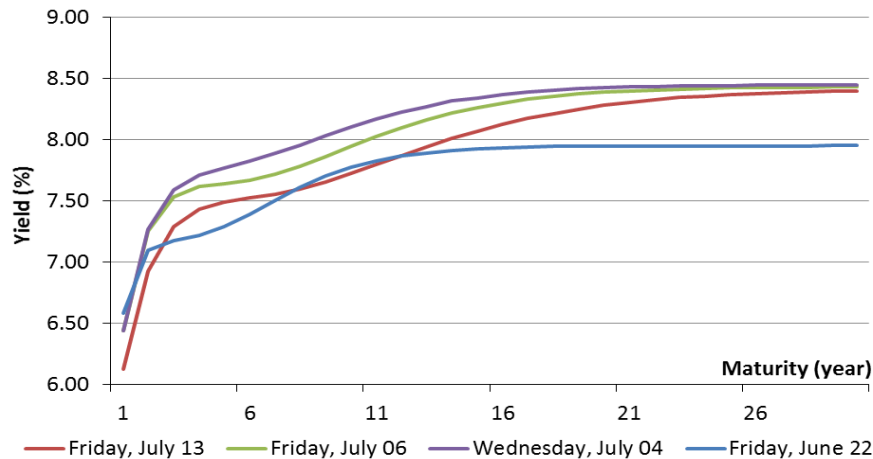


Weekly Fixed Income

Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

Government Bond Highlights

At the government bond (*Surat Utang Negara*, "SUN") auction dated 07/10/18, the government secured the proceeds of IDR8.0 trillion from the total inflow bid of IDR12.53 trillion. The amount of secured funds was higher than the indicative target of IDR4 trillion. SPN-S 11012019, SUN with 6-month tenor obtained the biggest bid of IDR5.07 trillion. Indonesian Composite Bond Index (ICBI) closed on a high note of 1.1% to 236.85 last week.

The spreads between 2-year bond yield and 10-year bond yield tumbled at 2-year lowest level. SUN is settling at flat curve due to the dollar liquidity tightening. Despite Bank Indonesia (BI)'s stance of higher benchmark rate aiming at cushioning jitters of rupiah depreciation, rupiah is still depreciated as investors' concerns about the ever-escalating trade war between the U.S. and China.

In this week investors eye on BI's stance of 7-Day Reverse Repo Rate. The consensus showed that BI held its 7-Day Reverse Repo Rate unchanged.

Exchange Rate

Rupiah closed at a low note of 0.02% to IDR14,378 per USD last week. It is estimated that rupiah is likely appreciated within this week after the inflow funds of foreign investors into bonds and stocks markets. A way more conducive bonds and stocks markets is underlined by another possibility of trade negotiation between the U.S. and China.

On 07/12/18, The Executive Director of BI's Monetary Management Department Nanang Hendarsah stated that BI is committed to intervening currencies market and bonds market as it spent IDR42 trillion on SUN sold in primer market as of the early-2018.

Benchmark Information

FR0063

TTM (Years)	4.84
Yield (%)	7.3338
Price	93.1314
Coupon (%)	5.625

FR0064

TTM (Years)	9.85
Yield (%)	7.4090
Price	91.1280
Coupon (%)	6.125

FR0065

TTM (Years)	14.85
Yield (%)	7.7669
Price	90.0296
Coupon (%)	6.625

FR0075

TTM (Years)	19.85
Yield (%)	7.9687
Price	95.3500
Coupon (%)	7.500

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0069	04/15/2019	6.596	8.21
FR0053	07/15/2021	7.380	6.37
FR0064	05/15/2028	7.394	6.36
FR0063	05/15/2023	7.371	4.81
FR0061	05/21/2022	7.343	4.30

Exchange Rate

Currency	Last	Chg.
USDIDR	14,378	0.02%
GBPIDR	18,881	-0.87%
EURIDR	16,723	-0.71%
JPYIDR	127.6	-1.80%
CNYIDR	2,151	-0.54%
KRWIDR	12.7	-1.40%
AUDIDR	10,614	-0.42%
HKDIDR	1,832	-0.01%

Indonesia Government Bond Auction

Auction Date: July 10, 2018 **Total incoming bid (IDR tn): 12.53** **Total nominal (IDR tn): 8.0**

Series	Status	Coupon	Maturity Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR)
SPN-S 11012019	New Issuance	At Discount	11-Jan-19	5.81%	7.25%	2,900	5,076
SPN-S 11042019	New Issuance	At Discount	11-Apr-19	6.28%	6.69%	1,000	2,790
PBS016	Reopening	6.250%	15-May-20	7.13%	7.72%	910	1,287
PBS002	Reopening	5.450%	15-Jan-22	7.19%	7.75%	3,050	3,190
PBS012	Reopening	8.875%	15-Nov-31	8.09%	8.53%	35	52
PBS015	Reopening	8.000%	15-Jul-47	8.31%	8.63%	105	141

Next Government Bond Auction Schedule

Date	Jul 17 2018	End	Jul 17 2018	12.00 AM
Indicative Target Begin	IDR 10 tn	Result Settlement	Jul 17 2018	Jul 19 2018

Series	Status	Coupon	Maturity Date	Non-Competitive Allocation
SPN03181018	New Issuance	At Discount	18-Oct-18	50% of the awarded
SPN12190411	Reopening	At Discount	11-Apr-19	
FR0063	Reopening	5.625%	15-May-23	30% of the awarded
FR0064	Reopening	6.125%	15-May-28	
FR0075	Reopening	7.500%	15-May-38	

Source: DJPPR Ministry of Finance

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	IDN	11:00	Import YoY	Jun	29.09%	28.17%	
16 - July	IDN	11:00	Export YoY	Jun	15.64%	12.47%	
	IDN	11:00	Trade Balance	Jun	\$968 m	(\$1524 m)	
Wednesday							
18 - July	IDN	Tentative	Motorcycle Sales	Jun	—	589,304	
	IDN	Tentative	Local Auto Sales	Jun	—	100,468	
Thursday	IDN	Tentative	BI 7D Reverse Repo	Jun	5.25%	5.25%	
19 - July							

Source: Bloomberg

Major Emerging Market IRS

1-Year	Last	Weekly Chg	Monthly Chg.	YTD Chg.	3-Years	Last	Weekly Chg	Montly Chg.	YTD Chg.
Indonesia	7.15	0.00%	5.93%	24.35%	Indonesia	7.45	0.00%	-3.87%	19.20%
South Korea	1.85	2.50%	-0.27%	0.96%	South Korea	2.04	1.75%	-3.78%	-1.33%
China	2.84	0.35%	-10.55%	-24.27%	China	3.02	-0.40%	-11.79%	-22.01%
Malaysia	3.71	0.00%	-0.93%	1.78%	Malaysia	3.75	-0.53%	-1.71%	0.00%
Thailand	1.47	4.26%	13.08%	16.67%	Thailand	1.89	3.29%	8.33%	14.59%

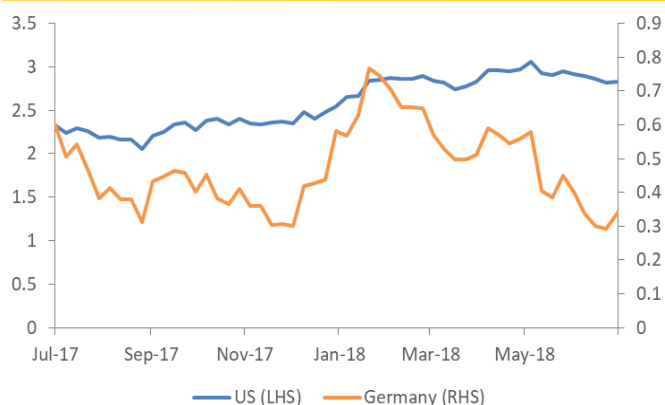
Source: Bloomberg

Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	94.68	0.76%	1.14%	2.77%	USDKRW	1,123	0.67%	5.32%	4.93%
USDJPY	112.38	1.73%	2.00%	-0.28%	USDCNY	6.69	0.74%	4.75%	2.84%
GBPUSD	1.32	-0.46%	-1.42%	-2.15%	USDMYR	4.05	0.27%	1.93%	0.11%
EURUSD	1.17	-0.52%	-0.76%	-2.67%	USDTHB	33.31	0.51%	4.38%	2.27%
USDCAD	1.32	0.58%	1.67%	4.69%	USDIDR	14,378	0.02%	3.79%	6.07%
USDCHF	1.00	1.25%	1.54%	2.81%	AUDUSD	0.74	-0.08%	-3.17%	-4.93%

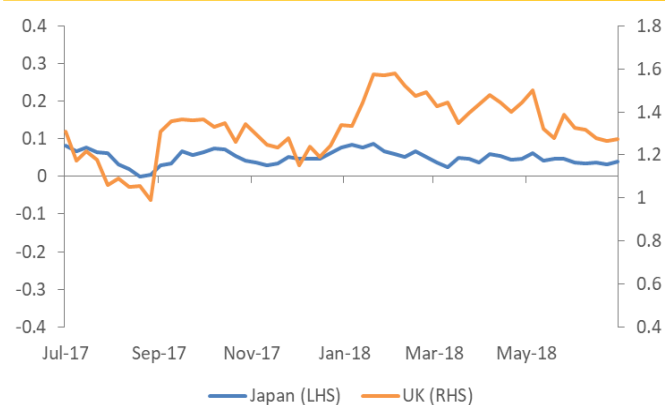
Source: Bloomberg

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



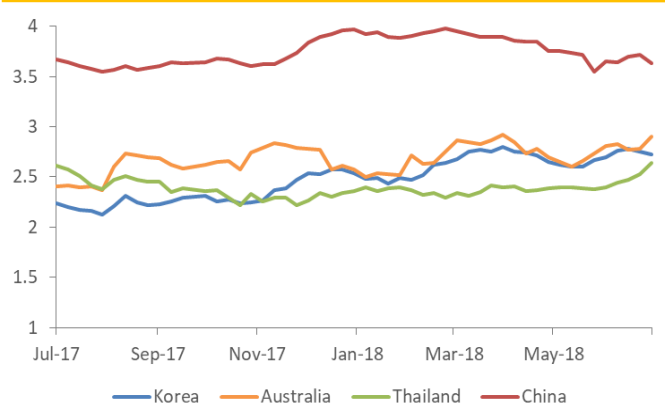
Source: Bloomberg

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



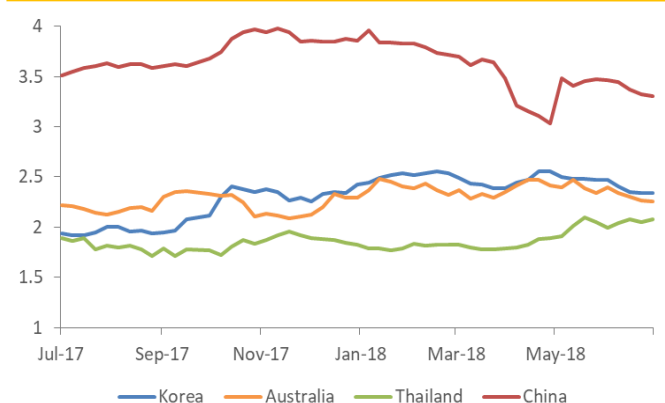
Source: Bloomberg

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



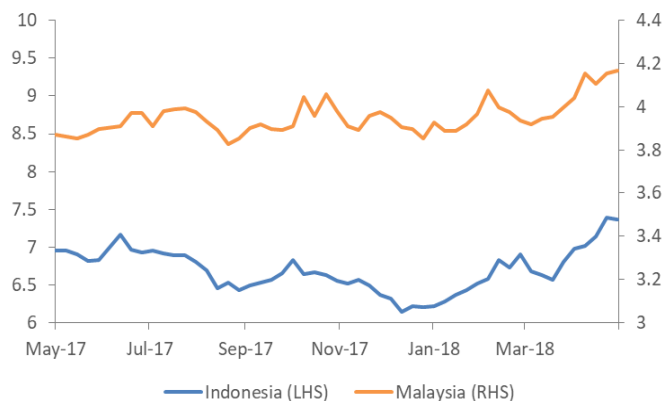
Source: Bloomberg

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



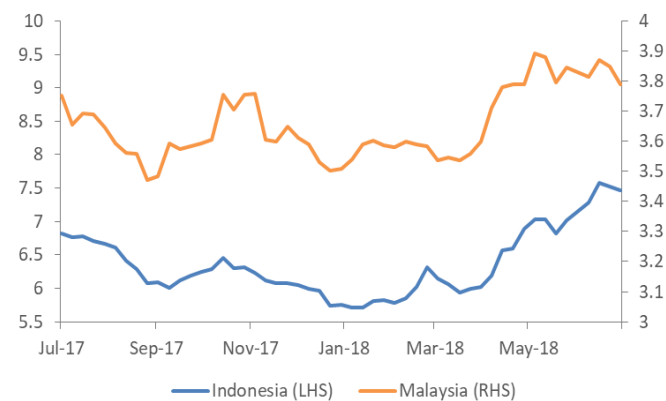
Source: Bloomberg

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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