

HEADLINES & ANALYSIS

- Tuesday's \$26 billion two-year note sale drew a yield of 1.316%, with a bid-to-cover ratio of 2.9, the highest in a year. Indirect bidders bought 57.2%, higher than the 42.6% average at the previous 10 auctions. Primary dealers took 30.4%, compared with the 43.6% average. Direct bidders, non-primary-dealer investors that place bids with the Treasury, purchased around 12%. (Bloomberg)
- The rupee and stocks extended losses after the Indian Army said it launched military raids into a Pakistan-controlled part of Kashmir to destroy camps hosting terrorists. India's currency weakened as much as 0.5%, the most since May 18, to 64.8975 per dollar, before closing at 64.89 in Mumbai. (Bloomberg)
- Moody's Investors Service cut its rating on China's debt, saying that the outlook for the country's financial strength will worsen as debt rises and economic growth slows. Moody's reduced the rating to A1 from Aa3 and changed the outlook to stable from negative, the company said in a statement on Wednesday. The offshore yuan extended losses after Moody's downgrade, weakening 0.12% to 6.8889 per dollar as of 8:24 a.m. in Shanghai. (Bloomberg)

YIELD CURVE (%)

TTM	23-May-17	-1 Day	Change	TTM	23-May-17	-1 Day	Change
3 months	4.641	4.637	0.003	15 years	7.583	7.616	-0.033
6 months	5.125	5.121	0.004	16 years	7.636	7.669	-0.033
1 year	5.833	5.831	0.002	17 years	7.684	7.717	-0.033
2 years	6.396	6.401	-0.005	18 years	7.727	7.760	-0.033
3 years	6.594	6.605	-0.012	19 years	7.765	7.799	-0.034
4 years	6.693	6.709	-0.016	20 years	7.799	7.833	-0.034
5 years	6.774	6.794	-0.020	21 years	7.829	7.863	-0.034
6 years	6.859	6.881	-0.023	22 years	7.856	7.890	-0.034
7 years	6.948	6.973	-0.025	23 years	7.881	7.915	-0.034
8 years	7.041	7.068	-0.027	24 years	7.902	7.936	-0.034
9 years	7.134	7.162	-0.028	25 years	7.922	7.956	-0.034
10 years	7.223	7.253	-0.030	26 years	7.939	7.973	-0.034
11 years	7.308	7.338	-0.030	27 years	7.955	7.988	-0.034
12 years	7.386	7.417	-0.031	28 years	7.968	8.002	-0.034
13 years	7.458	7.490	-0.032	29 years	7.981	8.015	-0.034
14 years	7.524	7.556	-0.032	30 years	7.992	8.026	-0.034

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0072	8.250	15-May-36	106.71	7.574	4,516.01
FR0073	8.750	15-May-31	112.20	7.371	4,298.17
FR0074	7.500	15-Aug-32	101.32	7.339	4,089.13
FR0059	7.000	15-May-27	100.85	6.945	3,002.58
FR0056	8.375	15-Sep-26	109.75	6.971	1,481.97

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
FIFA03BCN1	idAAA	8.450	26-Apr-20	100.00	8.45	670.00
SMFP03BCN7	idAAA	8.400	2-Mar-20	100.40	8.24	55.00
BEXI03ACN1	idAAA	7.500	18-Jun-17	100.12	7.49	31.00
BBRI01BCN3	idAAA	8.200	25-May-19	100.75	7.79	25.00
BBTN15	idAA	9.500	28-Jun-21	103.05	8.61	16.00

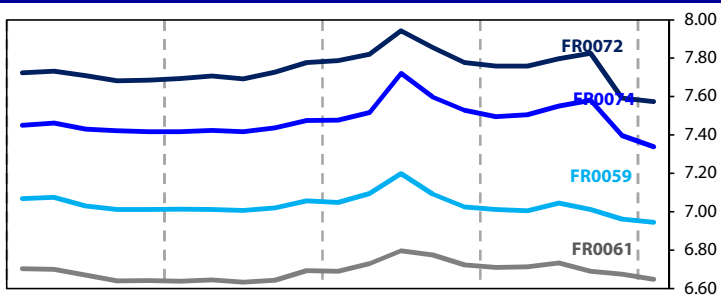
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	23-May-17			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	23-May-17			Spread over UST YC (bps)		
			23-May-17	-1 Mo	-3 Mo	23-May-17	-1 Mo	-3 Mo				23-May-17	-1 Mo	-3 Mo			
United States	2yr		1.310	1.400	1.490				Philippines	2yr	6.000	2.993	3.217	3.168	168	202	195
USD	5yr		1.840	1.770	1.920				PHP	5yr	7.875	4.181	4.345	4.109	234	258	219
	10yr		2.290	2.240	2.420					10yr	11.375	4.756	-	-	247	-	-
German	2yr	0.250	-0.645	-	-	-196	-	-	Thailand	2yr	3.125	1.487	1.517	1.526	18	32	31
EUR	5yr	1.000	-0.324	-0.441	-0.526	-216	-221	-245	THB	5yr	3.450	2.15	2.161	2.216	31	39	30
	10yr	1.750	0.409	0.253	0.279	-188	-199	-214		10yr	3.625	2.712	2.654	2.715	42	41	30
Indonesia	2yr	6.875	17.792	17.792	3.257	1,648	1,659	204	India	2yr	7.590	-	6.599	6.501	-	540	528
USD	5yr	5.875	2.470	2.492	2.540	63	72	62	INR	5yr	7.280	6.838	6.887	6.848	500	512	493
	10yr	4.125	3.648	3.661	3.824	136	142	140		10yr	8.830	6.677	-	-	439	-	-
Brazil	2yr	0.000	10.065	9.51	10.02	876	831	880	Malaysia	3yr	3.172	3.347	3.36	3.34	186	196	185
BRL	5yr	10.000	10.848	9.91	10.19	954	871	897	MYR	5yr	3.260	3.566	3.787	-	173	202	-
	10yr	10.000	11.370	10.18	10.28	1,006	898	906		10yr	4.181	3.871	-	-	158	-	-

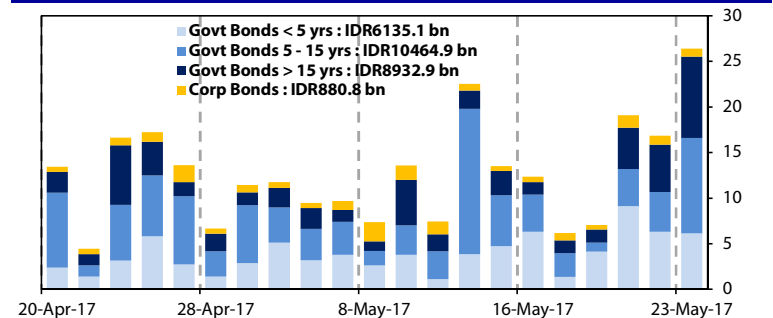
Sources: Bloomberg (Current Yield Curve), US Treasury

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 ↓	4.17	0.58
US (Fed Fund Rate)	1.00	15-Mar-17	25bps ↑	2.20	-1.20
Euro Region	0.00	16-Mar-16	-5bps ↓	2.00	-2.00
Japan	0.10	19-Dec-08	-20bps ↓	0.20	-0.10
India (Repo Rate)	6.25	4-Oct-16	-25bps ↓	2.61	3.64
Malaysia	3.00	13-Jul-16	-25bps ↓	4.40	-1.40
Philippines	3.00	16-May-16	-100bps ↓	3.40	-0.40
Thailand	3.00	25-Jan-12	-25bps ↓	0.38	2.62
Singapore	0.08	31-Dec-13	5bps ↑	0.40	-0.32
Brazil	11.25	12-Apr-17	-100bps ↓	4.08	7.17

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	23-May-17	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,731 ↓	5,749	-0.33	1.48	1.17	20.81	8.19
Dow Jones (DJIA)	20,938 ↑	20,895	0.21	-0.20	1.90	19.69	5.95
London (FTSE 100)	7,485 ↓	7,496	-0.15	-0.49	5.21	21.98	4.79
Nikkei 225	19,613 ↓	19,678	-0.33	-1.54	5.33	17.76	2.61
Hang Seng (HIS)	25,403 ↑	25,391	0.05	0.27	5.66	28.24	15.47
Malaysia (KLIC)	1,767 ↓	1,775	-0.44	-0.62	0.63	8.09	7.64
Philippines (PSEI)	7,812 ↑	7,807	0.07	0.27	3.09	6.92	14.20
Thailand (SET)	1,565 ↑	1,558	0.45	1.19	-0.34	13.24	1.41
Singapore (STI)	3,223 ↑	3,214	0.28	-0.16	2.64	16.47	11.87
Brazil (BOVESPA)	62,662 ↑	61,673	1.60	-8.77	-1.72	27.03	4.04

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	23-May-17	-1 Day	-1 Week	-1 Month	EoP 2015
USD/IDR	13,299 ↓	13,302	13,300	13,322	13,473
Brent	53.66 ↑	53.31	50.76	51.15	55.41
WTI Crude Oil	51.17 ↑	50.73	48.66	49.27	53.72

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
23-May-17	7.00		0.19	0.73	1.18	12.44	8.31
-1 Day	7.02	↓ -2.5	0.51	0.69	1.03	12.09	8.10
-1 Week	7.08	↓ -8.1	0.15	0.18	1.03	10.69	7.53
-1 Month	7.08	↓ -8.6	-0.01	0.12	2.00	9.05	6.95
-1 Year	7.81	↓ -81.7	-0.12	-0.84	-1.68	10.25	9.88

Sources: Danareksa

