

HEADLINES & ANALYSIS

- The Treasury's \$28 billion seven-year note sale drew a yield of 2.06 percent, with a bid-to-cover ratio of 2.54, the lowest since February and in line with the average over the past 10 auctions. Indirect bidders bought 61.2%. Direct bidders purchased 17.2. Primary dealers took 21.6%. (Bloomberg)
- Smaller Chinese banks, which are bearing the brunt of the nation's campaign against financial leverage, are turning to savers to fend off a liquidity squeeze as almost \$660 billion of short term debt matures this quarter. Some banks have lifted their deposit rates to as high as 30 percent above the benchmark, according to China International Capital Corp. (Bloomberg)
- Stubbornly low Treasury yields are spurring Wall Street to slash forecasts for the months ahead. At about 2.25 percent, 10-year yields are plumbing 2017 lows, following a rally Wednesday as the central bank signaled an imminent rate hike but also a gradual approach to shrinking its massive bond portfolio. (Bloomberg)

YIELD CURVE (%)

TTM	24-May-17	-1 Day	Change	TTM	24-May-17	-1 Day	Change
3 months	4.648	4.641	0.007	15 years	7.568	7.583	-0.015
6 months	5.136	5.125	0.011	16 years	7.622	7.636	-0.015
1 year	5.848	5.833	0.015	17 years	7.670	7.684	-0.015
2 years	6.408	6.396	0.012	18 years	7.712	7.727	-0.015
3 years	6.601	6.594	0.007	19 years	7.751	7.765	-0.014
4 years	6.696	6.693	0.003	20 years	7.785	7.799	-0.014
5 years	6.773	6.774	-0.002	21 years	7.815	7.829	-0.014
6 years	6.854	6.859	-0.005	22 years	7.842	7.856	-0.014
7 years	6.941	6.948	-0.008	23 years	7.867	7.881	-0.014
8 years	7.031	7.041	-0.010	24 years	7.889	7.902	-0.014
9 years	7.122	7.134	-0.011	25 years	7.908	7.922	-0.014
10 years	7.210	7.223	-0.013	26 years	7.925	7.939	-0.014
11 years	7.294	7.308	-0.013	27 years	7.941	7.955	-0.013
12 years	7.372	7.386	-0.014	28 years	7.955	7.968	-0.013
13 years	7.444	7.458	-0.014	29 years	7.968	7.981	-0.013
14 years	7.509	7.524	-0.015	30 years	7.979	7.992	-0.013

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0059	7.000	15-May-27	100.55	6.920	2,050.18
FR0071	9.000	15-Mar-29	112.15	7.362	1,996.72
PBS014	6.500	15-May-21	98.92	7.161	1,867.55
FR0072	8.250	15-May-36	105.50	7.588	1,801.32
FR0061	7.000	15-May-22	101.45	6.666	1,313.50

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
BFIN02CCN3	A+(idn)	10.750	25-Feb-19	100.30	10.56	400.00
MYOR01CN1	idAA-	9.250	24-Feb-22	100.00	9.25	200.00
SMRA02CN1	idA+	11.250	16-Dec-20	100.30	11.14	200.00
WSKT02ACN3	idA-	8.500	21-Feb-20	100.47	8.31	190.00
WOMF01BCN4	AA(idn)	10.800	22-Dec-18	100.30	10.59	150.00

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

SOVEREIGN BOND YIELDS

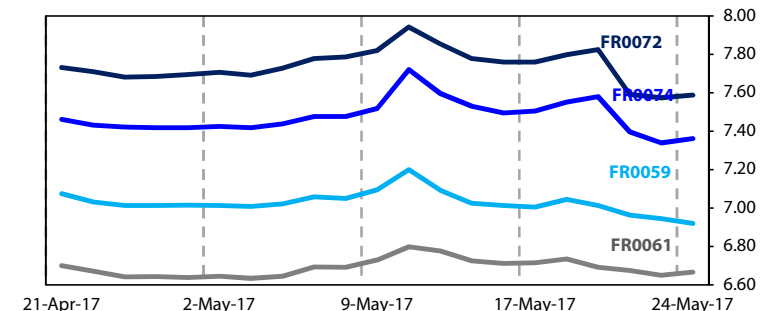
Country	Tenor	Coupon (%)	24-May-17	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						24-May-17	-1 Mo	-3 Mo
United States	2yr		1.290	1.400	1.440			
	5yr		1.790	1.770	1.870			
	10yr		2.260	2.240	2.380			
German	2yr	0.250	-0.654	-	-	-194	-	-
	5yr	1.000	-0.339	-0.441	-0.561	-213	-221	-243
	10yr	1.750	0.403	0.253	0.233	-186	-199	-215
Indonesia	2yr	6.875	17.792	17.792	3.455	1,650	1,659	228
	5yr	5.875	2.453	2.492	2.537	66	72	67
	10yr	4.125	3.667	3.661	3.814	141	142	143
Brazil	2yr	0.000	9.858	9.51	9.85	857	831	867
	5yr	10.000	10.577	9.91	10.05	929	871	887
	10yr	10.000	10.958	10.18	10.19	967	898	901

Sources: Bloomberg (Current Yield Curve), US Treasury

SOVEREIGN BOND YIELDS

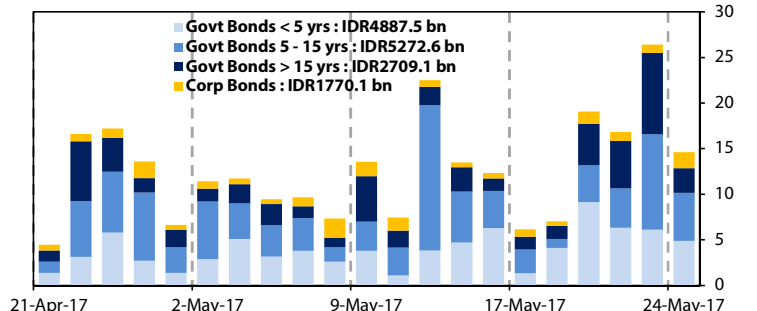
Country	Tenor	Coupon (%)	24-May-17	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						24-May-17	-1 Mo	-3 Mo
Philippines	2yr	6.000	3.814	4.050	3.642	252	285	246
	5yr	7.875	4.197	4.345	4.002	241	258	213
	10yr	11.375	4.764	-	-	250	-	-
Thailand	2yr	3.125	1.512	1.517	1.532	22	32	35
	5yr	3.450	2.144	2.161	2.21	35	39	34
	10yr	3.625	2.683	2.654	2.704	42	41	32
India	2yr	7.590	6.608	6.599	6.479	532	540	530
	5yr	7.280	6.836	6.887	6.822	505	512	495
	10yr	8.830	6.681	-	-	442	-	-
Malaysia	3yr	3.172	3.346	3.36	3.337	189	196	190
	5yr	3.260	3.594	3.787	-	180	202	-
	10yr	4.181	3.886	-	-	163	-	-

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 ↓	0.40	-0.30
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	24-May-17	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,703 ↓	5,731	-0.47	1.57	0.69	21.07	7.68
Dow Jones (DJIA)	21,012 ↑	20,938	0.36	1.97	1.20	18.67	6.32
London (FTSE 100)	7,515 ↑	7,485	0.40	0.15	3.44	20.83	5.21
Nikkei 225	19,743 ↑	19,613	0.66	-0.36	4.59	19.66	3.29
Hang Seng (HIS)	25,429 ↑	25,403	0.10	0.53	5.34	28.23	15.58
Malaysia (KLCI)	1,771 ↑	1,767	0.22	-0.26	0.85	8.93	7.87
Philippines (PSEI)	7,838 ↑	7,812	0.33	0.14	3.28	6.54	14.58
Thailand (SET)	1,566 ↑	1,565	0.09	1.15	0.10	13.14	1.50
Singapore (STI)	3,231 ↑	3,223	0.27	0.22	2.77	17.49	12.17
Brazil (BOVESPA)	63,257 ↑	62,662	0.95	-6.34	-1.76	28.19	5.03

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	24-May-17	-1 Day	-1 Week	-1 Month	EoP 2015
USD/IDR	13,311 ↑	13,299	13,324	13,310	13,473
Brent	53.39 ↓	53.66	51.43	51.12	55.41
WTI Crude Oil	51.11 ↓	51.17	49.07	48.88	53.72

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
24-May-17	6.99		0.04	0.71	1.15	12.61	8.35
-1 Day	7.00	↓ -0.2	0.19	0.73	1.18	12.44	8.31
-1 Week	7.07	↓ -7.8	0.06	0.38	0.99	10.40	7.59
-1 Month	7.08	↓ -8.8	-0.01	0.12	2.00	9.05	6.95
-1 Year	7.83	↓ -83.9	-0.12	-1.27	-1.93	10.12	9.76

Sources: Danareksa

