

## HEADLINES & ANALYSIS

- US Treasuries rose in the best start to a year since 1998 as tumbling oil prices lower the outlook for inflation and combine with record-low global sovereign yields to bolster demand for U.S. debt. Declining sovereign yields and the plunge in oil to the lowest level in more than five years spurred demand for 30-year bonds, pushing yields to the least since July 2012. The benchmark 10-yr yield fell 17bps to 1.95%. The 2.25% note maturing in November 2024 rose 1 1/232 to 102 22/32. The yield has declined 23 basis points this year, the most during this period since 1998. (Bloomberg)
- Spanish bonds fell the most relative to German bunds since 2013 on speculation this week that rates at almost record lows don't offer value amid concern European Central Bank stimulus will fall short of traders' estimates. Italian securities also slid as ECB staff were said to present models for buying as much as 500 billion euros (\$590 billion) of investment-grade assets. Exacerbating the declines, Greece's lawmakers began an election campaign that Prime Minister Antonis Samaras said will determine its euro membership and governments stepped up bond sales that may result in combined sales of almost 60 billion euros this week and next. Spain's 10-yr yield added 23bps this week to 1.72%. The 2.75% security due in October 2024 fell 2.18 to 109.18. (Bloomberg)

## YIELD CURVE (%)

TTM	9-Jan-15	-1 Day	Change	TTM	9-Jan-15	-1 Day	Change
3 months	6.087	6.156	-0.068	15 years	8.113	8.249	-0.136
6 months	6.360	6.463	-0.103	16 years	8.160	8.283	-0.123
1 year	6.860	6.980	-0.120	17 years	8.203	8.314	-0.111
2 years	7.267	7.350	-0.082	18 years	8.242	8.341	-0.099
3 years	7.431	7.494	-0.062	19 years	8.278	8.365	-0.088
4 years	7.507	7.578	-0.071	20 years	8.310	8.387	-0.077
5 years	7.557	7.651	-0.094	21 years	8.339	8.406	-0.066
6 years	7.604	7.724	-0.121	22 years	8.366	8.423	-0.057
7 years	7.654	7.798	-0.144	23 years	8.389	8.438	-0.048
8 years	7.710	7.870	-0.160	24 years	8.411	8.451	-0.040
9 years	7.769	7.939	-0.170	25 years	8.430	8.463	-0.033
10 years	7.830	8.004	-0.174	26 years	8.447	8.474	-0.027
11 years	7.892	8.064	-0.172	27 years	8.463	8.484	-0.021
12 years	7.951	8.118	-0.166	28 years	8.477	8.492	-0.016
13 years	8.009	8.166	-0.158	29 years	8.489	8.500	-0.011
14 years	8.063	8.210	-0.147	30 years	8.500	8.507	-0.007

Source : Danareksa Sekuritas

## MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0068	8.375	15-May-34	102.50	8.115	4,674.77
FR0070	8.375	15-Mar-24	104.75	7.643	1,991.96
ORIO11	8.500	15-Oct-17	101.55	7.702	1,498.84
SR006	8.750	5-Mar-17	101.40	7.703	673.94
FR0071	9.000	15-Mar-29	108.60	7.974	525.33

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

## MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
ISAT08B	idAA+	8.875	27-Jun-22	94.65	9.90	265.00
BNGA01SB	AA(idn)	11.300	8-Jul-17	100.65	11.00	138.00
BNI01SB	idAA	10.750	19-May-18	99.50	10.93	83.28
BNGA02SB	AA(idn)	11.850	23-Dec-20	99.10	11.06	80.00
BMRI01	AA+	11.850	11-Dec-16	103.28	9.95	72.00

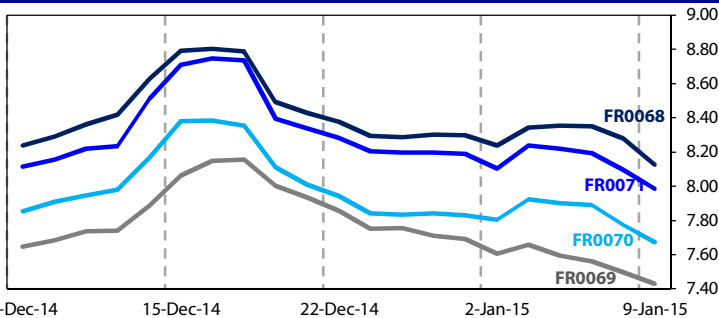
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

## SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	9-Jan-15			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	9-Jan-15			Spread over UST YC (bps)		
			9-Jan-15	-1 Mo	-3 Mo	9-Jan-15	-1 Mo	-3 Mo				9-Jan-15	-1 Mo	-3 Mo			
United States	2yr		0.590	1.010	0.890				Philippines	2yr	6.000	2.753	2.706	2.575	216	212	213
USD	5yr		1.450	1.580	1.550				PHP	5yr	7.875	3.198	3.326	3.448	175	175	190
	10yr		1.980	2.180	2.310					10yr	11.375	4.410	3.739	4.115	243	156	181
German	2yr	0.250	-0.119	-0.027	-	-71	-62	-	Thailand	2yr	3.125	2.07	2.17	2.46	148	158	201
EUR	5yr	1.000	-0.003	0.096	0.152	-145	-148	-140	THB	5yr	3.450	2.33	2.56	2.99	88	98	144
	10yr	1.750	0.492	0.681	0.887	-149	-150	-142		10yr	3.625	2.501	2.895	3.473	52	72	116
Indonesia	2yr	7.250	1.181	0.974	1.275	59	38	83	India	2yr	7.590	7.95	7.999	8.383	736	741	793
USD	5yr	11.625	3.146	2.927	3.416	170	135	187	INR	5yr	7.280	7.976	7.959	8.482	653	638	693
	10yr	5.875	4.125	3.911	4.363	215	173	205		10yr	8.830	7.846	7.908	8.455	587	573	615
Brazil	2yr	0.000	12.560	12.49	12.06	1,197	1,190	1,161	Malaysia	3yr	3.172	3.707	3.751	3.502	275	274	261
BRL	5yr	10.000	12.410	12.45	11.93	1,182	1,186	1,148	MYR	5yr	3.260	3.884	3.834	3.708	243	225	216
	10yr	10.000	12.210	12.44	11.58	1,162	1,185	1,113		10yr	4.181	4.149	4.092	3.83	217	191	152

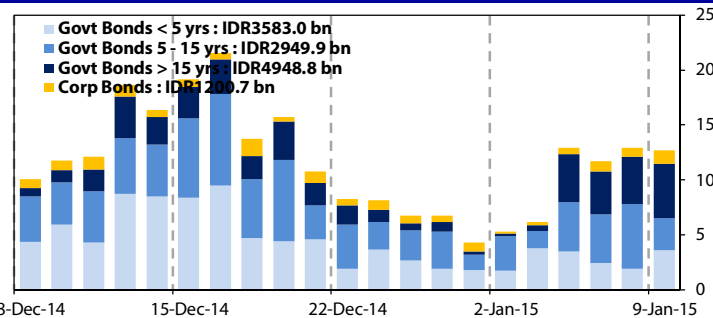
Sources: Bloomberg (Current Yield Curve), US Treasury

## YIELD OF GOVERNMENT BOND BENCHMARK (%)



Sources: Bloomberg

## TRADING VOLUME BY MATURITY (IDR TRILLION)



Sources: Indonesia Stock Exchange

## KEY TARGETED RATE

Country	Rate (%)	Last Change	Change	Inflation Rate (%)	Real Interest Rate (%)
Indonesia (BI Rate)	7.75	18-Nov-14	25bps ↑	8.36	-0.61
US (Fed Fund Rate)	0.25	16-Dec-08	-75bps ↓	1.30	-1.05
Euro Region	0.05	4-Sep-14	-10bps ↓	0.40	-0.35
Japan	0.10	19-Dec-08	-20bps ↓	2.40	-2.30
India (Repo Rate)	8.00	28-Jan-14	25bps ↑	4.12	3.88
Malaysia	3.25	10-Jul-14	25bps ↑	3.00	0.25
Philippines	4.00	11-Sep-14	25bps ↑	2.70	1.30
Thailand	3.00	25-Jan-12	-25bps ↓	0.60	2.40
Singapore	0.08	31-Dec-13	5bps ↑	-0.30	0.38
Brazil	11.75	3-Dec-14	50bps ↑	6.41	5.34

Sources: Bloomberg

## GLOBAL STOCK MARKETS

Stock Index	9-Jan-15	-1Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5217 ↑	5212	0.09	-0.50	0.99	24.17	22.05
Dow Jones (DJIA)	17737 ↓	17908	-0.95	-0.54	1.16	7.86	7.00
London (FTSE 100)	6501 ↓	6570	-1.05	-0.71	0.02	-2.84	-3.67
Nikkei 225	17198 ↑	17167	0.18	-1.45	-1.23	8.30	5.56
Hang Seng (HIS)	23920 ↑	23836	0.35	0.26	1.68	4.97	2.63
Malaysia (KLCI)	1732 ↑	1728	0.25	-1.16	-1.87	-5.24	-7.21
Philippines (PSEi)	7403 ↑	7368	0.48	2.38	3.17	24.68	25.69
Thailand (SET)	1529 ↑	1522	0.51	2.12	-1.93	21.55	17.76
Singapore (STI)	3338 ↓	3345	-0.20	-0.95	0.38	6.14	5.40
Brazil (BOVESPA)	48840 ↓	49943	-2.21	0.68	-1.43	-0.98	-5.18

Sources: Bloomberg & Danareksa

## CURRENCY & COMMODITY

Price	9-Jan-15	-1 Day	-1 Week	-1 Month	EoP 2013
USD/IDR	12647 ↓	12674	12545	12338	12171
Brent	49.37 ↓	50.28	55.69	63.73	110.82
WTI Crude Oil	48.36 ↓	48.79	52.69	60.94	98.42

Sources: Bloomberg

## PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
9-Jan-15	7.82		0.77	0.86	1.38	17.53	14.83
-1 Day	7.93 ↓	-11.2	0.48	0.64	0.62	17.05	13.96
-1 Week	7.93 ↓	-11.4	0.55	1.33	0.04	13.98	13.86
-1 Month	8.03 ↓	-21.3	-0.30	-0.67	1.08	14.70	12.50
-1 Year	8.94 ↓	-112.7	0.36	-2.19	-0.66	-14.61	-2.30

Sources: Danareksa

**VALUATIONS OF GOVERNMENT BONDS**

Bond	Issue Date	Mature Date	Coupon	TTM	Modified Duration	YTM	(Change)	Prev Closing Price	Fair Yield Range	Fair Price Range	Last Trade					
											Date	Price	Vol (IDR bn)	Freq		
FR0027	27-Jan-05	15-Jun-15	9.50	0.4	0.42	6.23	↓ -19.7bps	101.32	6.345	6.393	101.29	101.31	9-Jan-15	101.25	55.00	4
FR0030	19-May-05	15-May-16	10.75	1.4	1.23	7.04	↓ -4.2bps	104.64	7.000	7.048	104.66	104.73	7-Jan-15	104.48	69.00	3
FR0055	23-Sep-10	15-Sep-16	7.38	1.7	1.52	7.18	↓ -8.6bps	100.28	7.164	7.212	100.24	100.31	7-Jan-15	100.18	12.00	3
FR0060	6-Oct-11	15-Apr-17	6.25	2.3	2.04	7.30	↓ -7.2bps	97.85	7.260	7.308	97.82	97.91	9-Jan-15	97.90	60.27	2
FR0028	24-Feb-05	15-Jul-17	10.00	2.5	2.12	7.35	↓ -4.4bps	105.97	7.298	7.347	105.99	106.11	6-Jan-15	87.47	80.00	10
FR0066	25-Oct-12	15-May-18	5.25	3.4	2.97	7.37	↓ -7.5bps	93.81	7.405	7.454	93.57	93.70	9-Jan-15	94.00	64.40	4
FR0032	1-Sep-05	15-Jul-18	15.00	3.5	2.67	7.44	↓ -10.0bps	122.95	7.455	7.504	122.79	122.96	10-Dec-14	123.00	10.00	1
FR0038	24-Aug-06	15-Aug-18	11.60	3.6	2.85	7.48	↓ -6.6bps	112.76	7.469	7.517	112.65	112.82	6-Jan-15	103.58	20.00	2
FR0048	27-Sep-07	15-Sep-18	9.00	3.7	3.03	7.50	↓ -8.9bps	104.73	7.486	7.535	104.61	104.77	9-Jan-15	104.30	23.42	1
<b>FR0069</b>	<b>29-Aug-13</b>	<b>15-Apr-19</b>	<b>7.88</b>	<b>4.3</b>	<b>3.51</b>	<b>7.43</b>	<b>↓ -7.0bps</b>	<b>101.59</b>	<b>7.448</b>	<b>7.497</b>	<b>101.34</b>	<b>101.52</b>	<b>9-Jan-15</b>	<b>101.85</b>	<b>308.66</b>	<b>15</b>
FR0036	20-Apr-06	15-Sep-19	11.50	4.7	3.57	7.51	↓ -10.5bps	115.46	7.514	7.562	115.26	115.46	9-Jan-15	115.50	8.07	2
FR0031	16-Jun-05	15-Nov-20	11.00	5.9	4.35	7.59	↓ -10.9bps	115.82	7.545	7.593	115.83	116.08	9-Jan-15	115.99	32.19	5
FR0034	26-Jan-06	15-Jun-21	12.80	6.4	4.58	7.63	↓ -13.5bps	125.84	7.586	7.634	125.86	126.14	9-Jan-15	126.60	20.63	3
FR0053	8-Jul-10	15-Jul-21	8.25	6.5	4.82	7.63	↓ -12.8bps	103.16	7.560	7.608	103.25	103.50	8-Jan-15	102.50	112.50	5
FR0061	6-Oct-11	15-May-22	7.00	7.4	5.56	7.64	↓ -11.9bps	96.43	7.583	7.631	96.49	96.75	9-Jan-15	96.70	47.80	2
FR0035	16-Feb-06	15-Jun-22	12.90	7.4	5.07	7.72	↓ -11.3bps	128.86	7.662	7.710	128.93	129.25	6-Jan-15	126.99	52.09	5
FR0043	22-Feb-07	15-Jul-22	10.25	7.5	5.14	7.71	↓ -13.9bps	114.29	7.672	7.721	114.22	114.52	8-Jan-15	113.29	101.00	3
FR0063	13-Aug-12	15-May-23	5.63	8.4	6.34	7.65	↓ -12.6bps	87.67	7.613	7.661	87.60	87.87	9-Jan-15	88.00	144.70	10
FR0046	19-Jul-07	15-Jul-23	9.50	8.5	5.69	7.79	↓ -15.0bps	110.52	7.716	7.764	110.67	110.98	9-Jan-15	110.18	14.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	8.6	5.54	7.77	↓ -15.0bps	124.58	7.735	7.784	124.51	124.86	24-Dec-14	123.02	2.00	2
<b>FR0070</b>	<b>29-Aug-13</b>	<b>15-Mar-24</b>	<b>8.38</b>	<b>9.2</b>	<b>6.24</b>	<b>7.67</b>	<b>↓ -10.4bp</b>	<b>104.55</b>	<b>7.620</b>	<b>7.668</b>	<b>104.58</b>	<b>104.91</b>	<b>9-Jan-15</b>	<b>104.75</b>	<b>1,991.96</b>	<b>73</b>
FR0044	19-Apr-07	15-Sep-24	10.00	9.7	6.23	7.82	↓ -13.6bps	114.56	7.779	7.828	114.53	114.89	8-Jan-15	113.50	1.00	1
FR0040	21-Sep-06	15-Sep-25	11.00	10.7	6.51	7.85	↓ -17.7bps	122.48	7.838	7.887	122.17	122.57	9-Jan-15	122.30	10.73	2
FR0037	18-May-06	15-Sep-26	12.00	11.7	6.76	7.82	↓ -25.4bps	131.59	7.879	7.927	130.63	131.07	6-Jan-15	100.25	40.00	6
FR0056	23-Sep-10	15-Sep-26	8.38	11.7	7.26	7.91	↓ -15.9bps	103.46	7.896	7.944	103.22	103.59	9-Jan-15	103.30	10.29	2
FR0059	15-Sep-11	15-May-27	7.00	12.4	7.89	7.95	↓ -9.1bps	92.62	7.940	7.988	92.32	92.67	9-Jan-15	93.03	139.16	34
FR0042	25-Jan-07	15-Jul-27	10.25	12.5	7.14	8.01	↓ -14.9bps	117.54	7.971	8.020	117.41	117.84	9-Jan-15	118.75	5.00	1
FR0047	30-Aug-07	15-Feb-28	10.00	13.1	7.40	8.08	↓ -7.0bps	115.32	8.010	8.059	115.52	115.95	7-Jan-15	113.90	2.69	2
FR0064	13-Aug-12	15-May-28	6.13	13.4	8.48	8.00	↓ -12.7bps	84.75	7.980	8.028	84.57	84.92	9-Jan-15	85.75	8.10	11
<b>FR0071</b>	<b>12-Sep-13</b>	<b>15-Mar-29</b>	<b>9.00</b>	<b>14.2</b>	<b>7.99</b>	<b>7.98</b>	<b>↓ -11.2bp</b>	<b>108.51</b>	<b>7.993</b>	<b>8.041</b>	<b>108.01</b>	<b>108.43</b>	<b>9-Jan-15</b>	<b>108.60</b>	<b>525.33</b>	<b>37</b>
FR0052	20-Aug-09	15-Aug-30	10.50	15.6	8.04	8.13	↓ -14.6bps	120.69	8.095	8.144	120.59	121.08	9-Jan-15	122.00	13.48	3
FR0054	22-Jul-10	15-Jul-31	9.50	16.5	8.37	8.16	↓ -9.9bps	112.06	8.137	8.186	111.79	112.26	9-Jan-15	112.00	3.50	3
FR0058	21-Jul-11	15-Jun-32	8.25	17.4	9.13	8.21	↓ -11.3bps	100.35	8.173	8.221	100.26	100.70	9-Jan-15	101.25	56.70	24
FR0065	30-Aug-12	15-May-33	6.63	18.4	9.72	8.20	↓ -13.8bps	85.20	8.196	8.244	84.81	85.21	9-Jan-15	85.50	162.94	45
<b>FR0068</b>	<b>1-Aug-13</b>	<b>15-May-34</b>	<b>8.38</b>	<b>19.4</b>	<b>9.50</b>	<b>8.13</b>	<b>↓ -15.5bp</b>	<b>102.39</b>	<b>8.159</b>	<b>8.208</b>	<b>101.59</b>	<b>102.06</b>	<b>9-Jan-15</b>	<b>102.50</b>	<b>4,674.77</b>	<b>322</b>
FR0045	24-May-07	15-May-37	9.75	22.4	9.61	8.45	↓ -2.0bps	112.95	8.365	8.413	113.35	113.89	6-Jan-15	98.58	20.00	2
FR0050	24-Jan-08	15-Jul-38	10.50	23.5	9.38	8.48	↓ -1.7bps	120.49	8.384	8.432	121.00	121.58	6-Jan-15	118.42	57.87	4
FR0057	21-Apr-11	15-May-41	9.50	26.4	10.15	8.50	↓ -0.8bps	110.41	8.422	8.470	110.77	111.32	8-Jan-15	110.10	36.00	2
FR0062	9-Feb-12	15-Apr-42	6.38	27.3	10.90	8.46	↓ -4.8bps	77.92	8.450	8.499	77.58	78.00	9-Jan-15	75.50	6.96	7
FR0067	18-Jul-13	15-Feb-44	8.75	29.1	10.30	8.54	↓ -2.5bps	102.25	8.487	8.535	102.28	102.81	9-Jan-15	102.95	30.50	5
ORIO09	10-Oct-12	15-Oct-15	6.25	0.8	0.71	7.05	↓ -5.5bps	99.42	7.081	7.130	99.29	99.32	9-Jan-15	98.75	2.68	7
ORIO10	9-Oct-13	15-Oct-16	8.50	1.8	-	7.46	↓ -8.8bps	101.72	7.320	7.369	101.87	101.95	9-Jan-15	101.20	174.65	7
ORIO11	22-Oct-14	15-Oct-17	8.50	2.8	2.36	7.70	↓ -7.2bps	101.98	7.587	7.636	102.03	102.15	9-Jan-15	101.55	1,498.84	115
IFR0003	29-Oct-09	15-Sep-15	9.25	0.7	0.64	6.92	↑ 2.1bps	101.48	6.035	6.083	102.06	102.09	6-Jan-15	99.27	10.00	2
IFR0005	21-Jan-10	15-Jan-17	9.00	2.0	1.74	8.04	→ 0.0bps	101.75	7.829	7.877	102.05	102.14	21-Nov-14	102.06	8.00	2
IFR0002	26-Aug-08	15-Aug-18	11.95	3.6	2.83	8.11	↓ -11.2bps	111.73	7.599	7.647	113.31	113.47	21-Nov-14	111.58	2.00	2
IFR0008	15-Apr-10	15-Mar-20	8.80	5.2	4.02	7.96	↓ -34.8bps	103.49	7.792	7.840	104.00	104.21	5-May-14	103.65	5.00	3
IFR0007	1-Apr-10	15-Jan-25	10.25	10.0	6.10	8.81	↓ -3.6bps	109.43	8.424	8.472	111.84	112.19	6-Jan-15	101.36	20.00	2
IFR0006	21-Jan-10	15-Mar-30	10.25	15.2	7.73	9.09	↓ -0.9bps	109.41	8.859	8.908	111.03	111.46	6-Nov-14	106.02	2.00	1
IFR0010	3-Mar-11	15-Feb-36	10.00	21.1	8.84	9.10	↓ -3.1bps	108.39	8.990	9.038	108.98	109.46	21-Nov-14	113.93	154.35	2
PBS001	16-Feb-12	15-Feb-18	4.50	3.1	2.73	9.28	↑ 0.4bps	87.28	8.997	9.046	87.94	88.05	7-Jan-15	87.00	1.14	1
PBS002	2-Feb-12	15-Jan-22	5.45	7.0	5.41	8.39	↓ -0.8bps	84.65	8.517	8.566	83.82	84.04	12-Dec-14	85.75	60.00	4
PBS003	2-Feb-12	15-Jan-27	6.00	12.0	7.55	9.23	→ 0.0bps	76.83	8.938	8.986	78.32	78.62	19-Dec-14	76.35	21.00	7
PBS004	16-Feb-12	15-Feb-37	6.10	22.1	9.82	9.19	↑ 0.2bps	70.98	8.979	9.027	72.17	72.53	7-Jan-15	70.75	0.24	1
PBS005	2-May-13	15-Apr-43	6.75	28.3	10.23	9.26	→ 0.0bps	74.98	9.041	9.089	76.33	76.73	5-Jan-15	76.52	21.00	4
PBS006	19-Sep-13	15-Sep-20	8.25	5.7	4.36	8.16	→ 0.0bps	100.40	7.770	7.818	101.93	102.15	6-Jan-15	98.45	97.00	6
SR004	21-Mar-12	21-Sep-15	6.25	0.7	-	6.95	↓ -1.7bps	99.53	6.861	6.910	99.55	99.58	9-Jan-15	98.00	2.60	3
SR005	27-Feb-13	27-Feb-16	6.00	1.1	-	7.26	↓ -0.2bps	98.65	7.046	7.094	98.81	98.87	9-Jan-15	98.75	38.65	9
SR006	5-Mar-14	5-Mar-17	6.00	2.2	-	7.70	↓ -8.6bps	102.06	7.646	7.694	96.64	96.74	9-Jan-15	101.40	673.94	23

\*Val: Valuation based on ENSS Yield Curve; MDur (Modified Duration) is in year; Coupon, Price, & Yield are in %

Source : Bloomberg, Danareksa Sekuritas, IDX (Last Trade)

**YIELD CURVE MOVEMENT**

