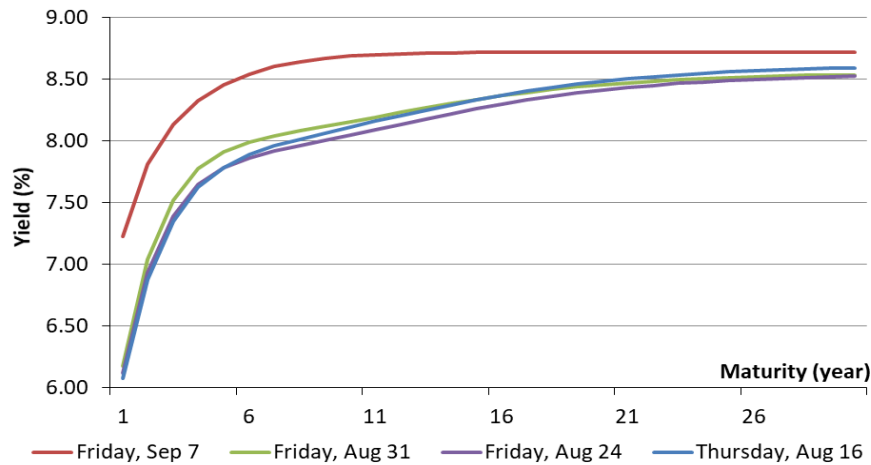


# Weekly Fixed Income

## Indonesia Government Bond

### Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

### Government Bond Highlights

At the auction of sharia sovereign bonds (SBSN) dated 09/04/2018, the Indonesia government absorbed IDR4,805 trillion from the total incoming bid of IDR10.48 trillion. The amount absorbed was higher than the indicative target of IDR4 trillion. The government bond (SUN) with 6-month tenor, SPNS05032019, obtained the biggest bid of IDR3.801 trillion. Indonesia Composite Bond Index (ICBI) closed lower by 1.51% to 229.02 last week.

The government bond market was bearish last week. The bearish mood aligned with the rupiah depreciation nearing its psychology level of 15,000 per U.S. dollar. Indeed, the depreciated rupiah sent the yield of FR0064 with 10-year tenor to almost hit its psychology level of 8.5%. However, previous week's last trading session, the government bonds rallied slightly. The positive sentiment stemmed from the government's concerted endeavor to cushion the rupiah depreciation.

### Exchange Rate

Last week, rupiah weakened by 0.61% to IDR14.820 per USD as it settled 14.938 per USD: the highest level since 1998. The rupiah depreciation was influenced by the external factor: the threat of trade war between the U.S. and China. Bank Indonesia (BI) spent IDR11.9 trillion on intervening the forex and the government bond (SBN) markets. From the real sector, the government hiked the income tax (PPH) article 22 imposed on 1,147 imported consumption goods.

Rupiah is estimated to be depreciated slightly this week. Investors likely keep their wary eyes on the U.S. job data. The U.S. Job Statistics Bureau announced that the hourly average wage growth of August reached its top in 2018. The hourly average wage of August increased by 0.4% m-m, the highest acceleration in 2018. The U.S. positive job data re-opened the chance for the Fed to hike its benchmark rate more aggressive than the estimate.

### Benchmark Information

#### FR0063

TTM (Years)	4.69
Yield (%)	8.3274
Price	89.6733
Coupon (%)	5.625

#### FR0064

TTM (Years)	9.69
Yield (%)	8.4715
Price	84.6851
Coupon (%)	6.125

#### FR0065

TTM (Years)	14.70
Yield (%)	8.5991
Price	83.6925
Coupon (%)	6.625

#### FR0075

TTM (Years)	19.70
Yield (%)	8.9277
Price	86.8539
Coupon (%)	7.500

### Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0064	05/15/2028	8.403	9.75
FR0063	08/15/2023	8.383	6.78
FR0075	05/15/2038	8.543	6.2
FR0070	03/15/2024	8.398	5.64
FR0053	07/15/2021	8.042	4.5

### Exchange Rate

Currency	Last	Chg.
USD/IDR	14,820	0.61%
GBP/IDR	19,198	0.20%
EUR/IDR	17,274	0.56%
JPY/IDR	134.1	0.83%
CNY/IDR	2,180	0.61%
KRW/IDR	13.2	0.04%
AUD/IDR	10,620	-0.38%
HKD/IDR	1,888	0.74%

# Indonesia Government Bond Auction

Auction Date: Sep 4, 2018		Total incoming bid (IDR tn): 10.48			Total nominal (IDR tn): 4.805		Nominal Won (IDR bn)	Incoming Bids (IDR bn)
Series	Status	Coupon	Maturity	Date	Lowest Yield	Highest Yield		
SPNS05032019	New Issuance	At Discount	05-Mar-19		6.44%	7.97%	1,100	3,801
SPNS05062019	New Issuance	At Discount	05-Jun-19		6.84%	7.38%	1,200	2,750
PBS016	Reopening	6.250%	15-Mar-20		7.66%	8.38%	1,100	1,978
PBS002	Reopening	5.450%	15-Jan-22		7.97%	8.22%	330	553
PBS012	Reopening	8.875%	15-Nov-31		8.78%	9.13%	900	953
PBS015	Reopening	8.000%	15-Jul-47		9.03%	9.38%	175	445

## Next Government Bond Auction Schedule

Date	End	Begin	Settlement
Sep 12 2018	Sep 12 2018	10.00 AM	Sep 14 2018
Indicative Target	Result		
IDR 10 tn	Sep 12 2018		

Series	Status	Coupon	Maturity	Date	Non-Competitive Allocation
SPN03181213	New Issuance	At Discount	13-Dec-18		50% of the awarded
SPN12190913	New Issuance	At Discount	13-Sep-19		
FR0063	Reopening	5.625%	15-May-23		
FR0064	Reopening	6.125%	15-May-28		
FR0065	Reopening	6.625%	15-May-33		30% of the awarded
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
<b>Monday</b> 10 - Sep	JPN	06:50	GDP SA QoQ	2Q F	0.70%	0.70%	0.50%
	JPN	06:50	GDP Annualized SA QoQ	2Q F	3.00%	2.60%	1.90%
	CHN	08:30	PPI YoY	Aug	4.00%	4.00%	4.60%
	CHN	08:30	CPI YoY	Aug	2.10%	2.10%	2.10%
	IDN	15:10	Retail Sales YoY	Jul		--	2.3%
	UK	15:30	Trade Balance	Jul		-£2050	-£1861
	UK	15:30	Industrial Production MoM	Jul		0.20%	0.40%
	UK	15:30	GDP (MoM)	Jul		0.20%	0.10%
<b>Wednesday</b> 12 - Sep	USA	19:30	PPI Final Demand MoM	Aug		0.20%	0.00%
<b>Thursday</b> 13 - Sep	USA	01:00	U.S. Federal Reserve Releases Beige Book				
	JPN	06:50	PPI YoY	Aug		3.10%	3.10%
	GER	13:00	CPI MoM	Aug F		0.10%	0.10%
	GER	13:00	CPI YoY	Aug F		2.00%	2.00%
	UK	18:00	Bank of England Bank Rate	13-Sep		0.75%	0.75%
	EU	18:45	ECB Main Refinancing Rate	13-Sep		0.00%	0.00%
	EU	18:45	ECB Marginal Lending Facility	13-Sep		0.25%	0.25%
	EU	18:45	ECB Deposit Facility Rate	13-Sep		-0.40%	-0.40%
	USA	19:30	CPI MoM	Aug		0.30%	0.20%
	USA	19:30	CPI YoY	Aug		2.80%	2.90%
	USA	19:30	Initial Jobless Claims	8-Sep		--	203k
<b>Friday</b> 14 - Sep	CHN	09:00	Retail Sales YoY	Aug		8.80%	8.80%
	CHN	09:00	Industrial Production YoY	Aug		6.10%	6.00%
	JPN	11:30	Industrial Production MoM	Jul F		--	-0.10%
	USA	19:30	Retail Sales Advance MoM	Aug		0.60%	0.50%
	USA	20:15	Industrial Production MoM	Aug		0.40%	0.10%

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	7.90	2.00%	8.90%	37.30%	Indonesia	8.15	0.00%	7.24%	30.40%
South Korea	1.78	-0.98%	-4.83%	-2.87%	South Korea	1.88	-0.98%	-9.13%	-9.02%
China	2.84	0.60%	1.98%	-24.40%	China	3.05	0.73%	3.11%	-21.34%
Malaysia	3.71	0.27%	0.13%	1.78%	Malaysia	3.75	0.20%	0.07%	0.07%
Thailand	1.56	2.30%	2.98%	23.41%	Thailand	1.95	0.26%	0.78%	18.24%

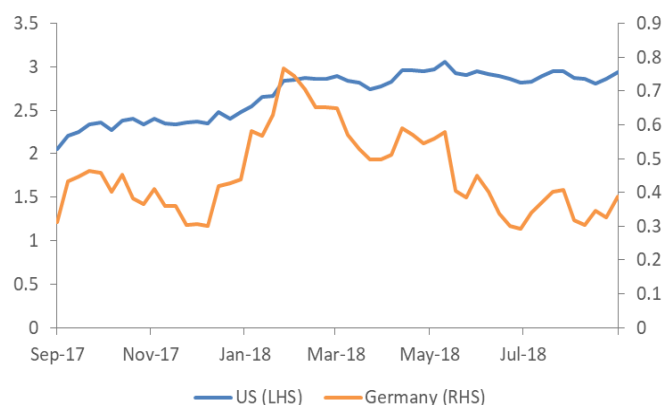
Source: Bloomberg

## Foreign Exchange Fluctuation

Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	95.37	0.24%	0.86%	3.52%	USDKRW	1,123	1.13%	0.37%	4.88%
USDJPY	110.99	-0.07%	-0.78%	-1.51%	USDCNY	6.84	0.31%	0.40%	5.18%
GBPUSD	1.29	0.39%	-1.55%	-4.39%	USDMYR	4.15	0.42%	1.99%	2.46%
EURUSD	1.16	-0.57%	-1.18%	-3.77%	USDTHB	32.79	0.18%	-1.25%	0.66%
USDCAD	1.32	0.50%	1.19%	4.69%	USDIDR	14,820	0.03%	2.82%	9.33%
USDCHF	0.97	-0.01%	-2.13%	-0.52%	AUDUSD	0.71	-1.48%	-4.27%	-8.99%

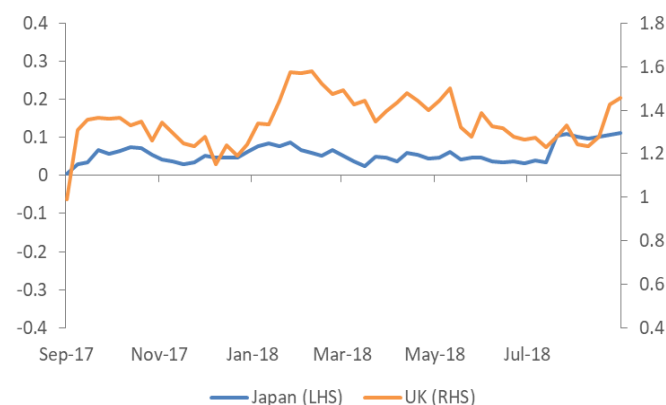
Source: Bloomberg

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



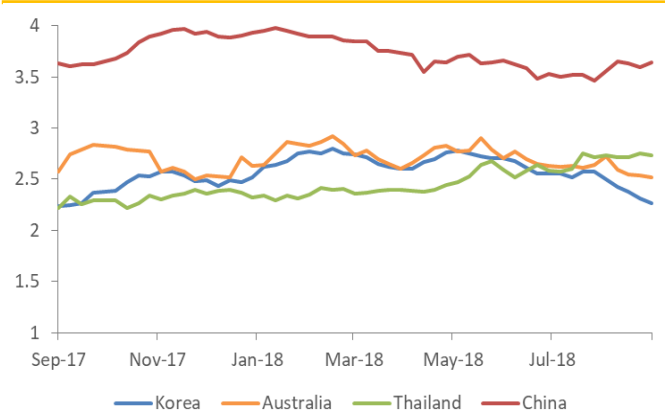
Source: Bloomberg

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



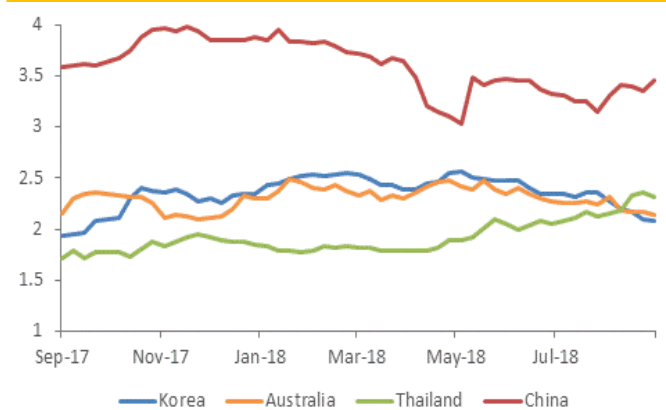
Source: Bloomberg

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



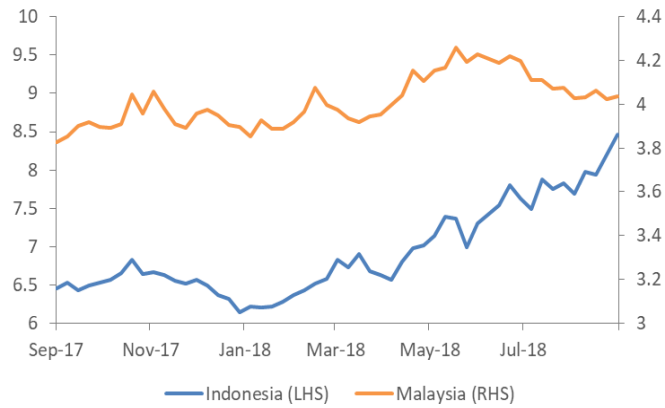
Source: Bloomberg

## 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

### DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

Wisma Korindo 7<sup>th</sup> Floor  
Jl. M.T. Haryono Kav. 62  
Pancoran, Jakarta 12780  
Indonesia  
Telp: +62 21 7976202  
Fax : +62 21 7976206

**Branch Office BSD:**

ITC BSD Blok R No.48  
Jl. Pahlawan Seribu Serpong  
Tangerang Selatan 15322  
Indonesia  
Telp : +62 21 5316 2049  
Fax : +62 21 5316 1687

**Branch Office Solo :**

Jl. Ronggowarsito No. 8  
Kota Surakarta  
Jawa Tengah 57111  
Indonesia  
Telp: +62 271 664763  
Fax : +62 271 661623

### A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |  
Jakarta