

## HEADLINES & ANALYSIS

- The benchmark 10-year Treasury note is once again flirting with 3 percent. Until this year, it hadn't been above that line since 2014. Driven in part by slumping European debt markets, a sell-off in Treasuries that began last week doesn't appear to be letting up. And now traders are looking to a much-anticipated Federal Reserve decision next week, when the central bank is expected to raise interest rates. (Bloomberg)
- China's efforts to connect the world's third-biggest bond market with the international financial system are hitting dual headwinds -- a climb in global borrowing costs, and the country's own campaign to reduce financial leverage. The dynamics have contributed to defaults by 12 bond issuers in 2018 through June 4, after 18 for the whole of 2017, according to Fitch Ratings. Firms from JPMorgan Chase & Co. to Fidelity International are warning to prepare for more. (Bloomberg)
- After a bout of European-inspired steepening, a currency rout in Brazil is pushing Treasuries traders to renew bets that the U.S. yield curve's march toward inversion will continue. The spread between 2- and 10-year yields shrank about 2bps Thursday to 43bps as traders reacted to emerging-markets turmoil and started to look ahead to next week's Federal Reserve decision. The curve had steepened to around 47bps earlier in the New York session as Treasuries took a cue from European debt, which has been slumping on signals from European Central Bank officials that they're about to debate when to stop buying bonds. (Bloomberg)

## YIELD CURVE (%)

	TMM	7-Jun-18	-1 Day	Change	TMM	7-Jun-18	-1 Day	Change
3 months	4.938	4.911	0.027		15 years	7.728	7.717	0.011
6 months	5.548	5.509	0.039		16 years	7.764	7.752	0.012
1 year	6.285	6.243	0.042		17 years	7.795	7.782	0.013
2 years	6.704	6.677	0.027		18 years	7.822	7.809	0.014
3 years	6.829	6.813	0.015		19 years	7.847	7.832	0.014
4 years	6.917	6.909	0.008		20 years	7.868	7.853	0.015
5 years	7.009	7.005	0.004		21 years	7.887	7.871	0.016
6 years	7.107	7.105	0.002		22 years	7.904	7.888	0.016
7 years	7.204	7.202	0.002		23 years	7.919	7.902	0.017
8 years	7.297	7.294	0.003		24 years	7.932	7.915	0.017
9 years	7.382	7.379	0.004		25 years	7.944	7.927	0.017
10 years	7.459	7.454	0.005		26 years	7.955	7.937	0.018
11 years	7.528	7.521	0.006		27 years	7.965	7.947	0.018
12 years	7.588	7.580	0.008		28 years	7.973	7.955	0.018
13 years	7.641	7.632	0.009		29 years	7.981	7.963	0.018
14 years	7.687	7.677	0.010		30 years	7.988	7.970	0.018

Source : Danareksa Sekuritas

## MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0074	7.500	15-Aug-32	99.75	7.697	1,048.35
SPN12190214	-	#N/A	96.20	-	960.00
FR0061	7.000	15-May-22	100.10	6.902	502.29
SPN12190104	-	4-Jan-19	96.83	-	500.00
FR0064	6.125	15-May-28	92.05	7.225	473.70

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

## MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
PNMP02ACN2	idA	8.000	13-Apr-21	100.01	7.99	564.00
PJAA01BCN2	idAA-	7.600	18-May-21	100.00	7.60	220.00
ISAT08A	idAAA+	8.625	27-Jun-19	101.55	7.08	118.00
AMRT02CN2	AA-(idn)	7.500	12-Apr-21	100.00	7.50	100.00
ISAT02ACN3	idAAA	6.050	13-May-19	100.00	6.05	100.00

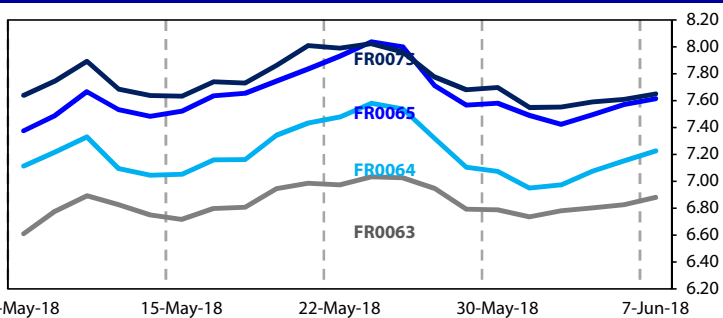
\*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

## SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	7-Jun-18	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	7-Jun-18	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						7-Jun-18	-1 Mo	-3 Mo							7-Jun-18	-1 Mo	-3 Mo
United States USD	2yr		2.500	2.580	2.400				Philippines PHP	2yr	6.000	4.448	4.314	4.221	195	187	197
	5yr		2.770	2.770	2.650					5yr	7.875	5.496	5.461	-	273	269	-
	10yr		2.930	2.920	2.880					10yr	11.375	6.093	6.289	-	316	337	-
German EUR	2yr	0.250	-0.611	-	-	-311	-	-	Thailand THB	2yr	3.125	1.684	1.453	1.449	-82	-99	-80
	5yr	1.000	-0.151	-0.015	0.084	-292	-279	-257		5yr	3.450	2.018	1.821	1.838	-75	-95	-81
	10yr	1.750	0.484	0.600	0.735	-245	-232	-215		10yr	3.625	2.556	2.402	2.436	-37	-52	-44
Indonesia USD	2yr	11.625	2.895	2.813	2.544	40	37	29	India INR	2yr	7.590	7.707	7.074	6.916	521	463	467
	5yr	3.750	4.102	3.735	3.515	133	97	87		5yr	7.280	8.125	7.586	7.543	536	482	489
	10yr	3.500	4.477	4.137	4.040	155	122	116		10yr	8.830	7.993	7.631	7.671	506	471	479
Brazil BRL	2yr	0.000	9.071	7.20	7.91	657	476	566	Malaysia MYR	3yr	3.172	3.728	3.566	3.496	110	99	110
	5yr	10.000	10.653	8.60	9.10	815	616	685		5yr	3.260	3.844	-	-	107	-	-
	10yr	10.000	12.163	9.76	10.00	966	732	775		10yr	4.181	4.207	4.024	4.098	128	110	122

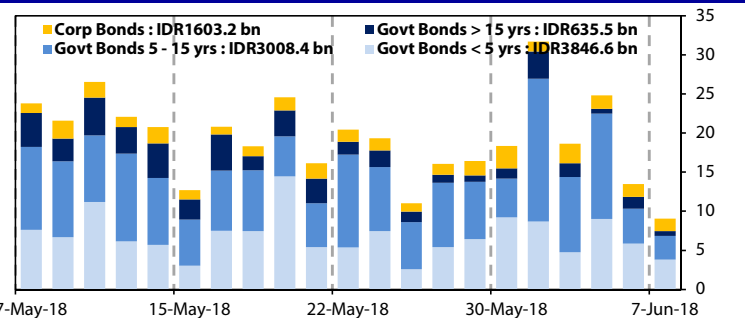
Sources: Bloomberg (Current Yield Curve), US Treasury

## 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)	6.25	6-Jun-18	25bps ↑	3.97	2.28
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	7-Jun-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,107 ↑	6,070	0.61	2.06	5.75	6.81	-3.92
Dow Jones (DJIA)	25,241 ↑	25,146	0.38	3.38	3.62	19.21	2.11
London (FTSE 100)	7,704 ↓	7,712	-0.10	0.34	1.83	3.02	0.22
Nikkei 225	22,823 ↑	22,626	0.87	2.80	1.40	14.20	0.26
Hang Seng (HIS)	31,513 ↑	31,259	0.81	3.43	3.65	21.32	5.33
Malaysia (KLCI)	1,786 ↑	1,777	0.49	2.60	-3.29	-0.01	-0.61
Philippines (PSEI)	7,803 ↑	7,689	1.48	4.08	2.98	-2.49	-8.82
Thailand (SET)	1,733 ↓	1,739	-0.32	0.35	-1.55	10.63	-1.18
Singapore (STI)	3,473 ↑	3,468	0.15	1.31	-1.98	7.51	2.06
Brazil (BOVESPA)	73,851 ↓	76,117	-2.98	-3.78	-10.98	16.91	-3.34

Sources: Bloomberg & Danareksa

## CURRENCY & COMMODITY

Price	7-Jun-18	-1 Day	-1 Week	-1 Month	EoP 2017
USD/IDR	13,875 ↑	13,853	13,896	14,052	13,555
Brent	76.74 ↑	75.02	77.13	75.86	66.82
WTI Crude Oil	65.95 ↑	64.73	67.04	69.06	60.42

Sources: Bloomberg

## PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
7-Jun-18	6.82		-0.21	0.25	-1.24	5.76	-1.95
-1 Day	6.79	↑ 3.5	-0.25	0.74	-1.05	5.98	-1.74
-1 Week	6.71	↑ 11.0	0.80	3.05	-0.22	6.52	-1.41
-1 Month	6.74	↑ 7.9	-0.77	-1.49	-2.90	7.17	-1.97
-1 Year	6.95	↓ -13.1	0.00	0.22	1.14	11.46	8.78

Sources: Danareksa

