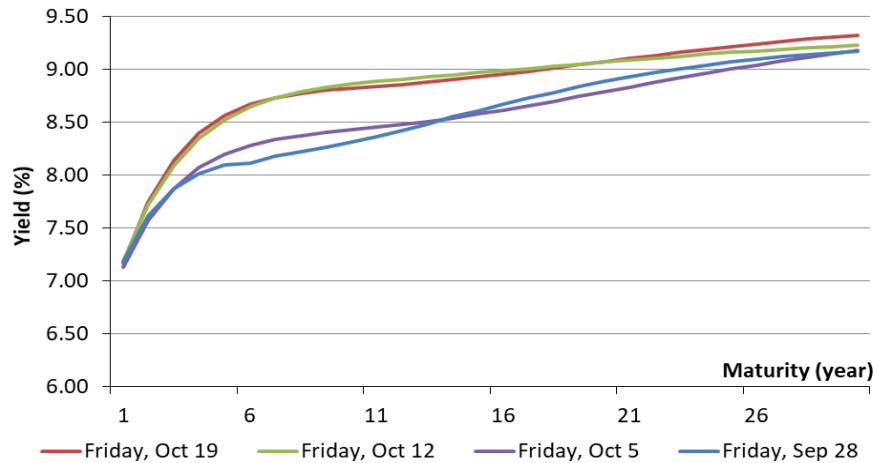


Weekly Fixed Income

Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

Government Bond Highlights

At the auction of government's sharia bonds (*Surat Berharga Negara Syariah*, "SBNS") dated 09/16/2018, the government absorbed funds of IDR5.225 trillion from the total incoming bid of IDR13.894 trillion. The amount absorbed was a lot higher than the indicative target of IDR4 trillion. SBNS with one year tenor, namely SPNS03042019 obtains the biggest bid of IDR4.763 trillion. Indonesia Composite Bond Index (ICBI) closed lower by 0.51% to 229.44.

The government bonds market rallied last week. The government bonds consistently hiked until weekends despite varied negative sentiments looming the domestic market. China's ownership over the U.S. treasury bonds settling at much the lowest level since a year ago sparks fears of unresolved disputes between the two countries, for example.

Exchange Rate

Last week, the rupiah nudged up 0.12% to IDR15,187 per USD. Last week's rally was the first rally after reining in the negative territory for 3 weeks. The rupiah appreciation aligns with most of Asia's currencies appreciation. The FOMC's hawkish minutes caused the rupiah to be depreciated above 15,200 per USD. However, the trade balance surplus of USD230 million caused the rupiah to be appreciated until weekends. The surplus sparks the expectancy of improving current account balance in 3Q18.

Investors within this week will digest Bank Indonesia (BI)'s Board of Governors Meeting (RDG). Investors estimate benchmark rate to be maintained at 5.75%, but they will eye on BI's statement of the potential hike in benchmark rate and other monetary policies upholding the rupiah appreciation.

Benchmark Information

FR0063	
TTM (Years)	4.57
Yield (%)	8.4522
Price	89.4500
Coupon (%)	5.625

FR0064	
TTM (Years)	9.58
Yield (%)	8.6417
Price	83.8255
Coupon (%)	6.125

FR0065	
TTM (Years)	14.58
Yield (%)	8.8311
Price	82.1000
Coupon (%)	6.625

FR0075	
TTM (Years)	19.58
Yield (%)	8.9978
Price	86.3134
Coupon (%)	7.500

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0063	05/15/2023	8.415	5.45
FR0061	05/15/2022	8.328	4.11
FR0056	09/15/2026	8.791	3.88
FR0071	03/15/2029	8.812	3.55
FR0053	07/15/2021	8.241	2.8

Exchange Rate

Currency	Last	Chg.
USD/IDR	15,187	-0.12%
GBP/IDR	19,797	-1.47%
EUR/IDR	17,390	-1.26%
JPY/IDR	135.1	-0.27%
CNY/IDR	2,192	-0.15%
KRW/IDR	13.4	-0.04%
AUD/IDR	10,800	-0.22%
HKD/IDR	1,937	-0.12%

Indonesia Government Bond Auction

Auction Date: Oct 16, 2018

Total incoming bid (IDR tn): 13.894

Total nominal (IDR tn): 5.225

Series	Status	Coupon	Maturity Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR bn)
SPNS03042019	Reopening	At Discount	03-Apr-19	6.66%	7.50%	1,000	4,796
SPNS03072019	Reopening	At Discount	03-Jul-19	6.91%	7.50%	1,000	3,515
PBS014	Reopening	8.125%	15-May-21	8.16%	8.78%	1,350	3,124
PBS019	Reopening	8.250%	15-Sep-23	8.72%	9.13%	765	946
PBS017	Reopening	6.625%	15-Oct-33	9.19%	9.41%	505	539
PBS012	Reopening	7.500%	15-Nov-38	9.34%	9.72%	605	975

Next Government Bond Auction Schedule

Date	Oct 23 2018	End	Oct 23 2018	12.00 AM
Indicative Target Begin	IDR 10 tn	Result	Oct 23 2018	
	10.00 AM	Settlement	Oct 25 2018	

Series	Status	Coupon	Maturity Date	Non-Competitive Allocation
SPN03190124	New Issuance	At Discount	24-Jan-19	50% of the awarded
SPN12190704	Reopening	At Discount	04-Jul-19	
FR0077	Reopening	8.125%	15-May-24	30% of the awarded
FR0078	Reopening	8.250%	15-May-29	
FR0065	Reopening	6.625%	15-May-33	
FR0075	Reopening	7.500%	15-May-38	
FR0076	Reopening	7.375%	15-May-48	

Source: DJPPR Ministry of Finance

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	EU	21:00	Consumer Confidence	Oct A	-3		-2.9
23 - Oct	IDN	Tentative	Bank Indonesia 7D Reverse Repo	23-Oct	5.75%		5.75%
Wednesday	JPN	06:30	Nikkei Japan PMI Mfg	Oct P	--		52.5
24 - Oct	GER	14:30	Markit Germany Manufacturing PMI	Oct P	53.4		53.7
	EU	15:00	Markit Eurozone Manufacturing PMI	Oct P	53		53.2
	USA	20:45	Markit US Manufacturing PMI	Oct P	55.5		55.6
	USA	21:00	New Home Sales	Sep	630k		629k
Thursday	USA	01:00	U.S. Federal Reserve Releases Beige Book				
25 - Oct	GER	15:00	IFO Business Climate	Oct	103.3		103.7
	EU	18:45	ECB Main Refinancing Rate	25-Oct	0.00%		0.00%
	USA	19:30	Durable Goods Orders	Sep P	-1.00%		4.40%
Friday	USA	19:30	GDP Annualized QoQ	3Q A	3.30%		4.20%
26 - Oct							

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	8.34	6.18%	7.55%	44.96%	Indonesia	8.10	-5.26%	-0.61%	29.60%
South Korea	1.87	-1.58%	1.55%	2.05%	South Korea	1.99	-2.55%	1.02%	-3.76%
China	2.78	-0.71%	-2.80%	-25.87%	China	3.00	-1.45%	-3.79%	-22.68%
Malaysia	3.72	0.00%	0.00%	1.92%	Malaysia	3.79	0.40%	0.60%	1.07%
Thailand	1.53	2.82%	-3.77%	21.43%	Thailand	2.01	0.85%	-1.71%	22.19%

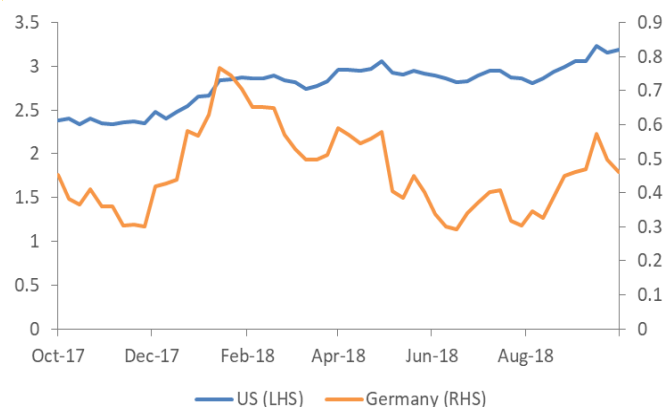
Source: Bloomberg

Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	95.71	0.52%	1.24%	3.90%	USDKRW	1,132	0.06%	0.99%	5.74%
USDJPY	112.55	0.30%	0.24%	-0.12%	USDCNY	6.93	0.10%	1.18%	6.49%
GBPUSD	1.31	-0.59%	-0.52%	-3.23%	USDMYR	4.16	0.08%	0.32%	2.74%
EURUSD	1.15	-0.40%	-1.36%	-4.09%	USDTHB	32.61	-0.44%	0.50%	0.09%
USDCAD	1.31	0.61%	1.37%	4.24%	USDIDR	15,187	-0.12%	2.10%	11.93%
USDCHF	1.00	0.31%	2.98%	2.23%	AUDUSD	0.71	0.07%	-1.98%	-8.84%

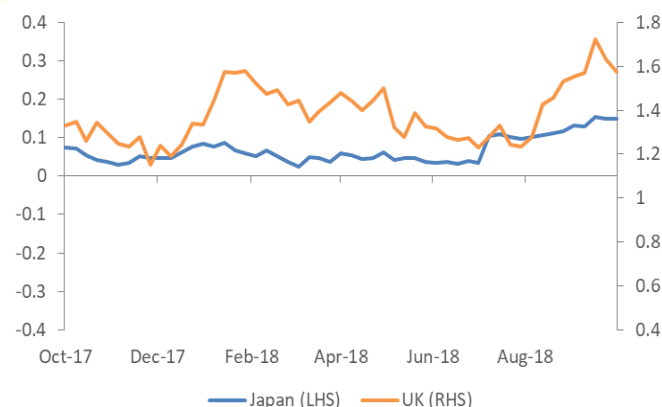
Source: Bloomberg

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



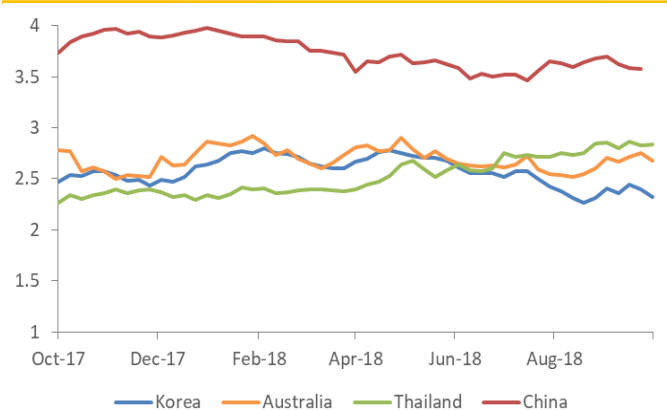
Source: Bloomberg

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



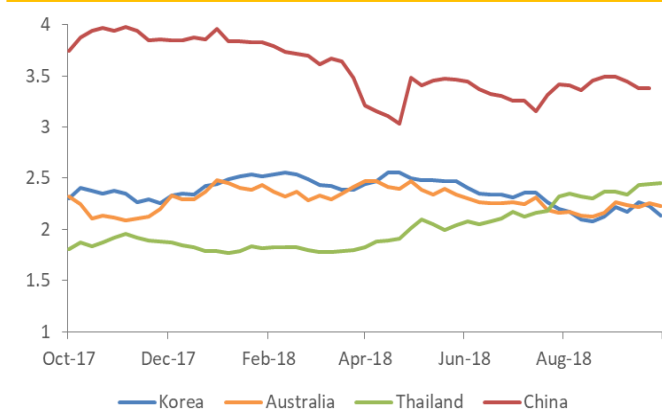
Source: Bloomberg

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



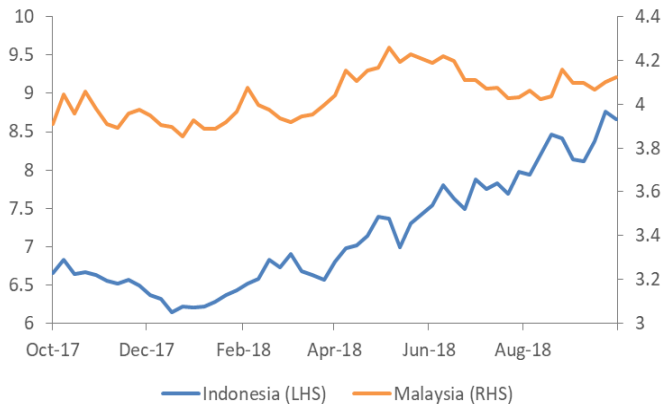
Source: Bloomberg

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



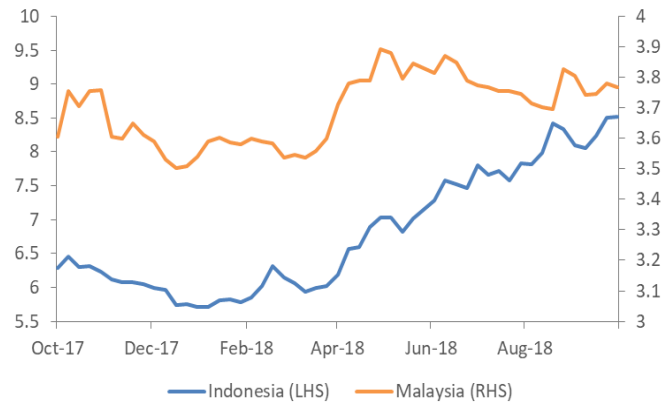
Source: Bloomberg

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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