

HEADLINES & ANALYSIS

- Yields on the Indonesia's 10-year bonds dropped for a third day on Thursday, taking the decline to around 30 basis points, the most in three months. Optimism was ignited as the rupiah's precipitous slide stalled and the finance minister said the government may post the smallest budget deficit in six years. However, it's still too early to call a top to this year's relentless advance in yields according to analysts. (Bloomberg)
- Italy's bonds plunged Thursday. The yield on Italy's 10-year surged as much as 15 basis points to around 3.70 percent on an intraday basis, widening the spread over equivalent German debt to levels unseen since 2013, while Europe's common currency slid as much as 0.4 percent to \$1.1455. (Bloomberg)
- Forward traders are pricing the spot Libor-OIS spread, at nearly 20bp Thursday, widening to about 36bp by the end of December. The Dec18 FRA/OIS widened about 4bp Thursday. The Treasury announced it will sell \$45b in 3-mo and \$39b in 6-mo bills on Oct. 22. The effective fed funds rate rose to 2.19% on Wednesday from 2.18% on Tuesday. (Bloomberg)

YIELD CURVE (%)

TTM	18-Oct-18	-1 Day	Change	TTM	18-Oct-18	-1 Day	Change
3 months	5.521	5.606	-0.086	15 years	8.908	8.964	-0.056
6 months	5.979	6.104	-0.125	16 years	8.935	8.989	-0.055
1 year	6.798	6.944	-0.146	17 years	8.961	9.012	-0.052
2 years	7.693	7.776	-0.083	18 years	8.986	9.033	-0.047
3 years	8.158	8.174	-0.016	19 years	9.010	9.052	-0.042
4 years	8.406	8.384	0.021	20 years	9.032	9.069	-0.037
5 years	8.542	8.510	0.032	21 years	9.054	9.085	-0.031
6 years	8.623	8.595	0.027	22 years	9.074	9.099	-0.025
7 years	8.675	8.660	0.015	23 years	9.093	9.112	-0.019
8 years	8.712	8.713	-0.001	24 years	9.111	9.124	-0.013
9 years	8.744	8.760	-0.016	25 years	9.127	9.134	-0.007
10 years	8.772	8.802	-0.030	26 years	9.142	9.144	-0.001
11 years	8.799	8.840	-0.040	27 years	9.156	9.152	0.004
12 years	8.827	8.875	-0.048	28 years	9.169	9.160	0.009
13 years	8.854	8.907	-0.053	29 years	9.181	9.167	0.014
14 years	8.881	8.937	-0.056	30 years	9.192	9.173	0.019

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0063	5.625	15-May-23	89.55	8.363	2,126.53
FR0077	8.125	15-May-24	98.37	8.489	1,370.84
FR0064	6.125	15-May-28	84.37	8.544	1,292.41
FR0078	8.250	15-May-29	97.60	8.551	933.18
FR0065	6.625	15-May-33	82.00	8.774	869.49

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	99.41	7.54	201.00
BAFI02A	idAA	6.200	20-May-19	98.94	6.27	160.00
WSKT03ACN3	A-(idn)	9.000	28-Sep-21	100.00	9.00	141.40
WSKT02CN2	idA-	8.500	28-Sep-21	100.08	8.47	120.00
MEDP01A	idA	9.750	4-Jul-21	100.03	9.74	89.00

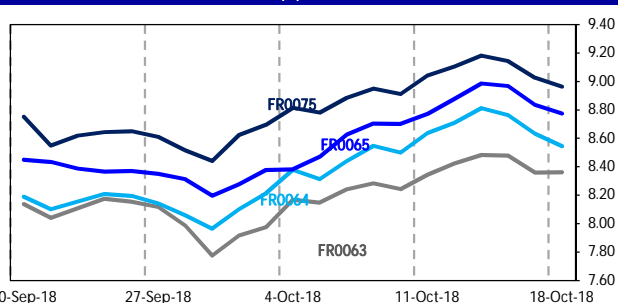
*Current yield: Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	18-Oct-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	18-Oct-18			Spread over UST YC (bps)		
			-1 Mo	-3 Mo	18-Oct-18	-1 Mo	-3 Mo	-1 Mo				-3 Mo	-1 Mo	-3 Mo			
United States	2yr		2.87	2.58	2.40				Philippines	2yr	6.00	7.15	4.31	4.22	428	187	197
USD	5yr		3.03	2.77	2.65				PHP	5yr	7.88	7.88	5.46	-	485	269	-
	10yr		3.17	2.92	2.88					10yr	11.38	8.37	6.27	-	520	335	-
German	2yr	0.25	-0.62	-	-	-349	-	-	Thailand	2yr	3.13	1.97	1.45	1.45	-90	-99	-80
EUR	5yr	1.00	-0.18	-	-	-321	-	-	THB	5yr	3.45	2.44	-	-	-60	-	-
	10yr	1.75	0.42	-	-	-275	-	-		10yr	3.63	2.81	-	-	-37	-	-
Indonesia	2yr	11.63	2.88	2.81	2.54	1	37	29	India	2yr	7.59	7.67	7.06	-	480	462	-
USD	5yr	3.75	4.23	3.74	3.52	120	97	87	INR	5yr	7.28	7.92	7.53	-	489	476	-
	10yr	3.50	4.74	4.14	4.04	157	122	116		10yr	8.83	7.91	7.63	7.67	474	471	479
Brazil	2yr	0.00	7.81	7.20	7.91	494	476	566	Malaysia	3yr	3.17	3.62	3.57	3.50	67	99	110
BRL	5yr	10.00	9.18	8.60	9.10	631	616	685	MYR	5yr	3.26	3.79	-	-	76	-	-
	10yr	10.00	10.48	9.76	10.00	761	732	775		10yr	4.18	4.13	4.02	4.10	96	110	122

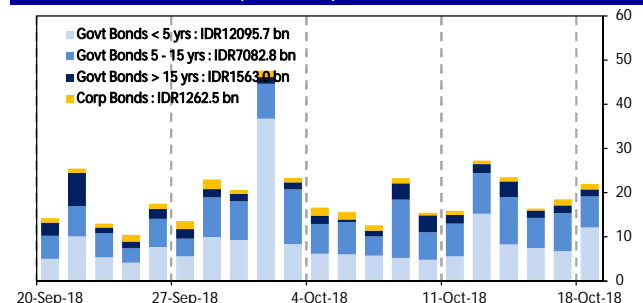
Sources: Bloomberg (Current Yield Curve), US Treasury

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 ↓	1.20	-1.10
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	18-Oct-18	-1Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,845 ↓	5,869	-0.40	2.50	0.58	-1.42	-8.03
Dow Jones (DJIA)	25,379 ↓	25,707	-1.27	1.30	-3.31	9.59	2.67
London (FTSE 100)	7,027 ↓	7,055	-0.39	0.29	-3.74	-6.84	-8.60
Nikkei 225	22,658 ↓	22,841	-0.80	0.30	-3.26	6.06	-0.47
Hang Seng (HIS)	25,455 ↓	25,462	-0.03	0.74	-6.02	-11.34	-14.92
Malaysia (KLCI)	1,738 ↓	1,741	-0.15	1.73	-3.06	-0.63	-3.27
Philippines (PSEI)	7,141 ↑	7,100	0.59	3.73	-1.99	-15.31	-16.56
Thailand (SET)	1,683 ↓	1,695	-0.72	0.00	-3.53	-1.44	-4.04
Singapore (STI)	3,070 ↓	3,071	-0.05	0.73	-2.22	-7.79	-9.79
Brazil (BOVESPA)	83,847 ↓	85,764	-2.24	1.12	7.07	9.47	9.74

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	18-Oct-18	-1 Day	-1 Week	-1 Month	EOP 2017
USD/IDR	15,195 ↑	15,150	15,235	14,855	13,555
Brent	79.37 ↓	80.43	80.51	78.71	66.82
WTI Crude Oil	68.65 ↓	69.75	70.97	69.85	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
18-Oct-18	8.57		0.15	0.02	-0.49	-3.64	-6.51
-1 Day	8.59	↓ 1.7	0.68	-0.76	-0.27	-3.80	-6.65
-1 Week	8.55	↑ 2.2	-0.64	-1.15	0.49	-3.61	-6.53
-1 Month	8.40	↑ 16.9	0.37	1.01	-1.71	-3.26	-6.05
-1 Year	6.72	↑ 184.8	-0.03	0.05	0.04	9.86	13.91

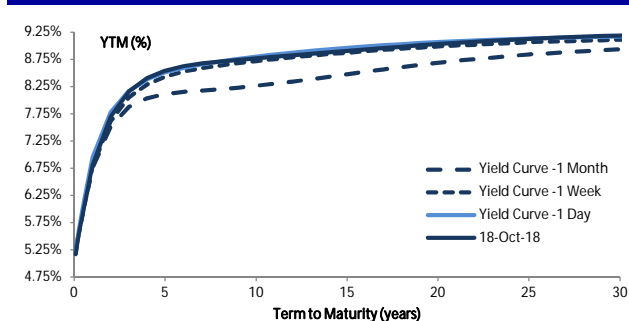
Sources: Danareksa

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	6.75 ↓ -1.4bps	100.52	6.658 6.803	100.51 100.58	18-Oct-18	100.55	838.17	13
FR0036	20-Apr-06	15-Sep-19	11.50	0.9	0.85	7.01 ↓ -3.9bps	103.82	6.974 7.119	103.78 103.91	18-Oct-18	103.60	4.38	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.1	1.77	7.50 ↓ -2.3bps	106.58	7.510 7.655	106.30 106.58	18-Oct-18	106.00	87.50	1
FR0034	26-Jan-06	15-Jun-21	12.80	2.7	2.18	8.00 ↓ -4.0bps	111.24	7.897 8.042	111.16 111.53	18-Oct-18	111.15	1.18	1
FR0053	8-Jul-10	15-Jul-21	8.25	2.7	2.36	8.10 ↓ -0.9bps	100.33	7.987 8.132	100.26 100.62	18-Oct-18	100.15	45.43	4
FR0061	6-Oct-11	15-May-22	7.00	3.6	3.00	8.29 ↓ -1.1bps	96.07	8.189 8.334	95.94 96.37	18-Oct-18	96.25	297.62	18
FR0035	16-Feb-06	15-Jun-22	12.90	3.7	2.85	8.05 ↓ -1.4bps	115.03	8.146 8.291	114.26 114.76	17-Oct-18	114.77	13.00	2
FR0043	22-Feb-07	15-Jul-22	10.25	3.7	3.01	8.48 ↑ 3.8bps	105.55	8.369 8.514	105.44 105.91	15-Oct-18	105.85	22.00	3
FR0063	13-Aug-12	15-May-23	5.63	4.6	3.80	8.36 ↑ 0.3bps	89.78	8.344 8.489	89.32 89.82	18-Oct-18	89.55	2,126.53	27
FR0077	27-Sep-18	15-May-24	8.13	5.6	4.25	8.49 ↑ 1.7bps	98.40			18-Oct-18	98.37	1,370.84	51
FR0046	19-Jul-07	15-Jul-23	9.50	4.7	3.70	8.50 → 0.0bps	103.79	8.440 8.585	103.48 104.05	18-Oct-18	103.51	8.57	1
FR0039	24-Aug-06	15-Aug-23	11.75	4.8	3.66	8.52 ↓ -2.1bps	112.52	8.478 8.623	112.11 112.71	7-Sep-18	112.00	2.60	3
FR0070	29-Aug-13	15-Mar-24	8.38	5.4	4.24	8.55 ↓ -0.1bps	99.25	8.510 8.655	98.80 99.41	18-Oct-18	99.45	350.45	27
FR0044	19-Apr-07	15-Sep-24	10.00	5.9	4.42	8.59 ↓ -3.1bps	106.42	8.531 8.676	106.01 106.69	18-Oct-18	105.98	20.00	2
FR0040	21-Sep-06	15-Sep-25	11.00	6.9	4.86	8.82 → 0.0bps	111.07	8.652 8.797	111.21 112.00	17-Oct-18	111.75	70.60	2
FR0037	18-May-06	15-Sep-26	12.00	7.9	5.25	8.88 → 0.0bps	117.44	8.716 8.861	117.56 118.47	10-Oct-18	119.50	4.00	2
FR0056	23-Sep-10	15-Sep-26	8.38	7.9	5.63	8.72 ↑ 5.5bps	98.05	8.546 8.691	98.21 99.02	18-Oct-18	100.50	518.72	15
FR0059	15-Sep-11	15-May-27	7.00	8.6	6.00	8.68 ↓ -0.7bps	90.01	8.648 8.793	89.35 90.15	18-Oct-18	90.80	523.25	16
FR0042	25-Jan-07	15-Jul-27	10.25	8.7	5.71	8.74 ↓ -18.4bps	109.05	8.697 8.842	108.43 109.35	17-Oct-18	107.80	60.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	9.3	6.02	8.87 → 0.0bps	107.02	8.801 8.946	106.55 107.50	17-Oct-18	106.60	160.00	11
FR0064	13-Aug-12	15-May-28	6.13	9.6	6.66	8.54 ↓ -8.9bps	84.40	8.543 8.688	83.56 84.39	18-Oct-18	84.37	1,292.41	44
FR0078	27-Sep-18	15-May-29	8.25	10.6	6.68	8.55 ↑ 0.1bps	97.93			18-Oct-18	97.60	933.18	24
FR0071	12-Sep-13	15-Mar-29	9.00	10.4	6.66	8.71 ↓ -7.7bps	101.94	8.721 8.866	100.88 101.87	18-Oct-18	102.00	157.05	7
FR0052	20-Aug-09	15-Aug-30	10.50	11.8	6.90	8.82 ↓ -2.1bps	112.16	8.715 8.860	111.84 112.98	16-Oct-18	116.30	80.00	4
FR0073	6-Aug-15	15-May-31	8.75	12.6	7.23	8.90 ↑ 4.7bps	98.88	8.737 8.882	99.00 100.09	18-Oct-18	98.60	209.43	9
FR0074	10-Nov-16	15-Aug-32	7.50	13.8	8.05	8.86 ↓ -20.1bps	89.27	8.817 8.962	88.52 89.57	18-Oct-18	89.10	597.15	13
FR0054	22-Jul-10	15-Jul-31	9.50	12.7	7.24	9.03 → 0.0bps	103.50	8.811 8.955	104.06 105.19	18-Oct-18	104.19	3.90	2
FR0058	21-Jul-11	15-Jun-32	8.25	13.7	7.72	8.77 ↑ 0.5bps	95.10	8.955 9.100	93.41 94.49	18-Oct-18	94.50	22.97	5
FR0065	30-Aug-12	15-May-33	6.33	14.6	8.35	8.77 ↓ -6.2bps	82.51	8.680 8.825	82.14 83.17	18-Oct-18	82.00	869.49	21
FR0068	1-Aug-13	15-Mar-34	8.38	15.4	8.34	8.90 ↑ 6.7bps	95.60	8.856 9.000	94.83 95.99	18-Oct-18	98.60	66.50	17
FR0072	9-Jul-15	15-May-36	8.25	17.6	8.60	8.95 ↓ -4.4bps	93.86	8.856 9.001	93.42 94.64	18-Oct-18	94.25	858.44	91
FR0045	24-May-07	15-May-37	9.75	18.6	8.47	9.03 ↑ 0.1bps	106.46	9.060 9.205	104.79 106.13	17-Oct-18	106.25	140.00	4
FR0075	10-Aug-17	15-May-38	7.50	19.6	9.14	8.96 ↓ -6.4bps	86.61	8.893 9.038	85.99 87.18	18-Oct-18	88.50	567.59	58
FR0050	24-Jan-08	15-Jul-38	10.50	19.7	8.66	9.10 ↑ 0.5bps	112.68	8.809 8.954	114.18 115.67	18-Oct-18	84.35	13.00	2
FR0057	21-Apr-11	15-May-41	9.50	22.6	9.04	9.20 → 0.0bps	102.81	9.016 9.161	103.19 104.62	17-Oct-18	102.00	9.50	2
FR0062	9-Feb-12	15-Apr-42	6.38	23.5	10.24	9.15 → 0.0bps	73.39	9.082 9.227	72.80 73.89	18-Oct-18	74.75	34.86	5
FR0067	18-Jul-13	15-Feb-44	8.75	25.3	9.67	9.22 ↑ 1.5bps	95.43	9.005 9.150	96.06 97.45	18-Oct-18	95.95	2.06	5
FR0076	22-Sep-17	15-May-48	7.38	29.6	10.00	9.24 ↑ 0.2bps	81.18	9.180 9.325	80.49 81.71	18-Oct-18	80.50	0.49	1
ORIO13	26-Oct-16	15-Oct-19	6.60	1.0	-	7.37 ↓ -11.8bps	99.28	7.220 7.365	99.27 99.41	18-Oct-18	98.55	29.52	30
ORIO14	25-Oct-17	15-Oct-20	5.85	2.0	-	7.52 → 0.0bps	96.92	7.526 7.671	96.65 96.91	18-Oct-18	95.00	9.45	18
IFR0008	15-Apr-10	15-Mar-20	8.80	1.4	1.30	7.07 ↓ -0.6bps	102.25	6.985 7.130	102.19 102.38	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.2	4.50	8.91 ↓ -0.9bps	106.28	8.801 8.946	106.11 106.82	22-Jun-18	120.96	30.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.4	6.72	9.44 ↓ -2.3bps	105.56	9.187 9.332	106.35 107.40	16-Oct-18	108.78	16.00	3
IFR0010	3-Mar-11	15-Feb-36	10.00	17.3	8.14	9.68 ↓ -2.8bps	102.66	9.422 9.567	103.60 104.87	23-Aug-17	120.00	1.01	1
PBS013	6-Oct-16	15-May-19	6.25	0.6	0.54	6.93 ↓ -4.6bps	99.62	6.542 6.687	99.75 99.83	18-Oct-18	99.60	155.75	11
PBS016	6-Sep-17	15-Mar-20	6.25	1.4	1.31	7.77 ↑ 0.7bps	98.02	7.580 7.725	98.06 98.25	16-Oct-18	97.70	57.55	3
PBS006	19-Sep-13	15-Sep-20	8.25	1.9	1.74	6.60 ↑ 10.4bps	102.90	7.151 7.296	101.66 101.92	16-Oct-18	100.82	9.00	2
PBS014	6-Oct-16	15-May-21	6.50	2.6	2.25	8.17 ↑ 0.5bps	96.20	7.990 8.135	96.26 96.58	18-Oct-18	96.05	80.00	5
PBS002	2-Feb-12	15-Jan-22	5.45	3.2	2.84	8.32 ↑ 0.8bps	92.00	8.185 8.330	91.95 92.34	16-Oct-18	91.56	39.37	3
PBS011	14-Jan-16	15-Aug-23	8.75	4.8	3.82	8.62 ↓ -0.8bps	100.48	8.581 8.726	100.07 100.64	16-Oct-18	100.12	88.00	3
PBS017	11-Jan-18	15-Oct-25	6.13	7.0	5.47	8.34 ↑ 0.2bps	88.48	8.481 8.626	87.07 87.76	16-Oct-18	84.45	555.00	9
PBS019	4-Oct-18	15-Sep-23	8.25	4.9	3.93	8.58 ↓ -0.7bps	98.68			17-Oct-18	97.70	621.00	13
PBS003	2-Feb-12	15-Jan-27	6.00	8.2	6.03	9.14 ↓ -1.2bps	82.09	8.939 9.084	82.36 83.10	16-Oct-18	81.50	2.00	2
PBS012	28-Jan-16	15-Nov-31	8.88	13.1	7.34	9.02 ↑ 6.2bps	98.89	8.890 9.035	98.78 99.87	18-Oct-18	98.25	9.00	5
PBS004	16-Feb-12	15-Feb-37	6.10	18.3	9.51	9.01 ↓ -0.5bps	74.09	9.095 9.240	72.49 73.51	18-Oct-18	72.01	0.03	1
PBS018	4-Jun-18	15-May-28	7.63	9.6	6.26	9.35 ↓ -1.6bps	89.26	9.113 9.258	89.76 90.62				
PBS005	2-May-13	15-Apr-43	6.75	24.5	10.01	9.48 ↑ 0.1bps	74.16	9.382 9.527	73.83 74.92	28-Sep-18	99.97	19.00	1
PBS015	21-Jul-17	15-Jul-47	8.00	28.7	9.77	9.53 ↑ 0.1bps	85.01	9.40 9.543	84.92 86.17	10-Oct-18	84.73	180.00	5
SR008	10-Mar-16	10-Mar-19	8.30	0.4	-	6.79 ↓ -16.7bps	100.57	6.565 6.710	100.62 100.67	18-Oct-18	100.20	58.62	28
SR009	22-Mar-17	10-Mar-20	6.90	1.4	-	7.56 ↑ 0.3bps	99.14	7.28 7.424	99.31 99.50	18-Oct-18	99.05	99.93	29
SR010	21-Mar-18	10-Mar-21	5.90	2.4	-	7.50 ↑ 0.7bps	96.51	7.510 7.655	96.17 96.48	18-Oct-18	94.25	9.16	20

*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

Analysts: Rifki Rizal (