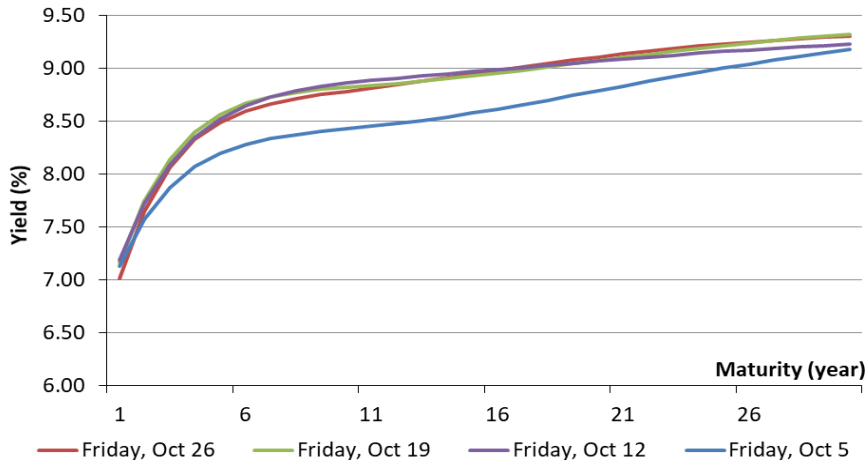


Weekly Fixed Income

Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

Government Bond Highlights

At government bonds (SBN) auction dated 10/23/2018, the government absorbed the fund of IDR20 trillion from the total incoming bid of IDR47.550 trillion. The amount absorbed was much higher than the indicative target of IDR10 trillion. SBN with 5-year tenor, namely FR0077, obtained the biggest bid of IDR14.172 trillion. Indonesia Composite Bond Index (ICBI) closed higher by 0.2% to 230.20.

Last week the bonds market was reigning at mixed pace. The government's benchmark bond yield with 20-year tenor, namely FR0075, rallied by bps. FR0063 with 5-year tenor weakened by 8bps, while FR0064 with 10-year tenor weakened by 1bps; FR0065 with 15-year tenor weakened by 1 bps.

Exchange Rate

The rupiah weakened by 0.19% to 15,216 per USD last week. The depreciation aligned with other Asia's currencies depreciation. The depreciated rupiah was attributable to the U.S. dollar appreciation due to the release of the U.S. economic data. The U.S. economic grew by 3.5% higher than estimate of 3.4%. On the other side, Bank Indonesia (BI)'s stance of holding its benchmark rates unchanged failed to strengthen the rupiah.

The rupiah is estimated to weaken within this week as investors digest the release of the U.S. economic data. Indeed, investors are likely to keep their eyes on the release of October's inflation, estimated to settle at 3.1%.

Benchmark Information

FR0063

| | |
|-------------|---------|
| TTM (Years) | 4.55 |
| Yield (%) | 8.3676 |
| Price | 89.7823 |
| Coupon (%) | 5.625 |

FR0064

| | |
|-------------|---------|
| TTM (Years) | 9.56 |
| Yield (%) | 8.6325 |
| Price | 83.9010 |
| Coupon (%) | 6.125 |

FR0065

| | |
|-------------|---------|
| TTM (Years) | 14.56 |
| Yield (%) | 8.8198 |
| Price | 82.1940 |
| Coupon (%) | 6.625 |

FR0075

| | |
|-------------|---------|
| TTM (Years) | 19.56 |
| Yield (%) | 9.0535 |
| Price | 85.8702 |
| Coupon (%) | 7.500 |

Most Active

| Securities | Maturity | YTM (%) | Volume (IDR tn) |
|------------|------------|---------|-----------------|
| FR0078 | 05/15/2029 | 8.622 | 8.54 |
| FR0077 | 05/15/2024 | 8.124 | 5.68 |
| FR0075 | 05/15/2038 | 9.021 | 3.76 |
| FR0063 | 05/15/2023 | 5.361 | 3.19 |
| FR0061 | 05/15/2022 | 8.293 | 1.93 |

Exchange Rate

| Currency | Last | Chg. |
|----------|--------|--------|
| USD/IDR | 15,216 | 0.19% |
| GBP/IDR | 19,513 | -1.43% |
| EUR/IDR | 17,316 | -0.42% |
| JPY/IDR | 135.9 | 0.57% |
| CNY/IDR | 2,187 | -0.21% |
| KRW/IDR | 13.3 | -0.56% |
| AUD/IDR | 10,704 | -0.89% |
| HKD/IDR | 1,941 | 0.19% |

Indonesia Government Bond Auction

| Auction Date: Oct 23, 2018 | | Total incoming bid (IDR tn): 47.550 | | | Total nominal (IDR tn): 20 | | | |
|----------------------------|--------------|-------------------------------------|---------------|--------------|----------------------------|----------------------|------------------------|--|
| Series | Status | Coupon | Maturity Date | Lowest Yield | Highest Yield | Nominal Won (IDR bn) | Incoming Bids (IDR bn) | |
| SPN03190124 | New Issuance | At Discount | 24-Jan-19 | 5.79% | 6.00% | 2,600 | 3,600 | |
| SPN12190704 | Reopening | At Discount | 04-Jul-19 | 6.00% | 7.00% | 3,000 | 10,075 | |
| FR0077 | Reopening | 8.125% | 15-May-24 | 8.53% | 8.90% | 4,100 | 14,172 | |
| FR0078 | Reopening | 8.250% | 15-May-29 | 8.62% | 8.88% | 6,250 | 11,386 | |
| FR0065 | Reopening | 6.625% | 15-May-33 | 8.90% | 9.50% | 900 | 2,682 | |
| FR0075 | Reopening | 7.500% | 15-May-38 | 9.02% | 9.50% | 3,000 | 5,362 | |
| FR0076 | Reopening | 7.375% | 15-May-48 | 9.26% | 9.48% | 150 | 273 | |

Next Government Bond Auction Schedule

| Date | Oct 30 2018 | End | Oct 30 2018 | 12.00 AM | |
|-------------------|--------------|-------------|---------------|----------------------------|------------------------------------------------------|
| Indicative Target | IDR 4 tn | Result | Oct 30 2018 | | |
| Begin | 10.00 AM | Settlement | Nov 1 2018 | | |
| Series | Status | Coupon | Maturity Date | Non-Competitive Allocation | Underlying Assets |
| SPNS01052019 | New Issuance | At Discount | 01-May-19 | 50% of the awarded | Projects in State Budget 2018 and State Owned Assets |
| SPNS01082019 | New Issuance | At Discount | 01-Aug-19 | | |
| PBS014 | Reopening | 6.500% | 15-May-21 | 30% of the awarded | |
| PBS019 | Reopening | 8.250% | 15-Sep-23 | | |
| PBS017 | Reopening | 6.125% | 15-Oct-25 | | |
| PBS012 | Reopening | 8.875% | 15-Nov-31 | | |

Source: DJPPR Ministry of Finance

Economic Calendar

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|------------------|---------|--------------|-----------------------------------|--------|--------|-----------|----------|
| Monday | USA | 19:30 | Personal Income | Sep | 0.40% | 0.30% | |
| 29 - Oct | USA | 19:30 | Personal Spending | Sep | 0.40% | 0.30% | |
| Tuesday | JPN | 06:30 | Jobless Rate | Sep | 2.40% | 2.40% | |
| 30 - Oct | GER | 15:55 | Unemployment Change (000's) | Oct | -13k | -23k | |
| | EU | 17:00 | GDP SA QoQ | 3Q A | 0.40% | 0.40% | |
| | EU | 17:00 | GDP SA YoY | 3Q A | 1.80% | 2.10% | |
| | EU | 17:00 | Consumer Confidence | Oct F | -2.7 | -2.7 | |
| | GER | 20:00 | CPI MoM | Oct P | 0.10% | 0.40% | |
| | GER | 20:00 | CPI YoY | Oct P | 2.40% | 2.30% | |
| Wednesday | JPN | 06:50 | Industrial Production MoM | Sep P | -0.30% | 0.20% | |
| 31 - Oct | CHN | 08:00 | Manufacturing PMI | Oct | 50.6 | 50.8 | |
| | USA | 19:15 | ADP Employment Change | Oct | 190k | 230k | |
| | IDN | Tentative | Money Supply M2 YoY | Sep | -- | 5.90% | |
| | IDN | Tentative | Money Supply M1 YoY | Sep | -- | 8.60% | |
| Thursday | JPN | 07:30 | Nikkei Japan PMI Mfg | Oct F | -- | 53.1 | |
| 01 - Nov | CHN | 08:45 | Caixin China PMI Mfg | Oct | 50 | 50 | |
| | IDN | 11:00 | CPI YoY | Oct | -- | 2.88% | |
| | IDN | 11:00 | CPI NSA MoM | Oct | -- | -0.18% | |
| | UK | 16:30 | Markit UK PMI Manufacturing SA | Oct | 53 | 53.8 | |
| | UK | 19:00 | Bank of England Bank Rate | 1-Nov | 0.75% | 0.75% | |
| | USA | 19:30 | Initial Jobless Claims | 27-Oct | -- | 215k | |
| | USA | 21:00 | ISM Manufacturing | Oct | 59.4 | 59.8 | |
| Friday | GER | 15:55 | Markit Germany Manufacturing PMI | Oct F | -- | 52.3 | |
| 02 - Nov | EU | 16:00 | Markit Eurozone Manufacturing PMI | Oct F | -- | 52.1 | |
| | USA | 19:30 | Change in Nonfarm Payrolls | Oct | 190k | 134k | |
| | USA | 19:30 | Unemployment Rate | Oct | 3.70% | 3.70% | |
| | USA | 19:30 | Underemployment Rate | Oct | -- | 7.50% | |
| | USA | 21:00 | Factory Orders | Sep | 0.30% | 2.30% | |
| | USA | 21:00 | Durable Goods Orders | Sep F | -- | 0.80% | |

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 | 8.25 | -1.02% | 5.10% | 43.48% | Indonesia | 7.75 | -4.32% | 0.00% | 24.00% |
| South Korea | 1.83 | -2.04% | -0.98% | -0.03% | South Korea | 1.93 | -3.02% | -3.27% | -6.67% |
| China | 2.76 | -0.90% | -4.01% | -26.53% | China | 2.95 | -1.47% | -5.35% | -23.82% |
| Malaysia | 3.72 | 0.00% | 0.00% | 1.92% | Malaysia | 3.78 | -0.13% | 0.40% | 0.93% |
| Thailand | 1.51 | -1.63% | -3.22% | 19.44% | Thailand | 1.97 | -1.99% | -1.99% | 19.76% |

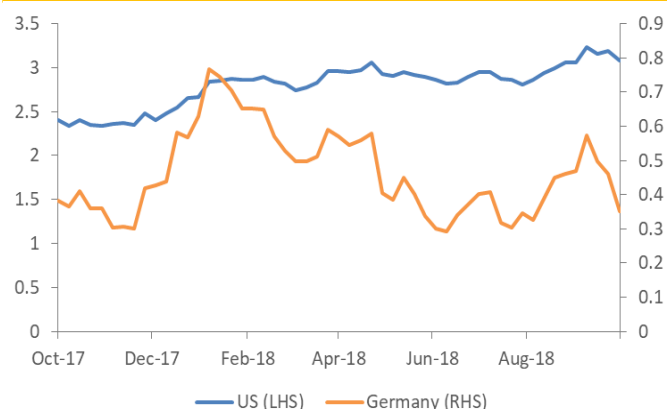
Source: Bloomberg

Foreign Exchange Fluctuation

| Currency | Last | Weekly Chg | Monthly Chg. | YTD Chg. | Currency | Last | Weekly Chg | Monthly Chg. | YTD Chg. |
|----------|--------|------------|--------------|----------|----------|--------|------------|--------------|----------|
| Dollar | 96.36 | 0.67% | 2.30% | 4.60% | USDKRW | 1,142 | 0.86% | 2.37% | 6.65% |
| USDJPY | 111.91 | -0.57% | -0.73% | -0.69% | USDCNY | 6.94 | 0.21% | 0.94% | 6.71% |
| GBPUSD | 1.28 | -1.90% | -2.57% | -5.07% | USDMYR | 4.18 | 0.46% | 0.86% | 3.22% |
| EURUSD | 1.14 | -0.96% | -2.86% | -5.01% | USDTHB | 33.12 | 1.56% | 2.06% | 1.66% |
| USDCAD | 1.31 | 0.02% | 0.67% | 4.26% | USDIDR | 15,216 | 0.19% | 2.05% | 12.15% |
| USDCHF | 1.00 | 0.10% | 3.20% | 2.33% | AUDUSD | 0.71 | -0.41% | -2.31% | -9.21% |

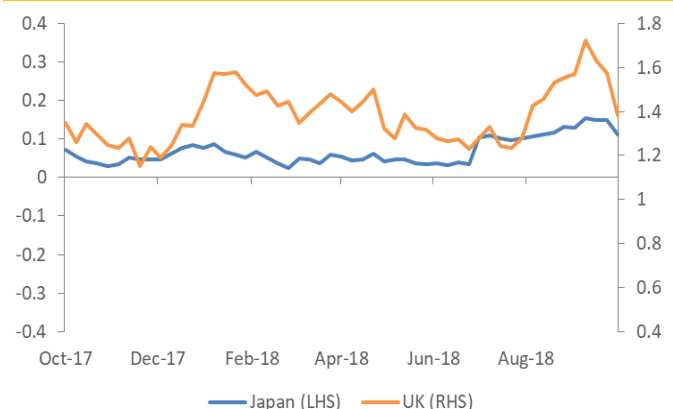
Source: Bloomberg

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



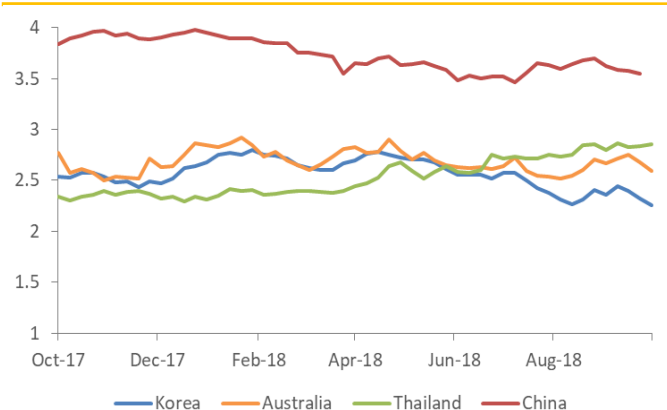
Source: Bloomberg

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



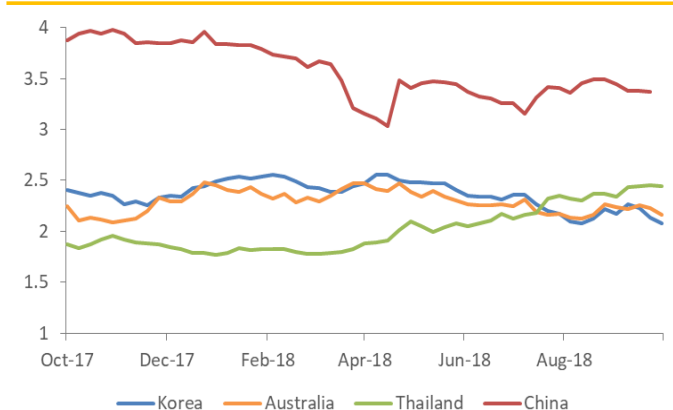
Source: Bloomberg

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



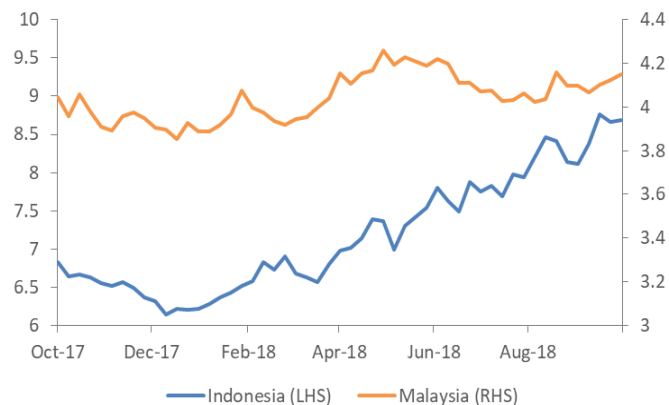
Source: Bloomberg

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



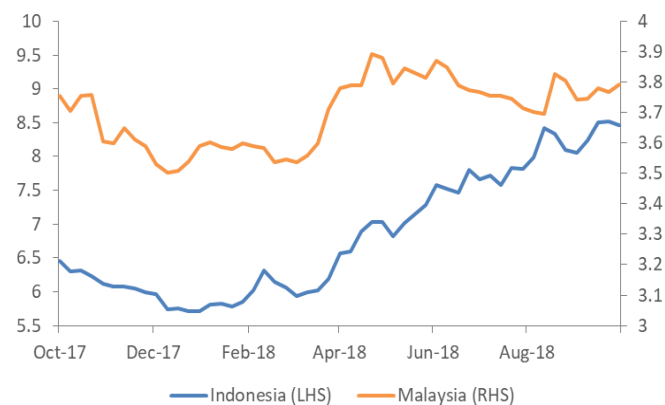
Source: Bloomberg

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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