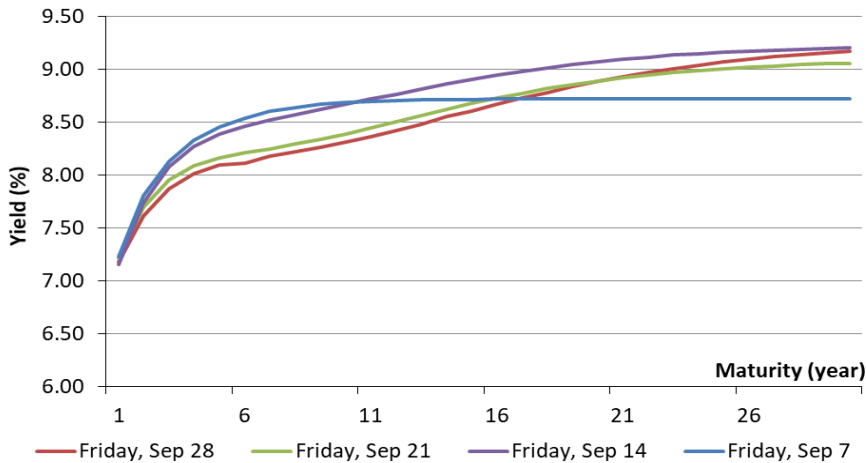


Weekly Fixed Income

Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

Government Bond Highlights

At the auction of the government bonds (SBN) dated 09/25/2018, the Indonesian government absorbed the funds of IDR20 trillion from the incoming bid of IDR51.5353 trillion. The amount absorbed was higher than the indicative target of IDR4 trillion. SPN03181226 with one year tenor secured the highest bid of IDR15 trillion. Indonesia Composite Bond Index (ICBI) closed finished on a high note by 0.58% to 233.64.

The SBN market closed higher last week. The rally was on the back of the positive responses to the hike in BI's benchmark rates. The four series rallied, led by the biggest rally posted by FR0065 with the 15-year tenor. Meanwhile, yields of FR0075 edged down by 15 bps to 8.29%. From Monday, September 24th to the last trading session of Thursday, September 27th, foreign investors posted the net buy of IDR8.85 trillion.

Exchange Rate

Last week, the rupiah was depreciated by 0.58% to IDR14.903 per USD. It was attributable to the hike in Fed's rate and Jerome Powell's hawkish stance. However, ahead of last weekends, the rupiah moved at sideways after BI hiked its benchmark rate by 25 bps to 5.75%.

The rupiah is likely appreciated within this week. Meanwhile, investors keep their focuses on the release of forex reserves. The estimate of September's deflation of 0.06% will be a positive catalyst for the rupiah movement, a survey by BI found. On the other side, the decline in forex reserves likely halting contributes to the rupiah appreciation within this week.

Benchmark Information

FR0063

TTM (Years)	4.63
Yield (%)	7.9748
Price	91.0382
Coupon (%)	5.625

FR0064

TTM (Years)	9.64
Yield (%)	8.0697
Price	87.1386
Coupon (%)	6.125

FR0065

TTM (Years)	14.64
Yield (%)	8.2930
Price	86.0000
Coupon (%)	6.625

FR0075

TTM (Years)	19.64
Yield (%)	8.4979
Price	90.5343
Coupon (%)	7.500

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0063	05/15/2023	7.921	7.39
FR0070	03/15/2024	8.407	5.05
FR0064	05/15/2028	7.969	4.74
FR0075	05/15/2038	8.475	3.48
FR0069	05/15/2019	6.940	2.97

Exchange Rate

Currency	Last	Chg.
USD/IDR	14,903	0.58%
GBP/IDR	19,478	-0.54%
EUR/IDR	17,308	-0.96%
JPY/IDR	131.3	-0.19%
CNY/IDR	2,171	0.25%
KRW/IDR	13.4	1.28%
AUD/IDR	10,759	-0.50%
HKD/IDR	1,905	0.44%

Indonesia Government Bond Auction

Auction Date: Sep 25, 2018		Total incoming bid (IDR tn): 51.5353			Total nominal (IDR tn): 20			
Series	Status	Coupon	Maturity	Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR bn)
SPN03181226	New Issuance	At Discount	26-Dec-19		5.50%	5.80%	3,000	15,000
SPN12190606	New Issuance	Fixed Rate	06-Jun-20		5.86%	7.00%	1,500	9,000
FR0077	New Issuance	Fixed Rate	15-Jan-24		8.12%	8.60%	5,200	11,192
FR0078	New Issuance	Fixed Rate	15-May-29		8.20%	8.55%	7,950	12,215
FR0065	Reopening	8.875%	15-May-33		8.36%	8.64%	1,600	2,941
FR0075	Reopening	8.000%	15-May-38		8.68%	9.20%	750	11,875

Next Government Bond Auction Schedule

Date	End	Oct 2 2018	End	Oct 2 2018	12.00 AM
Indicative Target	IDR 4 tn		Result		Oct 2 2018
Begin	10.00 AM		Settlement		Oct 4 2018

Series	Status	Coupon	Maturity	Date	Non-Competitive Allocation	Underlying Assets
SPN03181226	New Issuance	At Discount	03-Apr-19		50% of the awarded	Projects in State Budget 2018 and State Owned Assets
SPNS 03072019	New Issuance	At Discount	03-Jul-19			
PBS016	Reopening	6.250%	15-Mar-20			
PBS019	New Issuance	Fixed Rate	15-Sep-23		30% of the awarded	
PBS012	Reopening	8.875%	15-Nov-31			
PBS015	Reopening	8.000%	15-Jul-47			

Source: DJPPR Ministry of Finance

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 01 - Oct	JPN	07:30	Nikkei Japan PMI Mfg	Sep F	52.5	--	52.9
	IDN	07:30	Nikkei Indonesia PMI Mfg	Sep	50.7	--	51.9
	IDN	11:00	CPI YoY	Sep		3.08%	3.20%
	IDN	11:00	CPI NSA MoM	Sep		0.05%	-0.05%
	IDN	11:00	CPI Core YoY	Sep		2.65%	2.90%
	GER	14:55	Markit Germany Manufacturing PMI	Sep F		53.7	53.7
	EU	15:00	Markit Eurozone Manufacturing PMI	Sep F		53.3	53.3
	UK	15:30	Markit UK PMI Manufacturing SA	Sep		52.5	52.8
	USA	20:45	Markit US Manufacturing PMI	Sep F		--	55.6
Wednesday 03 - Oct	USA	21:00	ISM Manufacturing	Sep		60.3	61.3
	USA	19:15	ADP Employment Change	Sep		185k	163k
Thursday 04 - Oct	USA	19:30	Initial Jobless Claims	29-Sep		--	214k
	USA	21:00	Factory Orders	Aug		1.00%	-0.80%
	USA	21:00	Durable Goods Orders	Aug F		--	4.50%
	IDN	Tentative	Consumer Confidence Index	Sep		--	121.6
Friday 05 - Oct	GER	13:00	Factory Orders MoM	Aug		0.00%	-0.90%
	USA	19:30	Trade Balance	Aug		-\$50.7b	-\$50.1b
	USA	19:30	Change in Nonfarm Payrolls	Sep		188k	201k
	USA	19:30	Unemployment Rate	Sep		3.80%	3.90%
	IDN	Tentative	Foreign Reserves	Sep		--	\$117.90b
	IDN	Tentative	Net Foreign Assets IDR	Sep		--	1696.6t

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	7.89	0.00%	1.81%	37.22%	Indonesia	7.75	-9.36%	-4.91%	24.00%
South Korea	1.86	0.54%	4.07%	1.50%	South Korea	1.98	-0.65%	5.07%	-3.90%
China	2.85	-1.22%	1.43%	-24.13%	China	3.08	-1.88%	2.36%	-20.44%
Malaysia	3.72	0.00%	0.41%	1.92%	Malaysia	3.77	0.13%	0.67%	0.53%
Thailand	1.54	-1.92%	-0.65%	21.83%	Thailand	1.97	-2.48%	0.77%	19.76%

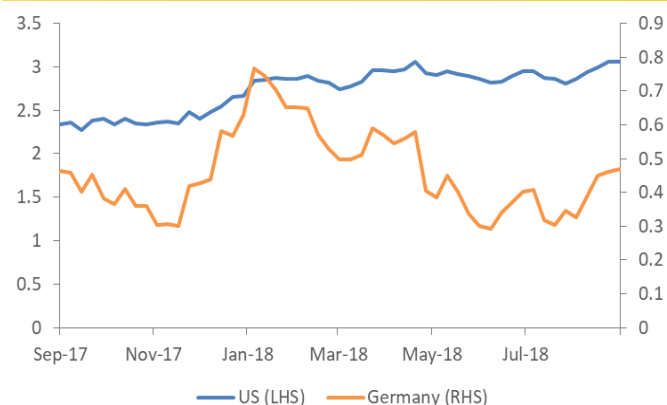
Source: Bloomberg

Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	95.13	0.97%	-0.01%	3.27%	USDKRW	1,109	-0.55%	-0.32%	3.61%
USDJPY	113.70	0.99%	2.40%	0.90%	USDCNY	6.87	0.17%	0.55%	5.57%
GBPUSD	1.30	-0.31%	0.55%	-3.57%	USDMYR	4.14	0.19%	0.71%	2.27%
EURUSD	1.16	-1.23%	0.02%	-3.34%	USDTHB	32.34	-0.12%	-1.19%	-0.73%
USDCAD	1.29	-0.06%	-1.01%	2.68%	USDIDR	14,903	0.58%	1.17%	9.84%
USDCHF	0.98	2.40%	1.32%	0.76%	AUDUSD	0.72	-0.91%	0.49%	-7.49%

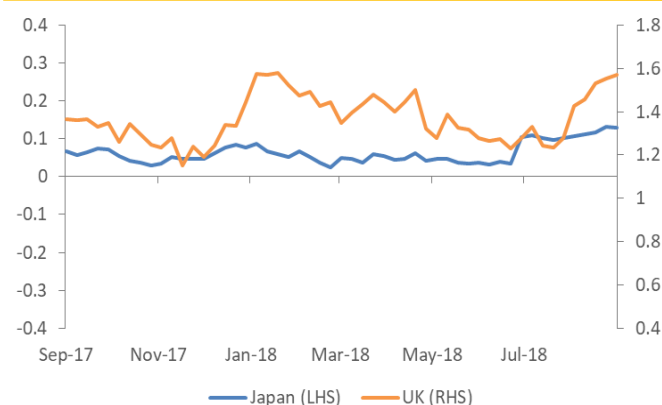
Source: Bloomberg

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



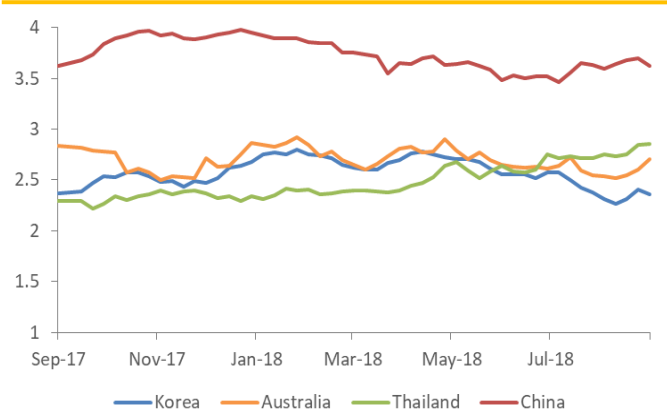
Source: Bloomberg

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



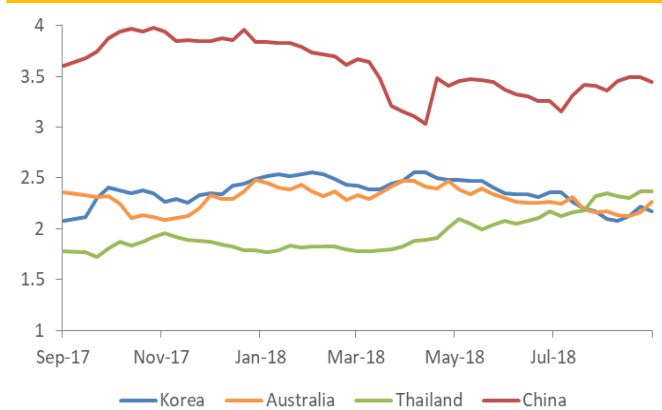
Source: Bloomberg

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



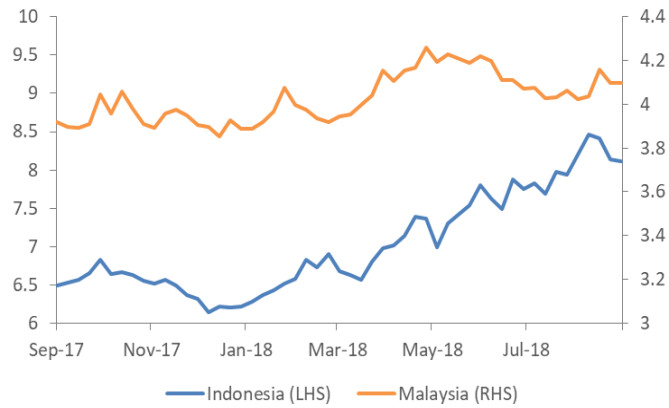
Source: Bloomberg

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



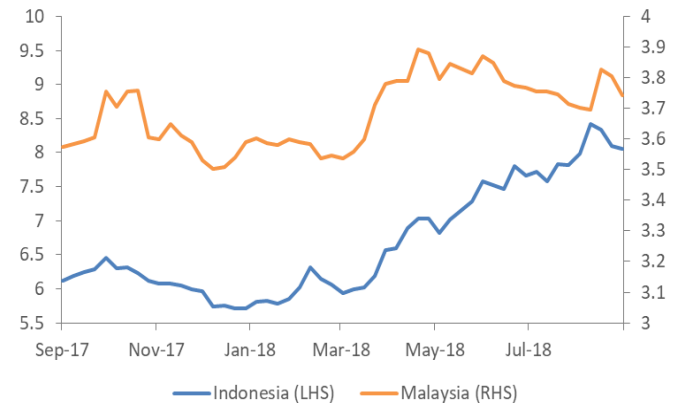
Source: Bloomberg

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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