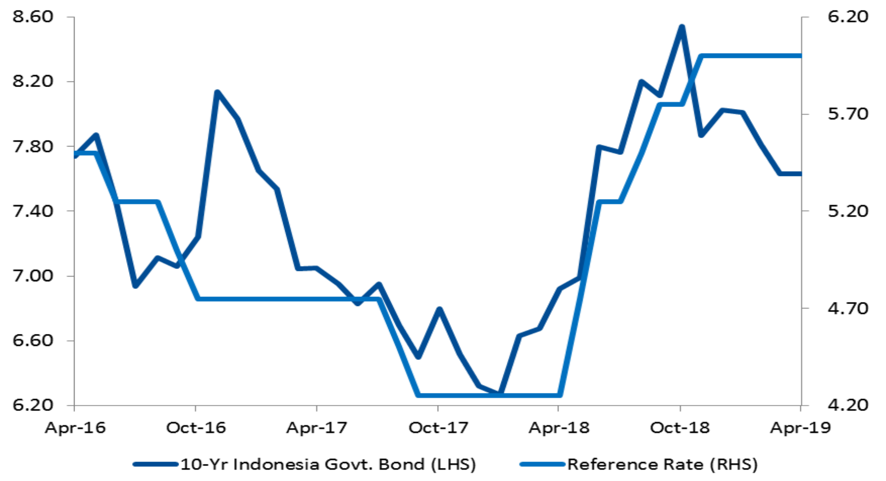
Weekly Fixed Income

Weekly Report | Apr 15, 2019

Indonesian Government Bonds

Indonesian Government Bonds 10yr Yield Trend



Source: Bloomberg

Foreign Investment in Indonesian Government Bonds

Last week's outflows from Indonesian government bonds (SBN) were worth IDR2,905.5 trillion and added to evidence of SBN's modest state. External sentiments dropped its price as the urgency of Brexit shorter deadline and retaliatory tariffs between the U.S and the UE rattled bonds markets. The U.S. tit -for-tat import duties on European products responded to subsides, given to Airbus producer: the U.S Boeing's main opponent.

SBN Auction

At SBN auction dated 04/09/2019, Indonesian government secured funds of IDR15.72 trillion from the total incoming bid of IDR31.84 trillion. The amount secured topped the indicative exceeded the indicative target of IDR15 trillion. SBN with 10-year tenor, FR0078, obtained the biggest bid of IDR8.94 trillion.

Review of Last Week's USDIDR

USDIDR fell slightly by 0.27% to 14,095 last week as USDIDR was at sideways amid USD rebound. Yet, March's rising reverse assets and February's lustrous retail sales uphold rupiah from the possible deeper tumble. Additionally, the positive progress of the U.S and China trade deal and Chinese March's export surpluses of 14.2% exaggerated strengths of currencies of economies, trading with them, including Indonesia.

Benchmark Information

FR0077	
TTM (Years)	5.10
Yield (%)	7.1435
Price	104.1178
Coupon (%)	8.125

FR0078	
TTM (Years)	10.10
Yield (%)	7.6717
Price	104.0000
Coupon (%)	8.250

FR0068	
TTM (Years)	14.93
Yield (%)	8.0967
Price	102.3750
Coupon (%)	8.375

FR0079	
TTM (Years)	20.02
Yield (%)	8.2320
Price	101.3900
Coupon (%)	8.375

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0059	05/15/2027	7.846	17.16
FR0078	05/15/2029	7.657	14.31
FR0077	05/15/2024	7.172	12.44
FR0061	05/15/2022	6.979	12
FR0068	03/15/2034	8.082	8

Exchange Rate

Currency	Last	Chg.
USD/IDR	14,095	-0.27%
GBP/IDR	18,438	-0.29%
EUR/IDR	15,949	0.49%
JPY/IDR	126.1	-0.42%
CNY/IDR	2,106	0.04%
KRW/IDR	12.4	0.00%
AUD/IDR	10,096	0.25%
HKD/IDR	1,800	-0.02%

Factors	Chinese Economic Data
External Outlook	Investors, within this week, will keep a close watch on Chinese International trade data. Foreign investors are likely to panic Chinese hard-landing economy, spawning bleaker global economic outlook as Chinese March's imports dropped to 7.6% on an annual basis. Thus, we pencil in that this week's benchmark yields are likely to slow down at 7.60%-7.70%.
	Indonesian Trade Balance
Domestic Outlook	March' trade balance releases this week as March's export reading was at USD14.03 billion, while imports were at USD13.49 billion. The figures spawned surpluses of USD540 million, outpacing Februarys' USD330 million. March's brighter reading is an impetus for rupiah to strengthen at 14,000-14,100 per USD.
Projection of USDIDR	14,000- 14,100
Forecast for IGB with 10-Year Tenor	7.60% - 7.70%

Domestic Fixed Income Highlights

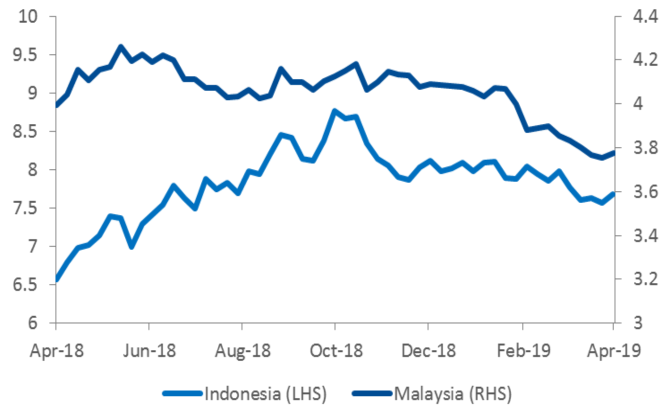
10-years USD Government Bond Yield | Indonesia

Source: Bloomberg

5-years USD Government Bond Yield | Indonesia

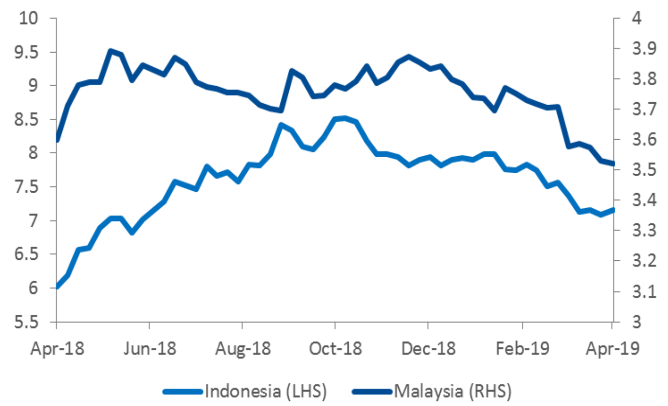
Source: Bloomberg

10-years Government Yield | Indonesia & Malaysia



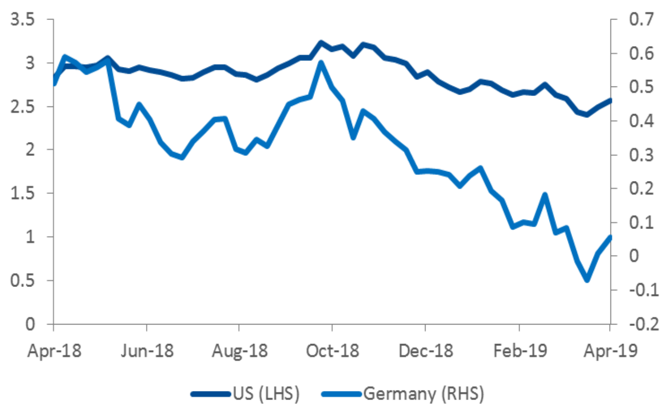
Source: Bloomberg

5-years Government Yield | Indonesia & Malaysia



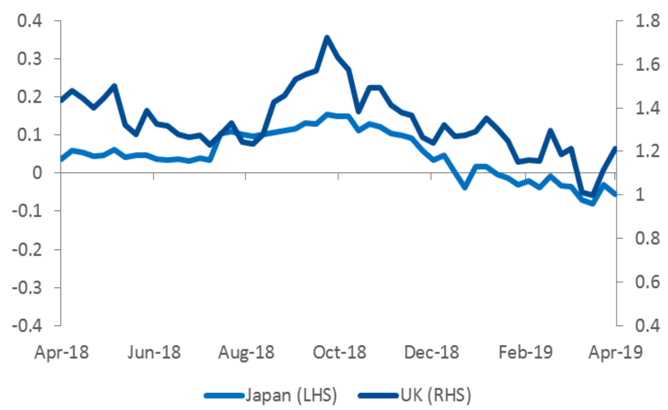
Source: Bloomberg

10-years Government Yield (%) | USA & Germany



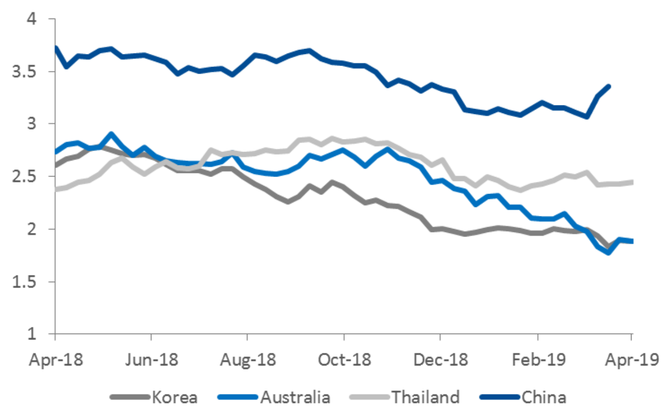
Source: Bloomberg

10-years Government Yield (%)| Japan & UK



Source: Bloomberg

10-years Government Yield (%) |
Korea, Australia, Thailand, & China



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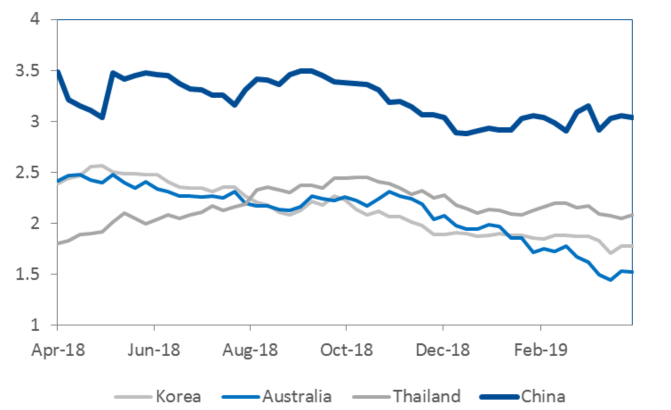

Source: Bloomberg

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	JPN	11:30	Tertiary Industry Index MoM	Feb		-0.20%	0.40%
16 - Apr	UK	15:30	ILO Unemployment Rate 3Mths	Feb		3.90%	3.90%
	UK	15:30	Jobless Claims Change	Mar		--	27.0k
	GER	16:00	ZEW Survey Current Situation	Apr		8.5	11.1
	GER	16:00	ZEW Survey Expectations	Apr		0.5	-3.6
	USA	20:15	Industrial Production MoM	Mar		0.20%	0.10%
Wednesday	CHN	09:00	GDP YoY	1Q		6.30%	6.40%
17 - Apr	JPN	11:30	Industrial Production MoM	Feb F		--	1.40%
	UK	15:30	PPI Output NSA MoM	Mar		0.20%	0.10%
	UK	15:30	CPI Core YoY	Mar		1.90%	1.80%
	UK	15:30	CPI MoM	Mar		0.20%	0.50%
	UK	15:30	CPI YoY	Mar		2.00%	1.90%
	EU	16:00	CPI YoY	Mar F		1.40%	1.40%
	USA	18:00	MBA Mortgage Applications	12-Apr		--	-5.60%
	USA	19:30	Trade Balance	Feb		-$53.5b	-$51.1b
Thursday	EU	15:00	Markit Eurozone Manufacturing PMI	Apr P		1.00%	-0.20%
18 - Apr	USA	19:30	Retail Sales Advance MoM	Mar		205k	196k
	USA	19:30	Initial Jobless Claims	13-Apr		52.8	52.4
Friday							
19 - Apr	USA	19:30	Housing Starts	Mar		1230k	1162k

Source: Bloomberg

Global Currency Highlights

Major Emerging Market IRS

1-Year	Last	Weekly Chg	Monthly Chg.	YTD Chg.	3-Years	Last	Weekly Chg	Montly Chg.	YTD Chg.
Indonesia	7.48	4.77%	2.40%	-3.55%	Indonesia	7.40	-4.52%	-3.27%	-9.20%
South Korea	1.82	0.97%	-2.80%	-3.06%	South Korea	1.69	-0.15%	-5.99%	-5.46%
China	2.81	#VALUE!	7.76%	6.03%	China	2.98	3.55%	7.40%	7.40%
Malaysia	3.53	-0.42%	-1.54%	-4.92%	Malaysia	3.53	0.14%	-2.08%	-5.18%
Thailand	1.79	1.25%	0.56%	2.88%	Thailand	1.86	1.37%	-2.37%	-3.13%

Source: Bloomberg

Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Montly Chg.	YTD Chg.
Dollar	96.97	-0.35%	0.04%	0.83%	USDKRW	1,139	0.27%	0.86%	2.57%
USDJPY	112.02	0.32%	0.59%	2.12%	USDCNY	6.70	-0.20%	-0.07%	-2.54%
GBPUSD	1.31	-0.02%	-0.01%	2.51%	USDMYR	4.11	0.79%	0.75%	-0.46%
EURUSD	1.13	0.70%	0.10%	-1.47%	USDTHB	31.76	-0.05%	0.38%	-1.74%
USDCAD	1.33	-0.27%	-0.23%	-2.30%	USDIDR	14,095	-0.61%	-1.19%	-2.05%
USDCHF	1.00	0.24%	-0.53%	2.07%	AUDUSD	0.72	0.86%	1.28%	1.76%

Source: Bloomberg

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