

HEADLINES & ANALYSIS

- China's yield premium over Treasuries is disappearing and 10-year rates in the nations are poised to invert soon. The spread has already narrowed to about 60bps, from almost 150bps at the end of last year. Diverging monetary policies are driving the shift. China is cutting bank reserve requirements, moves that fall short of a full-fledged policy easing but that increase liquidity in the banking system. (Bloomberg)
- With all the focus on the 10-year Treasury yield breaching 3 percent, investors may be missing the most important movement afoot in the world's biggest debt market. It's the spike higher in U.S. short-term rates that's really flashing a warning signal for companies, share prices and consumers, according to Peter Tchir at Academy Securities Inc. The surge in two-year yields to the highest since 2008, is "the scariest chart for investors," said the firm's head of macro strategy. One-year bill rates are also the highest in almost a decade. "The 10-year yield might attract all the attention but higher short-term yields are more problematic," Tchir wrote in a note Wednesday. (Bloomberg)

YIELD CURVE (%)

TTM	25-Apr-18	-1 Day	Change	TTM	25-Apr-18	-1 Day	Change
3 months	5.005	4.744	0.261	15 years	7.472	7.380	0.092
6 months	5.636	5.399	0.236	16 years	7.496	7.417	0.079
1 year	6.100	5.993	0.107	17 years	7.518	7.450	0.068
2 years	6.241	6.168	0.073	18 years	7.536	7.478	0.058
3 years	6.386	6.232	0.154	19 years	7.552	7.503	0.050
4 years	6.564	6.341	0.223	20 years	7.567	7.525	0.042
5 years	6.737	6.478	0.259	21 years	7.579	7.544	0.035
6 years	6.887	6.621	0.266	22 years	7.591	7.561	0.029
7 years	7.013	6.758	0.256	23 years	7.601	7.577	0.024
8 years	7.116	6.880	0.236	24 years	7.610	7.590	0.019
9 years	7.199	6.988	0.212	25 years	7.618	7.603	0.015
10 years	7.268	7.081	0.187	26 years	7.625	7.614	0.012
11 years	7.324	7.160	0.164	27 years	7.632	7.623	0.008
12 years	7.371	7.228	0.142	28 years	7.638	7.632	0.005
13 years	7.410	7.287	0.123	29 years	7.643	7.640	0.003
14 years	7.443	7.337	0.107	30 years	7.648	7.648	0.000

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0061	7.000	15-May-22	101.37	6.681	2,273.60
FR0064	6.125	15-May-28	93.20	7.149	2,124.67
FR0075	7.500	15-May-38	98.60	7.628	1,897.48
FR0063	5.625	15-May-23	96.25	6.703	1,151.60
FR0059	7.000	15-May-27	98.47	7.178	793.02

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
ADMFO4BCN1	idAAA	7.450	12-Dec-20	100.02	7.44	165.00
ADMFO4CCN2	idAAA	7.400	21-Mar-21	100.38	7.25	85.00
SMFP03BCN7	idAAA	8.400	2-Mar-20	102.22	7.11	70.00
APAI01C	idAAA	8.550	22-Nov-26	102.14	8.20	60.00
BBRI01BCN2	idAAA	9.250	4-Feb-19	102.33	9.04	60.00

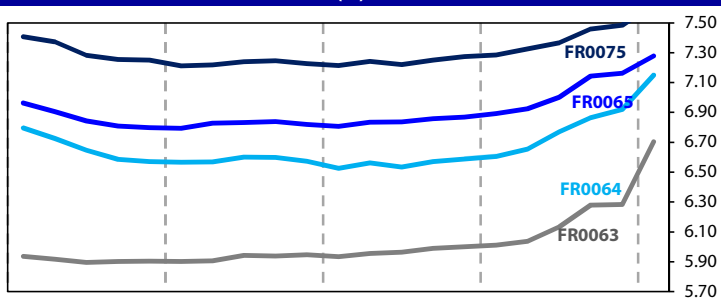
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	25-Apr-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	25-Apr-18			Spread over UST YC (bps)		
			25-Apr-18	-1 Mo	-3 Mo	25-Apr-18	-1 Mo	-3 Mo				25-Apr-18	-1 Mo	-3 Mo			
United States USD	2yr		2.490	2.440	2.200				Philippines PHP	2yr	6.000	4.378	4.294	3.979	189	196	190
	5yr		2.840	2.640	2.410					5yr	7.875	5.433	5.248	4.697	259	261	229
	10yr		3.030	2.850	2.630					10yr	11.375	6.325	6.200	-	330	335	-
German EUR	2yr	0.250	-0.553	-0.603	-	-304	-293	-	Thailand THB	2yr	3.125	1.544	1.342	1.453	-95	-99	-63
	5yr	1.000	0.006	-0.069	-	-283	-271	-		5yr	3.450	1.902	1.78	1.784	-94	-86	-63
	10yr	1.750	0.634	0.524	0.612	-240	-233	-202		10yr	3.625	2.463	2.406	2.326	-57	-44	-30
Indonesia USD	2yr	11.625	2.933	2.704	2.523	44	37	44	India INR	2yr	7.590	7.31	6.94	6.893	482	461	481
	5yr	3.750	3.864	3.779	3.112	102	114	70		5yr	7.280	7.742	7.55	7.318	490	491	491
	10yr	3.500	4.452	4.150	3.607	142	130	98		10yr	8.830	7.738	7.621	7.309	471	477	468
Brazil BRL	2yr	0.000	7.218	7.31	8.23	473	498	615	Malaysia MYR	3yr	3.172	3.768	3.454	3.511	113	101	131
	5yr	10.000	8.707	8.55	9.19	622	622	711		5yr	3.260	3.896	-	-	106	-	-
	10yr	10.000	9.907	9.63	9.91	742	730	783		10yr	4.181	4.202	3.952	3.934	117	110	130

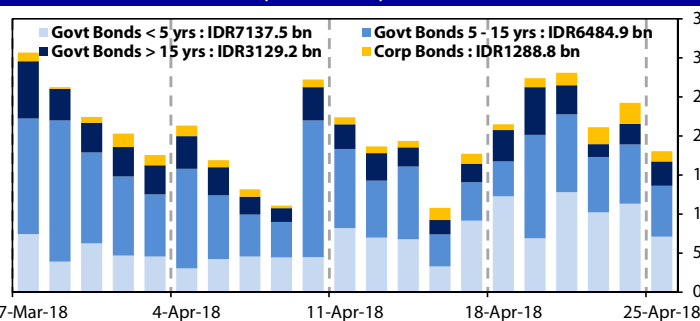
Sources: Bloomberg (Current Yield Curve), US Treasury

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	25-Apr-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,080 ↓	6,230	-2.40	-3.80	-1.94	7.02	-4.34
Dow Jones (DJIA)	24,084 ↑	24,024	0.25	-2.68	-0.49	14.71	-2.57
London (FTSE 100)	7,379 ↓	7,425	-0.62	0.85	7.12	1.43	-4.01
Nikkei 225	22,215 ↓	22,278	-0.28	0.26	6.98	16.44	-2.41
Hang Seng (HIS)	30,328 ↓	30,636	-1.01	0.14	-0.72	24.01	1.37
Malaysia (KLCI)	1,852 ↓	1,865	-0.72	-1.46	-0.43	4.88	3.07
Philippines (PSEi)	7,558 ↓	7,600	-0.56	-3.02	-4.72	-1.85	-11.69
Thailand (SET)	1,780 ↓	1,788	-0.49	0.45	-1.20	13.91	1.47
Singapore (STI)	3,568 ↓	3,585	-0.46	0.29	4.56	12.77	4.85
Brazil (BOVESPA)	85,044 ↓	85,469	-0.50	-0.85	-0.05	30.54	11.31

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	25-Apr-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,921 ↑	13,889	13,776	13,738	13,555
Brent	73.47 ↑	73.45	73.91	69.54	66.82
WTI Crude Oil	68.05 ↑	67.65	68.47	65.55	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
25-Apr-18	6.59		-0.86	-2.13	-0.54	8.10	-1.25
-1 Day	6.45	↑ 14.0	-0.22	-1.35	-0.06	9.29	-0.39
-1 Week	6.21	↑ 37.6	-0.07	-0.30	1.07	10.52	0.90
-1 Month	6.46	↑ 13.1	0.11	-0.54	-0.56	10.30	-0.59
-1 Year	7.06	↓ -46.9	0.23	0.18	1.72	10.10	7.19

Sources: Danareksa

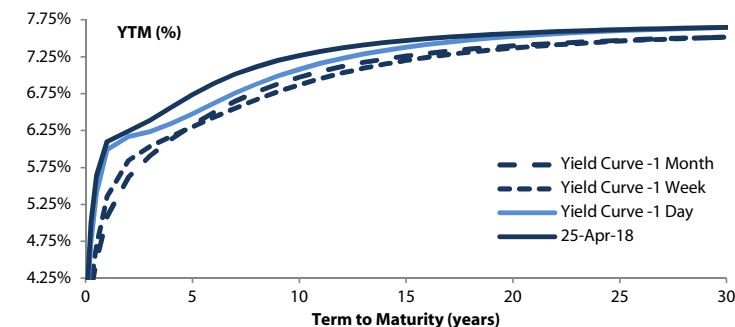
VALUATIONS OF GOVERNMENT BONDS

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	0.1	0.05	4.09	↑ 50.3bps	100.05	3.337 3.441	100.10 100.10	25-Apr-18	99.95	20.00	1
FR0032	1-Sep-05	15-Jul-18	15.00	0.2	0.22	4.25	↑ 0.8bps	102.29	4.298 4.402	102.31 102.33	3-Apr-18	102.70	60.00	5
FR0038	24-Aug-06	15-Aug-18	11.60	0.3	0.30	4.57	↓ -9.2bps	102.08	4.444 4.548	102.12 102.15	24-Apr-18	102.16	7.20	4
FR0048	27-Sep-07	15-Sep-18	9.00	0.4	0.38	4.64	↑ 5.3bps	101.62	5.256 5.361	101.36 101.41	24-Apr-18	101.66	40.00	2
FR0069	29-Aug-13	15-Apr-19	7.88	1.0	0.93	6.12	↑ 14.6bps	101.62	6.029 6.133	101.62 101.72	25-Apr-18	101.35	708.00	14
FR0036	20-Apr-06	15-Sep-19	11.50	1.4	1.27	6.08	↑ 0.9bps	107.07	6.066 6.170	106.98 107.12	25-Apr-18	106.75	15.00	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.6	2.15	6.37	↑ 18.9bps	110.72	6.162 6.266	111.01 111.27	25-Apr-18	110.50	34.70	3
FR0034	26-Jan-06	15-Jun-21	12.80	3.1	2.54	6.40	↑ 18.2bps	117.92	6.347 6.451	117.77 118.09	24-Apr-18	118.57	127.00	3
FR0053	8-Jul-10	15-Jul-21	8.25	3.2	2.76	6.41	↑ 15.1bps	105.27	6.354 6.458	105.12 105.43	25-Apr-18	105.00	257.78	11
FR0061	6-Oct-11	15-May-22	7.00	4.1	3.38	6.68	↑ 20.2bps	101.11	6.516 6.620	101.33 101.69	25-Apr-18	101.37	2,273.60	36
FR0035	16-Feb-06	15-Jun-22	12.90	4.1	3.19	6.67	↑ 9.0bps	122.18	6.585 6.689	122.12 122.54	24-Apr-18	123.72	80.00	3
FR0043	22-Feb-07	15-Jul-22	10.25	4.2	3.39	6.57	↑ 9.0bps	113.35	6.586 6.690	112.89 113.30	20-Apr-18	114.30	14.00	1
FR0063	13-Aug-12	15-May-23	5.63	5.1	4.20	6.70	↑ 41.9bps	95.44	6.379 6.484	96.34 96.78	25-Apr-18	96.25	1,151.60	50
FR0046	19-Jul-07	15-Jul-23	9.50	5.2	4.06	6.83	↑ 38.0bps	111.53	6.689 6.794	111.72 112.20	24-Apr-18	112.70	40.00	3
FR0039	24-Aug-06	15-Aug-23	11.75	5.3	4.01	6.93	↑ 47.1bps	121.07	6.783 6.887	121.30 121.82	24-Apr-18	123.70	20.00	2
FR0070	29-Aug-13	15-Mar-24	8.38	5.9	4.62	6.68	↑ 2.1bps	108.13	6.762 6.867	107.19 107.72	25-Apr-18	106.55	440.96	20
FR0044	19-Apr-07	15-Sep-24	10.00	6.4	4.77	7.02	↑ 30.7bps	115.09	6.912 7.016	115.14 115.72	24-Apr-18	117.88	20.00	2
FR0040	21-Sep-06	15-Sep-25	11.00	7.4	5.25	6.83	↑ 2.3bps	123.85	6.981 7.086	122.20 122.88	25-Apr-18	123.32	286.30	13
FR0037	18-May-06	15-Sep-26	12.00	8.4	5.63	7.17	↑ 29.0bps	130.05	7.040 7.144	130.23 131.01	25-Apr-18	131.95	190.00	15
FR0056	23-Sep-10	15-Sep-26	8.38	8.4	6.01	7.14	↑ 23.9bps	107.71	6.928 7.033	108.39 109.08	25-Apr-18	107.50	218.00	7
FR0059	15-Sep-11	15-May-27	7.00	9.1	6.40	7.18	↑ 24.5bps	98.82	6.968 7.072	99.52 100.21	25-Apr-18	98.47	793.02	34
FR0042	25-Jan-07	15-Jul-27	10.25	9.2	6.10	7.20	↑ 22.5bps	120.24	7.144 7.242	119.96 120.70	24-Apr-18	122.80	200.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	9.8	6.47	6.98	↑ 7.0bps	121.20	7.123 7.227	119.23 120.04	11-Apr-18	123.15	107.00	2
FR0064	13-Aug-12	15-May-28	6.13	10.1	7.08	7.15	↑ 22.9bps	92.74	6.958 7.063	93.32 94.04	25-Apr-18	93.20	2,124.67	117
FR0071	12-Sep-13	15-Mar-29	9.00	10.9	7.08	7.24	↑ 15.6bps	113.10	7.190 7.294	112.65 113.50	25-Apr-18	113.10	60.30	4
FR0052	20-Aug-09	15-Aug-30	10.50	12.3	7.35	7.35	↑ 19.0bps	125.17	7.322 7.426	124.50 125.48	24-Apr-18		20.00	1
FR0073	6-Aug-15	15-May-31	8.75	13.1	7.77	7.27	↑ 0.8bps	112.36	7.325 7.429	110.91 111.84	25-Apr-18	111.28	20.10	3
FR0074	10-Nov-16	15-Aug-32	7.50	14.3	8.58	7.45	↑ 10.1bps	100.43	7.345 7.450	100.42 101.34	25-Apr-18	100.25	70.00	3
FR0054	22-Jul-10	15-Jul-31	9.50	13.2	7.76	7.42	↑ 12.2bps	117.28	7.379 7.484	116.72 117.69	19-Apr-18	120.00	0.30	1
FR0058	21-Jul-11	15-Jun-32	8.25	14.1	8.24	7.47	↑ 13.9bps	106.76	7.379 7.454	106.87 107.55	24-Apr-18	108.10	405.00	10
FR0065	30-Aug-12	15-May-33	6.63	15.1	8.96	7.28	↑ 11.6bps	94.08	7.082 7.187	94.88 95.80	25-Apr-18	94.50	126.14	48
FR0068	1-Aug-13	15-Mar-34	8.38	15.9	8.92	7.48	↑ 12.8bps	108.23	7.469 7.573	107.32 108.33	25-Apr-18	108.00	288.17	27
FR0072	9-Jul-15	15-May-36	8.25	18.1	9.25	7.62	↑ 12.7bps	106.13	7.496 7.601	106.32 107.39	25-Apr-18	105.50	621.18	41
FR0045	24-May-07	15-May-37	9.75	19.1	9.24	7.47	↓ -0.6bps	122.96	7.546 7.650	120.87 122.08	20-Apr-18	122.97	7.00	1
FR0075	10-Aug-17	15-May-38	7.50	20.1	9.89	7.63	↑ 14.5bps	98.69	7.418 7.522	99.77 100.84	25-Apr-18	98.60	1,897.48	306
FR0050	24-Jan-08	15-Jul-38	10.50	20.2	9.41	7.66	↑ 6.4bps	128.99	7.597 7.702	128.43 129.73	20-Apr-18	129.50	1,447.47	20
FR0057	21-Apr-11	15-May-41	9.50	23.1	10.02	7.62	→ 0.0bps	120.32	7.568 7.672	119.61 120.91	23-Apr-18	120.20	150.00	1
FR0062	9-Feb-12	15-Apr-42	6.38	24.0	11.30	7.61	→ 0.0bps	86.44	7.554 7.658	86.01 87.03	25-Apr-18	92.00	0.55	4
FR0067	18-Jul-13	15-Feb-44	8.75	25.8	10.79	7.64	↑ 3.1bps	112.36	7.585 7.689	111.80 113.09	25-Apr-18	111.82	90.00	5
FR0076	22-Sep-17	15-May-48	7.38	30.1	11.58	7.44	↑ 10.3bps	99.24	7.396 7.500	98.51 99.74	25-Apr-18	93.50	0.40	2
ORI012	21-Oct-15	15-Oct-18	9.00	0.5	-	4.73	↑ 6.0bps	101.97	5.364 5.469	101.64 101.69	25-Apr-18	101.60	171.34	10
ORI013	26-Oct-16	15-Oct-19	6.60	1.5	-	5.83	↑ 1.6bps	101.08	6.283 6.387	100.30 100.44	25-Apr-18	100.15	712.63	39
ORI014	25-Oct-17	15-Oct-20	5.85	2.5	-	5.84	↓ -1.6bps	100.03	6.141 6.245	99.10 99.33	25-Apr-18	99.50	5.10	10
IFR0008	15-Apr-10	15-Mar-20	8.80	1.9	1.72	5.81	↑ 8.6bps	105.25	6.022 6.126	104.69 104.88	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.7	4.89	6.75	↓ -1.5bps	118.62	7.094 7.199	116.02 116.62	10-Oct-17	120.36	10.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.9	7.26	7.45	↓ -0.1bps	121.84	7.625 7.730	119.35 120.26	19-Apr-18	124.30	14.00	2
IFR0010	3-Mar-11	15-Feb-36	10.00	17.8	9.00	7.67	↑ 1.2bps	122.38	7.737 7.842	120.51 121.65	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.7	3.26	6.37	↑ 0.1bps	96.98	6.630 6.735	95.82 96.15	18-Apr-18	98.00	23.00	7
PBS003	2-Feb-12	15-Jan-27	6.00	8.7	6.49	7.08	↑ 0.1bps	93.05	7.373 7.477	90.65 91.27	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.8	10.26	7.58	↑ 0.1bps	85.31	7.738 7.842	83.00 83.90	20-Apr-18	86.00	70.00	4
PBS005	2-May-13	15-Apr-43	6.75	25.0	11.23	7.75	→ 0.0bps	89.03	7.912 8.016	86.42 87.42	25-Apr-18	88.65	20.00	2
PBS006	19-Sep-13	15-Sep-20	8.25	2.4	2.14	5.87	↓ -1.5bps	105.22	6.184 6.289	104.28 104.51	24-Apr-18	104.52	10.00	2
PBS011	14-Jan-16	15-Aug-23	8.75	5.3	4.21	6.44	↓ -4.9bps	110.25	6.770 6.875	108.21 108.69	25-Apr-18	110.80	8.00	4
PBS012	28-Jan-16	15-Nov-31	8.88	13.6	7.88	7.41	→ 0.0bps	112.40	7.513 7.618	110.51 111.45	25-Apr-18	112.16	122.00	12
PBS013	6-Oct-16	15-May-19	6.25	1.1	0.98	5.70	↑ 1.4bps	100.55	6.214 6.318	99.93 100.03	25-Apr-18	100.10	458.00	5
PBS014	6-Oct-16	15-May-21	6.50	3.1	2.66	6.30	→ 0.0bps	100.55	6.590 6.694	99.47 99.75	20-Apr-18	100.01	150.00	4
PBS015	21-Jul-17	15-Jul-47	8.00	29.2	10.99	8.02	→ 0.0bps	99.81	8.065 8.169	98.11 99.26	18-Apr-18	104.30	314.00	2
PBS016	6-Sep-17	15-Mar-20	6.25	1.9	1.75	6.14	↓ -0.2bps	100.19	6.39 6.498	99.56 99.74	20-Apr-18	100.18	250.00	5
PBS017	11-Jan-18	15-Oct-25	6.13	7.5	5.88	6.65	→ 0.0bps	96.93	7.100 7.205	93.84 94.42	19-Apr-18	96.76	20.00	2
SR008	10-Mar-16	10-Mar-19	8.30	0.9	-	#N/A	#N/A	#N/A	5.830 5.934	102.01 102.10	25-Apr-18	101.80	82.68	11
SR009	22-Mar-17	10-Mar-20	6.90	1.9	-	5.94	↑ 1.4bps	101.70	6.177 6.281	101.09 101.28	25-Apr-18	101.10	94.90	22

*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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