

### HEADLINES & ANALYSIS

- The 10-year Treasury yield finally reached 3%, a milestone that bond traders were eyeing for months to guide their next moves. After all the hoopla surrounding 10-year yields touching the highest in four years, they **couldn't** sustain their highest levels of the day, ending at 2.9995 percent. **That's** in part because of the dive in equities, driven both by losses in technology shares and by Caterpillar Inc. effectively saying its first-quarter profit will be as good as it gets in 2018. (Bloomberg)
- European Central Bank policy makers are starting their two-day meeting in Frankfurt on Wednesday relatively relaxed about what appears to be a sharp euro-area slowdown. A close read of the numbers suggests **they're** right. Bloomberg calculations show the **ECB's** prediction for a 2.4% economic expansion this year already factors in weaker underlying momentum. (Bloomberg)
- The ECB may have already started to taper its corporate-bond buying program, according to Deutsche Bank AG. The rate of purchases under the Corporate Sector Purchase Programme fell 50 percent in April to about 700 million euros (\$853 million) per week, down from 1.4 billion euros during the first quarter, Deutsche Bank said in a note published on Tuesday. That may mean the ECB is starting a **"stealth taper"** to wean the European bond market off the corporate debt purchases it began in June 2016 to prop up growth, Deutsche Bank said. (Bloomberg)

### YIELD CURVE (%)

| TTM      | 24-Apr-18 | -1 Day | Change | TTM      | 24-Apr-18 | -1 Day | Change |
|----------|-----------|--------|--------|----------|-----------|--------|--------|
| 3 months | 4.744     | 4.469  | 0.275  | 15 years | 7.380     | 7.346  | 0.033  |
| 6 months | 5.399     | 5.071  | 0.328  | 16 years | 7.417     | 7.388  | 0.029  |
| 1 year   | 5.993     | 5.740  | 0.253  | 17 years | 7.450     | 7.424  | 0.025  |
| 2 years  | 6.168     | 6.075  | 0.094  | 18 years | 7.478     | 7.456  | 0.022  |
| 3 years  | 6.232     | 6.183  | 0.049  | 19 years | 7.503     | 7.484  | 0.019  |
| 4 years  | 6.341     | 6.293  | 0.047  | 20 years | 7.525     | 7.509  | 0.016  |
| 5 years  | 6.478     | 6.422  | 0.055  | 21 years | 7.544     | 7.530  | 0.014  |
| 6 years  | 6.621     | 6.559  | 0.063  | 22 years | 7.561     | 7.550  | 0.012  |
| 7 years  | 6.758     | 6.691  | 0.066  | 23 years | 7.577     | 7.567  | 0.010  |
| 8 years  | 6.880     | 6.814  | 0.066  | 24 years | 7.590     | 7.582  | 0.008  |
| 9 years  | 6.988     | 6.924  | 0.063  | 25 years | 7.603     | 7.596  | 0.007  |
| 10 years | 7.081     | 7.022  | 0.059  | 26 years | 7.614     | 7.608  | 0.005  |
| 11 years | 7.160     | 7.106  | 0.054  | 27 years | 7.623     | 7.619  | 0.004  |
| 12 years | 7.228     | 7.180  | 0.049  | 28 years | 7.632     | 7.629  | 0.003  |
| 13 years | 7.287     | 7.244  | 0.043  | 29 years | 7.640     | 7.638  | 0.002  |
| 14 years | 7.337     | 7.299  | 0.038  | 30 years | 7.648     | 7.646  | 0.001  |

Source : Danareksa Sekuritas

### MOST ACTIVE GOVERNMENT BONDS

| Bond         | Coupon | Maturity  | Last Price | Yield | Volume (IDR bn) |
|--------------|--------|-----------|------------|-------|-----------------|
| FR0069       | 7.875  | 15-Apr-19 | 101.80     | 5.975 | 4,733.08        |
| FR0064       | 6.125  | 15-May-28 | 94.38      | 6.920 | 3,707.33        |
| FR0075       | 7.500  | 15-May-38 | 100.40     | 7.483 | 1,932.24        |
| FR0061       | 7.000  | 15-May-22 | 101.80     | 6.479 | 905.07          |
| SPNS10072018 | -      | 10-Jul-18 | 98.85      | -     | 900.00          |

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

### MOST ACTIVE CORPORATE BONDS

| Bond       | Rating   | Coupon | Maturity  | Last Price | Yield | Volume |
|------------|----------|--------|-----------|------------|-------|--------|
| FIFA03ACN3 | idAAA    | 6.100  | 21-Apr-19 | 100.00     | 6.10  | 340.00 |
| BTPN03BCN2 | AAA(idn) | 7.500  | 17-Oct-20 | 100.00     | 7.50  | 200.00 |
| SMGR01CN1  | idAA+    | 8.600  | 20-Jun-22 | 100.02     | 8.59  | 140.00 |
| FIFA03BCN1 | idAAA    | 8.450  | 26-Apr-20 | 102.75     | 6.97  | 119.20 |
| FIFA03BCN3 | idAAA    | 7.450  | 11-Apr-21 | 100.12     | 7.40  | 102.50 |

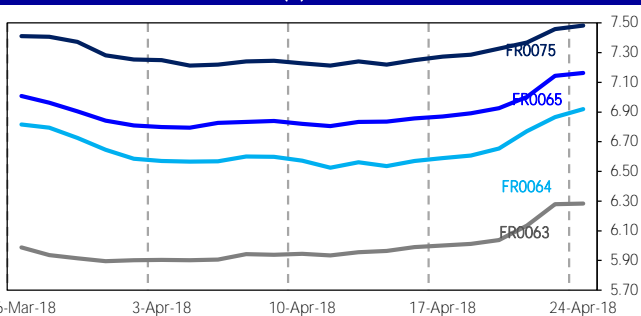
\*Current yield: Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

### SOVEREIGN BOND YIELDS

| Country       | Tenor | Coupon (%) | 24-Apr-18 |        |       | Spread over UST YC (bps) |       |       | Country     | Tenor | Coupon (%) | 24-Apr-18 |       |           | Spread over UST YC (bps) |       |     |
|---------------|-------|------------|-----------|--------|-------|--------------------------|-------|-------|-------------|-------|------------|-----------|-------|-----------|--------------------------|-------|-----|
|               |       |            | -1 Mo     | -3 Mo  |       | 24-Apr-18                | -1 Mo | -3 Mo |             |       |            | -1 Mo     | -3 Mo | 24-Apr-18 | -1 Mo                    | -3 Mo |     |
| United States | 2yr   |            | 2.480     | 2.410  | 2.200 |                          |       |       | Philippines | 2yr   | 6.000      | 4.420     | 4.296 | 3.978     | 194                      | 202   | 190 |
| USD           | 5yr   |            | 2.830     | 2.610  | 2.430 |                          |       |       | PHP         | 5yr   | 7.875      | 5.385     | 5.196 | 4.693     | 256                      | 259   | 226 |
|               | 10yr  |            | 3.000     | 2.820  | 2.650 |                          |       |       |             | 10yr  | 11.375     | 6.320     | -     | -         | 332                      | -     | -   |
| German        | 2yr   | 0.250      | -0.550    | -0.611 | -     | -303                     | -289  | -     | Thailand    | 2yr   | 3.125      | 1.502     | 1.347 | 1.477     | -98                      | -93   | -60 |
| EUR           | 5yr   | 1.000      | -0.002    | -0.069 | -     | -283                     | -268  | -     | THB         | 5yr   | 3.450      | 1.871     | 1.791 | 1.793     | -96                      | -82   | -64 |
|               | 10yr  | 1.750      | 0.631     | 0.527  | 0.588 | -237                     | -229  | -206  |             | 10yr  | 3.625      | 2.436     | 2.404 | 2.332     | -56                      | -42   | -32 |
| Indonesia     | 2yr   | 11.625     | 2.896     | 2.698  | 2.523 | 42                       | 42    | 44    | India       | 2yr   | 7.590      | 7.332     | 6.907 | 6.89      | 485                      | 463   | 481 |
| USD           | 5yr   | 3.750      | 3.810     | 3.770  | 3.115 | 98                       | 116   | 69    | INR         | 5yr   | 7.280      | 7.73      | 7.489 | 7.294     | 490                      | 488   | 486 |
|               | 10yr  | 3.500      | 4.319     | 4.152  | 3.606 | 132                      | 133   | 96    | Malaysia    | 10yr  | 8.830      | 7.693     | 7.558 | 7.276     | 469                      | 474   | 463 |
| Brazil        | 2yr   | 0.000      | 7.188     | 7.40   | 8.23  | 471                      | 512   | 615   | MYR         | 3yr   | 3.172      | 3.701     | 3.454 | 3.507     | 107                      | 104   | 131 |
| BRL           | 5yr   | 10.000     | 8.684     | 8.65   | 9.17  | 620                      | 637   | 709   |             | 5yr   | 3.260      | 3.866     | 3.553 | 3.598     | 104                      | 94    | 117 |
|               | 10yr  | 10.000     | 9.918     | 9.69   | 9.92  | 744                      | 741   | 784   |             | 10yr  | 4.181      | 4.195     | 3.948 | 3.95      | 120                      | 113   | 130 |

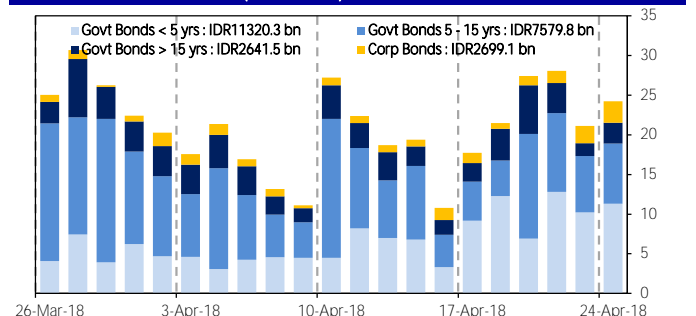
Sources: Bloomberg (Current Yield Curve), US Treasury

### 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 ↓  | 3.40               | 0.85                   |
| US (Fed Fund Rate) | 1.75     | 21-Mar-18   | 25bps ↑   | 2.40               | -0.65                  |
| Euro Region        | 0.00     | 16-Mar-16   | -5bps ↓   | 1.50               | -1.50                  |
| Japan              | 0.10     | 19-Dec-08   | -20bps ↓  | 1.10               | -1.00                  |
| India (Repo Rate)  | 6.00     | 2-Aug-17    | -25bps ↓  | 4.74               | 1.26                   |
| Malaysia           | 3.25     | 25-Jan-18   | 25bps ↑   | 1.30               | 1.95                   |
| Philippines        | 3.00     | 16-May-16   | -100bps ↓ | 4.30               | -1.30                  |
| Thailand           | 3.00     | 25-Jan-12   | -25bps ↓  | 0.79               | 2.21                   |
| Singapore          | 0.08     | 31-Dec-13   | 5bps ↑    | 0.20               | -0.12                  |
| Brazil             | 6.50     | 21-Mar-18   | -25bps ↓  | 2.68               | 3.82                   |

Sources: Bloomberg

### GLOBAL STOCK MARKETS

| Stock Index        | 24-Apr-18 | -1 Day | Return (%) |       |       |       |        |
|--------------------|-----------|--------|------------|-------|-------|-------|--------|
|                    |           |        | Daily      | WoW   | MoM   | YoY   | YTD    |
| Indonesia (JCI)    | 6,230 ↓   | 6,308  | -1.24      | -0.89 | 0.30  | 9.98  | -1.98  |
| Dow Jones (DJIA)   | 24,024 ↓  | 24,449 | -1.74      | -3.08 | 2.09  | 15.70 | -2.81  |
| London (FTSE 100)  | 7,425 ↑   | 7,399  | 0.36       | 2.76  | 7.27  | 2.21  | -3.41  |
| Nikkei 225         | 22,278 ↑  | 22,088 | 0.86       | 1.97  | 8.05  | 18.02 | -2.14  |
| Hang Seng (HIS)    | 30,636 ↑  | 30,254 | 1.26       | 1.91  | 1.08  | 26.91 | 2.40   |
| Malaysia (KLCI)    | 1,865 ↓   | 1,880  | -0.80      | -0.81 | 0.01  | 6.22  | 3.81   |
| Philippines (PSEI) | 7,600 ↓   | 7,719  | -1.54      | -1.59 | -4.65 | 0.15  | -11.19 |
| Thailand (SET)     | 1,788 ↓   | 1,790  | -0.11      | 1.86  | -0.33 | 14.29 | 1.97   |
| Singapore (STI)    | 3,585 ↑   | 3,580  | 0.14       | 2.47  | 4.77  | 14.01 | 5.34   |
| Brazil (BOVESPA)   | 85,469 ↓  | 85,603 | -0.16      | 1.64  | 1.29  | 32.74 | 11.87  |

Sources: Bloomberg & Danareksa

### CURRENCY & COMMODITY

| Price         | 24-Apr-18 | -1 Day | -1 Week | -1 Month | EoP 2016 |
|---------------|-----------|--------|---------|----------|----------|
| USD/IDR       | 13,889 ↓  | 13,975 | 13,766  | 13,782   | 13,555   |
| Brent         | 73.45 ↓   | 74.58  | 71.85   | 69.86    | 66.82    |
| WTI Crude Oil | 67.65 ↓   | 68.59  | 66.52   | 65.83    | 60.42    |

Sources: Bloomberg

### PERFORMANCE OF IDR GOVERNMENT BONDS

| As of     | Average YTM (%) | Change (bps) | Return (%) |       |       |       |       |
|-----------|-----------------|--------------|------------|-------|-------|-------|-------|
|           |                 |              | Daily      | WoW   | MoM   | YoY   | YTD   |
| 24-Apr-18 | 6.45            |              | -0.23      | -1.34 | -0.05 | 9.30  | -0.37 |
| -1 Day    | 6.40            | ↑ 5.0        | -0.46      | -1.20 | 0.08  | 9.54  | -0.15 |
| -1 Week   | 6.20            | ↑ 24.6       | -0.08      | -0.06 | 1.13  | 10.67 | 0.98  |
| -1 Month  | 6.47            | ↓ -2.0       | -0.38      | -0.54 | -1.23 | 10.26 | -0.70 |
| -1 Year   | 7.08            | ↓ -63.3      | -0.01      | 0.12  | 2.00  | 9.06  | 6.95  |

Sources: Danareksa

