

## HEADLINES & ANALYSIS

- The Bank of Japan's next policy move may end up being raising its bond-yield target to keep the yen from weakening too much, according to a Kuroda associate and BOJ adviser. While the yen has strengthened this year, Masahiro Kawai said that the central bank needs to be prepared for a possible overheating of the U.S. economy that could quickly weaken the Japanese currency. (Bloomberg)
- Treasuries advance led by 5- and 7-year sectors amid steeper gains for bunds as last week's Italian bond selloff resumed. Treasuries reached session highs in early U.S. afternoon, concurrently with session low for USD/JPY, after report that ECB policy makers anticipate debating – and possibly deciding on – QE exit at their June 14 meeting. (Bloomberg)
- The Reserve Bank of India is expected to keep interest rates on hold Wednesday, but what's more important is the accompanying statement that could give a signal to investors on future tightening as inflationary pressures rise. The Reserve Bank of India will keep the repurchase rate at 6%, the lowest level since 2010, according to 29 of the 43 economists in a Bloomberg survey. (Bloomberg)

## YIELD CURVE (%)

TTM	5-Jun-18	-1 Day	Change	TTM	5-Jun-18	-1 Day	Change
3 months	4.906	4.915	-0.010	15 years	7.661	7.639	0.022
6 months	5.506	5.514	-0.008	16 years	7.702	7.682	0.020
1 year	6.245	6.239	0.006	17 years	7.739	7.720	0.019
2 years	6.664	6.629	0.035	18 years	7.771	7.754	0.017
3 years	6.770	6.720	0.050	19 years	7.800	7.784	0.016
4 years	6.837	6.781	0.056	20 years	7.825	7.810	0.015
5 years	6.913	6.858	0.055	21 years	7.848	7.833	0.015
6 years	7.001	6.948	0.052	22 years	7.868	7.854	0.014
7 years	7.094	7.046	0.048	23 years	7.886	7.873	0.013
8 years	7.187	7.143	0.044	24 years	7.902	7.889	0.013
9 years	7.275	7.236	0.039	25 years	7.916	7.904	0.012
10 years	7.358	7.322	0.035	26 years	7.929	7.917	0.012
11 years	7.433	7.401	0.032	27 years	7.940	7.929	0.011
12 years	7.500	7.471	0.029	28 years	7.951	7.939	0.011
13 years	7.560	7.534	0.026	29 years	7.960	7.949	0.011
14 years	7.613	7.590	0.024	30 years	7.968	7.958	0.010

Source : Danareksa Sekuritas

## MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0064	6.125	15-May-28	92.95	7.076	6,427.80
FR0063	5.625	15-May-23	95.02	6.801	3,388.81
FR0065	6.625	15-May-33	92.30	7.495	3,338.80
SPN12180906	-	#N/A	98.70	-	1,972.73
FR0053	8.250	15-Jul-21	104.20	6.772	827.78

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

## MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
ASDF04ACN1	AAA(idn)	6.100	5-Jun-19	100.07	6.10	280.00
SMASDF01ACN1	AAA(idn)	6.100	5-Jun-19	100.00	6.10	263.00
TAXI01	idA	12.500	24-Jun-19	17.58	245.77	257.50
BBNI01CN1	idAAA	8.000	11-Jul-22	101.15	7.67	120.00
ISAT02ACN3	idAAA	6.050	13-May-19	100.02	6.05	100.00

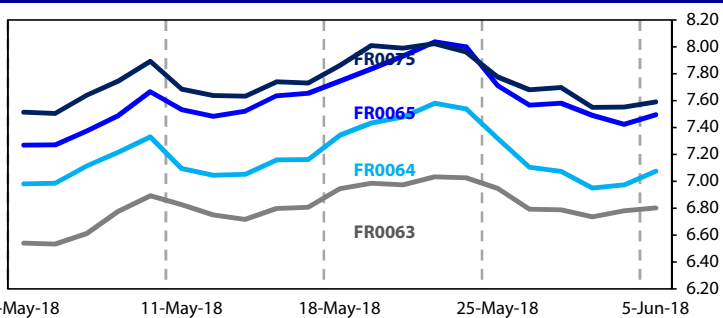
\*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

## SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	5-Jun-18	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	5-Jun-18	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						5-Jun-18	-1 Mo	-3 Mo							5-Jun-18	-1 Mo	-3 Mo
United States USD	2yr		2.490	2.580	2.400				Philippines PHP	2yr	6.000	4.453	4.314	4.221	196	187	197
	5yr		2.760	2.770	2.650					5yr	7.875	5.521	5.461	-	276	269	-
	10yr		2.920	2.920	2.880					10yr	11.375	6.113	6.289	-	319	337	-
German EUR	2yr	0.250	-0.651	-	-	-314	-	-	Thailand THB	2yr	3.125	1.71	1.453	1.449	-78	-99	-80
	5yr	1.000	-0.252	-0.015	0.084	-301	-279	-257		5yr	3.450	2.017	1.821	1.838	-74	-95	-81
	10yr	1.750	0.369	0.600	0.735	-255	-232	-215		10yr	3.625	2.55	2.402	2.436	-37	-52	-44
Indonesia USD	2yr	11.625	2.947	2.813	2.544	46	37	29	India INR	2yr	7.590	7.605	7.074	6.916	512	463	467
	5yr	3.750	4.100	3.735	3.515	134	97	87		5yr	7.280	7.95	7.586	7.543	519	482	489
	10yr	3.500	4.430	4.137	4.040	151	122	116		10yr	8.830	7.836	7.631	7.671	492	471	479
Brazil BRL	2yr	0.000	8.226	7.20	7.91	574	476	566	Malaysia MYR	3yr	3.172	3.742	3.566	3.496	112	99	110
	5yr	10.000	10.184	8.60	9.10	769	616	685		5yr	3.260	3.845	-	-	109	-	-
	10yr	10.000	12.109	9.76	10.00	962	732	775		10yr	4.181	4.2	4.024	4.098	128	110	122

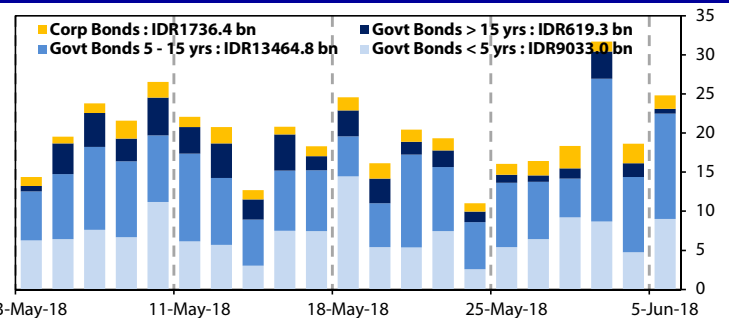
Sources: Bloomberg (Current Yield Curve), US Treasury

## 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 ↑	3.23	1.52
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 ↓	3.60	2.40
Malaysia	3.25	25-Jan-18	25bps ↑	1.40	1.85
Philippines	3.25	10-May-18	25bps ↑	4.60	-1.35
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	5-Jun-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,089 ↑	6,015	1.23	0.34	5.12	5.92	-4.20
Dow Jones (DJIA)	24,800 ↓	24,814	-0.06	1.80	2.22	17.07	0.33
London (FTSE 100)	7,687 ↓	7,741	-0.70	0.71	1.58	2.14	-0.01
Nikkei 225	22,540 ↑	22,476	0.28	0.81	0.30	11.74	-0.99
Hang Seng (HIS)	31,093 ↑	30,998	0.31	2.00	3.90	20.22	3.92
Malaysia (KLCI)	1,755 ↓	1,755	0.00	-1.17	-4.71	-1.84	-2.32
Philippines (PSEI)	7,686 ↑	7,580	1.40	1.10	1.85	-3.94	-10.20
Thailand (SET)	1,733 ↑	1,721	0.66	-0.11	-2.65	10.59	-1.20
Singapore (STI)	3,483 ↑	3,467	0.45	-1.00	-1.75	7.56	2.36
Brazil (BOVESPA)	76,642 ↓	78,596	-2.49	0.75	-7.79	22.72	0.31

Sources: Bloomberg & Danareksa

## CURRENCY & COMMODITY

Price	5-Jun-18	-1 Day	-1 Week	-1 Month	EoP 2017
USD/IDR	13,880 ↑	13,878	13,995	13,945	13,555
Brent	74.35 ↓	74.67	74.96	74.9	66.82
WTI Crude Oil	65.52 ↑	64.75	66.73	69.72	60.42

Sources: Bloomberg

## PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
5-Jun-18	6.74		-0.23	2.07	-0.96	6.33	-1.45
-1 Day	6.70	↑ 3.7	0.14	3.08	-0.43	6.67	-1.22
-1 Week	6.85	↓ -11.6	1.06	1.37	-2.06	5.57	-2.43
-1 Month	6.52	↑ 21.6	0.05	0.53	-1.38	8.43	-0.67
-1 Year	6.95	↓ -21.6	0.09	0.28	1.27	12.19	8.75

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	0.11	3.10	↑ 126.5bps	101.23	2.922	3.035	101.30	101.31	15-May-18	101.58	25.00	2
FR0038	24-Aug-06	15-Aug-18	11.60	0.2	0.19	4.54	→ 0.0bps	101.34	2.991	3.104	101.63	101.66	14-May-18	101.50	21.70	2
FR0048	27-Sep-07	15-Sep-18	9.00	0.3	0.27	4.75	↑ 11.7bps	101.11	4.545	4.658	101.16	101.19	28-May-18	101.00	0.63	1
FR0069	29-Aug-13	15-Apr-19	7.88	0.9	0.82	6.27	↑ 2.4bps	101.30	6.106	6.219	101.36	101.45	5-Jun-18	101.15	649.00	14
FR0036	20-Apr-06	15-Sep-19	11.50	1.3	1.16	6.38	↓ -3.9bps	106.14	6.362	6.474	106.04	106.19	31-May-18	106.04	62.10	3
FR0031	16-Jun-05	15-Nov-20	11.00	2.4	2.14	6.66	↑ 0.3bps	109.61	6.618	6.731	109.46	109.73	5-Jun-18	109.59	98.68	3
FR0034	26-Jan-06	15-Jun-21	12.80	3.0	2.42	6.82	↑ 3.5bps	116.09	6.687	6.799	116.17	116.50	5-Jun-18	116.25	2.22	1
FR0053	8-Jul-10	15-Jul-21	8.25	3.1	2.64	6.77	↑ 5.1bps	104.07	6.688	6.800	103.99	104.31	5-Jun-18	104.20	827.78	20
FR0061	6-Oct-11	15-May-22	7.00	3.9	3.39	6.83	↑ 6.9bps	100.58	6.691	6.804	100.66	101.05	5-Jun-18	100.49	641.04	13
FR0035	16-Feb-06	15-Jun-22	12.90	4.0	3.07	6.97	↑ 9.3bps	120.48	6.863	6.976	120.49	120.93	31-May-18	121.50	19.00	1
FR0043	22-Feb-07	15-Jul-22	10.25	4.1	3.27	6.81	↑ 0.5bps	112.13	6.809	6.922	111.72	112.14	31-May-18	111.50	12.50	1
<b>FR0063</b>	<b>13-Aug-12</b>	<b>15-May-23</b>	<b>5.63</b>	<b>4.9</b>	<b>4.21</b>	<b>6.80</b>	<b>↑ 2.2bps</b>	<b>95.13</b>	<b>6.629</b>	<b>6.742</b>	<b>95.37</b>	<b>95.82</b>	<b>5-Jun-18</b>	<b>95.02</b>	<b>3,388.81</b>	<b>37</b>
FR0046	19-Jul-07	15-Jul-23	9.50	5.1	3.95	6.83	→ 0.0bps	111.43	6.854	6.966	110.72	111.24	4-Jun-18	111.75	7.40	1
FR0039	24-Aug-06	15-Aug-23	11.75	5.2	3.90	6.93	↑ 10.0bps	120.69	6.900	7.012	120.31	120.86	4-Jun-18	121.45	6.90	1
FR0070	29-Aug-13	15-Mar-24	8.38	5.8	4.50	6.99	↑ 2.9bps	106.46	6.955	7.068	106.10	106.65	5-Jun-18	106.50	573.15	13
FR0044	19-Apr-07	15-Sep-24	10.00	6.3	4.66	7.05	↑ 7.8bps	114.71	7.011	7.124	114.33	114.95	4-Jun-18	114.55	8.58	1
FR0040	21-Sep-06	15-Sep-25	11.00	7.3	5.12	7.17	↓ -2.8bps	121.41	7.067	7.180	121.34	122.06	5-Jun-18	121.44	6.66	2
FR0037	18-May-06	15-Sep-26	12.00	8.3	5.52	7.22	↑ 0.6bps	129.34	7.168	7.281	128.93	129.75	25-May-18	126.00	14.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	8.3	5.91	7.15	↑ 5.3bps	107.54	7.129	7.242	106.95	107.67	5-Jun-18	107.00	367.94	11
FR0059	15-Sep-11	15-May-27	7.00	8.9	6.53	7.10	↑ 5.7bps	99.32	7.113	7.226	98.52	99.25	5-Jun-18	99.00	745.52	13
FR0042	25-Jan-07	15-Jul-27	10.25	9.1	5.99	7.22	↑ 0.6bps	119.96	7.194	7.307	119.32	120.15	5-Jun-18	120.00	100.00	1
FR0047	30-Aug-07	15-Feb-28	10.00	9.7	6.30	7.43	↑ 18.6bps	117.52	7.242	7.355	118.09	118.96	5-Jun-18	118.45	39.00	2
<b>FR0064</b>	<b>13-Aug-12</b>	<b>15-May-28</b>	<b>6.13</b>	<b>9.9</b>	<b>7.21</b>	<b>7.08</b>	<b>↑ 10.3bps</b>	<b>93.29</b>	<b>7.000</b>	<b>7.113</b>	<b>93.04</b>	<b>93.80</b>	<b>5-Jun-18</b>	<b>92.95</b>	<b>6,427.80</b>	<b>111</b>
FR0071	12-Sep-13	15-Mar-29	9.00	10.8	6.95	7.40	↑ 0.1bps	111.75	7.272	7.385	111.84	112.74	5-Jun-18	110.75	119.72	5
FR0052	20-Aug-09	15-Aug-30	10.50	12.2	7.22	7.45	→ 0.0bps	124.18	7.493	7.606	122.72	123.74	5-Jun-18	122.75	50.00	1
FR0073	6-Aug-15	15-May-31	8.75	12.9	7.87	7.67	↑ 6.0bps	108.72	7.550	7.663	108.82	109.79	5-Jun-18	108.75	670.74	10
FR0074	10-Nov-16	15-Aug-32	7.50	14.2	8.44	7.56	↑ 6.6bps	99.46	7.599	7.712	98.17	99.13	5-Jun-18	98.50	219.11	13
FR0054	22-Jul-10	15-Jul-31	9.50	13.1	7.60	7.63	↓ -10.8bps	115.28	7.613	7.726	114.45	115.47	4-Jun-18	115.25	161.71	4
FR0058	21-Jul-11	15-Jun-32	8.25	14.0	8.06	7.72	↑ 3.3bps	104.52	7.640	7.753	104.20	105.19	5-Jun-18	105.50	635.66	9
<b>FR0065</b>	<b>30-Aug-12</b>	<b>15-May-33</b>	<b>6.63</b>	<b>14.9</b>	<b>9.09</b>	<b>7.50</b>	<b>↑ 7.2bps</b>	<b>92.26</b>	<b>7.490</b>	<b>7.603</b>	<b>91.35</b>	<b>92.29</b>	<b>5-Jun-18</b>	<b>92.30</b>	<b>3,338.80</b>	<b>89</b>
FR0068	1-Aug-13	15-Mar-34	8.38	15.8	8.72	7.77	↑ 8.0bps	105.41	7.717	7.830	104.87	105.92	5-Jun-18	105.50	26.56	6
FR0072	9-Jul-15	15-May-36	8.25	17.9	9.44	7.75	↑ 1.2bps	104.76	7.801	7.913	103.19	104.29	5-Jun-18	104.25	295.19	28
FR0045	24-May-07	15-May-37	9.75	18.9	9.44	7.60	↑ 1.6bps	121.36	7.363	7.476	122.83	124.17	4-Jun-18	119.50	7.20	1
<b>FR0075</b>	<b>10-Aug-17</b>	<b>15-May-38</b>	<b>7.50</b>	<b>19.9</b>	<b>10.18</b>	<b>7.59</b>	<b>↑ 3.8bps</b>	<b>99.08</b>	<b>7.671</b>	<b>7.784</b>	<b>97.14</b>	<b>98.26</b>	<b>5-Jun-18</b>	<b>99.15</b>	<b>148.23</b>	<b>70</b>
FR0050	24-Jan-08	15-Jul-38	10.50	20.1	9.20	7.87	↑ 0.7bps	126.32	7.807	7.920	125.73	127.09	4-Jun-18	126.60	13.00	1
FR0057	21-Apr-11	15-May-41	9.50	22.9	10.10	7.97	↓ -1.9bps	116.03	7.872	7.984	115.82	117.16	5-Jun-18	116.00	20.00	1
FR0062	9-Feb-12	15-Apr-42	6.38	23.9	11.10	7.75	→ 0.0bps	85.10	7.691	7.804	84.62	85.70	5-Jun-18	89.00	0.23	1
FR0067	18-Jul-13	15-Feb-44	8.75	25.7	10.45	7.97	↑ 0.5bps	108.50	7.810	7.923	109.00	110.34	4-Jun-18	100.94	32.29	7
FR0076	22-Sep-17	15-May-48	7.38	29.9	11.42	7.98	↑ 1.7bps	93.17	7.850	7.963	93.32	94.54	5-Jun-18	94.00	126.93	17
ORI012	21-Oct-15	15-Oct-18	9.00	0.4	-	5.44	↓ -9.9bps	101.25	5.200	5.312	101.31	101.35	5-Jun-18	101.09	249.85	18
ORI013	26-Oct-16	15-Oct-19	6.60	1.4	-	6.39	↓ -0.1bps	100.28	6.205	6.317	100.37	100.51	5-Jun-18	100.35	9.30	18
ORI014	25-Oct-17	15-Oct-20	5.85	2.4	-	6.58	↑ 0.1bps	98.41	6.304	6.417	98.76	99.01	5-Jun-18	100.00	3.94	13
IFR0008	15-Apr-10	15-Mar-20	8.80	1.8	1.61	6.20	↓ -7.9bps	104.28	6.079	6.192	104.31	104.50	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.6	4.77	7.00	↑ 1.1bps	116.95	6.657	6.770	118.29	118.95	10-Oct-17	120.36	10.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.8	7.17	7.35	→ 0.0bps	122.55	7.203	7.316	122.88	123.89	3-May-18	122.20	2.00	2
IFR0010	3-Mar-11	15-Feb-36	10.00	17.7	8.61	8.37	↑ 0.1bps	114.93	7.967	8.079	117.90	119.10	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.6	3.15	6.58	↓ -9.1bps	96.43	6.442	6.554	96.49	96.84	31-May-18	95.16	0.64	1
PBS003	2-Feb-12	15-Jan-27	6.00	8.6	6.38	7.14	↑ 0.1bps	92.78	6.883	6.996	93.63	94.33	9-Jan-18	98.10	70.10	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.7	10.13	7.63	↓ -3.3bps	84.90	7.571	7.683	84.41	85.40	31-May-18	80.51	144.00	6
PBS005	2-May-13	15-Apr-43	6.75	24.9	11.03	7.88	→ 0.0bps	87.76	7.784	7.897	87.58	88.69	16-May-18	93.03	176.00	2
PBS006	19-Sep-13	15-Sep-20	8.25	2.3	2.03	5.92	→ 0.0bps	104.87	5.891	6.003	104.70	104.95	14-May-18	104.75	2.92	1
PBS011	14-Jan-16	15-Aug-23	8.75	5.2	4.10	6.39	↓ -0.1bps	110.27	6.177	6.290	110.75	111.27	18-May-18	107.25	7.00	7
PBS012	28-Jan-16	15-Nov-31	8.88	13.4	7.95	7.97	→ 0.0bps	107.34	7.677	7.790	108.94	109.93	4-Jun-18	107.57	4.00	2
PBS013	6-Oct-16	15-May-19	6.25	0.9	0.90	6.49	↑ 1.6bps	99.78	6.334	6.447	99.82	99.92	5-Jun-18	99.70	100.00	2
PBS014	6-Oct-16	15-May-21	6.50	2.9	2.62	6.92	↑ 1.3bps	98.89	6.495	6.608	99.71	100.01	30-May-18	98.70	95.90	3
PBS015	21-Jul-17	15-Jul-47	8.00	29.1	10.87	8.02	→ 0.0bps	99.77	7.929	8.042	99.52	100.79	18-Apr-18	104.30	314.00	2
PBS016	6-Sep-17	15-Mar-20	6.25	1.8	1.63	6.58	↑ 0.1bps	99.45	6.35	6.468	99.63	99.81	5-Jun-18	99.28	160.00	1
PBS017	11-Jan-18	15-Oct-25	6.13	7.4	5.74	7.04	↓ -0.7bps	94.79	6.624	6.737	96.48	97.12	16-May-18	93.35	15.00	5
SR008	10-Mar-16	10-Mar-19	8.30	0.8	-	6.39	↓ -2.0bps	101.41	6.286	6.399	101.41	101.50	5-Jun-18	100.70	27.70	15
SR009	22-Mar-17	10-Mar-20	6.90	1.8	-	6.50	↑ 0.2bps	100.66	6.323	6.436	100.77	100.96	5-Jun-18	99.50	5.70	11

\*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)