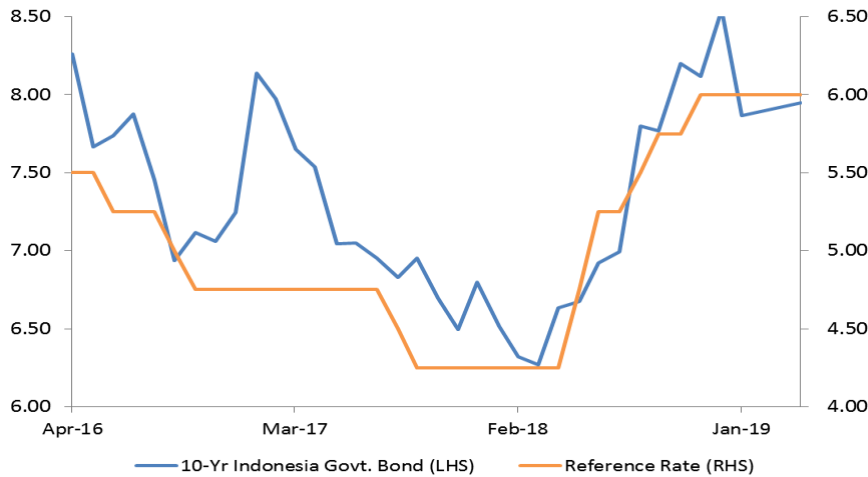


# Weekly Fixed Income

## Indonesia Government Bond

### Indonesia Government Bond 10yr Yield Trend



Source: Bloomberg

### Foreign Inflows into SBN

Last week, foreign inflows worth IDR4.5 trillion flocked into sovereign bonds (SBN). SBN was in bullish favor as global investors were sanguine about the possible success of the U.S. and China trade deals. Yet, downward revisions of the U.S. data slowed SBN. The lower-than-estimate data were January's durable goods order at the modest growth of 0.1% m-m—much lower than the estimate of 0.3% m-m; Markit's estimate of February's PMI at 53.7%, lower than the consensus of 54.9. Foreign inflows into SBN is currently worth IDR927.17 trillion or 37.73% of the total of existing SBN.

### SBN Auction

The Indonesian government secured the proceeds of IDR8.12 trillion from the total incoming bid worth IDR21.33 trillion at SBN auction dated 02/12/2019. The amount secured topped the indicative target of IDR8 trillion. SPNS01082109, SUN with 6-month tenor, secured the biggest bid of IDR7.47 trillion.

### Review of Last Week's USDIDR

Last week, USDIDR nudged up 0.64% to 14,058. As did most of Asia's currencies, rupiah also strengthened. The possible success of the U.S. and China trade talks drove the rupiah up. The representatives of both economies conducted a week talk in Washington. Trump claimed that the prior week talk brought much positive progress. The result of BI's Board of Governors Meeting, led by BI Governor Perry Warjiyo, was the absence of hawkish stance lagged rupiah appreciation.

### Benchmark Information

#### FRO077

TTM (Years)	5.23
Yield (%)	7.7185
Price	101.7024
Coupon (%)	8.125

#### FRO078

TTM (Years)	10.23
Yield (%)	7.8935
Price	102.4500
Coupon (%)	8.250

#### FRO068

TTM (Years)	15.07
Yield (%)	8.1960
Price	101.5242
Coupon (%)	8.375

#### FRO079

TTM (Years)	20.16
Yield (%)	8.2704
Price	101.0000
Coupon (%)	8.375

### Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0077	05/15/2029	7.672	7.88
FR0078	05/15/2024	7.908	5.27
FR0056	04/15/2019	7.897	4.61
FR0061	03/15/2034	7.299	4.03
FR0069	09/15/2026	6.168	3.99

### Exchange Rate

Currency	Last	Chg.
USD/IDR	14,058	-0.64%
GBP/IDR	18,324	1.19%
EUR/IDR	15,953	-0.01%
JPY/IDR	126.9	-1.06%
CNY/IDR	2,090	0.03%
KRW/IDR	12.5	-0.12%
AUD/IDR	10,002	-0.26%
HKD/IDR	1,791	-0.69%

Factors	Awaiting Outcomes of the U.S. and China Trade Talks
<p><b>External Outlook</b></p>	<p style="text-align: center;"><b>Trade Talks</b></p> <p>Global investors will await the outcomes of the U.S. and China trade talks. Trump planned to postpone import tariffs— initially planned to be imposed on March 1st, 2019—on Chinese goods. His statement sparked the optimism of peace trades between two world’ biggest economies. If the trade talks result in mutual deals, global investors—particularly investors interested in investing in emerging markets— will be benefited most. Thus, we project benchmark yields to strengthen at 7.80%–7.95% this week.</p>
<p><b>Domestic Outlook</b></p>	<p style="text-align: center;"><b>Inflation Headline</b></p> <p>February’s inflation will be released this week. January’s 0.32% m-m, falling at the sharpest than December’s 0.62% m-m. Despite the sliding headline inflation, core inflation is quite stable. January’s 3.06% y-y slowed than December’s 3.07% y-y. The stable core inflation signaled the well-controlled domestic consumption: a stellar achievement amid the shaky global economy. Meanwhile, the rupiah is likely to be in appreciated favor as it hovers at 13,850-14,000 per USD. The minimum negative sentiments spur rupiah appreciation.</p>
<p><b>USDIDR Estimate</b></p> <p><b>Estimate of IGB with 10-Year Tenor</b></p>	<p>USDIDR 13,850 - 14,000</p> <p>7.80% - 7.95%</p>

## Domestic Fixed Income Highlights

**10-years USD Government Bond Yield | Indonesia**



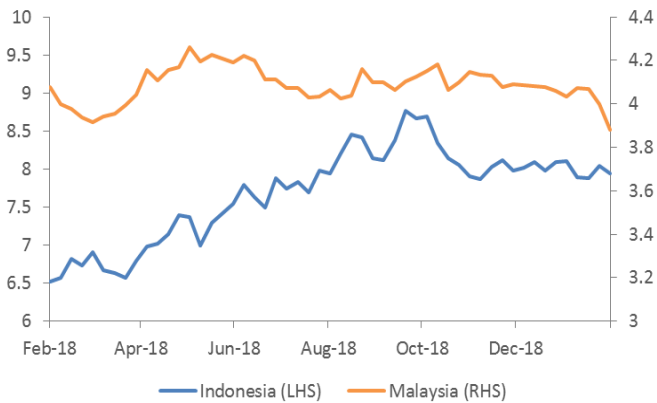
Source: Bloomberg

**5-years USD Government Bond Yield | Indonesia**



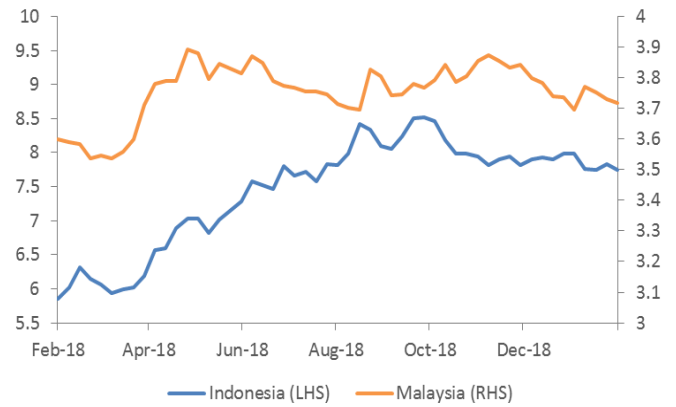
Source: Bloomberg

## 10-years Government Yield | Indonesia & Malaysia



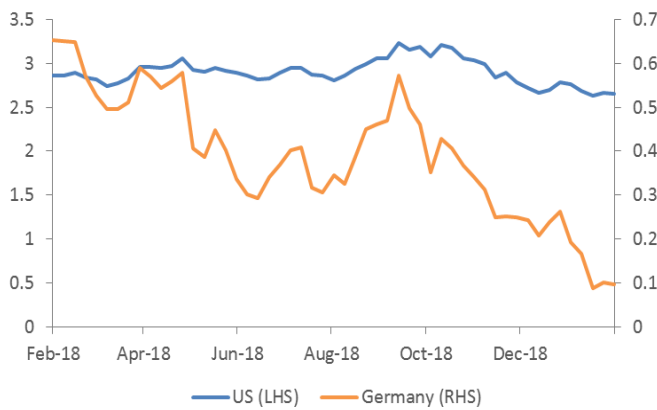
Source: Bloomberg

## 5-years Government Yield | Indonesia & Malaysia



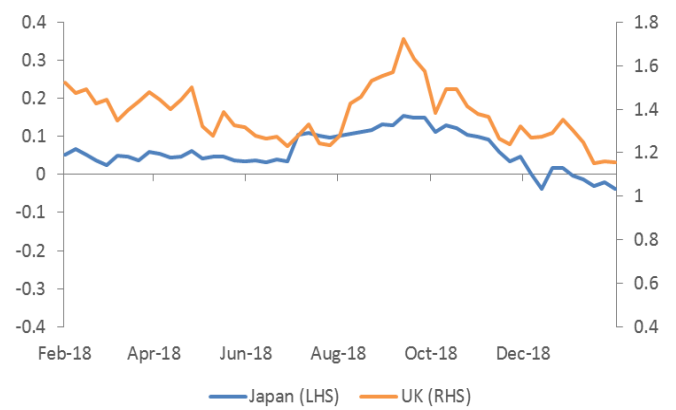
Source: Bloomberg

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



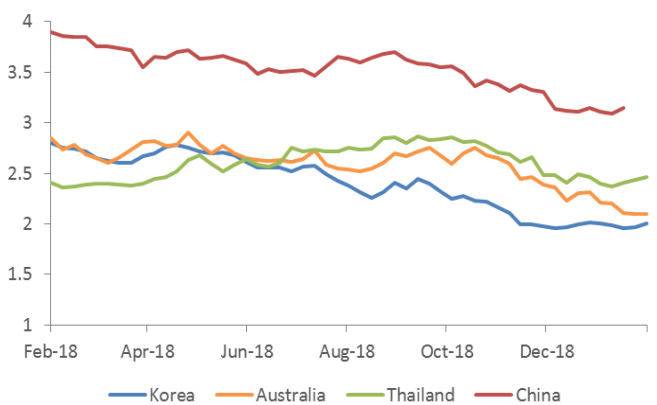
Source: Bloomberg

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



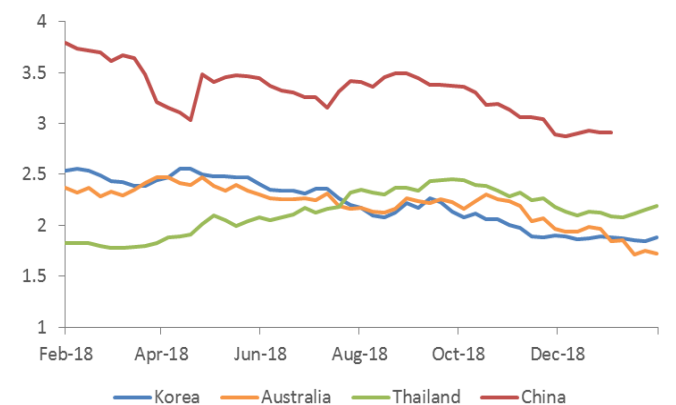
Source: Bloomberg

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



Source: Bloomberg

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



Source: Bloomberg

## Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Tuesday</b> 26 - Feb	USA	20:30	Housing Starts	Dec	1253k		1256k
	USA	22:00	Conf. Board Consumer Confidence	Feb	124		120.2
<b>Wednesday</b> 27 - Feb	EU	16:00	M3 Money Supply YoY	Jan	4.00%		4.10%
	USA	19:00	MBA Mortgage Applications	22-Feb	--		3.60%
	USA	22:00	Factory Orders	Dec	0.60%		-0.60%
28 - Feb	UK	Tentative	Nationwide House PX MoM	Feb	-0.10%		0.30%
	JPN	06:50	Industrial Production MoM	Jan P	-2.50%		-0.10%
	CHN	08:00	Manufacturing PMI	Feb	49.5		49.5
	GER	20:00	CPI MoM	Feb P	0.50%		-0.80%
	GER	20:00	CPI YoY	Feb P	1.50%		1.40%
	USA	20:30	GDP Annualized QoQ	4Q A	2.40%		3.40%
	USA	20:30	Initial Jobless Claims	23-Feb	222k		216k
	EU	16:00	Markit Eurozone Manufacturing PMI	Feb P	50.5		50.5
	USA	20:30	Initial Jobless Claims	16-Feb	--		239k
	<b>Friday</b> 1 - Mar	JPN	06:30	Job-To-Applicant Ratio	Jan	1.63	
JPN		06:30	Tokyo CPI Ex-Fresh Food YoY	Feb	1.00%		1.10%
JPN		06:30	Jobless Rate	Jan	2.40%		2.40%
JPN		06:50	Capital Spending YoY	4Q	4.50%		4.50%
CHN		08:45	Caixin China PMI Mfg	Feb	48.7		48.3
GER		15:55	Unemployment Change (000's)	Feb	-5k		-2k
UK		16:30	Markit UK PMI Manufacturing SA	Feb	52		52.8
USA		20:30	Personal Income	Jan	0.30%		--
USA		20:30	Personal Spending	Dec	-0.10%		0.40%
USA		22:00	ISM Manufacturing	Feb	55.6		56.6

Source: Bloomberg

## Global Currency Highlights

### Major Emerging Market IRS

1-Year	Last	Weekly Chg	Monthly Chg.	YTD Chg.	3-Years	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Indonesia	7.47	-1.71%	-7.27%	-4.90%	Indonesia	7.75	0.00%	0.00%	-4.91%
South Korea	1.87	2.61%	2.05%	-0.66%	South Korea	1.78	2.60%	0.42%	-0.56%
China	2.53	2.28%	0.05%	-4.68%	China	2.67	2.69%	0.95%	-3.61%
Malaysia	3.66	0.14%	-0.14%	-1.42%	Malaysia	3.69	0.41%	0.14%	-0.89%
Thailand	1.77	1.14%	0.68%	1.84%	Thailand	1.87	0.81%	0.75%	-2.14%

Source: Bloomberg

### Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	96.51	-0.41%	0.21%	0.35%	USDKRW	1,125	-0.31%	-0.49%	1.29%
USDJPY	110.69	0.20%	1.21%	0.91%	USDCNY	6.71	-0.88%	-1.39%	-2.40%
GBPUSD	1.31	1.27%	0.76%	2.34%	USDMYR	4.08	-0.21%	-1.32%	-1.35%
EURUSD	1.13	0.35%	-0.22%	-1.15%	USDTHB	31.33	0.17%	-1.52%	-3.08%
USDCAD	1.31	-0.82%	-1.65%	-3.68%	USDIDR	14,058	-0.64%	-1.14%	-2.31%
USDCHF	1.00	-0.48%	0.31%	1.86%	AUDUSD	0.71	-0.17%	0.07%	1.13%

Source: Bloomberg

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