

HEADLINES & ANALYSIS

US Treasury 10-yr yields matched the lowest in 20 months as a slump in crude oil and commodities prices damped the outlook for inflation. Benchmark 10-year notes rallied after a brief decline as a \$21 billion auction of the securities drew below-average demand. Commodities prices fell to a 12-yr low, fueling speculation the Federal Reserve will take a cautious approach to raising interest rates. Treasuries have gained 1.5 percent this year, after returning 6.2% last year, the most since 2011, according to Bloomberg U.S. Treasury Bond (BUSY) Index. The U.S. 10-yr yield declined 1bp to 1.90%, after falling to 1.8622% earlier, matching the low on Oct. 15 that was the least since May 2013. The 2.25% note due in November 2024 gained 2/32 to 103 3/32, according to Bloomberg Bond Trader prices. 30-year yields rose 1bp to 2.5%. It earlier touched 2.46%, the lowest since July 2012, when the yield set a record low of 2.44%. (Bloomberg)

Pefindo has reaffirmed its "idAA+" rating for PT BCA Finance (BCAF or the Company)'s Subdebt I/2010 amounting to IDR100 billion due on March 23, 2015. The Company will be able to pay its maturing obligations utilizing cash inflow from receivables installment amounting to IDR300 billion per month. BCAF also has unused credit facilities from several banks in the amount of around IDR1.8 trillion as of December 2014. (Pefindo)

YIELD CURVE (%)

TTM	13-Jan-15	-1 Day	Change	TTM	13-Jan-15	-1 Day	Change
3 months	6.075	6.079	-0.004	15 years	8.045	8.078	-0.033
6 months	6.338	6.347	-0.009	16 years	8.092	8.127	-0.035
1 year	6.824	6.842	-0.018	17 years	8.136	8.173	-0.037
2 years	7.218	7.250	-0.032	18 years	8.175	8.214	-0.039
3 years	7.376	7.414	-0.038	19 years	8.212	8.252	-0.041
4 years	7.449	7.487	-0.038	20 years	8.245	8.287	-0.042
5 years	7.495	7.532	-0.037	21 years	8.274	8.318	-0.044
6 years	7.540	7.574	-0.034	22 years	8.301	8.346	-0.045
7 years	7.588	7.620	-0.032	23 years	8.325	8.372	-0.047
8 years	7.643	7.672	-0.030	24 years	8.347	8.395	-0.048
9 years	7.701	7.729	-0.028	25 years	8.367	8.416	-0.049
10 years	7.762	7.789	-0.028	26 years	8.385	8.435	-0.050
11 years	7.822	7.851	-0.028	27 years	8.400	8.451	-0.051
12 years	7.882	7.911	-0.029	28 years	8.415	8.466	-0.052
13 years	7.940	7.970	-0.030	29 years	8.428	8.480	-0.052
14 years	7.994	8.026	-0.032	30 years	8.439	8.492	-0.053

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0070	8.375	15-Mar-24	104.62	7.662	2,812.54
FR0068	8.375	15-May-34	102.00	8.166	955.20
FR0071	9.000	15-Mar-29	108.60	7.974	876.74
FR0069	7.875	15-Apr-19	101.70	7.397	420.48
ORI011	8.500	15-Oct-17	101.00	7.619	263.56

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
WSKT01CN1	idA	12.500	19-Dec-19	100.00	12.50	250.00
BBTN14	idAA-	10.250	11-Jun-20	100.57	10.11	210.00
BNGA01SB	AA(idn)	11.300	8-Jul-17	100.75	10.95	100.00
ADMF02BCN4	idAAA	10.500	12-Nov-17	100.93	10.12	98.00
BJBR07B	idAA-	10.200	9-Feb-16	100.65	9.55	70.00

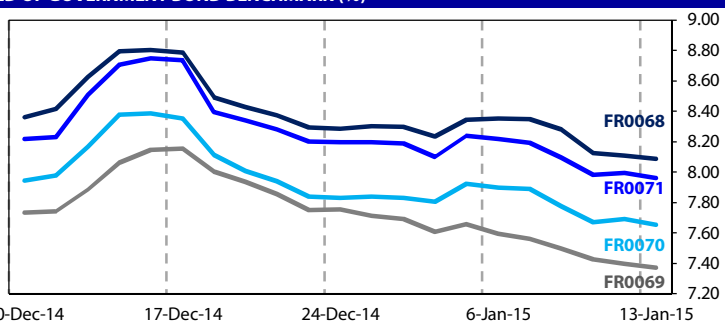
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	13-Jan-15			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	13-Jan-15			Spread over UST YC (bps)		
			-1 Mo	-3 Mo	-3 Mo	13-Jan-15	-1 Mo	-3 Mo				-1 Mo	-3 Mo	-1 Mo	-3 Mo		
United States	2yr		0.540	0.980	0.730				Philippines	2yr	6.000	2.503	2.647	2.559	196	209	222
USD	5yr		1.370	1.530	1.370				PHP	5yr	7.875	3.163	3.285	3.466	179	176	210
	10yr		1.910	2.100	2.150					10yr	11.375	3.637	3.734	4.067	173	163	192
German	2yr	0.250	-0.122	-0.045	-	-66	-61	-	Thailand	2yr	3.125	2.08	2.098	2.394	154	154	205
EUR	5yr	1.000	-0.004	0.079	0.098	-137	-145	-127	THB	5yr	3.450	2.236	2.456	2.916	87	93	155
	10yr	1.750	0.460	0.624	0.756	-145	-148	-139		10yr	3.625	2.466	2.781	3.434	56	68	128
Indonesia	2yr	7.250	1.261	1.553	1.272	72	99	93	India	2yr	7.590	7.898	7.789	8.352	736	723	801
USD	5yr	11.625	3.122	3.118	3.361	175	159	199	INR	5yr	7.280	7.891	7.864	8.426	652	633	706
	10yr	5.875	4.077	4.109	4.288	217	201	214		10yr	8.830	7.766	7.874	8.398	586	577	625
Brazil	2yr	0.000	12.700	12.66	12.02	1,216	1,210	1,168	Malaysia	3yr	3.172	3.698	3.861	3.454	282	288	272
BRL	5yr	10.000	12.590	12.69	11.90	1,205	1,213	1,156	MYR	5yr	3.260	3.856	3.887	3.66	249	236	229
	10yr	10.000	12.339	12.62	11.56	1,180	1,206	1,122		10yr	4.181	4.025	4.232	3.809	212	213	166

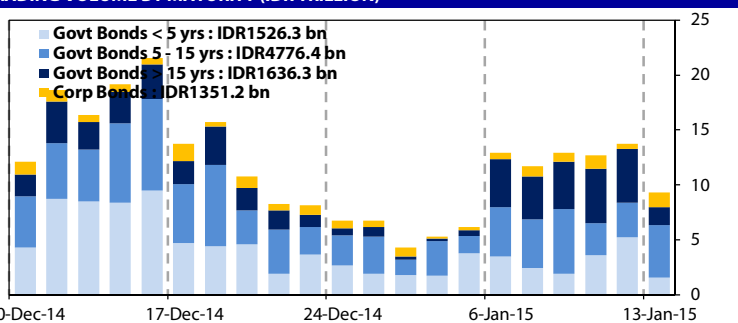
Sources: Bloomberg (Current Yield Curve), US Treasury

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	13-Jan-15	-1Day	Return (%)					
			Daily	WoW	MoM	YoY	YTD	
Indonesia (JCI)	5214	↑	5188	0.51	0.88	1.04	18.76	22.00
Dow Jones (DJIA)	17641	→	17641	0.00	1.55	2.08	8.51	6.42
London (FTSE 100)	6537	↑	6501	0.55	2.68	3.76	-3.25	-3.14
Nikkei 225	17088	↓	17198	-0.64	1.21	-1.63	7.39	4.89
Hang Seng (HIS)	24216	↑	24026	0.79	3.11	4.16	5.80	3.90
Malaysia (KLCI)	1749	↑	1735	0.80	1.88	0.92	-4.69	-6.32
Philippines (PSEi)	7399	↑	7358	0.55	1.67	2.42	24.55	25.62
Thailand (SET)	1535	↑	1531	0.25	3.88	1.32	19.59	18.19
Singapore (STI)	3341	↓	3345	-0.11	1.80	0.51	6.56	5.48
Brazil (BOVESPA)	48140	→	48140	0.00	0.29	0.29	-2.60	-6.54

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	13-Jan-15	-1 Day	-1 Week	-1 Month	EoP 2013
USD/IDR	12601	↓	12599	12647	12171
Brent	45.93	↓	46.49	50.22	110.82
WTI Crude Oil	46.07	→	46.07	47.93	98.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
13-Jan-15	7.76		0.25	1.86	2.02	16.42	15.40
-1 Day	7.79	↓ -3.1	0.24	1.63	1.59	17.13	15.11
-1 Week	8.01	↓ -25.3	0.03	0.18	-0.62	16.79	13.30
-1 Month	8.22	↓ -46.0	-1.11	-2.00	-0.15	12.74	11.04
-1 Year	8.74	↓ -98.3	0.87	2.18	1.11	-12.86	-0.88

Sources: Danareksa

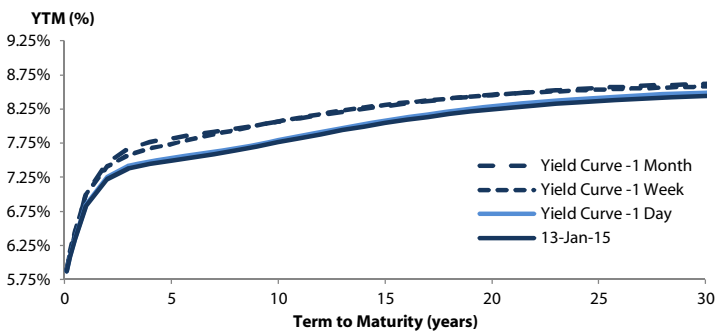
VALUATIONS OF GOVERNMENT BONDS

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	6.21	↓ -1.0bps	101.31	6.314	6.358	101.27	101.29	13-Jan-15	101.40	30.00	1
FR0030	19-May-05	15-May-16	10.75	1.3	1.22	6.99	↓ -2.6bps	104.68	6.949	6.993	104.70	104.75	12-Jan-15	104.65	5.00	1
FR0055	23-Sep-10	15-Sep-16	7.38	1.7	1.51	7.18	↓ -1.0bps	100.28	7.119	7.163	100.31	100.38	12-Jan-15	100.40	10.00	2
FR0060	6-Oct-11	15-Apr-17	6.25	2.3	2.03	7.26	↓ -3.8bps	97.93	7.211	7.255	97.93	98.02	13-Jan-15	97.80	54.14	3
FR0028	24-Feb-05	15-Jul-17	10.00	2.5	2.11	7.31	↓ -2.3bps	106.06	7.250	7.294	106.09	106.20	13-Jan-15	106.00	3.40	1
FR0066	25-Oct-12	15-May-18	5.25	3.3	2.96	7.37	↑ 0.4bps	93.83	7.349	7.393	93.75	93.88	13-Jan-15	94.10	60.84	1
FR0032	1-Sep-05	15-Jul-18	15.00	3.5	2.66	7.40	↓ -2.1bps	123.05	7.398	7.442	122.95	123.10	10-Dec-14	123.00	10.00	1
FR0038	24-Aug-06	15-Aug-18	11.60	3.6	2.85	7.44	↓ -2.8bps	112.88	7.414	7.458	112.82	112.97	13-Jan-15	113.20	20.00	1
FR0048	27-Sep-07	15-Sep-18	9.00	3.7	3.02	7.45	↓ -1.5bps	104.86	7.430	7.474	104.80	104.94	13-Jan-15	105.00	20.00	1
FR0069	29-Aug-13	15-Apr-19	7.88	4.3	3.51	7.37	↓ -2.3bps	101.78	7.383	7.426	101.59	101.75	13-Jan-15	101.70	420.48	20
FR0036	20-Apr-06	15-Sep-19	11.50	4.7	3.56	7.47	↓ -1.9bps	115.61	7.454	7.498	115.50	115.68	12-Jan-15	115.50	7.52	1
FR0031	16-Jun-05	15-Nov-20	11.00	5.8	4.34	7.53	↓ -2.1bps	116.10	7.492	7.535	116.10	116.32	13-Jan-15	115.15	27.18	3
FR0034	26-Jan-06	15-Jun-21	12.80	6.4	4.58	7.54	↓ -5.5bps	126.35	7.533	7.576	126.16	126.41	13-Jan-15	126.05	214.03	6
FR0053	8-Jul-10	15-Jul-21	8.25	6.5	4.81	7.53	↓ -6.8bps	103.64	7.507	7.551	103.54	103.77	13-Jan-15	103.60	73.40	4
FR0061	6-Oct-11	15-May-22	7.00	7.3	5.56	7.60	↓ -0.4bps	96.67	7.522	7.566	96.84	97.08	13-Jan-15	96.15	218.31	6
FR0035	16-Feb-06	15-Jun-22	12.90	7.4	5.07	7.62	↓ -3.7bps	129.46	7.599	7.642	129.35	129.64	6-Jan-15	126.99	52.09	5
FR0043	22-Feb-07	15-Jul-22	10.25	7.5	5.13	7.64	↓ -4.7bps	114.68	7.610	7.654	114.62	114.89	8-Jan-15	113.29	101.00	3
FR0063	13-Aug-12	15-May-23	5.63	8.3	6.33	7.63	↓ -2.4bps	87.80	7.546	7.590	88.01	88.26	9-Jan-15	88.00	40.30	4
FR0046	19-Jul-07	15-Jul-23	9.50	8.5	5.69	7.71	↓ -4.1bps	111.01	7.650	7.693	111.12	111.41	9-Jan-15	110.18	14.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	8.6	5.53	7.72	↓ -3.3bps	124.93	7.670	7.714	125.00	125.31	24-Dec-14	123.02	2.00	2
FR0070	29-Aug-13	15-Mar-24	8.38	9.2	6.24	7.65	↓ -4.0bps	104.68	7.556	7.599	105.04	105.33	13-Jan-15	104.62	2,812.54	83
FR0044	19-Apr-07	15-Sep-24	10.00	9.7	6.23	7.76	↓ -4.1bps	114.99	7.714	7.758	115.03	115.36	13-Jan-15	115.00	200.00	1
FR0040	21-Sep-06	15-Sep-25	11.00	10.7	6.51	7.78	↓ -1.8bps	122.99	7.768	7.812	122.77	123.13	13-Jan-15	122.30	0.50	1
FR0037	18-May-06	15-Sep-26	12.00	11.7	6.75	7.82	↓ -1.0bps	131.59	7.808	7.852	131.30	131.70	6-Jan-15	100.25	40.00	6
FR0056	23-Sep-10	15-Sep-26	8.38	11.7	7.26	7.86	↓ -1.6bps	103.89	7.827	7.871	103.79	104.13	12-Jan-15	103.30	10.54	3
FR0059	15-Sep-11	15-May-27	7.00	12.3	7.89	7.88	↓ -6.0bps	93.11	7.874	7.918	92.84	93.17	13-Jan-15	91.75	7.23	2
FR0042	25-Jan-07	15-Jul-27	10.25	12.5	7.14	7.94	↓ -1.0bps	118.10	7.904	7.948	118.03	118.42	13-Jan-15	117.00	50.00	5
FR0047	30-Aug-07	15-Feb-28	10.00	13.1	7.42	7.98	↓ -2.7bps	116.25	7.945	7.988	116.13	116.53	7-Jan-15	113.90	2.69	2
FR0064	13-Aug-12	15-May-28	6.13	13.3	8.48	7.96	↓ -2.9bps	85.05	7.914	7.958	85.09	85.41	13-Jan-15	85.00	86.17	11
FR0071	12-Sep-13	15-Mar-29	9.00	14.2	7.98	7.96	↓ -3.2bps	108.71	7.926	7.970	108.63	109.02	13-Jan-15	108.60	876.74	54
FR0052	20-Aug-09	15-Aug-30	10.50	15.6	8.05	8.06	↓ -1.9bps	121.42	8.026	8.070	121.32	121.77	13-Jan-15	121.10	2.00	1
FR0054	22-Jul-10	15-Jul-31	9.50	16.5	8.39	8.08	↓ -2.6bps	112.82	8.072	8.116	112.46	112.90	13-Jan-15	111.70	72.00	4
FR0058	21-Jul-11	15-Jun-32	8.25	17.4	9.16	8.11	↓ -1.1bps	101.31	8.112	8.156	100.86	101.26	13-Jan-15	99.80	206.66	57
FR0065	30-Aug-12	15-May-33	6.63	18.3	9.75	8.10	↓ -3.7bps	86.01	8.130	8.174	85.39	85.77	13-Jan-15	86.00	94.50	20
FR0068	1-Aug-13	15-May-34	8.38	19.3	9.51	8.09	↓ -2.0bps	102.73	8.086	8.130	102.35	102.79	13-Jan-15	102.00	955.20	107
FR0045	24-May-07	15-May-37	9.75	22.3	9.66	8.33	↓ -11.8bps	114.26	8.306	8.350	114.05	114.54	13-Jan-15	114.75	102.00	2
FR0050	24-Jan-08	15-Jul-38	10.50	23.5	9.45	8.33	↓ -15.4bps	122.18	8.331	8.375	121.68	122.21	13-Jan-15	121.35	25.00	5
FR0057	21-Apr-11	15-May-41	9.50	26.3	10.21	8.39	↓ -11.2bps	111.70	8.362	8.406	111.51	112.01	12-Jan-15	108.60	1.42	3
FR0062	9-Feb-12	15-Apr-42	6.38	27.3	10.94	8.39	↓ -0.6bps	78.51	8.389	8.433	78.15	78.53	13-Jan-15	77.80	8.96	8
FR0067	18-Jul-13	15-Feb-44	8.75	29.1	10.38	8.42	↓ -5.3bps	103.52	8.429	8.473	102.97	103.45	13-Jan-15	103.40	30.00	6
ORI009	10-Oct-12	15-Oct-15	6.25	0.8	0.70	7.03	↓ -14.3bps	99.43	7.025	7.069	99.34	99.37	13-Jan-15	98.70	1.45	4
ORI010	9-Oct-13	15-Oct-16	8.50	1.8	-	7.32	↓ -3.2bps	101.93	7.270	7.313	101.95	102.02	13-Jan-15	101.90	111.50	22
ORI011	22-Oct-14	15-Oct-17	8.50	2.8	2.35	7.62	↓ -0.7bps	102.18	7.542	7.586	102.14	102.25	13-Jan-15	101.00	263.56	59
IFR0003	29-Oct-09	15-Sep-15	9.25	0.7	0.63	6.73	↑ 99.6bps	101.59	6.014	6.058	102.05	102.07	6-Jan-15	99.27	10.00	2
IFR0005	21-Jan-10	15-Jan-17	9.00	2.0	1.73	8.02	↓ -0.3bps	101.78	7.787	7.831	102.13	102.21	21-Nov-14	102.06	8.00	2
IFR0002	26-Aug-08	15-Aug-18	11.95	3.6	2.82	7.79	↓ -59.2bps	112.77	8.017	8.061	111.90	112.04	21-Nov-14	111.58	2.00	2
IFR0008	15-Apr-10	15-Mar-20	8.80	5.2	4.01	7.89	↓ -24.8bps	103.80	7.750	7.794	104.19	104.38	5-May-14	103.65	5.00	3
IFR0007	1-Apr-10	15-Jan-25	10.25	10.0	6.09	8.77	→ 0.0bps	109.74	8.380	8.424	112.18	112.50	6-Jan-15	101.36	20.00	2
IFR0006	21-Jan-10	15-Mar-30	10.25	15.2	7.73	9.06	↓ -11.0bps	109.70	8.807	8.851	111.54	111.93	6-Nov-14	106.02	2.00	1
IFR0010	3-Mar-11	15-Feb-36	10.00	21.1	8.89	8.96	↓ -30.5bps	109.77	8.923	8.967	109.69	110.14	21-Nov-14	113.93	154.35	2
PBS001	16-Feb-12	15-Feb-18	4.50	3.1	2.72	9.27	↓ -18.0bps	87.32	8.978	9.022	88.03	88.14	7-Jan-15	87.00	1.14	1
PBS002	2-Feb-12	15-Jan-22	5.45	7.0	5.40	8.37	↓ -64.9bps	84.75	8.462	8.506	84.12	84.32	12-Dec-14	85.75	60.00	4
PBS003	2-Feb-12	15-Jan-27	6.00	12.0	7.54	9.22	↓ -7.3bps	76.94	8.893	8.937	78.64	78.91	19-Dec-14	76.35	21.00	7
PBS004	16-Feb-12	15-Feb-37	6.10	22.1	9.83	9.16	↓ -6.5bps	71.22	8.926	8.970	72.60	72.93	13-Jan-15	72.50	115.00	12
PBS005	2-May-13	15-Apr-43	6.75	28.3	10.22	9.26	↑ 0.5bps	75.01	8.989	9.033	76.79	77.15	13-Jan-15	79.27	25.00	5
PBS006	19-Sep-13	15-Sep-20	8.25	5.7	4.35	8.15	↑ 1.6bps	100.43	7.745	7.789	102.06	102.26	13-Jan-15	102.00	170.00	3
SR004	21-Mar-12	21-Sep-15	6.25	0.7	-	6.94	↓ -7.5bps	99.54	6.833	6.877	99.58	99.61	13-Jan-15	97.75	13.25	5
SR005	27-Feb-13	27-Feb-16	6.00	1.1	-	7.28	↑ 0.9bps	98.63	7.024	7.067	98.85	98.90	13-Jan-15	98.00	1.50	2
SR006	5-Mar-14	5-Mar-17	6.00	2.1	-	7.65	↓ -2.7bps	102.17	7.594	7.638	96.77	96.85	13-Jan-15	101.30	91.07	13

*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