

HEADLINES & ANALYSIS

- The spread between 2- and 10-year Treasury yields on Wednesday narrowed to the least since August 2007 as traders continue to crush a brief bout of steepening seen in the past month. The yield gap between 2- and 10-year maturities had rebounded to just over 33 bps both in late July and earlier this month before renewing its compression. The differential narrowed to as little as 23.4 bps Wednesday, aided by a better-than-expected U.S. retail sales print, before ending the session at about 25 bps. (Bloomberg)
- U.S. morning session has seen notable volumes across UST futures, while interest rate volatility has strengthened with the move lower in yields, which saw 10-year richen to 2.835%, as much as 5bp lower on the day. (Bloomberg)
- Treasury futures slide, with volumes surging as China said its vice commerce minister will visit the U.S. in late August for trade talks, prompting a turn in risk sentiment. More than 20k 10-year futures traded in the 3-minutes following headline on the visit, while 10-year yields jump 1.5bps to 2.87%. U.S. stock futures gain with S&P e-minis higher by 0.3%. (Bloomberg)

YIELD CURVE (%)

TTM	15-Aug-18	-1 Day	Change	TTM	15-Aug-18	-1 Day	Change
3 months	5.749	5.285	0.465	15 years	8.330	8.331	-0.001
6 months	6.250	5.795	0.455	16 years	8.348	8.350	-0.002
1 year	6.764	6.465	0.300	17 years	8.364	8.367	-0.003
2 years	7.073	6.987	0.086	18 years	8.378	8.381	-0.003
3 years	7.320	7.292	0.028	19 years	8.390	8.394	-0.004
4 years	7.540	7.524	0.016	20 years	8.400	8.405	-0.004
5 years	7.720	7.707	0.013	21 years	8.410	8.414	-0.004
6 years	7.861	7.849	0.012	22 years	8.418	8.423	-0.005
7 years	7.970	7.960	0.010	23 years	8.425	8.431	-0.005
8 years	8.055	8.046	0.008	24 years	8.432	8.437	-0.005
9 years	8.121	8.115	0.006	25 years	8.438	8.443	-0.006
10 years	8.175	8.170	0.004	26 years	8.443	8.449	-0.006
11 years	8.218	8.215	0.003	27 years	8.448	8.454	-0.006
12 years	8.254	8.252	0.002	28 years	8.452	8.458	-0.006
13 years	8.283	8.283	0.000	29 years	8.456	8.462	-0.006
14 years	8.308	8.309	-0.001	30 years	8.459	8.466	-0.006

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0065	6.625	15-May-33	86.60	8.335	5,872.07
FR0064	6.125	15-May-28	87.75	7.961	3,971.51
FR0063	5.625	15-May-23	90.99	7.762	1,300.55
FR0061	7.000	15-May-22	98.50	7.490	1,285.25
FR0059	7.000	15-May-27	96.00	8.023	1,097.81

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
IMFI03BCN3	idA	8.200	18-May-21	100.17	8.13	275.00
BVIC01BCN2	idA-	10.300	5-Jun-23	100.05	10.29	100.00
FIFA03ACN2	idAAA	6.500	20-Oct-18	99.91	6.51	100.00
SIEXCL01CCN1	AAA(Idn)	9.520	2-Dec-20	103.45	7.86	92.00
BKP015BCN1	idA	9.250	6-Mar-19	100.80	9.18	82.00

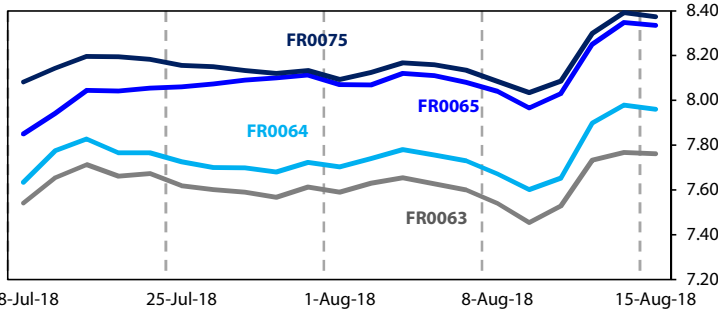
*Current yield; Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	15-Aug-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	15-Aug-18			Spread over UST YC (bps)		
			15-Aug-18	-1 Mo	-3 Mo	15-Aug-18	-1 Mo	-3 Mo				15-Aug-18	-1 Mo	-3 Mo			
United States	2yr		2.61	2.58	2.40				Philippines	2yr	6.00	5.04	4.31	4.22	243	187	197
USD	5yr		2.73	2.77	2.65				PHP	5yr	7.88	5.92	5.46	-	319	269	-
	10yr		2.86	2.92	2.88					10yr	11.38	6.61	6.29	-	375	337	-
German	2yr	0.25	-0.65	-	-	-326	-	-	Thailand	2yr	3.13	1.77	1.45	1.45	-84	-99	-80
EUR	5yr	1.00	-0.27	-	-	-300	-	-	THB	5yr	3.45	2.22	1.82	1.84	-51	-95	-81
	10yr	1.75	0.30	-	-	-256	-	-		10yr	3.63	2.73	-	-	-13	-	-
Indonesia	2yr	11.63	2.78	2.81	2.54	17	37	29	India	2yr	7.59	7.50	7.06	-	489	462	-
USD	5yr	3.75	3.93	3.74	3.52	120	97	87	INR	5yr	7.28	7.86	7.53	-	513	476	-
	10yr	3.50	4.39	4.14	4.04	153	122	116		10yr	8.83	7.82	7.63	7.67	496	471	479
Brazil	2yr	0.00	8.45	7.20	7.91	584	476	566	Malaysia	3yr	3.17	3.55	3.57	3.50	87	99	110
BRL	5yr	10.00	10.07	8.60	9.10	746	616	685	MYR	5yr	3.26	3.76	-	-	103	-	-
	10yr	10.00	11.66	9.76	10.00	905	732	775		10yr	4.18	4.07	4.02	4.10	121	110	122

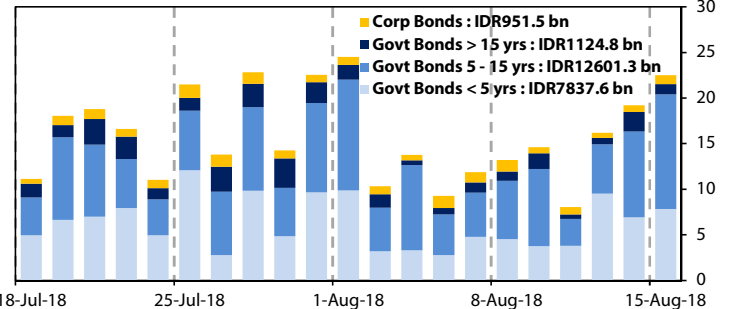
Sources: Bloomberg (Current Yield Curve), US Treasury

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)	5.50	15-Aug-18	25bps ↑	3.18	2.32
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	0-Jan-00	0bps →	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	15-Aug-18	-1 Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,817 ↑	5,770	0.81	-4.57	-1.50	-0.32	-8.48
Dow Jones (DJIA)	25,162 ↓	25,300	-0.54	-1.65	0.39	14.38	1.79
London (FTSE 100)	7,498 ↓	7,612	-1.49	-3.58	-1.35	1.54	-2.47
Nikkei 225	22,204 ↓	22,356	-0.68	-1.94	-1.74	12.41	-2.46
Hang Seng (HIS)	27,324 ↓	27,753	-1.55	-3.65	-4.26	0.55	-8.68
Malaysia (KLCI)	1,786 ↑	1,784	0.12	-1.04	3.43	0.76	-0.60
Philippines (PSEI)	7,541 ↑	7,528	0.17	-3.96	2.33	-5.85	-11.89
Thailand (SET)	1,676 ↓	1,695	-1.12	-2.63	2.99	6.96	-4.41
Singapore (STI)	3,234 ↓	3,243	-0.27	-2.78	0.04	-1.85	-4.96
Brazil (BOVESPA)	77,078 ↓	78,602	-1.94	-2.62	0.55	12.76	0.88

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	15-Aug-18	-1 Day	-1 Week	-1 Month	EoP 2017
USD/IDR	14,577 ↓	14,584	14,439	14,394	13,555
Brent	69.9 ↓	71.37	71.29	71.43	66.82
WTI Crude Oil	65.01 ↓	67.04	66.94	68.06	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
15-Aug-18	7.36		-0.01	-0.99	-1.36	1.49	-4.37
-1 Day	7.36	0.9 ↑	-0.45	-0.66	-1.35	1.53	-4.35
-1 Week	7.21	15.9 ↑	0.32	0.37	-0.29	2.68	-3.41
-1 Month	7.13	23.9 ↑	0.01	0.08	-1.61	4.48	-3.05
-1 Year	6.75	61.6 ↑	0.03	0.17	1.55	6.64	10.56

Sources: Danareksa

