

## HEADLINES & ANALYSIS

- Indonesia's second interest-rate increase in two weeks may not be enough to stem a slide in the rupiah amid an ongoing rout in emerging markets. Much will depend on geopolitical events -- from snap elections in Italy to ongoing trade disputes between the U.S. and China -- and how much further the U.S. Federal Reserve will tighten monetary policy. (Bloomberg)
- As Japanese government bond yields track those on Treasuries to slide lower, traders are back to debating the possibility of the Bank of Japan reducing its debt purchases. The catch is that the flight to safety sparked by Italy's political turmoil has also spurred gains in the yen, and the BOJ would be mindful of how a cut in bond purchases may further bolster the currency, says Nissay Asset Management Corp. (Bloomberg)
- The rating agency placed on review for downgrade the long-term deposit ratings of six banks and the issuer and/or senior unsecured debt ratings of four banks after the corresponding action on the sovereign's Baa2 bond rating. (Bloomberg)

## YIELD CURVE (%)

TTM	30-May-18	-1 Day	Change	TTM	30-May-18	-1 Day	Change
3 months	4.895	4.792	0.103	15 years	7.796	7.790	0.006
6 months	5.498	5.471	0.027	16 years	7.839	7.831	0.008
1 year	6.255	6.282	-0.027	17 years	7.876	7.867	0.009
2 years	6.707	6.739	-0.032	18 years	7.909	7.899	0.011
3 years	6.834	6.859	-0.025	19 years	7.939	7.927	0.012
4 years	6.916	6.937	-0.021	20 years	7.964	7.951	0.013
5 years	7.004	7.023	-0.018	21 years	7.987	7.973	0.014
6 years	7.102	7.118	-0.016	22 years	8.007	7.993	0.015
7 years	7.203	7.216	-0.014	23 years	8.026	8.010	0.015
8 years	7.302	7.313	-0.011	24 years	8.042	8.026	0.016
9 years	7.396	7.404	-0.008	25 years	8.056	8.039	0.017
10 years	7.482	7.488	-0.006	26 years	8.069	8.052	0.017
11 years	7.561	7.563	-0.003	27 years	8.080	8.063	0.018
12 years	7.631	7.631	0.000	28 years	8.091	8.073	0.018
13 years	7.693	7.691	0.002	29 years	8.100	8.082	0.018
14 years	7.748	7.744	0.004	30 years	8.108	8.090	0.019

Source : Danareksa Sekuritas

## MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0064	6.125	15-May-28	93.40	7.072	935.89
FR0059	7.000	15-May-27	98.25	7.166	889.56
FR0074	7.500	15-Aug-32	97.80	7.762	677.10
FR0061	7.000	15-May-22	100.21	6.851	672.88
FR0072	8.250	15-May-36	103.45	7.908	586.56

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	100.00	6.05	620.00
BBIA01ACN2	AAA(idn)	6.150	3-Jun-19	100.06	6.09	466.00
PJAA01BCN2	idAA-	7.600	18-May-21	100.00	7.60	300.00
IMFI03ACN3	idA	6.500	28-May-19	100.00	6.50	184.00
OTMA02B	idAA+	7.800	19-Apr-21	100.00	7.80	146.00

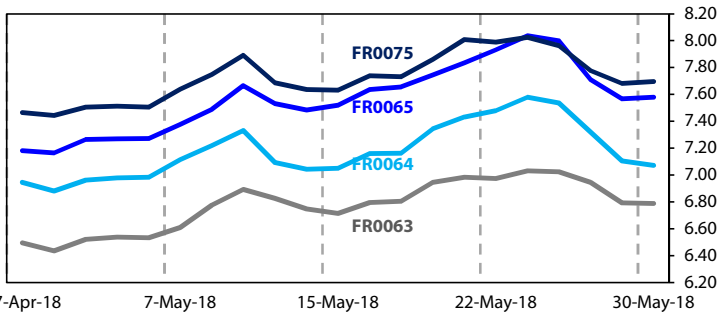
\*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

## 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)		
			30-May-18	-1 Mo	-3 Mo	30-May-18	-1 Mo	-3 Mo				30-May-18	-1 Mo	-3 Mo			
United States USD	2yr		2.420	2.580	2.400				Philippines PHP	2yr	6.000	4.471	4.314	4.221	205	187	197
	5yr		2.670	2.770	2.650					5yr	7.875	5.540	5.461	-	287	269	-
	10yr		2.840	2.920	2.880					10yr	11.375	6.150	6.289	-	331	337	-
German EUR	2yr	0.250	-0.654	-	-	-307	-	-	Thailand THB	2yr	3.125	1.77	1.453	1.449	-65	-99	-80
	5yr	1.000	-0.258	-0.015	0.084	-293	-279	-257		5yr	3.450	2.079	1.821	1.838	-59	-95	-81
	10yr	1.750	0.372	0.600	0.735	-247	-232	-215		10yr	3.625	2.661	2.402	2.436	-18	-52	-44
Indonesia USD	2yr	11.625	2.881	2.813	2.544	46	37	29	India INR	2yr	7.590	7.623	7.176	7.051	520	474	480
	5yr	3.750	3.999	3.735	3.515	133	97	87		5yr	7.280	7.9	7.586	7.543	523	482	489
	10yr	3.500	4.334	4.137	4.040	149	122	116		10yr	8.830	7.785	7.631	7.671	495	471	479
Brazil BRL	2yr	0.000	8.006	7.20	7.91	559	476	566	Malaysia MYR	3yr	3.172	3.795	3.566	3.496	127	99	110
	5yr	10.000	9.746	8.60	9.10	733	616	685		5yr	3.260	3.927	-	-	126	-	-
	10yr	10.000	11.459	9.76	10.00	904	732	775		10yr	4.181	4.271	4.024	4.098	143	110	122

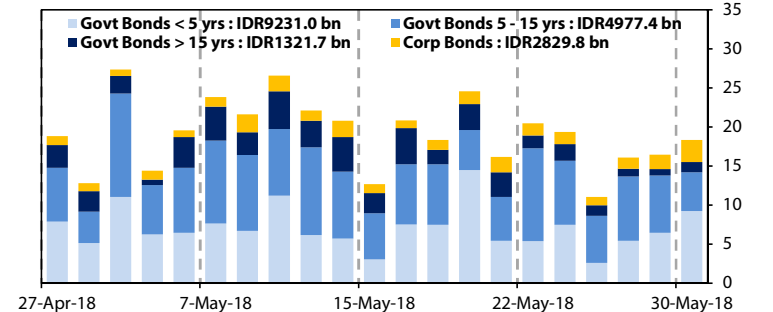
Sources: Bloomberg (Current Yield Curve), US Treasury

## 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)	4.75	30-May-18	25bps ↑	3.41	1.34
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	30-May-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,011 ↓	6,068	-0.94	3.78	0.27	5.58	-5.42
Dow Jones (DJIA)	24,668 ↓	24,753	-0.34	-0.88	2.09	17.30	-0.21
London (FTSE 100)	7,690 ↓	7,730	-0.53	-1.27	2.40	2.17	0.02
Nikkei 225	22,019 ↓	22,481	-2.06	-2.96	-2.00	11.89	-3.28
Hang Seng (HIS)	30,057 ↓	30,792	-2.39	-1.99	-2.44	16.95	0.46
Malaysia (KLCI)	1,719 ↓	1,776	-3.18	-4.71	-8.08	-2.61	-4.31
Philippines (PSEi)	7,470 ↓	7,643	-2.26	-1.19	-4.46	-4.97	-12.72
Thailand (SET)	1,725 ↓	1,735	-0.54	-1.62	-3.09	9.98	-1.63
Singapore (STI)	3,444 ↓	3,518	-2.12	-1.50	-4.70	7.46	1.21
Brazil (BOVESPA)	76,754 ↑	75,356	1.85	-5.09	-10.87	20.00	0.46

Sources: Bloomberg & Danareksa

## CURRENCY & COMMODITY

Price	30-May-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,993 ↓	13,995	14,209	13,913	13,555
Brent	77.12 ↑	74.69	79.18	74.87	66.82
WTI Crude Oil	68.21 ↑	67.91	71.83	68.57	60.42

Sources: Bloomberg

## PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
30-May-18	6.83		0.25	1.83	-1.04	5.67	-2.25
-1 Day	6.86	↓ -3.2	1.03	1.36	-2.13	5.51	-2.49
-1 Week	7.12	↓ -29.1	-0.35	-2.04	-5.06	3.62	-4.34
-1 Month	6.49	↑ 33.4	0.31	-0.36	-0.37	8.72	-0.50
-1 Year	6.97	↓ -14.1	0.02	0.40	1.26	12.20	8.54

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	2.64	↓ -59.2bps	101.38	3.010	3.262	101.46	101.50	15-May-18	101.58	25.00	2
FR0038	24-Aug-06	15-Aug-18	11.60	0.2	0.21	4.66	↑ 174.9bps	101.34	2.678	2.930	101.81	101.87	14-May-18	101.50	21.70	2
FR0048	27-Sep-07	15-Sep-18	9.00	0.3	0.29	4.91	↓ -19.5bps	101.10	4.447	4.699	101.22	101.29	28-May-18	101.00	0.63	1
FR0069	29-Aug-13	15-Apr-19	7.88	0.9	0.83	6.23	→ 0.0bps	101.35	6.025	6.277	101.33	101.55	30-May-18	98.85	24.37	2
FR0036	20-Apr-06	15-Sep-19	11.50	1.3	1.18	6.41	↓ -6.9bps	106.14	6.376	6.506	106.08	106.24	30-May-18	105.95	1.59	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.5	2.15	6.75	↓ -4.6bps	109.43	6.626	6.851	109.24	109.77	25-May-18	107.04	60.00	2
FR0034	26-Jan-06	15-Jun-21	12.80	3.0	2.44	6.82	↓ -2.3bps	116.12	6.734	6.856	116.08	116.44	28-May-18	115.76	332.16	2
FR0053	8-Jul-10	15-Jul-21	8.25	3.1	2.66	6.80	↑ 0.4bps	104.01	6.689	6.924	103.66	104.33	30-May-18	103.90	145.20	8
FR0061	6-Oct-11	15-May-22	7.00	4.0	3.40	6.85	↑ 2.7bps	100.50	6.705	6.957	100.14	101.01	30-May-18	100.21	672.88	30
FR0035	16-Feb-06	15-Jun-22	12.90	4.0	3.08	7.14	↓ -0.9bps	119.86	6.853	7.105	120.05	121.04	23-May-18	123.25	5.00	5
FR0043	22-Feb-07	15-Jul-22	10.25	4.1	3.27	7.16	→ 0.0bps	110.84	6.830	7.082	111.15	112.10	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>	↓ -0.5bps	<b>95.18</b>	<b>6.637</b>	<b>6.889</b>	<b>94.76</b>	<b>95.78</b>	<b>30-May-18</b>	<b>95.50</b>	<b>200.00</b>	<b>2</b>
FR0046	19-Jul-07	15-Jul-23	9.50	5.1	3.96	7.08	↑ 5.4bps	110.23	6.883	7.135	109.99	111.13	22-May-18	109.50	1.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	5.2	3.91	7.10	↓ -15.4bps	119.91	6.950	7.154	119.68	120.67	24-Apr-18	123.70	20.00	2
FR0070	29-Aug-13	15-Mar-24	8.38	5.8	4.51	7.15	↓ -7.7bps	105.72	6.974	7.218	105.38	106.57	30-May-18	105.01	282.41	9
FR0044	19-Apr-07	15-Sep-24	10.00	6.3	4.67	7.17	↓ -22.9bps	114.10	7.047	7.293	113.45	114.79	16-May-18	113.45	12.00	1
FR0040	21-Sep-06	15-Sep-25	11.00	7.3	5.13	7.23	↓ -37.1bps	121.04	7.094	7.346	120.33	121.92	25-May-18	119.00	34.00	1
FR0037	18-May-06	15-Sep-26	12.00	8.3	5.53	7.29	↓ -38.3bps	128.87	7.201	7.453	127.73	129.56	25-May-18	126.00	14.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.3	5.91	7.29	↓ -3.5bps	106.65	7.225	7.386	106.03	107.06	30-May-18	106.80	89.96	4
FR0059	15-Sep-11	15-May-27	7.00	9.0	6.54	7.17	↓ -7.7bps	98.91	7.168	7.420	97.28	98.90	30-May-18	98.25	889.56	31
FR0042	25-Jan-07	15-Jul-27	10.25	9.1	6.00	7.30	↓ -7.1bps	119.40	7.261	7.498	117.94	119.68	21-May-18	114.25	40.54	1
FR0047	30-Aug-07	15-Feb-28	10.00	9.7	6.33	7.35	↓ -3.6bps	118.11	7.295	7.547	116.65	118.57	30-May-18	118.25	301.05	5
<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>7.07</b>	↓ -3.3bps	<b>93.31</b>	<b>7.064</b>	<b>7.316</b>	<b>91.68</b>	<b>93.36</b>	<b>30-May-18</b>	<b>93.40</b>	<b>935.89</b>	<b>55</b>
FR0071	12-Sep-13	15-Mar-29	9.00	10.8	6.95	7.46	↓ -4.1bps	111.25	7.319	7.571	110.39	112.37	30-May-18	111.90	410.47	9
FR0052	20-Aug-09	15-Aug-30	10.50	12.2	7.11	8.08	→ 0.0bps	118.55	7.564	7.816	120.85	123.11	24-May-18	118.95	102.00	2
FR0073	6-Aug-15	15-May-31	8.75	13.0	7.87	7.75	↓ -9.4bps	108.11	7.587	7.839	107.32	109.48	30-May-18	107.80	30.00	1
FR0074	10-Nov-16	15-Aug-32	7.50	14.2	8.40	7.76	↑ 1.3bps	97.75	7.678	7.930	96.35	98.46	30-May-18	97.80	677.10	40
FR0054	22-Jul-10	15-Jul-31	9.50	13.1	7.60	7.70	↓ -17.5bps	114.64	7.646	7.898	112.93	115.18	25-May-18	112.00	75.00	5
FR0058	21-Jul-11	15-Jun-32	8.25	14.0	8.06	7.79	↓ -7.5bps	103.91	7.692	7.944	102.55	104.73	30-May-18	103.75	223.67	6
<b>FR0065</b>	<b>30-Aug-12</b>	<b>15-May-33</b>	<b>6.63</b>	<b>15.0</b>	<b>9.08</b>	<b>7.58</b>	↑ 1.3bps	<b>91.54</b>	<b>7.563</b>	<b>7.815</b>	<b>89.60</b>	<b>91.67</b>	<b>30-May-18</b>	<b>92.00</b>	<b>557.85</b>	<b>49</b>
FR0068	1-Aug-13	15-Mar-34	8.38	15.8	8.69	7.90	→ 0.0bps	104.21	7.777	8.029	103.05	105.37	30-May-18	104.80	314.05	14
FR0072	9-Jul-15	15-May-36	8.25	18.0	9.39	7.91	↑ 2.6bps	103.24	7.882	8.135	101.07	103.49	30-May-18	103.45	586.56	17
FR0045	24-May-07	15-May-37	9.75	19.0	9.37	7.81	↑ 40.9bps	119.03	7.453	7.705	120.20	123.12	30-May-18	117.50	2.40	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>7.70</b>	↑ 1.6bps	<b>98.00</b>	<b>7.769</b>	<b>8.021</b>	<b>94.85</b>	<b>97.29</b>	<b>30-May-18</b>	<b>98.50</b>	<b>289.96</b>	<b>103</b>
FR0050	24-Jan-08	15-Jul-38	10.50	20.1	9.01	8.30	→ 0.0bps	121.34	7.872	8.124	123.34	126.31	7-May-18	128.50	0.33	1
FR0057	21-Apr-11	15-May-41	9.50	23.0	10.09	8.00	↓ -35.3bps	115.68	7.950	8.202	113.32	116.24	18-May-18	117.80	1.00	2
FR0062	9-Feb-12	15-Apr-42	6.38	23.9	10.94	8.00	↓ -1.1bps	82.71	7.944	8.196	81.03	83.31	30-May-18	84.97	22.00	2
FR0067	18-Jul-13	15-Feb-44	8.75	25.7	10.30	8.20	→ 0.0bps	105.86	7.884	8.136	106.55	109.46	30-May-18	108.90	25.00	5
FR0076	22-Sep-17	15-May-48	7.38	30.0	11.30	8.13	↑ 3.2bps	91.52	7.896	8.148	91.37	94.04	30-May-18	95.65	1.90	6
ORIO12	21-Oct-15	15-Oct-18	9.00	0.4	-	5.56	↑ 5.8bps	101.23	5.170	5.422	101.33	101.42	30-May-18	100.15	118.41	10
ORIO13	26-Oct-16	15-Oct-19	6.60	1.4	-	6.40	↑ 6.1bps	100.26	6.168	6.420	100.24	100.57	30-May-18	99.90	5.04	9
ORIO14	25-Oct-17	15-Oct-20	5.85	2.4	-	6.22	→ 0.0bps	99.18	6.018	6.270	99.08	99.63	30-May-18	97.80	53.16	14
IFR0008	15-Apr-10	15-Mar-20	8.80	1.8	1.62	6.31	↑ 12.0bps	104.12	6.058	6.310	104.14	104.58	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.6	4.78	6.97	↑ 3.1bps	117.15	6.691	6.944	117.31	118.78	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	7.306	7.558	120.75	122.99	3-May-18	122.20	2.00	2
IFR0010	3-Mar-11	15-Feb-36	10.00	17.7	8.63	8.37	→ 0.0bps	114.93	7.979	8.231	116.32	118.97	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.6	3.16	6.70	↑ 26.7bps	96.03	6.452	6.704	96.01	96.80	30-May-18	95.12	58.99	2
PBS003	2-Feb-12	15-Jan-27	6.00	8.6	6.39	7.14	↑ 0.4bps	92.78	6.941	7.193	92.42	93.96	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.7	10.15	7.63	↑ 0.1bps	84.92	7.660	7.912	82.44	84.61	28-May-18	89.05	207.00	3
PBS005	2-May-13	15-Apr-43	6.75	24.9	11.02	7.92	↑ 5.5bps	87.38	7.888	8.140	85.26	87.67	16-May-18	93.03	176.00	2
PBS006	19-Sep-13	15-Sep-20	8.25	2.3	2.05	6.01	↑ 0.7bps	104.69	5.958	6.210	104.28	104.83	14-May-18	104.75	2.92	1
PBS011	14-Jan-16	15-Aug-23	8.75	5.2	4.12	6.37	↓ -0.1bps	110.40	6.264	6.516	109.73	110.90	18-May-18	107.25	7.00	7
PBS012	28-Jan-16	15-Nov-31	8.88	13.5	7.94	8.07	↓ -0.7bps	106.54	7.709	7.961	107.46	109.66	30-May-18	106.32	73.42	11
PBS013	6-Oct-16	15-May-19	6.25	1.0	0.91	6.49	↓ -1.7bps	99.78	6.249	6.501	99.77	100.00	30-May-18	99.75	250.00	2
PBS014	6-Oct-16	15-May-21	6.50	3.0	2.64	6.93	↓ -2.1bps	98.87	6.455	6.707	99.45	100.12	30-May-18	98.70	95.90	3
PBS015	21-Jul-17	15-Jul-47	8.00	29.1	10.88	8.03	↑ 6.8bps	99.67	8.056	8.308	96.62	99.36	18-Apr-18	104.30	314.00	2
PBS016	6-Sep-17	15-Mar-20	6.25	1.8	1.65	6.53	↓ -7.4bps	99.52	6.31	6.565	99.46	99.88	30-May-18	99.11	134.20	16
PBS017	11-Jan-18	15-Oct-25	6.13	7.4	5.76	6.92	↑ 6.8bps	95.47	6.645	6.897	95.59	97.00	16-May-18	93.35	15.00	5
SR008	10-Mar-16	10-Mar-19	8.30	0.8	-	6.47	↓ -7.0bps	101.36	6.166	6.419	101.43	101.62	30-May-18	100.90	1.20	8
SR009	22-Mar-17	10-Mar-20	6.90	1.8	-	6.40	↑ 2.2bps	100.50	6.274	6.527	100.63	101.05	30-May-18	99.50	22.05	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)