

HEADLINES & ANALYSIS

- The Fed is expected to cut interest rates for the second time in a decade Wednesday, but Fed Chairman Jerome Powell is unlikely to deliver the message markets want to hear on plans for future rate cuts. At the Fed's last meeting, Powell rocked markets, sending stocks lower and bond yields higher when he described the rate cut as a "mid-cycle adjustment," meaning it was not part of a larger rate cutting cycle. (CNBC)
- Asian equity futures are higher after U.S. stocks eked out a gain and Treasuries rallied Tuesday, a day before the Federal Reserve is expected to cut interest rates. Crude gave back some of Monday's 15% surge as Saudi officials said they had restored just under half the output lost at the Abqaiq plant, one of the world's biggest oil facilities. Ten-year Treasury yields fell to 1.8% and the dollar weakened after the Federal Reserve took action to calm money markets, injecting billions in cash to quell a surge in short-term rates that was threatening to drive up borrowing costs for companies and consumers. (Bloomberg)
- Saudi Arabia has restored almost half the output lost at its Abqaiq oil facility after an attack on the plant at the weekend, and expects to be back to pre-strike processing levels by the end of the month. Oil prices plunged on the news, with WTI futures falling the most since August 1. Nonetheless, progress is slower than was initially expected and crude prices remain elevated as traders factor in higher risks for Saudi supply. Even as Aramco fixes the damage at Abqaiq, the possibility of further escalation of conflict in the Middle East hangs over the market. (Bloomberg)

YIELD CURVE (%)

TTM	17-Sep-19	-1 Day	Change	TTM	17-Sep-19	-1 Day	Change
3 months	5.192	5.193	0.000	15 years	7.737	7.755	-0.018
6 months	5.512	5.512	0.000	16 years	7.776	7.794	-0.018
1 year	5.989	5.994	-0.005	17 years	7.811	7.828	-0.018
2 years	6.340	6.356	-0.016	18 years	7.841	7.858	-0.017
3 years	6.518	6.540	-0.022	19 years	7.867	7.884	-0.017
4 years	6.670	6.693	-0.023	20 years	7.890	7.907	-0.017
5 years	6.820	6.843	-0.023	21 years	7.910	7.928	-0.017
6 years	6.966	6.988	-0.022	22 years	7.928	7.946	-0.017
7 years	7.102	7.123	-0.021	23 years	7.944	7.962	-0.017
8 years	7.224	7.244	-0.020	24 years	7.959	7.976	-0.017
9 years	7.332	7.352	-0.020	25 years	7.972	7.989	-0.017
10 years	7.427	7.446	-0.019	26 years	7.983	8.000	-0.017
11 years	7.508	7.527	-0.019	27 years	7.993	8.010	-0.017
12 years	7.579	7.597	-0.018	28 years	8.002	8.020	-0.017
13 years	7.639	7.657	-0.018	29 years	8.011	8.028	-0.017
14 years	7.692	7.710	-0.018	30 years	8.018	8.035	-0.017

Source: Danareksa Sekuritas

MOST ACTIVE GOVERNMENT BONDS

Bond	Coupon	Maturity	Last Price	Yield	Volume (IDR bn)
FR0077	8.125	15-May-24	105.95	6.629	2,115.03
FR0082	7.000	15-Sep-30	98.05	7.276	1,797.30
FR0079	8.380	15-Apr-39	106.00	7.790	1,600.37
FR0078	8.250	15-May-29	106.75	7.241	1,481.41
PBS019	8.250	15-Sep-23	104.40	6.906	1,131.36

Sources: Bloomberg; Indonesia Stock Exchange (Volume)

MOST ACTIVE CORPORATE BONDS

Bond	Rating	Coupon	Maturity	Last Price	Yield	Volume
PNMP01ACN2	idA	9.000	3-Nov-19	100.24	8.98	80.00
PNBN02SBCN2	idA+	10.250	17-Mar-24	100.40	10.14	50.10
PNMP03ACN1	idAA	9.500	28-May-22	100.18	9.42	50.00
SMSM101ACN3	idAAA(sy)	7.000	8-Sep-20	100.06	7.00	40.00
ISAT02BCN2	idAAA	7.450	9-Nov-20	100.20	7.26	31.00

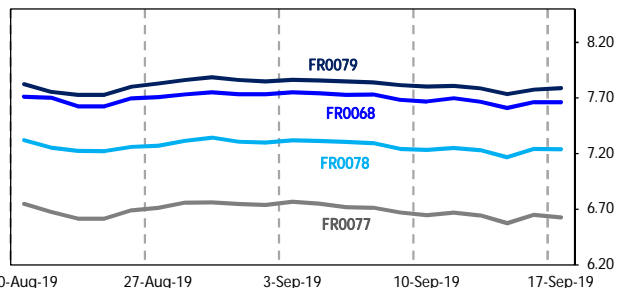
Coupon, Last Price & Yield are in %; Volume is in IDR bn; Rating code: id(Pefindo) & idn (Fitch Indonesia)

SOVEREIGN BOND YIELDS

Country	Tenor	Coupon (%)	17-Sep-19			Spread over UST YC (bps)			Country	Tenor	Coupon (%)	17-Sep-19			Spread over UST YC (bps)		
			-1 Mo	-3 Mo		17-Sep-19	-1 Mo	-3 Mo				-1 Mo	-3 Mo				
United States	2yr		1.72	2.58	2.40				Philippines	2yr	6.00	4.13	-	-	241	-	-
USD	5yr		1.66	2.77	2.65			PHP	5yr	7.88	4.48	-	-	282	-	-	
	10yr		1.81	2.92	2.88				10yr	11.38	4.80	-	-	299	-	-	
German	2yr	0.25	-0.71	-	-	-243	-	-	Thailand	2yr	3.13	1.37	1.65	1.67	-35	-79	-58
EUR	5yr	1.00	-0.71	-	-	-237	-	-	THB	5yr	3.45	1.39	-	-	-27	-	-
	10yr	1.75	-0.47	-	-	-228	-	-		10yr	3.63	1.56	-	-	-25	-	-
Indonesia	2yr	11.63	4.52	2.81	2.54	280	37	29	India	2yr	7.59	5.79	-	-	407	-	-
USD	5yr	3.75	2.54	3.74	3.52	88	97	87	INR	5yr	7.28	6.37	-	-	471	-	-
	10yr	3.50	2.94	4.14	4.04	113	122	116		10yr	8.83	6.74	-	-	493	-	-
Brazil	2yr	0.00	5.53	8.26	8.86	381	582	661	Malaysia	3yr	3.17	3.12	3.71	3.60	144	113	120
BRL	5yr	10.00	6.20	8.87	9.28	448	643	703	MYR	5yr	3.26	3.27	-	-	161	-	-
	10yr	10.00	7.19	9.76	10.00	547	732	775		10yr	4.18	3.36	-	-	155	-	-

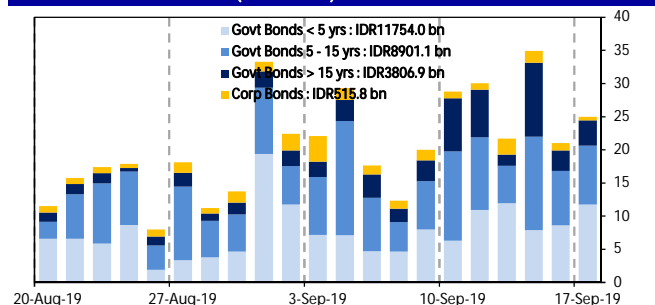
Sources: Bloomberg (Current Yield Curve), US Treasury

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)	5.50	22-Aug-19	-25bps	3.49	2.01
US (Fed Fund Rate)	2.25	31-Jul-19	-25bps	1.70	0.55
Euro Region	0.00	16-Mar-16	-5bps	1.40	-1.40
Japan	0.10	19-Dec-08	-20bps	0.50	-0.40
India (Repo Rate)	5.40	0-Jan-00	0bps	5.98	-0.58
Malaysia	3.00	7-May-19	-25bps	1.40	1.60
Philippines	4.25	8-Aug-19	-25bps	1.70	2.55
Thailand	3.00	25-Jan-12	-25bps	0.52	2.48
Singapore	0.08	31-Dec-13	5bps	0.40	-0.32
Brazil	6.00	31-Jul-19	-50bps	3.43	2.57

Sources: Bloomberg

GLOBAL STOCK MARKETS

Stock Index	17-Sep-19	-1Day	Return (%)				
			Daily	WoW	MoM	YoY	YTD
Indonesia (ICI)	6,237	6,219	0.28	-1.58	-0.79	7.08	0.68
Dow Jones (DJIA)	27,111	27,077	0.13	0.75	4.73	4.02	17.55
London (FTSE 100)	7,320	7,321	-0.01	0.72	2.86	0.25	8.71
Nikkei 225	22,001	21,988	0.06	2.85	7.75	-4.73	9.93
Hang Seng (HIS)	26,790	27,125	-1.23	0.40	4.10	-0.53	5.04
Malaysia (KLCI)	1,604	1,601	0.19	0.53	0.32	-11.06	-5.19
Philippines (PSEI)	7,932	7,997	-0.81	0.03	1.75	7.00	6.24
Thailand (SET)	1,664	1,663	0.06	-0.12	1.99	-3.17	6.40
Singapore (STI)	3,183	3,204	-0.65	0.86	2.18	1.32	4.24
Brazil (BOVESPA)	104,617	103,680	0.90	1.54	4.82	36.24	19.04

Sources: Bloomberg & Danareksa

CURRENCY & COMMODITY

Price	17-Sep-19	-1 Day	-1 Week	-1 Month	EoP 2018
USD/IDR	14,100	14,042	14,053	14,240	14,568
Brent	64.46	63.38	63.38	58.7	51.89
WTI Crude Oil	59.34	62.9	57.4	54.87	45.33

Sources: Bloomberg

PERFORMANCE OF IDR GOVERNMENT BONDS

As of	Average YTM (%)	Change (bps)	Return (%)				
			Daily	WoW	MoM	YoY	YTD
17-Sep-19	7.16		0.07	0.31	1.33	16.71	10.94
-1 Day	7.17	-1.4	-0.14	0.35	1.61	16.73	10.86
-1 Week	7.20	-3.8	0.12	0.60	0.89	16.95	10.60
-1 Month	7.29	-13.1	0.35	-0.12	-1.12	12.78	9.49
-1 Year	8.46	-130.5	0.09	0.28	-2.51	-3.49	-6.37

Sources: Danareksa

