

HEADLINES & ANALYSIS

- Bonds from China's property developers face the biggest risk of default in the nation's domestic debt market as the government's funding curbs strain their finances, according to a survey of analysts and traders. 10 out of 15 respondents in a Bloomberg survey late December see some payment failures among developers this year. Most predict yield spreads on corporate bonds that surged to four-year highs in 2017 to climb more. (Bloomberg)
- Jerome Powell will take over from Janet Yellen in early February, if he is confirmed by the Senate as expected. He will lead a policy-making committee that, judging by a record of its last meeting released on Wednesday, still thinks the gradual pace of tightening it followed last year is correct. But the debate also highlighted a split between officials concerned about low inflation and others pointing to robust growth about to get a further boost from tax cuts. (Bloomberg)
- Taiwan's central bank will increase borrowing costs once this year in the first hike since June 2011, according to a survey of traders. The central bank will increase the benchmark rate by 12.5bps to 1.5% in 3Q, according to the median estimate of 38 traders at 26 financial institutions. The 10-year government bond yield will move between 0.90% and 1.05% in 1Q, finishing the quarter at 1.0%, according to the median estimate in the survey. The yield ended Wednesday 0.9249%. (Bloomberg)

YIELD CURVE (%)

TTM	3-Jan-18	-1 Day	Change	TTM	3-Jan-18	-1 Day	Change
3 months	4.063	4.068	-0.005	15 years	6.999	7.043	-0.044
6 months	4.482	4.490	-0.008	16 years	7.056	7.093	-0.037
1 year	5.072	5.086	-0.014	17 years	7.106	7.138	-0.032
2 years	5.535	5.566	-0.031	18 years	7.151	7.177	-0.026
3 years	5.715	5.768	-0.053	19 years	7.190	7.212	-0.021
4 years	5.838	5.911	-0.073	20 years	7.225	7.242	-0.017
5 years	5.960	6.047	-0.087	21 years	7.256	7.270	-0.013
6 years	6.089	6.183	-0.094	22 years	7.284	7.294	-0.010
7 years	6.220	6.317	-0.096	23 years	7.309	7.315	-0.007
8 years	6.349	6.443	-0.094	24 years	7.331	7.335	-0.004
9 years	6.471	6.560	-0.089	25 years	7.350	7.352	-0.001
10 years	6.584	6.666	-0.082	26 years	7.368	7.367	0.001
11 years	6.687	6.761	-0.075	27 years	7.384	7.381	0.003
12 years	6.779	6.846	-0.067	28 years	7.398	7.394	0.004
13 years	6.861	6.920	-0.059	29 years	7.411	7.405	0.006
14 years	6.934	6.985	-0.051	30 years	7.423	7.415	0.007

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0075	7.500	15-May-38	105.37	6.980	6,284.83
FR0064	6.125	15-May-28	99.15	6.252	4,276.89
FR0063	5.625	15-May-23	99.20	5.823	2,268.84
FR0072	8.250	15-May-36	111.50	7.045	1,782.37
SPN12180201	-	1-Feb-18	99.67	-	1,570.00

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
BSDE02ACN1	idAA-	9.000	16-Jun-21	102.90	8.03	240.00
BNGA02CCN2	idAAA	8.150	23-Aug-22	103.75	7.19	60.00
BLAM04	idA	9.600	7-Jul-22	101.00	9.33	50.00
BMTPO1A	AA(idn)	8.500	11-Jul-20	102.00	7.62	50.00
BEXI02CCN5	idAAA	9.500	13-Mar-20	104.71	7.16	45.00

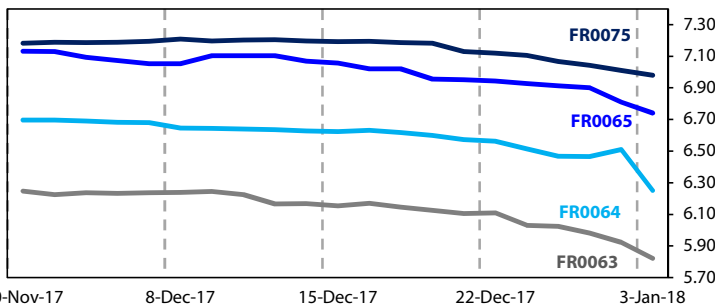
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	3-Jan-18	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	3-Jan-18	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						3-Jan-18	-1 Mo	-3 Mo							3-Jan-18	-1 Mo	-3 Mo
United States	2yr		1.940	1.930	1.630				Philippines	2yr	6.000	4.024	4.055	3.650	208	226	216
USD	5yr		2.250	2.150	1.940				PHP	5yr	7.875	4.831	4.783	4.327	258	263	239
	10yr		2.440	2.370	2.350					10yr	11.375	5.115	5.069	4.678	268	270	233
German	2yr	0.250	-0.615	-0.704	-	-256	-250	-	Thailand	2yr	3.125	1.513	1.557	1.537	-43	-24	5
EUR	5yr	1.000	-0.206	-0.328	-0.266	-246	-248	-221	THB	5yr	3.450	1.859	1.925	1.784	-39	-23	-16
	10yr	1.750	0.442	0.343	0.456	-200	-203	-189		10yr	3.625	2.341	2.379	2.287	-10	1	-6
Indonesia	2yr	11.625	2.244	2.154	1.810	30	35	32	India	2yr	7.590	6.604	6.418	6.353	466	462	486
USD	5yr	3.750	3.022	3.040	2.848	77	89	91	INR	5yr	7.280	7.184	6.899	6.696	493	475	476
	10yr	4.750	3.522	3.564	3.473	108	119	112		10yr	8.830	7.322	7.083	6.729	488	471	438
Brazil	2yr	0.000	7.638	8.03	8.11	570	623	662	Malaysia	3yr	3.172	3.353	3.42	3.414	133	149	178
BRL	5yr	10.000	9.125	9.53	9.28	719	773	779	MYR	5yr	3.260	3.541	3.622	3.606	129	147	167
	10yr	10.000	10.095	10.25	9.91	816	845	842		10yr	4.181	3.92	3.902	3.926	148	153	158

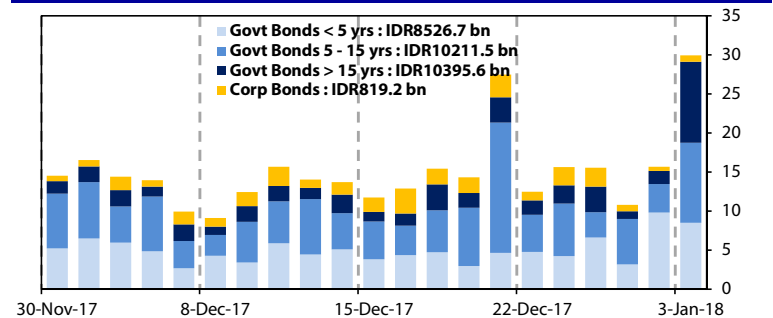
Sources: Bloomberg (Current Yield Curve), US Treasury

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)	4.25	22-Sep-17	-25bps ↓	3.61	0.64
US (Fed Fund Rate)	1.50	13-Dec-17	25bps ↑	2.20	-0.70
Euro Region	0.00	16-Mar-16	-5bps ↓	1.80	-1.80
Japan	0.10	19-Dec-08	-20bps ↓	0.60	-0.50
India (Repo Rate)	6.00	2-Aug-17	-25bps ↓	3.97	2.03
Malaysia	3.00	13-Jul-16	-25bps ↓	3.40	-0.40
Philippines	3.00	16-May-16	-100bps ↓	3.30	-0.30
Thailand	3.00	25-Jan-12	-25bps ↓	0.78	2.22
Singapore	0.08	31-Dec-13	5bps ↑	0.60	-0.52
Brazil	7.00	6-Dec-17	-50bps ↓	2.80	4.20

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	3-Jan-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,251 ↓	6,339	-1.38	-0.41	4.22	18.49	-1.64
Dow Jones (DJIA)	24,923 ↑	24,824	0.40	0.60	2.60	25.35	0.82
London (FTSE 100)	7,671 ↑	7,648	0.30	0.66	4.53	6.87	-0.22
Nikkei 225	22,765 →	22,765	0.00	-0.64	0.25	19.10	0.00
Hang Seng (HIS)	30,561 ↑	30,515	0.15	3.25	4.88	37.97	2.15
Malaysia (KLCI)	1,793 ↑	1,783	0.57	1.19	4.65	9.62	-0.22
Philippines (PSEi)	8,724 ↑	8,558	1.94	2.75	7.91	27.15	1.94
Thailand (SET)	1,779 ↑	1,754	1.42	1.46	4.77	15.27	1.42
Singapore (STI)	3,464 ↑	3,430	0.99	2.14	0.75	19.50	1.80
Brazil (BOVESPA)	77,995 ↑	77,891	0.13	2.53	6.71	26.18	2.09

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	3-Jan-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,475 ↓	13,514	13,561	13,527	13,555
Brent	68.26 ↑	66.69	66.06	62.39	66.82
WTI Crude Oil	61.63 ↑	60.37	59.64	57.47	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
3-Jan-18	6.14		0.33	1.05	2.45	17.98	0.59
-1 Day	6.19	↓ -4.9	0.26	0.82	2.15	17.64	0.26
-1 Week	6.25	↓ -11.5	0.19	0.66	1.86	16.87	17.03
-1 Month	6.37	↓ -23.4	0.09	0.43	2.25	17.19	15.65
-1 Year	7.90	↓ -176.6	0.04	-0.06	1.88	14.12	0.04

Sources: Danareksa

