

HEADLINES & ANALYSIS

- The Bank of Japan cut purchases of bonds for the first time since February, taking advantage of a global slide in yields brought on by political risks in Europe and trade tensions. The BOJ trimmed buying of debt maturing in the five-to-10 year zone by 20 billion yen (\$183 million) to 430 billion yen at Friday's regular operation. (Bloomberg)
- The U.S. yield curve flattened sharply on Friday, first on a tweet by President Trump that he was "looking forward" to the release of May jobs data, and then on the report itself, which proved stronger than consensus estimates. Short-dated Treasuries underperformed as the figures bolstered expectations for Federal Reserve rate hikes. (Bloomberg)
- Economy may expand below 2018 target of 5.4% as global challenges will result in new normal that require the govt to focus on stability, Finance Minister Sri Mulyani Indrawati says in hearing with parliament's working committee for budget in Jakarta. Govt sees the country may fail to achieve its oil and gas lifting target for 2018. Govt lowers GDP growth estimate for 2019 at 5.4%-5.8%, from 5.5%-6.5% previously. Avg. exchange rate seen at 13,700-14,000 to the dollar. Export and investment expected to grow 6%-7.2% and 7.5%-8.3%. Est. govt spending growth at 2.8%-3.7%; household consumption, including non-profit institutions serving households, growth at 5.1%-5.2%. (Bloomberg)

YIELD CURVE (%)

TTM	31-May-18	-1 Day	Change	TTM	31-May-18	-1 Day	Change
3 months	4.908	4.895	0.013	15 years	7.640	7.796	-0.156
6 months	5.508	5.498	0.010	16 years	7.683	7.839	-0.156
1 year	6.242	6.255	-0.013	17 years	7.721	7.876	-0.155
2 years	6.647	6.707	-0.060	18 years	7.755	7.909	-0.155
3 years	6.743	6.834	-0.091	19 years	7.784	7.939	-0.154
4 years	6.804	6.916	-0.112	20 years	7.811	7.964	-0.154
5 years	6.878	7.004	-0.126	21 years	7.834	7.987	-0.153
6 years	6.965	7.102	-0.137	22 years	7.855	8.007	-0.153
7 years	7.059	7.203	-0.144	23 years	7.873	8.026	-0.152
8 years	7.153	7.302	-0.149	24 years	7.890	8.042	-0.152
9 years	7.243	7.396	-0.152	25 years	7.904	8.056	-0.152
10 years	7.328	7.482	-0.154	26 years	7.918	8.069	-0.151
11 years	7.405	7.561	-0.156	27 years	7.929	8.080	-0.151
12 years	7.474	7.631	-0.156	28 years	7.940	8.091	-0.151
13 years	7.536	7.693	-0.156	29 years	7.950	8.100	-0.150
14 years	7.591	7.748	-0.156	30 years	7.958	8.108	-0.150

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0059	7.000	15-May-27	100.19	7.028	4,935.76
FR0064	6.125	15-May-28	94.01	6.950	4,747.45
FR0070	8.375	15-Mar-24	107.00	6.976	3,563.35
FR0065	6.625	15-May-33	93.50	7.491	1,461.81
FR0061	7.000	15-May-22	101.15	6.716	1,458.45

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
OTMA02B	idAA+	7.800	19-Apr-21	100.04	7.78	428.00
PJAA01BCN2	idAA-	7.600	18-May-21	100.12	7.55	280.00
ASDF04ACN1	AAA(idn)	6.100	5-Jun-19	100.05	6.05	50.00
SMADMFO3ACN2	idAAA(sy)	6.100	1-Apr-19	99.89	6.11	44.00
BMTR01ACN1	idA+	11.500	7-Jul-22	100.11	11.46	40.00

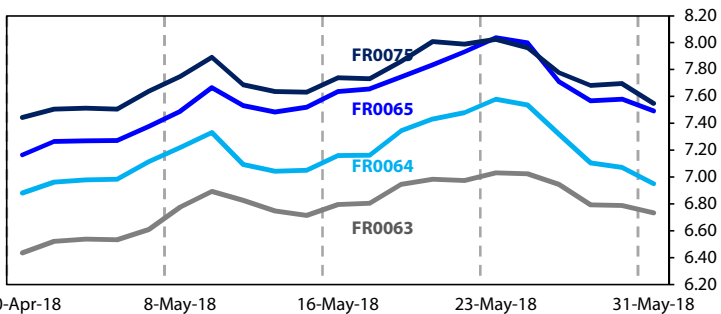
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	31-May-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	31-May-18			Spread over UST YC (bps)		
			-1 Mo	-3 Mo	-3 Mo	31-May-18	-1 Mo	-3 Mo				31-May-18	-1 Mo	-3 Mo			
United States USD	2yr		2.420	2.580	2.400				Philippines PHP	2yr	6.000	4.401	4.314	4.221	198	187	197
	5yr		2.670	2.770	2.650					5yr	7.875	5.543	5.461	-	287	269	-
	10yr		2.840	2.920	2.880					10yr	11.375	6.085	6.289	-	325	337	-
German EUR	2yr	0.250	-0.656	-	-	-308	-	-	Thailand THB	2yr	3.125	1.752	1.453	1.449	-67	-99	-80
	5yr	1.000	-0.270	-0.015	0.084	-294	-279	-257		5yr	3.450	2.068	1.821	1.838	-60	-95	-81
	10yr	1.750	0.341	0.600	0.735	-250	-232	-215		10yr	3.625	2.612	2.402	2.436	-23	-52	-44
Indonesia USD	2yr	11.625	2.868	2.813	2.544	45	37	29	India INR	2yr	7.590	7.675	7.176	7.051	526	474	480
	5yr	3.750	3.998	3.735	3.515	133	97	87		5yr	7.280	7.951	7.586	7.543	528	482	489
	10yr	3.500	4.331	4.137	4.040	149	122	116		10yr	8.830	7.831	7.631	7.671	499	471	479
Brazil BRL	2yr	0.000	8.006	7.20	7.91	559	476	566	Malaysia MYR	3yr	3.172	3.744	3.566	3.496	121	99	110
	5yr	10.000	9.746	8.60	9.10	733	616	685		5yr	3.260	3.826	-	-	116	-	-
	10yr	10.000	11.459	9.76	10.00	904	732	775		10yr	4.181	4.202	4.024	4.098	136	110	122

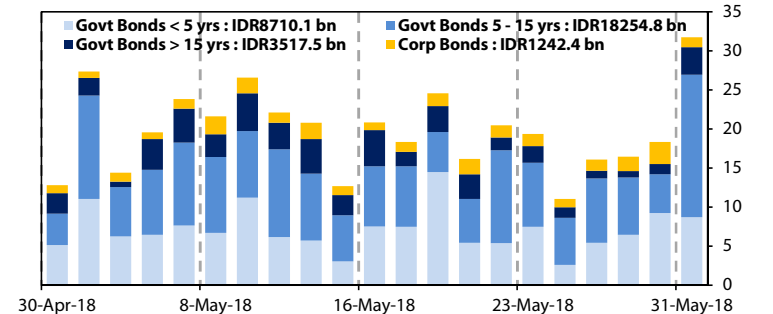
Sources: Bloomberg (Current Yield Curve), US Treasury

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 ↓	3.97	2.03
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 ↓	1.49	1.51
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	31-May-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,984 ↓	6,011	-0.46	0.62	-0.18	4.28	-5.85
Dow Jones (DJIA)	24,416 ↓	24,668	-1.02	-1.60	1.31	16.22	-1.23
London (FTSE 100)	7,678 ↓	7,690	-0.15	-0.50	2.10	2.10	-0.12
Nikkei 225	22,202 ↑	22,019	0.83	-1.05	-1.36	12.98	-2.47
Hang Seng (HIS)	30,469 ↑	30,057	1.37	-0.95	-1.10	18.74	1.84
Malaysia (KLCI)	1,741 ↑	1,719	1.24	-1.97	-6.94	-1.43	-3.13
Philippines (PSEi)	7,497 ↑	7,470	0.36	-2.03	-4.12	-4.34	-12.40
Thailand (SET)	1,727 ↑	1,725	0.11	-0.32	-2.99	10.59	-1.52
Singapore (STI)	3,428 ↓	3,444	-0.46	-2.85	-5.14	6.77	0.74
Brazil (BOVESPA)	76,754 →	76,754	0.00	-4.20	-10.87	22.39	0.46

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	31-May-18	-1 Day	-1 Week	-1 Month	EoP 2016
USD/IDR	13,896 ↓	13,993	14,133	13,913	13,555
Brent	77.13 ↑	77.12	78.31	73.47	66.82
WTI Crude Oil	67.04 ↓	68.21	70.68	67.25	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
31-May-18	6.71		0.84	3.07	-0.19	6.54	-1.40
-1 Day	6.82	↓ -11.2	0.24	1.86	-1.01	5.70	-2.22
-1 Week	7.09	↓ -37.9	0.20	-1.76	-4.46	3.80	-4.14
-1 Month	6.49	↑ 22.0	0.30	-0.38	-0.37	8.72	-0.50
-1 Year	6.96	↓ -25.2	0.05	0.25	1.20	12.22	8.59

Sources: Danareksa

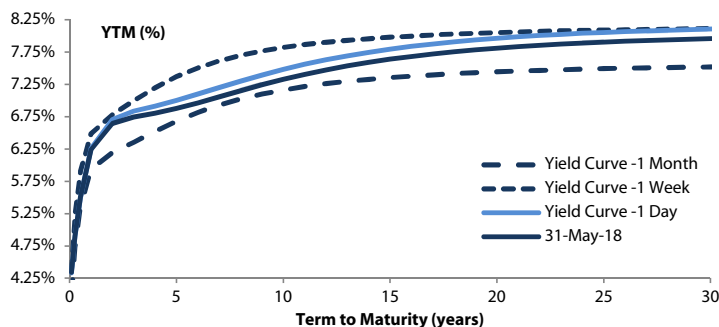
VALUATIONS OF GOVERNMENT BONDS

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	0.12	2.63 ↓ -1.3bps	101.35	2.987 3.225	101.44 101.47	15-May-18	101.58	25.00	2
FR0038	24-Aug-06	15-Aug-18	11.60	0.2	0.21	4.54 ↓ -11.6bps	101.34	2.783 3.021	101.77 101.82	14-May-18	101.50	21.70	2
FR0048	27-Sep-07	15-Sep-18	9.00	0.3	0.28	4.92 ↑ 1.1bps	101.09	4.484 4.722	101.20 101.27	28-May-18	101.00	0.63	1
FR0069	29-Aug-13	15-Apr-19	7.88	0.9	0.83	6.20 ↓ -2.6bps	101.37	6.037 6.275	101.33 101.53	31-May-18	101.35	642.04	8
FR0036	20-Apr-06	15-Sep-19	11.50	1.3	1.18	6.36 ↓ -5.2bps	106.19	6.345 6.485	106.09 106.27	31-May-18	106.04	62.10	3
FR0031	16-Jun-05	15-Nov-20	11.00	2.5	2.15	6.67 ↓ -7.9bps	109.61	6.550 6.773	109.41 109.94	31-May-18	109.64	35.00	3
FR0034	26-Jan-06	15-Jun-21	12.80	3.0	2.44	6.77 ↓ -4.8bps	116.25	6.639 6.772	116.31 116.71	31-May-18	116.25	6.00	1
FR0053	8-Jul-10	15-Jul-21	8.25	3.1	2.66	6.68 ↓ -11.2bps	104.32	6.593 6.830	103.92 104.60	31-May-18	104.35	236.07	21
FR0061	6-Oct-11	15-May-22	7.00	4.0	3.40	6.72 ↓ -13.5bps	100.96	6.590 6.828	100.58 101.40	31-May-18	101.15	1,458.45	50
FR0035	16-Feb-06	15-Jun-22	12.90	4.0	3.08	7.14 → 0.0bps	119.86	6.755 6.993	120.48 121.41	31-May-18	121.50	19.00	1
FR0043	22-Feb-07	15-Jul-22	10.25	4.1	3.28	6.85 ↓ -31.1bps	111.99	6.715 6.953	111.63 112.54	31-May-18	111.50	12.50	1
FR0063	13-Aug-12	15-May-23	5.63	5.0	4.22	6.73 ↓ -5.4bps	95.40	6.530 6.768	95.25 96.22	31-May-18	95.75	307.00	11
FR0046	19-Jul-07	15-Jul-23	9.50	5.1	3.97	6.85 ↓ -23.0bps	111.27	6.768 7.006	110.57 111.65	31-May-18	111.10	5.00	1
FR0039	24-Aug-06	15-Aug-23	11.75	5.2	3.91	6.96 ↓ -13.6bps	120.55	6.828 7.034	120.25 121.25	24-Apr-18	123.70	20.00	2
FR0070	29-Aug-13	15-Mar-24	8.38	5.8	4.51	6.98 ↓ -16.9bps	106.54	6.849 7.080	106.05 107.18	31-May-18	107.00	3,563.35	19
FR0044	19-Apr-07	15-Sep-24	10.00	6.3	4.68	7.05 ↓ -11.5bps	114.71	6.912 7.150	114.22 115.52	31-May-18	115.00	114.40	4
FR0040	21-Sep-06	15-Sep-25	11.00	7.3	5.13	7.19 ↓ -7.2bps	121.25	6.965 7.203	121.22 122.74	31-May-18	122.50	52.60	2
FR0037	18-May-06	15-Sep-26	12.00	8.3	5.53	7.22 ↓ -6.8bps	129.36	7.058 7.296	128.86 130.60	25-May-18	126.00	14.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.3	5.92	7.12 ↓ -16.6bps	107.72	7.068 7.231	107.02 108.08	31-May-18	108.00	413.03	10
FR0059	15-Sep-11	15-May-27	7.00	9.0	6.55	7.03 ↓ -13.8bps	99.81	7.016 7.254	98.34 99.89	31-May-18	100.19	4,935.76	50
FR0042	25-Jan-07	15-Jul-27	10.25	9.1	6.00	7.22 ↓ -7.2bps	119.93	7.104 7.330	119.16 120.85	21-May-18	114.25	40.54	1
FR0047	30-Aug-07	15-Feb-28	10.00	9.7	6.34	7.25 ↓ -10.3bps	118.90	7.145 7.383	117.89 119.72	31-May-18	118.50	132.54	3
FR0064	13-Aug-12	15-May-28	6.13	10.0	7.24	6.95 ↓ -12.2bps	94.15	6.917 7.154	92.75 94.37	31-May-18	94.01	4,747.45	142
FR0071	12-Sep-13	15-Mar-29	9.00	10.8	6.96	7.42 ↓ -4.5bps	111.59	7.173 7.411	111.64 113.54	31-May-18	112.01	562.10	7
FR0052	20-Aug-09	15-Aug-30	10.50	12.2	7.24	7.45 ↓ -63.3bps	124.18	7.408 7.646	122.37 124.55	24-May-18	118.95	102.00	2
FR0073	6-Aug-15	15-May-31	8.75	13.0	7.90	7.61 ↓ -13.2bps	109.25	7.451 7.688	108.61 110.67	31-May-18	109.50	584.91	16
FR0074	10-Nov-16	15-Aug-32	7.50	14.2	8.46	7.53 ↓ -23.7bps	99.77	7.524 7.762	97.75 99.78	31-May-18	100.15	963.19	61
FR0054	22-Jul-10	15-Jul-31	9.50	13.1	7.59	7.74 ↑ 3.7bps	114.32	7.514 7.752	114.22 116.38	25-May-18	112.00	75.00	5
FR0058	21-Jul-11	15-Jun-32	8.25	14.0	8.08	7.69 ↓ -9.6bps	104.75	7.546 7.784	103.93 106.03	31-May-18	105.10	608.07	25
FR0065	30-Aug-12	15-May-33	6.63	15.0	9.11	7.49 ↓ -8.9bps	92.28	7.413 7.651	90.95 92.95	31-May-18	93.50	1,461.81	80
FR0068	1-Aug-13	15-Mar-34	8.38	15.8	8.72	7.79 ↓ -11.2bps	105.25	7.629 7.867	104.53 106.76	31-May-18	105.95	774.16	24
FR0072	9-Jul-15	15-May-36	8.25	18.0	9.46	7.75 ↓ -15.9bps	104.80	7.726 7.964	102.70 105.04	31-May-18	105.55	1,148.41	47
FR0045	24-May-07	15-May-37	9.75	19.0	9.45	7.61 ↓ -19.4bps	121.23	7.292 7.530	122.22 125.03	30-May-18	117.50	2.40	1
FR0075	10-Aug-17	15-May-38	7.50	20.0	10.21	7.55 ↓ -14.8bps	99.49	7.614 7.851	96.48 98.84	31-May-18	99.90	857.86	140
FR0050	24-Jan-08	15-Jul-38	10.50	20.1	9.01	8.30 → 0.0bps	121.34	7.744 7.982	124.99 127.85	7-May-18	128.50	0.33	1
FR0057	21-Apr-11	15-May-41	9.50	23.0	10.09	8.00 ↑ 0.5bps	115.62	7.793 8.031	115.29 118.11	31-May-18	114.00	168.88	6
FR0062	9-Feb-12	15-Apr-42	6.38	23.9	11.08	7.80 ↓ -21.4bps	84.70	7.786 8.023	82.58 84.80	31-May-18	84.21	189.50	12
FR0067	18-Jul-13	15-Feb-44	8.75	25.7	10.52	7.88 ↓ -16.5bps	109.53	7.735 7.973	108.41 111.23	31-May-18	109.50	201.82	12
FR0076	22-Sep-17	15-May-48	7.38	30.0	11.39	8.02 ↓ -11.3bps	92.71	7.761 7.999	92.94 95.53	31-May-18	95.75	0.14	1
ORIO12	21-Oct-15	15-Oct-18	9.00	0.4	-	5.57 ↑ 1.7bps	101.22	5.178 5.416	101.32 101.41	31-May-18	101.14	125.29	13
ORIO13	26-Oct-16	15-Oct-19	6.60	1.4	-	6.34 ↓ -5.8bps	100.33	6.136 6.374	100.30 100.61	31-May-18	99.60	48.73	13
ORIO14	25-Oct-17	15-Oct-20	5.85	2.4	-	6.58 ↑ 12.6bps	98.41	6.211 6.449	98.69 99.21	31-May-18	98.35	54.50	18
IFR0008	15-Apr-10	15-Mar-20	8.80	1.8	1.62	6.31 ↑ 0.4bps	104.10	6.012 6.250	104.24 104.65	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.6	4.78	6.98 ↑ 0.9bps	117.09	6.561 6.799	118.15 119.55	10-Oct-17	120.36	10.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.8	7.18	7.35 → 0.0bps	122.55	7.137 7.375	122.37 124.52	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	7.845 8.083	117.86 120.41	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.6	3.16	6.70 ↑ 0.1bps	96.03	6.349 6.587	96.38 97.12	31-May-18	95.16	0.64	1
PBS003	2-Feb-12	15-Jan-27	6.00	8.6	6.39	7.14 ↑ 0.4bps	92.75	6.786 7.024	93.45 94.92	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.7	10.15	7.63 → 0.0bps	84.93	7.492 7.730	84.00 86.10	31-May-18	80.51	144.00	6
PBS005	2-May-13	15-Apr-43	6.75	24.9	11.02	7.92 ↑ 0.3bps	87.36	7.724 7.962	86.95 89.29	16-May-18	93.03	176.00	2
PBS006	19-Sep-13	15-Sep-20	8.25	2.3	2.05	5.92 ↓ -8.8bps	104.87	5.870 6.108	104.50 105.02	14-May-18	104.75	2.92	1
PBS011	14-Jan-16	15-Aug-23	8.75	5.2	4.12	6.36 ↓ -0.3bps	110.41	6.131 6.369	110.40 111.51	18-May-18	107.25	7.00	7
PBS012	28-Jan-16	15-Nov-31	8.88	13.5	7.94	8.03 ↓ -3.4bps	106.83	7.576 7.814	108.73 110.84	31-May-18	106.62	100.00	3
PBS013	6-Oct-16	15-May-19	6.25	1.0	0.91	6.49 → 0.0bps	99.78	6.257 6.495	99.77 99.99	31-May-18	99.89	155.00	7
PBS014	6-Oct-16	15-May-21	6.50	3.0	2.64	6.92 ↓ -0.7bps	98.89	6.382 6.620	99.68 100.31	30-May-18	98.70	95.90	3
PBS015	21-Jul-17	15-Jul-47	8.00	29.1	10.88	8.03 ↑ 0.2bps	99.65	7.892 8.130	98.54 101.21	18-Apr-18	104.30	314.00	2
PBS016	6-Sep-17	15-Mar-20	6.25	1.8	1.65	6.58 ↑ 4.2bps	99.45	6.27 6.508	99.56 99.95	31-May-18	99.30	199.60	3
PBS017	11-Jan-18	15-Oct-25	6.13	7.4	5.76	6.92 → 0.0bps	95.48	6.517 6.755	96.38 97.72	16-May-18	93.35	15.00	5
SR008	10-Mar-16	10-Mar-19	8.30	0.8	-	6.49 ↓ 2.1bps	101.34	6.187 6.425	101.42 101.60	31-May-18	100.50	29.49	17
SR009	22-Mar-17	10-Mar-20	6.90	1.8	-	6.54 ↓ 1.6bps	100.60	6.236 6.474	100.71 101.11	31-May-18	100.69	160.33	16

*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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YIELD CURVE CHANGE & GOVERNMENT BONDS TRADE VOLUME BY MATURITY

