

HEADLINES & ANALYSIS

- Yield-hungry buyers snapped up U.S. debt Wednesday as a class of institutional investors purchased the biggest-ever share at an auction of 10-year notes, which sold at the lowest yield in more than three years. The Treasury auctioned \$23 billion of the securities at a yield of 1.71 percent. The yield on benchmark Treasury 10-year notes fell two basis points, or 0.02 percentage point, to 1.74 percent as of 5 p.m. New York time, according to Bloomberg Bond Trader data. The price of the 1.625 percent security due in February 2026 was 99. (Bloomberg)
- While the Bank of Korea is seen holding interest rates unchanged on Friday at an all-time low, the nation's bond market is starting to price in a cut as soon as next month. The yield on 3-yr sovereign debt has dropped below the central bank's policy rate of 1.5% and slid to a record 1.41% on Monday. That was the lowest level relative to the BOK base rate since May 2013, just before a surprise easing by the board. The yield on 3-yr notes has dropped 25bps this year to 1.43% on Wednesday in Seoul. The 10-yr yield declined 31bps in the same period and reached an unprecedented 1.76% on Monday. (Bloomberg)
- Japanese investors' appetite for 30-year bonds has made them – in the words of one hedge fund manager – the most expensive on Earth. And locals say they want more. Notes maturing in 15 years or more are the only ones in the nation with positive yields, leaving investors little choice but to buy even as the securities get pricier. The 2046 bonds, which yield 230 basis points less than their counterparts in the U.S., are due to go on sale Thursday. Thirty-year government debt yielded 0.3% Wednesday, below the record auction low of 0.388% set last month. (Bloomberg)

YIELD CURVE (%)

	TTM	11-May-16	-1 Day	Change	TTM	11-May-16	-1 Day	Change
3 months	5.463	5.461	0.002		15 years	7.992	7.985	0.007
6 months	5.952	5.948	0.004		16 years	8.009	8.002	0.007
1 year	6.624	6.618	0.006		17 years	8.024	8.017	0.007
2 years	7.097	7.090	0.007		18 years	8.037	8.030	0.007
3 years	7.298	7.291	0.007		19 years	8.048	8.041	0.007
4 years	7.430	7.422	0.007		20 years	8.058	8.051	0.007
5 years	7.534	7.527	0.007		21 years	8.067	8.060	0.007
6 years	7.622	7.615	0.007		22 years	8.075	8.068	0.007
7 years	7.696	7.689	0.007		23 years	8.082	8.075	0.007
8 years	7.758	7.751	0.007		24 years	8.088	8.081	0.007
9 years	7.810	7.803	0.007		25 years	8.094	8.087	0.007
10 years	7.855	7.847	0.007		26 years	8.099	8.092	0.007
11 years	7.892	7.885	0.007		27 years	8.103	8.096	0.007
12 years	7.923	7.916	0.007		28 years	8.108	8.101	0.007
13 years	7.950	7.943	0.007		29 years	8.111	8.104	0.007
14 years	7.973	7.966	0.007		30 years	8.115	8.108	0.007

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0056	8.375	15-Sep-26	104.25	7.759	2,007.68
FR0073	8.750	15-May-31	106.48	7.948	1,360.70
FR0068	8.375	15-Mar-34	105.00	7.969	1,122.66
FR0070	8.375	15-Mar-24	103.67	7.513	774.62
FR0071	9.000	15-Mar-29	108.50	7.937	773.65

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
FIFA02BCN3	idAAA	12.000	5-Apr-19	101.10	11.54	150.00
STTP01ACN2	AA+(idn)	12.000	12-Apr-19	100.04	11.98	100.00
ISAT01ECN2	idAAA	12.000	4-Jun-25	102.32	11.58	50.00
ADMFO3CCN2	idAAA	10.250	25-Aug-20	102.70	9.48	48.00
ADMFO2BCN4	idAAA	10.500	12-Nov-17	102.77	8.52	35.00

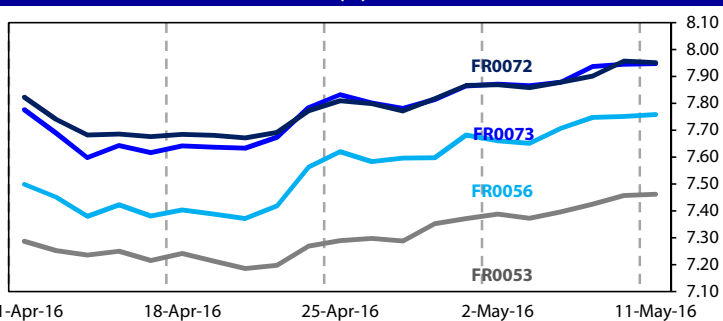
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	11-May-16	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	11-May-16	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						11-May-16	-1 Mo	-3 Mo							11-May-16	-1 Mo	-3 Mo
United States	2yr		0.740	0.850	0.810				Philippines	2yr	6.000	2.145	2.188	2.888	141	149	225
	5yr		1.200	1.160	1.110					5yr	7.875	3.253	3.270	3.552	205	211	244
	10yr		1.730	1.730	1.630					10yr	11.375	3.878	4.378	4.168	215	265	254
German	2yr	0.250	-0.513	-	-	-125	-	-	Thailand	2yr	3.125	1.353	1.22	1.37	61	52	73
	5yr	1.000	-0.385	-0.395	-0.325	-159	-156	-144		5yr	3.450	1.499	1.432	1.593	30	27	48
	10yr	1.750	0.126	0.111	0.188	-160	-162	-144		10yr	3.625	1.783	1.753	1.991	5	2	36
Indonesia	2yr	6.875	1.535	1.583	1.523	80	88	88	India	2yr	7.590	7.128	7.147	7.375	639	645	674
	5yr	5.875	2.757	2.859	3.182	156	170	207		5yr	7.280	7.43	7.411	7.725	623	625	662
	10yr	0	3.756	4.002	4.525	203	227	290		10yr	8.830	7.427	7.418	7.719	570	569	609
Brazil	2yr	0.000	12.580	13.47	15.33	1,184	1,277	1,469	Malaysia	3yr	3.172	3.238	3.234	3.253	237	238	244
	5yr	10.000	12.350	13.60	15.99	1,161	1,290	1,535		5yr	3.260	3.462	3.418	3.383	226	226	227
	10yr	10.000	12.330	13.68	16.37	1,159	1,298	1,573		10yr	4.181	3.909	3.802	4.056	218	207	243

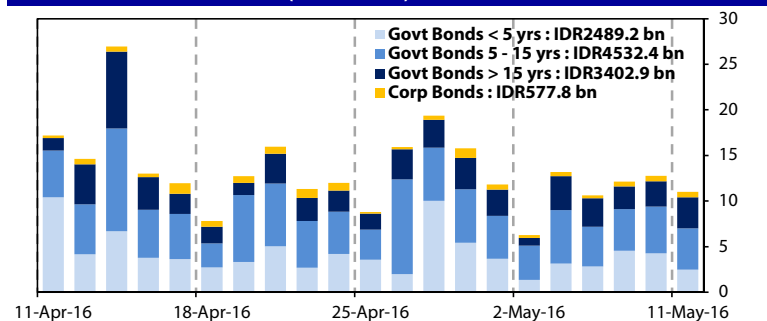
Sources: Bloomberg (Current Yield Curve), US Treasury

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)	6.75	17-Mar-16	-25bps ↓	3.60	3.15
US (Fed Fund Rate)	0.50	16-Dec-15	25bps ↑	0.90	-0.40
Euro Region	0.00	10-Mar-16	-5bps ↓	0.00	0.00
Japan	0.10	19-Dec-08	-20bps ↓	-0.10	0.20
India (Repo Rate)	6.50	5-Apr-16	-25bps ↓	5.51	0.99
Malaysia	3.25	10-Jul-14	25bps ↑	2.60	0.65
Philippines	4.00	11-Sep-14	25bps ↑	1.10	2.90
Thailand	3.00	25-Jan-12	-25bps ↓	0.07	2.93
Singapore	0.08	31-Dec-13	5bps ↑	-1.00	1.08
Brazil	14.25	29-Jul-15	50bps ↑	9.28	4.97

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	11-May-16	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	4,800 ↑	4,763	0.77	-0.47	0.27	-7.79	4.51
Dow Jones (DJIA)	17,711 ↓	17,928	-1.21	0.34	0.88	-1.98	0.61
London (FTSE 100)	6,162 ↑	6,157	0.09	0.83	-0.61	-11.12	-1.78
Nikkei 225	16,579 ↑	16,565	0.08	2.67	5.26	-15.52	-12.90
Hang Seng (HIS)	20,055 ↓	20,243	-0.93	-2.29	-1.89	-26.82	-8.35
Malaysia (KLCI)	1,645 ↑	1,636	0.53	-0.78	-4.12	-8.56	-2.87
Philippines (PSEI)	7,397 ↑	7,175	3.09	4.44	1.44	-5.11	6.39
Thailand (SET)	1,382 ↓	1,390	-0.56	-0.60	0.92	-6.95	7.33
Singapore (STI)	2,733 ↓	2,741	-0.30	-1.45	-2.72	-20.61	-5.29
Brazil (BOVESPA)	52,764 ↓	53,071	-0.58	0.40	5.18	-7.09	21.72

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	11-May-16	-1 Day	-1 Week	-1 Month	EoP 2015
USD/IDR	13,309 ↑	13,286	13,261	13,134	13,788
Brent	46.59 ↑	45.16	44.34	41.89	35.05
WTI Crude Oil	46.23 ↑	44.66	43.78	40.36	36.6

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
11-May-16	7.72		-0.02	-0.31	0.41	11.99	10.32
-1 Day	7.71	↑ 0.8	-0.13	-0.30	0.77	12.02	10.35
-1 Week	7.65	↑ 6.6	-0.13	-0.51	1.24	9.51	10.58
-1 Month	7.60	↑ 12.5	0.35	1.23	3.75	6.60	10.57
-1 Year	8.26	↓ -54.1	-0.27	-1.61	-5.21	7.91	1.27

Sources: Danareksa

