

## HEADLINES & ANALYSIS

- Malaysia's ringgit declined as markets reopened after former prime minister Mahathir Mohamad led the opposition coalition to a surprise election victory, raising concerns over campaign promises to drop a consumption tax and bring back fuel subsidies. The currency slipped as much as 0.9 percent, the most since November 2016, to 3.9870 at 8:49 a.m. local time. (Bloomberg)
- The fate of the flattening U.S. yield curve now rests squarely in the words of Federal Reserve officials. Bond traders have already reached their verdict. The yield spread between 5- and 30-year Treasuries narrowed last week to as little as 26.2 basis points, the lowest since August 2007. (Bloomberg)
- Indonesia's central bank says it will act "preemptively" to ensure the stability of the nation's currency and economic growth, giving its strongest signal yet that it's set to hike interest rates for the first time since 2014. Bank Indonesia plans to firmly and consistently direct and prioritize monetary policy toward restoring stability, Governor Agus Martowardojo said in a statement Friday. (Bloomberg)

## YIELD CURVE (%)

TTM	11-May-18	-1 Day	Change	TTM	11-May-18	-1 Day	Change
3 months	4.927	5.031	-0.104	15 years	7.587	7.715	-0.128
6 months	5.705	5.805	-0.100	16 years	7.612	7.738	-0.126
1 year	6.472	6.514	-0.042	17 years	7.635	7.758	-0.124
2 years	6.801	6.797	0.005	18 years	7.654	7.776	-0.122
3 years	6.889	6.905	-0.015	19 years	7.671	7.791	-0.120
4 years	6.961	7.011	-0.051	20 years	7.687	7.805	-0.118
5 years	7.038	7.121	-0.083	21 years	7.700	7.817	-0.117
6 years	7.118	7.225	-0.107	22 years	7.712	7.827	-0.115
7 years	7.196	7.318	-0.122	23 years	7.723	7.837	-0.114
8 years	7.268	7.400	-0.132	24 years	7.732	7.845	-0.113
9 years	7.333	7.469	-0.136	25 years	7.741	7.853	-0.112
10 years	7.391	7.529	-0.138	26 years	7.749	7.860	-0.111
11 years	7.442	7.579	-0.137	27 years	7.756	7.866	-0.110
12 years	7.486	7.621	-0.136	28 years	7.762	7.871	-0.109
13 years	7.524	7.658	-0.133	29 years	7.768	7.876	-0.109
14 years	7.558	7.689	-0.131	30 years	7.773	7.881	-0.108

Source : Danareksa Sekuritas

## MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0059	7.000	15-May-27	97.00	7.208	2,923.96
FR0061	7.000	15-May-22	100.10	6.777	2,786.90
FR0069	7.875	15-Apr-19	101.00	6.409	2,727.11
FR0075	7.500	15-May-38	96.25	7.686	1,940.46
FR0053	8.250	15-Jul-21	103.50	6.733	1,687.46

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

## MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
SMFP04ACN3	idAAA	6.000	2-Mar-19	99.30	6.04	220.00
IMFI02BCN3	idA	10.500	16-Mar-19	100.00	10.50	200.00
JPFA02CN2	AA-(idn)	9.600	21-Apr-22	100.00	9.60	200.00
BTPN03BCN2	AAA(Idn)	7.500	17-Oct-20	100.20	7.41	150.00
PBNB02CN3	idAA	7.500	27-Feb-23	100.50	7.37	120.00

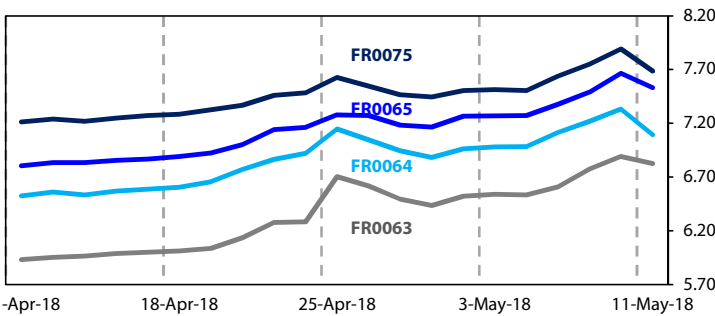
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

## SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	11-May-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	11-May-18			Spread over UST YC (bps)		
			11-May-18	-1 Mo	-3 Mo	11-May-18	-1 Mo	-3 Mo				11-May-18	-1 Mo	-3 Mo			
United States USD	2yr		2.540	2.450	2.260				Philippines PHP	2yr	6.000	4.463	4.289	4.162	192	197	211
	5yr		2.840	2.620	2.520					5yr	7.875	5.463	5.290	-	262	267	-
	10yr		2.970	2.790	2.830					10yr	11.375	6.137	6.200	-	317	341	-
German EUR	2yr	0.250	-0.581	-0.571	-	-312	-289	-	Thailand THB	2yr	3.125	1.623	1.421	1.454	-92	-90	-60
	5yr	1.000	-0.059	-0.080	0.096	-290	-270	-242		5yr	3.450	1.921	1.805	1.842	-92	-82	-68
	10yr	1.750	0.559	0.499	0.745	-241	-229	-209		10yr	3.625	2.535	2.397	2.429	-44	-39	-40
Indonesia USD	2yr	11.625	3.099	2.642	2.546	56	32	50	India INR	2yr	7.590	7.563	7.046	7.005	502	473	496
	5yr	3.750	3.980	3.621	3.439	114	100	92		5yr	7.280	7.835	7.514	7.47	500	489	495
	10yr	3.500	4.404	4.000	4.030	143	121	120		10yr	8.830	7.727	7.542	7.493	476	475	466
Brazil BRL	2yr	0.000	7.576	7.33	8.26	504	501	621	Malaysia MYR	3yr	3.172	3.707	3.489	3.503	102	104	124
	5yr	10.000	9.035	8.70	9.32	650	638	727		5yr	3.260	3.841	-	-	100	-	-
	10yr	10.000	10.091	9.79	10.09	755	747	804		10yr	4.181	4.164	3.976	3.964	119	119	113

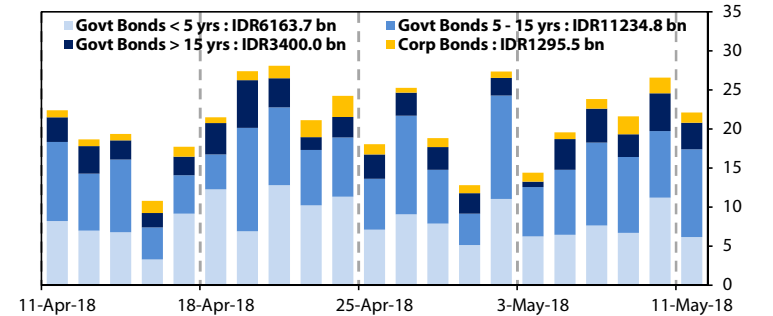
Sources: Bloomberg (Current Yield Curve), US Treasury

## 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 ↓	3.41	0.84
US (Fed Fund Rate)	1.75	21-Mar-18	25bps ↑	2.50	-0.75
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 ↓	4.36	1.64
Malaysia	3.25	25-Jan-18	25bps ↑	1.30	1.95
Philippines	3.25	10-May-18	25bps ↑	4.50	-1.25
Thailand	3.00	25-Jan-12	-25bps ↓	1.07	1.93
Singapore	0.08	31-Dec-13	5bps ↑	0.20	-0.12
Brazil	6.50	21-Mar-18	-25bps ↓	2.76	3.74

Sources: Bloomberg

## GLOBAL STOCK MARKETS

Stock Index	11-May-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,957 ↑	5,908	0.83	2.84	-6.35	5.37	-6.28
Dow Jones (DJIA)	24,831 ↑	24,543	1.18	2.34	2.65	18.70	0.45
London (FTSE 100)	7,725 ↑	7,663	0.81	2.08	6.44	4.57	0.48
Nikkei 225	22,758 ↑	22,409	1.56	1.27	4.94	14.01	-0.03
Hang Seng (HIS)	31,122 ↑	30,536	1.92	3.99	0.73	23.87	4.02
Malaysia (KLCI)	1,847 →	1,847	0.00	0.25	-1.25	4.01	2.77
Philippines (PSEI)	7,752 ↑	7,555	2.61	2.73	-2.41	-0.82	-9.42
Thailand (SET)	1,766 ↑	1,757	0.51	-0.78	0.15	13.91	0.70
Singapore (STI)	3,570 ↑	3,549	0.61	0.70	2.60	9.14	4.91
Brazil (BOVESPA)	85,220 ↑	84,265	1.13	2.53	-0.03	26.18	11.54

Sources: Bloomberg & Danareksa

## CURRENCY & COMMODITY

Price	11-May-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,960 ↓	14,084	13,945	13,759	13,555
Brent	76.53 ↓	77.01	74.9	72.04	66.82
WTI Crude Oil	70.7 ↓	71.14	69.72	66.82	60.42

Sources: Bloomberg

## PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
11-May-18	6.76		0.74	-1.19	-2.81	7.97	-1.91
-1 Day	6.85	↓ -9.5	-0.68	-1.95	-3.50	6.58	-2.64
-1 Week	6.52	↑ 23.3	0.05	0.53	-1.41	8.41	-0.68
-1 Month	6.15	↑ 60.5	0.18	0.30	2.39	11.27	1.21
-1 Year	7.16	↓ -41.0	-0.56	-0.91	-0.21	10.18	6.58

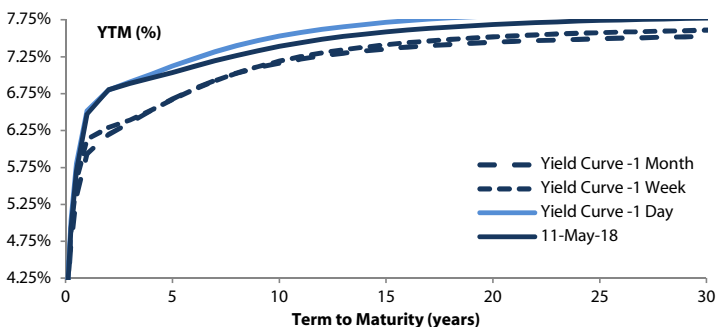
Sources: Danareksa

#### 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	0.0	-	-5.47 ↓ -564.3bps	100.03	2.681 2.826	100.03 100.03	9-May-18	100.00	47.66	3
FR0032	1-Sep-05	15-Jul-18	15.00	0.2	0.18	3.80 ↑ 153.3bps	101.84	3.609 3.754	101.97 102.00	3-Apr-18	102.70	60.00	5
FR0038	24-Aug-06	15-Aug-18	11.60	0.3	0.26	4.73 ↑ 17.6bps	101.69	3.805 3.950	101.98 102.02	24-Apr-18	102.16	7.20	4
FR0048	27-Sep-07	15-Sep-18	9.00	0.3	0.34	4.25 ↓ -4.3bps	101.55	4.730 4.875	101.38 101.43	9-May-18	101.20	70.00	1
FR0069	29-Aug-13	15-Apr-19	7.88	0.9	0.88	6.41 ↓ -5.5bps	101.28	6.314 6.459	101.25 101.38	9-May-18	101.00	2,727.11	56
FR0036	20-Apr-06	15-Sep-19	11.50	1.3	1.23	6.68 ↑ 0.1bps	106.04	6.551 6.695	106.06 106.26	9-May-18	106.04	316.73	10
FR0031	16-Jun-05	15-Nov-20	11.00	2.5	2.10	6.86 ↑ 15.2bps	109.38	6.702 6.847	109.43 109.78	9-May-18	109.25	341.45	6
FR0034	26-Jan-06	15-Jun-21	12.80	3.1	2.49	6.86 ↑ 0.5bps	116.24	6.796 6.922	116.11 116.50	9-May-18	115.30	872.00	12
FR0053	8-Jul-10	15-Jul-21	8.25	3.2	2.71	6.73 ↓ -18.5bps	104.25	6.799 6.944	103.65 104.07	9-May-18	103.50	1,687.46	44
FR0061	6-Oct-11	15-May-22	7.00	4.0	3.34	6.78 ↓ -15.8bps	100.77	6.890 7.035	99.88 100.38	9-May-18	100.10	2,786.90	41
FR0035	16-Feb-06	15-Jun-22	12.90	4.1	3.14	6.95 ↓ -10.4bps	120.82	6.960 7.105	120.27 120.84	4-May-18	122.15	385.00	4
FR0043	22-Feb-07	15-Jul-22	10.25	4.2	3.33	6.96 ↑ 22.9bps	111.73	6.924 7.069	111.32 111.87	4-May-18	112.75	76.86	2
<b>FR0063</b>	<b>13-Aug-12</b>	<b>15-May-23</b>	<b>5.63</b>	<b>5.0</b>	<b>4.15</b>	<b>6.83</b>	<b>94.99</b>	<b>6.748 6.893</b>	<b>94.70 95.29</b>	<b>9-May-18</b>	<b>94.50</b>	<b>894.92</b>	<b>26</b>
FR0046	19-Jul-07	15-Jul-23	9.50	5.2	4.00	7.33 ↑ 16.9bps	109.19	6.976 7.121	110.14 110.80	8-May-18	111.00	230.00	2
FR0039	24-Aug-06	15-Aug-23	11.75	5.3	3.96	7.08 ↑ -9.3bps	120.16	7.032 7.177	119.73 120.44	24-Apr-18	123.70	20.00	2
FR0070	29-Aug-13	15-Mar-24	8.38	5.8	4.56	7.15 ↓ -10.7bps	105.74	7.015 7.160	105.71 106.42	9-May-18	104.75	140.88	8
FR0044	19-Apr-07	15-Sep-24	10.00	6.3	4.72	7.24 → 0.0bps	113.83	7.094 7.239	113.83 114.62	4-May-18	116.00	90.00	2
FR0040	21-Sep-06	15-Sep-25	11.00	7.3	5.18	7.15 → 0.0bps	121.65	7.104 7.249	121.05 121.98	9-May-18	122.50	140.00	4
FR0037	18-May-06	15-Sep-26	12.00	8.3	5.57	7.37 ↓ -5.7bps	128.46	7.162 7.307	128.92 129.98	8-May-18	131.25	20.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.3	5.96	7.29 ↓ -13.0bps	106.70	7.141 7.286	106.70 107.64	9-May-18	106.00	608.48	16
FR0059	15-Sep-11	15-May-27	7.00	9.0	6.36	7.21 ↓ -24.7bps	98.64	7.120 7.265	98.27 99.21	9-May-18	97.00	2,923.96	79
FR0042	25-Jan-07	15-Jul-27	10.25	9.2	6.05	7.29 ↓ -20.7bps	119.52	7.249 7.388	118.82 119.84	26-Apr-18	119.50	50.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	9.8	6.38	7.35 ↓ -18.8bps	118.23	7.211 7.355	118.17 119.29	8-May-18	117.75	330.00	1
<b>FR0064</b>	<b>13-Aug-12</b>	<b>15-May-28</b>	<b>6.13</b>	<b>10.0</b>	<b>7.04</b>	<b>7.09</b>	<b>93.14</b>	<b>7.091 7.235</b>	<b>92.19 93.16</b>	<b>9-May-18</b>	<b>91.50</b>	<b>1,037.33</b>	<b>24</b>
FR0071	12-Sep-13	15-Mar-29	9.00	10.8	7.03	7.27 ↓ -0.6bps	112.79	7.257 7.402	111.75 112.91	9-May-18	113.40	167.85	3
FR0052	20-Aug-09	15-Aug-30	10.50	12.3	7.28	7.47 ↓ -0.7bps	124.00	7.400 7.545	123.35 124.69	9-May-18	122.75	12.00	1
FR0073	6-Aug-15	15-May-31	8.75	13.0	7.67	7.50 ↑ 6.0bps	110.29	7.392 7.537	109.94 111.22	9-May-18	108.00	1,249.66	6
FR0074	10-Nov-16	15-Aug-32	7.50	14.3	8.49	7.61 ↓ -15.6bps	99.02	7.472 7.617	98.97 100.22	9-May-18	97.35	873.40	24
FR0054	22-Jul-10	15-Jul-31	9.50	13.2	7.69	7.56 ↓ -18.2bps	116.02	7.470 7.598	115.65 116.82	9-May-18	116.50	9.00	1
FR0058	21-Jul-11	15-Jun-32	8.25	14.1	8.16	7.59 ↓ -19.4bps	105.60	7.481 7.626	105.32 106.61	9-May-18	103.96	319.86	9
<b>FR0065</b>	<b>30-Aug-12</b>	<b>15-May-33</b>	<b>6.63</b>	<b>15.0</b>	<b>8.83</b>	<b>7.53</b>	<b>91.93</b>	<b>7.303 7.447</b>	<b>92.64 93.88</b>	<b>9-May-18</b>	<b>90.50</b>	<b>548.03</b>	<b>60</b>
FR0068	1-Aug-13	15-Mar-34	8.38	15.8	8.81	7.68 ↓ -12.0bps	106.26	7.536 7.681	106.28 107.67	9-May-18	104.25	679.60	14
FR0072	9-Jul-15	15-May-36	8.25	18.0	9.15	7.75 ↓ -14.2bps	104.86	7.614 7.759	104.72 106.17	9-May-18	103.45	1,014.15	46
FR0045	24-May-07	15-May-37	9.75	19.0	9.24	7.39 ↑ 0.1bps	123.87	7.540 7.685	120.46 122.13	7-May-18	123.42	44.00	6
<b>FR0075</b>	<b>10-Aug-17</b>	<b>15-May-38</b>	<b>7.50</b>	<b>20.0</b>	<b>9.82</b>	<b>7.69</b>	<b>98.12</b>	<b>7.582 7.727</b>	<b>97.71 99.16</b>	<b>9-May-18</b>	<b>96.25</b>	<b>1,940.46</b>	<b>355</b>
FR0050	24-Jan-08	15-Jul-38	10.50	20.2	9.32	7.76 → 0.0bps	127.64	7.690 7.835	126.77 128.54	7-May-18	128.50	0.33	1
FR0057	21-Apr-11	15-May-41	9.50	23.0	9.83	7.86 → 0.0bps	117.31	7.722 7.867	117.24 119.00	30-Apr-18	120.75	100.00	1
FR0062	9-Feb-12	15-Apr-42	6.38	23.9	11.17	7.75 → 0.0bps	85.10	7.697 7.842	84.26 85.64	9-May-18	91.00	1.23	4
FR0067	18-Jul-13	15-Feb-44	8.75	25.8	10.75	7.64 → 0.0bps	112.43	7.689 7.834	110.06 111.80	9-May-18	108.72	70.00	4
FR0076	22-Sep-17	15-May-48	7.38	30.0	11.38	7.61 ↓ -27.8bps	97.26	7.493 7.638	96.92 98.59	9-May-18	100.00	61.95	4
ORI012	21-Oct-15	15-Oct-18	9.00	0.4	-	5.40 ↑ 0.1bps	101.48	5.434 5.578	101.44 101.50	9-May-18	101.45	10.35	11
ORI013	26-Oct-16	15-Oct-19	6.60	1.4	-	6.30 ↑ 0.5bps	100.41	6.553 6.698	99.87 100.06	9-May-18	100.60	300.22	24
ORI014	25-Oct-17	15-Oct-20	5.85	2.4	-	5.86 ↓ -0.3bps	99.98	6.365 6.510	98.52 98.84	9-May-18	99.45	3.17	12
IFR0008	15-Apr-10	15-Mar-20	8.80	1.8	1.67	6.11 ↑ 7.9bps	104.58	6.347 6.492	103.94 104.19	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.7	4.85	6.79 ↓ -3.0bps	118.27	7.060 7.205	115.90 116.74	10-Oct-17	120.36	10.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.8	7.22	7.43 ↓ -0.1bps	121.90	7.619 7.764	119.01 120.27	3-May-18	122.20	2.00	2
IFR0010	3-Mar-11	15-Feb-36	10.00	17.8	8.94	7.72 ↑ 0.7bps	121.86	7.771 7.915	119.68 121.26	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.7	3.22	6.47 ↑ 0.6bps	96.71	6.830 6.975	95.12 95.57	3-May-18	98.02	10.00	2
PBS003	2-Feb-12	15-Jan-27	6.00	8.7	6.45	7.07 ↓ -0.2bps	93.14	7.278 7.423	91.00 91.87	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.8	10.19	7.64 ↑ 0.1bps	84.74	7.716 7.861	82.86 84.10	8-May-18	84.30	100.00	2
PBS005	2-May-13	15-Apr-43	6.75	24.9	11.19	7.75 → 0.0bps	88.99	7.867 8.012	86.46 87.87	9-May-18	85.10	188.00	12
PBS006	19-Sep-13	15-Sep-20	8.25	2.3	2.10	5.96 ↓ -0.3bps	104.90	6.442 6.587	103.55 103.86	24-Apr-18	104.52	10.00	2
PBS011	14-Jan-16	15-Aug-23	8.75	5.3	4.17	6.39 ↓ -0.2bps	110.37	6.823 6.968	107.72 108.39	2-May-18	108.00	49.00	1
PBS012	28-Jan-16	15-Nov-31	8.88	13.5	7.80	7.56 ↑ 0.4bps	110.99	7.599 7.744	109.37 110.66	4-May-18	111.50	12.00	2
PBS013	6-Oct-16	15-May-19	6.25	1.0	0.94	6.44 ↑ 0.1bps	99.82	6.397 6.542	99.72 99.86	9-May-18	99.65	190.00	4
PBS014	6-Oct-16	15-May-21	6.50	3.0	2.61	6.41 ↑ 0.5bps	100.24	6.811 6.956	98.78 99.17	4-May-18	99.75	40.00	2
PBS015	21-Jul-17	15-Jul-47	8.00	29.2	10.94	8.02 → 0.0bps	99.81	8.096 8.241	97.34 98.92	18-Apr-18	104.30	314.00	2
PBS016	6-Sep-17	15-Mar-20	6.25	1.8	1.70	6.45 ↓ -0.6bps	99.65	6.60 6.745	99.14 99.39	7-May-18	99.40	480.00	5
PBS017	11-Jan-18	15-Oct-25	6.13	7.4	5.82	6.83 ↑ 0.6bps	95.97	6.975 7.120	94.33 95.13	8-May-18	93.84	26.00	2
SR008	10-Mar-16	10-Mar-19	8.30	0.8	-	6.75 ↑ 4.3bps	101.27	6.120 6.265	101.64 101.76	9-May-18	100.00	104.28	28
SR009	22-Mar-17	10-Mar-20	6.90	1.8	-	6.20 ↑ 0.1bps	101.11	6.525 6.670	100.40 100.64	9-May-18	99.90	19.32	19

\*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

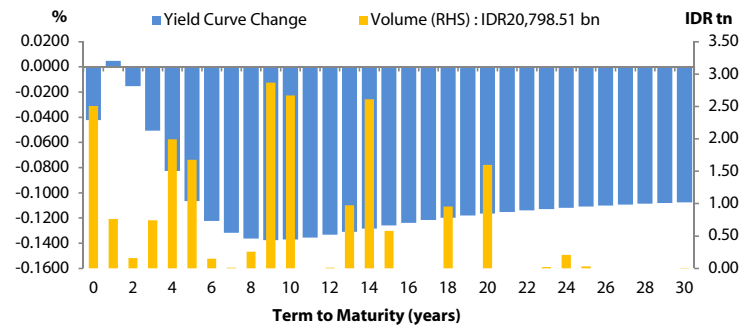


Source: Danareksa Sekuritas

Analysts: Rifki Rizal (ext. 3404) & Amir A. Dalimunthe (ext. 3405)

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#### YIELD CURVE CHANGE & GOVERNMENT BONDS TRADE VOLUME BY MATURITY



Source: Danareksa Sekuritas & IDX