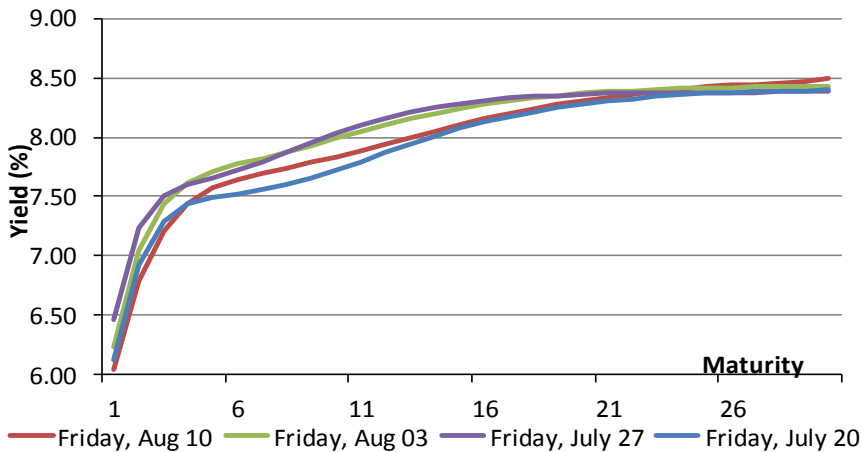


Weekly Fixed Income

Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

Government Bond Highlights

At the auction of State Sharia Sovereign Bonds (SBSN) dated 08/07/18, the Indonesian government absorbed the funds of IDR5.17 trillion from the total incoming bid of IDR10.899 trillion. The amount absorbed was higher than the indicative target of IDR6 trillion. SPNS08022019, the sovereign bonds (SUN) with 6-month tenor, obtained the largest amount of bid of IDR3.616 trillion. Indonesia Composite Bond Index (ICBI) nudged up 0.91% to 237.18.

The sovereign bonds prices rallied last week after the 2Q18's economic growth soared to its highest level of 5.27% y-y since the 2Q14. However, the U.S. unemployment data curbed the rally. The Indonesia sovereign bonds endured a slight correction on Friday's trading session dated August 10th, 2018. The 10-year and 20-year benchmark series endured the biggest correction as their yields edged up by 5bps and 4 bps to 7.67% and 8.1%, respectively.

Exchange Rate

Rupiah nudged up 0.14% to IDR14.475 per USD in last week. The rupiah appreciation was backed by the 2Q18's GDP growing to 5.27%. Yet, its appreciation was curbed by the 2Q18's current account deficit of USD8 billion (3% of GDP) or the highest since 2Q14. Indeed, it also endured the negative sentiment of a steep decline in Turkish lira dragging down by the deteriorating ties with the U.S.

Rupiah is estimated to be bearish this week due to investors' worries over the heightened state of trade war and Indonesia's trade balance deficit. However, Bank Indonesia (BI)'s hawkish stance is likely capable of controlling rupiah so that it will not drag weaker.

Benchmark Information

FR0063	
TTM (Years)	4.76
Yield (%)	7.4912
Price	92.6246
Coupon (%)	5.625

FR0064	
TTM (Years)	9.77
Yield (%)	7.6442
Price	89.6656
Coupon (%)	6.125

FR0065	
TTM (Years)	14.77
Yield (%)	8.0566
Price	87.7506
Coupon (%)	6.625

FR0075	
TTM (Years)	19.78
Yield (%)	8.0534
Price	94.5533
Coupon (%)	7.500

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0070	03/15/2024	7.815	5.27
FR0065	05/15/2033	8.101	5.24
FR0063	05/15/2023	7.577	4.71
FR0064	05/15/2028	7.686	2.97
FR0074	03/15/2032	8.128	1.96

Exchange Rate

Currency	Last	Chg.
USDIDR	14,475	-0.14%
GBPIDR	18,469	-1.97%
EURIDR	16,589	-1.19%
JPYIDR	130.6	0.63%
CNYIDR	2,118	-0.12%
KRWIDR	12.8	-0.23%
AUDIDR	10,570	-0.93%
HKDIDR	1,844	-0.14%

Indonesia Government Bond Auction

Auction Date: Aug 07, 2018 **Total incoming bid (IDR tn): 10.9** **Total nominal (IDR tn): 5.17**

Series	Status	Coupon	Maturity Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR bn)
SPN-S 08022019	New Issuance	At Discount	08-Feb-19	6.13%	6.75%	850	3,616
SPN-S 08052019	New Issuance	At Discount	08-May-19	6.44%	7.00%	1,200	2,765
PBS016	Reopening	6.250%	15-Mar-20	7.41%	8.13%	1,460	2,165
PBS002	Reopening	5.450%	15-Jan-22	7.63%	7.81%	900	933
PBS012	Reopening	8.875%	15-Nov-31	8.41%	8.91%	420	928
PBS015	Reopening	8.000%	15-Jul-47	8.66%	8.97%	340	492

Next Government Bond Auction Schedule

Date	Aug 14 2018	End	Aug 14 2018	12.00 AM
Indicative Target	IDR 10 tn	Result		Aug 14 2018
Begin	10.00 AM	Settlement		Aug 16 2018

Series	Status	Coupon	Maturity Date	Non-Competitive Allocation
SPN12181115	Reopening	At Discount	15-Nov-18	50% of the awarded
SPN12190606	Reopening	At Discount	06-Jun-19	
FR0063	Reopening	5.625%	15-May-23	30% of the awarded
FR0064	Reopening	6.125%	15-May-28	
FR0065	Reopening	6.625%	15-May-33	
FR0075	Reopening	7.500%	15-May-38	

Source: DJPPR Ministry of Finance

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	CHN	09:00	Industrial Production YoY	Jul	6.30%	6.00%	
14 - Aug	IDN	11:00	Imports YoY	Jul	14.20%	12.66%	
	IDN	11:00	Exports YoY	Jul	15.00%	11.47%	
	IDN	Tentative	Bank Indonesia 7D Reverse Repo	15-Aug	5.25%	5.25%	
	JNP	11:30	Industrial Production MoM	Jun	--	-2.10%	
	GER	13:00	GDP SA QoQ	2Q	--	0.30%	
	GER	13:00	CPI MoM	Jul	--	0.30%	
	GER	13:00	CPI YoY	Jul	--	2.00%	
	UK	15:30	Jobless Claims Change	Jul	--	7.8k	
	UK	15:30	ILO Unemployment Rate 3Mths	Jun	--	4.20%	
	GER	16:00	ZEW Survey Current Situation	Aug	--	72.4	
	GER	16:00	ZEW Survey Expectations	Aug	--	-24.7	
	EU	16:00	GDP SA QoQ	2Q	--	0.30%	
	EU	16:00	GDP SA YoY	2Q	--	2.10%	
	Wednesday	UK	15:30	CPI MoM	Jul	--	0.00%
15 - Aug	UK	15:30	CPI YoY	Jul	--	2.40%	
	UK	15:30	CPI Core YoY	Jul	--	1.90%	
	USA	18:00	MBA Mortgage Applications	10-Aug	--	-3.00%	
	USA	19:30	Retail Sales Advance MoM	Jul	0.10%	0.50%	
	USA	20:15	Industrial Production MoM	Jul	0.40%	0.60%	
Thursday	USA	19:30	Initial Jobless Claims	11-Aug	--	213k	
16 - Aug	USA	19:30	Housing Starts	Jul	1273k	1173k	
Friday	EU	16:00	CPI YoY	Jul	2.00%	2.00%	
17 - Aug	EU	16:00	CPI MoM	Jul	0.10%	0.10%	
	USA	21:00	U. of Mich. Sentiment	Aug	97.9	97.9	

Source: Bloomberg

Major Emerging Market IRS

1-Year	Last	Weekly Chg	Monthly Chg.	YTD Chg.	3-Years	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Indonesia	7.25	0.00%	1.40%	26.09%	Indonesia	7.60	0.00%	2.01%	21.60%
South Korea	1.82	-1.49%	0.55%	-0.68%	South Korea	1.97	-3.67%	-1.87%	-4.48%
China	2.76	3.18%	-5.80%	-26.40%	China	2.98	3.44%	-5.07%	-23.23%
Malaysia	3.71	0.00%	-0.13%	1.65%	Malaysia	3.74	-0.13%	-0.13%	-0.27%
Thailand	1.52	-1.94%	6.29%	20.63%	Thailand	1.95	0.52%	4.57%	18.24%

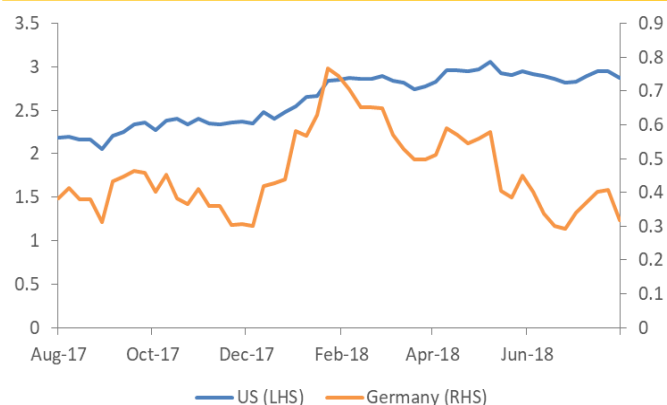
Source: Bloomberg

Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	96.08	0.96%	2.04%	4.29%	USDKRW	1,129	0.12%	1.13%	5.45%
USDJPY	110.93	-0.29%	-0.06%	-1.56%	USDCNY	6.86	0.43%	3.35%	5.37%
GBPUSD	1.28	-1.82%	-3.85%	-5.54%	USDMYR	4.09	0.14%	1.62%	1.01%
EURUSD	1.15	-0.89%	-2.38%	-4.50%	USDTHB	33.27	0.04%	0.28%	2.12%
USDCAD	1.31	0.90%	-0.04%	4.27%	USDIDR	14,478	-0.14%	0.77%	6.81%
USDCHF	0.99	-0.03%	0.19%	2.00%	AUDUSD	0.73	-1.30%	-2.02%	-6.42%

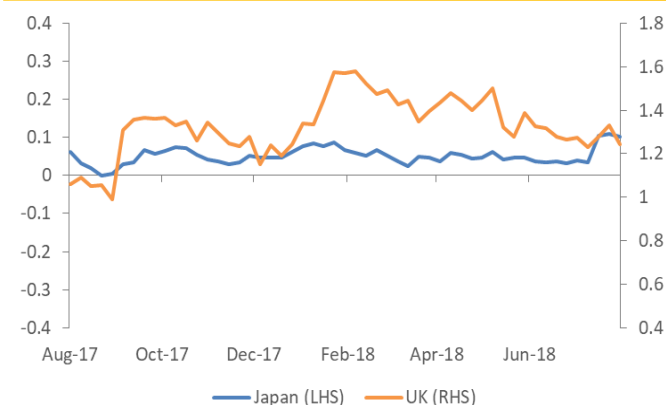
Source: Bloomberg

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



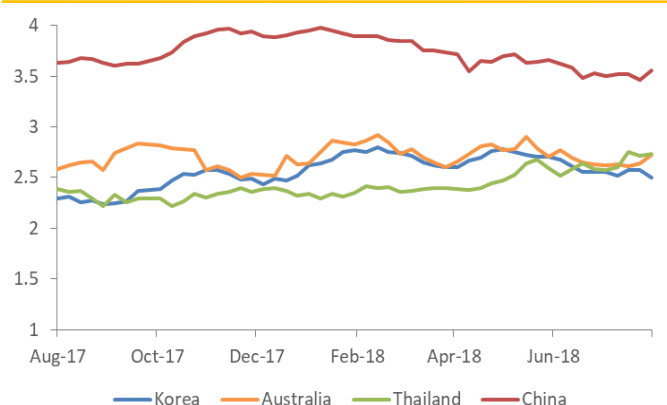
Source: Bloomberg

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



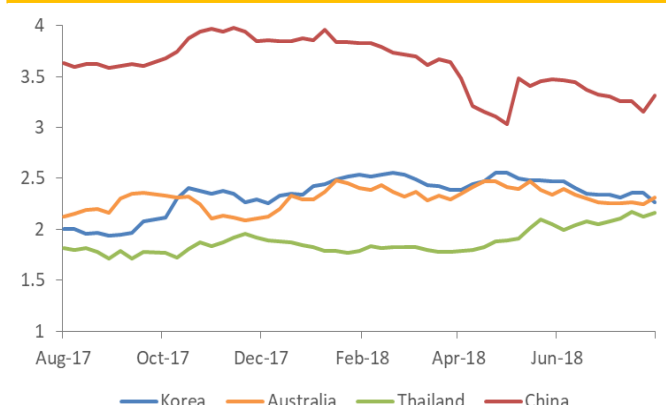
Source: Bloomberg

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



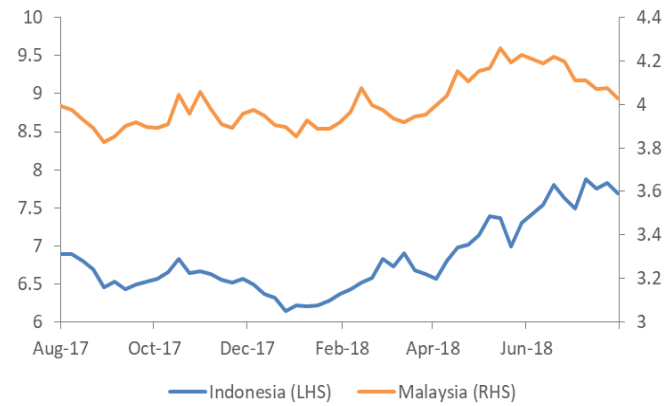
Source: Bloomberg

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



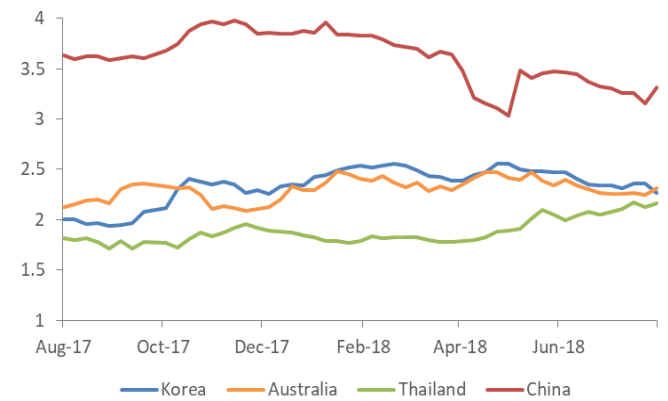
Source: Bloomberg

10-years Government Yield | Indonesia & Malaysia



Source: Bloomberg

5-years Government Yield | Indonesia & Malaysia



Source: Bloomberg

10-years USD Government Bond Yield | Indonesia



Source: Bloomberg

5-years USD Government Bond Yield | Indonesia



Source: Bloomberg

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