

HEADLINES & ANALYSIS

- Call it the Yellen effect. The Federal Reserve's March 15 rate hike underscored a subtle shift at the People's Bank of China: long reluctant to be influenced by global counterparts, it now appears to be in step with the U.S. That was displayed by the PBOC raising borrowing costs just hours after the Fed lifted interest rates last week. Observers see the objectives as supporting the yuan by keeping a lid on the interest rate differential and taming a surge in lending that's fueled financial risk. (Bloomberg)
- France's loss may be U.S.'s gain. Yield-hungry Japanese investors have dumped their French bond holdings amid the risks surrounding the presidential election in the euro-zone's second-biggest economy. This may increase flows toward the U.S. bond market as the yield attractiveness of Treasuries has improved after taking into account the cost of currency hedging. (Bloomberg)
- The rupee's surge and a banking system awash with funds will shift focus to a little-used tool in the Indian central bank's arsenal before next month's policy review. The Reserve Bank of India may consider raising the cash reserve ratio for the first time since 2010 if deposits accumulated due to November's cash ban don't flee over the coming months, economists say. (Bloomberg)

YIELD CURVE (%)

TTM	17-Mar-17	-1 Day	Change	TTM	17-Mar-17	-1 Day	Change
3 months	4.681	4.687	-0.006	15 years	7.917	7.924	-0.007
6 months	5.208	5.219	-0.010	16 years	7.975	7.981	-0.006
1 year	6.000	6.015	-0.016	17 years	8.027	8.032	-0.005
2 years	6.672	6.692	-0.021	18 years	8.074	8.078	-0.004
3 years	6.918	6.941	-0.022	19 years	8.116	8.120	-0.004
4 years	7.033	7.056	-0.023	20 years	8.154	8.157	-0.003
5 years	7.114	7.137	-0.023	21 years	8.188	8.190	-0.002
6 years	7.192	7.214	-0.022	22 years	8.218	8.220	-0.002
7 years	7.276	7.296	-0.020	23 years	8.245	8.246	-0.001
8 years	7.363	7.382	-0.019	24 years	8.269	8.270	-0.001
9 years	7.453	7.470	-0.017	25 years	8.290	8.291	-0.001
10 years	7.541	7.556	-0.015	26 years	8.309	8.310	0.000
11 years	7.627	7.640	-0.013	27 years	8.327	8.327	0.000
12 years	7.708	7.720	-0.012	28 years	8.342	8.342	0.000
13 years	7.784	7.794	-0.010	29 years	8.356	8.355	0.000
14 years	7.853	7.862	-0.009	30 years	8.368	8.367	0.000

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0061	7.000	15-May-22	99.94	7.002	2,613.27
FR0072	8.250	15-May-36	103.70	7.822	2,254.94
FR0059	7.000	15-May-27	98.40	7.185	2,175.52
FR0074	7.500	15-Aug-32	100.50	7.513	1,485.93
FR0056	8.375	15-Sep-26	107.50	7.244	809.92

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
ASDF03BCN3	AAA(idn)	9.500	14-Dec-21	100.00	9.50	97.00
BEXI03BCN3	idAAA	7.850	22-Nov-19	100.00	7.85	84.00
MEDC02ACN2	idAAA	7.400	3-Mar-18	100.30	7.38	63.50
MEDC01CN2	idAA-	8.500	15-Mar-18	100.60	8.45	60.00
BBRI01CCN2	idAAA	9.600	4-Feb-21	103.80	8.44	50.00

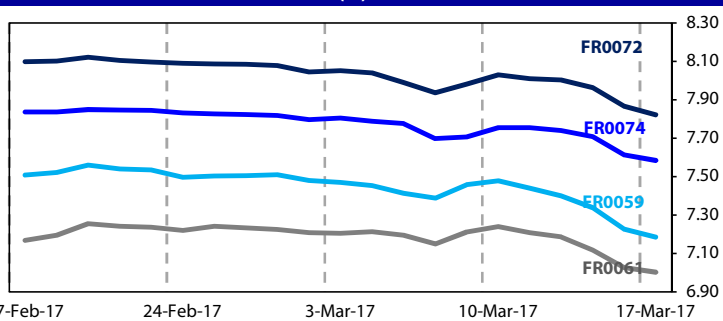
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	17-Mar-17			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	17-Mar-17			Spread over UST YC (bps)		
			17-Mar-17	-1 Mo	-3 Mo	17-Mar-17	-1 Mo	-3 Mo				17-Mar-17	-1 Mo	-3 Mo			
United States USD	2yr		1.330	1.530	1.590				Philippines PHP	2yr	6.000	3.217	3.088	3.231	189	184	195
	5yr		2.030	1.980	2.070					5yr	7.875	4.183	3.904	-	215	192	-
	10yr		2.500	2.470	2.600					10yr	11.375	4.718	4.295	4.668	222	183	207
German EUR	2yr	0.250	-0.831	-	-	-216	-	-	Thailand THB	2yr	3.125	1.564	1.539	1.654	23	29	37
	5yr	1.000	-0.319	-0.419	-	-235	-240	-		5yr	3.450	2.306	2.22	2.332	28	24	26
	10yr	1.750	0.485	0.366	-	-202	-210	-		10yr	3.625	2.775	2.705	2.903	28	24	30
Indonesia USD	2yr	6.875	11.871	2.331	1.633	1,054	108	35	India INR	2yr	7.590	6.531	6.508	6.297	520	526	502
	5yr	5.875	2.671	2.509	2.920	64	53	85		5yr	7.280	6.944	6.829	6.554	491	485	448
	10yr	4.125	3.872	3.795	4.355	137	133	176		10yr	8.830	6.904	6.875	6.506	440	441	391
Brazil BRL	2yr	0.000	9.573	10.08	11.40	824	883	1,012	Malaysia MYR	3yr	3.172	3.529	3.389	3.633	193	186	204
	5yr	10.000	9.943	10.20	11.85	861	895	1,057		5yr	3.260	-	-	-	-	-	-
	10yr	10.000	10.235	10.39	12.01	891	914	1,073		10yr	4.181	4.063	4.122	4.324	156	165	172

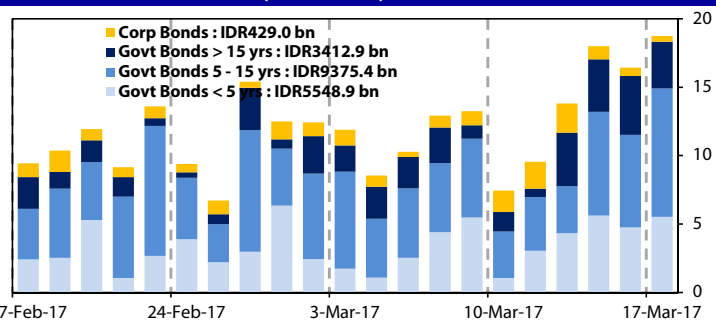
Sources: Bloomberg (Current Yield Curve), US Treasury

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 ↓	3.83	0.92
US (Fed Fund Rate)	1.00	15-Mar-17	25bps ↑	2.70	-1.70
Euro Region	0.00	10-Mar-16	-5bps ↓	1.90	-1.90
Japan	0.10	19-Dec-08	-20bps ↓	0.40	-0.30
India (Repo Rate)	6.25	4-Oct-16	-25bps ↓	1.86	4.39
Malaysia	3.00	13-Jul-16	-25bps ↓	3.20	-0.20
Philippines	3.00	16-May-16	-100bps ↓	3.30	-0.30
Thailand	3.00	25-Jan-12	-25bps ↓	1.44	1.56
Singapore	0.08	31-Dec-13	5bps ↑	0.60	-0.52
Brazil	12.25	22-Feb-17	-75bps ↓	4.76	7.49

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	17-Mar-17	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,540 ↑	5,518	0.40	2.78	2.97	13.40	4.60
Dow Jones (DJIA)	20,915 ↓	20,935	-0.10	0.06	1.47	19.64	5.83
London (FTSE 100)	7,425 ↑	7,416	0.12	1.12	1.68	19.74	3.95
Nikkei 225	19,522 ↓	19,590	-0.35	-0.42	0.43	15.26	2.13
Hang Seng (HIS)	24,310 ↑	24,288	0.09	3.15	1.31	18.56	10.50
Malaysia (KLCI)	1,745 ↑	1,737	0.46	1.61	2.07	2.47	6.30
Philippines (PSEi)	7,345 ↑	7,279	0.91	2.78	2.38	1.86	7.37
Thailand (SET)	1,561 ↑	1,557	0.25	1.37	-0.79	13.10	1.17
Singapore (STI)	3,169 ↑	3,164	0.19	1.15	2.62	10.04	10.02
Brazil (BOVESPA)	64,210 ↓	65,783	-2.39	-0.72	-5.54	26.12	6.61

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	17-Mar-17	-1 Day	-1 Week	-1 Month	EoP 2015
USD/IDR	13,345 ↓	13,347	13,376	13,317	13,473
Brent	51.22 ↑	51.2	50.66	55.07	55.41
WTI Crude Oil	48.78 ↑	48.75	48.49	53.11	53.72

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
17-Mar-17	7.30		0.21	1.28	2.20	10.66	4.84
-1 Day	7.33	↓ -3.2	0.40	0.79	1.96	11.16	4.62
-1 Week	7.47	↓ -16.9	-0.27	0.23	1.34	10.49	3.52
-1 Month	7.57	↓ -27.0	-0.02	0.43	0.86	11.05	2.59
-1 Year	7.83	↓ -53.3	0.67	1.12	2.43	5.52	8.08

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	0.1	0.08	6.24 ↑ 0.5bps	99.99	4.960 5.288	100.07 100.09	14-Mar-17	100.07	218.00	10
FR0028	24-Feb-05	15-Jul-17	10.00	0.3	0.32	4.97 ↓ -2.3bps	101.56	4.577 4.905	101.63 101.75	17-Mar-17	101.10	0.40	1
FR0066	25-Oct-12	15-May-18	5.25	1.2	1.09	6.31 ↑ 2.1bps	98.83	6.080 6.406	98.72 99.07	17-Mar-17	98.90	92.62	5
FR0032	1-Sep-05	15-Jul-18	15.00	1.3	1.20	6.20 ↑ 0.1bps	110.97	5.990 6.319	110.90 111.34	17-Mar-17	111.21	20.00	2
FR0038	24-Aug-06	15-Aug-18	11.60	1.4	1.30	6.31 ↓ -2.8bps	107.00	6.083 6.409	106.91 107.37	17-Mar-17	108.55	46.00	2
FR0048	27-Sep-07	15-Sep-18	9.00	1.5	1.39	6.43 ↓ -0.2bps	103.58	6.246 6.512	103.49 103.87	16-Mar-17	103.60	7.00	1
FR0069	29-Aug-13	15-Apr-19	7.88	2.1	1.84	6.67 ↓ -10.5bps	102.29	6.619 6.744	102.15 102.39	17-Mar-17	102.25	846.50	17
FR0036	20-Apr-06	15-Sep-19	11.50	2.5	2.18	6.80 ↓ -1.0bps	110.57	6.775 6.865	110.46 110.68	17-Mar-17	110.40	119.00	8
FR0031	16-Jun-05	15-Nov-20	11.00	3.7	2.95	6.98 ↓ -2.4bps	112.75	6.958 7.008	112.68 112.85	16-Mar-17	112.60	230.00	6
FR0034	26-Jan-06	15-Jun-21	12.80	4.2	3.29	7.05 ↓ -2.6bps	120.73	6.999 7.046	120.78 120.97	17-Mar-17	121.00	20.00	2
FR0053	8-Jul-10	15-Jul-21	8.25	4.3	3.57	7.04 ↓ -1.9bps	104.42	7.000 7.069	104.33 104.59	17-Mar-17	104.55	1,682.90	25
FR0061	6-Oct-11	15-May-22	7.00	5.2	4.18	7.00 ↓ -2.4bps	99.98	6.944 7.042	99.81 100.23	17-Mar-17	100.00	1,566.56	33
FR0035	16-Feb-06	15-Jun-22	12.90	5.2	3.88	7.10 ↓ -2.9bps	124.98	7.047 7.112	124.96 125.28	1-Mar-17	123.90	2.00	2
FR0043	22-Feb-07	15-Jul-22	10.25	5.3	4.11	7.13 ↓ -2.6bps	113.57	7.109 7.150	113.52 113.72	17-Mar-17	113.69	4.00	1
FR0063	13-Aug-12	15-May-23	5.63	6.2	4.97	7.23 ↑ 1.2bps	92.14	7.185 7.240	92.07 92.33	16-Mar-17	92.35	201.00	5
FR0046	19-Jul-07	15-Jul-23	9.50	6.3	4.75	7.24 ↓ -3.1bps	111.30	7.190 7.262	111.18 111.57	16-Mar-17	111.25	13.50	1
FR0039	24-Aug-06	15-Aug-23	11.75	6.4	4.66	7.25 ↓ -3.5bps	122.70	7.229 7.290	122.52 122.87	9-Feb-17	119.75	2.65	1
FR0070	29-Aug-13	15-Mar-24	8.38	7.0	5.30	7.17 ↓ -6.9bps	106.55	7.191 7.330	105.64 106.42	17-Mar-17	106.75	582.99	33
FR0044	19-Apr-07	15-Sep-24	10.00	7.5	5.40	7.38 ↓ -3.4bps	114.88	7.349 7.412	114.68 115.07	8-Mar-17	114.25	1.25	2
FR0040	21-Sep-06	15-Sep-25	11.00	8.5	5.80	7.44 ↓ -3.1bps	122.12	7.381 7.452	122.04 122.54	15-Mar-17	121.25	0.80	1
FR0037	18-May-06	15-Sep-26	12.00	9.5	6.15	7.46 ↓ -5.7bps	130.49	7.328 7.495	130.22 131.56	8-Mar-17	130.25	0.40	1
FR0056	23-Sep-10	15-Sep-26	8.38	9.5	6.60	7.24 ↓ -4.0bps	107.66	7.144 7.370	106.78 108.39	17-Mar-17	107.75	5,329.39	18
FR0059	15-Sep-11	15-May-27	7.00	10.2	7.00	7.19 ↓ -4.1bps	98.67	7.194 7.359	97.45 98.60	17-Mar-17	98.80	1,296.96	76
FR0042	25-Jan-07	15-Jul-27	10.25	10.3	6.60	7.53 ↓ -2.7bps	119.30	7.483 7.578	118.89 119.65	17-Mar-17	117.15	20.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	10.9	6.90	7.60 ↓ -1.6bps	117.57	7.576 7.641	117.25 117.77	16-Mar-17	117.80	1.00	1
FR0064	13-Aug-12	15-May-28	6.13	11.2	7.58	7.59 ↓ -4.3bps	89.09	7.607 7.715	88.23 88.97	16-Mar-17	88.75	1.00	1
FR0071	12-Sep-13	15-Mar-29	9.00	12.0	7.50	7.70 ↓ -1.6bps	110.08	7.687 7.798	109.25 110.17	17-Mar-17	110.45	237.00	6
FR0052	20-Aug-09	15-Aug-30	10.50	13.4	7.69	7.82 ↓ -2.5bps	121.98	7.807 7.866	121.58 122.14	17-Mar-17	120.19	48.00	2
FR0073	6-Aug-15	15-May-31	8.75	14.2	8.11	7.66 ↓ -2.8bps	109.35	7.654 7.829	107.78 109.36	17-Mar-17	109.50	131.83	8
FR0074	10-Nov-16	15-Aug-32	7.50	15.4	8.97	7.58 ↓ -2.9bps	99.24	7.609 7.729	97.94 99.01	17-Mar-17	97.25	297.05	52
FR0054	22-Jul-10	15-Jul-31	9.50	14.3	8.08	7.84 ↓ -3.3bps	114.08	7.855 7.902	113.55 113.98	17-Mar-17	115.00	108.66	4
FR0058	21-Jul-11	15-Jun-32	8.25	15.2	8.52	7.92 ↑ 0.3bps	102.83	7.868 7.945	102.65 103.33	17-Mar-17	102.75	1.00	3
FR0065	30-Aug-12	15-May-33	6.63	16.2	9.16	7.89 ↓ -3.9bps	88.59	7.887 7.955	88.00 88.57	17-Mar-17	89.00	6.00	1
FR0068	1-Aug-13	15-Mar-34	8.38	17.0	9.15	7.91 ↓ -2.7bps	104.26	7.917 8.011	103.34 104.24	17-Mar-17	104.30	577.45	48
FR0072	9-Jul-15	15-May-36	8.25	19.2	9.49	7.82 ↓ -4.5bps	104.19	7.866 8.062	101.80 103.75	17-Mar-17	105.75	2,410.54	98
FR0045	24-May-07	15-May-37	9.75	20.2	9.22	8.18 ↑ 0.5bps	115.40	8.097 8.170	115.47 116.28	15-Mar-17	115.50	10.50	2
FR0050	24-Jan-08	15-Jul-38	10.50	21.3	9.45	8.18 ↓ -4.0bps	123.26	8.174 8.256	122.32 123.28	16-Mar-17	122.50	20.00	4
FR0057	21-Apr-11	15-May-41	9.50	24.2	9.87	8.28 ↓ -0.1bps	112.67	8.249 8.326	112.11 112.99	17-Mar-17	112.85	80.00	4
FR0062	9-Feb-12	15-Apr-42	6.38	25.1	10.61	8.35 → 0.0bps	79.41	8.268 8.375	79.16 80.10	16-Mar-17	81.75	0.20	1
FR0067	18-Jul-13	15-Feb-44	8.75	26.9	10.53	8.31 ↓ -0.2bps	104.70	8.286 8.430	103.37 104.96	17-Mar-17	106.30	38.80	3
ORIO11	22-Oct-14	15-Oct-17	8.50	0.6	-	5.42 ↑ 2.0bps	101.72	5.160 5.488	101.71 101.90	17-Mar-17	101.80	20.50	3
ORIO12	21-Oct-15	15-Oct-18	9.00	1.6	-	6.66 ↓ -3.1bps	103.48	6.448 6.776	103.32 103.82	17-Mar-17	103.67	507.10	29
ORIO13	26-Oct-16	15-Oct-19	6.60	2.6	-	6.92 ↓ -0.7bps	99.25	6.703 6.925	99.23 99.76	17-Mar-17	98.30	67.40	38
IFR0002	26-Aug-08	15-Aug-18	11.95	1.4	1.30	6.28 ↓ -1.0bps	107.50	6.193 6.359	107.45 107.69	23-Jan-17	107.26	7.00	2
IFR0008	15-Apr-10	15-Mar-20	8.80	3.0	2.60	7.56 ↓ -0.1bps	103.25	7.295 7.527	103.36 103.98	5-May-14	103.65	5.00	3
IFR0007	1-Apr-10	15-Jan-25	10.25	7.8	5.28	9.46 → 0.0bps	104.25	9.109 9.438	103.40 106.27	17-Jun-16	115.12	25.00	1
IFR0006	21-Jan-10	15-Mar-30	10.25	13.0	7.40	8.87 → 0.0bps	110.50	8.591 8.890	110.35 112.84	1-Dec-16	113.41	16.00	1
IFR0010	3-Mar-11	15-Feb-36	10.00	18.9	9.01	8.45 → 0.0bps	114.50	8.303 8.474	114.25 116.04	17-Mar-17	115.64	2.02	2
PBS001	16-Feb-12	15-Feb-18	4.50	0.9	0.86	10.06 ↑ 1.7bps	95.25	9.515 9.843	95.41 95.69	15-Mar-17	97.65	19.14	6
PBS002	2-Feb-12	15-Jan-22	5.45	4.8	4.09	7.62 ↓ -0.3bps	91.37	8.385 8.713	87.34 88.52	25-Jan-17	91.75	75.50	5
PBS003	2-Feb-12	15-Jan-27	6.00	9.8	7.03	7.79 ↑ 72.1bps	87.85	7.022 7.351	90.65 92.82	1-Feb-17	86.03	35.05	2
PBS004	16-Feb-12	15-Feb-37	6.10	19.9	10.18	8.39 ↑ 6.2bps	78.00	8.209 8.538	76.84 79.47	8-Mar-17	74.00	1.00	1
PBS005	2-May-13	15-Apr-43	6.75	26.1	10.47	8.52 ↓ -33.2bps	81.60	8.632 8.960	77.83 80.60	15-Mar-17	80.04	5.00	5
PBS006	19-Sep-13	15-Sep-20	8.25	3.5	3.01	7.11 ↓ -2.2bps	103.45	6.967 7.102	103.50 103.92	17-Mar-17	103.14	417.00	9
PBS009	30-Jul-15	25-Jan-18	7.75	0.9	0.82	6.15 ↑ 0.7bps	101.29	5.764 6.093	101.36 101.63	17-Mar-17	101.45	215.00	5
PBS010	26-Oct-15	25-Jan-19	8.63	1.9	1.68	6.80 ↑ 50.9bps	103.10	6.102 6.431	103.77 104.36				
PBS011	14-Jan-16	15-Aug-23	8.75	6.4	4.84	8.04 ↑ 19.7bps	103.50	7.567 7.896	104.22 105.91	17-Mar-17	105.50	10.00	1
PBS012	28-Jan-16	15-Nov-31	8.88	14.7	8.09	8.16 ↓ -1.8bps	106.02	7.967 8.246	105.27 107.76	17-Mar-17	105.50	40.00	8
PBS013	6-Oct-16	15-May-19	0.00	2.2	2.09	7.06 ↓ -11.1bps	98.41	6.470 6.799	86.54 87.13	16-Mar-17	98.37	113.09	7
SR007	11-Mar-15	11-Mar-18	8.25	1.0	-	6.08 ↓ -5.5bps	102.05	5.780 6.109	102.04 102.36	17-Mar-17	101.60	452.42	8
SR008	10-Mar-16	10-Mar-19	8.30	2.0	-	6.86 ↓ -5.2bps	102.66	6.735 6.908	102.57 102.89	17-Mar-17	102.70	517.09	42

*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

