

HEADLINES & ANALYSIS

- Indonesian bond investors suffering through a third straight month of losses are zeroing-in on this week's central bank decision and government debt auctions to sustain a nascent turnaround. The Finance Ministry is selling 10 trillion rupiah (\$658 million) of securities Tuesday, the same day policy makers announce their interest-rate decision amid ongoing efforts to safeguard against capital flight. The country's bonds and currency have been among the world's worst performers as rising oil prices threaten to exacerbate Indonesia's trade deficit just as U.S. policy tightening spurs outflows from emerging markets. Yet, the selloffs have masked a surprising resilience at the country's debt auctions. (Bloomberg)
- Yen edges higher against the dollar as investors wait to see moves in Asian equities, particularly China, to gauge appetite for risk. Japanese bond traders are looking at Tuesday's regular meeting between the Bank of Japan and market players. USD/JPY down 0.1% at 112.44, after rising 0.3% last week. (Bloomberg)
- Aussie bonds futures gain from the open with Treasuries. S&P E-minis futures open lower after President Trump said he plans to exit a major arms control treaty with Russia. U.S. 10-year cash bond yields to open -1bp lower as futures edge higher from the open. Moody's downgraded Italy by one notch on Friday, but shifted the outlook to "stable," which removes threat to index inclusion and shift to junk. (Bloomberg)

YIELD CURVE (%)

TTM	19-Oct-18	-1 Day	Change	TTM	19-Oct-18	-1 Day	Change
3 months	5.521	5.521	0.001	15 years	8.952	8.908	0.044
6 months	5.972	5.979	-0.007	16 years	8.981	8.935	0.047
1 year	6.787	6.798	-0.011	17 years	9.009	8.961	0.049
2 years	7.691	7.693	-0.002	18 years	9.037	8.986	0.051
3 years	8.170	8.158	0.012	19 years	9.063	9.010	0.053
4 years	8.428	8.406	0.022	20 years	9.088	9.032	0.055
5 years	8.571	8.542	0.029	21 years	9.111	9.054	0.057
6 years	8.655	8.623	0.032	22 years	9.134	9.074	0.059
7 years	8.708	8.675	0.034	23 years	9.155	9.093	0.061
8 years	8.747	8.712	0.035	24 years	9.174	9.111	0.063
9 years	8.779	8.744	0.036	25 years	9.192	9.127	0.065
10 years	8.808	8.772	0.036	26 years	9.209	9.142	0.066
11 years	8.837	8.799	0.038	27 years	9.224	9.156	0.067
12 years	8.865	8.827	0.039	28 years	9.238	9.169	0.069
13 years	8.894	8.854	0.041	29 years	9.251	9.181	0.070
14 years	8.923	8.881	0.042	30 years	9.262	9.192	0.071

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0077	8.125	15-May-24	100.60	8.531	1,131.28
FR0078	8.250	15-May-29	97.60	8.592	988.50
FR0064	6.125	15-May-28	84.00	8.617	831.43
FR0069	7.875	15-Apr-19	100.70	6.728	680.00
SPN03181213	-	13-Dec-18	99.23	-	600.20

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
SWMEDP01A	idA(sy)	9.750	4-Jul-25	100.28	9.69	424.00
FIFA03ACN4	idAAA	7.500	5-Oct-19	100.10	7.49	156.00
ADMF04CCN3	idAAA	8.500	16-Aug-21	100.12	8.45	80.00
BEXI04ACN1	idAAA	7.500	6-Jun-21	98.12	8.30	65.00
TELE01CCN2	idA	10.650	14-Oct-21	100.00	10.65	46.00

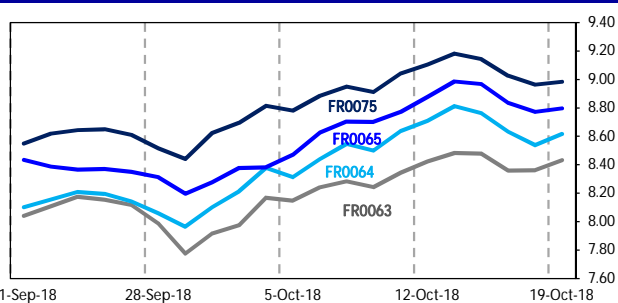
*Current yield: Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	19-Oct-18			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	19-Oct-18			Spread over UST YC (bps)		
			-1 Mo	-3 Mo	19-Oct-18	-1 Mo	-3 Mo	-1 Mo				-3 Mo	-1 Mo	-3 Mo			
United States	2yr		2.92	2.58	2.40				Philippines	2yr	6.00	7.12	4.31	4.22	420	187	197
USD	5yr		3.05	2.77	2.65				PHP	5yr	7.88	7.86	5.46	-	481	269	-
	10yr		3.20	2.92	2.88					10yr	11.38	8.38	6.27	-	518	335	-
German	2yr	0.25	-0.58	-	-	-350	-	-	Thailand	2yr	3.13	1.97	1.45	1.45	-95	-99	-80
EUR	5yr	1.00	-0.13	-	-	-318	-	-	THB	5yr	3.45	2.46	-	-	-59	-	-
	10yr	1.75	0.46	-	-	-274	-	-		10yr	3.63	2.86	-	-	-34	-	-
Indonesia	2yr	11.63	2.91	2.81	2.54	-1	37	29	India	2yr	7.59	7.66	7.06	-	474	462	-
USD	5yr	3.75	4.24	3.74	3.52	119	97	87	INR	5yr	7.28	7.93	7.53	-	488	476	-
	10yr	3.50	4.79	4.14	4.04	159	122	116		10yr	8.83	7.92	7.63	7.67	472	471	479
Brazil	2yr	0.00	7.79	7.20	7.91	487	476	566	Malaysia	3yr	3.17	3.65	3.57	3.50	66	99	110
BRL	5yr	10.00	9.14	8.60	9.10	622	616	685	MYR	5yr	3.26	3.82	-	-	77	-	-
	10yr	10.00	10.36	9.76	10.00	744	732	775		10yr	4.18	4.15	4.02	4.10	95	110	122

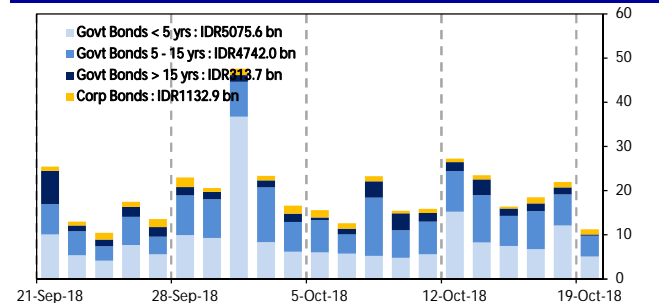
Sources: Bloomberg (Current Yield Curve), US Treasury

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	19-Oct-18	-1Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (JCI)	5,837 ↓	5,845	-0.14	1.40	-0.62	-1.24	-8.16
Dow Jones (DJIA)	25,444 ↑	25,379	0.26	0.41	-3.64	9.85	2.93
London (FTSE 100)	7,050 ↑	7,027	0.32	0.77	-3.84	-6.29	-8.30
Nikkei 225	22,532 ↓	22,658	-0.56	-0.72	-4.82	5.05	-1.02
Hang Seng (HIS)	25,561 ↑	25,455	0.42	-0.93	-6.74	-9.23	-14.57
Malaysia (KLCI)	1,732 ↓	1,738	-0.34	0.08	-3.81	-0.68	-3.60
Philippines (PSEI)	7,152 ↑	7,141	0.14	2.10	-0.97	-15.74	-16.44
Thailand (SET)	1,668 ↓	1,683	-0.89	-1.67	-4.68	-0.92	-4.89
Singapore (STI)	3,063 ↓	3,070	-0.23	-0.22	-3.59	-8.17	-10.00
Brazil (BOVESPA)	84,220 ↑	83,847	0.44	1.57	7.74	10.40	10.23

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	19-Oct-18	-1 Day	-1 Week	-1 Month	EOP 2017
USD/IDR	15,187 ↓	15,195	15,197	14,875	13,555
Brent	80.12 ↑	79.37	80.87	79.21	66.82
WTI Crude Oil	69.12 ↑	68.65	71.34	71.12	60.42

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
19-Oct-18	8.59		-0.16	0.52	-0.98	-3.80	-6.63
-1 Day	8.57	↑ 2.8	0.16	0.05	-0.46	-3.61	-6.49
-1 Week	8.65	↓ -5.1	-0.62	-1.86	-0.06	-4.28	-7.11
-1 Month	8.35	↑ 24.8	0.37	1.45	-1.39	-3.00	-5.71
-1 Year	6.72	↑ 188.0	0.04	0.02	-0.06	10.12	13.96

Sources: Danareksa

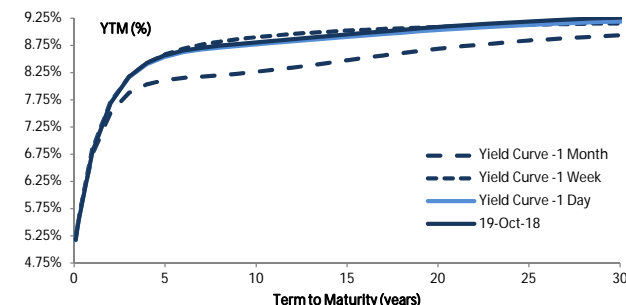
VALUATIONS OF GOVERNMENT BONDS

Bond	Issue Date	Mature Date	Coupon	TTM	Modified Duration	YTM (Change)	Prev Closing Price	Fair Yield Range	Fair Price Range	Last Trade Date	Last Trade Price	Vol (IDR bn)	Freq
FR0069	29-Aug-13	15-Apr-19	7.88	0.5	0.47	6.73 ↓ -3.1bps	100.53	6.689 - 6.790	100.51 - 100.56	19-Oct-18	100.70	680.00	9
FR0036	20-Apr-06	15-Sep-19	11.50	0.9	0.85	6.96 ↓ -5.8bps	103.86	6.997 - 7.098	103.78 - 103.87	19-Oct-18	103.75	11.50	1
FR0031	16-Jun-05	15-Nov-20	11.00	2.1	1.77	7.51 ↓ -1.8bps	106.54	7.534 - 7.635	106.33 - 106.53	19-Oct-18	106.55	351.50	8
FR0034	26-Jan-06	15-Jun-21	12.80	2.7	2.18	8.00 ↓ 0.6bps	111.21	7.926 - 8.027	111.19 - 111.44	19-Oct-18	110.90	16.62	3
FR0053	8-Jul-10	15-Jul-21	8.25	2.7	2.36	8.12 ↑ 1.9bps	100.29	8.024 - 8.125	100.28 - 100.53	19-Oct-18	100.30	9.20	1
FR0061	6-Oct-11	15-May-22	7.00	3.6	2.99	8.37 ↑ 7.1bps	95.84	8.229 - 8.330	95.95 - 96.25	19-Oct-18	95.97	247.35	19
FR0035	16-Feb-06	15-Jun-22	12.90	3.7	2.85	8.06 ↑ 1.2bps	115.00	8.174 - 8.274	114.31 - 114.65	19-Oct-18	113.25	11.50	1
FR0043	22-Feb-07	15-Jul-22	10.25	3.7	3.01	8.48 → 0.0bps	105.55	8.407 - 8.508	105.45 - 105.78	19-Oct-18	105.65	63.05	3
FR0063	13-Aug-12	15-May-23	5.63	4.6	3.80	8.43 ↑ 7.0bps	89.54	8.389 - 8.489	89.32 - 89.67	19-Oct-18	89.60	320.80	9
FR0077	27-Sep-18	15-May-24	8.13	5.6	4.25	8.53 ↑ 4.6bps	98.22			19-Oct-18	100.60	1,131.28	59
FR0046	19-Jul-07	15-Jul-23	9.50	4.7	3.70	8.50 → 0.0bps	103.79	8.487 - 8.588	103.47 - 103.86	18-Oct-18	103.51	8.57	1
FR0039	24-Aug-06	15-Aug-23	11.75	4.8	3.66	8.58 ↑ 6.2bps	112.25	8.529 - 8.630	112.07 - 112.49	7-Sep-18	112.00	2.60	3
FR0070	29-Aug-13	15-Mar-24	8.38	5.4	4.24	8.55 → 0.0bps	99.25	8.557 - 8.658	98.78 - 99.21	19-Oct-18	98.75	459.09	20
FR0044	19-Apr-07	15-Sep-24	10.00	5.9	4.41	8.64 ↑ 5.0bps	106.18	8.580 - 8.681	105.98 - 106.46	19-Oct-18	106.55	10.50	2
FR0040	21-Sep-06	15-Sep-25	11.00	6.9	4.87	8.74 ↓ -8.0bps	111.50	8.714 - 8.814	111.11 - 111.66	17-Oct-18	111.75	70.60	2
FR0037	18-May-06	15-Sep-26	12.00	7.9	5.26	8.77 ↑ 1.7bps	118.14	8.757 - 8.858	117.58 - 118.21	19-Oct-18	118.25	10.00	1
FR0056	23-Sep-10	15-Sep-26	8.38	7.9	5.62	8.76 ↑ 3.7bps	97.85	8.608 - 8.709	98.10 - 98.67	19-Oct-18	97.65	93.99	8
FR0059	15-Sep-11	15-May-27	7.00	8.6	5.99	8.71 ↑ 3.6bps	89.81	8.710 - 8.811	89.25 - 89.81	19-Oct-18	90.25	120.77	8
FR0042	25-Jan-07	15-Jul-27	10.25	8.7	5.71	8.80 ↑ 4.3bps	108.68	8.756 - 8.857	108.32 - 108.96	17-Oct-18	107.80	60.00	2
FR0047	30-Aug-07	15-Feb-28	10.00	9.3	6.03	8.80 ↓ -0.7bps	107.53	8.844 - 8.945	106.55 - 107.21	17-Oct-18	106.60	160.00	11
FR0064	13-Aug-12	15-May-28	6.13	9.6	6.65	8.62 ↑ 7.8bps	83.98	8.606 - 8.707	83.45 - 84.03	19-Oct-18	84.00	831.43	40
FR0078	27-Sep-18	15-May-29	8.25	10.6	6.67	8.59 ↑ 4.1bps	97.65			19-Oct-18	97.60	988.50	43
FR0071	12-Sep-13	15-Mar-29	9.00	10.4	6.65	8.78 ↑ 6.7bps	101.47	8.777 - 8.878	100.80 - 101.49	19-Oct-18	101.25	566.12	16
FR0052	20-Aug-09	15-Aug-30	10.50	11.8	6.89	8.85 ↑ 1.5bps	111.95	8.782 - 8.883	111.66 - 112.45	16-Oct-18	116.30	80.00	4
FR0073	6-Aug-15	15-May-31	8.75	12.6	7.23	8.92 ↑ 1.7bps	98.75	8.794 - 8.895	98.91 - 99.66	19-Oct-18	99.50	1.34	2
FR0074	10-Nov-16	15-Aug-32	7.50	13.8	8.03	8.90 ↑ 1.1bps	88.99	8.898 - 8.988	88.39 - 89.12	19-Oct-18	88.50	3.74	2
FR0054	22-Jul-10	15-Jul-31	9.50	12.7	7.27	8.88 ↑ 2.4bps	104.64	8.856 - 8.957	104.05 - 104.83	18-Oct-18	104.19	3.90	2
FR0058	21-Jul-11	15-Jun-32	8.25	13.7	7.70	8.95 ↑ 8.0bps	94.50	9.008 - 9.109	93.34 - 94.09	19-Oct-18	95.75	354.18	7
FR0065	30-Aug-12	15-May-33	6.63	14.6	8.34	8.80 ↑ 2.5bps	82.35	8.741 - 8.842	82.02 - 82.74	19-Oct-18	81.25	169.69	19
FR0068	1-Aug-13	15-Mar-34	8.38	15.4	8.33	8.93 ↑ 3.0bps	95.37	9.196 - 9.017	94.70 - 95.50	19-Oct-18	96.60	2.26	7
FR0072	9-Jul-15	15-May-36	8.25	17.6	8.59	8.96 ↑ 1.1bps	93.73	8.929 - 9.030	93.18 - 94.02	19-Oct-18	96.75	135.69	79
FR0045	24-May-07	15-May-37	9.75	18.6	8.45	9.07 ↓ -4.9bps	106.07	9.134 - 9.235	104.52 - 105.45	17-Oct-18	106.25	140.00	4
FR0075	10-Aug-17	15-May-38	7.50	19.6	9.13	8.98 ↑ 2.1bps	86.43	8.976 - 9.077	85.68 - 86.50	19-Oct-18	88.00	161.43	33
FR0050	24-Jan-08	15-Jul-38	10.50	19.7	8.65	9.11 → 0.0bps	112.61	8.904 - 9.005	113.66 - 114.68	19-Oct-18	112.75	3.00	1
FR0057	21-Apr-11	15-May-41	9.50	22.6	9.04	9.19 ↑ 0.5bps	102.92	9.101 - 9.201	102.81 - 103.79	19-Oct-18	105.50	0.10	1
FR0062	9-Feb-12	15-Apr-42	6.38	23.5	10.20	9.21 ↑ 13.7bps	72.93	9.221 - 9.322	72.10 - 72.85	19-Oct-18	69.00	1.17	2
FR0067	18-Jul-13	15-Feb-44	8.75	25.3	9.67	9.22 ↓ -0.1bps	95.43	9.107 - 9.208	95.51 - 96.47	19-Oct-18	93.63	6.40	3
FR0076	22-Sep-17	15-May-48	7.38	29.6	10.01	9.24 ↓ -0.7bps	81.24	9.262 - 9.363	80.18 - 81.02	19-Oct-18	83.25	0.25	1
ORIO13	26-Oct-16	15-Oct-19	6.60	1.0	-	7.36 → 0.0bps	99.28	7.255 - 7.356	99.28 - 99.38	19-Oct-18	99.30	47.66	26
ORIO14	25-Oct-17	15-Oct-20	5.85	2.0	-	7.45 ↓ -7.0bps	97.06	7.548 - 7.649	96.69 - 96.87	19-Oct-18	96.15	87.25	20
IFR0008	15-Apr-10	15-Mar-20	8.80	1.4	1.30	7.03 ↓ -1.4bps	102.30	7.005 - 7.105	102.22 - 102.35	5-May-14	103.65	5.00	3
IFR0007	21-Jan-10	15-Jan-25	10.25	6.2	4.51	8.73 ↓ -2.6bps	107.15	8.838 - 8.939	106.14 - 106.63	22-Jun-18	120.96	30.00	2
IFR0006	1-Apr-10	15-Mar-30	10.25	11.4	6.77	9.19 ↓ -2.9bps	107.36	9.240 - 9.341	106.28 - 107.01	16-Oct-18	108.78	16.00	3
IFR0010	3-Mar-11	15-Feb-36	10.00	17.3	8.20	9.51 ↓ -2.3bps	104.09	9.492 - 9.593	103.38 - 104.25	23-Aug-17	120.00	1.01	1
PBS013	6-Oct-16	15-May-19	6.25	0.6	0.54	6.68 ↓ -25.4bps	99.76	6.593 - 6.694	99.75 - 99.80	19-Oct-18	99.60	69.75	7
PBS016	6-Sep-17	15-Mar-20	6.25	1.4	1.31	7.76 → 0.0bps	98.02	7.615 - 7.716	98.07 - 98.20	16-Oct-18	97.70	57.55	3
PBS006	19-Sep-13	15-Sep-20	8.25	1.9	1.73	6.61 ↑ 1.9bps	102.86	7.139 - 7.240	101.76 - 101.94	16-Oct-18	100.82	9.00	2
PBS014	6-Oct-16	15-May-21	6.50	2.6	2.25	8.17 ↑ 0.2bps	96.20	8.028 - 8.129	96.28 - 96.50	19-Oct-18	96.09	44.70	3
PBS002	2-Feb-12	15-Jan-22	5.45	3.2	2.84	8.33 ↑ 0.8bps	91.99	8.220 - 8.321	91.98 - 92.25	16-Oct-18	91.56	39.27	3
PBS011	14-Jan-16	15-Aug-23	8.75	4.8	3.82	8.50 ↓ -2.0bps	100.96	8.613 - 8.714	100.12 - 100.51	16-Oct-18	100.12	88.00	3
PBS017	11-Jan-18	15-Oct-25	6.13	7.0	5.47	8.34 → 0.0bps	88.48	8.521 - 8.622	87.09 - 87.57	16-Oct-18	84.45	555.00	9
PBS019	4-Oct-18	15-Sep-23	8.25	4.9	3.93	8.52 ↑ 1.1bps	98.93			19-Oct-18	98.50	75.00	4
PBS003	2-Feb-12	15-Jan-27	6.00	8.2	6.05	8.90 ↓ -3.2bps	83.30	8.989 - 9.090	82.33 - 82.84	16-Oct-18	81.50	2.00	2
PBS012	28-Jan-16	15-Nov-31	8.88	13.1	7.34	9.02 ↓ -0.4bps	98.92	9.961 - 10.062	98.57 - 99.33	18-Oct-18	98.25	9.00	5
PBS004	16-Feb-12	15-Feb-37	6.10	18.3	9.50	9.01 → 0.0bps	74.10	9.164 - 9.265	72.32 - 73.02	18-Oct-18	72.01	0.03	1
PBS018	4-Jun-18	15-May-28	7.63	9.6	6.30	9.10 ↓ -3.3bps	90.73	9.164 - 9.265	89.72 - 90.32				
PBS005	2-May-13	15-Apr-43	6.75	24.5	10.00	9.48 → 0.0bps	74.15	9.458 - 9.559	73.60 - 74.35	28-Sep-18	99.97	19.00	1
PBS015	21-Jul-17	15-Jul-47	8.00	28.7	9.76	9.53 ↑ 0.1bps	85.01	9.50 - 9.606	84.39 - 85.24	10-Oct-18	84.73	180.00	5
SR008	10-Mar-16	10-Mar-19	8.30	0.4	-	6.85 ↑ 16.9bps	100.55	6.607 - 6.708	100.61 - 100.65	19-Oct-18	99.80	105.12	27
SR009	22-Mar-17	10-Mar-20	6.90	1.4	-	7.57 ↑ 1.4bps	99.12	7.32 - 7.423	99.31 - 99.44	19-Oct-18	97.55	25.57	17
SR010	21-Mar-18	10-Mar-21	5.90	2.4	-	7.79 ↑ 25.1bps	95.90	7.572 - 7.673	96.14 - 96.35	19-Oct-18	94.75	160.81	24

*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 (ext. 3404) & Amr A. Dallmunthe (ext. 3405)

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YIELD CURVE CHANGE & GOVERNMENT BONDS TRADE VOLUME BY MATURITY

