

HEADLINES & ANALYSIS

- Yields on Asia's speculative-grade dollar bonds have gradually eased from a seven-year high reached in late November, according to a Bloomberg Barclays index. Investors found value in the bonds as trade war concerns and rising defaults in China triggered a sell-off. (Bloomberg)
- The pound maintained most of its advance Wednesday as U.K. Prime Minister Theresa May survived a bid to oust her by members of her own party. Sterling was up 1 percent on the day at about \$1.2601, although it held below its session highs amid news that May's margin of victory in the vote of Conservative Party lawmakers was 200 to 117. The result means May can't be challenged for another year, though she still faces the daunting task of getting her Brexit plan past Parliament. European Union leaders, meeting on Thursday, have said they won't renegotiate the divorce deal. (Bloomberg)
- Mario Draghi is about to end an era by halting the European Central Bank's flagship stimulus program even with an economic outlook that is murky at best. The ECB president is expected to stick to the plan made six months ago to end bond purchases at 2.6 trillion euros (\$3 trillion), arguing that the euro area's fundamentals are still sound enough to support the buildup of inflation. (Bloomberg)

YIELD CURVE (%)

| TTM | 12-Dec-18 | -1 Day | Change | TTM | 12-Dec-18 | -1 Day | Change |
|----------|-----------|--------|--------|----------|-----------|--------|--------|
| 3 months | 5.653 | 5.648 | 0.005 | 15 years | 8.488 | 8.457 | 0.031 |
| 6 months | 6.009 | 6.001 | 0.009 | 16 years | 8.524 | 8.487 | 0.037 |
| 1 year | 6.690 | 6.677 | 0.012 | 17 years | 8.561 | 8.518 | 0.043 |
| 2 years | 7.459 | 7.449 | 0.010 | 18 years | 8.599 | 8.551 | 0.048 |
| 3 years | 7.880 | 7.877 | 0.002 | 19 years | 8.636 | 8.584 | 0.053 |
| 4 years | 8.103 | 8.108 | -0.005 | 20 years | 8.673 | 8.616 | 0.057 |
| 5 years | 8.219 | 8.228 | -0.010 | 21 years | 8.708 | 8.648 | 0.060 |
| 6 years | 8.276 | 8.288 | -0.012 | 22 years | 8.742 | 8.679 | 0.063 |
| 7 years | 8.305 | 8.317 | -0.012 | 23 years | 8.775 | 8.709 | 0.066 |
| 8 years | 8.322 | 8.332 | -0.009 | 24 years | 8.805 | 8.737 | 0.068 |
| 9 years | 8.336 | 8.342 | -0.005 | 25 years | 8.833 | 8.763 | 0.070 |
| 10 years | 8.352 | 8.352 | 0.000 | 26 years | 8.860 | 8.788 | 0.071 |
| 11 years | 8.371 | 8.366 | 0.006 | 27 years | 8.884 | 8.811 | 0.073 |
| 12 years | 8.395 | 8.383 | 0.012 | 28 years | 8.907 | 8.833 | 0.074 |
| 13 years | 8.423 | 8.404 | 0.019 | 29 years | 8.927 | 8.853 | 0.074 |
| 14 years | 8.454 | 8.429 | 0.025 | 30 years | 8.946 | 8.871 | 0.075 |

Source : Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

| Bond | Coupon | Maturity | Last Price | Yield | Volume (IDR bn) |
|--------|--------|-----------|------------|-------|-----------------|
| FR0059 | 7.000 | 15-May-27 | 92.70 | 8.259 | 1,982.14 |
| FR0064 | 6.125 | 15-May-28 | 87.10 | 8.156 | 1,495.39 |
| FR0078 | 8.250 | 15-May-29 | 101.30 | 8.069 | 879.56 |
| FR0070 | 8.375 | 15-Mar-24 | 100.90 | 8.183 | 592.12 |
| PBS016 | 6.250 | 15-Mar-20 | 98.40 | 7.026 | 370.00 |

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

| Bond | Rating | Coupon | Maturity | Last Price | Yield | Volume |
|--------------|----------|--------|-----------|------------|-------|--------|
| IMFI02BCN3 | idA | 10.500 | 16-Mar-19 | 93.00 | 11.29 | 180.00 |
| BPF102CN1 | idBBB | 11.000 | 25-Jun-21 | 94.00 | 13.84 | 80.00 |
| FIFA03BCN3 | idAAA | 7.450 | 11-Apr-21 | 98.24 | 8.29 | 50.00 |
| SIEXCL02ECN1 | AAA(idn) | 10.300 | 16-Oct-28 | 103.38 | 9.76 | 46.00 |
| ADMFO4ACN3 | idAAA | 7.500 | 26-Aug-19 | 99.55 | 7.53 | 45.00 |

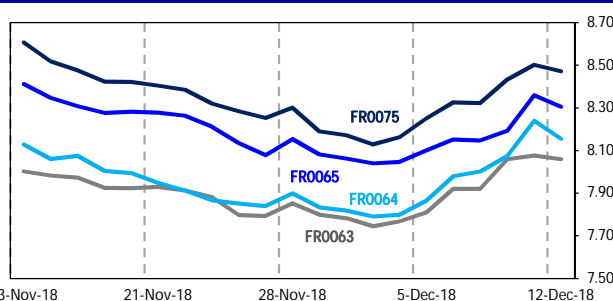
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

| Country | Tenor | Coupon (%) | 12-Dec-18 | | | Spread over UST YC (bps) | | | Country | Tenor | Coupon (%) | 12-Dec-18 | | | Spread over UST YC (bps) | | |
|---------------|-------|------------|-----------|-------|-----------|--------------------------|-------|-------|-------------|-------|------------|-----------|-------|-------|--------------------------|-----|-----|
| | | | -1 Mo | -3 Mo | 12-Dec-18 | -1 Mo | -3 Mo | -1 Mo | | | | -3 Mo | -1 Mo | -3 Mo | | | |
| United States | 2yr | | 2.77 | 2.58 | 2.40 | | | | Philippines | 2yr | 6.00 | 6.87 | 4.31 | 4.22 | 410 | 187 | 197 |
| USD | 5yr | | 2.77 | 2.77 | 2.65 | | | | PHP | 5yr | 7.88 | 7.00 | 5.46 | - | 423 | 269 | - |
| | 10yr | | 2.91 | 2.92 | 2.88 | | | | Thailand | 10yr | 11.38 | 7.27 | 6.29 | - | 436 | 337 | - |
| German | 2yr | 0.25 | -0.57 | - | - | -334 | - | - | THB | 2yr | 3.13 | 1.76 | 1.45 | 1.45 | -101 | -99 | -80 |
| EUR | 5yr | 1.00 | -0.25 | - | - | -302 | - | - | | 5yr | 3.45 | 2.29 | - | - | -48 | - | - |
| | 10yr | 1.75 | 0.28 | - | - | -263 | - | - | India | 10yr | 3.63 | 2.70 | - | - | -21 | - | - |
| Indonesia | 2yr | 11.63 | 2.63 | 2.81 | 2.54 | -14 | 37 | 29 | INR | 2yr | 7.59 | 7.08 | - | - | 431 | - | - |
| USD | 5yr | 3.75 | 4.21 | 3.74 | 3.52 | 144 | 97 | 87 | | 5yr | 7.28 | 7.33 | 7.53 | - | 456 | 476 | - |
| | 10yr | 3.50 | 4.69 | 4.14 | 4.04 | 178 | 122 | 116 | Malaysia | 10yr | 8.83 | 7.41 | 7.63 | 7.67 | 450 | 471 | 479 |
| Brazil | 2yr | 0.00 | 8.22 | 8.26 | 8.86 | 545 | 582 | 661 | MYR | 3yr | 3.17 | 3.67 | 3.57 | 3.50 | 89 | 99 | 110 |
| BRL | 5yr | 10.00 | 9.02 | 8.87 | 9.28 | 625 | 643 | 703 | | 5yr | 3.26 | 3.85 | - | - | 108 | - | - |
| | 10yr | 10.00 | 10.04 | 9.76 | 10.00 | 727 | 732 | 775 | | 10yr | 4.18 | 4.10 | 4.02 | 4.10 | 119 | 110 | 122 |

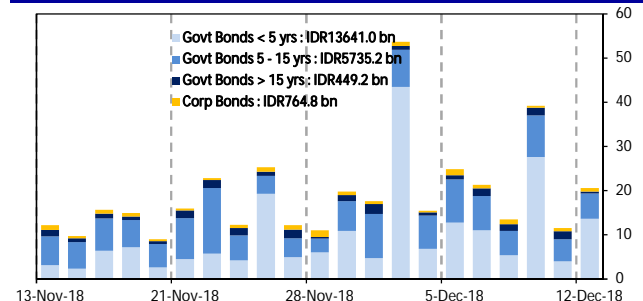
Sources: Bloomberg (Current Yield Curve), US Treasury

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) | 6.00 | 15-Nov-18 | 25bps ↑ | 3.23 | 2.77 |
| US (Fed Fund Rate) | 2.25 | 26-Sep-18 | 25bps ↑ | 2.20 | 0.05 |
| Euro Region | 0.00 | 16-Mar-16 | -5bps ↓ | 2.20 | -2.20 |
| Japan | 0.10 | 19-Dec-08 | -20bps ↓ | 1.40 | -1.30 |
| India (Repo Rate) | 6.50 | 1-Aug-18 | 25bps ↑ | 5.23 | 1.27 |
| Malaysia | 3.25 | 25-Jan-18 | 25bps ↑ | 0.60 | 2.65 |
| Philippines | 4.75 | 15-Nov-18 | 25bps ↑ | 6.00 | -1.25 |
| Thailand | 3.00 | 25-Jan-12 | -25bps ↓ | 0.94 | 2.06 |
| Singapore | 0.08 | 31-Dec-13 | 5bps ↑ | 0.70 | -0.62 |
| Brazil | 6.50 | 21-Mar-18 | -25bps ↓ | 4.05 | 2.45 |

Sources: Bloomberg

GLOBAL STOCK MARKETS

| Stock Index | 12-Dec-18 | -1Day | Return (%) | | | | |
|--------------------|-----------|--------|------------|-------|-------|--------|--------|
| | | | Daily | WoW | MoM | YoY | YTD |
| Indonesia (ICI) | 6,116 ↑ | 6,077 | 0.64 | -0.29 | 5.86 | 1.38 | -3.78 |
| Dow Jones (DJIA) | 24,527 ↑ | 24,370 | 0.64 | -2.00 | -3.39 | 0.09 | -0.78 |
| London (FTSE 100) | 6,880 ↑ | 6,807 | 1.08 | -0.60 | -2.45 | -8.27 | -10.50 |
| Nikkei 225 | 21,603 ↑ | 21,148 | 2.15 | -1.44 | -3.00 | -5.53 | -5.11 |
| Hang Seng (HIS) | 26,187 ↑ | 25,772 | 1.61 | -2.36 | 2.16 | -9.05 | -12.48 |
| Malaysia (KLCI) | 1,663 ↑ | 1,653 | 0.64 | -1.48 | -1.94 | -3.83 | -7.43 |
| Philippines (PSEI) | 7,488 ↑ | 7,451 | 0.50 | -1.87 | 8.11 | -10.15 | -12.50 |
| Thailand (SET) | 1,635 ↑ | 1,634 | 0.08 | -1.24 | -1.21 | -3.95 | -6.78 |
| Singapore (STI) | 3,100 ↑ | 3,059 | 1.33 | -1.77 | 1.04 | -10.55 | -8.90 |
| Brazil (BOVESPA) | 86,977 ↑ | 86,420 | 0.65 | -2.32 | 1.70 | 17.83 | 13.84 |

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

| Price | 12-Dec-18 | -1 Day | -1 Week | -1 Month | EOP 2017 |
|---------------|-----------|--------|---------|----------|----------|
| USD/IDR | 14,598 ↓ | 14,608 | 14,403 | 14,820 | 13,555 |
| Brent | 59.15 ↓ | 59.54 | 60.58 | 68 | 66.82 |
| WTI Crude Oil | 51.15 ↓ | 51.65 | 52.89 | 59.93 | 60.42 |

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

| As of | Average YTM (%) | Change (bps) | Return (%) | | | | |
|-----------|-----------------|--------------|------------|-------|------|-------|-------|
| | | | Daily | WoW | MoM | YoY | YTD |
| 12-Dec-18 | 8.25 | | 0.10 | -1.17 | 0.51 | -1.74 | -2.92 |
| -1 Day | 8.27 | ↓ -1.6 | -0.38 | -1.57 | 0.27 | -1.84 | -3.02 |
| -1 Week | 8.04 | ↑ 20.7 | -0.30 | 0.38 | 3.44 | -0.39 | -1.77 |
| -1 Month | 8.26 | ↓ -1.2 | -0.36 | 1.04 | 2.90 | -1.12 | -3.76 |
| -1 Year | 6.59 | ↑ 166.0 | 0.00 | 0.19 | 1.41 | 15.08 | 16.01 |

Sources: Danareksa

