of IDR5.41 trillion.
- Based on retail sales survey conducted by Bank Indonesia (BI), Indonesia's retail sales in June 2017 rose at 6.3% (YoY). This was higher compared to previous month of 4,3% (YoY) though this growth still lower than same period in 2016. The survey also shows that the retail sales in the next month will run into a negative growth at 3% (YoY).
- According to weekly survey in the first week of August 2017 ,conducted by Bank Indonesia, inflation in this month is forecasted only 0.02% (MoM). This prediction is higher than same period in 2016 with experienced deflation in 0.02% (MoM). Meanwhile, we predict the inflation will reach 0.21% (MoM).

- Indonesia Composite Bond Indeks kembali meningkat sebesar 0,14% ke level 229,01 pada perdagangan terakhir di pasar sekunder. Sementara itu, transaksi SBN meningkat menjadi sebesar Rp16,61 triliun dibandingkan hari sebelumnya sebesar Rp14,12 triliun. FR0061 menjadi seri teraktif dengan transaksi sebesar Rp5,41 triliun.
- Berdasarkan survei penjualan eceran yang dilakukan Bank Indonesia (BI), penjualan eceran Indonesia pada Juni 2017 meningkat sebesar 6,3% (YoY). Level tersebut lebih tinggi dibandingkan dengan periode yang sama di tahun 2016. Survei tersebut juga menunjukkan bahwa penjualan eceran pada Juli 2017 diprediksi tumbuh negatif sebesar 3% (YoY).
- Berdasarkan survei mingguan BI pada pekan pertama Agustus 2017, inflasi bulan ini diperkirakan sebesar 0,02% (MoM). Hal tersebut lebih tinggi dibandingkan dengan periode yang sama di tahun 2016 yang mengalami deflasi sebesar 0,02%. (MoM). Sementara itu, kami memproyeksikan inflasi Agustus sebesar 0,21% (MoM).

Corporate Bond Market Update

- The transaction volume of corporate bonds dropped significantly by IDR641 billion to only IDR370 billion in which shelf registration bonds I of Agung Podomoro Land I (APLN01CN1) was the most active corporate bonds with transaction volume of IDR61 billion.

- Volume transaksi obligasi korporasi turun signifikan sebesar Rp641 miliar menjadi hanya sebesar Rp370 miliar di mana obligasi berkelanjutan I Agung Podomoro Land (APLN01CN1) menjadi obligasi korporasi teraktif dengan volume transaksi sebesar Rp61 miliar.

August 10, 2017

Most Active Government Bond	Last Price	Last Yield	Volume (IDR bn)
FR0061	101.60	6.60	5419
FR0072	106.95	7.55	2268
FR0074	101.00	7.39	1503
FR0053	106.50	6.35	1467
FR0056	108.25	7.13	1113
FR0059	103.10	6.56	1055
FR0071	113.75	7.23	791
FR0069	102.50	6.27	509
ORI012	103.26	6.13	302
FR0068	105.10	7.82	294

Most Active Coorporate Bond	Rating	Last Price	Last Yield	Volume (IDR bn)
APLN01CN1	idA-	100.26	8.93	61
PPGD02BCN3	idAAA	101.92	6.58	50
AMRT02CN1	AA-(idn)	100.60	8.26	28
BEXI01CCN1	idAAA	101.70	7.17	28
BBNI01CN1	idAAA	101.05	7.74	23
ADMF03BCN2	idAAA	102.40	7.09	20
SMFP03CN6	idAAA	101.15	8.27	20
NISP01CCN2	idAAA	101.65	5.32	17
ADMF02BCN4	idAAA	100.84	7.00	16
BNLI01SBCN1	idAA+	100.75	8.45	15

Global Stock Markets	Last Price	Chg (bps)	Chg (%)	YTD (%)
Indonesia (JCI)	5824	13.44	0.23%	9.96%
Malaysia (KLCI)	1778	-3.71	-0.21%	8.30%
Thailand (SET)	1572	-5.93	-0.38%	1.85%
Singapore (STI)	3318	0.00	0.00%	15.18%
Hang Seng	27757	-97.82	-0.35%	26.16%
Nikkei 225	19739	-257.30	-1.29%	3.27%
Shanghai	3276	-6.30	-0.19%	5.54%
Dow Jones (DJIA)	22049	-36.64	-0.17%	11.57%
London (FTSE 100)	7498	-44.67	-0.59%	4.97%
DAX	12154	-138.05	-1.12%	5.86%

Global Bonds				9-Aug
	9-Aug	(-1 day)	(-1 week)	(-1 month)
Fed Fund Rate & US T-Bonds Yield				
Fed Fund Rate	1.25	1.25	1.25	1.25
2-Year	1.34	1.35	1.36	1.35
5-Year	1.81	1.82	1.83	1.88
10-Year	2.25	2.26	2.27	2.32
30-Year	2.82	2.84	2.86	2.89
10-Year Government Bond Yield				
UK	1.11	1.16	1.24	1.26
Germany	0.42	0.47	0.48	0.58
France	0.71	0.75	0.75	0.86
China	3.66	3.66	3.63	3.57
Japan	0.05	0.07	0.07	0.08
Korea	2.33	2.31	2.25	2.27
Thailand	2.31	2.34	2.39	2.48
Malaysia	3.99	3.99	4.00	3.98
Singapore	2.10	2.10	2.13	2.15
Indonesia USD Bond Yield				
INDO-22	2.78	2.78	2.80	3.02
INDO-27	3.63	3.62	3.64	3.82
INDO-47	4.57	4.56	4.54	4.69

FX Rate			9-Aug
	9-Aug	(-1 day)	(-1 week)
USD/IDR	13345	13325	13318
GBP/USD	1.30	1.30	1.32
USD/JPY	110.06	110.33	110.74
USD/SGD	1.3639	1.3632	1.3593
USD/THB	33.26	33.28	33.25
USD/MYR	4.289	4.28	4.2855

Macroeconomic Data			
	1-Jul	1-Jun	1-May
Consumer Price Index (MoM)	0.22	0.69	0.39
Consumer Price Index (YoY)	3.88	4.37	4.33
Core Inflation (YoY)	3.05	3.13	3.2
BI 7-Day RR Rate (%)	4.75	4.75	4.75
Foreign Reserve (US$ Bn)	-	124.95	123.25

Money Market				9-Aug
	9-Aug	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	4.35	4.39	4.35	4.35
1M	5.93	5.95	6.00	6.05
3M	6.57	6.68	6.87	6.90
LIBOR				
1M	1.23	1.23	1.23	1.22
3M	1.31	1.31	1.31	1.30
6M	1.45	1.45	1.45	1.46
Indonesia Interest Rates				
Deposit 1M	6.01	5.98	5.99	6.04
Lending	14.18	14.12	14.19	14.36

Indonesia Sovereign CDS			
As of	2-year	5-year	10-year
9-Aug	44.52	118.46	188.53
(-1 Day)	44.37	118.08	188.04
(-1 Week)	42.98	112.94	179.05
(-1 Month)	49.31	124.67	192.51
(-1 Year)	78.05	189.06	260.54

Government Bond Ownership As of August 8, 2017 (in Trillion)

Holders	2013	2014	2015	2016	2-Aug	3-Aug	4-Aug	7-Aug	8-Aug
Banks	335.43	375.55	350.07	399.46	562.63	567.66	573.77	571.62	570.61
Bank Indonesia	44.44	41.63	148.91	134.25	19.15	20.55	11.98	12.46	10.19
Mutual Fund	42.50	45.79	61.60	85.66	91.79	91.84	91.83	91.84	91.98
Insurance	129.55	150.60	171.62	238.24	257.68	257.90	258.10	258.61	258.60
Foreign Investor	323.83	461.35	558.52	665.81	777.53	778.61	777.84	778.64	778.11
Pension Fund	39.47	43.30	49.83	87.28	89.84	89.38	89.34	89.32	88.90
Individual Investors	32.48	30.41	42.53	57.75	59.99	59.97	59.95	59.89	59.80
Others	47.56	61.32	78.76	104.84	112.31	112.61	112.58	113.00	112.64
Total	**995.25**	**1,209.96**	**1,461.85**	**1,773.28**	**1,970.91**	**1,978.53**	**1,975.38**	**1,975.38**	**1,970.83**

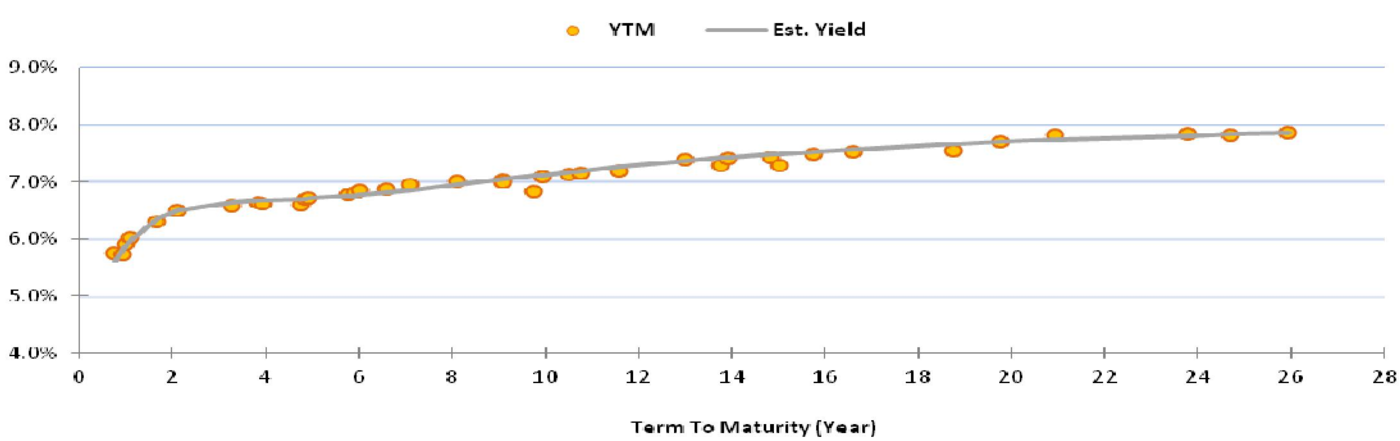
August 10, 2017

Government Bonds Prices

Closing Price Data : 9-Aug-2017

Series	Maturity	TTM	Coupon	Price	YTM	Est. Yield	Fair Price	Spread (bps)	Recommendation
FR0066	15-May-18	0.76	5.3%	99.62	5.76%	5.61%	99.72	10	Cheap
FR0032	15-Jul-18	0.93	15.0%	108.24	5.73%	5.81%	108.21	-3	Fair
FR0038	15-Aug-18	1.02	11.6%	105.50	5.92%	5.90%	105.54	5	Fair
FR0048	15-Sep-18	1.10	9.0%	103.10	6.03%	5.98%	103.16	6	Fair
FR0069	15-Apr-19	1.68	7.9%	102.45	6.31%	6.35%	102.38	-7	Fair
FR0036	15-Sep-19	2.10	11.5%	109.62	6.51%	6.50%	109.66	4	Fair
FR0031	15-Nov-20	3.27	11.0%	112.75	6.59%	6.64%	112.58	-17	Dear
FR0034	15-Jun-21	3.85	12.8%	120.59	6.64%	6.67%	120.50	-8	Fair
FR0053	15-Jul-21	3.93	8.3%	105.55	6.62%	6.67%	105.38	-17	Dear
FR0061	15-May-22	4.77	7.0%	101.56	6.61%	6.70%	101.20	-36	Dear
FR0035	15-Jun-22	4.85	12.9%	125.26	6.70%	6.70%	125.28	2	Fair
FR0043	15-Jul-22	4.93	10.3%	114.61	6.71%	6.71%	114.67	5	Fair
FR0063	15-May-23	5.77	5.6%	94.53	6.79%	6.75%	94.68	15	Cheap
FR0046	15-Jul-23	5.93	9.5%	112.88	6.82%	6.76%	113.18	31	Cheap
FR0039	15-Aug-23	6.02	11.8%	123.75	6.86%	6.77%	124.28	53	Cheap
FR0070	15-Mar-24	6.60	8.4%	107.85	6.87%	6.81%	108.18	33	Cheap
FR0044	15-Sep-24	7.11	10.0%	116.78	6.96%	6.86%	117.43	65	Cheap
FR0040	15-Sep-25	8.11	11.0%	124.30	7.01%	6.95%	124.77	47	Cheap
FR0037	15-Sep-26	9.11	12.0%	132.94	7.03%	7.04%	132.88	-5	Fair
FR0056	15-Sep-26	9.11	8.4%	109.14	7.00%	7.04%	108.83	-31	Dear
FR0059	15-May-27	9.77	7.0%	101.12	6.84%	7.10%	99.26	-185	Dear
FR0042	15-Jul-27	9.94	10.3%	122.19	7.10%	7.12%	122.01	-17	Dear
FR0047	15-Feb-28	10.53	10.0%	120.99	7.13%	7.17%	120.64	-35	Dear
FR0064	15-May-28	10.77	6.1%	92.37	7.15%	7.19%	92.08	-29	Dear
FR0071	15-Mar-29	11.61	9.0%	113.99	7.20%	7.26%	113.46	-53	Dear
FR0052	15-Aug-30	13.02	10.5%	125.62	7.40%	7.37%	125.93	31	Cheap
FR0073	15-May-31	13.77	8.8%	112.50	7.29%	7.42%	111.35	-115	Dear
FR0054	15-Jul-31	13.94	9.5%	117.93	7.41%	7.43%	117.79	-14	Dear
FR0058	15-Jun-32	14.86	8.3%	107.34	7.42%	7.48%	106.79	-54	Dear
FR0074	15-Aug-32	15.03	7.5%	101.81	7.30%	7.49%	100.07	-174	Dear
FR0065	15-May-33	15.78	6.6%	92.08	7.49%	7.53%	91.70	-38	Dear
FR0068	15-Mar-34	16.61	8.4%	107.89	7.53%	7.57%	107.50	-39	Dear
FR0072	15-May-36	18.78	8.3%	106.84	7.56%	7.66%	105.78	-106	Dear
FR0045	15-May-37	19.78	9.8%	120.56	7.71%	7.70%	120.64	9	Fair
FR0050	15-Jul-38	20.95	10.5%	127.22	7.83%	7.74%	128.43	121	Cheap
FR0057	15-May-41	23.78	9.5%	117.71	7.84%	7.81%	118.11	40	Cheap
FR0062	15-Apr-42	24.70	6.4%	84.15	7.83%	7.83%	84.19	3	Fair
FR0067	15-Jul-43	25.95	8.8%	109.79	7.87%	7.86%	109.82	3	Fair

Source: Bloomberg, IBPA, MCI Estimate



August 10, 2017

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