

## HEADLINES & ANALYSIS

- Stocks in Asia opened mixed with 10-year Treasury yields hitting the 3 percent mark again as investors assessed the outlook for trade relations and tensions in the Middle East. The dollar held gains and crude oil nudged higher. (Bloomberg)
- The U.K.'s biggest bond mutual fund is shifting money to the other side of the Atlantic as the interest-rate gap between Europe and the U.S. widens to record levels. M&G Limited has boosted U.S. holdings in its 23.4 billion pound (\$32 billion) Optimal Income Fund this year to more than a third at the expense of positions in French, Italian and Spanish bonds. (Bloomberg)
- One reason for the resilience of Malaysian assets as local markets reopened Monday may have been that Mahathir Mohamad's shock election win has coincided with a jump in oil prices to the highest since 2014. Crude has rallied around 8 percent this quarter in the run-up and aftermath to Malaysia's historic vote last Wednesday. That's providing a boost to state coffers in a country where official data shows mineral fuel exports accounted for around a 10th of gross domestic product in the nine months through end-2017. (Bloomberg)

## YIELD CURVE (%)

TTM	14-May-18	-1 Day	Change	TTM	14-May-18	-1 Day	Change
3 months	4.791	4.927	-0.136	15 years	7.595	7.587	0.009
6 months	5.554	5.705	-0.151	16 years	7.626	7.612	0.014
1 year	6.368	6.472	-0.104	17 years	7.654	7.635	0.019
2 years	6.760	6.801	-0.041	18 years	7.678	7.654	0.023
3 years	6.855	6.889	-0.034	19 years	7.699	7.671	0.027
4 years	6.921	6.961	-0.040	20 years	7.718	7.687	0.031
5 years	6.993	7.038	-0.045	21 years	7.734	7.700	0.034
6 years	7.071	7.118	-0.047	22 years	7.749	7.712	0.037
7 years	7.151	7.196	-0.045	23 years	7.762	7.723	0.040
8 years	7.228	7.268	-0.040	24 years	7.774	7.732	0.042
9 years	7.299	7.333	-0.034	25 years	7.785	7.741	0.044
10 years	7.364	7.391	-0.027	26 years	7.794	7.749	0.046
11 years	7.423	7.442	-0.019	27 years	7.803	7.756	0.047
12 years	7.474	7.486	-0.011	28 years	7.811	7.762	0.049
13 years	7.520	7.524	-0.004	29 years	7.818	7.768	0.050
14 years	7.560	7.558	0.002	30 years	7.824	7.773	0.051

Source : Danareksa Sekuritas

## MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0072	8.250	15-May-36	105.75	7.735	2,351.21
FR0064	6.125	15-May-28	93.45	7.044	1,598.53
FR0063	5.625	15-May-23	95.75	6.749	1,564.89
FR0069	7.875	15-Apr-19	101.02	6.345	1,504.34
FR0074	7.500	15-Aug-32	99.00	7.610	1,448.40

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

## MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
ISAT02ACN3	idAAA	6.050	13-May-19	100.00	6.05	875.00
AISA01	idA-	10.250	5-Apr-18	100.00	10.25	200.00
SMADMF03ACN2	idAAA(sy)	6.100	1-Apr-19	100.02	6.10	159.00
ISAT02BCN3	idAAA	7.400	3-May-21	100.07	7.37	75.10
SMRA02CN2	idA+	8.800	28-Nov-20	99.35	9.09	70.00

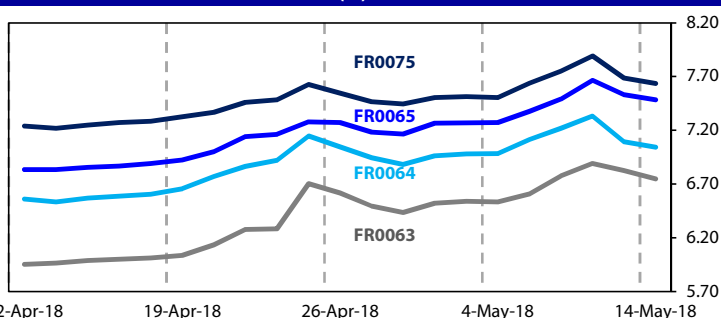
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

## SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	14-May-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	14-May-18			Spread over UST YC (bps)		
			14-May-18	-1 Mo	-3 Mo	14-May-18	-1 Mo	-3 Mo				14-May-18	-1 Mo	-3 Mo			
United States USD	2yr		2.550	2.510	2.300				Philippines PHP	2yr	6.000	4.463	4.285	4.194	191	192	209
	5yr		2.850	2.670	2.540					5yr	7.875	5.463	5.335	-	261	267	-
	10yr		3.000	2.820	2.830					10yr	11.375	6.137	6.200	-	314	338	-
German EUR	2yr	0.250	-0.559	-0.582	-	-311	-295	-	Thailand THB	2yr	3.125	1.626	1.427	1.44	-92	-94	-66
	5yr	1.000	-0.011	-0.087	0.097	-286	-276	-244		5yr	3.450	1.929	1.805	1.821	-92	-87	-72
	10yr	1.750	0.611	0.511	0.750	-239	-231	-208		10yr	3.625	2.545	2.384	2.403	-46	-44	-43
Indonesia USD	2yr	11.625	3.110	2.700	2.565	56	33	47	India INR	2yr	7.590	7.602	7.042	7.003	505	467	490
	5yr	3.750	3.967	3.617	3.486	112	95	95		5yr	7.280	7.921	7.403	7.459	507	473	492
	10yr	3.500	4.422	4.004	4.028	142	118	120		10yr	8.830	7.828	7.433	7.499	483	461	467
Brazil BRL	2yr	0.000	7.673	7.21	8.26	512	484	616	Malaysia MYR	3yr	3.172	3.685	3.525	3.508	99	102	121
	5yr	10.000	9.113	8.72	9.32	656	635	722		5yr	3.260	3.859	-	-	101	-	-
	10yr	10.000	10.138	9.92	10.09	759	755	799		10yr	4.181	4.181	4.005	3.983	118	119	115

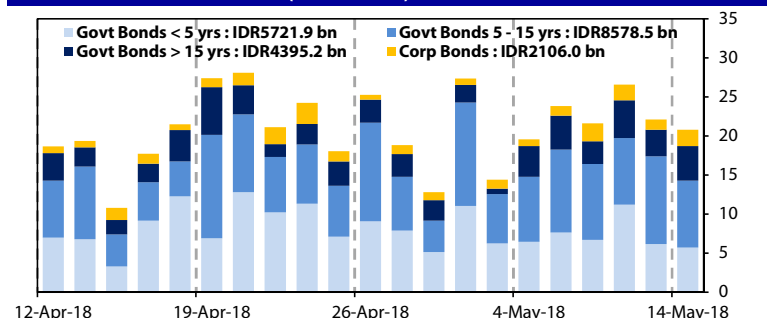
Sources: Bloomberg (Current Yield Curve), US Treasury

## 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	14-May-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,947 ↓	5,957	-0.16	1.05	-5.15	4.79	-6.43
Dow Jones (DJIA)	24,899 ↑	24,831	0.27	2.23	2.21	19.16	0.73
London (FTSE 100)	7,711 ↓	7,725	-0.18	1.90	6.15	3.71	0.30
Nikkei 225	22,866 ↑	22,758	0.47	1.77	4.99	15.00	0.44
Hang Seng (HIS)	31,541 ↑	31,122	1.35	5.16	2.38	25.38	5.42
Malaysia (KLCI)	1,850 ↑	1,847	0.21	1.22	-0.97	4.20	2.98
Philippines (PSEI)	7,752 →	7,752	0.00	2.90	-1.87	-0.81	-9.42
Thailand (SET)	1,773 ↑	1,766	0.41	-0.38	0.34	14.84	1.11
Singapore (STI)	3,562 ↓	3,570	-0.22	0.84	1.75	9.44	4.69
Brazil (BOVESPA)	85,232 ↑	85,220	0.01	3.04	1.06	24.93	11.56

Sources: Bloomberg & Danareksa

## CURRENCY & COMMODITY

Price	14-May-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,973 ↑	13,960	14,001	13,755	13,555
Brent	77.77 ↑	76.53	75.47	72.85	66.82
WTI Crude Oil	70.96 ↑	70.7	70.73	67.39	60.42

Sources: Bloomberg

## PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
14-May-18	6.73		0.19	-1.06	-2.73	7.81	-1.73
-1 Day	6.76	↓ -2.6	0.74	-1.19	-2.81	7.97	-1.91
-1 Week	6.62	↑ 11.3	-0.54	-0.43	-2.12	8.03	-1.22
-1 Month	6.18	↑ 55.3	0.05	0.24	1.77	10.90	1.14
-1 Year	7.12	↓ -39.3	0.34	-0.51	0.08	10.58	6.94

Sources: Danareksa

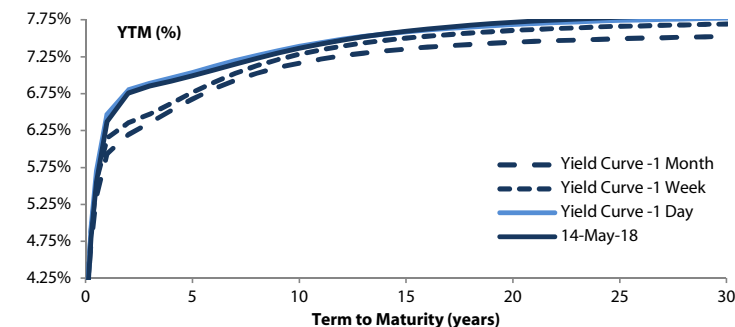
**VALUATIONS OF GOVERNMENT BONDS**

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	-	-2.65	↑ 282.0bp	100.02	2.348 2.493	100.01 100.01	9-May-18	100.00	47.66	3
FR0032	1-Sep-05	15-Jul-18	15.00	0.2	0.17	3.26	↓ -54.1bps	101.91	3.410 3.554	101.92 101.94	11-May-18	101.40	250.00	7
FR0038	24-Aug-06	15-Aug-18	11.60	0.3	0.25	4.64	↓ -8.6bps	101.70	3.692 3.837	101.95 101.99	14-May-18	101.50	21.70	2
FR0048	27-Sep-07	15-Sep-18	9.00	0.3	0.33	4.25	→ 0.0bps	101.55	4.499 4.643	101.42 101.47	14-May-18	101.15	115.00	1
FR0069	29-Aug-13	15-Apr-19	7.88	0.9	0.87	6.35	↓ -6.4bps	101.33	6.199 6.343	101.34 101.47	14-May-18	101.02	1,504.34	20
FR0036	20-Apr-06	15-Sep-19	11.50	1.3	1.22	6.56	↓ -11.7bps	106.18	6.479 6.623	106.12 106.31	14-May-18	106.35	20.00	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.5	2.09	6.86	→ 0.0bps	109.38	6.679 6.824	109.46 109.81	11-May-18	108.75	1.34	2
FR0034	26-Jan-06	15-Jun-21	12.80	3.1	2.48	6.81	↓ -5.3bps	116.39	6.764 6.891	116.17 116.56	14-May-18	116.15	105.00	2
FR0053	8-Jul-10	15-Jul-21	8.25	3.2	2.70	6.69	↓ -4.6bps	104.38	6.759 6.904	103.76 104.18	14-May-18	104.40	1,240.02	40
FR0061	6-Oct-11	15-May-22	7.00	4.0	3.33	6.76	↓ -1.7bps	100.83	6.844 6.989	100.04 100.54	14-May-18	101.05	1,226.00	30
FR0035	16-Feb-06	15-Jun-22	12.90	4.1	3.13	6.91	↓ -4.7bps	120.99	6.915 7.060	120.41 120.98	4-May-18	122.15	385.00	4
FR0043	22-Feb-07	15-Jul-22	10.25	4.2	3.32	6.92	↓ -3.4bps	111.85	6.880 7.024	111.47 112.02	14-May-18	112.10	55.00	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>6.75</b>	<b>↓ -7.7bps</b>	<b>95.30</b>	<b>6.702 6.846</b>	<b>94.90 95.49</b>	<b>14-May-18</b>	<b>95.75</b>	<b>1,564.89</b>	<b>75</b>
FR0046	19-Jul-07	15-Jul-23	9.50	5.2	3.99	7.33	→ 0.0bps	109.19	6.942 7.087	110.28 110.94	14-May-18	110.65	216.00	2
FR0039	24-Aug-06	15-Aug-23	11.75	5.3	3.95	7.00	↓ -7.9bps	120.53	6.979 7.123	119.97 120.67	24-Apr-18	123.70	20.00	2
FR0070	29-Aug-13	15-Mar-24	8.38	5.8	4.55	7.09	↓ -5.9bps	106.02	6.970 7.115	105.92 106.63	14-May-18	106.35	1,016.10	34
FR0044	19-Apr-07	15-Sep-24	10.00	6.3	4.72	7.17	↓ -6.4bps	114.17	7.046 7.191	114.08 114.87	14-May-18	113.40	225.00	3
FR0040	21-Sep-06	15-Sep-25	11.00	7.3	5.17	7.18	↑ 3.1bps	121.44	7.057 7.202	121.33 122.26	14-May-18	120.90	12.14	2
FR0037	18-May-06	15-Sep-26	12.00	8.3	5.56	7.37	→ 0.0bps	128.46	7.134 7.279	129.10 130.16	8-May-18	131.25	20.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.3	5.95	7.24	↓ -4.3bps	106.98	7.116 7.261	106.86 107.80	14-May-18	106.80	432.07	11
FR0059	15-Sep-11	15-May-27	7.00	9.0	6.35	7.18	↓ -3.2bps	98.85	7.095 7.240	98.43 99.37	14-May-18	98.75	785.07	57
FR0042	25-Jan-07	15-Jul-27	10.25	9.2	6.05	7.25	↓ -3.9bps	119.80	7.217 7.358	119.03 120.07	26-Apr-18	119.50	50.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	9.8	6.38	7.24	↓ -11.1bps	119.08	7.179 7.324	118.40 119.52	14-May-18	118.75	5.00	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>7.04</b>	<b>↓ -5.0bps</b>	<b>93.49</b>	<b>7.059 7.203</b>	<b>92.40 93.38</b>	<b>14-May-18</b>	<b>93.45</b>	<b>1,598.53</b>	<b>49</b>
FR0071	12-Sep-13	15-Mar-29	9.00	10.8	7.02	7.31	↑ 4.3bps	112.45	7.236 7.381	111.92 113.08	14-May-18	111.50	320.28	20
FR0052	20-Aug-09	15-Aug-30	10.50	12.3	7.28	7.45	↓ -1.9bps	124.18	7.383 7.527	123.50 124.84	14-May-18	124.00	5.00	1
FR0073	6-Aug-15	15-May-31	8.75	13.0	7.66	7.50	↑ 0.7bps	110.23	7.393 7.538	109.94 111.21	14-May-18	110.31	612.26	54
FR0074	10-Nov-16	15-Aug-32	7.50	14.3	8.48	7.61	↓ -0.2bps	99.03	7.479 7.623	98.92 100.17	14-May-18	99.00	1,448.40	54
FR0054	22-Jul-10	15-Jul-31	9.50	13.2	7.68	7.54	↓ -1.4bps	116.14	7.472 7.600	115.62 116.79	14-May-18	115.25	18.60	2
FR0058	21-Jul-11	15-Jun-32	8.25	14.1	8.16	7.60	↑ 0.3bps	105.58	7.486 7.631	105.28 106.57	14-May-18	104.50	9.71	6
<b>FR0065</b>	<b>30-Aug-12</b>	<b>15-May-33</b>	<b>6.63</b>	<b>15.0</b>	<b>8.84</b>	<b>7.48</b>	<b>↓ -4.8bps</b>	<b>92.33</b>	<b>7.324 7.469</b>	<b>92.46 93.70</b>	<b>14-May-18</b>	<b>93.90</b>	<b>654.67</b>	<b>47</b>
FR0068	1-Aug-13	15-Mar-34	8.38	15.8	8.81	7.68	↓ -0.6bps	106.31	7.556 7.701	106.09 107.47	14-May-18	106.40	86.61	13
FR0072	9-Jul-15	15-May-36	8.25	18.0	9.15	7.74	↓ -1.0bps	104.96	7.648 7.792	104.39 105.84	14-May-18	105.75	2,351.21	115
FR0045	24-May-07	15-May-37	9.75	19.0	9.22	7.41	↑ 1.4bps	123.70	7.552 7.697	120.33 121.99	14-May-18	119.60	5.00	1
<b>FR0075</b>	<b>10-Aug-17</b>	<b>15-May-38</b>	<b>7.50</b>	<b>20.0</b>	<b>9.84</b>	<b>7.64</b>	<b>↓ -4.9bps</b>	<b>98.61</b>	<b>7.614 7.759</b>	<b>97.39 98.84</b>	<b>14-May-18</b>	<b>98.85</b>	<b>1,122.40</b>	<b>154</b>
FR0050	24-Jan-08	15-Jul-38	10.50	20.2	9.30	7.78	↑ 2.0bps	127.39	7.721 7.865	126.41 128.17	7-May-18	128.50	0.33	1
FR0057	21-Apr-11	15-May-41	9.50	23.0	9.82	7.86	→ 0.0bps	117.31	7.767 7.911	116.71 118.45	14-May-18	117.00	18.33	4
FR0062	9-Feb-12	15-Apr-42	6.38	23.9	11.16	7.75	→ 0.0bps	85.10	7.737 7.882	83.88 85.25	14-May-18	88.20	0.20	2
FR0067	18-Jul-13	15-Feb-44	8.75	25.8	10.74	7.64	→ 0.0bps	112.43	7.722 7.866	109.67 111.40	14-May-18	111.80	0.30	1
FR0076	22-Sep-17	15-May-48	7.38	30.0	11.13	7.88	↑ 27.2bps	94.22	7.555 7.699	96.22 97.88	14-May-18	95.00	4.92	5
ORIO12	21-Oct-15	15-Oct-18	9.00	0.4	-	5.27	↓ -12.7bps	101.53	5.245 5.390	101.49 101.55	14-May-18	101.50	131.68	14
ORIO13	26-Oct-16	15-Oct-19	6.60	1.4	-	6.19	↓ -11.0bps	100.56	6.453 6.598	100.00 100.20	14-May-18	100.70	9.17	16
ORIO14	25-Oct-17	15-Oct-20	5.85	2.4	-	5.86	→ 0.0bps	99.98	6.289 6.434	98.70 99.02	14-May-18	99.50	16.39	28
IFR0008	15-Apr-10	15-Mar-20	8.80	1.8	1.67	6.15	↑ 3.3bps	104.52	6.282 6.427	104.04 104.29	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.7	4.84	6.82	↑ 2.7bps	118.11	6.985 7.130	116.32 117.16	10-Oct-17	120.36	10.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.8	7.21	7.43	→ 0.0bps	121.90	7.574 7.719	119.39 120.66	3-May-18	122.20	2.00	2
IFR0010	3-Mar-11	15-Feb-36	10.00	17.8	8.91	7.77	↑ 5.1bps	121.29	7.790 7.935	119.47 121.04	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.7	3.21	6.43	↓ -3.6bps	96.82	6.760 6.905	95.34 95.79	3-May-18	98.02	10.00	2
PBS003	2-Feb-12	15-Jan-27	6.00	8.7	6.44	7.08	↑ 0.7bps	93.10	7.222 7.367	91.34 92.21	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.8	10.17	7.67	↑ 2.3bps	84.53	7.730 7.874	82.74 83.99	8-May-18	84.30	100.00	2
PBS005	2-May-13	15-Apr-43	6.75	24.9	11.10	7.86	↓ -0.3bps	87.95	7.946 8.090	85.72 87.10	11-May-18	85.20	210.00	16
PBS006	19-Sep-13	15-Sep-20	8.25	2.3	2.09	5.98	↑ 2.0bps	104.85	6.367 6.512	103.70 104.02	14-May-18	104.75	2.92	1
PBS011	14-Jan-16	15-Aug-23	8.75	5.3	4.16	6.37	↓ -5.5bps	110.46	6.681 6.826	108.36 109.03	14-May-18	108.00	4.24	2
PBS012	28-Jan-16	15-Nov-31	8.88	13.5	7.77	7.65	↑ 8.4bps	110.24	7.599 7.743	109.37 110.66	11-May-18	107.35	55.93	2
PBS013	6-Oct-16	15-May-19	6.25	1.0	0.93	6.57	↑ 13.8bps	99.69	6.292 6.436	99.82 99.96	11-May-18	99.65	95.00	3
PBS014	6-Oct-16	15-May-21	6.50	3.0	2.60	6.49	↑ 7.4bps	100.04	6.751 6.895	98.94 99.33	4-May-18	99.75	40.00	2
PBS015	21-Jul-17	15-Jul-47	8.00	29.2	11.04	7.90	↓ -11.9bps	101.16	8.124 8.269	97.04 98.60	18-Apr-18	104.30	314.00	2
PBS016	6-Sep-17	15-Mar-20	6.25	1.8	1.69	6.46	↑ 0.6bps	99.64	6.54 6.687	99.24 99.49	7-May-18	99.40	480.00	5
PBS017	11-Jan-18	15-Oct-25	6.13	7.4	5.81	6.83	↑ 0.5bps	95.94	6.907 7.052	94.71 95.51	8-May-18	93.84	26.00	2
SR008	10-Mar-16	10-Mar-19	8.30	0.8	-	6.71	↑ 0.5bps	101.26	6.024 6.169	101.70 101.82	14-May-18	101.45	30.77	26
SR009	22-Mar-17	10-Mar-20	6.90	1.8	-	6.24	↓ -1.0bps	101.13	6.454 6.598	100.52 100.77	14-May-18	100.30	19.99	21

\*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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