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Deflation: Lower Costs of Production or Weakening Purchasing Power?

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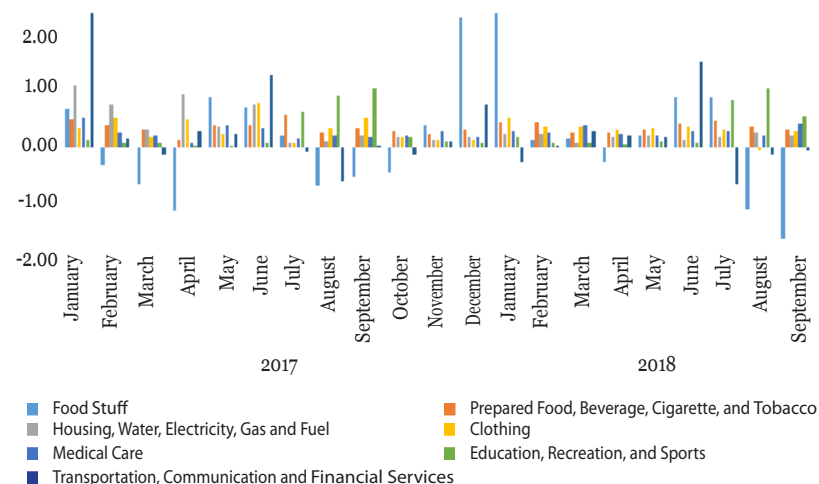
The question of the occurrence of deflation in a country will certainly dwell on the reflection of the decrease of production costs or the decrease of the purchasing power. PEFINDO, using the available data, found that maintained wages have already had a significant impact to maintain cost of production. However, with the unavailability of data on the pace of the Household Consumption of Gross Domestic Product (GDP) in the third quarter of 2018, the hypothesis that a deflation reflects a decrease of purchasing power seems necessary to be confirmed.

The Deflation of September 2018

There was a deflation of 0.18% (month to month/mtm) in September 2018, after a deflation of 0.05% (mtm) in the previous month. The deflation in two consecutive months was the first time in the last three years, after occurring in September and October 2015.

Based on the expenditures side, the foodstuffs group was the largest contributor to deflation in September, which was 1.62% (mtm), followed by the transportation, communication, and financial services group, which experienced a deflation of 0.05% (mtm). The same thing happened in August when the foodstuffs group also experienced a 1.10% (mtm) deflation, while the transportation, communication, and financial services group also experienced a deflation of 0.15% (mtm).

Chart 1. The Inflation Rate Based on the Expenditures Side



Source: BPS, (2018)

Furthermore, commodities that experienced price declines in August and September 2018 included: broiler chicken meat and eggs, shallots, garlic, vegetable tomatoes, red chili, cayenne (*cabe rawit*), fresh fish, *jengkol*, and cucumber.

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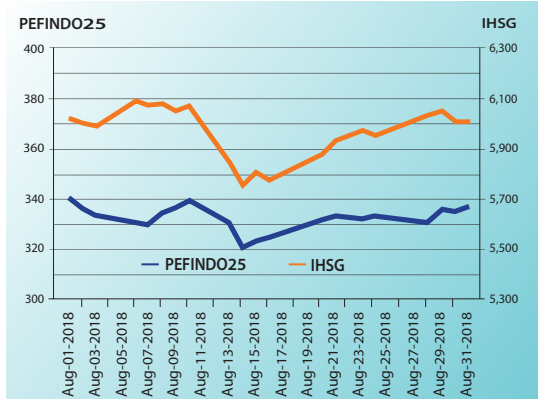
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ECONOMIST

The Declined of Wages

Based on the cost of broiler chicken production, which was released by BPS at the end of 2017, the highest cost of production came from the cost of poultry feed by 56.96% (especially concentrates, which had 51.83% of the total production costs), followed by wage costs of 9.57% of the total production costs. While the largest cost components of the onion production, referring to the BPS data in 2014, came from the seed cost of 38.58% and workers' wages of 30.29%. The red chili, also referring to the 2014 BPS data, showed that the highest cost of production came from the wages of workers by 47.74% and fertilizer costs of 17.15%. While the cost of production of the inboard fishing boats came from wages of 40.47%, followed by fuel costs of 21.93%, and the cost of food supplies of 14.58%.

Referring to the above, it seems that the wages component is a significant factor that contributes to all of the production costs for each commodity that experienced deflation in August, and it seems to continue in September. By using the Daily Nominal Wages of the Farmer Labor, it is seen that during 2018, the growth of monthly wages experienced a significant decrease compared to the condition at the beginning of the

year. Even in August, nominal wages only increased by 0.24% (mtm), or was the second lowest monthly increase in the last two years after August 2017.

The Decrease of The Purchasing Power?

Unfortunately, the deflation is also followed by the fear of the low or even the decline of the people's purchasing power. Indirectly, it should be seen that the approach used to the level of community income comes from the expenditure side, so the possibility of bias in

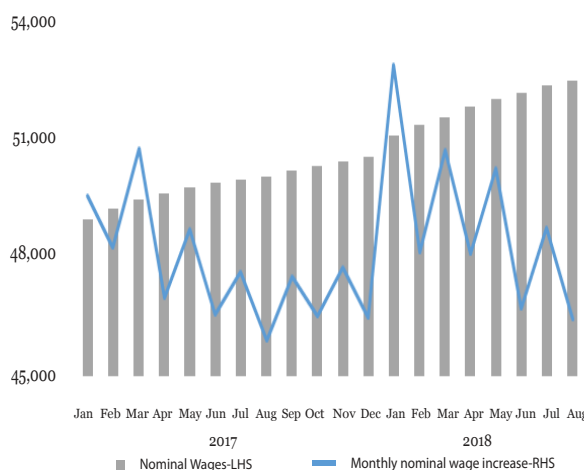


The GDP growth data of the Household Consumption Group issued by BPS until the second quarter of 2018, which showed that the consumption level of each component of household consumption is still growing positively

measuring purchasing power will occur. Even so, assuming that the purchasing power is relatively moving in line with the consumption power, the level of public consumption can be used as an indicator of people's purchasing power. Referring to the GDP growth data of the Household Consumption Group issued by

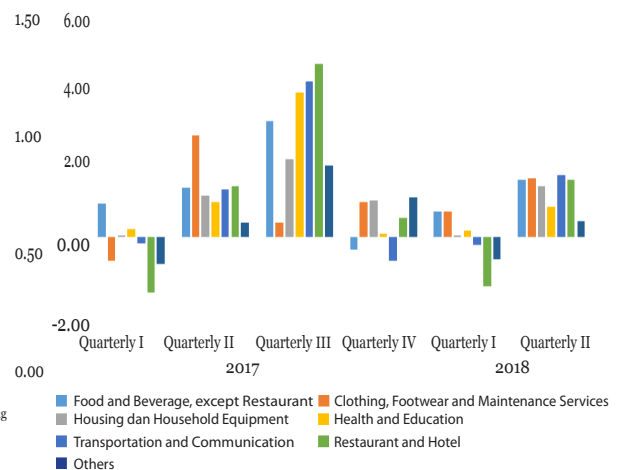
BPS until the second quarter of 2018, which showed that the consumption level of each component of household consumption is still growing positively, it seems that the decline in purchasing power is inappropriately pinned on conditions in the same period. However, as the third quarter data has not been released, it seems that a question mark regarding a decrease in purchasing power will soon be answered. ●

Chart 2. The Daily Nominal Wages of The Farmer Labor



Source: BPS, (2018)

Chart 3. The GDP Growth Rate of Household Consumption Groups



Source: BPS, (2018)



Aulia Ikhsan
ECONOMIC RESEARCH ANALYST

Multi-Finance Industry: Higher Risk Exposure Should Be Maintained

Although the multi-finance industry is expected to be relatively stable, we are of the view that finance companies should address some risks. Industry growth is expected to remain moderate in the medium term as economic activities remain lackluster. Finance companies have experienced slower growth, largely due to weaker demand for automotive financing. Around 59% of financing receivables come from the multipurpose financing sector, which mainly consists of automotive financing. The sector's growth rate has been declining since mid-2017, along with low multipurpose financing growth.

Higher interest rate also limits the potential for increased demand. We project the industry will still be exposed to the risk of default, reflected in how the non-performance financing ratio will struggle to decline. More selective financing management is the key to encourage healthier performance.

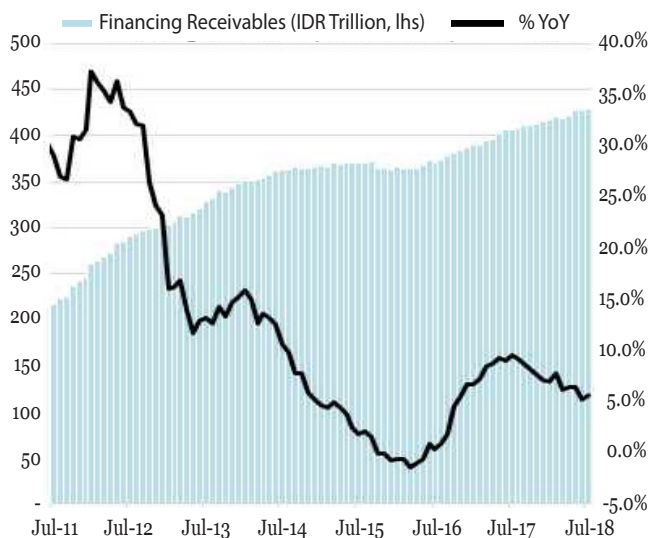
At the same time, finance companies also face higher cost of fund. Since most of their funding largely come from bank loan and debt instruments, they have lower funding capacity than before to maintain a healthy level of leverage. They cannot necessarily transmit higher interest charges to customers, considering that delinquency risk remains high (Exhibit 2). Certain segments are still vulnerable to changes in macroeconomic conditions, such as motor vehicle financing, where some companies have a fairly high portion of non-fixed income debtors. Their customers would be vulnerable if economic conditions become less conducive.

From the income statement, multi-finance industry has been able to maintain its profitability, reflected by its return on assets (ROA) and return on equity (ROE) ratios. Net profit after tax rose 24.2% YoY in May 2018 to IDR6.7 trillion, higher than 10.7% YoY in 2017, while net interest income rose 12.4% YoY to IDR25.2 trillion. At the same time, operational efficiency also improved, as indicated by the decrease in the ratio of operating

expenses to operating income from 81.5% in 2017 to 79.9% as of May 2018. The year-on-year change in provision expenses also appeared softer, with the industry posting a provision expense of IDR5.4 trillion as of May 2018, up 7.8% YoY. This was lower than the previous year's double digit increase, thanks to a more stable non-performing financing ratio (NPF), although it was still high compared to historical levels of 3-3.5%.

Meanwhile, competition pressure is expected to be higher, not only due to low demand but also the emergence of substitutions in the form of financial technology players. With businesses that are substantially concentrated, the market potential of small players is also small. According to OJK data as of the first quarter of 2018, 72 finance companies controlled 91% of total assets, while the other 119 players shared the remaining 9%. The slower growth in the industry intensified rivalry. This condition will make them difficult to maintain their performance and meet capital requirements. Therefore, we expect consolidation to continue in the medium term. ●

Chart 1. Slower Growth of Financing Receivables



Source: OJK

Chart 2. Non-Performance Finance in The Multi-Finance Industry



Source: OJK

* More can read in Indonesia Sectoral Review Magazine, June 2018 edition



M. Try Satria Pranata
MUNICIPAL ANALYST

Rating Indicator:
Liquidity of Local Governments

Liquidity is one of the indicators analyzed by PEFINDO to determine the credit rating of local government in Indonesia.

The liquidity analysis describes the capacity of local government's internal and external sources of liquidity to fulfill its debt services of local loans and other liabilities.

The local government's internal sources of liquidity were mainly derived from previous year's budget surplus (sisa lebih perhitungan anggaran or SiLPA) and net cash flow from operating activities (operating balance) generated. The local government's external sources of liquidity were mainly derived from short-term loans from other local governments, banks, or non-bank financial institutions. In the following analysis, we will use the Budget Realization Report (Laporan Realisasi Anggaran or LRA) and Balance Sheet data from the entire 34 provincial governments in the budget year of 2016.

Internal Sources of Liquidity

The main internal sources of liquidity were derived from previous year's SiLPA, which can be equalized with previous year's cash and cash equivalent balance adjusted to accrual revenue/expenditure/financing and cash differences. The utilization of SiLPA was specifically regulated through the Minister of Home Affairs (MoHA) Regulation No. 13 Year 2016 with the latest amended by MoHA Regulation No. 21 Year 2011 concerning Guidelines for Local Financial Management. SiLPA can be utilized to pay interest and principal of local loans/municipal bonds, and can be utilized to pay off other liabilities.

In general, the entire of previous year's SiLPA will be utilized as internal sources of liquidity for the current budget year. It happens because the provision of local governments budgeting in Indonesia was applying the balance budget policy in accordance with Act No. 17 Year 2003 concerning State Finance. The local government is expected to seek any other sources of financing if the budget is estimated to be deficit, while it is also expected to determine the usage of funds if the budget is estimated to be surplus.

Based on the LRA of 34 provinces in the budget year of 2016, the SiLPA that was available to be utilized as internal sources of liquidity in the budget year of 2017 on average was IDR726.08 billion. We noted that DKI Jakarta had the highest SiLPA of IDR7.71 trillion, followed by West Java of IDR3.34 trillion and East Java of IDR1.86 trillion. Meanwhile, Maluku had the lowest SiLPA of IDR28.77 billion, followed by North Maluku of IDR37.13 billion, and West Sulawesi of IDR46.67 billion.

Other internal sources of liquidity were derived from operating balance that describes the local government capacity to obtain cash flows, added the beginning cash balance, which become the source of liquidity available to fulfill its debt services of local loans and other liabilities. Based on the LRA and the balance sheet of 34 provinces in the budget year of 2016, the source of liquidity available was IDR2.32 trillion on average. We noted that DKI Jakarta had the highest source of liquidity available of IDR21.89 trillion, followed by West Java of IDR6.41 trillion, and East Java of IDR4.75

trillion. Meanwhile, Gorontalo had the lowest source of liquidity available of IDR353.01 billion, followed by Riau Island of IDR384.73 billion, and Bangka Belitung Island of IDR447.44 billion.

External Sources of Liquidity

According to the Government Regulation No. 30 Year 2011 concerning Local Loans, local governments are allowed to obtain external sources of liquidity in the form of short-term loans to cover cash flow shortages (cash management). The loan terms must be no later than 1 (one) budget year, whereby the debt service of the loan (both principal and interest) must all be repaid in the same budget year as the loan received. The loan can only derived from other local governments, banks, and non-bank financial institutions.

The local governments can not obtain the medium-term loans and the long-term loans as an alternative external source of liquidity. The medium-term loans could only be used to finance public services/goods that do not generate revenue. Meanwhile, the long-term loans could only be used to finance public infrastructures that generate revenue for the local budget and provide socio-economic benefits for the community.

Both loans have a maturity for more than 1 (one) budget year, whereby for the medium-term loans, the debt service (both principal and interest) must all be repaid within a period of time, which is not exceeding the remaining tenure of the head of the local government. The municipal bonds are long-term loans, so that the local governments can not utilize the municipal bonds as an external sources of liquidity. Based on the balance sheet of 34 provinces in the budget year of 2016, there are no provinces that have utilized the short-term loans as an external sources of liquidity.

Other Liquidity Indicators

Other indicators used in determining liquidity are the distribution and the predictability of internal liquidity. An even distribution of cash flow in one budget year will get a better assessment compared to cash flow distribution that is concentrated in one period within the year. Likewise, a more predictable cash flow will get a better assessment. The volatility of cash flow and large unpredicted cash expenditures will reduce the assessment. Further analysis is needed regarding the impact of the distribution and the predictability of internal liquidity to the overall local government's liquidity analysis to fulfill its debt services of local loans and other liabilities. ●

SILPA (IDR bn)	Province	No	Province	Source of Liquidity (IDR bn)
7,706.29	DKI Jakarta	1	DKI Jakarta	21,888.50
3,343.92	West Java	2	West Java	6,411.21
1,858.95	East Java	3	East Java	4,749.57
726.08	All Provinces	Average	All Provinces	2,324.41
46.47	West Sulawesi	32	Bangka Belitung Island	447.44
37.13	North Maluku	33	Riau Island	384.73
28.77	Maluku	34	Gorontalo	353.01

Source: LKPD

PEFINDO Rating Press Release



PEFINDO Press Release was held on September 20, 2018. Located in the main meeting room, Hendro Utomo as the head of Financial Institution Rating Division covered rating activities to several financial companies in mid July to mid September 2018. Rating activities of financing companies and banks conducted by PEFINDO during the period of July 18, 2018 - September 17, 2018 amounted to 13 rating activities for 13 entities from various sectors in financial services and Asset-Backed Securities (EBA).

In term of corporate rating, rating activities covered several sectors including the property sector with 3 entities, the airport, telecommunication, and processing sectors of two entities for each sector, and companies on other sectors from the total corporate ratings of 19 entities. Niken Indriarsih, the head of Corporate Rating Division, explained the rating activities in those various sectors during the second session of the event.

The press release event, which was attended by 10 journalists from 9 media, was ended after a question and answer session between the journalists and PEFINDO's analysts. ●

Newsletter

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Deal With The Rising

Risk Escalation

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ECONOMIC RESEARCH ANALYST

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Even though the market is calm, at least for now, it is still far away back to get its positive trend sustainably.

The year of 2018 is a difficult year for the Indonesian bond market. Rupiah was hit and reached Rp15,000/USD. Interventions in the exchange rate market are more limited along with substantial foreign ownership in the government bond market, and sadly, this is not included in the stock market and the effect of the trade balance deficit (which will be even greater). Yield on benchmark 10-year bonds has risen close to 8.700% on September 12, 2018, up more than 200 basis points this year.

Even though the market is calm, at least for now, it is still far away back to get its positive trend sustainably, in our opinion. The risk ahead is still there. In the last week of September 2018, foreigners returned to domestic market and booked net buy on government bond of IDR10.3 trillion which then drove the yield down from previously around 8.700% to 8.115% as of September 28, 2018. However, in term of volatility, there is higher deviation compared to the years before (chart 1).

The effects of the trade war could be intensified in the next few months. Trade war will affect the shipping landscape of goods in the international market, in which the country with weaker competitive advantage will be easier to be kicked. In this case, China will seek partners to absorb its shipments to reduce its dependence on US markets. Indonesia may be one of the targets and goods from China will

increasingly flood the domestic market. This certainly would worsen the trade balance and surely, rupiah.

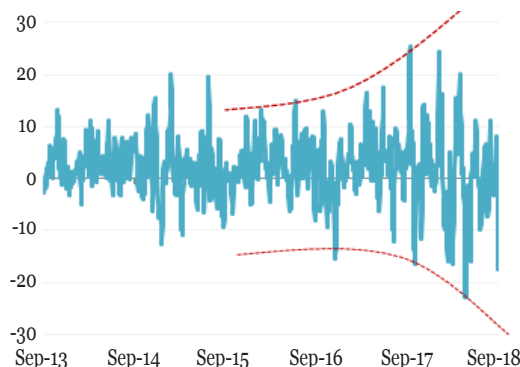
Next, risk also comes from the 4th Fed's rate hike this year, which got its momentum as US economic is improving. Currently, the market is confident of 72.5% that the US central bank will raise the rate in December 2018, quoting a consensus by Bloomberg as of October 1, 2018.

ECB President Mario Draghi noted that "underlying inflation is expected to increase further over the coming months". At the same time, the Bank of Japan kept monetary policy steady and maintained its optimistic view on the economy, even as escalating global trade frictions clouded the outlook.

Although fundamentally good enough, as indicated by stable economic growth and low inflation, the market highlights Indonesia's large dependence on the incoming dollar flows to offset the deficit in the trade deficit and the depreciation of rupiah. It also encourages a broader movement to improve stability. Bank Indonesia has raised interest rates four times in 2018. At the same time, the government raised import taxes and delayed billions of dollars in infrastructure projects.

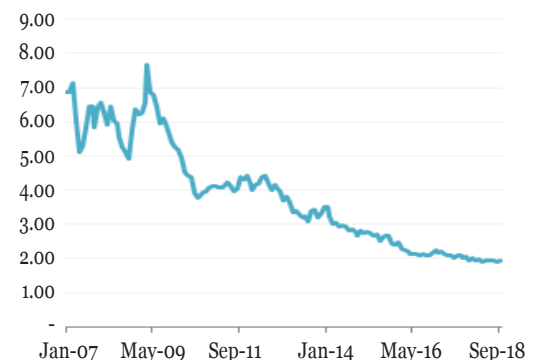
Most recently, the Indonesian central bank plans to issue regulatory measures that will allow banks in the country to trade non deliverable forward (NDF). This new step aims to stabilize rupiah, whose losses of around 9% against the US dollar this year as the impact of capital outflows. ●

Chart 1. Net Foreign Investment In Indonesia's Gov't Bond, 5-Days Rolling Sum (IDR Trillion)



Source: Bloomberg

Chart 2. Ratio Of International Reserves To Foreign Ownership On Government Bond (x)



Source: Bloomberg



companies & bonds rated by PEFINDO

No	Company	Rating	Outlook
1	Adhi Karya (Persero) Tbk. Shelf Registration Bond Year 2012, 2013, and 2017	idA-	Stable
2	Adhi Persada Properti MTN Year 2017	idBBB	Negative
3	Adira Dinamika Multi Finance Tbk. Shelf Registration Bond Year 2013, 2014, 2015, 2016, 2017, and 2018 Shelf Registration Sukuk Mudharabah Year 2016, 2017, and 2018	idAAA idAAA(sy)	Stable
4	Adonai Pialang Asuransi	idBBB	Stable
5	Agung Podomoro Land Tbk. Shelf Registration Bond Year 2014 and 2015	idA-	Stable
6	AKR Corporindo Tbk. Bond Year 2012 Shelf Registration Bond Year 2017	idAA- idAA- idAA-	Positive
7	Andalan Finance Indonesia	idA-	Stable
8	Aneka Tambang Tbk. Shelf Registration Bond Year 2011	idBBB+ idBBB+	Stable
9	Angkasa Pura I (Persero) Bond Year 2016 Sukuk Ijarah Year 2016	idAAA idAAA(sy)	Stable
10	Angkasa Pura II (Persero) Bond Year 2016	idAAA idAAA	Stable
11	Asahimas Flat Glass Tbk.	idA	Stable
12	Astra Sedaya Finance	idAAA	Stable
13	Asuransi Bangun Askrida	idA+	Stable
14	Asuransi Bhakti Bhayangkara	idBBB	Stable
15	Asuransi Binagriya Upakara	idBBB+	Stable
16	Asuransi Bringin Sejahtera Artamakmur	idA	Stable
17	Asuransi Jiwa Inhealth Indonesia	idAA	Stable
18	Asuransi Kredit Indonesia (Persero)	idAA+	Stable
19	Asuransi Tugu Kresna Pratama	idBBB+	Stable
20	Asuransi Umum BCA	idAA	Stable
21	Bali Towerindo Sentra Tbk. MTN Year 2017	idBBB+ idBBB+	Stable
22	Bank BNI Syariah	idAA+	Stable
23	Bank BRI Syariah Tbk.	idAA+	Stable
24	Bank Bukopin Tbk. Shelf Registration Subordinated Bond Year 2012 Shelf Registration Subordinated Bond Year 2015 and 2017	idBBB+ idBBB	Stable
25	Bank Capital Indonesia Tbk. Subordinated Bond Year 2014, 2015, and 2017	idBBB+ idBBB-	Stable
26	Bank Central Asia Tbk. Shelf Registration Subordinated Bond Year 2018	idAAA idAA	Stable
27	Bank CIMB Niaga Tbk. Shelf Registration Bond Year 2013, 2016, and 2017	idAAA idAAA	Stable
28	Bank Danamon Indonesia Tbk.	idAAA	Stable
29	Bank DKI Shelf Registration Bond Year 2016	idAA-	Stable
30	Bank Kesejahteraan Ekonomi Subordinated Bond Year 2016	idBBB+ idBBB-	Stable
31	Bank Mandiri (Persero) Tbk. Shelf Registration Bond Year 2016 and 2017 Subordinated MTN Year 2018	idAAA idAAA idAA	Stable
32	Bank Mandiri Taspen	idAA	Stable
33	Bank Mayapada Internasional Tbk. Subordinated Bond Year 2013 Subordinated Bond Year 2014 Shelf Registration Subordinated Bond Year 2017	idA- idBBB+ idBBB idBBB	Negative
34	Bank Maybank Indonesia Tbk. Shelf Registration Bond Year 2017 and 2018 Shelf Registration Subordinated Bond Year 2011 and 2012 Shelf Registration Subordinated Bond Year 2014 and 2016 Shelf Registration Sukuk Mudharabah Year 2016 and 2017	idAAA idAAA idAA+ idAA idAAA(sy)	Stable
35	Bank Mega Tbk.	idA+	Stable
36	Bank Muamalat Indonesia Tbk. MTN Syariah Year 2017 Subordinated MTN Syariah Year 2017	idA idA(sy) idBBB+(sy)	Credit Watch with Negative Implication
37	Bank Negara Indonesia (Persero) Tbk. Shelf Registration Bond Year 2017 Subordinated MTN Year 2018	idAAA idAAA idAA	Stable
38	Bank OCB NISP Tbk. Shelf Registration Bond Year 2016, 2017, and 2018	idAAA idAAA	Stable
39	Bank Pan Indonesia Tbk. Shelf Registration Bond Year 2016 and 2018 Shelf Registration Subordinated Bond Year 2012 Shelf Registration Subordinated Bond Year 2016, 2017, and 2018	idAA idAA idAA- idA+	Stable
40	Bank Panin Dubai Syariah Tbk.	idA+	Stable
41	Bank Pembangunan Daerah Jawa Barat dan Banten Tbk. Shelf Registration Bond Year 2017 Shelf Registration Subordinated Bond Year 2017	idAA- idAA-	Stable
42	Bank Pembangunan Daerah Jawa Tengah Subordinated Bond Year 2015 MTN Year 2017 MTN Syariah Mudharabah Year 2017	idAA- idA idAA- idAA-(sy)	Stable
43	Bank Pembangunan Daerah Jawa Timur Tbk.	idA+	Stable
44	Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	idA	Stable

No	Company	Rating	Outlook
45	Bank Pembangunan Daerah Nusa Tenggara Timur	idA	Stable
46	Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat Shelf Registration Bond Year 2016 Sukuk Mudharabah Year 2016	idA+ idA+(sy)	Stable
47	Bank Pembangunan Daerah Sumatera Barat (Bank Nagari) Subordinated Bond Year 2012 Bond Year 2015 Sukuk Mudharabah Year 2015	idA- idA idA(sy)	Stable
48	Bank Permata Tbk. Shelf Registration Subordinated Bond Year 2013 Shelf Registration Subordinated Bond Year 2014 Subordinated Bond Year 2012	idAAA idAA+ idAA	Stable
49	Bank Rakyat Indonesia (Persero) Tbk. Shelf Registration Bond Year 2015, 2016, 2017, and 2018 Subordinated Bond Year 2018	idAAA idAAA idAA	Stable
50	Bank Rakyat Indonesia Agroniaga Tbk. Bond Year 2017	idAA idAA	Stable
51	Bank Resona Perdana MTN Year 2016	idAA- idAA-	Stable
52	Bank Sahabat Sampoerna	idA	Stable
53	Bank Sumitomo Mitsui Indonesia MTN	idAAA idAAA	Stable
54	Bank Sumut Shelf Registration Subordinated Bond Year 2018	idA idBBB+	Stable
55	Bank Syariah Mandiri Sukuk Subordinated Mudharabah Year 2016	idAA+ idAA-(sy)	Stable
56	Bank Tabungan Negara (Persero) Tbk. Bond Year 2010 and 2011 Shelf Registration Bond Year 2012, 2013, 2015, 2016, and 2017	idAA+ idAA+ idAA+	Stable
57	Bank Victoria International Tbk. Subordinated Bond Year 2012 and 2013 Shelf Registration Bond Year 2017 and 2018 Shelf Registration Subordinated Bond Year 2017 and 2018	idA- idBBB+ idA- idBBB	Stable
58	Bank Woori Saudara Indonesia 1906 Tbk. Subordinated Bond Year 2012	idAA+ idAA	Stable
59	Barata Indonesia (Persero) MTN Year 2017	idBBB idBBB	Stable
60	Batavia Prosperindo Finance Tbk. Shelf Registration Bond Year 2017 and 2018	idBBB idBBB	Stable
61	BCA Finance Shelf Registration Bond Year 2016	idAAA idAAA	Stable
62	Brantas Abipraya (Persero)	idBBB+	Stable
63	Bumi Serpong Damai Tbk. Shelf Registration Bond Year 2012 and 2016	idAA- idAA-	Stable
64	Bussan Auto Finance Bond Year 2017 and 2018	idAA idAA	Stable
65	Century Tokyo Leasing Indonesia MTN Year 2016	idAA- idAAA(cg)	Stable
66	Chandra Asri Petrochemical Tbk. Bond Year 2016 Shelf Registration Bond Year 2017 and 2018	idAA- idAA- idAA-	Stable
67	Chandra Sakti Utama Leasing Bond Year 2017	idA idA	Stable
68	CIMB-Principal Asset Management	idA-	Stable
69	Clipan Finance Indonesia Tbk. MTN Year 2018	idAA- idAA-	Stable
70	CSM Corporatama	idBBB+	Stable
71	Danareksa (Persero) Shelf Registration Bond Year 2014	idA idA	Stable
72	Express Transindo Utama Tbk. Bond Year 2014	idSD idD	-
73	Fast Food Indonesia Tbk. Bond Year 2016	idAA idAA	Stable
74	Federal International Finance Shelf Registration Bond Year 2015, 2016, 2017, and 2018	idAAA idAAA	Stable
75	Finansia Multi Finance MTN Year 2017	idBBB+ idBBB+	Stable
76	Garuda Indonesia (Persero) Tbk.	idBBB+	Stable
77	Global Mediacom Tbk. Shelf Registration Bond Year 2017 Shelf Registration Sukuk Ijarah Year 2017	idA+ idA+ idA+(sy)	Negative
78	Graha Informatika Nusantara MTN Year 2016	idBBB idBBB	Stable
79	Hartadinata Abadi Tbk.	idA-	Stable
80	Hexsa Solution Insurance	idBBB+	Stable
81	Hutama Karya (Persero) Bond Year 2013 Shelf Registration Bond Year 2016 and 2017	idA- idA- idAAA(gg)	Stable
82	Impact Pratama Industri Tbk. Bond Year 2016	idA- idA-	Stable
83	Indofood Sukses Makmur Tbk. Bond Year 2014 and 2017	idAA+ idAA+	Stable
84	Indomobil Finance Indonesia Shelf Registration Bond Year 2015, 2016, 2017, and 2018	idA idA	Stable
85	Indonesia Infrastructure Finance Bond Year 2016	idAAA idAAA	Stable
86	Indonesia Power	idAAA	Stable

No	Company	Rating	Outlook
87	Indosat Tbk. Bond Year 2012 Sukuk Ijarah Year 2012 Shelf Registration Bond Year 2014, 2015, 2016, 2017, and 2018 Shelf Registration Sukuk Ijarah Year 2014, 2015, 2016, and 2017	idAAA idAAA idAAA(sy) idAAA idAAA(sy)	Stable - - - -
88	Industri Kereta Api (Persero) MTN Year 2017	idA-	Negative
89	INKA Multi Solusi MTN Syariah Mudharabah Year 2017	idBBB+ idBBB+(sy)	Stable -
90	Intiland Development Tbk. Bond Year 2016	idBBB+ idBBB+	Stable -
91	J Resources Nusantara MTN Year 2017 and 2018	idA	Stable
92	Jakarta Lingkar Baratsatu	idA+	Stable
93	Jasa Marga (Persero) Tbk. Bond Year 2010 Shelf Registration Bond Year 2013 and 2014	idAA idAA idAA	- - -
94	Jasa Raharja (Persero)	idAAA	Stable
95	Kereta Api Indonesia (Persero) Bond Year 2017	idAAA	Stable
96	KIK EBA (Asset Backed Securities) KIK EBA Danareksa BTN - KPR BTN Class A KIK EBA Danareksa Indonesia Power PLN 1-Class A EBA KIK EBA Mandiri JSMR01 Class A KIK EBA Mandiri GIAA01 Class A EBA EBA-SP SMF-BTNO1 Class A EBA-SP SMF-BTNO2 Class A EBA-SP SMF-BTNO3 Class A EBA-SP SMF-BTNO4 Class A EBA-SP SMF-BMRI01 Class A	idAAA idAAA(sf) idAAA(sf) idAA+(sf)(cg) idAAA idAAA idAAA idAAA idAAA idAAA	- - - - - - - - - -
97	Kimia Farma (Persero) Tbk. MTN Year 2017 and 2018	idAA- idAA-	Stable -
98	Koperasi Simpan Pinjam Nusantara	idBBB	Stable
99	Lautan Luas Tbk. Shelf Registration Bond Year 2017	idA- idA-	Stable -
100	Lembaga Pembiayaan Ekspor Indonesia Shelf Registration Bond Year 2011, 2014, 2015, 2016, 2017, and 2018 MTN Year 2016 Shelf Registration Sukuk Mudharabah Year 2018	idAAA idAAA idAAA idAAA(sy)	Stable - - -
101	Lembaga Penjamin Simpanan	idAAA	Stable
102	Mandala Multifinance Tbk. Shelf Registration Bond Year 2018	idA	Stable
103	Mandiri Tunas Finance Shelf Registration Bond Year 2015, 2016, and 2017	idAA+ idAA+	Stable -
104	Marga Lingkar Jakarta Bond Year 2017	idAAA(sf)	-
105	Maskapai Reasuransi Indonesia Tbk.	idAA-	Stable
106	Mayora Indah Tbk. Bond Year 2012 Shelf Registration Bond Year 2017 and 2018	idAA idAA idAA	Stable - -
107	Medco Energi Internasional Tbk. Shelf Registration Bond Year 2016, 2017, and 2018 MTN Year 2016	idA+ idA+ idA+	Stable - -
108	Medco Power Indonesia Bond Year 2018 Sukuk Wakalah Year 2018	idA idA idA(sy)	Stable - -
109	Mitra Adiperkasa Tbk. Shelf Registration Bond Year 2014	idAA-	Stable
110	Mitra Bisnis Keluarga Ventura	idBBB+	Stable
111	Mitsubishi UFJ Lease & Finance Finance MTN Year 2015 and 2016	idAAA(cg)	-
112	MNC Guna Usaha Indonesia MTN Year 2017 and 2018	idBBB(cg)	-
113	MNC Kapital Indonesia Tbk. Shelf Registration Bond Year 2018	idBBB idBBB	Stable -
114	MNC Pictures MTN Syariah Ijarah Year 2018	idBBB+ idA+(sy)(cg)	Stable -
115	Modernland Realty Tbk. Shelf Registration Bond Year 2015	idA- idA-	Stable -
116	Mora Telematika Indonesia Bond Year 2017	idA idA	Stable -
117	NH Korindo Sekuritas Indonesia	idA	Stable
118	Nindya Karya (Persero) MTN Year 2017	idBBB+ idBBB+	Stable -
119	Nippon Indosari Corpindo Tbk. Shelf Registration Bond Year 2015	idAA- idAA-	Stable -
120	Nusa Surya Ciptadana	idA-	Stable
121	Oto Multiartha Bond Year 2017 and 2018	idAA+ idAA+	Stable -
122	Pabrik Gula Rajawali I MTN Year 2018	idA- idA-	Stable -
123	Panorama Sentrawisata Tbk. MTN Year 2018	idA- idA-	Stable -
124	Pegadaian (Persero) Bond Year 2009 Shelf Registration Bond Year 2011, 2012, 2013, 2014, 2015, 2017, and 2018 MTN Syariah Mudharabah Year 2018	idAAA idAAA idAAA idAAA(sy)	Stable - - -
125	Pelabuhan Indonesia I (Persero) Bond Year 2016	idAA idAA	Stable -
126	Pelabuhan Indonesia IV (Persero) Bond Year 2018	idAA idAA	Stable -
127	Pembangunan Jaya Ancol Tbk. Shelf Registration Bond Year 2016 and 2018	idAA- idAA-	Negative -

No	Company	Rating	Outlook
128	Pembangunan Perumahan (Persero) Tbk. Shelf Registration Bond Year 2015 and 2018 Perpetual Bond	idA+ idA+ idA-	Stable - -
129	Penjaminan Infrastruktur Indonesia (Persero)	idAAA	Stable
130	Perikanan Nusantara (Persero) MTN Year 2017	idBBB- idBBB-	Stable -
131	Perkebunan Nusantara III (Persero)	idA	Stable
132	Perkebunan Nusantara X	idBBB	Stable
133	Permodalan Nasional Madani (Persero) Shelf Registration Bond Year 2014, 2016, 2017, and 2018 Sukuk Mudharabah Year 2017 MTN Year 2018	idA idA idA(sy) idA	Stable - - -
134	Perum Jaminan Kredit Indonesia (Jamkrindo)	idAA+	Stable
135	Perum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia	idAAA	Stable
136	Perum Perikanan Indonesia MTN Year 2017	idBBB idBBB	Stable -
137	Perum Perumnas MTN Year 2015, 2016, and 2017	idBBB+ idBBB+	Stable -
138	Perusahaan Gas Negara Tbk.	idAAA	Stable
139	Perusahaan Listrik Negara (Persero) Bond Year 2006, 2007, and 2010 Shelf Registration Bond Year 2013, 2017, and 2018 Sukuk Ijarah Year 2010 Shelf Registration Sukuk Ijarah Year 2013, 2017, and 2018	idAAA idAAA idAAA idAAA(sy) idAAA(sy)	Stable - - - -
140	Perusahaan Perseoran (Persero) Telekomunikasi Indonesia Tbk. Bond Year 2010 Shelf Registration Bond Year 2015 MTN Year 2018 MTN Syariah Ijarah Year 2018	idAAA idAAA idAAA idAAA idAAA(sy)	Stable - - - -
141	Phapros Tbk. MTN Year 2017	idA- idA-	Stable -
142	Pindad (Persero) MTN Year 2017	idA- idA-	Stable -
143	PP Properti Tbk. MTN Year 2016 Bond Year 2016	idBBB idBBB idBBB	Stable - -
144	Rajawali Nusantara Indonesia (Persero) MTN Year 2017 Sukuk Ijarah Year 2017	idBBB+ idBBB+ idBBB+(sy)	Stable - -
145	Reasuransi Indonesia Utama (Persero) Mandatory Convertible Bond I Year 2014	idAA idAA	Stable -
146	Reasuransi Syariah Indonesia	idA+	Stable
147	Rekayasa Industri	idBBB+	Stable
148	Ricobana Abadi MTN Year 2017	idBBB- idBBB-	Stable -
149	Sarana Multi Infrastruktur (Persero) Bond Year 2014 Shelf Registration Bond Year 2016 and 2017 Shelf Registration Green Bond Year 2018 Shelf Registration Sukuk Mudharabah Year 2018	idAAA idAAA idAAA idAAA(sy)	Stable - - -
150	Sarana Multigriya Finansial (Persero) Shelf Registration Bond Year 2012, 2013, 2016, 2017, and 2018 Sukuk Mudharabah Year 2017	idAAA idAAA idAAA(sy)	Stable - -
151	Semen Baturaja (Persero) Tbk. MTN Year 2018	idA idA	Stable -
152	Semen Indonesia (Persero) Tbk. Shelf Registration Bond Year 2017	idAA+ idAA+	Stable -
153	Siantar Top Tbk. Shelf Registration Bond Year 2016	idA idA	Stable -
154	Siba Surya	idBBB+	Stable
155	Sumberdaya Sewatama Bond Year 2012 Sukuk Ijarah Year 2012	idBB+ idBB+ idBB+(sy)	Stable - -
156	Summarecon Agung Tbk. Shelf Registration Bond Year 2013, 2014, 2015, and 2017 Shelf Registration Sukuk Ijarah Year 2013 and 2014	idA+ idA+ idA+(sy)	Negative - -
157	Surya Artha Nusantara Finance Shelf Registration Bond Year 2015, 2016, and 2017	idAA- idAA-	Stable -
158	Surya Semesta Internusa Tbk. Shelf Registration Bond Year 2016	idA- idA-	Negative -
159	Suzuki Finance Indonesia	idA-	Stable
160	Tiga Pilar Sejahtera Food Tbk. Bond Year 2013 Sukuk Ijarah Year 2013 and 2016	idSD idD idD(sy)	- - -
161	Timah (Persero) Tbk Shelf Registration Bond Year 2017 Shelf Registration Sukuk Ijarah Year 2017	idA+ idA+ idA+(sy)	Stable - -
162	Tiphone Mobile Indonesia Tbk. Shelf Registration Bond Year 2016 and 2017	idBB	Positive
163	Tridomain Performance Materials Tbk. MTN Year 2017 and 2018	idA- idA-	Stable -
164	Trimegah Sekuritas Indonesia Tbk. MTN Year 2018	idA idA	Stable -
165	Verena Multi Finance Tbk. MTN Year 2017	idA- idA-	Stable -
166	Waskita Karya (Persero) Tbk. Shelf Registration Bond Year 2015, 2016, and 2017	idA- idA-	Positive -
167	Wijaya Karya Beton Tbk.	idA+	Stable
168	Wika Realty MTN Year 2016 dan 2017	idBBB+ idBBB+	Stable -