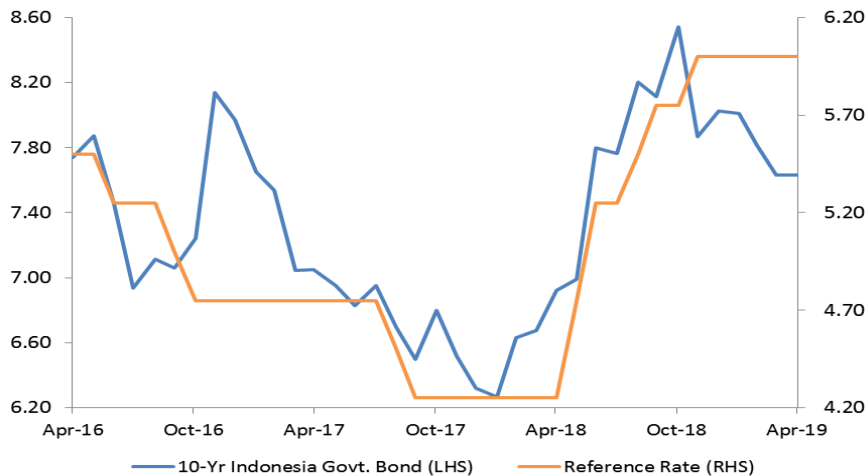


Weekly Fixed Income

Indonesia Government Bond

Indonesia Government Bond 10yr Yield Trend



Source: Bloomberg

Foreign Inflows into Sovereign Bonds

Last week's sovereign bonds (SUN) outflows were IDR11,057.8 trillion. Indonesian SUN stood out as an outlier to the downward revisions to emerging markets' sovereign bonds. SUN strengthened as rupiah was appreciated due to benign inflation and estimated-lower 1Q19 current account deficits than that of 4Q18. Furthermore, global investors kept a close watch on possible yield inversion between 3-month and 10-month US Treasury. Now, foreign investors hold SUN worth IDR967.67 trillion or 38.12% of the existing SUN.

SBSN Auction

At the auction of sharia sovereign bonds (*Surat Berharga Negara Syariah*, "SBNS") dated 04/02/2019, Indonesian authorities secured funds of IDR8.03 trillion from the total incoming bid of IDR18.4 trillion. The amount secured topped the indicative target of IDR8 trillion. SBNS with two-year tenor, PBS014, obtained the biggest bid of IDR6.6 trillion.

Review of Last Week's USDIDR

Last week, USDIDR strengthened by 0.76% to 14,133. The positive progress of the U.S. and China trade deal was an air of expectancy among the throng of investors. That poured a flood of foreign inflows into Indonesian markets and sent prices of 10-year SUN to creep higher. Moreover, March's benign inflation was fundamental to last week's stable USDIDR. March's inflation was at 2.48% y-y: the lowest since November 2009.

Benchmark Information

| | |
|-------------|----------|
| FR0077 | |
| TTM (Years) | 5.12 |
| Yield (%) | 7.0380 |
| Price | 104.5866 |
| Coupon (%) | 8.125 |
| FR0078 | |
| TTM (Years) | 10.12 |
| Yield (%) | 7.5289 |
| Price | 105.0279 |
| Coupon (%) | 8.250 |
| FR0068 | |
| TTM (Years) | 14.95 |
| Yield (%) | 7.9708 |
| Price | 103.4858 |
| Coupon (%) | 8.375 |
| FR0079 | |
| TTM (Years) | 20.04 |
| Yield (%) | 8.1077 |
| Price | 102.6215 |
| Coupon (%) | 8.375 |

Most Active

| Securities | Maturity | YTM (%) | Volume (IDR tn) |
|------------|------------|---------|-----------------|
| FR0078 | 05/15/2029 | 7.539 | 5.05 |
| FR0068 | 03/15/2034 | 8.024 | 4.64 |
| PBS014 | 05/15/2021 | 6.765 | 3.54 |
| FR0063 | 05/15/2023 | 7.004 | 3.07 |
| FR0077 | 05/15/2024 | 7.033 | 2.98 |

Exchange Rate

| Currency | Last | Chg. |
|----------|--------|--------|
| USD/IDR | 14,133 | -0.76% |
| GBP/IDR | 18,491 | -0.44% |
| EUR/IDR | 15,871 | -0.77% |
| JPY/IDR | 126.6 | -1.53% |
| CNY/IDR | 2,105 | -0.85% |
| KRW/IDR | 12.4 | -0.96% |
| AUD/IDR | 10,071 | -0.24% |
| HKD/IDR | 1,800 | -0.77% |

| Factors | The Minutes of FOMC |
|---|--|
| External Outlook | This week, the Fed will release the minutes of FOMC meeting. We estimate the minutes' tone is likely to be dovish. Take a glance look at last month's meeting, the Fed left FFR unchanged as it signaled no interest rate hikes, appropriate for 2019. If the minutes' tone is dovish, SUN's yields are likely to be solid at 7.50% -7.70% this week. |
| Domestic Outlook | <p>March's Forex Reserves</p> <p>March's forex reserves are released in this week. March's USD124.5 billion was higher than February's USD123.2 billion. The oil& gas forex incomes, and forex incomes composed March's figure. Investors keep a close watch on the release of forex reserves due to the inextricable link between forex reserves and rupiah movement. We estimate that positive forex reserves are likely to lead to USDIDR appreciation at 14,000-14,100.</p> |
| USDIDR Forecast | 14,000- 14,100 |
| Forecast of IGB with 10-Year Tenor | 7.50% - 7.70% |

Domestic Fixed Income Highlights

10-years USD Government Bond Yield | Indonesia



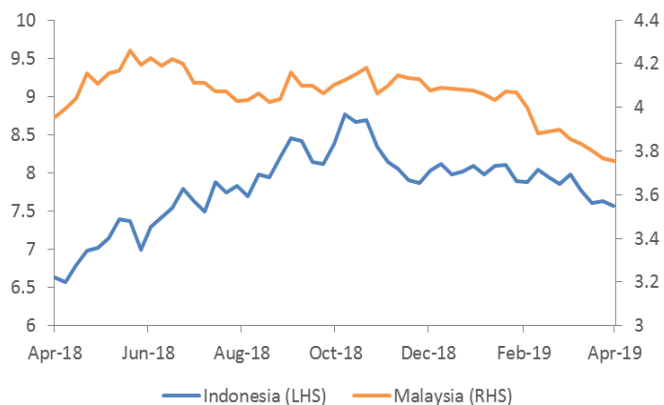
Source: Bloomberg

5-years USD Government Bond Yield | Indonesia



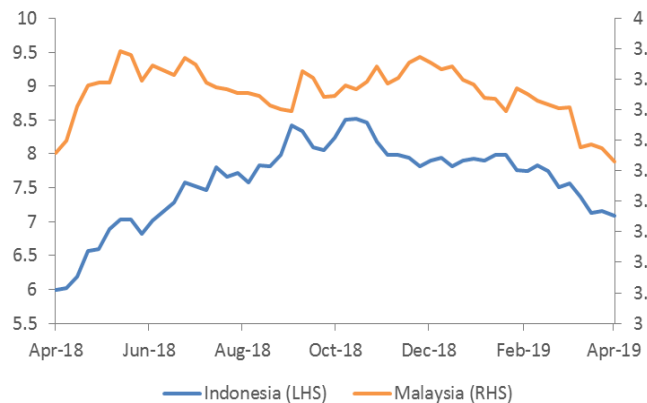
Source: Bloomberg

10-years Government Yield | Indonesia & Malaysia



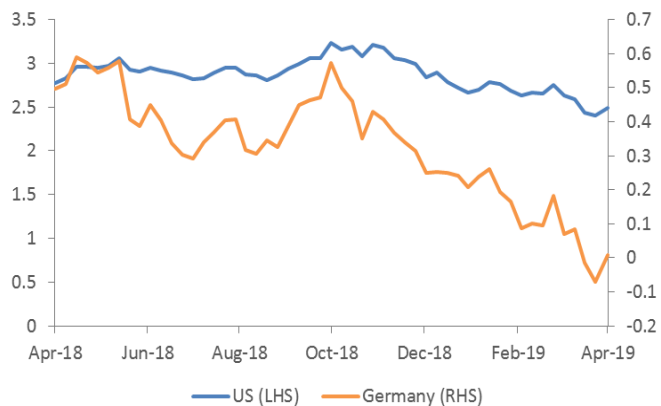
Source: Bloomberg

5-years Government Yield | Indonesia & Malaysia



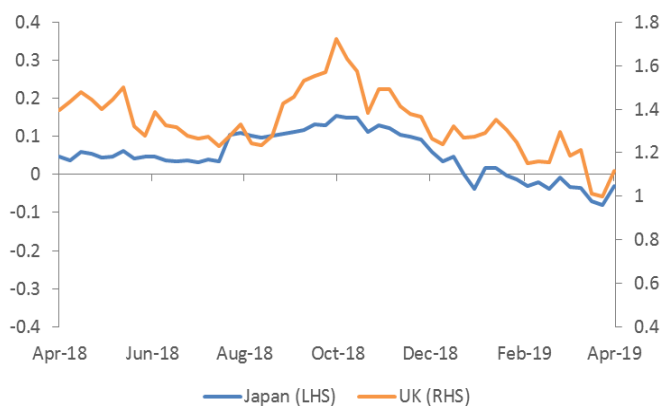
Source: Bloomberg

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



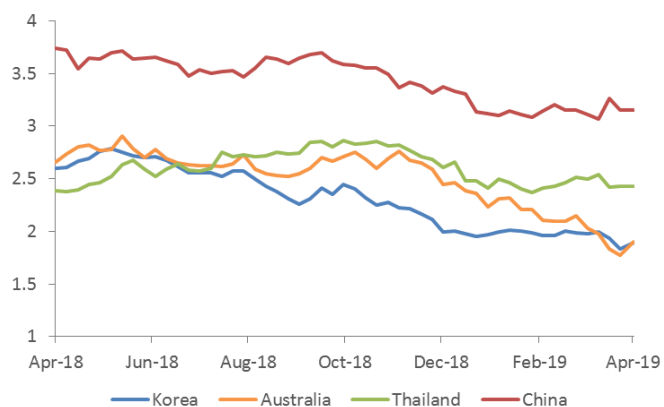
Source: Bloomberg

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



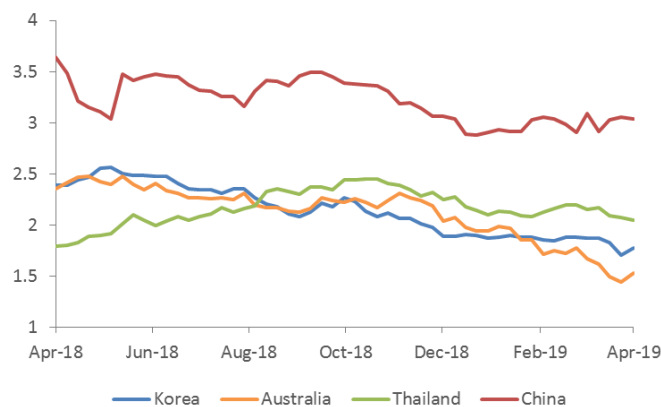
Source: Bloomberg

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



Source: Bloomberg

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



Source: Bloomberg

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|------------------|---------|--------------|------------------------------|--------|--------|-----------|----------|
| Monday | JPN | 06:50 | BoP Current Account Balance | Feb | | ¥2633.5b | ¥600.4b |
| <i>8 - Apr</i> | USA | 21:00 | Factory Orders | Feb | | -0.50% | 0.10% |
| | USA | 21:00 | Durable Goods Orders | Feb F | | -1.60% | -1.60% |
| Wednesday | JPN | 06:50 | PPI YoY | Mar | | 1.00% | 0.80% |
| <i>10 - Apr</i> | JPN | 06:50 | Core Machine Orders MoM | Feb | | 2.90% | -5.40% |
| | UK | 15:30 | Manufacturing Production MoM | Feb | | 0.20% | 0.80% |
| | UK | 15:30 | Industrial Production MoM | Feb | | 0.10% | 0.60% |
| | USA | 18:00 | MBA Mortgage Applications | 5-Apr | | -- | 18.60% |
| | EU | 18:45 | ECB Deposit Facility Rate | 10-Apr | | -0.40% | -0.40% |
| | EU | 18:45 | ECB Main Refinancing Rate | 10-Apr | | 0.00% | 0.00% |
| | USA | 19:30 | CPI MoM | Mar | | 0.30% | 0.20% |
| Thursday | CHN | 08:30 | PPI YoY | Mar | | 0.40% | 0.10% |
| <i>11 - Apr</i> | CHN | 08:30 | CPI YoY | Mar | | 2.30% | 1.50% |
| | GER | 13:00 | CPI MoM | Mar F | | 0.40% | 0.40% |
| | GER | 13:00 | CPI YoY | Mar F | | 1.30% | 1.30% |
| | USA | 19:30 | PPI Final Demand MoM | Mar | | 0.30% | 0.10% |
| | USA | 19:30 | Initial Jobless Claims | 6-Apr | | 210k | 202k |
| Friday | USA | 21:00 | U. of Mich. Sentiment | Apr P | | 98.2 | 98.4 |
| <i>12 - Apr</i> | | | | | | | |

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 | 7.14 | -1.25% | 0.49% | -7.94% | Indonesia | 7.75 | 0.00% | 0.00% | -4.91% |
| South Korea | 1.81 | 0.84% | -3.99% | -3.99% | South Korea | 1.69 | 2.42% | -6.37% | -5.32% |
| China | 2.70 | 3.49% | 1.12% | 1.93% | China | 2.87 | 4.47% | 0.10% | 3.72% |
| Malaysia | 3.54 | 0.14% | -3.67% | -4.52% | Malaysia | 3.53 | -0.28% | -4.73% | -5.32% |
| Thailand | 1.76 | 1.91% | -0.45% | 1.61% | Thailand | 1.83 | 1.22% | -2.71% | -4.44% |

Source: Bloomberg

Foreign Exchange Fluctuation

| Currency | Last | Weekly Chg | Monthly Chg. | YTD Chg. | Currency | Last | Weekly Chg | Montly Chg. | YTD Chg. |
|----------|--------|------------|--------------|----------|----------|--------|------------|-------------|----------|
| Dollar | 97.40 | 0.11% | 0.55% | 1.27% | USDKRW | 1,136 | 0.10% | 0.97% | 2.29% |
| USDJPY | 111.73 | 0.78% | -0.14% | 1.86% | USDCNY | 6.72 | 0.07% | 0.14% | -2.35% |
| GBPUSD | 1.30 | 0.02% | -1.06% | 2.23% | USDMYR | 4.09 | 0.16% | 0.28% | -1.09% |
| EURUSD | 1.12 | -0.02% | -0.81% | -2.19% | USDTHB | 31.87 | 0.42% | 0.36% | -1.41% |
| USDCAD | 1.34 | 0.26% | 0.25% | -1.86% | USDIDR | 14,133 | -0.76% | 0.04% | -1.79% |
| USDCHF | 1.00 | 0.51% | -0.38% | 1.85% | AUDUSD | 0.71 | 0.13% | 0.30% | 0.79% |

Source: Bloomberg

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