

HEADLINES & ANALYSIS

- European Central Bank officials considering when to end their bond-buying program have a new reason to move carefully: U.S. inflationary pressures are helping to push up eurozone borrowing costs. Now yields on German bonds are rising largely in tandem with U.S. Treasuries as the world undergoes a synchronized expansion, suggesting that decoupling is coming to an end. (Bloomberg)
- Investors appear to be paring exposure to U.S. bonds as selloff pressure endures in the world's largest debt market. Expectations that President Donald Trump's tough talk on tariffs would fail to spur strongly protectionist outcomes fed risk appetite during Monday's trading, sending 10-year Treasury yields toward 2.90%. (Bloomberg)
- Japanese money managers are betting the benchmark 10-year bond yield may drop back below zero as a strengthening yen restricts the central bank's ability to scale back debt purchases. The yen rallied on Wednesday as free-trade advocate Gary Cohn's decision to resign as U.S. President Donald Trump's top economic adviser deepened concern the latter's tariff plans will trigger a global trade war. That added to gains seen last week after the Bank of Japan cut the amount of super-long bonds its buys. A stronger currency limits the BOJ's room for maneuver as it depresses inflation, which the central bank is trying to foster. (Bloomberg)

YIELD CURVE (%)

	TTM	6-Mar-18	-1 Day	Change	TTM	6-Mar-18	-1 Day	Change
3 months	4.383	4.246	0.137		15 years	7.293	7.260	0.032
6 months	4.916	4.745	0.171		16 years	7.328	7.300	0.028
1 year	5.502	5.358	0.143		17 years	7.358	7.334	0.025
2 years	5.825	5.761	0.064		18 years	7.385	7.364	0.021
3 years	5.996	5.948	0.047		19 years	7.409	7.390	0.018
4 years	6.173	6.118	0.056		20 years	7.429	7.413	0.016
5 years	6.354	6.288	0.066		21 years	7.447	7.434	0.014
6 years	6.523	6.451	0.072		22 years	7.464	7.452	0.012
7 years	6.673	6.600	0.073		23 years	7.478	7.468	0.010
8 years	6.803	6.732	0.071		24 years	7.491	7.483	0.008
9 years	6.912	6.846	0.066		25 years	7.503	7.496	0.007
10 years	7.005	6.945	0.060		26 years	7.513	7.507	0.006
11 years	7.083	7.029	0.054		27 years	7.522	7.518	0.005
12 years	7.149	7.101	0.048		28 years	7.531	7.527	0.004
13 years	7.204	7.162	0.042		29 years	7.539	7.536	0.003
14 years	7.252	7.215	0.037		30 years	7.545	7.543	0.002

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0068	8.375	15-Mar-34	108.55	7.423	3,256.65
FR0065	6.625	15-May-33	99.10	7.033	2,546.73
FR0059	7.000	15-May-27	101.45	6.757	1,953.30
FR0063	5.625	15-May-23	97.50	6.081	1,671.50
PBS016	6.250	15-Mar-20	100.58	5.734	1,558.78

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
BKBP015BCN1	idA	9.250	6-Mar-19	101.87	9.08	80.00
ADMFO4BCN1	idAAA	7.450	12-Dec-20	100.00	7.45	63.50
SMRA02CN2	idA+	8.800	28-Nov-20	100.00	8.80	56.00
IIFFO1A	idAAA/AAA(idn)	8.250	19-Jul-19	102.50	6.33	55.00
SIISAT01BCN3	idAAA(sy)	11.200	8-Dec-25	117.70	8.10	50.00

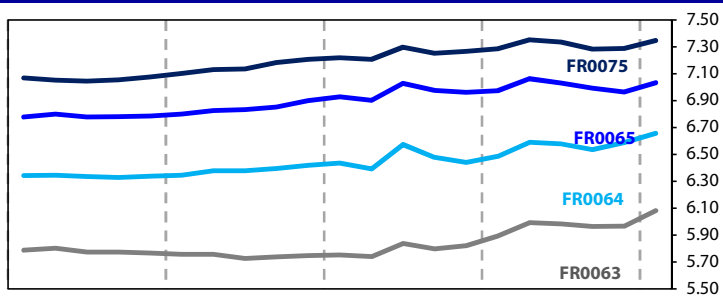
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	6-Mar-18	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	6-Mar-18	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						6-Mar-18	-1 Mo	-3 Mo							6-Mar-18	-1 Mo	-3 Mo
United States USD	2yr		2.250	2.330	1.920				Philippines PHP	2yr	6.000	4.462	4.038	4.159	221	189	238
	5yr		2.650	2.580	2.110					5yr	7.875	5.369	4.771	4.743	272	219	263
	10yr		2.880	2.840	2.330					10yr	11.375	6.097	5.193	5.123	322	235	279
German EUR	2yr	0.250	-0.546	-	-	-280	-	-	Thailand THB	2yr	3.125	1.332	1.379	1.529	-92	-77	-25
	5yr	1.000	0.043	0.125	-	-261	-246	-		5yr	3.450	1.828	1.8	1.9	-82	-78	-21
	10yr	1.750	0.675	0.767	-	-221	-207	-		10yr	3.625	2.374	2.358	2.369	-51	-48	4
Indonesia USD	2yr	11.625	2.701	2.503	2.136	45	35	36	India INR	2yr	7.590	7.029	7.013	6.621	478	486	484
	5yr	3.750	3.657	3.230	3.010	101	65	90		5yr	7.280	7.588	7.551	6.952	494	497	484
	10yr	3.500	4.104	3.759	3.552	122	92	122		10yr	8.830	7.779	7.571	-	490	473	-
Brazil BRL	2yr	0.000	7.110	7.78	8.00	486	563	622	Malaysia MYR	3yr	3.172	3.42	3.392	3.45	100	106	153
	5yr	10.000	8.585	9.16	9.46	634	701	768		5yr	3.260	3.605	3.619	3.633	96	104	152
	10yr	10.000	9.494	9.81	10.15	724	766	837		10yr	4.181	4.014	3.927	3.969	113	109	164

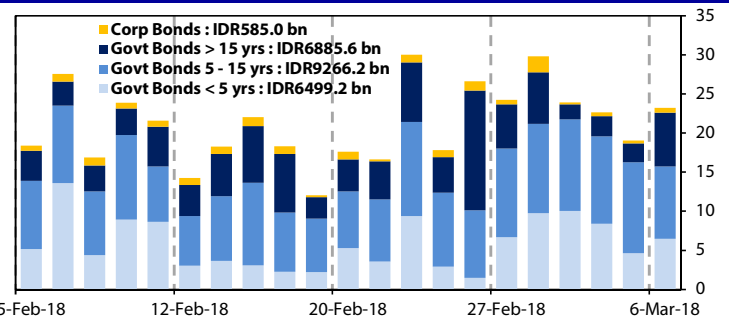
Sources: Bloomberg (Current Yield Curve), US Treasury

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 ↓	4.50	-1.50
Thailand	3.00	25-Jan-12	-25bps ↓	0.42	2.58
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	6-Mar-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,500 ↓	6,551	-0.77	-1.50	-1.94	20.15	2.27
Dow Jones (DJIA)	24,884 ↑	24,875	0.04	-2.07	-2.50	18.75	0.67
London (FTSE 100)	7,147 ↑	7,116	0.43	-1.86	-3.99	-2.77	-7.04
Nikkei 225	21,418 ↑	21,042	1.79	-4.34	-7.98	10.52	-5.92
Hang Seng (HIS)	30,511 ↑	29,886	2.09	-2.42	-6.41	29.30	1.98
Malaysia (KLCI)	1,848 ↑	1,843	0.31	-1.23	-1.18	7.01	2.87
Philippines (PSEi)	8,360 ↓	8,386	-0.31	-2.70	-5.11	14.31	-2.32
Thailand (SET)	1,799 ↓	1,809	-0.54	-1.71	-1.55	15.80	2.59
Singapore (STI)	3,492 ↑	3,439	1.55	-1.37	-1.07	11.87	2.62
Brazil (BOVESPA)	85,653 ↓	86,023	-0.43	-1.48	1.92	29.11	12.11

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	6-Mar-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,776 ↑	13,762	13,679	13,452	13,555
Brent	65.41 ↓	65.43	66.36	68.05	66.82
WTI Crude Oil	62.6 ↑	62.57	63.01	65.45	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
6-Mar-18	6.40		-0.33	-0.69	-1.97	12.82	-0.51
-1 Day	6.34	↑ 5.8	0.02	-0.51	-1.45	13.36	-0.19
-1 Week	6.25	↑ 14.7	-0.15	-0.31	-1.56	14.17	0.18
-1 Month	6.03	↑ 36.8	-0.12	-0.21	0.77	16.82	1.36
-1 Year	7.47	↓ -107.2	0.15	0.49	1.61	11.02	3.43

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	0.19	4.12	↑ 18.7bps	100.20	3.889	4.162	100.20	100.25	6-Mar-18	100.04	116.00	1
FR0032	1-Sep-05	15-Jul-18	15.00	0.4	0.35	4.15	↑ 9.4bps	103.78	3.828	4.101	103.86	103.96	6-Feb-18	104.35	60.00	1
FR0038	24-Aug-06	15-Aug-18	11.60	0.4	0.44	4.70	↑ 18.6bps	102.97	3.875	4.147	103.26	103.39	5-Mar-18	103.10	80.00	1
FR0048	27-Sep-07	15-Sep-18	9.00	0.5	0.49	5.02	↑ 17.3bps	102.02	4.742	5.014	102.04	102.18	2-Mar-18	102.15	237.00	2
FR0069	29-Aug-13	15-Apr-19	7.88	1.1	1.03	5.20	↑ 6.3bps	102.83	5.315	5.587	102.42	102.72	6-Mar-18	102.81	395.53	8
FR0036	20-Apr-06	15-Sep-19	11.50	1.5	1.34	5.59	↓ -2.5bps	108.49	5.659	5.859	108.11	108.42	6-Feb-18	109.35	20.00	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.7	2.29	5.76	↑ 5.7bps	112.85	5.765	6.035	112.16	112.87	6-Mar-18	111.75	237.00	3
FR0034	26-Jan-06	15-Jun-21	12.80	3.3	2.68	6.00	↑ 5.9bps	119.92	5.958	6.033	119.83	120.08	6-Mar-18	119.25	141.19	7
FR0053	8-Jul-10	15-Jul-21	8.25	3.4	2.90	6.08	↑ 5.6bps	106.50	5.945	6.198	106.13	106.92	6-Mar-18	106.35	561.65	25
FR0061	6-Oct-11	15-May-22	7.00	4.2	3.53	6.16	↑ 13.1bps	103.06	6.087	6.175	103.00	103.32	6-Mar-18	102.81	632.38	16
FR0035	16-Feb-06	15-Jun-22	12.90	4.3	3.34	6.21	↑ 3.6bps	124.75	6.144	6.272	124.51	125.05	1-Mar-18	126.25	150.00	1
FR0043	22-Feb-07	15-Jul-22	10.25	4.4	3.53	6.24	↑ 2.8bps	115.06	6.139	6.301	114.84	115.51	6-Mar-18	115.00	27.50	1
FR0063	13-Aug-12	15-May-23	5.63	5.2	4.36	6.08	↑ 11.5bps	97.99	5.964	6.118	97.83	98.49	6-Mar-18	97.50	1,671.50	42
FR0046	19-Jul-07	15-Jul-23	9.50	5.4	4.22	6.39	↑ 5.5bps	113.93	6.173	6.446	113.65	114.98	2-Mar-18	114.75	250.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	5.4	4.16	6.47	↑ 8.4bps	123.87	6.316	6.493	123.79	124.71	6-Mar-18	124.25	5.00	1
FR0070	29-Aug-13	15-Mar-24	8.38	6.0	4.59	6.52	↑ 7.6bps	109.10	6.319	6.549	108.97	110.17	6-Mar-18	108.50	1,420.69	26
FR0044	19-Apr-07	15-Sep-24	10.00	6.5	4.73	6.63	↑ 8.7bps	117.60	6.574	6.667	117.40	117.94	2-Mar-18	118.46	34.61	4
FR0040	21-Sep-06	15-Sep-25	11.00	7.5	5.17	6.70	↑ 6.5bps	125.08	6.667	6.783	124.53	125.31	6-Mar-18	124.25	32.87	3
FR0037	18-May-06	15-Sep-26	12.00	8.5	5.55	6.80	↑ 7.1bps	133.19	6.773	6.840	132.92	133.43	15-Jan-18	138.50	10.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.5	5.95	6.85	↑ 12.8bps	109.75	6.754	6.850	109.72	110.38	6-Mar-18	109.90	622.14	25
FR0059	15-Sep-11	15-May-27	7.00	9.2	6.59	6.76	↑ 4.8bps	101.63	6.701	6.831	101.12	102.01	6-Mar-18	101.45	1,953.30	36
FR0042	25-Jan-07	15-Jul-27	10.25	9.4	6.28	6.85	↑ 4.3bps	123.17	6.851	6.929	122.58	123.19	6-Mar-18	122.50	315.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	9.9	6.65	6.68	→ 0.0bps	123.84	6.599	6.828	122.62	124.51	6-Mar-18	122.75	23.92	4
FR0064	13-Aug-12	15-May-28	6.13	10.2	7.29	6.66	↑ 6.9bps	96.10	6.581	6.689	95.87	96.64	6-Mar-18	95.80	871.36	55
FR0071	12-Sep-13	15-Mar-29	9.00	11.0	6.96	7.10	↑ 6.2bps	114.33	6.937	7.130	114.11	115.71	6-Mar-18	114.25	1,073.01	18
FR0052	20-Aug-09	15-Aug-30	10.50	12.4	7.52	7.17	↑ 4.2bps	127.09	7.130	7.222	126.62	127.50	6-Mar-18	126.75	4.65	2
FR0073	6-Aug-15	15-May-31	8.75	13.2	7.91	7.23	↑ 6.9bps	112.79	7.174	7.278	112.33	113.28	6-Mar-18	114.75	466.28	17
FR0074	10-Nov-16	15-Aug-32	7.50	14.4	8.77	7.25	↑ 5.0bps	102.26	7.191	7.355	101.27	102.74	6-Mar-18	102.01	722.67	41
FR0054	22-Jul-10	15-Jul-31	9.50	13.4	7.95	7.21	↑ 3.8bps	119.41	7.196	7.285	118.70	119.55	2-Mar-18	123.03	60.00	2
FR0058	21-Jul-11	15-Jun-32	8.25	14.3	8.43	7.26	↑ 6.7bps	108.66	7.214	7.348	107.88	109.12	6-Mar-18	108.75	2.79	4
FR0065	30-Aug-12	15-May-33	6.63	15.2	9.17	7.03	↑ 6.9bps	96.22	6.985	7.153	95.14	96.65	6-Mar-18	99.10	2,546.73	112
FR0068	1-Aug-13	15-Mar-34	8.38	16.0	8.74	7.42	↑ 3.5bps	108.83	7.305	7.475	108.32	110.03	6-Mar-18	108.55	3,256.65	57
FR0072	9-Jul-15	15-May-36	8.25	18.2	9.47	7.41	↑ 4.4bps	108.33	7.340	7.502	107.34	109.04	6-Mar-18	108.25	439.53	32
FR0045	24-May-07	15-May-37	9.75	19.2	9.42	7.38	→ 0.0bps	124.16	7.287	7.560	121.98	125.22	6-Mar-18	122.25	4.00	1
FR0075	10-Aug-17	15-May-38	7.50	20.2	10.17	7.35	↑ 6.1bps	101.58	7.242	7.458	100.42	102.70	6-Mar-18	102.00	375.78	144
FR0050	24-Jan-08	15-Jul-38	10.50	20.4	9.67	7.41	→ 0.0bps	132.23	7.399	7.551	130.40	132.35	5-Mar-18	132.50	15.81	2
FR0057	21-Apr-11	15-May-41	9.50	23.2	10.24	7.47	↑ 1.1bps	122.19	7.399	7.487	121.97	123.11	28-Feb-18	122.00	160.00	6
FR0062	9-Feb-12	15-Apr-42	6.38	24.1	11.09	7.53	↓ -1.0bps	87.22	7.288	7.561	86.93	89.69	6-Mar-18	91.75	3.42	10
FR0067	18-Jul-13	15-Feb-44	8.75	25.9	11.09	7.41	↑ 1.5bps	115.33	7.396	7.528	113.84	115.52	6-Mar-18	117.00	0.18	1
FR0076	22-Sep-17	15-May-48	7.38	30.2	11.79	7.36	→ 0.0bps	100.12	7.194	7.446	99.14	102.21	6-Mar-18	100.50	110.25	34
ORIO12	21-Oct-15	15-Oct-18	9.00	0.6	-	4.11	↓ 19.5bps	102.91	4.424	4.697	102.58	102.75	6-Mar-18	101.80	9.28	21
ORIO13	26-Oct-16	15-Oct-19	6.60	1.6	-	5.62	↓ -0.6bps	101.50	5.828	6.101	100.76	101.18	6-Mar-18	101.00	9.47	18
ORIO14	25-Oct-17	15-Oct-20	5.85	2.6	-	5.72	↓ 4.8bps	100.33	5.809	6.082	99.44	100.10	6-Mar-18	99.90	24.32	59
IFR0008	15-Apr-10	15-Mar-20	8.80	2.0	1.77	6.98	↓ -0.2bps	103.38	7.212	7.484	102.43	102.94	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.9	4.97	7.52	↓ -0.1bps	114.38	7.603	7.875	112.39	113.93	10-Oct-17	120.36	10.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	12.0	6.97	8.05	→ 0.0bps	116.75	8.096	8.368	114.09	116.36	3-Jan-18	151.47	38.00	10
IFR0010	3-Mar-11	15-Feb-36	10.00	17.9	8.84	8.39	→ 0.0bps	114.75	8.414	8.687	111.82	114.54	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.9	3.40	6.25	↑ 6.5bps	97.29	6.070	6.342	96.98	97.89	6-Mar-18	97.29	28.00	3
PBS003	2-Feb-12	15-Jan-27	6.00	8.9	6.61	7.19	↑ 9.0bps	92.33	7.067	7.339	91.38	93.05	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.9	10.33	7.72	↑ 43.2bps	84.02	7.398	7.671	84.44	86.88	6-Mar-18	84.02	149.07	6
PBS005	2-May-13	15-Apr-43	6.75	25.1	10.74	8.03	↑ 7.8bps	86.23	8.017	8.289	83.84	86.39	20-Feb-18	90.98	128.00	1
PBS006	19-Sep-13	15-Sep-20	8.25	2.5	2.19	5.90	↑ 5.9bps	105.43	5.889	6.114	104.92	105.46	2-Mar-18	105.90	3.59	2
PBS011	14-Jan-16	15-Aug-23	8.75	5.4	4.35	6.40	↑ 0.1bps	110.63	6.456	6.728	109.09	110.39	5-Mar-18	111.20	20.00	1
PBS012	28-Jan-16	15-Nov-31	8.88	13.7	8.02	7.41	↑ 8.8bps	112.48	7.322	7.449	112.09	113.27	6-Mar-18	112.48	71.03	17
PBS013	6-Oct-16	15-May-19	6.25	1.2	1.12	5.32	↓ -5.9bps	101.05	5.591	5.864	100.43	100.74	28-Feb-18	101.35	415.00	7
PBS014	6-Oct-16	15-May-21	6.50	3.2	2.80	5.85	↓ -0.1bps	101.87	6.020	6.292	100.58	101.37	28-Feb-18	100.95	92.00	7
PBS015	21-Jul-17	15-Jul-47	8.00	29.4	10.99	8.16	→ 0.0bps	98.18	7.830	8.103	98.84	101.93				
PBS016	6-Sep-17	15-Mar-20	6.25	2.0	1.83	5.73	↑ 4.2bps	100.97					6-Mar-18	100.58	1,558.78	24
SR007	11-Mar-15	11-Mar-18	8.25	0.0	-	-7.04	↓ -455.7bp	100.14	0.580	0.852	100.11	100.11	6-Mar-18	100.00	48.04	13
SR008	10-Mar-16	10-Mar-19	8.30	1.0	-	5.26	↑ 12.0bps	102.97	5.381	5.654	102.60	102.87	6-Mar-18	102.75	40.34	14
SR009	22-Mar-17	10-Mar-20	6.90	2.0	-	5.75	↑ 3.5bps	102.18	5.881	6.154	101.41	101.93	6-Mar-18	102.30	252.71	29

*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

