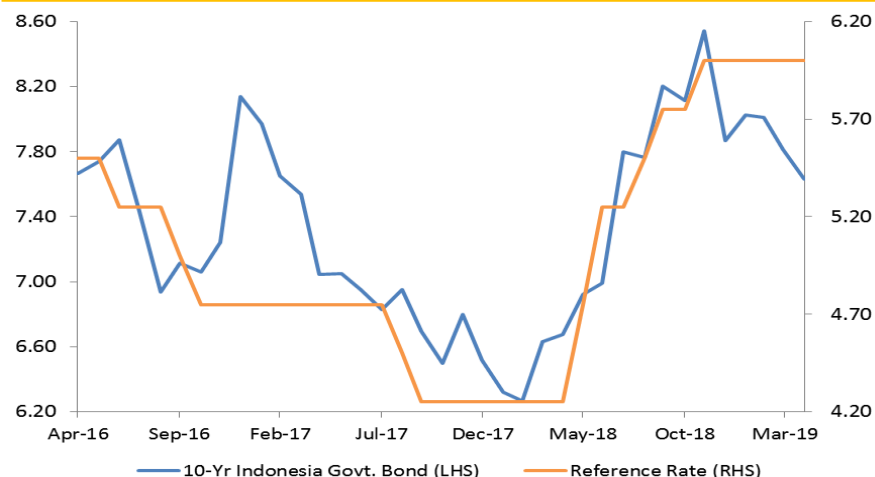


Weekly Fixed Income

Indonesia Government Bond

Indonesia Government Bond 10yr Yield Trend



Source: Bloomberg

Foreign Inflows into Sovereign Bonds

Sovereign bonds (SBN) boasted last week's foreign inflows of IDR10,399.9. Although looming US recession slowed its price at an earlier intraday session, its price, on the following intraday sessions, was in a sharp rise. Last week's auction was surprising as the proceeds from SBN auction was worth IDR24.95 trillion of the total incoming bid of IDR59.5 trillion. Last week's proceeds surpassed 12 March's proceeds of IDR18.05 trillion and were higher than 2019's average proceeds of IDR24.04 trillion.

SBN Auction

Last week's SBN auction dated 03/26/2019 secured funds of IDR24.95 trillion of the incoming bid totaled IDR59.5 trillion. Fund secured was much higher than the indicative target of IDR15 trillion. SBN with 10-year tenor, FR0078, won the biggest bid of IDR16.3 trillion.

Review of Last Week's USDIDR

USDIDR weakened by 0.56% to 14,243. No domestic sentiments drove further rupiah's prior weeks' appreciation. In contrast, external sentiments such as Chinese unprecedented proposals likely to end trade war with the US flare up investors' optimism but failed to benefits rupiah appreciation. The rise in crude prices, heightening imports and lack of foreign capital inflows ahead presidential election dragged rupiah low.

Benchmark Information

| | |
|-------------|----------|
| FR0077 | |
| TTM (Years) | 5.13 |
| Yield (%) | 7.0772 |
| Price | 104.4288 |
| Coupon (%) | 8.125 |
| FR0078 | |
| TTM (Years) | 10.13 |
| Yield (%) | 7.5878 |
| Price | 104.6082 |
| Coupon (%) | 8.250 |
| FR0068 | |
| TTM (Years) | 14.96 |
| Yield (%) | 8.0454 |
| Price | 102.8326 |
| Coupon (%) | 8.375 |
| FR0079 | |
| TTM (Years) | 20.05 |
| Yield (%) | 8.1179 |
| Price | 102.5170 |
| Coupon (%) | 8.375 |

Most Active

| Securities | Maturity | YTM (%) | Volume (IDR tn) |
|------------|------------|---------|-----------------|
| FR0068 | 03/15/2034 | 8.158 | 15.4 |
| FR0078 | 05/15/2029 | 7.589 | 13.58 |
| FR0077 | 05/15/2024 | 7.059 | 11.04 |
| FR0079 | 04/15/2039 | 8.125 | 10.33 |
| FR0069 | 04/15/2019 | 7.436 | 9.05 |

Exchange Rate

| Currency | Last | Chg. |
|----------|--------|--------|
| USD/IDR | 14,243 | 0.56% |
| GBP/IDR | 18,572 | 0.08% |
| EUR/IDR | 15,994 | -0.08% |
| JPY/IDR | 128.6 | 0.32% |
| CNY/IDR | 2,123 | 0.43% |
| KRW/IDR | 12.5 | 0.40% |
| AUD/IDR | 10,095 | 0.47% |
| HKD/IDR | 1,814 | 0.54% |

| Factors | Inverted Curve of US Treasury Yields |
|--|--|
| External Outlook | Investors remain to respond negatively to the US Treasury, as Friday’s inverted curve lingers still. Three-month and 10-year tenors are the most crucial among the rest. Yields on US 10-year tenor dipping below that yields of 3-month tenor heightens the allure of long-term US Treasury yields instead of the short-term one. Indeed, the inverted curve decelerates economic growth and signal crises. Thus, we forecast this week’s SBN benchmark yields to dim at 7.60% - 7.80%. |
| Domestic Outlook | <p>March’s Forex Reserves</p> <p>March’s forex reserves are released this week. February's figure was quite high at USD123.3 billion, slightly lower than December’s USD120.1 billion. The rise in February’s figure was attributable to the issuance of the global sukuk (Islamic bonds), revenues from oil&gas, and other revenues. Because of the inextricable correlation between forex reserves and rupiah movement, investors are eagerly awaiting the release of March’s forex reserves. If March’s release comes out with a positive figure, rupiah appreciation at 14,000-14,100 is inevitable</p> |
| Projection of USDIDR | 14,000- 14,100 |
| Forecast for IGB with 10-Year Tenor | 7,60% - 7,80% |

Domestic Fixed Income Highlights

10-years USD Government Bond Yield | Indonesia



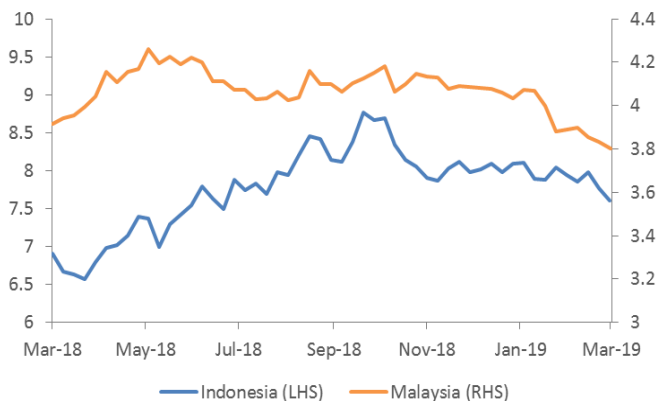
Source: Bloomberg

5-years USD Government Bond Yield | Indonesia



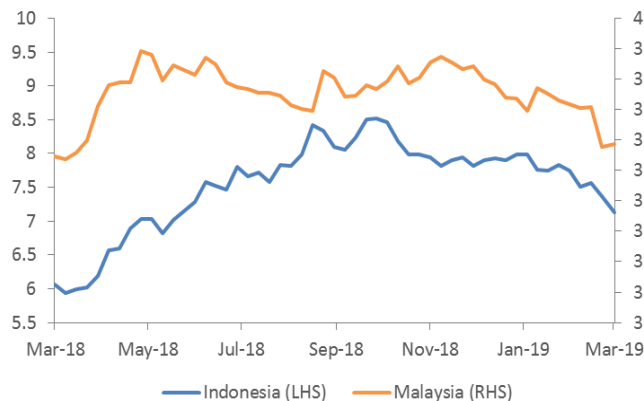
Source: Bloomberg

10-years Government Yield | Indonesia & Malaysia



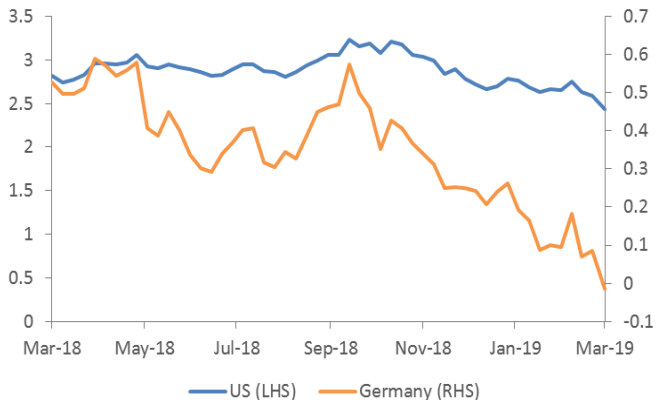
Source: Bloomberg

5-years Government Yield | Indonesia & Malaysia



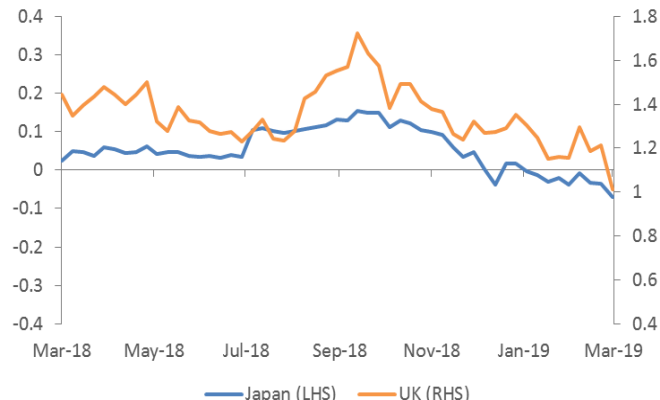
Source: Bloomberg

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



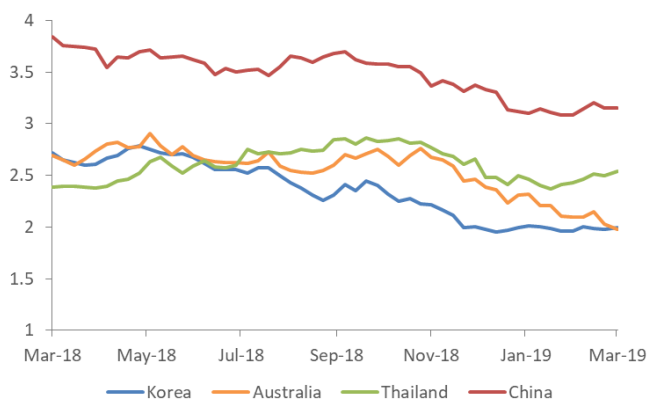
Source: Bloomberg

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



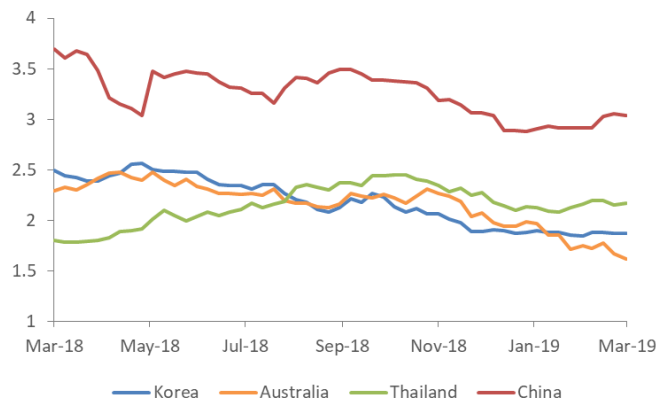
Source: Bloomberg

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 | Tankan Large All Industry Capex | 1Q | 1.20% | 0.70% | 14.30% |
| <i>1 - Apr</i> | JPN | 06:50 | Tankan Large Mfg Index | 1Q | 12 | 13 | 19 |
| | JPN | 07:30 | Nikkei Japan PMI Mfg | Mar F | 49.2 | -- | 48.9 |
| | CHN | 08:45 | Caixin China PMI Mfg | Mar | 50.8 | 50 | 49.9 |
| | EU | 15:00 | Markit Eurozone Manufacturing PMI | Mar F | 47.5 | 47.6 | 47.6 |
| | UK | 15:30 | Markit UK PMI Manufacturing SA | Mar | 55.1 | 51.3 | 52 |
| | USA | 19:30 | Retail Sales Advance MoM | Feb | -0.20% | 0.30% | 0.20% |
| | USA | 20:45 | Markit US Manufacturing PMI | Mar F | 52.4 | 52.5 | 52.5 |
| | USA | 21:00 | ISM Manufacturing | Mar | 55.3 | 54.3 | 54.2 |
| Tuesday | USA | 19:30 | Durable Goods Orders | Feb P | | -1.20% | 0.30% |
| <i>2 - Apr</i> | | | | | | | |
| Wednesday | USA | 18:00 | MBA Mortgage Applications | 29-Mar | | -- | 8.90% |
| <i>3 - Mar</i> | | | | | | | |
| Thursday | GER | 13:00 | Factory Orders MoM | Feb | | 0.30% | -2.60% |
| <i>4 - Mar</i> | USA | 19:30 | Initial Jobless Claims | 30-Mar | | -- | 211k |
| Friday | GER | 13:00 | Industrial Production SA MoM | Feb | | 0.50% | -0.80% |
| <i>5 - Mar</i> | USA | 19:30 | Unemployment Rate | Mar | | 3.80% | 3.80% |
| | USA | 19:30 | Change in Nonfarm Payrolls | Mar | | 175k | 20k |

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 | 7.23 | 0.35% | -1.57% | -6.77% | Indonesia | 7.75 | 0.26% | 0.00% | -4.91% |
| South Korea | 1.79 | -4.41% | -4.02% | -4.79% | South Korea | 1.65 | -6.78% | -7.04% | -7.56% |
| China | 2.61 | 0.87% | -0.80% | -1.51% | China | 2.75 | 0.73% | -1.43% | -0.72% |
| Malaysia | 3.54 | -0.84% | -3.28% | -4.65% | Malaysia | 3.54 | -1.12% | -4.20% | -5.05% |
| Thailand | 1.73 | -0.17% | -2.54% | -0.29% | Thailand | 1.81 | -1.74% | -3.32% | -5.59% |

Source: Bloomberg

Foreign Exchange Fluctuation

| Currency | Last | Weekly Chg | Monthly Chg. | YTD Chg. | Currency | Last | Weekly Chg | Montly Chg. | YTD Chg. |
|----------|--------|------------|--------------|----------|----------|--------|------------|-------------|----------|
| Dollar | 97.28 | 0.65% | 1.17% | 1.16% | USDKRW | 1,135 | 0.44% | 0.96% | 2.18% |
| USDJPY | 110.86 | 0.86% | -0.48% | 1.07% | USDCNY | 6.71 | -0.09% | 0.27% | -2.42% |
| GBPUSD | 1.30 | -1.32% | -1.72% | 2.20% | USDMYR | 4.08 | 0.43% | 0.40% | -1.25% |
| EURUSD | 1.12 | -0.74% | -1.35% | -2.17% | USDTHB | 31.74 | -0.11% | 0.49% | -1.83% |
| USDCAD | 1.33 | -0.60% | 1.34% | -2.11% | USDIDR | 14,243 | 0.56% | 1.24% | -1.02% |
| USDCHF | 1.00 | 0.16% | -0.30% | 1.33% | AUDUSD | 0.71 | 0.18% | 0.03% | 0.67% |

Source: Bloomberg

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