

### HEADLINES & ANALYSIS

- The Bank of England may be about to raise its economic outlook for the second time since the Brexit vote, reflecting a resilience that's seen Mark Carney criticized for over-egging the threats from the decision to leave the EU. As the BOE prepares to publish its new forecasts in three weeks, its first for 2017, the governor said recent data is "consistent with some further upgrade." The Monetary Policy Committee lifted its projections in November after slashing the outlook three months earlier. (Bloomberg)
- Japan's current-account surplus for November was 1.42 trillion yen (\$12.3 billion), underpinned by a pickup in foreign demand. The surplus widened 28 percent from a year earlier. The trade balance was typically in the black in 2016 thanks to cheap energy imports, further bolstering its repeated current-account surpluses. In addition, Japanese investors have been reluctant to invest at home due to low interest rates and a shrinking consumer base, instead looking abroad for greater yields. (Bloomberg)
- Wednesday's \$20 billion 10-year U.S. note sale drew a yield of 2.342%, with a bid-to-cover ratio of 2.58, the highest since June. Indirect bidders, a class of investors that includes foreign central banks and mutual funds, bought 70.5%, the highest since August and above the average 62.5% in the previous 10 auctions. Primary dealers, which are obligated to bid at auctions, took 20.7%, the least since August, while direct bidders purchased 8.7%. (Bloomberg)

### YIELD CURVE (%)

TTM	11-Jan-17	-1 Day	Change	TTM	11-Jan-17	-1 Day	Change
3 months	4.956	4.977	-0.022	15 years	8.226	8.232	-0.006
6 months	5.609	5.641	-0.031	16 years	8.261	8.267	-0.006
1 year	6.452	6.487	-0.036	17 years	8.292	8.297	-0.006
2 years	7.018	7.046	-0.029	18 years	8.319	8.324	-0.005
3 years	7.219	7.242	-0.023	19 years	8.342	8.348	-0.006
4 years	7.349	7.368	-0.019	20 years	8.363	8.368	-0.005
5 years	7.467	7.483	-0.016	21 years	8.382	8.386	-0.005
6 years	7.580	7.595	-0.014	22 years	8.398	8.403	-0.005
7 years	7.688	7.700	-0.013	23 years	8.412	8.417	-0.004
8 years	7.786	7.798	-0.011	24 years	8.425	8.430	-0.004
9 years	7.876	7.886	-0.010	25 years	8.437	8.441	-0.004
10 years	7.955	7.964	-0.009	26 years	8.447	8.451	-0.004
11 years	8.025	8.033	-0.008	27 years	8.456	8.460	-0.004
12 years	8.086	8.094	-0.008	28 years	8.464	8.468	-0.004
13 years	8.139	8.146	-0.007	29 years	8.472	8.476	-0.004
14 years	8.185	8.192	-0.007	30 years	8.478	8.482	-0.004

Source : Danareksa Sekuritas

### MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0071	9.000	15-Mar-29	106.96	8.128	3,024.49
FR0072	8.250	15-May-36	101.80	8.056	845.20
FR0061	7.000	15-May-22	98.85	7.268	820.78
PBS013	6.250	15-May-19	98.14	7.513	800.00
FR0053	8.250	15-Jul-21	103.40	7.332	786.01

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

### MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
FIFA02BCN4	idAAA/AAA(Ibn)	9.500	14-Dec-21	100.21	9.44	110.00
FIFA02ACN4	idAAA/AAA(Ibn)	7.250	7-Oct-17	100.02	7.25	100.00
SMFP03ACN5	idAA+	7.600	27-Jun-17	100.02	7.60	100.00
BKBP01SBCN1	idA	9.250	6-Mar-19	99.40	9.56	84.00
TPIA01A	idA+	10.800	22-Dec-19	100.80	10.48	52.00

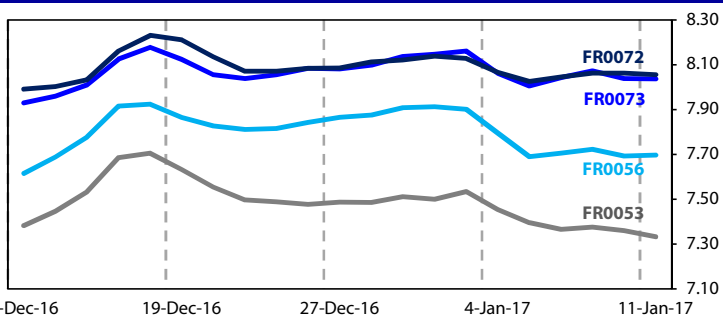
\*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

### SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	11-Jan-17	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	11-Jan-17	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						11-Jan-17	-1 Mo	-3 Mo							11-Jan-17	-1 Mo	-3 Mo
United States USD	2yr		1.200	1.430	1.000				Philippines PHP	2yr	6.000	2.773	3.288	2.340	157	214	149
	5yr		1.890	1.890	1.270					5yr	7.875	3.789	4.083	3.230	190	219	196
	10yr		2.380	2.470	1.750					10yr	11.375	4.316	4.628	3.893	194	216	214
German EUR	2yr	0.250	-0.716	-0.753	-	-192	-190	-	Thailand THB	2yr	3.125	1.572	1.579	1.529	37	43	68
	5yr	1.000	-0.480	-0.440	-0.486	-237	-233	-176		5yr	3.450	2.277	2.175	1.963	39	29	69
	10yr	1.750	0.328	-	-	-205	-	-		10yr	3.625	2.734	2.721	2.294	35	25	54
Indonesia USD	2yr	6.875	1.758	1.724	1.907	56	57	106	India INR	2yr	7.590	-	6.234	6.6	-	508	575
	5yr	5.875	2.709	2.867	2.463	82	98	119		5yr	7.280	6.454	6.414	6.725	456	452	546
	10yr	0	3.983	4.129	3.411	160	166	166		10yr	8.830	6.394	6.441	6.742	401	397	499
Brazil BRL	2yr	0.000	10.855	11.52	11.42	966	1,037	1,057	Malaysia MYR	3yr	3.172	3.387	3.606	2.963	192	218	196
	5yr	10.000	11.080	11.78	11.24	988	1,063	1,039		5yr	3.260	3.757	3.674	3.391	187	178	212
	10yr	10.000	11.310	11.91	11.43	1,011	1,076	1,058		10yr	4.181	4.297	4.163	3.676	192	169	193

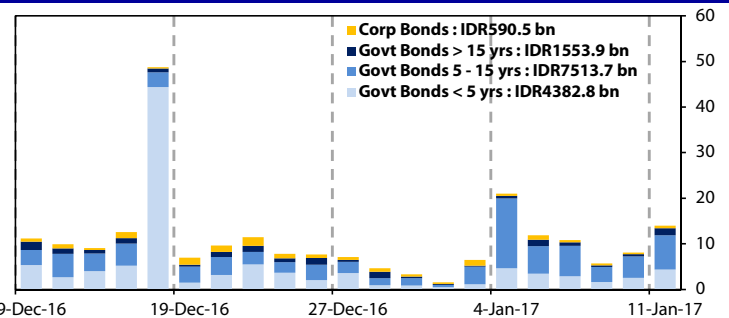
Sources: Bloomberg (Current Yield Curve), US Treasury

### 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 (SDRR)	4.75	20-Oct-16	-25bps ↓	3.02	1.73
US (Fed Fund Rate)	0.75	14-Dec-16	25bps ↑	1.70	-0.95
Euro Region	0.00	10-Mar-16	-5bps ↓	0.60	-0.60
Japan	0.10	19-Dec-08	-20bps ↓	0.50	-0.40
India (Repo Rate)	6.25	4-Oct-16	-25bps ↓	2.59	3.66
Malaysia	3.00	13-Jul-16	-25bps ↓	1.80	1.20
Philippines	3.00	16-May-16	-100bps ↓	2.60	0.40
Thailand	3.00	25-Jan-12	-25bps ↓	1.13	1.87
Singapore	0.08	31-Dec-13	5bps ↑	0.00	0.08
Brazil	13.00	11-Jan-17	-75bps ↓	6.29	6.71

Sources: Bloomberg

### GLOBAL STOCK MARKETS

Stock Index	11-Jan-17	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,301 ↓	5,310	-0.16	0.00	-0.13	17.48	0.09
Dow Jones (DJIA)	19,954 ↑	19,856	0.50	0.06	0.80	20.82	0.97
London (FTSE 100)	7,290 ↑	7,275	0.21	1.40	5.81	22.96	2.07
Nikkei 225	19,365 ↑	19,301	0.33	-1.17	1.09	12.46	1.31
Hang Seng (HIS)	22,935 ↑	22,745	0.84	3.62	2.24	16.35	4.25
Malaysia (KLIC)	1,675 ↑	1,672	0.19	1.68	2.06	2.06	2.04
Philippines (PSEi)	7,322 ↓	7,364	-0.58	4.14	6.59	15.66	7.03
Thailand (SET)	1,573 ↑	1,572	0.05	0.60	3.05	25.30	1.94
Singapore (STI)	3,001 ↓	3,006	-0.17	2.73	1.65	11.49	4.17
Brazil (BOVESPA)	62,446 ↑	62,132	0.51	1.39	5.52	58.04	3.68

Sources: Bloomberg & Danareksa

### CURRENCY & COMMODITY

Price	11-Jan-17	-1 Day	-1 Week	-1 Month	EoP 2015
USD/IDR	13,319 ↑	13,308	13,440	13,331	13,473
Brent	54.42 ↑	52.88	55.79	54.51	55.41
WTI Crude Oil	52.25 ↑	50.82	53.26	52.83	53.72

Sources: Bloomberg

### PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
11-Jan-17	7.73		0.07	0.64	0.73	15.11	1.11
-1 Day	7.74	↓ -1.1	0.08	1.01	1.70	15.17	1.04
-1 Week	7.82	↓ -9.6	0.43	0.33	2.05	14.65	0.47
-1 Month	7.74	↓ -1.4	-0.27	1.98	-1.44	13.68	14.80
-1 Year	8.80	↓ -107.4	0.42	0.79	-0.41	2.02	0.62

Sources: Danareksa

