

HEADLINES & ANALYSIS

- Six-month German securities have rallied more than benchmark tenors this month and open interest in two-year note futures has surged, suggesting investors are building up long positions in assets that are the closest to cash in terms of safety. The yield spread between Italian low- and high-coupon bonds has widened. (Bloomberg)
- The greenback's rally may be nearing its peak with a recovery in the global economy and U.S. trade balances checking its strength, according to Principal Global Investors. A rally in the dollar and Treasury yields that started from the middle of last year has stalled, as investors weigh the strength of the global deflation trade amid political uncertainty in Europe and protectionist rhetoric from U.S. President Donald Trump. Stronger inflation data from the U.S. have raised the odds for a March rate hike from the Federal Reserve while factory prices from China have continued to improve. (Bloomberg)
- Asian borrowers led by Chinese banks are issuing euro bonds at the fastest pace ever for a new year. China Development Bank Corp. and India's biggest power producer NTPC Ltd. helped push sales to 3.8 billion euros (\$4 billion) in 2017, putting regional offerings excluding Japan, on course to beat last year's high. Mario Draghi's European Central Bank is competing with money managers to buy local corporate bonds, prompting European investors to look more to Asian borrowers, according to Laurent Morel, head of debt capital markets and advisory for Asia Pacific at Societe Generale SA. (Bloomberg)

YIELD CURVE (%)

TTM	20-Feb-17	-1 Day	Change	TTM	20-Feb-17	-1 Day	Change
3 months	4.732	4.714	0.018	15 years	8.085	8.075	0.010
6 months	5.291	5.262	0.028	16 years	8.128	8.119	0.009
1 year	6.115	6.078	0.037	17 years	8.166	8.157	0.009
2 years	6.815	6.782	0.033	18 years	8.200	8.191	0.009
3 years	7.092	7.066	0.026	19 years	8.230	8.222	0.008
4 years	7.239	7.218	0.022	20 years	8.257	8.249	0.008
5 years	7.347	7.329	0.019	21 years	8.281	8.273	0.008
6 years	7.444	7.427	0.016	22 years	8.302	8.294	0.008
7 years	7.536	7.521	0.015	23 years	8.321	8.313	0.008
8 years	7.624	7.610	0.014	24 years	8.338	8.330	0.007
9 years	7.708	7.695	0.013	25 years	8.353	8.346	0.007
10 years	7.786	7.774	0.012	26 years	8.366	8.359	0.007
11 years	7.858	7.847	0.012	27 years	8.378	8.371	0.007
12 years	7.924	7.913	0.011	28 years	8.389	8.382	0.007
13 years	7.984	7.973	0.010	29 years	8.399	8.392	0.007
14 years	8.037	8.027	0.010	30 years	8.408	8.401	0.007

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0059	7.000	15-May-27	96.22	7.522	1,110.51
FR0061	7.000	15-May-22	99.02	7.194	926.05
FR0069	7.875	15-Apr-19	101.80	6.906	873.83
FR0056	8.375	15-Sep-26	105.70	7.513	855.11
FR0070	8.375	15-Mar-24	104.60	7.541	513.12

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
JPFA02ACN1	idA/A+(idn)	9.500	14-Dec-21	100.10	9.47	332.90
BEXI03BCN3	idAAA	7.850	22-Nov-19	100.30	7.73	236.00
SMRA02CN1	idA+	11.250	16-Dec-20	100.00	11.25	200.00
BFIN03BCN1	A+(idn)	8.800	25-Oct-19	100.37	8.64	106.00
ISAT01BCN3	idAAA/AAA(idn)	10.250	8-Dec-20	100.00	10.25	100.00

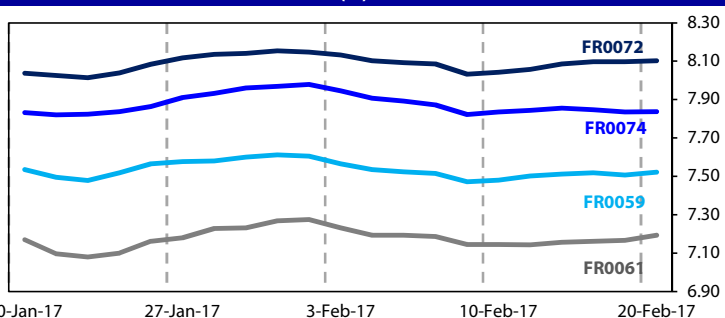
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Finfindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	20-Feb-17	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	20-Feb-17	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						20-Feb-17	-1 Mo	-3 Mo							20-Feb-17	-1 Mo	-3 Mo
United States USD	2yr		1.210	1.500	1.350				Philippines PHP	2yr	6.000	3.146	2.880	3.229	194	168	216
	5yr		1.920	1.950	1.770					5yr	7.875	3.990	-	-	207	-	-
	10yr		2.420	2.480	2.310					10yr	11.375	4.349	4.319	4.510	193	184	220
German EUR	2yr	0.250	-0.844	-0.671	-0.735	-205	-187	-181	Thailand THB	2yr	3.125	1.533	1.559	1.562	32	36	49
	5yr	1.000	-0.485	-	-	-241	-	-		5yr	3.450	2.197	2.271	2.082	28	32	31
	10yr	1.750	0.296	0.421	-	-212	-206	-		10yr	3.625	2.685	2.696	2.602	27	22	29
Indonesia USD	2yr	6.875	3.323	2.334	1.943	211	113	87	India INR	2yr	7.590	6.5	6.331	6.135	529	513	507
	5yr	5.875	2.538	2.653	3.004	62	70	123		5yr	7.280	6.816	6.495	6.308	490	455	454
	10yr	0	3.833	4.048	4.064	141	157	175		10yr	8.830	6.903	6.464	6.309	448	398	400
Brazil BRL	2yr	0.000	10.090	10.44	11.69	888	924	1,062	Malaysia MYR	3yr	3.172	3.355	3.309	3.879	188	181	253
	5yr	10.000	10.240	10.59	11.80	903	939	1,073		5yr	3.260	3.694	3.708	4.066	177	176	230
	10yr	10.000	10.360	10.97	11.92	915	977	1,085		10yr	4.181	4.042	4.231	4.373	162	175	206

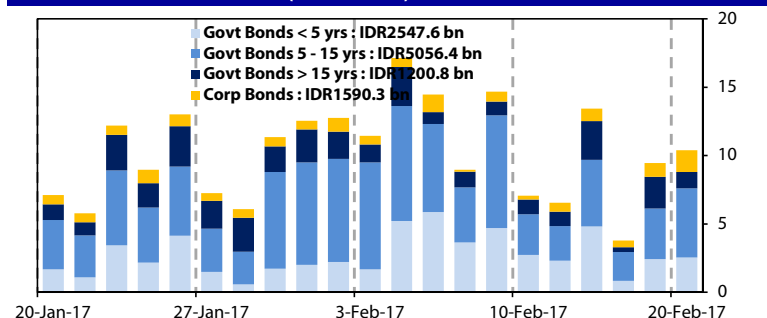
Sources: Bloomberg (Current Yield Curve), US Treasury

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 ↓	3.49	1.26
US (Fed Fund Rate)	0.75	14-Dec-16	25bps ↑	2.50	-1.75
Euro Region	0.00	10-Mar-16	-5bps ↓	1.20	-1.20
Japan	0.10	19-Dec-08	-20bps ↓	0.30	-0.20
India (Repo Rate)	6.25	4-Oct-16	-25bps ↓	2.23	4.02
Malaysia	3.00	13-Jul-16	-25bps ↓	1.80	1.20
Philippines	3.00	0-Jan-00	0bps →	2.70	0.30
Thailand	3.00	0-Jan-00	0bps →	1.55	1.45
Singapore	0.08	31-Dec-13	5bps ↑	0.20	-0.12
Brazil	13.00	11-Jan-17	-75bps ↓	5.35	7.65

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	20-Feb-17	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,359 ↑	5,351	0.16	-0.93	2.00	14.09	1.18
Dow Jones (DJIA)	20,624 →	20,624	0.00	1.04	4.02	25.82	4.36
London (FTSE 100)	7,300 ↓	7,300	0.00	0.29	1.41	22.68	2.20
Nikkei 225	19,251 ↑	19,235	0.09	-1.07	0.59	20.57	0.72
Hang Seng (HIS)	24,146 ↑	24,034	0.47	1.84	5.51	25.20	9.75
Malaysia (KLCI)	1,713 ↑	1,708	0.29	0.14	2.86	2.25	4.32
Philippines (PSEi)	7,281 ↑	7,245	0.50	-0.18	0.67	7.20	6.44
Thailand (SET)	1,578 ↑	1,578	0.04	-0.43	0.99	19.56	2.30
Singapore (STI)	3,097 ↓	3,108	-0.35	-0.48	2.84	16.55	7.50
Brazil (BOVESPA)	68,533 ↑	67,748	1.16	2.34	6.22	64.97	13.79

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	20-Feb-17	-1 Day	-1 Week	-1 Month	EoP 2015
USD/IDR	13,354 ↑	13,333	13,324	13,410	13,473
Brent	55.49 ↑	55.09	55.06	54.94	55.41
WTI Crude Oil	53.4 →	53.4	52.93	52.42	53.72

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
20-Feb-17	7.58		-0.03	0.09	0.61	11.61	2.68
-1 Day	7.56	↑ 1.8	0.07	0.14	0.76	11.44	2.70
-1 Week	7.57	↑ 1.5	0.03	0.57	1.10	11.07	2.61
-1 Month	7.61	↓ -2.5	-0.03	0.22	2.24	14.51	1.94
-1 Year	8.19	↓ -61.0	-0.19	-0.42	3.48	0.99	4.94

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		
FR0060	6-Oct-11	15-Apr-17	6.25	0.2	0.14	5.12	↑ 25.7bps	100.14	5.118	5.340	100.12	100.15	10-Feb-17	100.22	5.00	1
FR0028	24-Feb-05	15-Jul-17	10.00	0.4	0.39	5.17	↑ 5.4bps	101.85	5.101	5.323	101.81	101.90	17-Feb-17	101.20	1.30	1
FR0066	25-Oct-12	15-May-18	5.25	1.2	1.16	6.37	→ 0.0bps	98.69	6.308	6.530	98.50	98.75	20-Feb-17	98.40	301.38	4
FR0032	1-Sep-05	15-Jul-18	15.00	1.4	1.26	6.24	↓ -8.5bps	111.51	6.282	6.470	111.23	111.50	31-Jan-17	109.50	8.00	2
FR0038	24-Aug-06	15-Aug-18	11.60	1.5	1.36	6.38	↓ -0.5bps	107.26	6.404	6.592	106.98	107.25	7-Feb-17	107.20	5.00	1
FR0048	27-Sep-07	15-Sep-18	9.00	1.6	1.40	6.47	→ 0.0bps	103.69	6.415	6.637	103.45	103.78	14-Feb-17	103.53	2.97	1
FR0069	29-Aug-13	15-Apr-19	7.88	2.2	1.90	6.91	↑ 3.2bps	101.89	6.790	6.969	101.77	102.12	20-Feb-17	101.80	873.83	7
FR0036	20-Apr-06	15-Sep-19	11.50	2.6	2.13	7.01	↑ 6.3bps	110.33	6.961	7.052	110.26	110.48	17-Feb-17	110.25	1.30	1
FR0031	16-Jun-05	15-Nov-20	11.00	3.7	3.01	7.22	↑ 6.4bps	112.13	7.131	7.227	112.13	112.46	20-Feb-17	112.00	300.00	2
FR0034	26-Jan-06	15-Jun-21	12.80	4.3	3.35	7.25	↑ 2.2bps	120.23	7.219	7.292	120.06	120.36	20-Feb-17	120.00	10.00	1
FR0053	8-Jul-10	15-Jul-21	8.25	4.4	3.63	7.24	↑ 3.1bps	103.72	7.215	7.266	103.64	103.83	20-Feb-17	103.65	92.02	4
FR0061	6-Oct-11	15-May-22	7.00	5.2	4.23	7.19	↑ 2.7bps	99.15	7.090	7.199	99.13	99.60	20-Feb-17	99.02	926.05	44
FR0035	16-Feb-06	15-Jun-22	12.90	5.3	3.94	7.34	↓ -0.3bps	124.06	7.321	7.366	123.95	124.18	17-Feb-17	124.00	266.88	3
FR0043	22-Feb-07	15-Jul-22	10.25	5.4	4.16	7.37	↓ -2.0bps	112.63	7.363	7.417	112.41	112.66	20-Feb-17	112.25	10.00	1
FR0063	13-Aug-12	15-May-23	5.63	6.2	5.02	7.46	↑ 0.7bps	90.99	7.411	7.493	90.82	91.20	20-Feb-17	91.00	340.00	4
FR0046	19-Jul-07	15-Jul-23	9.50	6.4	4.79	7.55	→ 0.0bps	109.76	7.494	7.566	109.66	110.04	17-Feb-17	109.90	2.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	6.5	4.71	7.53	↑ 0.2bps	121.33	7.502	7.596	120.97	121.50	9-Feb-17	119.75	2.65	1
FR0070	29-Aug-13	15-Mar-24	8.38	7.1	5.13	7.54	↑ 1.0bps	104.49	7.494	7.662	103.83	104.75	20-Feb-17	104.60	513.12	8
FR0044	19-Apr-07	15-Sep-24	10.00	7.6	5.22	7.65	↑ 3.9bps	113.31	7.604	7.699	113.00	113.58	20-Feb-17	113.29	45.00	1
FR0040	21-Sep-06	15-Sep-25	11.00	8.6	5.59	7.66	→ 0.0bps	120.70	7.656	7.716	120.29	120.71	20-Feb-17	120.25	270.00	2
FR0037	18-May-06	15-Sep-26	12.00	9.6	5.91	7.67	→ 0.0bps	128.94	7.659	7.760	128.25	129.04	20-Feb-17	129.30	20.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	9.6	6.38	7.55	↑ 1.6bps	105.55	7.491	7.626	105.01	105.95	20-Feb-17	105.70	855.11	9
FR0059	15-Sep-11	15-May-27	7.00	10.2	7.01	7.52	↑ 1.4bps	96.31	7.450	7.567	96.00	96.80	20-Feb-17	96.22	1,110.51	54
FR0042	25-Jan-07	15-Jul-27	10.25	10.4	6.62	7.79	↑ 4.1bps	117.26	7.770	7.813	117.12	117.46	17-Feb-17	117.50	4.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	11.0	6.93	7.87	↑ 3.5bps	115.49	7.819	7.865	115.51	115.88	20-Feb-17	115.70	20.00	1
FR0064	13-Aug-12	15-May-28	6.13	11.2	7.59	7.92	↑ 3.1bps	86.79	7.864	7.914	86.83	87.17	20-Feb-17	86.63	32.30	5
FR0071	12-Sep-13	15-Mar-29	9.00	12.1	7.21	7.98	↑ 1.7bps	107.77	7.897	7.992	107.70	108.47	20-Feb-17	107.82	401.45	9
FR0052	20-Aug-09	15-Aug-30	10.50	13.5	7.70	8.05	↑ 4.1bps	119.89	7.983	8.045	119.98	120.55	20-Feb-17	120.10	10.00	1
FR0073	6-Aug-15	15-May-31	8.75	14.2	8.09	7.98	↑ 2.6bps	106.49	7.911	8.043	105.91	107.07	20-Feb-17	108.50	103.86	5
FR0074	10-Nov-16	15-Aug-32	7.50	15.5	8.95	7.84	↑ 0.1bps	97.01	7.799	7.915	96.33	97.34	20-Feb-17	98.50	172.13	29
FR0054	22-Jul-10	15-Jul-31	9.50	14.4	8.09	8.07	↑ 1.6bps	112.04	8.025	8.069	112.05	112.45	20-Feb-17	112.30	220.00	4
FR0058	21-Jul-11	15-Jun-32	8.25	15.3	8.54	8.07	→ 0.0bps	101.56	8.011	8.109	101.20	102.07	20-Feb-17	101.30	3.71	3
FR0065	30-Aug-12	15-May-33	6.63	16.2	9.15	8.07	↑ 0.9bps	87.01	8.029	8.100	86.79	87.37	20-Feb-17	90.40	101.10	7
FR0068	1-Aug-13	15-Mar-34	8.38	17.1	8.79	8.10	↑ 0.7bps	102.54	8.033	8.120	102.32	103.14	20-Feb-17	102.75	429.20	21
FR0072	9-Jul-15	15-May-36	8.25	19.2	9.43	8.10	↑ 0.4bps	101.41	8.007	8.124	101.20	102.35	20-Feb-17	101.25	444.46	40
FR0045	24-May-07	15-May-37	9.75	20.2	9.27	8.20	→ 0.0bps	114.86	8.163	8.385	113.16	115.56	13-Feb-17	113.75	2.00	1
FR0050	24-Jan-08	15-Jul-38	10.50	21.4	9.45	8.30	↓ -0.1bps	121.88	8.229	8.409	120.58	122.67	14-Feb-17	121.30	20.00	1
FR0057	21-Apr-11	15-May-41	9.50	24.2	9.87	8.37	↑ 3.8bps	111.58	8.295	8.488	110.31	112.48	20-Feb-17	111.77	50.00	5
FR0062	9-Feb-12	15-Apr-42	6.38	25.2	10.66	8.36	→ 0.0bps	79.27	8.257	8.428	78.68	80.17	20-Feb-17	78.30	0.20	1
FR0067	18-Jul-13	15-Feb-44	8.75	27.0	10.54	8.40	→ 0.0bps	103.76	8.357	8.537	102.23	104.18	14-Feb-17	103.50	6.00	1
ORIO11	22-Oct-14	15-Oct-17	8.50	0.7	-	5.53	↑ 14.9bps	101.88	5.482	5.704	101.78	101.93	20-Feb-17	101.20	1.05	7
ORIO12	21-Oct-15	15-Oct-18	9.00	1.7	-	6.76	↓ -1.1bps	103.48	6.677	6.899	103.27	103.62	20-Feb-17	102.50	19.80	24
ORIO13	26-Oct-16	15-Oct-19	6.60	2.7	-	6.93	↓ -1.1bps	99.21	6.803	7.023	98.98	99.51	20-Feb-17	98.50	77.57	48
IFR0002	26-Aug-08	15-Aug-18	11.95	1.5	1.36	6.55	↓ -1.9bps	107.50	6.583	6.805	107.15	107.48	23-Jan-17	107.26	7.00	2
IFR0008	15-Apr-10	15-Mar-20	8.80	3.1	2.56	7.59	↓ -0.2bps	103.25	7.485	7.679	103.00	103.53	5-May-14	103.65	5.00	3
IFR0007	1-Apr-10	15-Jan-25	10.25	7.9	5.35	9.47	→ 0.0bps	104.25	9.365	9.505	104.05	104.84	17-Jun-16	115.12	25.00	1
IFR0006	21-Jan-10	15-Mar-30	10.25	13.1	7.14	8.88	→ 0.0bps	110.50	8.783	8.908	110.23	111.26	1-Dec-16	113.41	16.00	1
IFR0010	3-Mar-11	15-Feb-36	10.00	19.0	9.07	8.45	→ 0.0bps	114.50	8.356	8.502	114.00	115.52	1-Dec-16	112.55	8.00	1
PBS001	16-Feb-12	15-Feb-18	4.50	1.0	0.93	9.64	↑ 2.8bps	95.25	9.326	9.548	95.35	95.55	10-Feb-17	96.75	200.00	4
PBS002	2-Feb-12	15-Jan-22	5.45	4.9	4.15	7.69	↓ -19.6bps	91.00	7.630	7.851	90.38	91.22	25-Jan-17	91.75	75.50	5
PBS003	2-Feb-12	15-Jan-27	6.00	9.9	7.20	7.07	↓ -83.6bps	92.50	7.229	7.451	89.95	91.41	1-Feb-17	86.03	35.05	2
PBS004	16-Feb-12	15-Feb-37	6.10	20.0	10.28	8.33	↓ -29.7bps	78.50	8.300	8.522	76.94	78.71	31-Jan-17	78.00	9.00	9
PBS005	2-May-13	15-Apr-43	6.75	26.2	10.29	8.85	↑ 12.5bps	78.75	8.673	8.895	78.35	80.22	20-Jan-17	78.00	1.00	1
PBS006	19-Sep-13	15-Sep-20	8.25	3.6	2.95	7.33	↓ -1.3bps	102.83	7.301	7.446	102.47	102.92	20-Feb-17	101.75	0.48	1
PBS009	30-Jul-15	25-Jan-18	7.75	0.9	0.88	5.94	↓ -4.6bps	101.59	5.913	6.135	101.43	101.63	20-Feb-17	101.60	20.00	1
PBS010	26-Oct-15	25-Jan-19	8.63	1.9	1.75	6.38	↓ -47.1bps	104.00	6.527	6.749	103.33	103.74				
PBS011	14-Jan-16	15-Aug-23	8.75	6.5	4.92	7.85	↓ -19.6bps	104.50	7.763	7.985	103.81	104.95	9-Feb-17	108.40	40.00	2
PBS012	28-Jan-16	15-Nov-31	8.88	14.7	8.12	8.30	↓ -0.8bps	104.84	8.229	8.362	104.28	105.43	20-Feb-17	104.65	179.00	27
SR006	5-Mar-14	5-Mar-17	8.75	0.0	-	3.63	↓ -11.7bps	100.17	3.931	4.153	100.18	100.19	20-Feb-17	100.10	101.88	9
SR007	11-Mar-15	11-Mar-18	8.25	1.1	-	6.02	↓ -3.2bps	102.27	6.004	6.226	102.06	102.29	20-Feb-17	101.70	1.79	6
SR008	10-Mar-16	10-Mar-19	8.30	2.1	-	6.96	↑ 3.3bps	102.56	6.825	7.023	102.43	102.82	20-Feb-17			