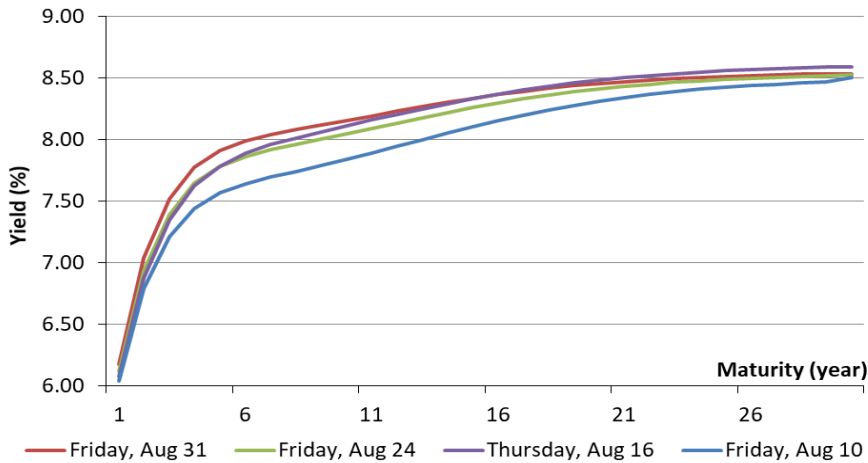


Weekly Fixed Income

Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

Government Bond Highlights

At the auction of sovereign bonds (SBN) dated 08/28/2018, the government absorbed the funds of IDR20 trillion with the total incoming bid of IDR59.284 trillion. The amount absorbed was higher than the indicative target of IDR10 trillion. The government bonds (SUN) with the 5-year tenor, namely FR0064, obtained the biggest bid of IDR17.274 trillion. Indonesia Composite Bond Index (ICBI) closed lower by 0.75% to 233.94.

The government bonds market closed lower due to the varied global volatility, particularly the U.S. dollar strengthening against emerging market's currencies following the Fed's optimism of the U.S. economic backdrop. The release of the U.S.'s economic growth data signaled that the 2Q18's GDP grew by 4.2% topping the market estimate of 4.1%. The prolonged trade war between the U.S. and China, as well as the Turkey's financial crisis re-escalating and Argentina's peso depreciation contributed to the weakening in the government's bonds market during last week.

Exchange Rate

Last week, rupiah weakened by 0.62% to IDR14.710 per USD. The rupiah depreciation was caused by the capital outflow, seen from the plunge in JCI along with the rupiah depreciation. From the overseas outlook, the negative sentiments such as Turkey and Argentina's crisis, as well as the trade deal between the U.S. and Mexico, and Canada caused rupiah to be depreciated further.

Rupiah is estimated to move mixed this week. Investors will oversee the release of inflation and forex reserves data. Bank Indonesia's survey estimated that August's inflation to settle at the minus level of 0.22% m-m or 3.12% y-y will likely be a positive catalyst for rupiah movement. From the overseas outlook, investors oversee the further trade talk between the U.S., Mexico, and Canada. The failure in the trade talk between the U.S. and Canada might be negative sentiments for rupiah movement during this week.

Benchmark Information

FR0063

TTM (Years)	4.71
Yield (%)	7.8810
Price	91.2567
Coupon (%)	5.625

FR0064

TTM (Years)	9.71
Yield (%)	8.0914
Price	86.9364
Coupon (%)	6.125

FR0065

TTM (Years)	14.72
Yield (%)	8.2876
Price	86.0000
Coupon (%)	6.625

FR0075

TTM (Years)	19.72
Yield (%)	8.5654
Price	89.9250
Coupon (%)	7.500

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0059	05/15/2027	8.191	15.33
FR0064	05/15/2023	8.165	13.45
FR0063	08/15/2023	7.970	11.62
FR0065	08/15/2033	8.288	10.76
FR0075	05/15/2038	8.033	7.7

Exchange Rate

Currency	Last	Chg.
USD/IDR	14,710	0.62%
GBP/IDR	19,160	2.01%
EUR/IDR	17,178	1.16%
JPY/IDR	133.0	1.09%
CNY/IDR	2,167	1.14%
KRW/IDR	13.2	0.57%
AUD/IDR	10,661	-0.28%
HKD/IDR	1,874	0.63%

Indonesia Government Bond Auction

Auction Date: Aug 28, 2018		Total incoming bid (IDR tn): 59.3			Total nominal (IDR tn): 20			
Series	Status	Coupon	Maturity	Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR bn)
SPN03181129	New Issuance	At Discount	29-Nov-18		5.30%	6.10%	3,000	10,880
SPN12190829	New Issuance	At Discount	29-Aug-19		6.19%	6.80%	1,100	5,800
FR0063	Reopening	5.625%	15-May-23		7.72%	8.00%	2,650	14,840
FR0064	Reopening	6.125%	15-May-28		7.93%	8.24%	6,600	17,274
FR0065	Reopening	6.625%	15-May-33		7.95%	8.50%	2,150	5,350
FR0075	Reopening	7.500%	15-May-38		8.31%	8.52%	4,500	5,141

Next Government Bond Auction Schedule

Date	End	Begin	Result	Settlement	Non-Competitive Allocation	Underlying Assets
Sep 4 2018	Sep 4 2018	10.00 AM			50% of the awarded	Projects in State Budget 2018 and State Owned Assets
					30% of the awarded	

Source: DJPPR Ministry of Finance

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 03 - Sep	JPN	07:30	Nikkei Japan PMI Mfg	Aug F	52.5	--	52.5
	IDN	07:30	Nikkei Indonesia PMI Mfg	Aug	51.9	--	50.5
	CHN	08:45	Caixin China PMI Mfg	Aug		50.7	50.8
	IDN	11:00	CPI NSA MoM	Aug		0.06%	0.28%
	IDN	11:00	CPI Core YoY	Aug		2.89%	2.87%
	IDN	11:00	CPI YoY	Aug		3.33%	3.18%
	GER	14:55	Markit Germany Manufacturing PMI	Aug F		56.1	56.1
	EU	15:00	Markit Eurozone Manufacturing PMI	Aug F		54.6	54.6
	UK	15:30	Markit UK PMI Manufacturing SA	Aug		53.9	54
Tuesday 04 - Sep	USA	20:45	Markit US Manufacturing PMI	Aug F		54.5	54.5
	USA	21:00	ISM Manufacturing	Aug		57.6	58.1
Wednesday 05 - Sep	USA	19:30	Trade Balance	Jul		-\$50.0b	-\$46.3b
Thursday 06 - Sep	GER	13:00	Factory Orders MoM	Jul		1.80%	-4.00%
	USA	19:15	ADP Employment Change	Aug		190k	219k
	USA	21:00	Factory Orders	Jul		-0.60%	0.70%
	IDN	Tentative	Consumer Confidence Index	Aug		--	124.8
Friday 07 - Sep	CHN	Tentative	Foreign Reserves	Aug		\$3115.00b	\$3117.95b
	EU	16:00	GDP SA QoQ	2Q F		0.40%	0.40%
	EU	16:00	GDP SA YoY	2Q F		2.20%	2.20%
	USA	19:30	Change in Nonfarm Payrolls	Jul F		193k	157k
	USA	19:30	Unemployment Rate	Jul F		3.80%	3.90%
	IDN	Tentative	Net Foreign Assets IDR	Aug		--	\$1667.4t
IDN	Tentative	Foreign Reserves	Aug		--	\$118.31b	

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	7.75	6.16%	6.90%	34.78%	Indonesia	8.15	6.54%	7.24%	30.40%
South Korea	1.78	-1.25%	-4.42%	-2.46%	South Korea	1.89	-1.13%	-8.65%	-8.54%
China	2.81	-1.23%	0.90%	-25.20%	China	3.01	-1.18%	1.89%	-22.27%
Malaysia	3.70	-0.07%	-0.13%	1.51%	Malaysia	3.74	0.40%	-0.13%	-0.13%
Thailand	1.55	0.00%	2.32%	22.62%	Thailand	1.96	1.30%	1.30%	18.84%

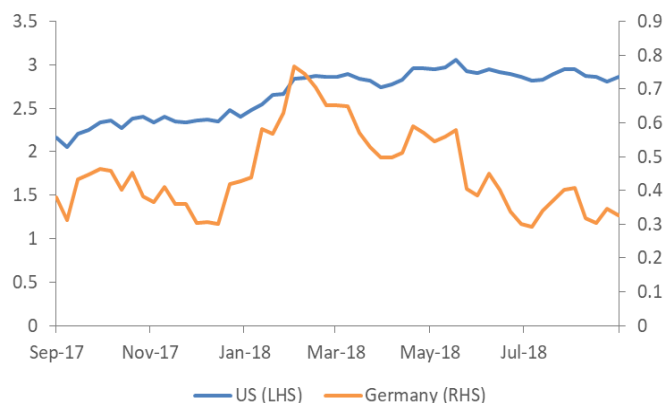
Source: Bloomberg

Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	95.14	0.38%	0.62%	3.27%	USDKRW	1,113	-0.09%	-0.52%	3.95%
USDJPY	111.03	-0.05%	-0.74%	-1.47%	USDCNY	6.83	0.23%	0.22%	4.99%
GBPUSD	1.30	0.53%	-1.25%	-4.09%	USDMYR	4.11	0.21%	1.08%	1.54%
EURUSD	1.16	-0.65%	-0.76%	-3.36%	USDTHB	32.73	0.43%	-1.63%	0.48%
USDCAD	1.30	0.56%	0.26%	3.73%	USDIDR	14,730	0.72%	2.15%	8.67%
USDCHF	0.97	-1.12%	-2.16%	-0.55%	AUDUSD	0.72	-2.20%	-3.17%	-7.94%

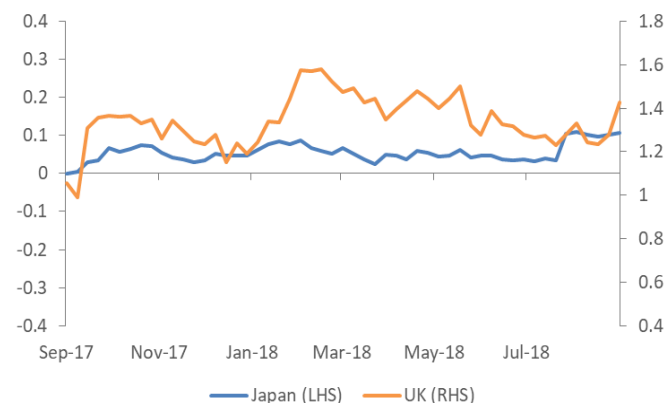
Source: Bloomberg

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



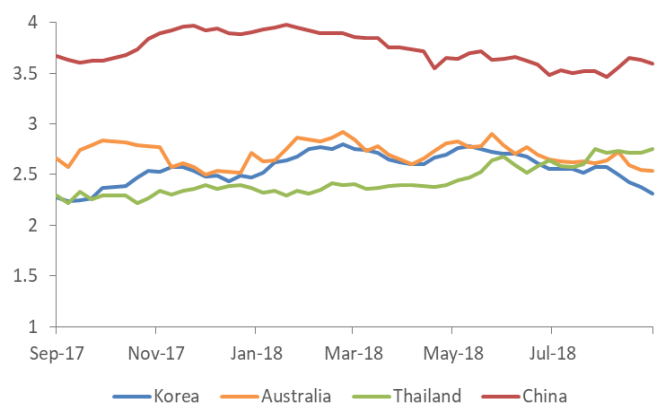
Source: Bloomberg

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



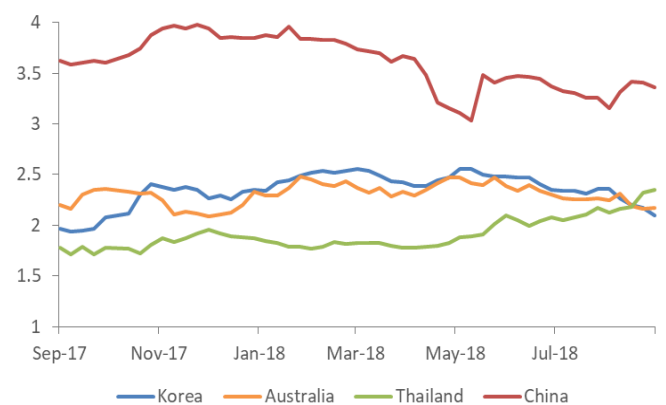
Source: Bloomberg

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



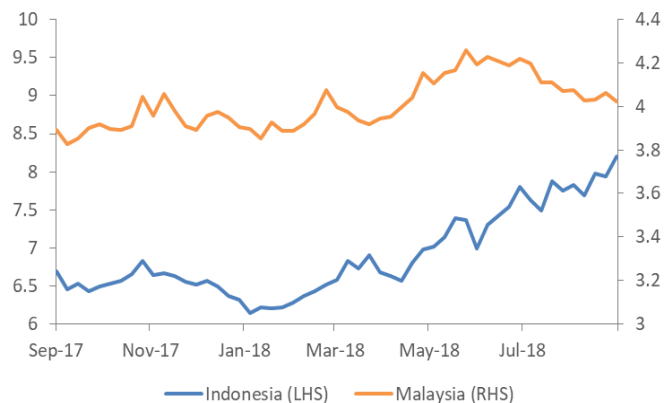
Source: Bloomberg

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



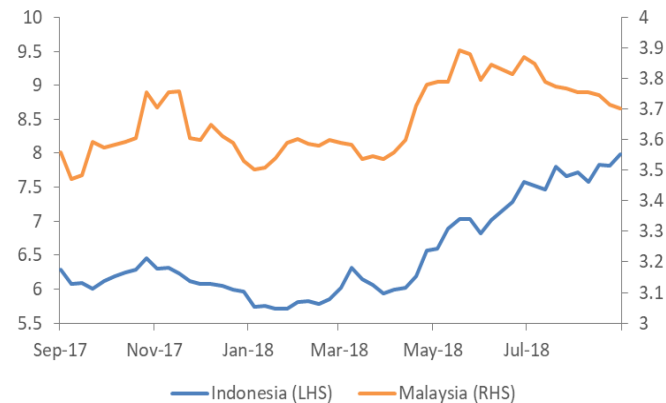
Source: Bloomberg

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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