

HEADLINES & ANALYSIS

- Rupiah rises against the dollar, supported by optimism after Indonesia posted a small trade surplus in September and as global funds bought local assets. USD/IDR falls as much as 0.2% to 15,193 as Asian currencies rise amid dollar weakness, before paring the decline to 15,215. Foreign funds were net buyers of 420b rupiah (\$27.6m) in Indonesian bonds on Oct. 12, according to finance ministry data; net buyers of \$22.4m in Indonesian stocks on Oct. 15, according to exchange data. (Bloomberg)
- The central bank is tightening its monetary policy to keep foreign funds in Indonesia and curbing imports to improve its trade balance. Unstable global share prices undermining sentiment toward the rupiah, but IDR could rebound toward 14,500 per dollar once when U.S. stock prices recover. Bank Indonesia sees IDR averaging at 14,800-15,200/USD in 2019, Governor Perry Warjiyo says in a parliamentary hearing. (Bloomberg)
- Indonesia's government bonds rally after the finance minister says the budget deficit could be lower than 2% of GDP this year. Signs of improving risk sentiment among EM assets also buoyed Indonesian debt. The gap in state budget may reach a range of 1.83%-2.04% of GDP as Indonesia is seen generating more revenue from taxes, well below the 2.19% target. (Bloomberg)

YIELD CURVE (%)

	TTM	17-Oct-18	-1 Day	Change	TTM	17-Oct-18	-1 Day	Change
3 months	5.606	5.576	0.030		15 years	8.964	9.061	-0.097
6 months	6.104	6.056	0.047		16 years	8.989	9.079	-0.090
1 year	6.944	6.887	0.057		17 years	9.012	9.094	-0.082
2 years	7.776	7.752	0.024		18 years	9.033	9.108	-0.075
3 years	8.174	8.198	-0.024		19 years	9.052	9.121	-0.069
4 years	8.384	8.449	-0.065		20 years	9.069	9.132	-0.063
5 years	8.510	8.605	-0.095		21 years	9.085	9.142	-0.057
6 years	8.595	8.711	-0.115		22 years	9.099	9.151	-0.052
7 years	8.660	8.787	-0.127		23 years	9.112	9.159	-0.047
8 years	8.713	8.846	-0.132		24 years	9.124	9.167	-0.043
9 years	8.760	8.893	-0.133		25 years	9.134	9.173	-0.039
10 years	8.802	8.932	-0.131		26 years	9.144	9.179	-0.036
11 years	8.840	8.966	-0.126		27 years	9.152	9.184	-0.032
12 years	8.875	8.994	-0.120		28 years	9.160	9.189	-0.029
13 years	8.907	9.020	-0.113		29 years	9.167	9.194	-0.027
14 years	8.937	9.042	-0.105		30 years	9.173	9.197	-0.024

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0065	6.625	15-May-33	82.34	8.836	1,508.57
FR0064	6.125	15-May-28	84.75	8.633	1,087.00
FR0074	7.500	15-Aug-32	89.50	9.060	999.29
FR0072	8.250	15-May-36	92.75	8.992	939.83
FR0077	8.125	15-May-24	100.00	8.481	879.48

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
ADMFO4ACN3	idAAA	7.500	26-Aug-19	99.37	7.55	150.00
WSKT03BCN3	idA-	9.750	28-Sep-23	100.00	9.75	140.00
ISATO2ACN3	idAAA	6.050	13-May-19	98.91	6.12	120.00
WSKT03ACN3	A-(Idn)	9.000	28-Sep-21	100.07	8.97	91.40
BEXIO2BCN7	idAAA	9.250	19-Feb-19	100.52	9.20	80.00

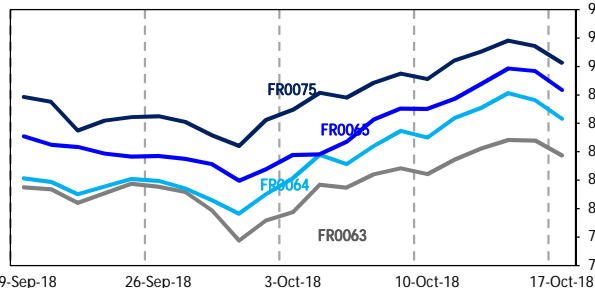
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id (Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	17-Oct-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	17-Oct-18			Spread over UST YC (bps)		
			-1 Mo	-3 Mo	17-Oct-18	-1 Mo	-3 Mo	-1 Mo				-3 Mo	-1 Mo	-3 Mo			
United States	2yr		2.89	2.58	2.40				Philippines	2yr	6.00	7.13	4.31	4.22	424	187	197
USD	5yr		3.04	2.77	2.65				PHP	5yr	7.88	7.90	5.46	-	486	269	-
	10yr		3.19	2.92	2.88					10yr	11.38	8.26	6.27	-	507	335	-
German	2yr	0.25	-0.58	-	-	-347	-	-	Thailand	2yr	3.13	1.96	1.45	1.45	-93	-99	-80
EUR	5yr	1.00	-0.13	-	-	-317	-	-	THB	5yr	3.45	2.43	-	-	-61	-	-
	10yr	1.75	0.46	-	-	-273	-	-		10yr	3.63	2.78	-	-	-41	-	-
Indonesia	2yr	11.63	2.99	2.81	2.54	10	37	29	India	2yr	7.59	7.67	7.06	-	478	462	-
USD	5yr	3.75	4.21	3.74	3.52	117	97	87	INR	5yr	7.28	7.92	7.53	-	488	476	-
	10yr	3.50	4.72	4.14	4.04	153	122	116		10yr	8.83	7.91	7.63	7.67	472	471	479
Brazil	2yr	0.00	7.76	7.20	7.91	487	476	566	Malaysia	3yr	3.17	3.61	3.57	3.50	64	99	110
BRL	5yr	10.00	9.00	8.60	9.10	611	616	685	MYR	5yr	3.26	3.79	-	-	75	-	-
	10yr	10.00	10.27	9.76	10.00	738	732	775		10yr	4.18	4.13	4.02	4.10	94	110	122

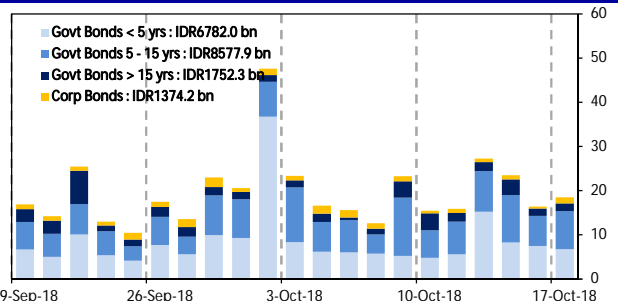
Sources: Bloomberg (Current Yield Curve), US Treasury

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)	5.75	27-Sep-18	25bps ↑	2.88	2.87
US (Fed Fund Rate)	2.25	26-Sep-18	25bps ↑	2.30	-0.05
Euro Region	0.00	16-Mar-16	-5bps ↓	2.20	-2.20
Japan	0.10	19-Dec-08	-20bps ↓	1.30	-1.20
India (Repo Rate)	6.50	1-Aug-18	25bps ↑	5.61	0.89
Malaysia	3.25	25-Jan-18	25bps ↑	0.20	3.05
Philippines	4.50	27-Sep-18	50bps ↑	6.70	-2.20
Thailand	3.00	25-Jan-12	-25bps ↓	1.33	1.67
Singapore	0.08	31-Dec-13	5bps ↑	0.70	-0.62
Brazil	6.50	21-Mar-18	-25bps ↓	4.53	1.97

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	17-Oct-18	-1Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,869 ↑	5,801	1.17	0.82	0.76	-1.32	-7.66
Dow Jones (DJIA)	25,707 ↓	25,798	-0.36	0.42	-1.36	11.78	3.99
London (FTSE 100)	7,055 ↓	7,059	-0.07	-1.28	-3.39	-6.14	-8.24
Nikkei 225	22,841 ↑	22,549	1.29	-2.83	-1.10	7.05	0.33
Hang Seng (HIS)	25,462 →	25,462	0.00	-2.79	-5.46	-11.27	-14.90
Malaysia (KLCI)	1,741 ↑	1,737	0.22	0.31	-3.50	-0.48	-3.13
Philippines (PSEI)	7,100 ↑	6,987	1.61	1.41	-4.23	-16.45	-17.04
Thailand (SET)	1,695 ↓	1,698	-0.17	-1.56	-1.36	-1.71	-3.35
Singapore (STI)	3,071 ↑	3,034	1.21	-1.93	-2.24	-7.75	-9.75
Brazil (BOVESPA)	85,764 ↑	85,718	0.05	2.49	11.69	12.55	12.25

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	17-Oct-18	-1 Day	-1 Week	-1 Month	EoP 2017
USD/IDR	15,150 ↓	15,201	15,200	14,880	13,555
Brent	80.43 ↓	81.67	82.82	77.87	66.82
WTI Crude Oil	69.75 ↓	71.92	73.17	68.91	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
17-Oct-18	8.60		0.53	-0.91	-0.41	-3.94	-6.78
-1 Day	8.68	↓ -8.0	0.15	-1.35	-0.89	-4.58	-7.27
-1 Week	8.44	↑ 16.5	0.08	-1.22	0.85	-3.02	-5.92
-1 Month	8.46	↑ 14.7	0.05	0.35	-2.45	-3.47	-6.39
-1 Year	6.71	↑ 189.1	-0.15	0.03	0.10	9.70	13.94

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	0.5	0.48	6.76 ▼ -1.2bps	100.52	6.767	6.907	100.46	100.53	17-Oct-18	101.15	96.50	4
FR0036	20-Apr-06	15-Sep-19	11.50	0.9	0.85	7.05 ▼ -1.2bps	103.82	7.105	7.245	103.67	103.80	17-Oct-18	103.77	37.10	2
FR0031	16-Jun-05	15-Nov-20	11.00	2.1	1.77	7.52 ▼ -0.9bps	106.55	7.599	7.740	106.14	106.41	15-Oct-18	106.40	4.00	1
FR0034	26-Jan-06	15-Jun-21	12.80	2.7	2.18	8.04 ▼ -0.6bps	111.17	7.936	8.076	111.09	111.44	15-Oct-18	111.18	25.00	4
FR0053	8-Jul-10	15-Jul-21	8.25	2.7	2.37	8.11 ▼ -2.7bps	100.32	8.015	8.155	100.21	100.55	17-Oct-18	100.30	423.00	16
FR0061	6-Oct-11	15-May-22	7.00	3.6	3.00	8.31 ▼ -8.7bps	96.00	8.172	8.312	96.00	96.42	17-Oct-18	95.82	652.87	35
FR0035	16-Feb-06	15-Jun-22	12.90	3.7	2.85	8.07 ▲ 1.5bps	115.01	8.134	8.274	114.33	114.81	17-Oct-18	114.77	13.00	2
FR0043	22-Feb-07	15-Jul-22	10.25	3.7	3.02	8.44 → 0.0bps	105.69	8.341	8.481	105.55	106.01	15-Oct-18	105.85	22.00	3
FR0063	13-Aug-12	15-May-23	5.63	4.6	3.80	8.37 ▼ -10.7bps	89.73	8.319	8.459	89.41	89.90	17-Oct-18	89.71	790.44	24
FR0077	27-Sep-18	15-May-24	8.13	5.6	4.25	8.48 ▼ -11.8bps	98.43					17-Oct-18	100.00	879.48	80
FR0046	19-Jul-07	15-Jul-23	9.50	4.7	3.70	8.50 ▼ -6.9bps	103.79	8.412	8.553	103.61	104.16	17-Oct-18	103.50	8.57	1
FR0039	24-Aug-06	15-Aug-23	11.75	4.8	3.66	8.55 ▼ -7.3bps	112.39	8.451	8.592	112.24	112.83	7-Sep-18	112.00	2.60	3
FR0070	29-Aug-13	15-Mar-24	8.38	5.4	4.24	8.55 ▲ 2.4bps	99.25	8.486	8.626	98.92	99.51	17-Oct-18	99.02	472.55	14
FR0044	19-Apr-07	15-Sep-24	10.00	5.9	4.42	8.64 ▼ -8.9bps	106.17	8.518	8.658	106.09	106.76	11-Oct-18	106.25	3.00	1
FR0040	21-Sep-06	15-Sep-25	11.00	6.9	4.87	8.82 ▼ -1.7bps	111.07	8.645	8.785	111.28	112.05	17-Oct-18	111.75	70.60	2
FR0037	18-May-06	15-Sep-26	12.00	7.9	5.26	8.88 ▼ -0.1bps	117.44	8.717	8.857	117.59	118.47	10-Oct-18	119.50	4.00	2
FR0056	23-Sep-10	15-Sep-26	8.38	7.9	5.64	8.67 ▼ -17.8bps	98.35	8.541	8.681	98.26	99.05	17-Oct-18	98.27	588.04	24
FR0059	15-Sep-11	15-May-27	7.00	8.6	6.00	8.71 ▼ -18.3bps	89.80	8.659	8.800	89.31	90.09	17-Oct-18	89.89	480.21	20
FR0042	25-Jan-07	15-Jul-27	10.25	8.7	5.70	8.93 ▲ 0.4bps	107.89	8.711	8.851	108.36	109.26	17-Oct-18	107.80	60.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	9.3	6.02	8.87 ▲ 1.3bps	107.02	8.830	8.970	106.39	107.31	17-Oct-18	106.60	160.00	11
FR0064	13-Aug-12	15-May-28	6.13	9.6	6.65	8.63 ▼ -13.1bps	83.88	8.569	8.709	83.44	84.24	17-Oct-18	84.75	1,087.00	65
FR0078	27-Sep-18	15-May-29	8.25	10.6	6.69	8.55 ▼ -16.3bps	97.93					17-Oct-18	99.00	710.73	47
FR0071	12-Sep-13	15-Mar-29	9.00	10.4	6.65	8.79 ▼ -12.0bps	101.42	8.760	8.900	100.66	101.60	17-Oct-18	102.01	627.88	24
FR0052	20-Aug-09	15-Aug-30	10.50	11.8	6.89	8.88 ▼ -12.0bps	111.67	8.756	8.896	111.56	112.67	16-Oct-18	116.30	80.00	4
FR0073	6-Aug-15	15-May-31	8.75	12.6	7.24	8.88 ▼ -17.8bps	99.04	8.790	8.930	98.65	99.69	17-Oct-18	98.60	138.45	22
FR0074	10-Nov-16	15-Aug-32	7.50	13.8	8.00	9.06 ▼ -1.1bps	87.82	8.880	9.020	88.10	89.11	17-Oct-18	89.50	999.29	26
FR0054	22-Jul-10	15-Jul-31	9.50	12.7	7.24	9.03 ▼ -0.3bps	103.50	8.860	9.000	103.72	104.81	16-Oct-18	104.25	0.60	2
FR0058	21-Jul-11	15-Jun-32	8.25	13.7	7.71	8.93 ▼ -16.0bps	94.65	9.029	9.169	92.90	93.94	17-Oct-18	94.60	2.28	3
FR0065	30-Aug-12	15-May-33	6.33	14.6	8.33	8.84 ▼ -13.3bps	82.06	8.729	8.869	81.83	82.82	17-Oct-18	82.34	1,508.57	48
FR0068	1-Aug-13	15-Mar-34	8.38	15.4	8.28	9.08 ▼ -1.4bps	94.17	8.922	9.063	94.33	95.45	17-Oct-18	95.60	189.42	21
FR0072	9-Jul-15	15-May-36	8.25	17.6	8.59	8.99 ▼ -11.2bps	93.49	8.897	9.037	93.12	94.29	17-Oct-18	92.75	939.83	116
FR0045	24-May-07	15-May-37	9.75	18.6	8.49	8.99 → 0.0bps	106.80	9.124	9.264	104.26	105.54	17-Oct-18	106.25	140.00	4
FR0075	10-Aug-17	15-May-38	7.50	19.6	9.12	9.03 ▼ -11.6bps	86.08	8.935	9.075	85.68	86.83	17-Oct-18	87.10	412.99	63
FR0050	24-Jan-08	15-Jul-38	10.50	19.7	8.66	9.10 ▼ -4.9bps	112.73	8.829	8.969	114.02	115.46	11-Oct-18	112.75	0.16	1
FR0057	21-Apr-11	15-May-41	9.50	22.6	9.04	9.21 ▼ -2.2bps	102.75	9.041	9.181	103.00	104.37	17-Oct-18	102.00	9.50	2
FR0062	9-Feb-12	15-Apr-42	6.38	23.5	10.24	9.15 ▲ 11.2bps	73.39	9.100	9.240	72.71	73.76	17-Oct-18	72.00	40.50	3
FR0067	18-Jul-13	15-Feb-44	8.75	25.3	9.68	9.20 ▲ 5.7bps	95.57	8.984	9.124	96.31	97.66	17-Oct-18	94.50	7.10	3
FR0076	22-Sep-17	15-May-48	7.38	29.6	10.01	9.24 ▼ -1.2bps	81.19	9.168	9.308	80.63	81.81	17-Oct-18	84.95	1.02	2
ORI013	26-Oct-16	15-Oct-19	6.60	1.0	-	7.48 ▲ 7.4bps	99.16	7.338	7.478	99.16	99.29	17-Oct-18	98.30	39.69	36
ORI014	25-Oct-17	15-Oct-20	5.85	2.0	-	7.52 ▲ 0.6bps	96.92	7.613	7.753	96.49	96.75	17-Oct-18	95.25	8.39	25
IFR0008	15-Apr-10	15-Mar-20	8.80	1.4	1.30	7.07 ▼ -1.2bps	102.26	7.091	7.232	102.06	102.25	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.2	4.50	8.93 ▼ -0.4bps	106.17	8.781	8.922	106.23	106.92	22-Jun-18	120.96	30.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.4	6.72	9.50 ▲ 1.4bps	105.15	9.211	9.351	106.21	107.22	16-Oct-18	108.78	16.00	3
IFR0010	3-Mar-11	15-Feb-36	10.00	17.3	8.11	9.78 ▼ -0.3bps	101.82	9.455	9.595	103.36	104.58	23-Aug-17	120.00	1.01	1
PBS013	6-Oct-16	15-May-19	6.25	0.6	0.54	6.98 ▲ 0.4bps	99.59	6.620	6.760	99.71	99.79	17-Oct-18	99.45	20.00	1
PBS016	6-Sep-17	15-Mar-20	6.25	1.4	1.32	7.76 ▲ 0.2bps	98.02	7.686	7.826	97.92	98.10	16-Oct-18	97.70	57.55	3
PBS006	19-Sep-13	15-Sep-20	8.25	1.9	1.74	6.49 ▼ -5.8bps	103.10	7.279	7.419	101.45	101.69	16-Oct-18	100.82	9.00	2
PBS014	6-Oct-16	15-May-21	6.50	2.6	2.25	8.16 ▼ -1.1bps	96.20	8.020	8.160	96.20	96.51	17-Oct-18	95.98	261.06	3
PBS002	2-Feb-12	15-Jan-22	5.45	3.2	2.85	8.31 ▲ 4.0bps	92.01	8.176	8.317	91.98	92.35	16-Oct-18	91.56	39.77	3
PBS011	14-Jan-16	15-Aug-23	8.75	4.8	3.82	8.64 ▼ -1.6bps	100.41	8.552	8.692	100.20	100.75	16-Oct-18	100.12	88.00	3
PBS017	11-Jan-18	15-Oct-25	6.13	7.0	5.47	8.33 ▲ 1.1bps	88.48	8.485	8.626	87.07	87.74	16-Oct-18	84.45	555.00	9
PBS019	4-Oct-18	15-Sep-23	8.25	4.9	3.93	8.70 ▼ -1.5bps	98.61					17-Oct-18	97.70	621.00	13
PBS003	2-Feb-12	15-Jan-27	6.00	8.2	6.03	9.17 ▲ 0.7bps	81.91	8.926	9.066	82.44	83.16	16-Oct-18	81.50	2.00	2
PBS012	28-Jan-16	15-Nov-31	8.88	13.1	7.35	8.97 ▲ 3.1bps	99.30	8.936	9.076	98.46	99.52	17-Oct-18	95.60	310.43	19
PBS004	16-Feb-12	15-Feb-37	6.10	18.3	9.51	9.02 ▼ -0.7bps	74.05	9.130	9.271	72.28	73.26	17-Oct-18	72.00	0.03	1
PBS018	4-Jun-18	15-May-28	7.63	9.6	6.25	9.47 ▲ 1.0bps	89.00	9.199	9.339	89.29	90.11				
PBS005	2-May-13	15-Apr-43	6.75	24.5	10.01	9.48 ▲ 1.9bps	74.17	9.385	9.526	73.84	74.89	28-Sep-18	99.97	19.00	1
PBS015	21-Jul-17	15-Jul-47	8.00	28.7	9.77	9.53 → 0.0bps	85.01	9.37	9.509	85.20	86.42	10-Oct-18	84.73	180.00	5
SR008	10-Mar-16	10-Mar-19	8.30	0.4	-	6.88 ▼ -13.8bps	100.55	6.650	6.790	100.50	100.65	17-Oct-18	100.60	409.73	46
SR009	22-Mar-17	10-Mar-20	6.90	1.4	-	7.56 ▲ 2.5bps	99.14	7.38	7.519	99.18	99.37	17-Oct-18	98.70	56.84	28