

**HEADLINES & ANALYSIS**

- Yellen: Inflation has picked up, is pretty close to 2% target. U.S. economy doing quite well and near-term risks appear pretty balanced, Fed Chair Janet Yellen says. Labor market looks similar in many dimensions to where it was before the financial crisis, she says. We may be operating in low interest-rate world, low interest rates cause a problem if economies are hit with negative shocks, she added. (Bloomberg)
- Japanese investors were net buyers of foreign bonds during the week ended Jan. 6 according to figures released by the Ministry of Finance in Tokyo. Japanese investors bought 206.5b yen (\$1.8b) in overseas bonds and notes, bought 234.2b yen in overseas stocks. Foreign investors bought 626.1b yen in Japanese bonds, bought 346.8b yen in Japanese stocks. (Bloomberg)
- Russian government five-year ruble notes climbed on Thursday, pushing the yield to the lowest on a closing basis since February 2014. The securities are gaining as a strengthening ruble and lower-than-expected inflation prompt economists to project that the Bank of Russia will resume interest-rate cuts as soon as March, and not in the second quarter as Governor Elvira Nabiullina had previously signaled. (Bloomberg)

**YIELD CURVE (%)**

	TTM	12-Jan-17	-1 Day	Change	TTM	12-Jan-17	-1 Day	Change
3 months	4.893	4.956	-0.063		15 years	8.209	8.226	-0.017
6 months	5.520	5.609	-0.090		16 years	8.247	8.261	-0.014
1 year	6.354	6.452	-0.097		17 years	8.280	8.292	-0.012
2 years	6.947	7.018	-0.071		18 years	8.309	8.319	-0.010
3 years	7.163	7.219	-0.056		19 years	8.334	8.342	-0.008
4 years	7.299	7.349	-0.050		20 years	8.357	8.363	-0.006
5 years	7.419	7.467	-0.048		21 years	8.377	8.382	-0.005
6 years	7.534	7.580	-0.046		22 years	8.394	8.398	-0.004
7 years	7.644	7.688	-0.044		23 years	8.410	8.412	-0.003
8 years	7.746	7.786	-0.040		24 years	8.424	8.425	-0.002
9 years	7.839	7.876	-0.037		25 years	8.436	8.437	-0.001
10 years	7.922	7.955	-0.033		26 years	8.447	8.447	0.000
11 years	7.995	8.025	-0.030		27 years	8.457	8.456	0.001
12 years	8.060	8.086	-0.026		28 years	8.466	8.464	0.001
13 years	8.117	8.139	-0.023		29 years	8.474	8.472	0.002
14 years	8.166	8.185	-0.019		30 years	8.481	8.478	0.002

Source : Danareksa Sekuritas

**MOST ACTIVE GOVERNMENT BONDS**

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0061	7.000	15-May-22	99.15	7.200	1,574.80
FR0053	8.250	15-Jul-21	103.75	7.277	1,515.93
FR0059	7.000	15-May-27	96.98	7.476	1,451.69
FR0070	8.375	15-Mar-24	104.10	7.513	860.54
FR0056	8.375	15-Sep-26	105.60	7.610	812.44

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

**MOST ACTIVE CORPORATE BONDS**

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
SSIA01ACN1	idA	9.500	14-Dec-21	100.35	9.41	296.40
BBRI01BCN3	idAAA	8.200	25-May-19	100.06	8.17	120.00
FIFA02BCN4	idAAA/AAA(Idn)	7.950	27-Sep-19	100.35	7.80	100.00
ASDF03BCN1	AAA(idn)	8.500	11-May-19	100.06	8.47	80.00
BIIF01ACN3	AA+(idn)	8.300	3-Nov-19	98.60	8.87	80.00

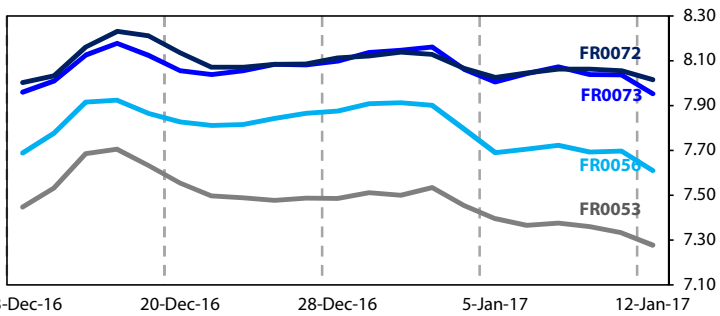
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

**SOVEREIGN BOND YIELDS**

Country	Tenor	Coupon (%)	12-Jan-17	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	12-Jan-17	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						12-Jan-17	-1 Mo	-3 Mo							12-Jan-17	-1 Mo	-3 Mo
United States USD	2yr		1.180	1.460	1.000				Philippines PHP	2yr	6.000	2.746	3.288	2.610	157	212	177
	5yr		1.870	1.920	1.280					5yr	7.875	3.782	4.083	3.300	191	216	202
	10yr		2.360	2.480	1.800					10yr	11.375	4.223	4.653	3.903	186	217	210
German EUR	2yr	0.250	-0.714	-0.744	-	-189	-191	-	Thailand THB	2yr	3.125	1.565	1.586	1.526	39	42	69
	5yr	1.000	-0.484	-0.437	-0.484	-235	-236	-176		5yr	3.450	2.247	2.2	1.888	38	28	61
	10yr	1.750	0.316	-	-	-204	-	-		10yr	3.625	2.674	2.735	2.213	31	26	41
Indonesia USD	2yr	6.875	1.813	1.714	1.993	63	54	115	India INR	2yr	7.590	6.315	6.215	6.598	514	505	576
	5yr	5.875	2.694	2.869	2.457	82	95	118		5yr	7.280	6.426	6.402	6.745	456	448	547
	10yr	0	3.947	4.206	3.417	159	173	162		10yr	8.830	6.373	6.423	6.753	401	394	495
Brazil BRL	2yr	0.000	10.505	11.55	11.44	933	1,038	1,060	Malaysia MYR	3yr	3.172	3.379	3.567	3.016	193	211	202
	5yr	10.000	10.775	11.87	11.23	960	1,070	1,039		5yr	3.260	3.749	3.7	3.348	188	178	207
	10yr	10.000	11.000	12.11	11.43	982	1,094	1,059		10yr	4.181	4.267	4.165	3.643	191	169	184

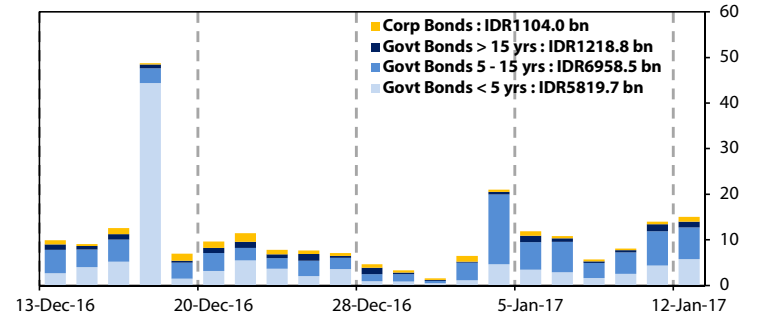
Sources: Bloomberg (Current Yield Curve), US Treasury

**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	12-Jan-17	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,293 ↓	5,301	-0.16	-0.62	-0.02	16.65	-0.07
Dow Jones (DJIA)	19,891 ↓	19,954	-0.32	-0.04	-0.10	23.15	0.65
London (FTSE 100)	7,292 ↑	7,290	0.03	1.35	4.65	22.34	2.09
Nikkei 225	19,135 ↓	19,365	-1.19	-1.98	-0.60	8.01	0.11
Hang Seng (HIS)	22,829 ↓	22,935	-0.46	1.66	1.70	14.52	3.77
Malaysia (KLCI)	1,678 ↑	1,675	0.15	1.08	1.97	2.14	2.19
Philippines (PSEi)	7,265 ↓	7,322	-0.78	0.76	5.58	11.86	6.20
Thailand (SET)	1,569 ↓	1,573	-0.26	-0.14	2.52	22.70	1.68
Singapore (STI)	2,993 ↓	3,001	-0.26	1.32	1.28	11.00	3.90
Brazil (BOVESPA)	63,954 ↑	62,446	2.41	3.03	7.88	64.22	6.19

Sources: Bloomberg & Danareksa

**CURRENCY & COMMODITY**

Price	12-Jan-17	-1 Day	-1 Week	-1 Month	EoP 2015
USD/IDR	13,281 ↓	13,319	13,367	13,325	13,473
Brent	55.6 ↑	54.42	56.42	54.37	55.41
WTI Crude Oil	53.01 ↑	52.25	53.76	52.98	53.72

Sources: Bloomberg

**PERFORMANCE OF IDR GOVERNMENT BONDS**

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
12-Jan-17	7.67		0.38	0.58	0.58	15.06	1.49
-1 Day	7.73	↓ -6.2	0.07	0.64	0.73	15.11	1.11
-1 Week	7.76	↓ -8.9	0.44	0.81	2.31	15.30	0.90
-1 Month	7.79	↓ -12.4	-0.09	1.67	-1.05	14.49	14.70
-1 Year	8.69	↓ -102.2	0.74	1.43	0.40	2.49	1.36

Sources: Danareksa

