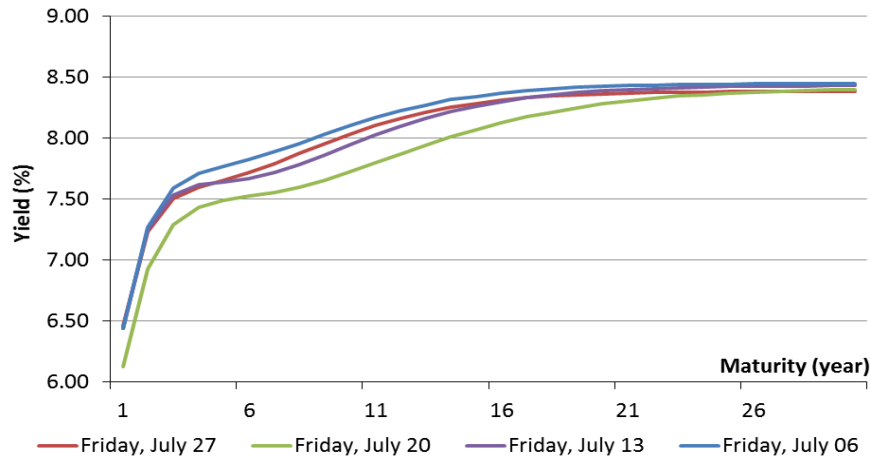


Weekly Fixed Income

Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

Bond Highlights

At the government bonds (*Surat Utang Negara*, SUN) auction dated 07/24/18, the government absorbed the funds of IDR4.81 trillion from the total incoming bid of IDR9.89 trillion. The funds absorbed was lower than the indicative target of IDR6 trillion. SPNS11012019, SUN with 6-month tenor, obtained the biggest bid of IDR3.68 trillion. Indonesia Composite Bond Index (ICBI) nudged up 0.33% to 234.78 last week.

The government obtained the lower proceeds from the 2Q18's auction than the 1Q18 and 4Q17's auction. Investors estimate the possibility that the government likely absorbs the higher proceeds from the 3Q18 and 4Q18's SUN auctions in order to achieve the 2018's target.

Exchange Rate

Rupiah strengthened by 0.54% to IDR14,417 per USD last week. Bank Indonesia (BI)'s last week stance of holding its benchmark rate unchanged impacted on the depreciated rupiah soaring at 14,564, the highest position since October 2015. Although on July 24th, rupiah soared at its highest position, it was appreciated until this week's last trading session. Thanks to BI's intervention in forex market, the reintroducing central bank certificates (SBI), and global market's positive sentiments such as the subdued trade war tension between the U.S. and EU and China's authority to enact the expansive fiscal policy.

BI will substitute overnight index average (Indonesia) for Jakarta Interbank Offered Rate (JIBOR). Indonesia and JIBOR are still disclosed until the end of 2019 as the transition period. Banks will use Indonesia for lending and deposit pricing, as well as swap premium. Meanwhile, Indonesia will be the basis for market in creating overnight index swap (OIS) instrument.

Benchmark Information

FR0063

TTM (Years)	4.80
Yield (%)	7.5766
Price	92.2527
Coupon (%)	5.625

FR0064

TTM (Years)	9.81
Yield (%)	7.6779
Price	89.4250
Coupon (%)	6.125

FR0065

TTM (Years)	14.81
Yield (%)	8.0843
Price	87.5185
Coupon (%)	6.625

FR0075

TTM (Years)	19.81
Yield (%)	8.1480
Price	93.6653
Coupon (%)	7.500

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0063	2023/05/15	7.648	6.76
FR0059	2027/05/15	7.794	5.75
FR0069	2019/04/15	6.458	4.95
PBS006	2020/09/15	7.466	3.78
FR0072	2036/05/15	8.275	3.64

Exchange Rate

Currency	Last	Chg.
USDIDR	14,417	-0.54%
GBPIDR	18,873	0.11%
EURIDR	16,762	-0.62%
JPYIDR	129.7	0.58%
CNYIDR	2,111	-1.37%
KRWIDR	12.9	1.10%
AUDIDR	10,628	-0.39%
HKDIDR	1,837	-0.54%

Indonesia Government Bond Auction

Auction Date: July 24, 2018 **Total incoming bid (IDR tn): 9.89** **Total nominal (IDR tn): 4.81**

Series	Status	Coupon	Maturity Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR)
SPN-S 11012019	Reopening	At Discount	11-Jan-19	6.22%	7.00%	900	3,685
SPN-S 11042019	Reopening	At Discount	11-Apr-19	6.44%	6.72%	1,100	2,675
PBS016	Reopening	6.250%	15-Mar-20	7.16%	8.56%	1,150	1,314
PBS002	Reopening	5.450%	15-Jan-22	7.59%	7.88%	565	668
PBS017	Reopening	6.125%	15-Oct-25	8.06%	8.56%	95	353
PBS012	Reopening	8.875%	15-Nov-31	8.34%	8.63%	1,000	1,193

Next Government Bond Auction Schedule

Date	Jul 31 2018	End	Jul 31 2018	12.00 AM
Indicative Target	IDR 10 tn	Result	Jul 31 2018	
Begin	10.00 AM	Settlement	Aug 02 2018	

Series	Status	Coupon	Maturity Date	Non-Competitive Allocation
SPN03181101	New Issuance	At Discount	01-Nov-18	50% of the awarded
SPN12190801	New Issuance	At Discount	01-Aug-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	

Source: DJPPR Ministry of Finance

Global Fixed Income Highlights

Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	94.67	0.20%	-0.48%	2.76%	USDKRW	1,118	-1.38%	1.17%	4.43%
USDJPY	111.05	-0.32%	0.63%	-1.46%	USDCNY	6.81	0.64%	5.24%	4.71%
GBPUSD	1.31	-0.24%	-0.51%	-3.02%	USDMYR	4.06	0.01%	1.42%	0.40%
EURUSD	1.17	-0.57%	0.73%	-2.90%	USDTHB	33.36	0.09%	1.66%	2.41%
USDCAD	1.31	-0.68%	-1.92%	3.85%	USDIDR	14,417	-0.54%	1.82%	6.36%
USDCHF	0.99	0.22%	-0.17%	2.07%	AUDUSD	0.74	-0.20%	0.43%	-5.24%

Source: Bloomberg

10-years USD Government Bond Yield | Indonesia



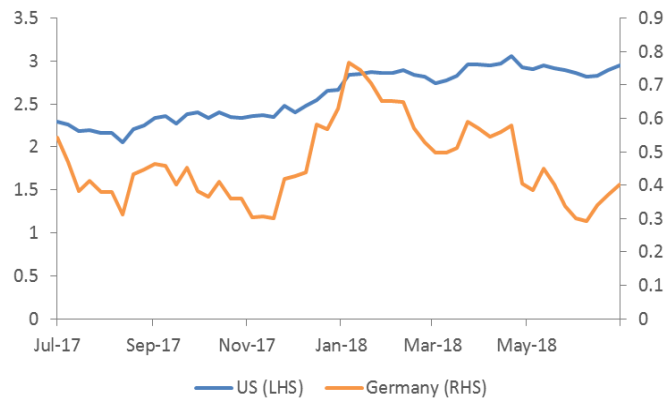
Source: Bloomberg

5-years USD Government Bond Yield | Indonesia



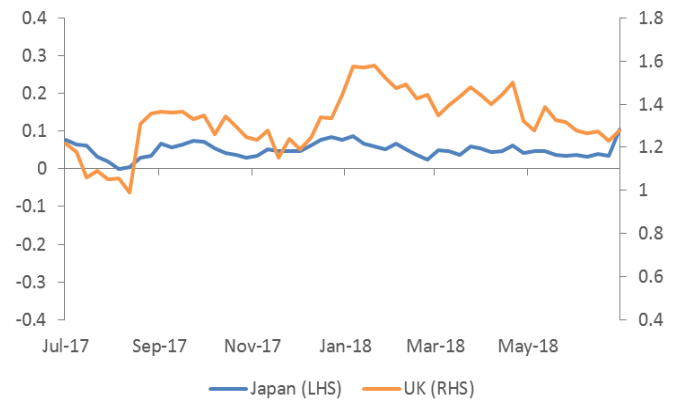
Source: Bloomberg

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



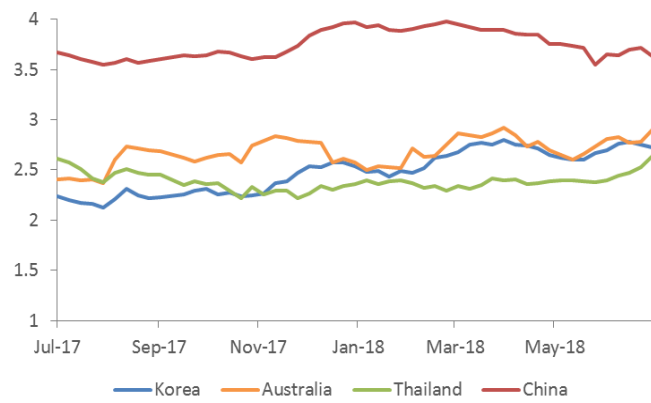
Source: Bloomberg

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



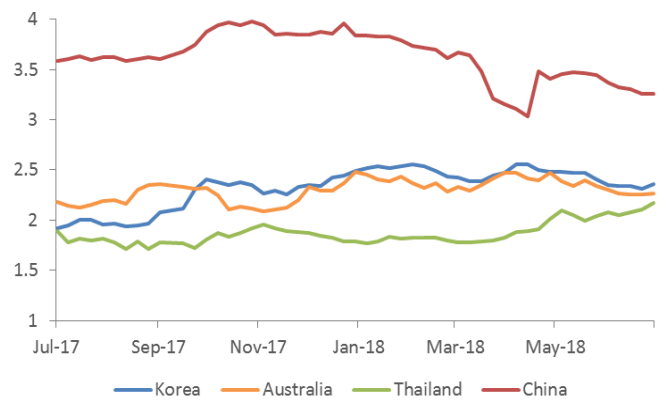
Source: Bloomberg

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



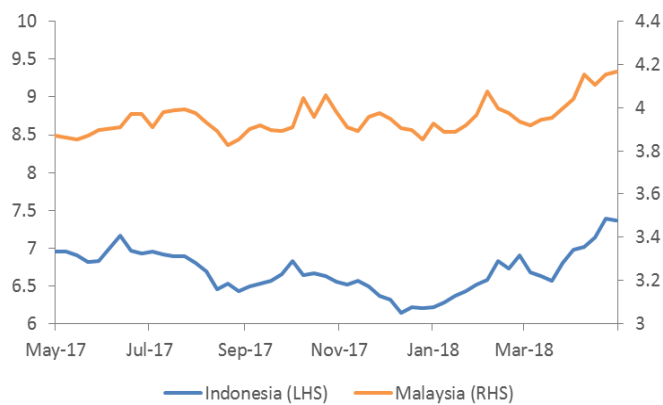
Source: Bloomberg

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

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