

HEADLINES & ANALYSIS

- The flood of money from America's \$3 trillion corporate pension pool into the long end of the Treasuries market could slow next month. But investors should be wary of betting on a sea change in the curve's flattening trend, say Wall Street rates strategists. U.S. companies have until the middle of next month to claim deductions for pension fund contributions at a 35 percent rate, before it drops to 21 percent as a result of corporate tax cuts passed in December. (Bloomberg)
- Brexit could send the U.K. interest-rate curve into a tailspin. With Theresa May's government stuck in the quagmire of Brexit talks, headlines surrounding the possibility of no deal with the European Union could trigger volatile downswings in the pound, according to Mizuho International Plc. As the Bank of England has kept the possibility of further rate increases on the table, that could help push U.K. two-year interest-rate swaps above the 10-year for the first time in almost a decade. (Bloomberg)
- Investors hoping for signs of a resolution to Turkey's market rout and tensions with the U.S. got little to be optimistic about in speeches Sunday by President Recep Tayyip Erdogan. In three public addresses, Erdogan lashed out at the United States, threatening to find new alliances and new markets. He also took higher interest rates off the table and said Turkey wouldn't accept an international bailout. His message was essentially the opposite of what investors have called for to stem the plunge in the markets. (Bloomberg)

YIELD CURVE (%)

TTM	10-Aug-18	-1 Day	Change	TTM	10-Aug-18	-1 Day	Change
3 months	5.167	5.172	-0.005	15 years	8.120	8.164	-0.043
6 months	5.670	5.674	-0.004	16 years	8.156	8.196	-0.040
1 year	6.423	6.416	0.007	17 years	8.188	8.225	-0.036
2 years	7.035	7.014	0.021	18 years	8.217	8.250	-0.033
3 years	7.273	7.258	0.015	19 years	8.242	8.272	-0.030
4 years	7.399	7.399	0.000	20 years	8.264	8.292	-0.027
5 years	7.493	7.509	-0.017	21 years	8.284	8.309	-0.025
6 years	7.576	7.607	-0.031	22 years	8.302	8.324	-0.022
7 years	7.655	7.697	-0.042	23 years	8.318	8.338	-0.020
8 years	7.731	7.780	-0.049	24 years	8.332	8.350	-0.018
9 years	7.802	7.855	-0.053	25 years	8.345	8.361	-0.016
10 years	7.868	7.923	-0.055	26 years	8.356	8.371	-0.015
11 years	7.929	7.984	-0.054	27 years	8.367	8.380	-0.013
12 years	7.985	8.038	-0.053	28 years	8.376	8.388	-0.012
13 years	8.035	8.085	-0.050	29 years	8.384	8.395	-0.011
14 years	8.080	8.127	-0.047	30 years	8.391	8.401	-0.010

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0064	6.125	15-May-28	89.50	7.654	1,151.36
FR0069	7.875	15-Apr-19	101.00	6.236	793.28
FR0065	6.625	15-May-33	87.64	8.030	497.02
FR0059	7.000	15-May-27	98.50	7.709	446.54
FR0061	7.000	15-May-22	99.25	7.270	395.62

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
BIIF02ACN1	AA+(idn)	7.750	17-May-21	100.00	7.75	340.00
PNMP02ACN2	idA	8.000	13-Apr-21	100.15	7.94	136.50
BEXI03CCN4	idAAA	8.900	23-Feb-22	101.01	8.56	60.00
BBIA01C	AAA(Idn)	9.600	1-Apr-20	102.67	7.85	45.00
FIFA02BCN3	idAAA	9.150	5-Apr-19	101.20	9.04	40.00

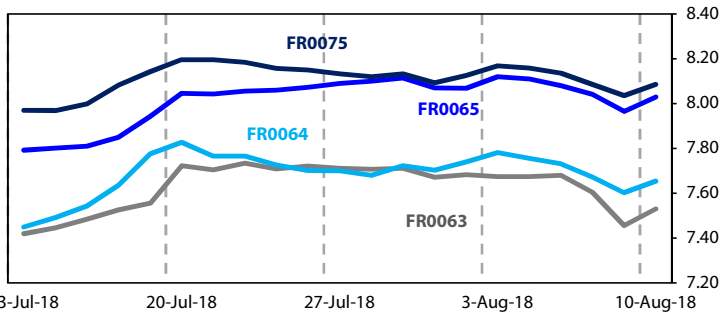
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	10-Aug-18	-1 Mo	-3 Mo	Spread over UST YC (bps)			Country	Tenor	Coupon (%)	10-Aug-18	-1 Mo	-3 Mo	Spread over UST YC (bps)		
						10-Aug-18	-1 Mo	-3 Mo							10-Aug-18	-1 Mo	-3 Mo
United States USD	2yr		2.64	2.58	2.40				Philippines PHP	2yr	6.00	5.02	4.31	4.22	238	187	197
	5yr		2.80	2.77	2.65					5yr	7.88	5.92	5.46	-	312	269	-
	10yr		2.93	2.92	2.88					10yr	11.38	6.57	6.29	-	364	337	-
German EUR	2yr	0.25	-0.64	-	-	-328	-	-	Thailand THB	2yr	3.13	1.76	1.45	1.45	-88	-99	-80
	5yr	1.00	-0.25	-	-	-305	-	-		5yr	3.45	2.20	1.82	1.84	-60	-95	-81
	10yr	1.75	0.32	-	-	-261	-	-		10yr	3.63	2.72	-	-	-21	-	-
Indonesia USD	2yr	11.63	2.69	2.81	2.54	5	37	29	India INR	2yr	7.59	7.47	7.06	-	483	462	-
	5yr	3.75	3.88	3.74	3.52	108	97	87		5yr	7.28	7.82	7.53	-	502	476	-
	10yr	3.50	4.34	4.14	4.04	141	122	116		10yr	8.83	7.76	7.63	7.67	483	471	479
Brazil BRL	2yr	0.00	8.75	7.20	7.91	611	476	566	Malaysia MYR	3yr	3.17	3.54	3.57	3.50	80	99	110
	5yr	10.00	10.42	8.60	9.10	778	616	685		5yr	3.26	3.76	-	-	96	-	-
	10yr	10.00	11.87	9.76	10.00	923	732	775		10yr	4.18	4.05	4.02	4.10	112	110	122

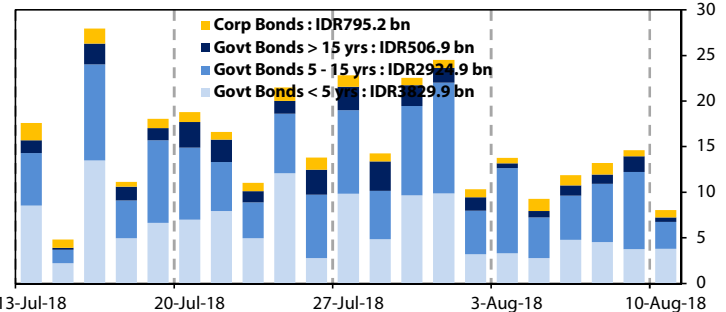
Sources: Bloomberg (Current Yield Curve), US Treasury

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)	5.25	29-Jun-18	50bps ↑	3.18	2.07
US (Fed Fund Rate)	2.00	13-Jun-18	25bps ↑	2.90	-0.90
Euro Region	0.00	16-Mar-16	-5bps ↓	2.00	-2.00
Japan	0.10	19-Dec-08	-20bps ↓	0.70	-0.60
India (Repo Rate)	6.50	1-Aug-18	25bps ↑	3.93	2.57
Malaysia	3.25	25-Jan-18	25bps ↑	0.80	2.45
Philippines	4.00	9-Aug-18	50bps ↑	5.70	-1.70
Thailand	3.00	25-Jan-12	-25bps ↓	1.46	1.54
Singapore	0.08	31-Dec-13	5bps ↑	0.60	-0.52
Brazil	6.50	21-Mar-18	-25bps ↓	4.48	2.02

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	10-Aug-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	6,077 ↑	6,065	0.20	1.16	3.12	4.31	-4.38
Dow Jones (DJIA)	25,313 ↓	25,509	-0.77	-0.59	2.48	15.88	2.40
London (FTSE 100)	7,667 ↓	7,742	-0.97	0.10	0.99	3.75	-0.27
Nikkei 225	22,298 ↓	22,598	-1.33	-1.01	1.67	13.02	-2.05
Hang Seng (HIS)	28,367 ↓	28,607	-0.84	2.49	0.19	3.36	-5.19
Malaysia (KLCI)	1,806 ↑	1,805	0.04	1.44	6.93	1.57	0.50
Philippines (PSEi)	7,805 ↓	7,821	-0.20	-0.18	6.43	-2.02	-8.80
Thailand (SET)	1,706 ↓	1,722	-0.96	-0.36	4.24	8.55	-2.72
Singapore (STI)	3,285 ↓	3,327	-1.26	0.58	1.10	-1.16	-3.47
Brazil (BOVESPA)	76,514 ↓	78,768	-2.86	-6.04	2.84	14.21	0.15

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	10-Aug-18	-1 Day	-1 Week	-1 Month	EoP 2017
USD/IDR	14,478 ↑	14,416	14,498	14,385	13,555
Brent	72.06 ↑	71.02	72.82	73.42	66.82
WTI Crude Oil	67.63 ↑	66.81	68.49	70.38	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
10-Aug-18	7.14		-0.08	1.69	0.85	3.94	-2.15
-1 Day	7.13	0.9 ↑	1.11	1.63	0.52	4.00	-2.07
-1 Week	7.42	-28.5 ↓	-0.14	0.12	0.42	2.61	-3.77
-1 Month	7.25	-11.6 ↓	-0.41	1.25	-1.16	5.51	-2.98
-1 Year	6.75	38.9 ↑	-0.02	0.39	2.38	6.69	10.47

Sources: Danareksa

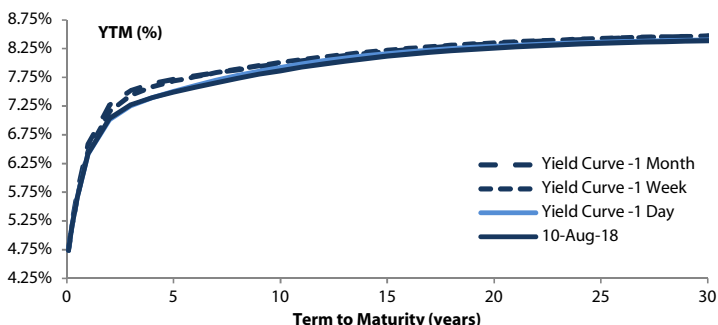
VALUATIONS OF GOVERNMENT BONDS

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		
FR0069	29-Aug-13	15-Apr-19	7.88	0.7	0.64	6.24	↑ 2.4bps	101.05	6.266	6.355	100.98	101.04	10-Aug-18	101.00	793.28	7
FR0036	20-Apr-06	15-Sep-19	11.50	1.1	0.99	6.51	↓ -1.0bps	105.15	6.466	6.556	105.14	105.24	30-Jul-18	104.75	33.00	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.3	1.96	6.96	↑ 2.9bps	108.27	6.946	7.035	108.14	108.33	9-Aug-18	108.15	8.57	2
FR0034	26-Jan-06	15-Jun-21	12.80	2.8	2.38	7.12	↓ -0.6bps	114.34	7.108	7.197	114.17	114.42	9-Aug-18	113.15	47.00	1
FR0053	8-Jul-10	15-Jul-21	8.25	2.9	2.56	7.11	↑ 3.3bps	102.94	7.104	7.193	102.74	102.97	10-Aug-18	103.95	115.20	9
FR0061	6-Oct-11	15-May-22	7.00	3.8	3.20	7.27	↓ -1.0bps	99.11	7.316	7.405	98.68	98.96	10-Aug-18	99.25	395.62	9
FR0035	16-Feb-06	15-Jun-22	12.90	3.8	3.05	7.36	↑ 0.8bps	118.22	7.189	7.278	118.55	118.88	9-Aug-18	118.00	19.00	1
FR0043	22-Feb-07	15-Jul-22	10.25	3.9	3.22	7.55	↑ 7.8bps	109.01	7.423	7.512	109.16	109.47	8-Aug-18	108.50	1.99	1
FR0063	13-Aug-12	15-May-23	5.63	4.8	4.01	7.53	↑ 7.4bps	92.50	10.947	11.036	80.34	80.63	10-Aug-18	92.40	296.51	14
FR0046	19-Jul-07	15-Jul-23	9.50	4.9	3.91	7.56	↓ -2.6bps	107.84	7.404	7.494	108.13	108.51	10-Aug-18	107.85	11.20	3
FR0039	24-Aug-06	15-Aug-23	11.75	5.0	3.69	7.62	↑ 6.4bps	116.94	7.535	7.624	116.93	117.33	1-Aug-18	117.75	0.20	1
FR0070	29-Aug-13	15-Mar-24	8.38	5.6	4.30	7.45	↓ -11.5bps	104.18	7.508	7.597	103.48	103.89	10-Aug-18	103.20	320.84	4
FR0044	19-Apr-07	15-Sep-24	10.00	6.1	4.46	7.66	↑ 0.2bps	111.21	7.600	7.689	111.07	111.53	2-Aug-18	110.10	6.00	3
FR0040	21-Sep-06	15-Sep-25	11.00	7.1	4.90	7.74	↓ -11.3bps	117.51	7.669	7.758	117.42	117.96	9-Aug-18	117.19	2.88	1
FR0037	18-May-06	15-Sep-26	12.00	8.1	5.29	7.77	↓ -1.6bps	125.01	7.655	7.744	125.24	125.85	1-Aug-18	124.25	16.00	4
FR0056	23-Sep-10	15-Sep-26	8.38	8.1	5.67	7.74	↑ 0.6bps	103.76	7.672	7.761	103.63	104.17	10-Aug-18	103.60	1.00	1
FR0059	15-Sep-11	15-May-27	7.00	8.8	6.29	7.71	↑ 4.1bps	95.53	7.673	7.762	95.20	95.74	10-Aug-18	98.50	446.54	25
FR0042	25-Jan-07	15-Jul-27	10.25	8.9	6.01	7.76	↓ -5.8bps	115.82	7.739	7.828	115.34	115.96	6-Aug-18	114.15	10.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	9.5	6.07	7.80	↑ 0.7bps	114.55	7.786	7.875	114.04	114.68	9-Aug-18	116.50	0.59	1
FR0064	13-Aug-12	15-May-28	6.13	9.8	6.96	7.65	↑ 5.2bps	89.61	7.550	7.639	89.70	90.27	10-Aug-18	89.50	1,151.36	28
FR0071	12-Sep-13	15-Mar-29	9.00	10.6	6.70	7.85	↓ -0.4bps	108.18	7.824	7.913	107.69	108.36	10-Aug-18	108.25	366.25	23
FR0052	20-Aug-09	15-Aug-30	10.50	12.0	6.92	8.04	↑ 0.4bps	118.75	7.976	8.065	118.51	119.27	9-Aug-18	117.10	170.00	2
FR0073	6-Aug-15	15-May-31	8.75	12.8	7.62	8.01	↑ 4.2bps	105.82	8.000	8.090	105.17	105.90	9-Aug-18	103.85	325.44	6
FR0074	10-Nov-16	15-Aug-32	7.50	14.0	8.13	8.03	↑ 3.6bps	95.60	8.020	8.109	94.95	95.67	10-Aug-18	96.65	33.31	12
FR0054	22-Jul-10	15-Jul-31	9.50	12.9	7.64	8.04	↑ 2.0bps	111.60	8.010	8.099	111.09	111.86	10-Aug-18	111.50	108.50	2
FR0058	21-Jul-11	15-Jun-32	8.25	13.8	8.10	8.12	→ 0.0bps	101.01	8.013	8.102	101.20	101.95	10-Aug-18	100.75	0.10	1
FR0065	30-Aug-12	15-May-33	6.63	14.8	8.76	8.03	↑ 6.4bps	87.97	7.908	7.997	88.22	88.92	10-Aug-18	87.64	497.02	23
FR0068	1-Aug-13	15-Mar-34	8.38	15.6	8.42	8.14	↑ 1.8bps	102.01	8.105	8.194	101.57	102.36	10-Aug-18	104.50	111.86	9
FR0072	9-Jul-15	15-May-36	8.25	17.8	9.11	8.14	↑ 3.7bps	101.01	8.123	8.212	100.33	101.16	10-Aug-18	102.00	155.74	47
FR0045	24-May-07	15-May-37	9.75	18.8	9.00	8.21	↓ -0.1bps	114.56	8.181	8.271	113.95	114.89	3-Aug-18	114.75	1.60	1
FR0075	10-Aug-17	15-May-38	7.50	19.8	9.75	8.09	↑ 5.1bps	94.25	8.019	8.108	94.04	94.88	10-Aug-18	97.00	182.77	109
FR0050	24-Jan-08	15-Jul-38	10.50	19.9	9.17	8.38	↓ -0.3bps	120.37	8.237	8.326	120.96	121.96	7-Aug-18	119.75	130.00	1
FR0057	21-Apr-11	15-May-41	9.50	22.8	9.68	8.39	↑ 8.9bps	111.13	8.337	8.426	110.78	111.76	10-Aug-18	113.00	0.40	1
FR0062	9-Feb-12	15-Apr-42	6.38	23.7	10.47	8.42	→ 0.0bps	79.14	8.359	8.449	78.90	79.66	10-Aug-18	79.30	55.00	8
FR0067	18-Jul-13	15-Feb-44	8.75	25.5	9.94	8.44	→ 0.0bps	103.26	8.355	8.444	103.18	104.14	9-Aug-18	102.98	36.00	2
FR0076	22-Sep-17	15-May-48	7.38	29.8	10.88	8.40	↑ 0.3bps	88.87	8.298	8.387	88.96	89.85	10-Aug-18	91.50	0.20	2
ORI012	21-Oct-15	15-Oct-18	9.00	0.2	-	4.85	↓ -7.6bps	100.70	5.219	5.308	100.66	100.68	10-Aug-18	99.80	15.19	22
ORI013	26-Oct-16	15-Oct-19	6.60	1.2	-	6.66	↓ -0.7bps	99.94	6.602	6.691	99.90	100.00	10-Aug-18	100.15	9.21	15
ORI014	25-Oct-17	15-Oct-20	5.85	2.2	-	6.88	↓ -19.1bps	97.94	6.898	6.988	97.71	97.88	10-Aug-18	98.00	61.14	20
IFR0008	15-Apr-10	15-Mar-20	8.80	1.6	1.43	6.90	↑ 18.1bps	102.80	6.605	6.694	103.13	103.27	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.4	4.73	8.02	↓ -2.4bps	111.00	7.587	7.676	112.86	113.34	22-Jun-18	120.96	30.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.6	6.78	8.44	↓ -0.2bps	113.22	7.954	8.043	116.43	117.17	5-Jul-18	114.83	43.00	4
IFR0010	3-Mar-11	15-Feb-36	10.00	17.5	8.24	8.88	↑ 0.2bps	109.82	8.158	8.247	116.09	117.01	23-Aug-17	120.00	1.01	1
PBS002	2-Feb-12	15-Jan-22	5.45	3.4	3.04	7.56	↑ 0.7bps	93.73	7.206	7.295	94.48	94.74	10-Aug-18	93.51	200.00	2
PBS003	2-Feb-12	15-Jan-27	6.00	8.4	6.30	8.17	↑ 0.1bps	86.98	8.117	8.206	86.76	87.25	7-Jun-18	95.39	152.00	4
PBS004	16-Feb-12	15-Feb-37	6.10	18.5	9.50	8.59	↑ 1.1bps	77.16	8.500	8.589	77.13	77.81	31-Jul-18	97.05	288.00	4
PBS005	2-May-13	15-Apr-43	6.75	24.7	10.10	8.96	↑ 0.1bps	78.15	8.153	8.242	84.35	85.17	9-Aug-18	80.08	500.00	1
PBS006	19-Sep-13	15-Sep-20	8.25	2.1	1.84	7.23	↑ 9.6bps	101.93	6.781	6.870	102.64	102.82	1-Aug-18	102.50	5.60	1
PBS011	14-Jan-16	15-Aug-23	8.75	5.0	3.94	6.20	↓ -3.2bps	110.84	6.212	6.301	110.39	110.79	3-Aug-18	103.82	1.86	1
PBS012	28-Jan-16	15-Nov-31	8.88	13.3	7.65	8.49	→ 0.0bps	103.03	8.065	8.154	105.75	106.50	9-Aug-18	102.90	29.54	2
PBS013	6-Oct-16	15-May-19	6.25	0.8	0.72	6.48	↓ -0.2bps	99.83	6.401	6.490	99.81	99.88	9-Aug-18	99.90	100.00	1
PBS014	6-Oct-16	15-May-21	6.50	2.8	2.44	7.50	↑ 0.1bps	97.55	7.007	7.096	98.51	98.73	8-Aug-18	97.35	4.00	1
PBS015	21-Jul-17	15-Jul-47	8.00	28.9	10.29	9.08	→ 0.0bps	89.00	8.252	8.341	96.29	97.23	8-Aug-18	91.53	293.00	7
PBS016	6-Sep-17	15-Mar-20	6.25	1.6	1.45	7.26	↑ 118.1bp!	98.51	6.738	6.827	99.13	99.26	10-Aug-18	98.31	249.58	4
PBS017	11-Jan-18	15-Oct-25	6.13	7.2	5.49	8.01	↓ -0.7bps	89.85	7.58	7.672	91.57	92.03	8-Aug-18	89.10	6.00	2
SR008	10-Mar-16	10-Mar-19	8.30	0.6	-	6.16	↓ -2.0bps	101.20	6.165	6.254	101.17	101.22	10-Aug-18	100.30	27.20	20
SR009	22-Mar-17	10-Mar-20	6.90	1.6	-	6.99	↓ -3.6bps	99.86	6.834	6.923	99.97	100.10	10-Aug-18	99.10	3.58	9
SR010	21-Mar-18	10-Mar-21	5.90	2.6	-	7.26	↓ -0.8bps	96.83	7.061	7.150	97.06	97.26	10-Aug-18	97.00	4.77	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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