

## HEADLINES & ANALYSIS

- Energy ministers from Saudi Arabia, the United Arab Emirates and Kuwait plan to meet on Saturday to discuss OPEC matters, about a week after the Saudis and Russia announced a new policy to revive oil production. Saudi Energy Minister Khalid Al-Falih will meet with Kuwait's Bakheet Al-Rashidi and the U.A.E.'s Suhail Al Mazrouei -- also the holder of OPEC's rotating presidency -- in Kuwait City. (Bloomberg)
- Treasuries rally ramped up into the cash settlement as 10-year yields richened as much as 17bp, breaching 2.76% and risk-off sentiment extended over U.S. afternoon; eurodollars rallied hard, flattening out to greens, while volumes surged as Fed rate hikes paths corrected. (Bloomberg)
- The free-fall in Italy's debt Tuesday underscored that even one of Europe's biggest debt markets is subject to the traders' adage that liquidity often dries up just when you need it most. The country is struggling to form a government more than 2 months after its last parliamentary election and fear that populist parties could turn a repeat poll into a de facto referendum on euro membership have sent yields surging in Italy's 1.6 trillion euro (\$1.85 trillion) bond market. (Bloomberg)

## YIELD CURVE (%)

	TTM	30-May-18	-1 Day	Change	TTM	30-May-18	-1 Day	Change
3 months	4.792	4.933	-0.142		15 years	7.790	8.002	-0.212
6 months	5.471	5.635	-0.165		16 years	7.831	8.033	-0.202
1 year	6.282	6.395	-0.114		17 years	7.867	8.059	-0.192
2 years	6.739	6.786	-0.047		18 years	7.899	8.083	-0.184
3 years	6.859	6.940	-0.081		19 years	7.927	8.103	-0.176
4 years	6.937	7.079	-0.143		20 years	7.951	8.121	-0.169
5 years	7.023	7.220	-0.198		21 years	7.973	8.137	-0.163
6 years	7.118	7.354	-0.237		22 years	7.993	8.150	-0.158
7 years	7.216	7.476	-0.260		23 years	8.010	8.163	-0.153
8 years	7.313	7.583	-0.270		24 years	8.026	8.174	-0.148
9 years	7.404	7.675	-0.271		25 years	8.039	8.184	-0.144
10 years	7.488	7.753	-0.265		26 years	8.052	8.193	-0.141
11 years	7.563	7.820	-0.257		27 years	8.063	8.201	-0.138
12 years	7.631	7.877	-0.246		28 years	8.073	8.208	-0.135
13 years	7.691	7.925	-0.234		29 years	8.082	8.214	-0.132
14 years	7.744	7.966	-0.223		30 years	8.090	8.220	-0.130

Source : Danareksa Sekuritas

## MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0064	6.125	15-May-28	93.10	7.091	2,983.67
SPN12190104	-	4-Jan-19	96.82	-	1,250.00
FR0053	8.250	15-Jul-21	104.00	6.792	1,184.16
FR0073	8.750	15-May-31	107.95	7.839	785.52
FR0065	6.625	15-May-33	93.00	7.530	578.39

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

## MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
SMFP04ACN4	idAAA	6.050	28-May-19	100.04	6.05	417.00
WSKT03ACN2	A-(idn)	7.750	23-Feb-21	98.34	8.44	257.00
IMFI03ACN3	idA	6.500	28-May-19	100.00	6.50	173.00
PNBN02CN3	idAAA	7.500	27-Feb-23	97.60	8.11	150.00
APAI01C	idAAA	8.550	22-Nov-26	95.06	9.40	99.00

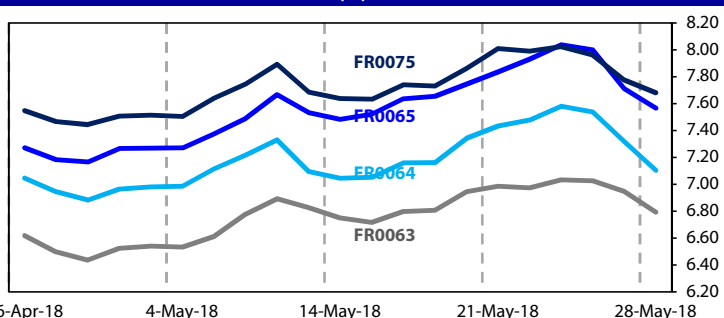
\*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

## SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	30-May-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	30-May-18			Spread over UST YC (bps)		
			-1 Mo	-3 Mo	30-May-18	-1 Mo	-3 Mo	-1 Mo				-3 Mo	-1 Mo	-3 Mo			
United States USD	2yr		2.320	2.580	2.400				Philippines PHP	2yr	6.000	4.358	4.314	4.221	204	187	197
	5yr		2.580	2.770	2.650					5yr	7.875	5.552	5.461	-	297	269	-
	10yr		2.770	2.920	2.880					10yr	11.375	6.145	6.289	-	338	337	-
German EUR	2yr	0.250	-0.765	-	-	-309	-	-	Thailand THB	2yr	3.125	1.777	1.453	1.449	-54	-99	-80
	5yr	1.000	-0.386	-0.015	0.084	-297	-279	-257		5yr	3.450	2.091	1.821	1.838	-49	-95	-81
	10yr	1.750	0.260	0.600	0.735	-251	-232	-215		10yr	3.625	2.682	2.402	2.436	-9	-52	-44
Indonesia USD	2yr	11.625	2.850	2.813	2.544	53	37	29	India INR	2yr	7.590	7.662	7.176	7.051	534	474	480
	5yr	3.750	3.962	3.735	3.515	138	97	87		5yr	7.280	7.875	7.586	7.543	530	482	489
	10yr	3.500	4.328	4.137	4.040	156	122	116		10yr	8.830	7.758	7.631	7.671	499	471	479
Brazil BRL	2yr	0.000	8.028	7.20	7.91	571	476	566	Malaysia MYR	3yr	3.172	3.777	3.566	3.496	135	99	110
	5yr	10.000	9.907	8.60	9.10	759	616	685		5yr	3.260	3.908	-	-	133	-	-
	10yr	10.000	11.448	9.76	10.00	913	732	775		10yr	4.181	4.264	4.024	4.098	149	110	122

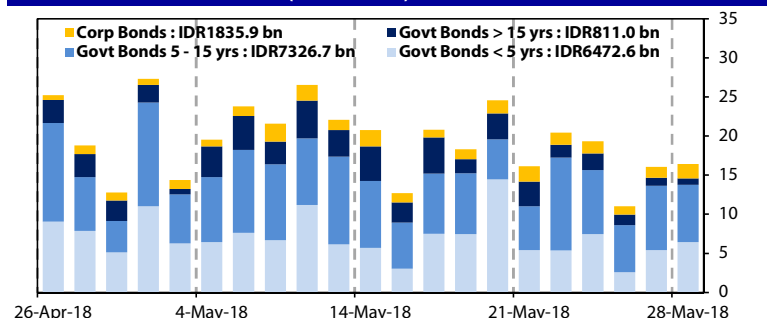
Sources: Bloomberg (Current Yield Curve), US Treasury

## 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)	4.50	17-May-18	25bps ↑	3.41	1.09
US (Fed Fund Rate)	1.75	21-Mar-18	25bps ↑	2.50	-0.75
Euro Region	0.00	16-Mar-16	-5bps ↓	1.40	-1.40
Japan	0.10	19-Dec-08	-20bps ↓	0.60	-0.50
India (Repo Rate)	6.00	2-Aug-17	-25bps ↓	4.36	1.64
Malaysia	3.25	25-Jan-18	25bps ↑	1.40	1.85
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 ↑	0.10	-0.02
Brazil	6.50	21-Mar-18	-25bps ↓	2.76	3.74

Sources: Bloomberg

## GLOBAL STOCK MARKETS

Stock Index	28-May-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,068 ↑	5,976	1.55	5.83	2.52	6.15	-4.52
Dow Jones (DJIA)	24,753 →	24,753	0.00	-1.04	1.82	17.42	0.14
London (FTSE 100)	7,730 →	7,730	0.00	-1.64	3.04	2.42	0.55
Nikkei 225	22,481 ↑	22,451	0.13	-2.27	0.06	14.19	-1.25
Hang Seng (HIS)	30,792 ↑	30,588	0.67	-1.42	1.69	20.10	2.92
Malaysia (KLIC)	1,776 ↓	1,797	-1.20	-4.19	-4.70	0.20	-1.17
Philippines (PSEI)	7,643 ↓	7,648	-0.06	-0.20	-1.01	-2.85	-10.70
Thailand (SET)	1,735 ↓	1,741	-0.38	-1.91	-2.45	10.53	-1.09
Singapore (STI)	3,518 ↑	3,513	0.15	-0.84	-1.64	9.29	3.40
Brazil (BOVESPA)	75,356 ↓	78,898	-4.49	-7.90	-12.83	17.59	-1.37

Sources: Bloomberg & Danareksa

## CURRENCY & COMMODITY

Price	28-May-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,995 ↓	14,125	14,190	13,893	13,555
Brent	74.69 ↓	75.85	78.95	73.85	66.82
WTI Crude Oil	67.91 →	67.91	72.24	68.1	60.42

Sources: Bloomberg

## PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
28-May-18	6.86		1.03	1.36	-2.13	5.51	-2.49
-1 Day	7.00	↓ -13.7	0.66	-0.38	-3.36	4.51	-3.49
-1 Week	7.03	↓ -17.2	-0.70	-2.10	-4.72	4.95	-3.80
-1 Month	6.54	↑ 32.0	0.41	-1.13	-0.36	8.40	-0.81
-1 Year	6.97	↓ -11.1	0.08	0.94	1.39	12.26	8.44

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		
FR0032	1-Sep-05	15-Jul-18	15.00	0.1	0.13	3.24	↑ 90.1bps	101.43	2.777	3.244	101.46	101.53	15-May-18	101.58	25.00	2
FR0038	24-Aug-06	15-Aug-18	11.60	0.2	0.21	4.73	↑ 108.2bps	101.40	3.538	4.005	101.57	101.68	14-May-18	101.50	21.70	2
FR0048	27-Sep-07	15-Sep-18	9.00	0.3	0.29	5.11	↓ -3.2bps	101.09	4.215	4.683	101.22	101.36	28-May-18	101.00	0.63	1
FR0069	29-Aug-13	15-Apr-19	7.88	0.9	0.83	6.23	↓ -6.5bps	101.35	5.966	6.358	101.26	101.60	28-May-18	101.41	242.42	9
FR0036	20-Apr-06	15-Sep-19	11.50	1.3	1.18	6.48	↓ -10.4bps	106.10	6.418	6.545	106.03	106.19	25-May-18	103.44	128.93	4
FR0031	16-Jun-05	15-Nov-20	11.00	2.5	2.15	6.83	↓ -2.3bps	109.24	6.653	6.886	109.16	109.71	25-May-18	107.04	60.00	2
FR0034	26-Jan-06	15-Jun-21	12.80	3.0	2.44	6.79	↓ -11.0bps	116.22	6.759	6.886	115.98	116.36	28-May-18	115.76	332.16	2
FR0053	8-Jul-10	15-Jul-21	8.25	3.1	2.66	6.79	↓ -11.4bps	104.03	6.719	6.955	103.57	104.24	28-May-18	104.00	1,184.16	13
FR0061	6-Oct-11	15-May-22	7.00	4.0	3.40	6.83	↓ -10.0bps	100.57	6.705	7.002	99.99	101.01	28-May-18	100.75	228.00	5
FR0035	16-Feb-06	15-Jun-22	12.90	4.0	3.08	7.15	↑ 1.2bps	119.87	6.882	7.097	120.08	120.92	23-May-18	123.25	5.00	5
FR0043	22-Feb-07	15-Jul-22	10.25	4.1	3.27	7.16	↓ -1.3bps	110.84	6.770	7.168	110.83	112.33	25-May-18	111.50	40.00	2
<b>FR0063</b>	<b>13-Aug-12</b>	<b>15-May-23</b>	<b>5.63</b>	<b>5.0</b>	<b>4.23</b>	<b>6.79</b>	<b>↓ -15.4bps</b>	<b>95.15</b>	<b>6.649</b>	<b>6.914</b>	<b>94.66</b>	<b>95.73</b>	<b>28-May-18</b>	<b>95.25</b>	<b>486.04</b>	<b>9</b>
FR0046	19-Jul-07	15-Jul-23	9.50	5.1	3.96	7.02	↓ -16.0bps	110.49	6.790	7.257	109.45	111.56	22-May-18	109.50	1.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	5.2	3.90	7.25	↓ -4.8bps	119.20	6.970	7.170	119.61	120.57	24-Apr-18	123.70	20.00	2
FR0070	29-Aug-13	15-Mar-24	8.38	5.8	4.50	7.22	↓ -12.5bps	105.36	6.986	7.234	105.30	106.51	28-May-18	103.90	358.83	15
FR0044	19-Apr-07	15-Sep-24	10.00	6.3	4.66	7.40	↓ -5.1bps	112.88	7.061	7.313	113.34	114.70	16-May-18	113.45	12.00	1
FR0040	21-Sep-06	15-Sep-25	11.00	7.3	5.10	7.61	↓ -1.1bps	118.64	7.022	7.453	119.66	122.38	25-May-18	119.00	34.00	1
FR0037	18-May-06	15-Sep-26	12.00	8.3	5.49	7.67	→ 0.0bps	126.17	7.118	7.541	127.10	130.16	25-May-18	126.00	14.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.3	5.91	7.29	↓ -25.0bps	106.63	7.228	7.391	106.01	107.05	28-May-18	107.00	369.00	13
FR0059	15-Sep-11	15-May-27	7.00	9.0	6.53	7.21	↓ -32.8bps	98.65	7.155	7.434	97.19	98.98	28-May-18	98.60	531.31	31
FR0042	25-Jan-07	15-Jul-27	10.25	9.1	5.99	7.37	↓ -28.8bps	118.89	7.274	7.499	117.93	119.58	21-May-18	114.25	40.54	1
FR0047	30-Aug-07	15-Feb-28	10.00	9.7	6.32	7.39	↓ -16.8bps	117.84	7.296	7.572	116.46	118.56	28-May-18	118.50	400.00	2
<b>FR0064</b>	<b>13-Aug-12</b>	<b>15-May-28</b>	<b>6.13</b>	<b>10.0</b>	<b>7.23</b>	<b>7.09</b>	<b>↓ -22.8bps</b>	<b>93.18</b>	<b>7.057</b>	<b>7.355</b>	<b>91.42</b>	<b>93.41</b>	<b>28-May-18</b>	<b>93.10</b>	<b>2,983.67</b>	<b>122</b>
FR0071	12-Sep-13	15-Mar-29	9.00	10.8	6.95	7.50	↓ -28.8bps	110.93	7.313	7.587	110.27	112.42	28-May-18	111.75	5.65	3
FR0052	20-Aug-09	15-Aug-30	10.50	12.2	7.11	8.08	↑ 0.3bps	118.55	7.437	7.904	120.07	124.28	24-May-18	118.95	102.00	2
FR0073	6-Aug-15	15-May-31	8.75	13.0	7.85	7.84	↓ -8.4bps	107.33	7.476	7.943	106.45	110.45	28-May-18	107.95	785.52	18
FR0074	10-Nov-16	15-Aug-32	7.50	14.2	8.41	7.73	↓ -14.4bps	98.05	7.627	7.953	96.16	98.89	28-May-18	99.10	555.87	52
FR0054	22-Jul-10	15-Jul-31	9.50	13.1	7.56	7.88	↓ -25.2bps	113.09	7.585	7.955	112.43	115.73	25-May-18	112.00	75.00	5
FR0058	21-Jul-11	15-Jun-32	8.25	14.0	8.04	7.86	↓ -17.1bps	103.26	7.648	7.961	102.41	105.12	28-May-18	104.00	234.85	6
<b>FR0065</b>	<b>30-Aug-12</b>	<b>15-May-33</b>	<b>6.63</b>	<b>15.0</b>	<b>9.10</b>	<b>7.53</b>	<b>↓ -18.1bps</b>	<b>91.96</b>	<b>7.508</b>	<b>7.848</b>	<b>89.34</b>	<b>92.14</b>	<b>28-May-18</b>	<b>93.00</b>	<b>578.39</b>	<b>67</b>
FR0068	1-Aug-13	15-Mar-34	8.38	15.8	8.69	7.91	↓ -13.1bps	104.17	7.724	8.054	102.82	105.87	28-May-18	105.50	34.31	8
FR0072	9-Jul-15	15-May-36	8.25	18.0	9.40	7.90	↓ -20.5bps	103.35	7.844	8.163	100.81	103.87	28-May-18	103.50	138.70	15
FR0045	24-May-07	15-May-37	9.75	19.0	9.55	7.40	→ 0.0bps	123.75	7.341	7.808	119.04	124.45	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>10.14</b>	<b>7.68</b>	<b>↓ -9.6bps</b>	<b>98.16</b>	<b>7.690</b>	<b>8.107</b>	<b>94.04</b>	<b>98.07</b>	<b>28-May-18</b>	<b>98.43</b>	<b>259.68</b>	<b>127</b>
FR0050	24-Jan-08	15-Jul-38	10.50	20.1	9.01	8.30	↓ -1.0bps	121.34	7.745	8.213	122.32	127.84	7-May-18	128.50	0.33	1
FR0057	21-Apr-11	15-May-41	9.50	23.0	9.89	8.35	↑ 0.5bps	111.66	7.833	8.300	112.22	117.63	18-May-18	117.80	1.00	2
FR0062	9-Feb-12	15-Apr-42	6.38	23.9	10.94	8.01	↓ -14.6bps	82.67	7.838	8.305	80.08	84.30	28-May-18	83.30	14.20	3
FR0067	18-Jul-13	15-Feb-44	8.75	25.7	10.30	8.20	→ 0.0bps	105.86	7.755	8.222	105.59	110.99	28-May-18	108.02	137.00	10
FR0076	22-Sep-17	15-May-48	7.38	30.0	11.32	8.10	↑ 1.0bps	91.85	7.798	8.192	90.92	95.11	28-May-18	90.90	13.80	8
ORIO12	21-Oct-15	15-Oct-18	9.00	0.4	-	5.71	↑ 17.9bps	101.18	5.009	5.476	101.31	101.48	28-May-18	100.50	43.94	18
ORIO13	26-Oct-16	15-Oct-19	6.60	1.4	-	#N/A	#N/A	#N/A	6.102	6.569	100.04	100.66	28-May-18	99.00	7.14	11
ORIO14	25-Oct-17	15-Oct-20	5.85	2.4	-	#N/A	#N/A	#N/A	5.944	6.411	98.77	99.79	28-May-18	97.20	2.18	14
IFR0008	15-Apr-10	15-Mar-20	8.80	1.8	1.62	6.19	↓ -10.5bps	104.35	5.985	6.452	103.90	104.70	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.6	4.79	6.94	↑ 3.3bps	117.35	6.607	7.074	116.56	119.28	10-Oct-17	120.36	10.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.8	7.19	7.35	↓ -0.1bps	122.55	7.218	7.685	119.64	123.78	3-May-18	122.20	2.00	2
IFR0010	3-Mar-11	15-Feb-36	10.00	17.7	8.63	8.37	↓ -0.1bps	114.93	7.849	8.316	115.44	120.37	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.6	3.17	6.44	→ 0.0bps	96.85	6.371	6.838	95.60	97.05	22-May-18	96.61	100.00	2
PBS003	2-Feb-12	15-Jan-27	6.00	8.6	6.39	7.13	↑ 3.2bps	92.79	6.843	7.311	91.71	94.56	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.7	10.15	7.62	↓ -1.5bps	84.92	7.564	8.031	81.45	85.46	28-May-18	89.05	207.00	3
PBS005	2-May-13	15-Apr-43	6.75	24.9	11.06	7.86	↑ 0.2bps	87.92	7.780	8.248	84.26	88.73	16-May-18	93.03	176.00	2
PBS006	19-Sep-13	15-Sep-20	8.25	2.3	2.05	6.00	↑ 0.8bps	104.73	5.895	6.362	103.96	104.97	14-May-18	104.75	2.92	1
PBS011	14-Jan-16	15-Aug-23	8.75	5.2	4.12	6.37	↓ -0.5bps	110.42	6.203	6.670	109.01	111.18	18-May-18	107.25	7.00	7
PBS012	28-Jan-16	15-Nov-31	8.88	13.5	7.94	8.08	↓ -0.5bps	106.49	7.615	8.026	106.90	110.49	28-May-18	116.40	62.88	5
PBS013	6-Oct-16	15-May-19	6.25	1.0	0.91	6.50	↓ -11.4bps	99.77	6.157	6.624	99.65	100.08	28-May-18	99.80	504.00	9
PBS014	6-Oct-16	15-May-21	6.50	3.0	2.64	6.95	↑ 40.0bps	98.81	6.370	6.837	99.11	100.34	28-May-18	98.70	20.00	1
PBS015	21-Jul-17	15-Jul-47	8.00	29.1	10.94	7.96	↓ -0.6bps	100.44	7.956	8.423	95.42	100.48	18-Apr-18	104.30	314.00	2
PBS016	6-Sep-17	15-Mar-20	6.25	1.8	1.65	6.61	↑ 0.2bps	99.39	6.24	6.709	99.22	100.00	28-May-18	99.10	288.00	2
PBS017	11-Jan-18	15-Oct-25	6.13	7.4	5.77	6.85	→ 0.0bps	95.85	6.552	7.019	94.91	97.52	16-May-18	93.35	15.00	5
SR008	10-Mar-16	10-Mar-19	8.30	0.8	-	6.46	↓ -24.4bps	101.38	6.040	6.507	101.36	101.72	28-May-18	100.25	38.09	15
SR009	22-Mar-17	10-Mar-20	6.90	1.8	-	#N/A	#N/A	#N/A	6.194	6.661	100.40	101.19	28-May-18	100.55	52.85	17

\*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)