

HEADLINES & ANALYSIS

- Treasury's \$26 billion two-year U.S. note sale drew a yield of 2.066 percent, the highest since 2008, with a bid-to-cover ratio of 3.22, the strongest show of demand since September 2015. Indirect bidders bought 58.3%, the highest since July. Primary dealers, took 25.8%, compared with 34.8% on average. Direct bidders purchased 15.9%. (Bloomberg)
- Treasury Secretary Steven Mnuchin's is scheduled to announce on Jan. 31 how it plans to finance the government's shortfall over the next three months, and Wall Street prognosticators anticipate bigger auctions of coupon-bearing securities. (Bloomberg)
- In a market crowded with investors who call U.K. government bonds overvalued, Allianz GI is sticking its neck out with a contrarian view. The investment manager has bought gilts on conviction that inflation in the nation has peaked. Its bullishness stands in contrast to Aberdeen Standard Investments and Pimco, both of which consider the securities as rich. (Bloomberg)

YIELD CURVE (%)

	TTM	23-Jan-18	-1 Day	Change	TTM	23-Jan-18	-1 Day	Change
3 months	3.966	3.976	-0.009		15 years	6.847	6.830	0.017
6 months	4.328	4.340	-0.012		16 years	6.908	6.888	0.021
1 year	4.871	4.880	-0.009		17 years	6.962	6.939	0.024
2 years	5.347	5.343	0.003		18 years	7.010	6.984	0.027
3 years	5.552	5.543	0.009		19 years	7.053	7.024	0.029
4 years	5.686	5.678	0.008		20 years	7.091	7.060	0.032
5 years	5.808	5.804	0.004		21 years	7.125	7.091	0.034
6 years	5.932	5.932	0.000		22 years	7.155	7.119	0.036
7 years	6.059	6.061	-0.002		23 years	7.182	7.145	0.038
8 years	6.184	6.187	-0.002		24 years	7.206	7.167	0.039
9 years	6.305	6.306	-0.002		25 years	7.228	7.187	0.041
10 years	6.418	6.417	0.000		26 years	7.247	7.206	0.042
11 years	6.522	6.519	0.003		27 years	7.265	7.222	0.043
12 years	6.617	6.610	0.007		28 years	7.281	7.237	0.044
13 years	6.702	6.692	0.010		29 years	7.295	7.250	0.045
14 years	6.779	6.765	0.014		30 years	7.307	7.262	0.046

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
PBS016	6.250	15-Mar-20	101.30	5.591	1,497.95
FR0064	6.125	15-May-28	99.82	6.140	1,216.22
FR0065	6.625	15-May-33	99.75	6.621	876.36
FR0075	7.500	15-May-38	106.00	6.942	730.50
FR0061	7.000	15-May-22	105.00	5.688	672.01

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
WOMF02ACN3	AA-(idn)	7.150	16-Dec-18	100.48	7.12	128.00
BBMISMSB1CN2	idA(sy)	9.600	28-Mar-23	98.60	9.95	50.00
BBRI02CCN1	idAAA	8.200	1-Dec-21	102.15	7.55	45.00
FIFA03ACN2	idAAA	6.500	20-Oct-18	100.70	6.45	37.00
BBAI01B	AAA(Idn)	9.400	1-Apr-18	100.55	9.35	12.00

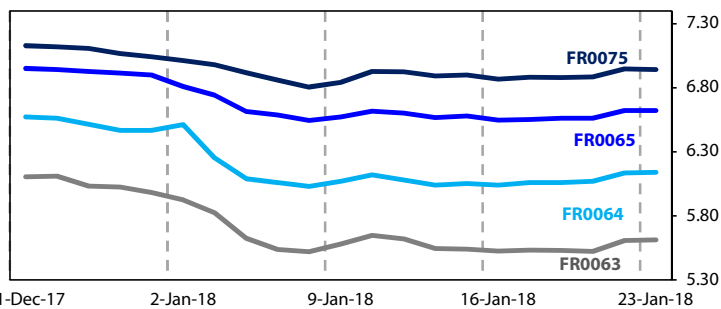
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	23-Jan-18	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	23-Jan-18	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						23-Jan-18	-1 Mo	-3 Mo							23-Jan-18	-1 Mo	-3 Mo
United States	2yr		2.060	2.010	1.740				Philippines	2yr	6.000	3.950	4.166	3.650	189	226	204
USD	5yr		2.430	2.260	2.060				PHP	5yr	7.875	4.833	4.849	4.373	240	259	231
	10yr		2.630	2.480	2.440					10yr	11.375	5.134	5.165	4.767	250	269	233
German	2yr	0.250	-0.588	-0.628	-	-265	-254	-	Thailand	2yr	3.125	1.404	1.523	1.505	-66	-39	-11
EUR	5yr	1.000	-0.139	-0.213	-0.250	-257	-247	-231	THB	5yr	3.450	1.798	1.881	1.872	-63	-38	-19
	10yr	1.750	0.561	-	-	-207	-	-		10yr	3.625	2.341	2.382	2.315	-29	-10	-13
Indonesia	2yr	11.625	2.565	2.255	1.956	51	35	35	India	2yr	7.590	6.808	6.889	6.444	475	498	483
USD	5yr	3.750	3.115	3.033	2.844	69	77	78	INR	5yr	7.280	7.271	7.154	6.821	484	489	476
	10yr	3.500	3.595	3.570	-	97	109	-		10yr	8.830	7.254	-	-	462	-	-
Brazil	2yr	0.000	7.783	7.87	8.01	572	596	640	Malaysia	3yr	3.172	3.398	3.373	3.515	122	136	178
BRL	5yr	10.000	9.220	9.51	9.14	716	760	753	MYR	5yr	3.260	3.608	3.616	3.75	118	136	169
	10yr	10.000	10.026	10.39	9.67	797	848	806		10yr	4.181	3.964	3.963	4.027	133	148	159

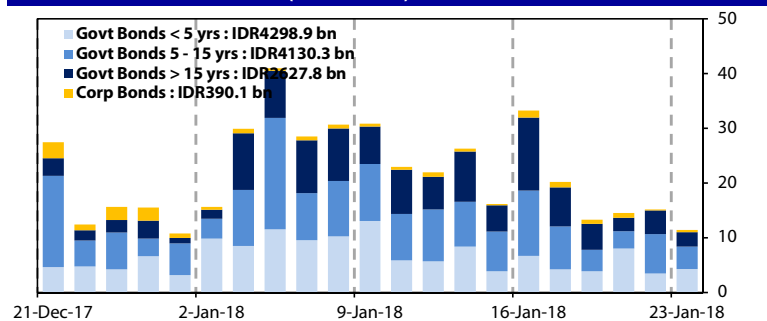
Sources: Bloomberg (Current Yield Curve), US Treasury

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 ↑	2.10	-0.60
Euro Region	0.00	16-Mar-16	-5bps ↓	1.70	-1.70
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 ↑	0.40	-0.32
Brazil	7.00	6-Dec-17	-50bps ↓	2.95	4.05

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	23-Jan-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,635 ↑	6,501	2.07	3.20	6.66	26.36	4.40
Dow Jones (DJIA)	26,211 ↓	26,215	-0.01	1.62	5.88	32.38	6.03
London (FTSE 100)	7,732 ↑	7,715	0.21	-0.31	1.83	8.12	0.57
Nikkei 225	24,124 ↑	23,816	1.29	0.72	5.33	27.70	5.97
Hang Seng (HIS)	32,931 ↑	32,393	1.66	3.22	11.34	43.81	10.07
Malaysia (KLCI)	1,838 ↑	1,833	0.27	0.66	4.42	9.98	2.29
Philippines (PSEi)	8,999 ↑	8,951	0.54	1.51	6.72	22.03	5.15
Thailand (SET)	1,832 ↑	1,824	0.42	0.55	5.15	16.62	4.45
Singapore (STI)	3,592 ↑	3,569	0.63	1.18	6.10	18.73	5.56
Brazil (BOVESPA)	80,678 ↓	81,675	-1.22	1.06	7.30	22.71	5.60

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	23-Jan-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,331 ↓	13,350	13,338	13,556	13,555
Brent	69.61 ↑	69.06	69.33	64.7	66.82
WTI Crude Oil	64.52 ↑	63.49	63.73	58.42	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
23-Jan-18	6.02		-0.16	-0.35	2.54	16.77	1.65
-1 Day	6.00	1.8 ↑	-0.22	0.07	2.76	17.19	1.81
-1 Week	5.96	5.8 ↑	0.26	0.40	3.22	17.63	2.01
-1 Month	6.27	-25.1 ↓	0.11	0.57	1.78	16.59	16.82
-1 Year	7.58	-156.3 ↓	0.19	0.38	2.13	13.79	2.14

Sources: Danareksa

