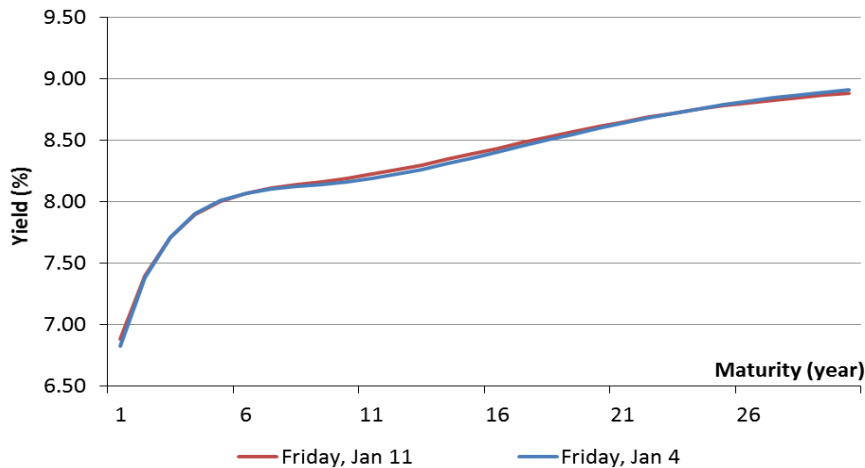


# Weekly Fixed Income

## Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 2 Weeks Performance



Source: IBPA

### Government Bond Highlights

At the auction of Sharia Sovereign Bonds (SBSN) dated 01/08/2019, the Indonesian government absorbed funds of IDR8.65 trillion from the total incoming bid of IDR17.81 trillion. The amount absorbed was much higher than the indicative target of IDR4 trillion. SBSN with 3-month tenor, namely SPNS09072019, obtained the biggest bid of IDR8.2 trillion.

Last week, Indonesia Composite Bond Index (ICBI) nudged up by 0.13% to 241.0. The price of government bonds strengthened slightly amid the increase in the foreign ownership of the government bonds. Last week's rally in the government bond market was followed by the rally in the equity market and the money market.

### Exchange Rate

Last week, the rupiah surged by 1.56% to 14,048 per USD. The rupiah appreciation was on the back of the release of forex reserves data and the higher consumers' confidence. December's forex reserves increased to USD120.7 billion—the highest level within the last 7 months. Meanwhile, consumers' confidence index (IKK) soared to 127.0: the highest level within 6 recent months.

On the other side, the state budget (APBN) realization at the end of 2018 had a positive impact on the rupiah. Per December 2018, the realization of APBN's revenues amounted to 102.5% or equal to IDR1,942.3 trillion, topping the estimated revenue realization of IDR1,894 trillion set forth in APBN.

During this week, investors will focus on Bank Indonesia (BI) Board of Governors Meeting and the release of exports-imports data of December 2018. Digesting Jerome Powell's last week dovish statement, we estimate that the pressure of increasing interest rates that BI has to bear can be minimized.

### Benchmark Information

#### FR0077

TTM (Years)	5.35
Yield (%)	7.8816
Price	101.0278
Coupon (%)	5.625

#### FR0078

TTM (Years)	10.35
Yield (%)	7.9495
Price	102.0750
Coupon (%)	6.125

#### FR0068

TTM (Years)	15.18
Yield (%)	8.3072
Price	100.5598
Coupon (%)	6.625

#### FR0079

TTM (Years)	20.27
Yield (%)	8.3536
Price	100.1856
Coupon (%)	7.500

### Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0053	07/15/2021	7.629	8.86
FR0056	09/15/2026	8.229	7.44
FR0070	03/15/2024	7.991	6.72
FR0077	05/15/2024	7.543	5.77
FR0059	05/15/2027	8.260	5.41

### Exchange Rate

Currency	Last	Chg.
USD/IDR	14,048	-1.56%
GBP/IDR	17,892	-1.03%
EUR/IDR	16,196	-0.52%
JPY/IDR	129.7	-1.80%
CNY/IDR	2,080	0.31%
KRW/IDR	12.6	-0.79%
AUD/IDR	10,137	1.05%
HKD/IDR	1,791	-1.66%

## Indonesia Government Bond Auction

Auction Date: Jan 8, 2019

Total incoming bid (IDR tn): 17.8

Total nominal (IDR tn): 8.6

Series	Status	Coupon	Maturity Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR bn)
SPNS09072019	Reopening	At Discount	09-Jul-19	6.25%	7.50%	2,000	8,201
PBS014	Reopening	6.500%	15-May-21	7.78%	8.13%	1,800	3,743
PBS019	Reopening	8.250%	15-Sep-23	7.91%	8.28%	4,450	5,080
PBS021	Reopening	8.500%	15-Nov-26	8.28%	8.47%	405	462
PBS022	Reopening	Fixed Rate	15-Apr-34	8.53%	8.88%	0	326

### Next Government Bond Auction Schedule

Date	Jan 15, 2019	End	Jan 15, 2019	12.00 AM
Indicative Target	IDR 15 tn	Result	Jan 15, 2019	
Begin	10.00 AM	Settlement	Jan 17, 2019	

Series	Status	Coupon	Maturity Date	Non-Competitive Allocation
SPN03190416	New Issuance	At Discount	16-Apr-19	50% of the awarded
SPN12200106	Reopening	At Discount	06-Jan-20	
FR0077	Reopening	8.125%	15-May-24	30% of the awarded
FR0078	Reopening	8.250%	15-May-29	
FR0068	Reopening	8.375%	15-Mar-34	
FR0079	Reopening	8.375%	15-Apr-39	

Source: DJPPR Ministry of Finance

## Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CHN	Tentative	Money Supply M2 YoY	Dec		8.10%	8.00%
14 - Jan	CHN	Tentative	Trade Balance	Dec		\$51.60b	\$44.74b
	USA	Tentative	Trade Balance	Nov	-	-\$54.0b	-\$55.5b
	USA	Tentative	Factory Orders	Nov		0.30%	-2.10%
	USA	Tentative	New Home Sales	Nov		566k	544k
	USA	Tentative	Durable Goods Orders	Nov F		--	0.80%
<b>Tuesday</b>	USA	20:30	PPI Final Demand MoM	Dec		1.80%	2.30%
15 - Jan						3.00%	7.60%
<b>Wednesday</b>	JPN	06:50	PPI YoY	Dec		-0.50%	1.90%
16 - Jan	JPN	06:50	Core Machine Orders MoM	Nov		0.10%	0.10%
	JPN	11:30	Tertiary Industry Index MoM	Nov		1.70%	1.70%
	GER	14:00	CPI YoY	Dec F		1.80%	1.80%
	UK	16:30	PPI Output NSA MoM	Dec		0.20%	0.20%
	UK	16:30	CPI YoY	Dec		0.30%	0.20%
	USA	19:00	MBA Mortgage Applications	11-Jan		0.30%	-0.60%
	USA	20:30	Retail Sales Advance MoM	Dec		0.40%	-0.90%
17 - Jan	EU	17:00	CPI YoY	Dec F		1.60%	1.90%
	USA	20:30	Housing Starts	Dec		1253k	1256k
	USA	20:30	Initial Jobless Claims	12-Jan		--	216k
<b>Friday</b>	JPN	06:30	Natl CPI YoY	Dec		0.30%	0.80%
18 - Jan	JPN	11:30	Industrial Production MoM	Nov F		--	-1.10%
	USA	21:15	Industrial Production MoM	Dec		0.30%	0.60%
	USA	22:00	U. of Mich. Sentiment	Jan P		96.4	98.3

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	7.76	1.77%	-1.84%	0.06%	Indonesia	7.75	-3.73%	-5.20%	-4.91%
South Korea	1.84	1.38%	-1.08%	-2.39%	South Korea	1.78	4.55%	-1.11%	-0.56%
China	2.49	-2.92%	-7.95%	-6.14%	China	2.64	-0.94%	-8.35%	-5.28%
Malaysia	3.68	-0.27%	-0.74%	-0.74%	Malaysia	3.70	-0.27%	-1.41%	-0.62%
Thailand	1.73	0.00%	13.07%	1.17%	Thailand	1.88	0.81%	1.35%	-1.83%

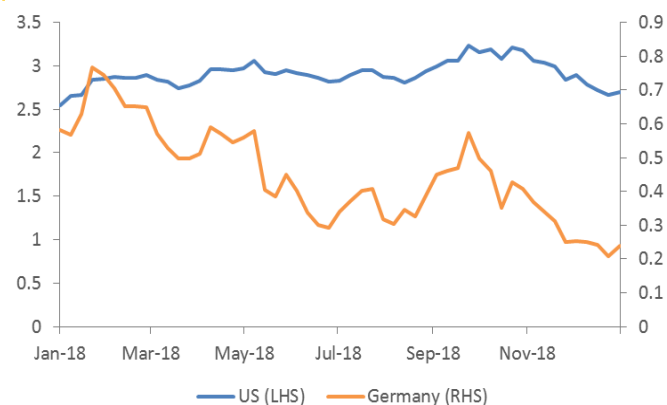
Source: Bloomberg

## Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	95.67	-0.53%	-1.76%	-0.76%	USDKRW	1,116	-0.72%	-1.20%	0.05%
USDJPY	108.48	-0.03%	-4.32%	-1.62%	USDCNY	6.76	-1.55%	-1.99%	-1.68%
GBPUSD	1.28	0.95%	2.86%	1.14%	USDMYR	4.10	-0.99%	-2.14%	-1.42%
EURUSD	1.15	0.65%	1.34%	0.22%	USDTHB	31.92	-0.55%	-2.70%	-1.94%
USDCAD	1.33	-0.80%	-0.92%	-2.72%	USDIDR	14,048	-1.56%	-3.83%	-3.57%
USDCHF	0.98	-0.42%	-0.99%	-0.11%	AUDUSD	0.72	1.43%	0.12%	2.38%

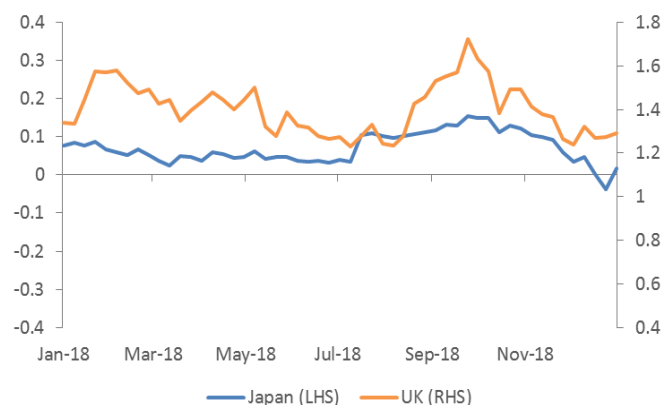
Source: Bloomberg

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



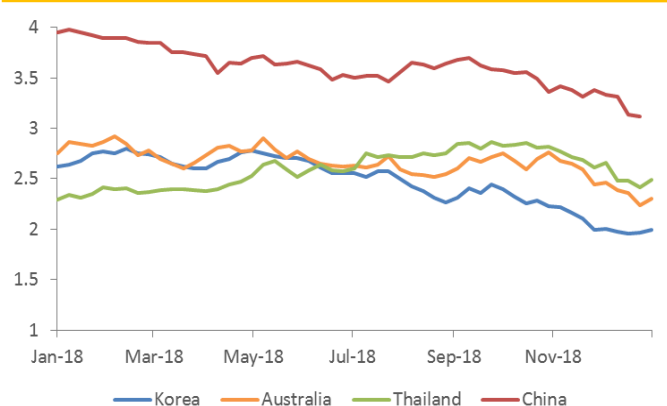
Source: Bloomberg

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



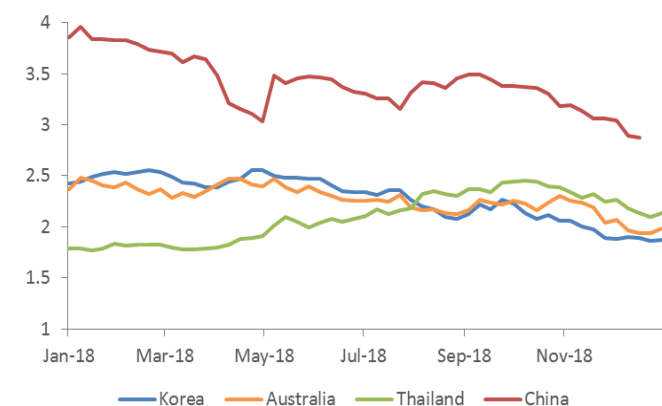
Source: Bloomberg

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



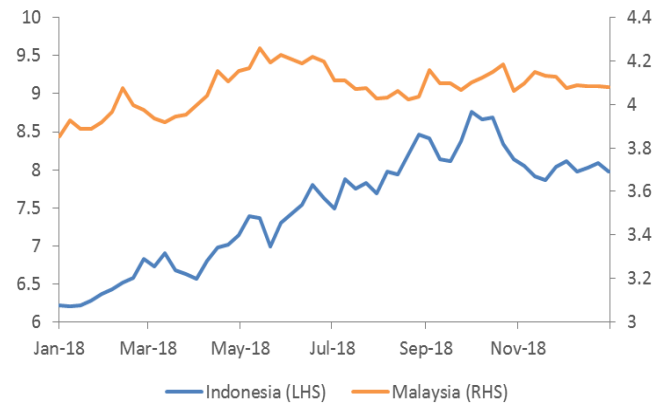
Source: Bloomberg

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



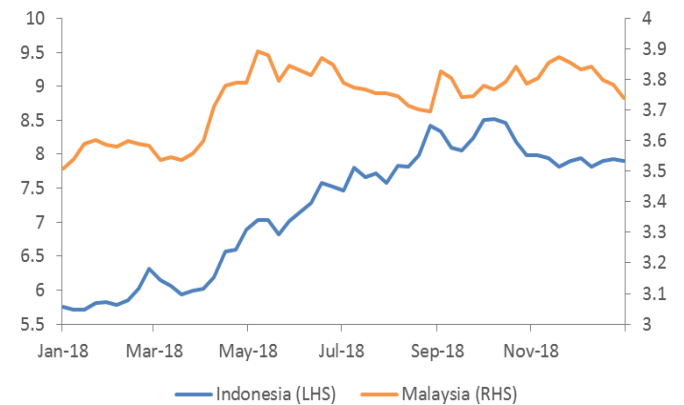
Source: Bloomberg

## 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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