

## HEADLINES & ANALYSIS

- US Treasury's \$26 billion two-year note sale drew a yield of 1.395%, the highest since 2008. At that level, the auction had a bid-to-cover ratio of 3.06, the strongest show of demand since November 2015. Primary dealers took 24.6% of the total, down from the 40.2% average. Indirect bidders bought 58.5%, compared with 46.4% on average, while direct bidders bought 16.9%. (Bloomberg)
- The China bond carry trade is making a comeback. The offshore yuan's 12-month forwards' implied yield -- a measure of the cost to protect against currency swings -- has fallen below the yield on bonds issued by China Development Bank. This means that a global fund can make money by buying the debt while being insured against any sudden moves in the exchange rate. (Bloomberg)
- Greece raised 3 billion euros (\$3.5 billion) in its first tapping of the bond market since 2014, with investors piling in on expectations the worst may be over for what was once the epicenter of Europe's debt crisis. Yield-hungry investors welcomed the new Greek paper, which carried a 4.625% yield. The sale by the sub-investment-grade rated country drew 6.5bn euros in more than 200 offers. (Bloomberg)

## YIELD CURVE (%)

TTM	25-Jul-17	-1 Day	Change	TTM	25-Jul-17	-1 Day	Change
3 months	4.700	4.699	0.001	15 years	7.551	7.547	0.004
6 months	5.224	5.222	0.001	16 years	7.611	7.606	0.004
1 year	5.974	5.972	0.002	17 years	7.664	7.660	0.004
2 years	6.537	6.534	0.003	18 years	7.713	7.709	0.004
3 years	6.699	6.695	0.004	19 years	7.757	7.752	0.004
4 years	6.758	6.754	0.004	20 years	7.796	7.792	0.004
5 years	6.803	6.799	0.004	21 years	7.831	7.827	0.004
6 years	6.858	6.854	0.004	22 years	7.862	7.858	0.004
7 years	6.927	6.923	0.004	23 years	7.891	7.887	0.004
8 years	7.005	7.001	0.004	24 years	7.916	7.912	0.004
9 years	7.089	7.085	0.004	25 years	7.939	7.935	0.004
10 years	7.175	7.171	0.004	26 years	7.959	7.955	0.004
11 years	7.259	7.255	0.004	27 years	7.977	7.973	0.004
12 years	7.340	7.336	0.004	28 years	7.993	7.989	0.004
13 years	7.416	7.412	0.004	29 years	8.008	8.004	0.004
14 years	7.486	7.482	0.004	30 years	8.021	8.017	0.004

Source : Danareksa Sekuritas

## MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0059	7.000	15-May-27	100.41	6.911	6,219.37
FR0061	7.000	15-May-22	101.04	6.726	3,277.46
FR0074	7.500	15-Aug-32	101.78	7.311	2,331.40
SPN12180412	-	12-Apr-18	96.15	-	2,285.23
FR0056	8.375	15-Sep-26	108.55	7.074	402.00

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

## MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
PNMP02ACN1	idA+	10.800	14-Jun-20	100.10	10.76	308.40
ADMFO3ACN6	idA+	10.800	14-Jun-20	100.00	10.80	111.00
BIF01BCN1	AA+(idn)	10.900	12-Nov-20	99.90	10.93	74.00
IMFI02BCN3	idA	10.500	16-Mar-19	102.08	9.12	68.00
SIEXCL01BCN2	idA+	10.800	14-Jun-20	101.20	10.31	50.00

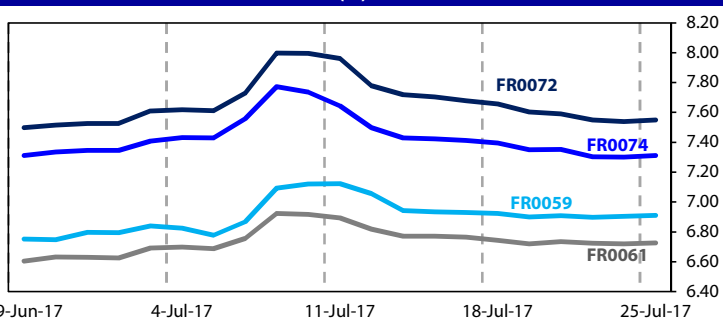
\*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Finfindo) & idn (Fitch Indonesia)

## SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	25-Jul-17			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	25-Jul-17			Spread over UST YC (bps)		
			25-Jul-17	-1 Mo	-3 Mo	25-Jul-17	-1 Mo	-3 Mo				25-Jul-17	-1 Mo	-3 Mo			
United States	2yr		1.400	1.480	1.460				Philippines	2yr	6.000	3.825	3.799	4.060	243	246	278
USD	5yr		1.900	1.760	1.840				PHP	5yr	7.875	4.406	4.444	4.642	251	268	280
	10yr		2.330	2.150	2.320					10yr	11.375	4.706	4.649	-	238	250	-
German	2yr	0.250	-0.649	-0.628	-	-205	-197	-	Thailand	2yr	3.125	1.461	1.477	1.518	6	14	24
EUR	5yr	1.000	-0.144	-	-	-204	-	-	THB	5yr	3.450	1.885	1.901	2.211	-1	14	37
	10yr	1.750	0.566	-	-	-176	-	-		10yr	3.625	2.461	2.407	2.742	13	26	42
Indonesia	2yr	6.875	17.792	17.792	17.792	1,639	1,645	1,651	India	2yr	7.590	6.344	6.444	6.648	494	510	537
USD	5yr	5.875	2.282	2.304	2.531	38	54	69	INR	5yr	7.280	6.531	6.565	6.911	463	481	507
	10yr	4.125	3.606	3.572	3.685	128	142	137		10yr	8.830	6.43	6.453	-	410	430	-
Brazil	2yr	0.000	8.552	9.17	9.55	715	783	827	Malaysia	3yr	3.172	3.378	3.324	3.29	182	184	183
BRL	5yr	10.000	9.290	9.96	10.01	789	862	873	MYR	5yr	3.260	3.701	3.61	3.748	180	185	191
	10yr	10.000	10.125	10.71	10.35	873	937	907		10yr	4.181	3.959	3.901	-	163	175	-

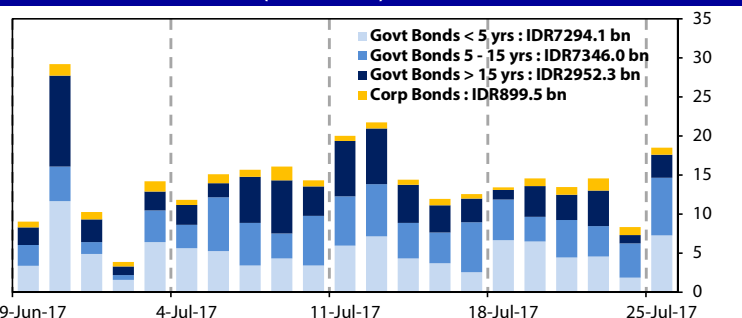
Sources: Bloomberg (Current Yield Curve), US Treasury

## 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	4.37	0.38
US (Fed Fund Rate)	1.25	14-Jun-17	25bps	1.60	-0.35
Euro Region	0.00	16-Mar-16	-5bps	1.40	-1.40
Japan	0.10	19-Dec-08	-20bps	0.40	-0.30
India (Repo Rate)	6.25	4-Oct-16	-25bps	1.09	5.16
Malaysia	3.00	13-Jul-16	-25bps	3.60	-0.60
Philippines	3.00	16-May-16	-100bps	2.80	0.20
Thailand	3.00	25-Jan-12	-25bps	-0.05	3.05
Singapore	0.08	31-Dec-13	5bps	0.50	-0.42
Brazil	10.25	31-May-17	-100bps	3.00	7.25

Sources: Bloomberg

## GLOBAL STOCK MARKETS

Stock Index	25-Jul-17	-1 Day	Return (%)					
			Daily	WoW	MoM	YoY	YTD	
Indonesia (JCI)	5,814	↑	5,802	0.21	-0.15	-0.28	11.35	9.76
Dow Jones (DJIA)	21,613	↑	21,513	0.47	0.18	1.02	16.87	9.37
London (FTSE 100)	7,435	↑	7,378	0.77	0.60	0.14	10.80	4.09
Nikkei 225	19,955	↓	19,976	-0.10	-0.22	-0.88	20.07	4.40
Hang Seng (HIS)	26,852	↑	26,847	0.02	1.23	4.60	22.09	22.05
Malaysia (KLCI)	1,763	↑	1,762	0.08	0.48	-0.91	5.70	7.41
Philippines (PSEi)	7,972	↑	7,963	0.11	0.24	2.02	-0.96	16.53
Thailand (SET)	1,581	↑	1,577	0.30	0.63	-0.06	4.55	2.49
Singapore (STI)	3,328	↑	3,311	0.51	0.66	3.69	13.58	15.52
Brazil (BOVESPA)	65,668	↑	65,100	0.87	0.51	7.50	15.46	9.03

Sources: Bloomberg & Danareksa

## CURRENCY & COMMODITY

Price	25-Jul-17	-1 Day	-1 Week	-1 Month	EoP 2015
USD/IDR	13,327	↑	13,309	13,307	13,473
Brent	50.26	↑	48.23	48.11	55.41
WTI Crude Oil	47.77	↑	46.19	46.4	53.72

Sources: Bloomberg

## PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
25-Jul-17	6.92		0.01	0.50	0.25	7.65	9.64
-1 Day	6.92	↑ 0.1	0.10	0.61	0.39	7.41	9.63
-1 Week	6.97	↓ -5.1	0.12	1.13	0.26	7.23	9.10
-1 Month	6.82	↑ 10.6	0.05	0.27	2.01	11.66	9.67
-1 Year	7.15	↓ -22.9	-0.22	0.11	3.74	16.22	16.18

Sources: Danareksa

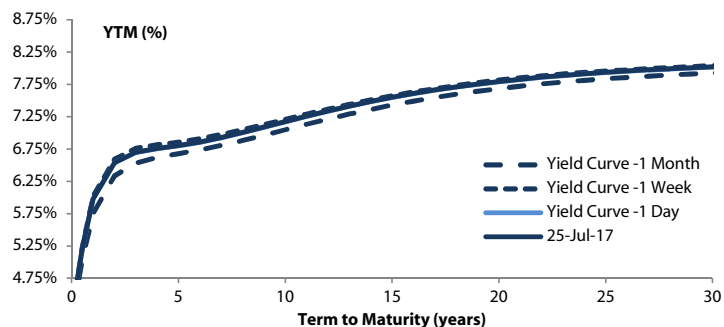
## VALUATIONS OF GOVERNMENT BONDS

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			
FR0066	25-Oct-12	15-May-18	5.25	0.8	0.77	5.84 ↓ -0.6bps	99.53	5.786	6.172	99.28	99.57	25-Jul-17	99.40	150.00	1	
FR0032	1-Sep-05	15-Jul-18	15.00	1.0	0.91	5.60 → 0.0bps	108.95	5.236	5.621	108.75	109.14	6-Jul-17	109.10	40.00	1	
FR0038	24-Aug-06	15-Aug-18	11.60	1.1	0.95	5.83 → 0.0bps	105.93	5.622	5.867	105.79	106.05	19-Jul-17	105.50	244.60	6	
FR0048	27-Sep-07	15-Sep-18	9.00	1.1	1.05	6.12 → 0.0bps	103.17	6.027	6.118	103.12	103.22	21-Jul-17	106.65	146.18	3	
FR0069	29-Aug-13	15-Apr-19	7.88	1.7	1.56	6.40 ↓ -2.2bps	102.36	6.338	6.707	101.86	102.46	25-Jul-17	102.33	152.06	7	
FR0036	20-Apr-06	15-Sep-19	11.50	2.1	1.84	6.60 → 0.0bps	109.69	6.397	6.635	109.55	110.04	19-Jul-17	109.89	70.00	1	
FR0031	16-Jun-05	15-Nov-20	11.00	3.3	2.75	6.67 ↓ -0.3bps	112.63	6.617	6.760	112.36	112.81	24-Jul-17	112.20	25.00	1	
FR0034	26-Jan-06	15-Jun-21	12.80	3.9	3.11	6.72 ↑ 0.2bps	120.47	6.691	6.775	120.29	120.61	21-Jul-17	120.30	10.30	2	
FR0053	8-Jul-10	15-Jul-21	8.25	4.0	3.36	6.82 → 0.0bps	104.92	6.723	6.848	104.80	105.25	25-Jul-17	105.50	45.85	6	
<b>FR0061</b>	<b>6-Oct-11</b>	<b>15-May-22</b>	<b>7.00</b>	<b>4.8</b>	<b>3.98</b>	<b>6.73</b>	<b>↑ 0.6bps</b>	<b>101.10</b>	<b>6.632</b>	<b>6.811</b>	<b>100.75</b>	<b>101.48</b>	<b>25-Jul-17</b>	<b>101.04</b>	<b>3,277.46</b>	<b>47</b>
FR0035	16-Feb-06	15-Jun-22	12.90	4.9	3.73	6.90 → 0.0bps	124.61	6.694	6.917	124.45	125.51	24-Jul-17	125.10	10.00	1	
FR0043	22-Feb-07	15-Jul-22	10.25	5.0	3.94	6.94 → 0.0bps	113.78	6.706	6.962	113.62	114.77	24-Jul-17	114.42	10.00	1	
FR0063	13-Aug-12	15-May-23	5.63	5.8	4.79	6.85 ↑ 0.6bps	94.21	6.792	6.898	93.98	94.47	25-Jul-17	94.37	22.16	4	
FR0046	19-Jul-07	15-Jul-23	9.50	6.0	4.60	6.95 → 0.0bps	112.34	6.686	7.021	111.92	113.67	24-Jul-17	112.85	20.00	1	
FR0039	24-Aug-06	15-Aug-23	11.75	6.1	4.33	7.05 → 0.0bps	122.90	6.702	7.088	122.63	124.79	14-Jul-17	123.25	20.95	1	
FR0070	29-Aug-13	15-Mar-24	8.38	6.6	4.97	6.89 ↑ 0.9bps	107.79	6.835	6.949	107.47	108.10	25-Jul-17	107.61	247.97	14	
FR0044	19-Apr-07	15-Sep-24	10.00	7.1	5.08	7.12 → 0.0bps	115.93	6.895	7.162	115.64	117.26	25-Jul-17	116.50	52.50	1	
FR0040	21-Sep-06	15-Sep-25	11.00	8.1	5.50	7.03 ↑ 0.6bps	124.28	6.951	7.162	123.35	124.83	25-Jul-17	124.04	0.23	1	
FR0037	18-May-06	15-Sep-26	12.00	9.1	5.88	6.91 → 0.0bps	134.14	6.692	7.062	132.82	135.85	16-Jun-17	133.46	20.00	2	
FR0056	23-Sep-10	15-Sep-26	8.38	9.1	6.28	7.07 ↑ 0.5bps	108.63	6.869	7.144	108.15	110.09	25-Jul-17	108.55	402.00	5	
<b>FR0059</b>	<b>15-Sep-11</b>	<b>15-May-27</b>	<b>7.00</b>	<b>9.8</b>	<b>6.93</b>	<b>6.91</b>	<b>↑ 0.6bps</b>	<b>100.61</b>	<b>6.792</b>	<b>6.985</b>	<b>100.09</b>	<b>101.46</b>	<b>25-Jul-17</b>	<b>100.41</b>	<b>6,219.37</b>	<b>201</b>
FR0042	25-Jan-07	15-Jul-27	10.25	10.0	6.57	7.20 → 0.0bps	121.48	7.011	7.227	121.22	122.96	24-Jul-17	121.95	60.00	3	
FR0047	30-Aug-07	15-Feb-28	10.00	10.6	6.61	7.31 → 0.0bps	119.57	7.106	7.334	119.35	121.23	24-Jul-17	120.35	140.00	6	
FR0064	13-Aug-12	15-May-28	6.13	10.8	7.56	7.15 ↑ 0.4bps	92.35	7.140	7.292	91.36	92.43	25-Jul-17	92.60	40.65	5	
FR0071	12-Sep-13	15-Mar-29	9.00	11.6	7.25	7.26 ↓ -0.5bps	113.53	7.238	7.359	112.66	113.69	25-Jul-17	113.70	97.42	9	
FR0052	20-Aug-09	15-Aug-30	10.50	13.1	7.46	7.38 ↓ -0.1bps	125.82	7.306	7.516	124.55	126.58	24-Jul-17	125.55	496.80	10	
FR0073	6-Aug-15	15-May-31	8.75	13.8	8.13	7.48 → 0.0bps	110.82	7.322	7.569	109.99	112.26	25-Jul-17	112.20	262.38	10	
<b>FR0074</b>	<b>10-Nov-16</b>	<b>15-Aug-32</b>	<b>7.50</b>	<b>15.1</b>	<b>8.71</b>	<b>7.31</b>	<b>↑ 1.0bps</b>	<b>101.70</b>	<b>7.246</b>	<b>7.631</b>	<b>98.83</b>	<b>102.30</b>	<b>25-Jul-17</b>	<b>101.78</b>	<b>2,331.40</b>	<b>123</b>
FR0054	22-Jul-10	15-Jul-31	9.50	14.0	8.13	7.56 → 0.0bps	116.55	7.404	7.611	116.07	118.05	24-Jul-17	117.75	20.00	2	
FR0058	21-Jul-11	15-Jun-32	8.25	14.9	8.60	7.62 → 0.0bps	105.53	7.465	7.651	105.26	106.97	25-Jul-17	106.30	1.30	3	
FR0065	30-Aug-12	15-May-33	6.63	15.8	9.28	7.52 ↓ -0.3bps	91.83	7.508	7.704	90.22	91.89	25-Jul-17	93.90	15.88	13	
FR0068	1-Aug-13	15-Mar-34	8.38	16.6	8.94	7.57 ↓ -0.6bps	107.55	7.510	7.862	104.70	108.13	25-Jul-17	108.00	224.75	21	
<b>FR0072</b>	<b>9-Jul-15</b>	<b>15-May-36</b>	<b>8.25</b>	<b>18.8</b>	<b>9.64</b>	<b>7.55</b>	<b>↑ 1.1bps</b>	<b>106.96</b>	<b>7.492</b>	<b>7.878</b>	<b>103.60</b>	<b>107.56</b>	<b>25-Jul-17</b>	<b>106.91</b>	<b>354.58</b>	<b>38</b>
FR0045	24-May-07	15-May-37	9.75	19.8	9.48	7.73 → 0.0bps	120.36	7.574	7.911	118.23	122.12	25-Jul-17	120.52	0.46	1	
FR0050	24-Jan-08	15-Jul-38	10.50	21.0	9.55	8.06 → 0.0bps	124.48	7.769	8.154	123.38	128.04	21-Jul-17	126.50	0.40	1	
FR0057	21-Apr-11	15-May-41	9.50	23.8	10.09	8.02 → 0.0bps	115.55	7.729	8.115	114.48	119.12	25-Jul-17	117.85	25.00	5	
FR0062	9-Feb-12	15-Apr-42	6.38	24.7	10.94	8.00 → 0.0bps	82.59	7.838	8.065	81.99	84.11	25-Jul-17	85.90	0.28	3	
FR0067	18-Jul-13	15-Feb-44	8.75	26.6	10.51	7.88 ↑ 0.3bps	109.63	7.863	7.981	108.42	109.82	21-Jul-17	111.00	2.67	3	
ORI011	22-Oct-14	15-Oct-17	8.50	0.2	-	4.81 ↓ -4.4bps	100.80	4.496	4.881	100.80	100.89	25-Jul-17	100.78	62.28	9	
ORI012	21-Oct-15	15-Oct-18	9.00	1.2	-	6.10 ↓ -0.5bps	103.40	6.119	6.505	102.93	103.39	25-Jul-17	102.80	336.24	44	
ORI013	26-Oct-16	15-Oct-19	6.60	2.2	-	6.61 ↓ -0.1bps	99.99	6.536	6.868	99.45	100.13	25-Jul-17	99.90	201.62	98	
IFR0002	26-Aug-08	15-Aug-18	11.95	1.1	0.96	4.56 ↓ -1.8bps	107.50	4.711	5.097	106.96	107.38	12-May-17	106.37	2.00	2	
IFR0008	15-Apr-10	15-Mar-20	8.80	2.6	2.26	7.41 ↓ -0.1bps	103.25	7.235	7.620	102.76	103.69	5-May-14	103.65	5.00	3	
IFR0007	1-Apr-10	15-Jan-25	10.25	7.5	5.33	7.70 ↓ -0.1bps	114.25	7.478	7.864	113.29	115.65	17-Jun-16	115.12	25.00	1	
IFR0006	21-Jan-10	15-Mar-30	10.25	12.6	7.23	8.13 ↓ -0.1bps	116.50	7.957	8.343	114.70	118.05	24-Jul-17	121.95	5.00	1	
IFR0010	3-Mar-11	15-Feb-36	10.00	18.6	8.66	8.44 → 0.0bps	114.50	8.226	8.612	112.74	116.72	6-Jul-17	121.50	20.00	1	
PBS001	16-Feb-12	15-Feb-18	4.50	0.6	0.53	7.26 ↑ 1.4bps	98.50	6.719	7.105	98.60	98.80	15-Mar-17	97.65	19.14	6	
PBS002	2-Feb-12	15-Jan-22	5.45	4.5	3.87	7.08 ↑ 1.1bps	93.85	7.110	7.496	92.34	93.73	11-Jul-17	93.70	50.00	1	
PBS003	2-Feb-12	15-Jan-27	6.00	9.5	6.96	7.45 → 0.0bps	90.30	7.170	7.556	89.61	92.05	20-Jul-17	91.80	36.45	4	
PBS004	16-Feb-12	15-Feb-37	6.10	19.6	10.14	7.82 → 0.0bps	82.95	7.908	8.294	78.94	82.15	21-Jul-17	80.50	3.00	1	
PBS005	2-May-13	15-Apr-43	6.75	25.7	10.98	7.95 → 0.0bps	86.90	8.239	8.625	80.72	84.18	20-Jul-17	86.52	312.50	6	
PBS006	19-Sep-13	15-Sep-20	8.25	3.1	2.67	6.72 ↑ 1.0bps	104.24	6.603	6.905	103.73	104.59	25-Jul-17	104.30	10.00	1	
PBS009	30-Jul-15	25-Jan-18	7.75	0.5	0.49	5.61 ↓ -0.9bps	101.03	5.478	5.864	100.92	101.11	25-Jul-17	101.04	372.00	3	
PBS010	26-Oct-15	25-Jan-19	8.63	1.5	1.40	5.79 ↓ -0.5bps	104.00	5.891	6.277	103.31	103.87					
PBS011	14-Jan-16	15-Aug-23	8.75	6.1	4.55	7.22 → 0.0bps	107.40	7.212	7.598	105.50	107.43	24-Jul-17	107.01	92.00	1	
PBS012	28-Jan-16	15-Nov-31	8.88	14.3	8.15	7.93 ↓ -1.5bps	107.99	7.716	8.095	106.52	109.92	24-Jul-17	108.15	3.99	2	
PBS013	6-Oct-16	15-May-19	6.25	1.8	1.66	6.79 → 0.0bps	99.08	6.731	7.037	98.67	99.18	24-Jul-17	99.32	103.00	3	
SR007	11-Mar-15	11-Mar-18	8.25	0.6	-	5.53 ↓ -1.6bps	101.66	5.469	5.855	101.48	101.72	25-Jul-17	101.00	69.39	7	
SR008	10-Mar-16	10-Mar-19	8.30	1.6	-	6.47 ↓ -4.0bps	102.81	6.408	6.739	102.40	102.91	25-Jul-17	102.30	159.33	25	
SR009	22-Mar-17	10-Mar-20	6.90	2.6	2.28	6.68 ↓ -0.9bps	100.52	6.590	6.883	99.99	100.67	25-Jul-17	100.75	52.70	30	

\*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



Source: Danareksa Sekuritas