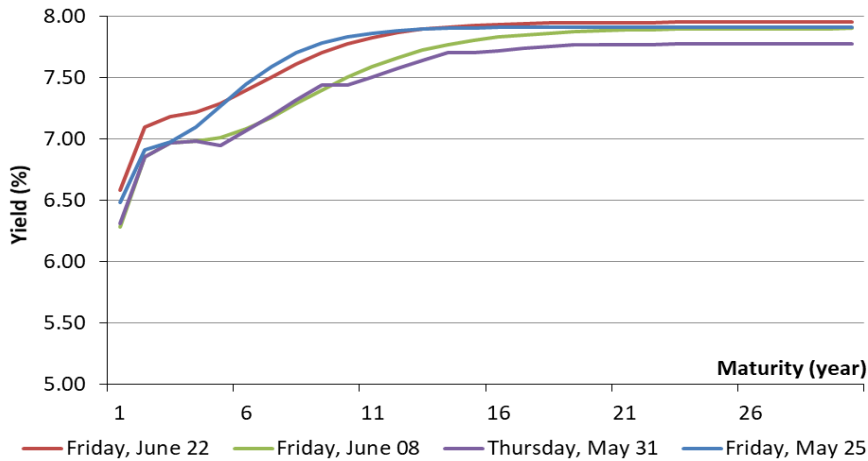


Weekly Fixed Income

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 June 22th, 2018, the Indonesia government absorbed the fund of IDR11.7 trillion from the total incoming bid of IDR29.30 trillion. The funds absorbed was higher than the indicative target of IDR10 trillion. FR0064, SUN with 10-year tenor, obtained the biggest bid of IDR3.15 trillion. Indonesia Composite Bond Index (ICBI) closed lower by 1.10% to 236.34 last week.

Emerging countries asset suffered impacts of adversaries sparked by the trade war engulfing allies not only the relationship between the U.S. and China. The European slapped revenge tariff of 25% against an array of the U.S. iconic products. It was the opening salvo in a trade war with the Trump administration's measures on steel and aluminum.

To subdue jitters of volatile markets, Bank Indonesia (BI) bolstered stimulus measures by spending IDR1.25 trillion on purchasing SUN from the secondary market. BI likely performs 3x forex swap auction in a week to maintain sufficient dollar supply.

Exchange Rate

Rupiah closed weaker by 1.11% to IDR14.086 per USD last week as it was depreciated at above 14,000 per USD last week after Eid Mubarak long holidays. Prior to Eid Mubarak holidays, rupiah was appreciated at around 13,900 per USD. The negative sentiment sparked by the Fed's meeting and trade war exacerbated rupiah.

The BI's Board of Governors is scheduled to hold a routing meeting dated June 27th and June 28th, 2018. In May, BI has twice raised its benchmark rates by a total 50 bps. In light of massive threat on rupiah after the post-Eid Mubarak holidays, BI has hinted the possibility of raising its benchmark rate by 25 bps to 5.00%.

Benchmark Information

FR0063

TTM (Years)	4.90
Yield (%)	7.2800
Price	93.2761
Coupon (%)	5.625

FR0064

TTM (Years)	9.90
Yield (%)	7.4621
Price	90.7500
Coupon (%)	6.125

FR0065

TTM (Years)	14.91
Yield (%)	7.9248
Price	88.7412
Coupon (%)	6.625

FR0075

TTM (Years)	19.91
Yield (%)	7.9425
Price	95.6000
Coupon (%)	7.500

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0064	05/15/2028	7.494	3.19
FR0069	04/15/2019	6.879	2.49
FR0074	05/15/2032	7.884	1.92
FR0072	05/15/2036	8.125	1.66
FR0075	05/15/2038	7.824	1.55

Exchange Rate

Currency	Last	Chg.
USDIDR	14,086	1.11%
GBPIDR	18,744	0.12%
EURIDR	16,436	0.03%
JPYIDR	127.8	0.24%
CNYIDR	2,168	-0.57%
KRWIDR	12.7	-1.70%
AUDIDR	10,462	-1.02%
HKDIDR	1,795	1.07%

Indonesia Government Bond Auction

Auction Date: June 05, 2018 **Total incoming bid (IDR tn): 29.30** **Total nominal (IDR tn): 11.7**

Series	Status	Coupon	Maturity Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR)
SPN12180906	Reopening	At Discount	06-Sep-18	5.25%	5.50%	3,000	4,965
SPN12190606	New Issuance	At Discount	06-Jun-19	5.90%	6.50%	700	4,550
FR0063	Reopening	5.625%	15-May-23	6.75%	7.20%	2,500	6,858
FR0064	Reopening	6.125%	15-May-28	7.02%	7.75%	3,150	8,552
FR0065	Reopening	6.625%	15-May-33	7.43%	8.00%	2,200	3,605
FR0076	Reopening	7.375%	15-May-48	7.78%	8.05%	150	774

Next Government Bond Auction Schedule

Date	Jun 26 2018	End	Jun 26 2018	12.00 AM
Indicative Target	IDR 4 tn	Result		Jun 26 2018
Begin	10.00 AM	Settlement		Jun 28 2018

Series	Status	Coupon	Maturity Date	Non-Competitive Allocation	Underlying Asset
SPN-S 01122018	Reopening	At Discount	01-Dec-18	50% of the awarded	
PBS016	Reopening	6.250%	15-Mar-20		Projects in State Budget 2018 and State Owned Assets
PBS002	Reopening	5.450%	15-Jan-22		
PBS017	Reopening	6.125%	15-Oct-25	30% of the awarded	
PBS012	Reopening	8.875%	15-Nov-31		
PBS004	Reopening	6.100%	15-Feb-37		

Source: DJPPR Ministry of Finance

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous	
Monday	GER	15:00	IFO Business Climate	Jun	101.8		102.2	
25 - June	USA	21:00	New Home Sales	May	665k		662k	
	IDN	11:00	Imports YoY	May	--		34.68%	
	IDN	11:00	Exports YoY	May	--		9.01%	
	IDN	11:00	Trade Balance	May	--		-\$1629m	
	Wednesday	USA	19:30	Durable Goods Orders	May P	-1.00%		-1.60%
27 - June								
	Thursday	EU	16:00	Consumer Confidence	Jun F	--		-0.5
28 - June	GER	19:00	CPI MoM	Jun P	0.20%		0.50%	
	GER	19:00	CPI YoY	Jun P	2.20%		2.20%	
	USA	19:30	GDP Annualized QoQ	1Q T	2.20%		2.20%	
	IDN	Tentative	Bank Indonesia 7D Reverse Repo	28-Jun	--		4.75%	
	Friday	JPN	06:30	Jobless Rate	May	2.50%		2.50%
	29 - June	JPN	06:50	Industrial Production MoM	May P	-1.10%		0.50%
		JPN	12:00	Consumer Confidence Index	Jun	43.8		43.8
		GER	14:55	Unemployment Change (000's)	Jun	-5k		-11k
UK		15:30	GDP QoQ	1Q F	0.10%		0.10%	
UK		15:30	GDP YoY	1Q F	1.20%		1.20%	
USA		19:30	Personal Income	May	0.40%		0.30%	
	USA	19:30	Personal Spending	May	0.40%		0.60%	

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	6.80	0.74%	19.82%	18.26%	Indonesia	7.10	0.71%	13.60%	13.60%
South Korea	1.85	0.24%	0.41%	1.09%	South Korea	2.07	-2.01%	-1.08%	0.24%
China	3.07	-3.46%	-4.66%	-18.13%	China	3.22	-5.90%	-4.93%	-16.90%
Malaysia	3.73	-0.27%	-0.53%	2.33%	Malaysia	3.80	-0.26%	-0.39%	1.34%
Thailand	1.40	5.68%	6.08%	10.71%	Thailand	1.87	6.09%	12.69%	13.37%

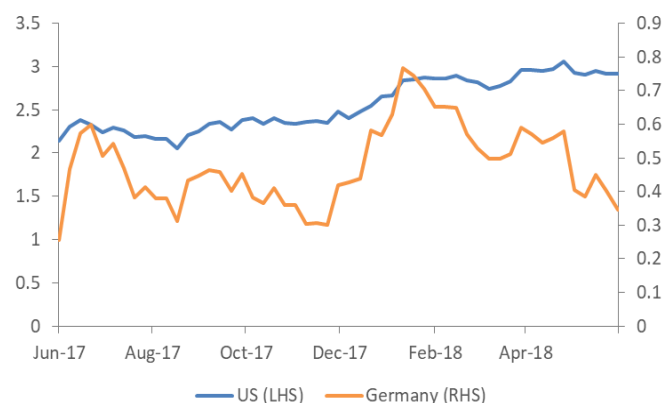
Source: Bloomberg

Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Montly Chg.	YTD Chg.
Dollar	94.50	1.03%	3.65%	2.58%	USDKRW	1,108	2.94%	2.48%	3.45%
USDJPY	110.12	0.52%	0.63%	-2.28%	USDCNY	6.50	1.39%	2.67%	-0.17%
GBPUSD	1.33	-0.78%	-4.54%	-1.58%	USDMYR	4.00	0.34%	2.32%	-1.09%
EURUSD	1.17	-0.92%	-4.11%	-2.87%	USDTHB	32.93	2.75%	4.48%	1.09%
USDCAD	1.33	2.72%	3.39%	5.64%	USDIDR	14,086	1.11%	1.19%	3.92%
USDCHF	0.99	0.38%	0.62%	1.55%	AUDUSD	0.74	-2.21%	-1.74%	-4.81%

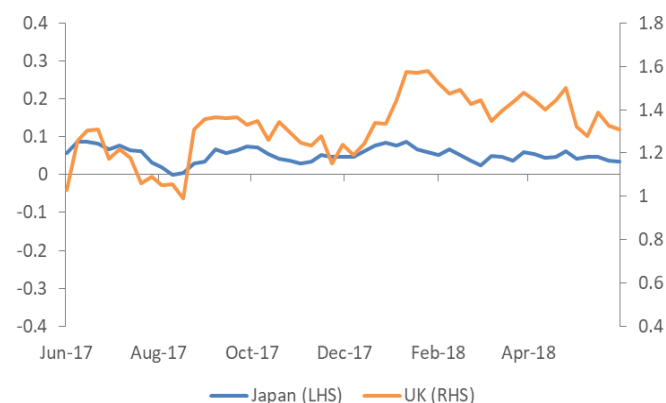
Source: Bloomberg

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



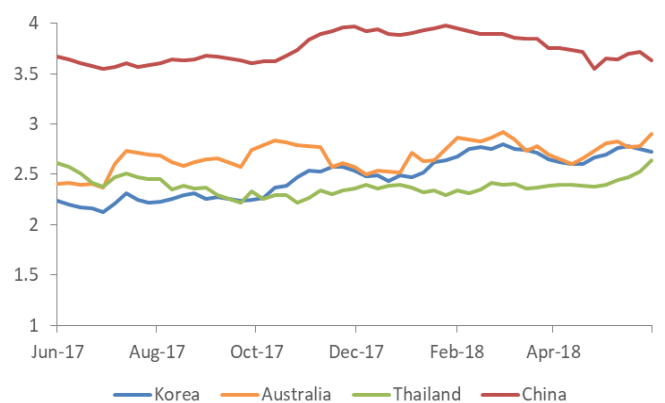
Source: Bloomberg

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



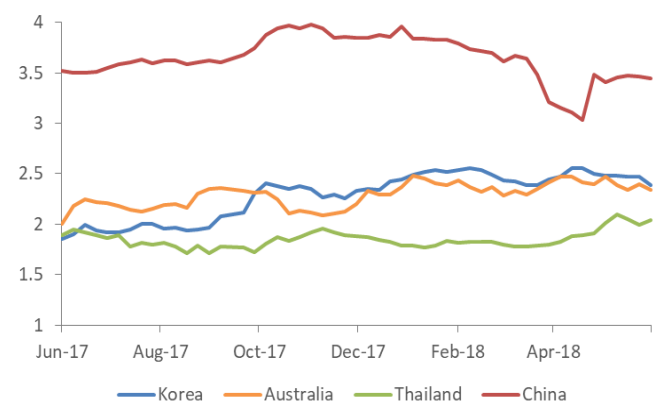
Source: Bloomberg

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



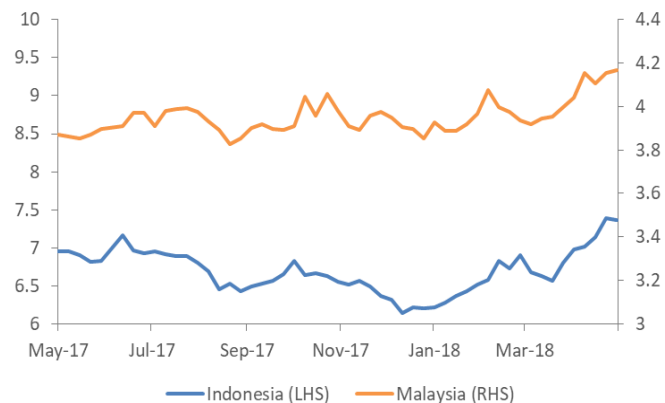
Source: Bloomberg

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



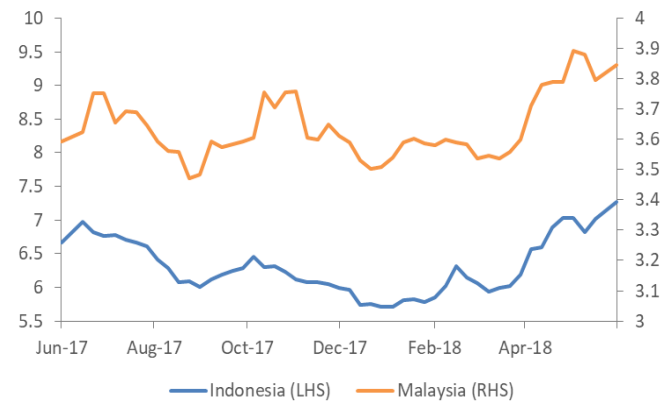
Source: Bloomberg

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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