

HEADLINES & ANALYSIS

- Bets that the Bank of Japan may start to unwind its monetary easing may be accelerating, as indicated by a weakening relationship between the 10-year Treasury yield and the dollar-yen exchange rate. The greenback dropped 0.8% against the yen in the past two months, even as the benchmark Treasury yield climbed 16 basis points. The correlation coefficient between them fell to 0.35, from a high of 0.92 in January 2017, when they moved almost completely in lockstep. (Bloomberg)
- China's first sovereign dollar bond in more than a decade has done poorly for investors who scrambled to get a piece of the rare offering amid overwhelming demand. The tight pricing of the bonds, lauded by China's finance ministry, had a lot to do with it, according to analysts. The \$2 billion securities sold in late October handed investors 0.73 percent of losses in the last two months of 2017, one of the few Asian nations that saw their government bonds generate negative payback during the period. (Bloomberg)

YIELD CURVE (%)

TTM	8-Jan-18	-1 Day	Change	TTM	8-Jan-18	-1 Day	Change
3 months	4.143	4.058	0.086	15 years	6.811	6.877	-0.066
6 months	4.578	4.464	0.114	16 years	6.857	6.926	-0.070
1 year	5.120	5.023	0.097	17 years	6.897	6.969	-0.073
2 years	5.456	5.450	0.006	18 years	6.932	7.007	-0.075
3 years	5.585	5.627	-0.042	19 years	6.962	7.040	-0.078
4 years	5.704	5.761	-0.057	20 years	6.990	7.070	-0.080
5 years	5.838	5.895	-0.057	21 years	7.014	7.096	-0.082
6 years	5.978	6.031	-0.053	22 years	7.035	7.119	-0.084
7 years	6.115	6.164	-0.049	23 years	7.055	7.140	-0.086
8 years	6.242	6.290	-0.048	24 years	7.072	7.159	-0.087
9 years	6.358	6.406	-0.048	25 years	7.087	7.175	-0.088
10 years	6.461	6.511	-0.050	26 years	7.101	7.190	-0.089
11 years	6.552	6.604	-0.052	27 years	7.114	7.204	-0.090
12 years	6.631	6.686	-0.056	28 years	7.125	7.216	-0.091
13 years	6.699	6.758	-0.059	29 years	7.135	7.227	-0.092
14 years	6.759	6.822	-0.063	30 years	7.144	7.237	-0.093

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0075	7.500	15-May-38	98.74	6.806	3,894.78
FR0072	8.250	15-May-36	115.05	6.876	2,989.94
FR0061	7.000	15-May-22	105.20	5.673	1,980.63
FR0059	7.000	15-May-27	106.35	6.102	1,913.89
FR0064	6.125	15-May-28	100.80	6.030	1,819.15

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
BMTR01ACN1	idA+	11.500	7-Jul-22	101.50	11.07	165.00
BIIF01ACN3	AA+(idn)	8.300	3-Nov-19	101.65	7.32	90.00
SMGR01CN1	idAAA+	8.600	20-Jun-22	105.59	7.12	66.00
SMII01BCN2	idAAA	7.400	15-Nov-20	100.77	7.10	50.00
SMFP04BCN2	idAAA	7.250	13-Oct-20	100.50	7.05	40.00

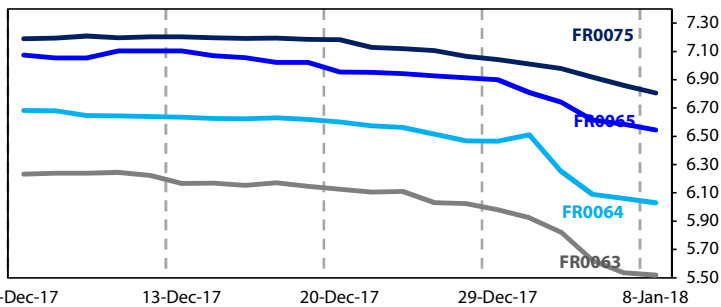
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	8-Jan-18	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	8-Jan-18	-1 Mo	-3 Mo	Spread over UST YC (bps)		
			8-Jan-18	-1 Mo	-3 Mo	8-Jan-18	-1 Mo	-3 Mo				8-Jan-18	-1 Mo	-3 Mo	8-Jan-18	-1 Mo	-3 Mo
United States	2yr		1.960	1.920	1.640				Philippines	2yr	6.000	3.994	4.049	3.650	203	225	214
USD	5yr		2.290	2.140	1.950				PHP	5yr	7.875	4.843	4.856	4.329	255	272	238
	10yr		2.490	2.380	2.350					10yr	11.375	5.123	5.149	4.709	263	277	236
German	2yr	0.250	-0.616	-0.739	-	-258	-254	-	Thailand	2yr	3.125	1.439	1.543	1.515	-52	-26	1
EUR	5yr	1.000	-0.217	-0.366	-0.271	-251	-251	-222	THB	5yr	3.450	1.843	1.906	1.759	-45	-23	-19
	10yr	1.750	0.431	0.307	0.442	-206	-207	-191		10yr	3.625	2.332	2.395	2.294	-16	2	-6
Indonesia	2yr	11.625	2.318	2.102	1.828	36	30	32	India	2yr	7.590	6.627	6.414	6.324	467	461	481
USD	5yr	3.750	3.025	3.014	2.849	74	87	90	INR	5yr	7.280	7.174	6.93	6.694	488	479	474
	10yr	4.750	3.469	3.539	3.473	98	116	112		10yr	8.830	7.344	7.091	6.742	485	471	439
Brazil	2yr	0.000	7.697	8.04	8.06	574	624	655	Malaysia	3yr	3.172	3.359	3.435	3.407	129	152	177
BRL	5yr	10.000	9.130	9.55	9.21	717	775	770	MYR	5yr	3.260	3.53	3.659	3.608	124	152	166
	10yr	10.000	10.036	10.21	9.75	808	841	824		10yr	4.181	3.878	3.988	3.924	139	161	157

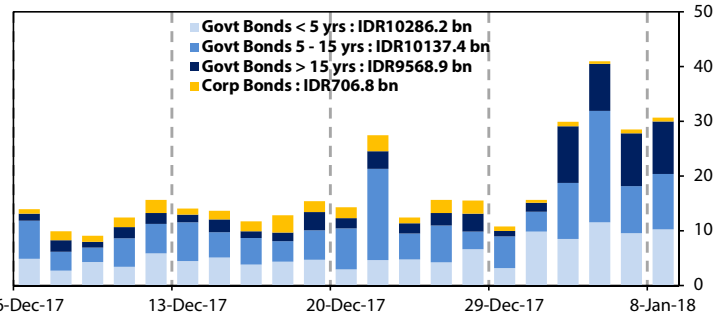
Sources: Bloomberg (Current Yield Curve), US Treasury

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

CURRENCY & COMMODITY

Price	8-Jan-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,429 ↑	13,416	13,555	13,550	13,555
Brent	68.21 ↑	68.08	66.78	63.67	66.82
WTI Crude Oil	61.73 ↑	61.44	60.42	57.36	60.42

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	8-Jan-18	-1Day	Return (%)				
			Daily	WoW	MoM	YoY	YtD
Indonesia (JCI)	6,385 ↑	6,354	0.50	0.47	5.88	19.42	4.47
Dow Jones (DJIA)	25,283 ↓	25,296	-0.05	2.28	3.92	26.64	2.28
London (FTSE 100)	7,697 ↓	7,724	-0.36	0.11	4.09	6.75	0.11
Nikkei 225	23,715 →	23,715	0.00	4.17	3.96	21.90	4.17
Hang Seng (HIS)	30,900 ↑	30,815	0.28	3.28	7.89	37.31	3.28
Malaysia (KLIC)	1,832 ↑	1,818	0.78	1.97	6.44	9.35	1.97
Philippines (PSEi)	8,745 ↓	8,770	-0.28	2.18	5.30	20.65	2.18
Thailand (SET)	1,793 ↓	1,795	-0.15	2.23	5.06	14.08	2.23
Singapore (STI)	3,512 ↑	3,489	0.65	3.21	2.56	18.55	3.21
Brazil (BOVESPA)	79,379 ↑	79,071	0.39	3.90	9.14	28.72	3.90

Sources: Bloomberg & Danareksa

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
8-Jan-18	5.99		0.35	1.69	3.19	18.18	1.69
-1 Day	6.04	▼ -4.3	0.22	1.50	2.90	17.80	1.33
-1 Week	6.22	▼ -22.7	0.17	0.82	1.90	17.28	17.30
-1 Month	6.36	▼ -36.6	0.00	0.24	1.36	14.75	15.79
-1 Year	7.74	▼ -175.0	0.03	0.92	2.27	15.21	0.93

Sources: Danareksa

Tuesday, January 09, 2018

D E B T RESEARCH

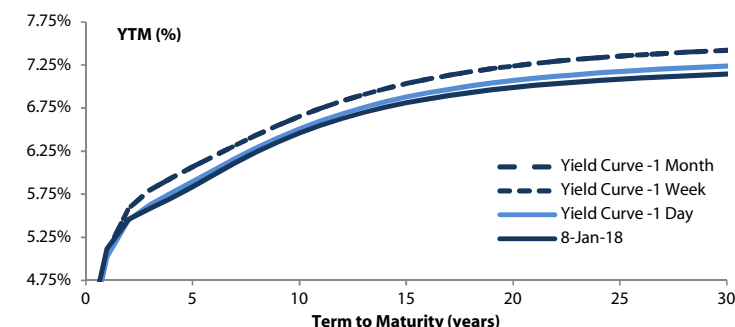
VALUATIONS OF GOVERNMENT BONDS

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	0.4	0.34	4.32	↓ -5.4bps	100.30	4.443	4.948	100.09	100.27	8-Jan-18	100.20	217.00	3
FR0032	1-Sep-05	15-Jul-18	15.00	0.5	0.48	4.35	↑ 6.5bps	105.35	4.367	4.710	105.21	105.40	8-Jan-18	105.25	1.00	1
FR0038	24-Aug-06	15-Aug-18	11.60	0.6	0.56	4.76	↑ 13.6bps	103.98	4.174	4.679	104.06	104.37	22-Dec-17	104.35	280.00	3
FR0048	27-Sep-07	15-Sep-18	9.00	0.7	0.65	4.90	↓ -0.3bps	102.69	4.815	5.251	102.47	102.76	8-Jan-18	102.84	85.00	1
FR0069	29-Aug-13	15-Apr-19	7.88	1.3	1.18	5.10	↓ -0.2bps	103.34	5.145	5.350	103.04	103.29	8-Jan-18	103.40	1,595.31	42
FR0036	20-Apr-06	15-Sep-19	11.50	1.7	1.49	5.35	↓ -0.1bps	109.73	5.295	5.418	109.64	109.85	8-Jan-18	109.80	68.39	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.9	2.45	5.55	↓ -5.1bps	114.14	5.496	5.575	114.10	114.33	8-Jan-18	114.50	1,150.04	11
FR0034	26-Jan-06	15-Jun-21	12.80	3.4	2.84	5.63	↓ -5.2bps	122.07	5.585	5.637	122.07	122.25	8-Jan-18	122.25	517.00	2
FR0053	8-Jul-10	15-Jul-21	8.25	3.5	2.95	5.61	↓ -6.1bps	108.32	5.595	5.658	108.16	108.37	8-Jan-18	108.49	861.12	21
FR0061	6-Oct-11	15-May-22	7.00	4.4	3.70	5.67	↓ -2.9bps	105.04	5.631	5.686	104.99	105.21	8-Jan-18	105.20	1,980.63	74
FR0035	16-Feb-06	15-Jun-22	12.90	4.4	3.51	5.75	↓ -1.6bps	127.62	5.690	5.785	127.47	127.90	8-Jan-18	127.48	6.64	3
FR0043	22-Feb-07	15-Jul-22	10.25	4.5	3.54	5.78	↓ -3.7bps	117.52	5.735	5.798	117.48	117.75	3-Jan-18	117.40	75.00	1
FR0063	13-Aug-12	15-May-23	5.63	5.4	4.53	5.52	↓ -1.7bps	100.48	5.528	6.002	98.29	100.44	8-Jan-18	100.50	1,101.43	33
FR0046	19-Jul-07	15-Jul-23	9.50	5.5	4.21	6.00	→ 0.0bps	116.24	5.865	5.996	116.26	116.93	8-Jan-18	117.25	71.08	4
FR0039	24-Aug-06	15-Aug-23	11.75	5.6	4.15	5.89	↓ -19.0bps	127.60	5.903	6.027	126.86	127.54	8-Jan-18	125.25	18.43	3
FR0070	29-Aug-13	15-Mar-24	8.38	6.2	4.78	5.88	↓ -6.0bps	112.78	5.868	6.043	111.87	112.83	8-Jan-18	113.50	960.67	32
FR0044	19-Apr-07	15-Sep-24	10.00	6.7	4.92	6.07	↓ -4.4bps	121.30	6.050	6.173	120.68	121.44	8-Jan-18	120.75	20.51	2
FR0040	21-Sep-06	15-Sep-25	11.00	7.7	5.37	6.18	↓ -5.1bps	129.07	6.161	6.209	128.90	129.25	8-Jan-18	129.00	10.60	2
FR0037	18-May-06	15-Sep-26	12.00	8.7	5.76	6.28	→ 0.0bps	137.80	6.225	6.281	137.81	138.27	13-Dec-17	136.00	10.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.7	6.18	6.16	↓ -2.5bps	114.71	6.145	6.256	114.02	114.82	8-Jan-18	114.75	1,302.09	33
FR0059	15-Sep-11	15-May-27	7.00	9.4	6.82	6.10	↓ -1.6bps	106.31	6.037	6.219	105.46	106.79	8-Jan-18	106.35	1,913.89	57
FR0042	25-Jan-07	15-Jul-27	10.25	9.5	6.25	6.36	↓ -4.5bps	127.47	6.320	6.454	126.69	127.79	8-Jan-18	128.25	21.13	2
FR0047	30-Aug-07	15-Feb-28	10.00	10.1	6.54	6.68	→ 0.0bps	124.11	6.305	6.628	124.54	127.29	8-Jan-18	126.02	71.38	5
FR0064	13-Aug-12	15-May-28	6.13	10.4	7.53	6.03	↓ -2.9bps	100.72	6.018	6.481	97.34	100.81	8-Jan-18	100.80	1,819.15	70
FR0071	12-Sep-13	15-Mar-29	9.00	11.2	7.23	6.47	↓ -10.5bps	119.86	6.438	6.520	119.46	120.19	8-Jan-18	119.06	30.52	10
FR0052	20-Aug-09	15-Aug-30	10.50	12.6	7.49	6.68	↓ -8.8bps	132.18	6.623	6.797	131.00	132.77	8-Jan-18	130.00	0.57	2
FR0073	6-Aug-15	15-May-31	8.75	13.4	8.19	6.74	→ 0.0bps	117.50	6.601	6.731	117.59	118.86	8-Jan-18	118.25	998.88	38
FR0074	10-Nov-16	15-Aug-32	7.50	14.6	8.78	6.67	↓ -6.0bps	107.68	6.637	6.764	106.76	107.98	8-Jan-18	107.85	1,755.13	109
FR0054	22-Jul-10	15-Jul-31	9.50	13.5	7.89	6.83	↓ -1.7bps	123.33	6.753	6.914	122.48	124.10	8-Jan-18	123.50	4.10	2
FR0058	21-Jul-11	15-Jun-32	8.25	14.4	8.75	6.68	↓ -18.9bps	114.38	6.703	6.946	111.76	114.16	8-Jan-18	110.00	8.35	19
FR0065	30-Aug-12	15-May-33	6.63	15.4	9.48	6.55	↓ -4.1bps	100.76	6.488	6.856	97.82	101.31	8-Jan-18	93.00	688.76	206
FR0068	1-Aug-13	15-Mar-34	8.38	16.2	9.06	6.94	↓ -2.8bps	113.84	6.880	6.997	113.20	114.44	8-Jan-18	113.58	1,210.58	126
FR0072	9-Jul-15	15-May-36	8.25	18.4	9.86	6.88	↓ -4.6bps	114.19	6.817	6.962	113.21	114.86	8-Jan-18	115.05	2,989.94	255
FR0045	24-May-07	15-May-37	9.75	19.4	9.66	7.19	→ 0.0bps	126.52	7.135	7.603	121.55	127.19	8-Jan-18	126.25	4.28	9
FR0075	15-Aug-17	15-May-38	7.50	20.4	10.61	6.81	↓ -5.3bps	107.57	6.738	6.933	106.12	108.36	8-Jan-18	98.74	3,894.78	734
FR0050	24-Jan-08	15-Jul-38	10.50	20.5	9.61	7.09	↓ -23.7bps	136.63	7.006	7.187	135.27	137.73	8-Jan-18	132.60	10.00	1
FR0057	21-Apr-11	15-May-41	9.50	23.4	10.54	7.24	↑ 1.4bps	125.32	7.025	7.189	125.95	128.19	8-Jan-18	124.80	550.00	17
FR0062	9-Feb-12	15-Apr-42	6.38	24.3	11.56	7.09	→ 0.0bps	91.75	6.980	7.169	90.92	92.96	8-Jan-18	91.50	71.25	13
FR0067	18-Jul-13	15-Feb-44	8.75	26.1	10.81	7.44	↓ -0.2bps	115.04	7.022	7.341	116.26	120.54	8-Jan-18	115.35	9.43	10
FR0076	22-Sep-17	15-May-48	7.38	30.4	12.20	7.09	↓ -2.3bps	103.59					8-Jan-18	104.70	139.88	53
ORI012	21-Oct-15	15-Oct-18	9.00	0.8	-	4.75	↑ 0.2bps	103.18	4.740	5.169	102.88	103.21	8-Jan-18	102.00	392.16	25
ORI013	26-Oct-16	15-Oct-19	6.60	1.8	-	5.60	↓ -3.6bps	101.68	5.558	5.688	101.53	101.75	8-Jan-18	100.90	268.62	45
IFR0002	26-Aug-08	15-Aug-18	11.95	0.6	-	-0.75	↓ -5.4bps	107.63	-0.228	0.277	107.03	-	4-Dec-17	104.45	24.00	4
IFR0008	15-Apr-10	15-Mar-20	8.80	2.2	1.92	7.09	↓ -0.2bps	103.38	6.786	7.087	103.39	104.00	5-May-14	103.65	5.00	3
IFR0007	1-Apr-10	15-Jan-25	10.25	7.0	4.90	7.57	↓ -0.1bps	114.38	7.110	7.534	114.60	117.11	10-Oct-17	120.36	10.00	2
IFR0006	21-Jan-10	15-Mar-30	10.25	12.2	7.83	4.67	→ 0.0bps	151.47	6.545	7.050	125.85	130.76	3-Jan-18	151.47	38.00	10
IFR0010	3-Mar-11	15-Feb-36	10.00	18.1	8.62	8.40	→ 0.0bps	114.75	7.957	8.320	115.56	119.41	23-Aug-17	120.00	1.01	1
PBS001	16-Feb-12	15-Feb-18	4.50	0.1	0.10	13.27	↑ 23.8bps	99.13	10.529	11.034	99.31	99.36	19-Sep-17	99.20	0.26	1
PBS002	2-Feb-12	15-Jan-22	5.45	4.0	3.46	5.95	→ 0.0bps	98.23	5.823	6.328	96.92	98.68	10-Oct-17	95.44	30.00	1
PBS003	2-Feb-12	15-Jan-27	6.00	9.0	6.62	6.66	↑ 0.1bps	95.58	6.447	6.824	94.51	96.98	23-Aug-17	90.80	10.00	3
PBS004	16-Feb-12	15-Feb-37	6.10	19.1	10.23	7.49	→ 0.0bps	86.00	7.015	7.520	85.72	90.44	4-Jan-18	86.00	3.00	1
PBS005	2-May-13	15-Apr-43	6.75	25.3	11.58	7.12	→ 0.0bps	95.69	6.965	7.471	91.85	97.44	3-Jan-18	95.69	10.00	2
PBS006	19-Sep-13	15-Sep-20	8.25	2.7	2.34	5.87	↑ 6.4bps	105.81	5.537	5.804	105.98	106.66	3-Jan-18	105.95	60.00	4
PBS009	30-Jul-15	25-Jan-18	7.75	0.0	0.05	2.41	↓ -51.6bps	100.21	2.912	3.417	100.19	100.22	8-Jan-18	100.14	867.00	12
PBS011	14-Jan-16	15-Aug-23	8.75	5.6	4.34	6.27	↓ -3.1bps	111.55	5.976	6.299	111.41	113.04	8-Jan-18	112.32	10.00	1
PBS012	28-Jan-16	15-Nov-31	8.88	13.9	8.25	7.11	↑ 0.1bps	115.42	6.968	7.127	115.21	116.76	8-Jan-18	116.40	19.50	7
PBS013	6-Oct-16	15-May-19	6.25	1.4	1.27	5.22	↓ -2.6bps	101.25	5.339	5.826	100.53	101.16	8-Jan-18	101.25	10.00	2
PBS014	6-Oct-16	15-May-21	6.50	3.4	2.95	6.05	↓ -23.4bps	101.34	5.853	6.198	100.89	101.93	8-Jan-18	101.70	90.00	3
SR007	11-Mar-15	11-Mar-18	8.25	0.2	-	3.84	↓ -11.5bps	100.74	3.843	4.349	100.68	100.77	8-Jan-18	99.15	601.70	20
SR008	10-Mar-16	10-Mar-19	8.30	1.2	-	5.11	↓ -3.2bps	103.61	5.161	5.383	103.31	103.56	8-Jan-18	103.61	240.37	19
SR009	22-Mar-17	10-Mar-20	6.90	2.2	1.88	5.58	↓ -3.1bps	102.69	5.553	5.690	102.38	102.66	8-Jan-18	102.85	75.16	23

*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

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