

HEADLINES & ANALYSIS

- US Treasuries rose, pushing 10-yr note yields to a 2013 low, as tumbling oil prices crimp the outlook for inflation and fueled speculation the Fed may delay an interest-rate increase. US debt extended gains after the auction of \$24 billion of three-year notes produced a lower-than-forecast yield. The 10-year yield dropped 4bps to 1.91%, the lowest on a closing basis since May 2013. The 2.25% note due November 2024 rose 11/32 to 103 1/32. The 30-year bond yield dropped 3bps to 2.50%. The record low of 2.44% was reached in July 2012. (Bloomberg)
- American International Group Inc. (AIG) sold \$2 billion in bonds, including 40-year securities at the insurer's lowest yield ever, showing just how far it's come in regaining the confidence of creditors following a 2008 bailout by the US Government. AIG issued \$800 million of 4.375% bonds due 2055 at 99.55 cents on the dollar, or about 190bps more than longer-dated Treasuries. The new debt offers a lower yield than what the company paid for \$2.25 billion of 30-year bonds in July, a record-low at the time for long-dated obligations. AIG also sold \$1.2 billion of 3.875% notes due in 2035 at 99.66 cents, or 140 basis points above similar maturity US Treasuries. (Bloomberg)

YIELD CURVE (%)

TTM	12-Jan-15	-1 Day	Change	TTM	12-Jan-15	-1 Day	Change
3 months	6.079	6.087	-0.008	15 years	8.078	8.113	-0.035
6 months	6.347	6.360	-0.013	16 years	8.127	8.160	-0.033
1 year	6.842	6.860	-0.018	17 years	8.173	8.203	-0.030
2 years	7.250	7.267	-0.017	18 years	8.214	8.242	-0.028
3 years	7.414	7.431	-0.017	19 years	8.252	8.278	-0.026
4 years	7.487	7.507	-0.020	20 years	8.287	8.310	-0.023
5 years	7.532	7.557	-0.025	21 years	8.318	8.339	-0.021
6 years	7.574	7.604	-0.030	22 years	8.346	8.366	-0.019
7 years	7.620	7.654	-0.034	23 years	8.372	8.389	-0.017
8 years	7.672	7.710	-0.038	24 years	8.395	8.411	-0.016
9 years	7.729	7.769	-0.040	25 years	8.416	8.430	-0.014
10 years	7.789	7.830	-0.041	26 years	8.435	8.447	-0.013
11 years	7.851	7.892	-0.041	27 years	8.451	8.463	-0.011
12 years	7.911	7.951	-0.040	28 years	8.466	8.477	-0.010
13 years	7.970	8.009	-0.039	29 years	8.480	8.489	-0.009
14 years	8.026	8.063	-0.037	30 years	8.492	8.500	-0.008

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0068	8.375	15-May-34	100.50	8.321	3,184.52
FR0070	8.375	15-Mar-24	104.50	7.680	2,443.72
FR0058	8.250	15-Jun-32	100.00	8.249	1,282.06
ORIO11	8.500	15-Oct-17	101.50	7.626	1,117.25
ORIO10	8.500	15-Oct-16	102.00	7.353	795.96

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
BNGA01SB	AA(idn)	11.300	8-Jul-17	100.85	10.90	150.00
BTPN02B	AA-(idn)	10.600	18-May-15	100.61	10.54	28.00
DNRK05B	idA	10.200	11-Jan-16	100.65	10.13	28.00
ASDF02CCN1	idAAA+	7.750	27-Jun-16	97.90	9.30	22.00
ADMFO2BCN4	idAAA	10.500	12-Nov-17	101.00	10.09	20.00

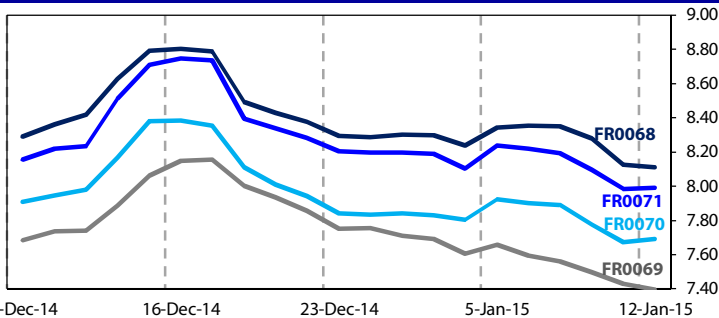
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	12-Jan-15			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	12-Jan-15			Spread over UST YC (bps)		
			-1 Mo	-3 Mo	12-Jan-15	-1 Mo	-3 Mo	-1 Mo				-3 Mo	-1 Mo	-3 Mo			
United States	2yr		0.560	0.980	0.800				Philippines	2yr	6.000	2.510	2.647	2.548	195	209	216
USD	5yr		1.390	1.530	1.450				PHP	5yr	7.875	3.207	3.285	3.478	182	176	203
	10yr		1.920	2.100	2.210					10yr	11.375	3.639	3.734	4.048	172	163	184
German	2yr	0.250	-0.114	-0.045	-	-67	-61	-	Thailand	2yr	3.125	2.09	2.098	2.397	153	154	201
EUR	5yr	1.000	0.003	0.079	0.139	-139	-145	-131	THB	5yr	3.450	2.269	2.456	2.916	88	93	147
	10yr	1.750	0.478	0.624	0.838	-144	-148	-137		10yr	3.625	2.501	2.781	3.434	58	68	122
Indonesia	2yr	7.250	1.274	1.553	1.338	71	99	95	India	2yr	7.590	7.917	7.789	8.352	736	723	796
USD	5yr	11.625	3.131	3.118	3.397	174	159	195	INR	5yr	7.280	7.942	7.864	8.426	655	633	698
	10yr	5.875	4.108	4.109	4.336	219	201	213		10yr	8.830	7.812	7.874	8.398	589	577	619
Brazil	2yr	0.000	12.660	12.66	11.85	1,210	1,210	1,146	Malaysia	3yr	3.172	3.688	3.807	3.478	278	283	268
BRL	5yr	10.000	12.535	12.69	11.71	1,198	1,213	1,132	MYR	5yr	3.260	3.894	3.909	3.669	250	238	222
	10yr	10.000	12.300	12.62	11.29	1,174	1,206	1,090		10yr	4.181	4.105	4.225	3.82	219	213	161

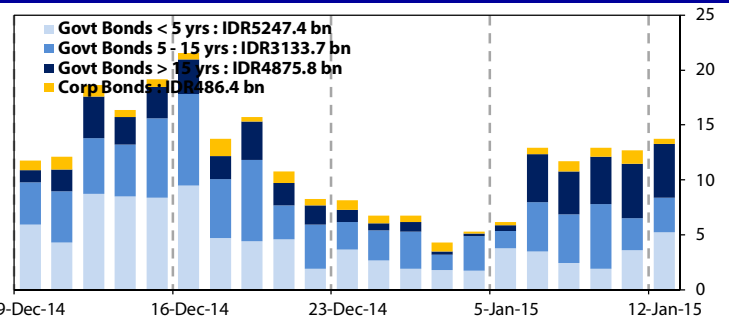
Sources: Bloomberg (Current Yield Curve), US Treasury

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	12-Jan-15	-1Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5188 ↓	5217	-0.55	-0.61	0.53	21.93	21.38
Dow Jones (DJIA)	17641 ↓	17737	-0.54	0.80	2.08	7.32	6.42
London (FTSE 100)	6501 ↑	6501	0.00	1.31	3.19	-3.54	-3.67
Nikkei 225	17198 →	17198	0.00	-1.21	-1.00	8.08	5.56
Hang Seng (HIS)	24026 ↑	23920	0.45	1.29	3.34	5.17	3.09
Malaysia (KLCI)	1735 ↑	1732	0.15	-0.09	0.12	-5.01	-7.06
Philippines (PSEi)	7358 ↓	7403	-0.60	1.12	1.86	25.94	24.93
Thailand (SET)	1531 ↑	1529	0.12	3.23	1.07	21.97	17.90
Singapore (STI)	3345 ↑	3338	0.19	0.50	0.62	6.39	5.60
Brazil (BOVESPA)	48140 ↓	48840	-1.43	1.31	0.29	-3.13	-6.54

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	12-Jan-15	-1 Day	-1 Week	-1 Month	EoP 2013
USD/IDR	12599 ↓	12647	12614	12467	12171
Brent	46.49 ↓	49.37	52.35	61.09	110.82
WTI Crude Oil	46.07 ↓	48.36	50.04	57.81	98.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
12-Jan-15	7.79		0.24	1.63	1.59	17.13	15.11
-1 Day	7.82	↓ -2.4	0.77	0.86	1.39	17.54	14.84
-1 Week	8.02	↓ -22.6	-0.52	0.27	-0.53	14.97	13.27
-1 Month	8.22	↓ -42.8	-1.11	-2.00	-0.15	12.74	11.04
-1 Year	8.85	↓ -106.2	0.58	-0.25	0.21	-13.82	-1.73

Sources: Danareksa

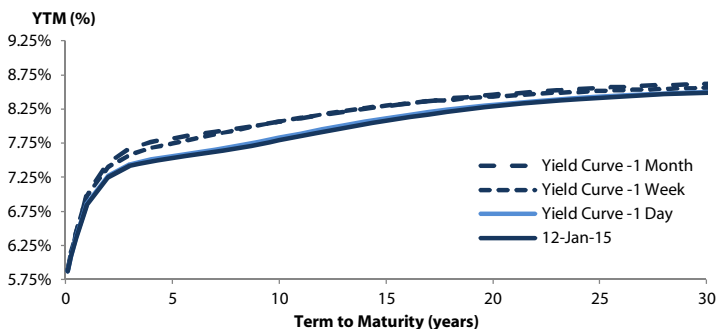
VALUATIONS OF GOVERNMENT BONDS

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	0.41	6.22	↓ -1.0bps	101.32	6.325 6.376	101.27 101.29	12-Jan-15	101.35	12.00	2
FR0030	19-May-05	15-May-16	10.75	1.3	1.22	7.02	↓ -2.4bps	104.66	6.977 7.028	104.66 104.73	12-Jan-15	104.65	5.00	1
FR0055	23-Sep-10	15-Sep-16	7.38	1.7	1.51	7.19	↑ 0.9bps	100.27	7.144 7.194	100.27 100.34	12-Jan-15	100.40	10.00	2
FR0060	6-Oct-11	15-Apr-17	6.25	2.3	2.03	7.30	↑ 0.1bps	97.85	7.236 7.286	97.87 97.97	12-Jan-15	97.90	31.27	4
FR0028	24-Feb-05	15-Jul-17	10.00	2.5	2.11	7.33	↓ -1.8bps	106.01	7.276 7.326	106.02 106.14	12-Jan-15	106.00	116.40	3
FR0066	25-Oct-12	15-May-18	5.25	3.3	2.96	7.37	↓ -0.8bps	93.84	7.381 7.431	93.64 93.78	12-Jan-15	94.00	15.70	2
FR0032	1-Sep-05	15-Jul-18	15.00	3.5	2.66	7.42	↓ -1.7bps	123.00	7.432 7.483	122.82 123.00	10-Dec-14	123.00	10.00	1
FR0038	24-Aug-06	15-Aug-18	11.60	3.6	2.85	7.46	↓ -1.4bps	112.80	7.448 7.499	112.69 112.86	6-Jan-15	103.58	20.00	2
FR0048	27-Sep-07	15-Sep-18	9.00	3.7	3.02	7.47	↓ -2.7bps	104.82	7.464 7.515	104.67 104.83	12-Jan-15	104.40	10.00	1
FR0069	29-Aug-13	15-Apr-19	7.88	4.3	3.51	7.40	↓ -3.2bps	101.70	7.421 7.472	101.43 101.61	12-Jan-15	101.75	697.49	31
FR0036	20-Apr-06	15-Sep-19	11.50	4.7	3.56	7.49	↓ -2.2bps	115.54	7.485 7.536	115.35 115.56	12-Jan-15	115.50	7.52	1
FR0031	16-Jun-05	15-Nov-20	11.00	5.8	4.34	7.56	↓ -3.5bps	116.00	7.516 7.566	115.95 116.21	12-Jan-15	116.10	22.37	2
FR0034	26-Jan-06	15-Jun-21	12.80	6.4	4.58	7.60	↓ -3.5bps	126.04	7.558 7.609	125.98 126.27	12-Jan-15	126.65	28.00	2
FR0053	8-Jul-10	15-Jul-21	8.25	6.5	4.81	7.60	↓ -2.4bps	103.29	7.533 7.584	103.37 103.64	12-Jan-15	102.75	1.00	1
FR0061	6-Oct-11	15-May-22	7.00	7.3	5.56	7.60	↓ -4.0bps	96.65	7.548 7.599	96.67 96.94	12-Jan-15	95.50	1.15	1
FR0035	16-Feb-06	15-Jun-22	12.90	7.4	5.07	7.66	↓ -5.2bps	129.19	7.626 7.676	129.13 129.47	6-Jan-15	126.99	52.09	5
FR0043	22-Feb-07	15-Jul-22	10.25	7.5	5.13	7.69	↓ -1.4bps	114.38	7.636 7.687	114.42 114.73	8-Jan-15	113.29	101.00	3
FR0063	13-Aug-12	15-May-23	5.63	8.3	6.33	7.65	↑ 0.3bps	87.66	7.571 7.622	87.83 88.11	9-Jan-15	88.00	144.70	10
FR0046	19-Jul-07	15-Jul-23	9.50	8.5	5.69	7.75	↓ -3.4bps	110.74	7.675 7.726	110.91 111.25	9-Jan-15	110.18	14.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	8.6	5.53	7.76	↓ -1.7bps	124.70	7.695 7.745	124.77 125.14	24-Dec-14	123.02	2.00	2
FR0070	29-Aug-13	15-Mar-24	8.38	9.2	6.23	7.69	↑ 2.1bps	104.41	7.580 7.631	104.83 105.17	12-Jan-15	104.50	2,443.72	67
FR0044	19-Apr-07	15-Sep-24	10.00	9.7	6.22	7.81	↓ -1.8bps	114.69	7.739 7.790	114.80 115.17	8-Jan-15	113.50	1.00	1
FR0040	21-Sep-06	15-Sep-25	11.00	10.7	6.51	7.80	↓ -4.3bps	122.85	7.795 7.846	122.49 122.91	12-Jan-15	122.15	10.23	1
FR0037	18-May-06	15-Sep-26	12.00	11.7	6.76	7.83	↑ 1.0bps	131.49	7.835 7.886	130.99 131.45	6-Jan-15	100.25	40.00	6
FR0056	23-Sep-10	15-Sep-26	8.38	11.7	7.26	7.87	↓ -3.8bps	103.77	7.854 7.905	103.53 103.92	12-Jan-15	103.30	10.54	3
FR0059	15-Sep-11	15-May-27	7.00	12.3	7.88	7.94	↓ -0.6bps	92.67	7.899 7.950	92.60 92.98	12-Jan-15	90.00	18.22	6
FR0042	25-Jan-07	15-Jul-27	10.25	12.5	7.14	7.95	↓ -5.2bps	118.01	7.928 7.979	117.77 118.21	12-Jan-15	118.26	40.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	13.1	7.41	8.00	↓ -7.8bps	116.02	7.970 8.021	115.85 116.30	7-Jan-15	113.90	2.69	2
FR0064	13-Aug-12	15-May-28	6.13	13.3	8.47	7.99	↓ -1.0bps	84.83	7.942 7.993	84.83 85.20	12-Jan-15	84.80	83.26	8
FR0071	12-Sep-13	15-Mar-29	9.00	14.2	7.98	7.99	↑ 0.9bps	108.43	7.963 8.013	108.25 108.70	12-Jan-15	107.80	295.22	28
FR0052	20-Aug-09	15-Aug-30	10.50	15.6	8.05	8.08	↓ -5.3bps	121.23	8.063 8.114	120.88 121.40	12-Jan-15	120.50	8.48	2
FR0054	22-Jul-10	15-Jul-31	9.50	16.5	8.38	8.11	↓ -5.1bps	112.57	8.105 8.156	112.08 112.58	12-Jan-15	111.75	151.67	11
FR0058	21-Jul-11	15-Jun-32	8.25	17.4	9.15	8.12	↓ -9.0bps	101.20	8.139 8.190	100.55 101.02	12-Jan-15	100.00	1,282.06	68
FR0065	30-Aug-12	15-May-33	6.63	18.3	9.74	8.14	↓ -6.0bps	85.70	8.162 8.212	85.07 85.50	12-Jan-15	84.75	155.14	46
FR0068	1-Aug-13	15-May-34	8.38	19.3	9.50	8.11	↓ -1.5bps	102.53	8.129 8.180	101.86 102.36	12-Jan-15	100.50	3,184.52	262
FR0045	24-May-07	15-May-37	9.75	22.3	9.60	8.45	→ 0.0bps	112.95	8.347 8.398	113.51 114.08	6-Jan-15	98.58	20.00	2
FR0050	24-Jan-08	15-Jul-38	10.50	23.5	9.36	8.49	↑ 1.3bps	120.35	8.372 8.423	121.11 121.72	6-Jan-15	118.42	57.87	4
FR0057	21-Apr-11	15-May-41	9.50	26.3	10.14	8.50	↓ -0.1bps	110.42	8.407 8.458	110.91 111.50	12-Jan-15	108.60	1.42	3
FR0062	9-Feb-12	15-Apr-42	6.38	27.3	10.94	8.40	↓ -6.1bps	78.46	8.438 8.489	77.66 78.10	12-Jan-15	77.25	9.00	7
FR0067	18-Jul-13	15-Feb-44	8.75	29.1	10.34	8.48	↓ -6.2bps	102.93	8.475 8.526	102.38 102.94	12-Jan-15	104.25	63.50	12
ORI009	10-Oct-12	15-Oct-15	6.25	0.8	0.71	7.18	↑ 13.2bps	99.32	7.046 7.097	99.31 99.35	12-Jan-15	99.37	2.25	8
ORI010	9-Oct-13	15-Oct-16	8.50	1.8	-	7.35	↓ -10.2bps	101.88	7.298 7.349	101.89 101.98	12-Jan-15	102.00	795.96	16
ORI011	22-Oct-14	15-Oct-17	8.50	2.8	2.35	7.63	↓ -7.6bps	102.17	7.564 7.615	102.07 102.20	12-Jan-15	101.50	1,117.25	85
IFR0003	29-Oct-09	15-Sep-15	9.25	0.7	0.63	5.74	↓ -118.4bp	102.25	5.990 6.041	102.07 102.10	6-Jan-15	99.27	10.00	2
IFR0005	21-Jan-10	15-Jan-17	9.00	2.0	1.73	8.02	↓ -1.3bps	101.77	7.808 7.859	102.08 102.17	21-Nov-14	102.06	8.00	2
IFR0002	26-Aug-08	15-Aug-18	11.95	3.6	2.83	7.80	↓ -31.1bps	112.75	7.583 7.634	113.32 113.49	21-Nov-14	111.58	2.00	2
IFR0008	15-Apr-10	15-Mar-20	8.80	5.2	4.00	8.13	↑ 17.4bps	102.75	7.772 7.823	104.07 104.29	5-May-14	103.65	5.00	3
IFR0007	1-Apr-10	15-Jan-25	10.25	10.0	6.10	8.77	↑ 0.3bps	109.74	8.391 8.442	112.05 112.42	6-Jan-15	101.36	20.00	2
IFR0006	21-Jan-10	15-Mar-30	10.25	15.2	7.70	9.17	↑ 7.7bps	108.75	8.836 8.887	111.21 111.67	6-Nov-14	106.02	2.00	1
IFR0010	3-Mar-11	15-Feb-36	10.00	21.1	8.74	9.26	↑ 16.7bps	106.75	8.974 9.025	109.11 109.62	21-Nov-14	113.93	154.35	2
PBS001	16-Feb-12	15-Feb-18	4.50	3.1	2.72	9.45	↑ 17.2bps	86.88	8.993 9.044	87.97 88.09	7-Jan-15	87.00	1.14	1
PBS002	2-Feb-12	15-Jan-22	5.45	7.0	5.35	9.02	↑ 63.0bps	81.75	8.501 8.552	83.90 84.13	12-Dec-14	85.75	60.00	4
PBS003	2-Feb-12	15-Jan-27	6.00	12.0	7.53	9.29	↑ 5.6bps	76.50	8.908 8.959	78.50 78.82	19-Dec-14	76.35	21.00	7
PBS004	16-Feb-12	15-Feb-37	6.10	22.1	9.79	9.22	↑ 3.2bps	70.75	8.964 9.015	72.27 72.64	12-Jan-15	72.97	20.00	4
PBS005	2-May-13	15-Apr-43	6.75	28.3	10.23	9.25	↓ -0.8bps	75.05	9.034 9.085	76.37 76.78	5-Jan-15	76.52	21.00	4
PBS006	19-Sep-13	15-Sep-20	8.25	5.7	4.35	8.13	↓ -2.2bps	100.50	7.752 7.803	102.00 102.23	12-Jan-15	100.98	180.00	3
SR004	21-Mar-12	21-Sep-15	6.25	0.7	-	7.01	↑ 6.4bps	99.49	6.839 6.890	99.57 99.60	12-Jan-15	98.70	0.25	3
SR005	27-Feb-13	27-Feb-16	6.00	1.1	-	7.27	↑ 1.4bps	98.64	7.030 7.081	98.84 98.89	12-Jan-15	98.10	4.71	7
SR006	5-Mar-14	5-Mar-17	6.00	2.1	-	7.67	↓ -3.1bps	102.12	7.621 7.672	96.70 96.80	12-Jan-15	101.30	32.32	16

*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



Source : Danareksa Sekuritas

Analysts : Amir A. Dalimunthe (ext. 3404) & Eka Nuraini (ext. 3407)

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