

HEADLINES & ANALYSIS

- Federal Reserve Chairman Jerome Powell pushed back against the notion that the U.S. economy is close to overheating, as he fine-tuned the message on his outlook while reinforcing his commitment to a gradual pace of policy tightening. Powell spoke just after a series of government data gave further evidence that economic growth is picking up and the job market is getting tighter. Unemployment claims fell to the lowest level in almost five decades, while real disposable income grew in January by the most since 2015 amid lower taxes and higher bonuses. Manufacturing also picked up. (Bloomberg)
- A rebound in Chinese debt is likely to be short-lived as liquidity tightens after the National People's Congress. The yield on 10-year sovereign debt dropped 9bps to 3.82% in February. Policy makers saw even more relief, with the yield on China Development Bank notes sliding the most in more than 2 years. (Bloomberg)
- South Africa has an opportunity to borrow in international markets at the lowest cost since 2014, capitalizing on unprecedented demand for high-yielding African dollar debt and improving sentiment toward the local economy. There's just one problem. Moody's Investors Service is due to review the country's credit ratings later this month, and a reprieve would strengthen the government's hand. But waiting for that risks paying more, with the Federal Reserve almost certain to lift U.S. rates, and with them bond yields globally. (Bloomberg)

YIELD CURVE (%)

TTM	1-Mar-18	-1 Day	Change	TTM	1-Mar-18	-1 Day	Change
3 months	4.262	4.212	0.050	15 years	7.222	7.227	-0.005
6 months	4.736	4.678	0.057	16 years	7.253	7.259	-0.006
1 year	5.286	5.251	0.034	17 years	7.280	7.287	-0.008
2 years	5.659	5.664	-0.005	18 years	7.303	7.312	-0.009
3 years	5.894	5.902	-0.008	19 years	7.324	7.334	-0.010
4 years	6.117	6.117	0.000	20 years	7.342	7.353	-0.011
5 years	6.322	6.315	0.007	21 years	7.358	7.370	-0.012
6 years	6.501	6.491	0.011	22 years	7.372	7.385	-0.013
7 years	6.652	6.641	0.012	23 years	7.385	7.398	-0.013
8 years	6.777	6.767	0.010	24 years	7.397	7.410	-0.013
9 years	6.880	6.872	0.008	25 years	7.407	7.421	-0.014
10 years	6.965	6.959	0.006	26 years	7.416	7.430	-0.014
11 years	7.036	7.032	0.003	27 years	7.424	7.439	-0.015
12 years	7.094	7.093	0.001	28 years	7.432	7.447	-0.015
13 years	7.144	7.145	-0.001	29 years	7.439	7.454	-0.015
14 years	7.186	7.189	-0.003	30 years	7.445	7.460	-0.015

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0061	7.000	15-May-22	103.00	6.091	2,514.61
FR0059	7.000	15-May-27	102.15	6.720	2,457.91
FR0056	8.375	15-Sep-26	111.00	6.745	1,658.98
FR0074	7.500	15-Aug-32	102.80	7.202	1,637.30
FR0063	5.625	15-May-23	98.00	5.983	1,535.79

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
WSKT03BCN2	A-(idn)	8.250	23-Feb-23	100.03	8.24	40.00
IMFI03ACN2	idA	6.800	25-Feb-19	100.10	6.79	30.00
BBRI02BCN2	idAAA	8.100	11-Apr-20	102.38	6.88	25.00
MEDC01CN2	idAA-	8.500	15-Mar-18	100.06	8.49	20.00
TPIA01CCN1	idAA-	9.750	12-Dec-24	105.74	8.62	20.00

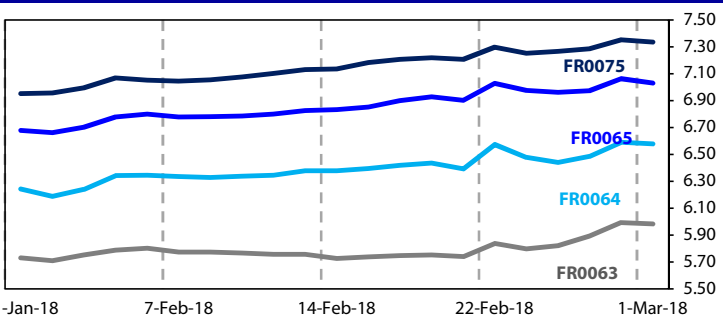
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Finfindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	1-Mar-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	1-Mar-18			Spread over UST YC (bps)		
			1-Mar-18	-1 Mo	-3 Mo	1-Mar-18	-1 Mo	-3 Mo				1-Mar-18	-1 Mo	-3 Mo			
United States USD	2yr		2.220	2.270	1.900				Philippines PHP	2yr	6.000	4.430	4.006	4.029	221	188	225
	5yr		2.580	2.510	2.140					5yr	7.875	5.308	4.759	-	273	225	-
	10yr		2.810	2.730	2.420					10yr	11.375	6.031	5.169	5.015	322	244	260
German EUR	2yr	0.250	-0.555	-	-	-278	-	-	Thailand THB	2yr	3.125	1.365	1.39	1.556	-86	-74	-22
	5yr	1.000	0.016	-	-	-256	-	-		5yr	3.450	1.836	1.816	1.931	-74	-69	-21
	10yr	1.750	0.644	0.683	-	-217	-205	-		10yr	3.625	2.394	2.359	2.372	-42	-37	-5
Indonesia USD	2yr	11.625	2.671	2.590	2.126	45	46	35	India INR	2yr	7.590	7.007	6.941	6.676	479	481	490
	5yr	3.750	3.626	3.178	3.020	105	67	88		5yr	7.280	7.579	7.411	-	500	490	-
	10yr	3.500	4.116	3.701	-	131	97	-		10yr	8.830	7.744	-	-	493	-	-
Brazil BRL	2yr	0.000	7.259	7.70	8.14	504	557	636	Malaysia MYR	3yr	3.172	3.414	3.399	3.425	105	113	153
	5yr	10.000	8.735	9.06	9.66	652	693	788		5yr	3.260	3.618	3.65	3.64	104	114	150
	10yr	10.000	9.588	9.80	10.40	737	767	862		10yr	4.181	4.024	3.966	3.926	121	124	151

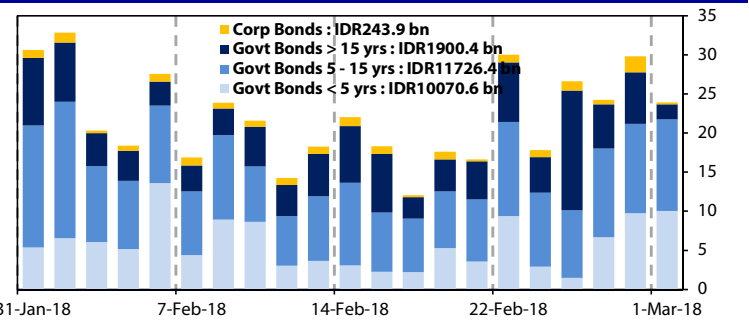
Sources: Bloomberg (Current Yield Curve), US Treasury

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 ↓	3.18	1.07
US (Fed Fund Rate)	1.50	13-Dec-17	25bps ↑	2.10	-0.60
Euro Region	0.00	16-Mar-16	-5bps ↓	1.60	-1.60
Japan	0.10	19-Dec-08	-20bps ↓	1.40	-1.30
India (Repo Rate)	6.00	2-Aug-17	-25bps ↓	5.11	0.89
Malaysia	3.25	25-Jan-18	25bps ↑	2.70	0.55
Philippines	3.00	16-May-16	-100bps ↓	4.00	-1.00
Thailand	3.00	25-Jan-12	-25bps ↓	0.68	2.32
Singapore	0.08	31-Dec-13	5bps ↑	0.00	0.08
Brazil	6.75	7-Feb-18	-25bps ↓	2.86	3.89

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	1-Mar-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,606 ↑	6,597	0.13	0.20	0.46	23.18	3.94
Dow Jones (DJIA)	24,609 ↓	25,029	-1.68	-1.42	-5.63	16.54	-0.45
London (FTSE 100)	7,176 ↓	7,232	-0.78	-1.06	-5.43	-2.81	-6.66
Nikkei 225	21,724 ↓	22,068	-1.56	-0.06	-6.73	12.02	-4.57
Hang Seng (HIS)	31,044 ↑	30,845	0.65	0.25	-4.79	30.57	3.76
Malaysia (KLCI)	1,861 ↑	1,856	0.25	0.31	-0.41	9.61	3.56
Philippines (PSEi)	8,466 ↓	8,475	-0.11	-0.58	-4.99	18.06	-1.08
Thailand (SET)	1,830 →	1,830	0.00	2.32	0.19	16.78	4.36
Singapore (STI)	3,514 ↓	3,518	-0.12	0.73	-0.98	12.52	3.26
Brazil (BOVESPA)	85,378 ↑	85,354	0.03	-1.51	1.06	27.45	11.75

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	1-Mar-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,748 ↓	13,751	13,685	13,434	13,555
Brent	64.02 ↓	64.46	66.05	68.09	66.82
WTI Crude Oil	60.99 ↓	61.64	62.72	64.5	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
1-Mar-18	6.36		0.03	-0.37	-1.48	13.38	-0.36
-1 Day	6.35	0.9 ↑	-0.58	-0.96	-1.94	13.44	-0.40
-1 Week	6.25	10.4 ↑	-0.56	-0.67	-1.80	14.29	0.01
-1 Month	6.15	20.8 ↑	-0.26	-0.92	1.04	16.12	0.87
-1 Year	7.56	-120.1 ↓	0.09	0.43	1.15	13.07	3.08

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	0.2	0.20	3.89	↑ 2.4bps	100.25	3.779	4.134	100.22	100.29	1-Mar-18	100.05	800.00	4
FR0032	1-Sep-05	15-Jul-18	15.00	0.4	0.37	3.96	↓ -1.6bps	103.94	3.686	4.041	104.03	104.17	6-Feb-18	104.35	60.00	1
FR0038	24-Aug-06	15-Aug-18	11.60	0.5	0.45	4.56	↓ -1.0bps	103.09	3.592	3.947	103.46	103.63	31-Jan-18	103.80	70.00	7
FR0048	27-Sep-07	15-Sep-18	9.00	0.5	0.51	4.87	↑ 4.3bps	102.12	4.534	4.889	102.16	102.35	27-Feb-18	100.05	0.13	2
FR0069	29-Aug-13	15-Apr-19	7.88	1.1	1.04	5.11	↑ 10.1bps	102.95	5.125	5.464	102.58	102.96	1-Mar-18	102.95	470.82	10
FR0036	20-Apr-06	15-Sep-19	11.50	1.5	1.35	5.59	↑ 5.6bps	108.53	5.521	5.638	108.52	108.70	6-Feb-18	109.35	20.00	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.7	2.30	5.72	↑ 2.4bps	112.99	5.731	5.867	112.66	113.02	1-Mar-18	113.25	2.20	1
FR0034	26-Jan-06	15-Jun-21	12.80	3.3	2.70	5.92	↑ 6.4bps	120.22	5.872	5.951	120.18	120.44	1-Mar-18	120.50	30.00	1
FR0053	8-Jul-10	15-Jul-21	8.25	3.4	2.91	6.02	↓ -3.3bps	106.69	5.856	6.114	106.42	107.23	1-Mar-18	106.89	820.46	19
FR0061	6-Oct-11	15-May-22	7.00	4.2	3.55	6.09	↓ -2.4bps	103.31	6.063	6.137	103.14	103.42	1-Mar-18	103.00	2,514.61	49
FR0035	16-Feb-06	15-Jun-22	12.90	4.3	3.35	6.24	↑ 2.5bps	124.64	6.103	6.226	124.77	125.30	1-Mar-18	126.25	150.00	1
FR0043	22-Feb-07	15-Jul-22	10.25	4.4	3.54	6.27	↑ 5.4bps	114.97	6.110	6.250	115.09	115.68	28-Feb-18	116.09	6.00	2
FR0063	13-Aug-12	15-May-23	5.63	5.2	4.38	5.98	↓ -1.0bps	98.41	5.924	6.139	97.73	98.67	1-Mar-18	98.00	1,535.79	30
FR0046	19-Jul-07	15-Jul-23	9.50	5.4	4.23	6.36	↑ 3.3bps	114.07	6.133	6.396	113.92	115.21	27-Feb-18	112.03	3.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	5.5	4.18	6.41	↑ 1.9bps	124.25	6.299	6.456	124.04	124.85	23-Feb-18	125.40	0.40	3
FR0070	29-Aug-13	15-Mar-24	8.38	6.0	4.60	6.48	↑ 0.5bps	109.31	6.304	6.493	109.27	110.26	1-Mar-18	109.60	1,447.30	31
FR0044	19-Apr-07	15-Sep-24	10.00	6.5	4.75	6.56	↑ 1.2bps	118.02	6.560	6.655	117.50	118.05	1-Mar-18	118.00	34.61	1
FR0040	21-Sep-06	15-Sep-25	11.00	7.5	5.19	6.66	↑ 1.9bps	125.37	6.656	6.766	124.68	125.42	1-Mar-18	124.25	803.15	17
FR0037	18-May-06	15-Sep-26	12.00	8.5	5.57	6.79	↑ 2.4bps	133.32	6.750	6.820	133.10	133.64	15-Jan-18	138.50	10.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.5	5.97	6.75	↑ 1.9bps	110.44	6.734	6.822	109.92	110.52	1-Mar-18	111.00	1,658.98	39
FR0059	15-Sep-11	15-May-27	7.00	9.2	6.61	6.72	↓ -2.8bps	101.89	6.672	6.818	101.21	102.22	1-Mar-18	102.15	2,457.91	72
FR0042	25-Jan-07	15-Jul-27	10.25	9.4	6.30	6.83	↑ 1.1bps	123.35	6.830	6.903	122.81	123.38	27-Feb-18	123.15	40.00	1
FR0047	30-Aug-07	15-Feb-28	10.00	10.0	6.66	6.68	→ 0.0bps	123.84	6.536	6.887	122.17	125.06	1-Mar-18	122.15	80.00	1
FR0064	13-Aug-12	15-May-28	6.13	10.2	7.31	6.58	↓ -1.2bps	96.66	6.557	6.665	96.04	96.81	1-Mar-18	96.75	995.78	42
FR0071	12-Sep-13	15-Mar-29	9.00	11.0	6.98	7.07	↑ 2.3bps	114.59	6.838	7.091	114.44	116.56	1-Mar-18	115.15	289.63	18
FR0052	20-Aug-09	15-Aug-30	10.50	12.5	7.54	7.14	↑ 1.6bps	127.44	7.062	7.185	126.99	128.18	26-Feb-18	128.40	50.00	2
FR0073	6-Aug-15	15-May-31	8.75	13.2	7.94	7.18	↓ 3.8bps	113.23	7.118	7.231	112.76	113.81	1-Mar-18	114.00	168.60	5
FR0074	10-Nov-16	15-Aug-32	7.50	14.5	8.80	7.20	↓ -2.0bps	102.64	7.139	7.289	101.87	103.22	1-Mar-18	102.80	1,637.30	49
FR0054	22-Jul-10	15-Jul-31	9.50	13.4	7.97	7.19	↑ 2.9bps	119.60	7.133	7.252	119.02	120.17	22-Feb-18	120.00	486.52	7
FR0058	21-Jul-11	15-Jun-32	8.25	14.3	8.46	7.21	↑ 3.1bps	109.17	7.158	7.290	108.42	109.65	1-Mar-18	107.80	67.10	6
FR0065	30-Aug-12	15-May-33	6.63	15.2	9.18	7.03	↓ -3.3bps	96.24	6.930	7.077	95.82	97.15	1-Mar-18	95.25	402.82	91
FR0068	1-Aug-13	15-Mar-34	8.38	16.0	8.77	7.37	↑ 1.0bps	109.39	7.207	7.393	109.13	110.99	1-Mar-18	108.50	177.90	13
FR0072	9-Jul-15	15-May-36	8.25	18.2	9.49	7.40	↓ -0.7bps	108.37	7.243	7.416	108.25	110.08	1-Mar-18	108.70	682.34	41
FR0045	24-May-07	15-May-37	9.75	19.2	9.43	7.38	→ 0.0bps	124.16	7.154	7.508	122.58	126.86	26-Feb-18	125.80	1.50	1
FR0075	10-Aug-17	15-May-38	7.50	20.2	10.19	7.34	↓ -1.7bps	101.70	7.144	7.372	101.32	103.77	1-Mar-18	102.00	510.17	142
FR0050	24-Jan-08	15-Jul-38	10.50	20.4	9.71	7.35	↑ 0.5bps	132.94	7.333	7.472	131.42	133.22	1-Mar-18	131.00	0.36	1
FR0057	21-Apr-11	15-May-41	9.50	23.2	10.33	7.35	→ 0.0bps	123.71	7.292	7.428	122.74	124.51	28-Feb-18	122.00	160.00	6
FR0062	9-Feb-12	15-Apr-42	6.38	24.1	11.21	7.39	→ 0.0bps	88.62	7.161	7.455	87.98	91.02	1-Mar-18	88.50	55.30	8
FR0067	18-Jul-13	15-Feb-44	8.75	26.0	11.11	7.40	↑ 1.0bps	115.42	7.320	7.457	114.74	116.51	1-Mar-18	114.75	30.39	8
FR0076	22-Sep-17	15-May-48	7.38	30.2	11.98	7.17	↓ -14.7bps	102.46	7.089	7.333	100.49	103.52	1-Mar-18	99.75	1.15	3
ORIO12	21-Oct-15	15-Oct-18	9.00	0.6	-	3.83	↓ -12.1bps	103.13	4.326	4.681	102.66	102.88	1-Mar-18	102.20	216.30	23
ORIO13	26-Oct-16	15-Oct-19	6.60	1.6	-	5.54	↓ -2.9bps	101.64	5.653	6.008	100.91	101.47	1-Mar-18	101.25	30.83	21
ORIO14	25-Oct-17	15-Oct-20	5.85	2.6	-	5.66	↑ 0.3bps	100.45	5.707	6.012	99.61	100.35	1-Mar-18	99.80	28.75	38
IFR0008	15-Apr-10	15-Mar-20	8.80	2.0	1.78	6.98	↓ -0.6bps	103.38	7.071	7.426	102.55	103.22	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.9	4.99	7.53	↓ -0.2bps	114.38	7.604	7.959	111.94	113.95	10-Oct-17	120.36	10.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	12.0	6.98	8.05	→ 0.0bps	116.75	8.050	8.405	113.80	116.75	3-Jan-18	151.47	38.00	10
IFR0010	3-Mar-11	15-Feb-36	10.00	18.0	8.86	8.39	→ 0.0bps	114.75	8.358	8.655	112.14	115.12	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.9	3.41	6.09	→ 0.0bps	97.80	5.973	6.317	97.05	98.21	27-Feb-18	97.80	30.00	5
PBS003	2-Feb-12	15-Jan-27	6.00	8.9	6.63	7.15	↑ 3.7bps	92.53	7.037	7.391	91.05	93.23	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	19.0	10.35	7.70	→ 0.0bps	84.20	8.382	8.737	75.78	78.51	1-Mar-18	87.90	40.00	2
PBS005	2-May-13	15-Apr-43	6.75	25.1	11.10	7.58	→ 0.0bps	90.75	7.359	7.713	89.36	93.06	20-Feb-18	90.98	128.00	1
PBS006	19-Sep-13	15-Sep-20	8.25	2.5	2.20	5.89	↑ 8.1bps	105.46	5.786	5.962	105.31	105.74	1-Mar-18	105.75	150.00	1
PBS011	14-Jan-16	15-Aug-23	8.75	5.5	4.36	6.38	→ 0.0bps	111.02	6.444	6.799	108.78	110.47	1-Mar-18	110.95	445.82	20
PBS012	28-Jan-16	15-Nov-31	8.88	13.7	8.09	7.19	→ 0.0bps	114.48	7.040	7.306	113.43	115.95	1-Mar-18	113.16	101.94	8
PBS013	6-Oct-16	15-May-19	6.25	1.2	1.13	5.30	↑ 5.7bps	101.07	5.408	5.763	100.55	100.96	1-Mar-18	100.85	203.00	3
PBS014	6-Oct-16	15-May-21	6.50	3.2	2.81	5.88	→ 0.0bps	101.78	5.941	6.295	100.57	101.60	28-Feb-18	100.95	92.00	7
PBS015	21-Jul-17	15-Jul-47	8.00	29.4	11.01	8.16	↑ 2.0bps	98.18	7.629	7.983	100.17	104.31				
PBS016	6-Sep-17	15-Mar-20	6.25	2.0	1.84	5.71	↑ 1.6bps	101.02					27-Feb-18	100.89	20.00	2
SR007	11-Mar-15	11-Mar-18	8.25	0.0	-	-1.43	↓ -205.8bp	100.17	1.413	1.768	100.19	100.20	1-Mar-18	100.15	219.95	15
SR008	10-Mar-16	10-Mar-19	8.30	1.0	-	5.20	↑ 6.9bps	103.06	5.229	5.491	102.80	103.06	1-Mar-18	102.40	30.37	10
SR009	22-Mar-17	10-Mar-20	6.90	2.0	-	5.75	↑ 1.9bps	102.18	5.742	6.038	101.64	102.21	1-Mar-18	101.00	45.28	18

*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

