

HEADLINES & ANALYSIS

- The yield on the benchmark 10-year Treasury note broke below the 2-year rate early Wednesday, an odd bond market phenomenon that has been a reliable, albeit early, indicator for economic recessions. The yield on U.S. 30-year bond also turned heads on Wall Street during Wednesday's session as it fell to an all-time low, dropping past its prior record notched in summer 2016. The two historic moves coming in tandem show that investors are increasingly worried, and indeed preparing for, a slowdown in both the U.S. and global economies. Earlier Wednesday, the yield on the benchmark 10-year Treasury note was at 1.623%, below the 2-year yield at 1.634%. In practice, that means that investors are better compensated for loaning the U.S. over two years than they are for loaning for 10 years. The yields steepened later in the session, pushing the 10-year rate back above that of the 2-year note at 1.58%. (Bloomberg)
- President Donald Trump in a tweet Wednesday suggested a "personal meeting" with China's President Xi over the ongoing Hong Kong crisis, as investors remained on edge about the trade tensions between the U.S. and China. "I know President Xi of China very well," Trump tweeted. "He is a great leader who very much has the respect of his people. He is also a good man in a 'tough business.' I have ZERO doubt that if President Xi wants to quickly and humanely solve the Hong Kong problem, he can do it. Personal meeting?" (Bloomberg)

YIELD CURVE (%)

TTM	14-Aug-19	-1 Day	Change	TTM	14-Aug-19	-1 Day	Change
3 months	5.831	5.818	0.013	15 years	7.858	7.859	-0.001
6 months	6.202	6.190	0.012	16 years	7.888	7.889	-0.001
1 year	6.507	6.504	0.003	17 years	7.914	7.915	-0.001
2 years	6.534	6.538	-0.005	18 years	7.937	7.938	-0.001
3 years	6.634	6.639	-0.004	19 years	7.957	7.958	-0.001
4 years	6.804	6.806	-0.003	20 years	7.974	7.975	-0.001
5 years	6.986	6.988	-0.001	21 years	7.989	7.991	-0.001
6 years	7.155	7.156	0.000	22 years	8.003	8.004	-0.001
7 years	7.301	7.301	0.000	23 years	8.015	8.017	-0.001
8 years	7.423	7.423	0.000	24 years	8.026	8.027	-0.001
9 years	7.524	7.524	0.000	25 years	8.036	8.037	-0.002
10 years	7.607	7.607	0.000	26 years	8.044	8.046	-0.002
11 years	7.676	7.677	0.000	27 years	8.052	8.054	-0.002
12 years	7.734	7.734	0.000	28 years	8.059	8.061	-0.002
13 years	7.782	7.783	-0.001	29 years	8.065	8.067	-0.002
14 years	7.823	7.824	-0.001	30 years	8.071	8.073	-0.002

Source: Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0082	7.000	15-Sep-30	98.00	7.430	2,954.62
FR0078	8.250	15-May-29	105.60	7.436	1,379.10
FR0073	8.750	15-May-31	107.80	7.700	1,339.14
FR0077	8.125	15-May-24	105.30	6.818	1,063.49
FR0064	6.125	15-May-28	91.50	7.428	755.97

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
WOMF03CCN2	idA	9.850	29-May-22	100.00	9.85	379.00
BBTN03BCN2	idAA+	8.750	28-Jun-22	101.64	8.10	160.00
BEXI03CCN4	idAAA	8.900	23-Feb-22	101.45	8.26	120.00
FIFA03BCN3	idAAA	7.450	11-Apr-21	100.04	7.42	110.00
SMLPPI01B	idA-(sy)	11.000	10-Oct-23	105.50	9.38	100.00

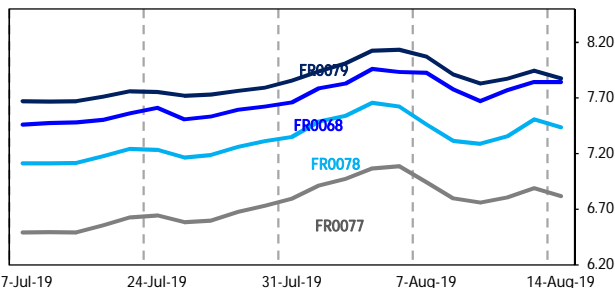
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	14-Aug-19			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	14-Aug-19			Spread over UST YC (bps)		
			-1 Mo	-3 Mo	14-Aug-19	-1 Mo	-3 Mo	-1 Mo				-3 Mo	-1 Mo	-3 Mo			
United States	2yr		1.58	2.58	2.40				Philippines	2yr	6.00	3.96	-	-	238	-	-
USD	5yr		1.51	2.77	2.65			PHP	5yr	7.88	4.13	-	-	262	-	-	
	10yr		1.59	2.92	2.88				10yr	11.38	4.32	-	-	273	-	-	
German	2yr	0.25	-0.87	-	-	-245	-	-	Thailand	2yr	3.13	1.41	1.65	1.67	-17	-79	-58
EUR	5yr	1.00	-0.86	-	-	-237	-	-	THB	5yr	3.45	1.41	-	-	-10	-	-
	10yr	1.75	-0.65	-	-	-224	-	-		10yr	3.63	1.48	-	-	-11	-	-
Indonesia	2yr	11.63	4.52	2.81	2.54	294	37	29	India	2yr	7.59	5.92	-	-	434	-	-
USD	5yr	3.75	2.63	3.74	3.52	112	97	87	INR	5yr	7.28	6.42	-	-	491	-	-
	10yr	3.50	3.02	4.14	4.04	143	122	116		10yr	8.83	6.63	-	-	504	-	-
Brazil	2yr	0.00	5.76	8.26	8.86	418	582	661	Malaysia	3yr	3.17	3.20	3.71	3.60	167	113	120
BRL	5yr	10.00	6.46	8.87	9.28	488	643	703	MYR	5yr	3.26	3.28	-	-	177	-	-
	10yr	10.00	7.28	9.76	10.00	570	732	775		10yr	4.18	3.43	-	-	184	-	-

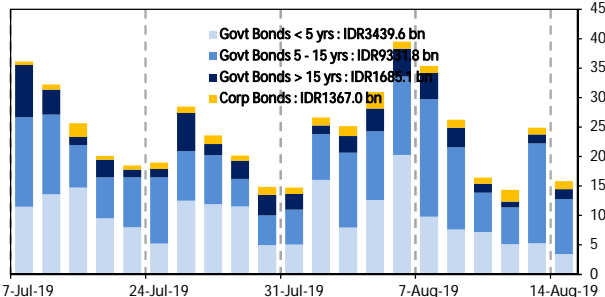
Sources: Bloomberg (Current Yield Curve), US Treasury

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	18-Jul-19	-25bps	3.32	2.43
US (Fed Fund Rate)	2.25	31-Jul-19	-25bps	1.80	0.45
Euro Region	0.00	16-Mar-16	-5bps	1.60	-1.60
Japan	0.10	19-Dec-08	-20bps	0.70	-0.60
India (Repo Rate)	5.40	0-Jan-00	0bps	8.59	-3.19
Malaysia	3.00	7-May-19	-25bps	1.40	1.60
Philippines	4.25	8-Aug-19	-25bps	2.40	1.85
Thailand	3.00	25-Jan-12	-25bps	0.98	2.02
Singapore	0.08	31-Dec-13	5bps	0.60	-0.52
Brazil	6.00	31-Jul-19	-50bps	3.22	2.78

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	14-Aug-19	-1Day	Return (%)					
			Daily	WoW	MoM	YoY	YTD	
Indonesia (ICI)	6,267	↑	6,211	0.91	1.02	-2.35	8.62	1.18
Dow Jones (DJIA)	25,479	↓	26,280	-3.05	-2.03	-6.87	0.71	10.48
London (FTSE 100)	7,148	↓	7,251	-1.42	-0.71	-5.10	-6.09	6.15
Nikkei 225	20,655	↑	20,455	0.98	0.68	-4.75	-7.61	3.20
Hang Seng (HIS)	25,302	↑	25,281	0.08	-2.67	-11.39	-8.83	-0.79
Malaysia (KLCI)	1,600	↑	1,593	0.47	-0.27	-4.31	-10.29	-5.42
Philippines (PSEI)	7,859	↑	7,788	0.90	-0.74	-6.06	4.40	5.26
Thailand (SET)	1,619	↓	1,620	-0.05	-2.99	-6.28	-4.48	3.55
Singapore (STI)	3,148	↑	3,147	0.03	-1.16	-5.98	-2.94	3.08
Brazil (BOVESPA)	100,258	↓	103,300	-2.94	-2.46	-3.41	27.55	14.08

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	14-Aug-19	-1 Day	-1 Week	-1 Month	EoP 2018
USD/IDR	14,245	↓	14,325	14,225	13,920
Brent	58.81	↓	60.78	57.08	66.06
WTI Crude Oil	55.23	↓	57.1	51.09	59.58

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
14-Aug-19	7.33		0.24	0.65	-1.33	12.51	9.23
-1 Day	7.36	↓ -3.7	-0.39	0.90	-1.07	11.76	8.97
-1 Week	7.42	↓ -8.8	0.48	-1.05	-0.89	11.10	8.53
-1 Month	6.97	↑ 35.6	0.49	1.09	4.77	12.63	10.70
-1 Year	7.93	↓ -60.4	-0.43	-0.62	-1.22	1.57	-4.37

Sources: Danareksa

