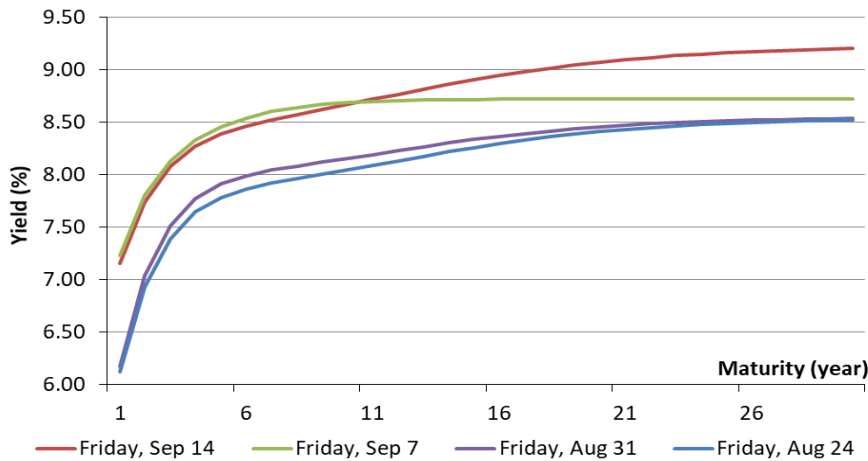


Weekly Fixed Income

Indonesia Government Bond

Benchmark Weekly Yield Curve | Last 4 Weeks Performance



Source: IBPA

Government Bond Highlights

At the last week's auction of government bonds (SBN) dated 09/12/2018, the government absorbed the funds of IDR16.210 trillion of the total incoming bid of IDR36.885 trillion. The amount absorbed was higher than the indicative target of IDR10 trillion. SBN with 3-month tenor, namely SPN03181213, got the highest bid of IDR3.801 trillion. Indonesia Composite Bond Index (ICBI) closed higher by 0.03% to 229.08.

The SBN market closed higher last week. The three series, namely FR0063 with 5-year tenor, FR0064 with 10-year tenor, FR0075 with 30-year tenor respectively rallied. Yield of FR0063 declined 12 bps to 8.2038%; FR0064 declined by 13 bps to 8.3368%; and FR0074 declined by 7 bps to 8.8536%. On the other side, the yield of benchmark series, FR0065 with 15-year tenor, nudged up by 3 bps to 8.6329%. SBN's last week rally was attributable to the subdued trade war tension between the U.S. and China after the U.S. proposed trade talks to China's authorities.

Exchange Rate

Within last week the rupiah strengthened by 0.09% to IDR14,807 per the U.S. dollar. Investors positively responded to the government's regulation reducing the current account deficit. The U.S. inflation of August lower than the estimated inflation by investors underpinned the last week's rally in rupiah.

The rupiah is estimated to rally in this week. The release of trade balance will be the main driver to the rupiah movement within this week. Investors estimated August's trade balance deficit to likely lower than July's deficit of USD2.03 billion. Investors likely keep their eyes on Bank Indonesia (BI) hawkish stance until the end of 2018. Indeed, BI stated that it remain to intervene with a view to maintaining rupiah stability. The Deputy Governor of Bank Indonesia (BI) Dody Budi Waluyo stated that BI's stance remains hawkish and analyzes the data comprehensively.

Benchmark Information

FR0063

TTM (Years)	4.67
Yield (%)	8.2038
Price	90.1500
Coupon (%)	5.625

FR0064

TTM (Years)	9.67
Yield (%)	8.3368
Price	85.5000
Coupon (%)	6.125

FR0065

TTM (Years)	14.68
Yield (%)	8.6329
Price	83.4577
Coupon (%)	6.625

FR0075

TTM (Years)	19.68
Yield (%)	8.8536
Price	87.4750
Coupon (%)	7.500

Most Active

Securities	Maturity	YTM (%)	Volume (IDR tn)
FR0063	08/15/2023	8.209	9.49
FR0064	05/15/2028	8.330	5.6
FR0065	05/15/2033	8.492	4.47
FR0075	05/15/2038	8.851	4.42
FR0059	07/15/2027	8.451	3.14

Exchange Rate

Currency	Last	Chg.
USD/IDR	14,807	-0.09%
GBP/IDR	19,436	1.24%
EUR/IDR	17,325	0.30%
JPY/IDR	132.3	-1.36%
CNY/IDR	2,155	-1.15%
KRW/IDR	13.2	0.30%
AUD/IDR	10,664	0.42%
HKD/IDR	1,887	-0.08%

Indonesia Government Bond Auction

Auction Date: Sep 12, 2018		Total incoming bid (IDR tn): 36.885			Total nominal (IDR tn): 16.210			
Series	Status	Coupon	Maturity	Date	Lowest Yield	Highest Yield	Nominal Won (IDR bn)	Incoming Bids (IDR bn)
SPN03181213	New Issuance	At Discount	13-Dec-18		5.30%	6.74%	3,000	12,200
SPN12190913	New Issuance	At Discount	13-Sep-19		6.18%	7.50%	4,500	7,850
FR0063	Reopening	5.625%	15-May-23		8.39%	8.80%	4,850	8,294
FR0064	Reopening	6.125%	15-May-28		8.63%	9.25%	1,350	3,835
FR0065	Reopening	6.625%	15-May-33		8.75%	9.50%	500	1,842
FR0075	Reopening	7.500%	15-May-38		9.02%	9.75%	1,700	2,481
FR0076	Reopening	7.375%	15-May-48		9.14%	9.35%	310	383

Next Government Bond Auction Schedule

Date	Indicative Target	Begin	End Result Settlement	Period	Allocation	Underlying Assets
Sep 18 2018	IDR 4 tn	10.00 AM		Sep 18 2018		
						12.00 AM
						Sep 18 2018
						Sep 20 2018

Series	Status	Coupon	Maturity	Date	Non-Competitive Allocation	Underlying Assets
SPNS 05032019	Reopening	At Discount	05-Mar-19		50% of the awarded	
PBS016	Reopening	6.250%	15-Mar-20			
PBS002	Reopening	5.450%	15-Jan-22			Projects in State Budget 2018 and State
PBS017	Reopening	6.125%	15-Oct-25			Owned Assets
PBS012	Reopening	8.875%	15-Nov-31		30% of the awarded	
PBS015	Reopening	8.000%	15-Jul-47			

Source: DJPPR Ministry of Finance

Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	IDN	11:00	Exports YoY	Aug	9.10%		19.33%
<i>17 - Sep</i>	IDN	11:00	Imports YoY	Aug	24.00%		31.56%
	IDN	11:00	Trade Balance	Aug	-\$417m		-\$2030m
	EU	16:00	CPI Core YoY	Aug F	1.00%		1.00%
	EU	16:00	CPI YoY	Aug F	2.00%		2.10%
	EU	16:00	CPI MoM	Aug	0.20%		-0.30%
Wednesday	JPN	Tentative	BOJ Policy Balance Rate	19-Sep	--		-0.10%
<i>19 - Sep</i>	JPN	Tentative	BOJ 10-Yr Yield Target	19-Sep	--		0.00%
	JPN	06:50	Trade Balance	Aug	-¥514.4b		-¥231.2b
	JPN	06:50	Exports YoY	Aug	5.20%		3.90%
Tuesday	JPN	06:50	Imports YoY	Aug	14.50%		14.60%
<i>11 - Sep</i>	UK	15:30	CPI MoM	Aug	0.50%		0.00%
	UK	15:30	CPI YoY	Aug	2.40%		2.50%
	UK	15:30	CPI Core YoY	Aug	--		1.90%
	USA	19:30	Current Account Balance	2Q	-\$103.3b		-\$124.1b
Thursday	USA	19:30	Initial Jobless Claims	15-Sep	--		204k
<i>20 - Sep</i>	EU	21:00	Consumer Confidence	Sep A	-2		-1.9
	USA	21:00	Existing Home Sales	Aug	5.38m		5.34m
Friday	JPN	06:30	Natl CPI YoY	Aug	1.10%		0.90%
<i>21 - Sep</i>	JPN	07:30	Nikkei Japan PMI Mfg	Sep P	--		52.5
	GER	14:30	Markit Germany Manufacturing PMI	Sep P	56.1		55.9
	EU	15:00	Markit Eurozone Manufacturing PMI	Sep P	54.6		54.6
	USA	20:45	Markit US Manufacturing PMI	Sep P	55		54.7

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	8.00	0.82%	3.16%	39.04%	Indonesia	8.25	6.45%	1.23%	32.00%
South Korea	1.82	2.25%	1.82%	-0.68%	South Korea	1.92	2.57%	1.52%	-7.15%
China	2.87	0.53%	2.32%	-23.47%	China	3.11	1.01%	3.12%	-19.85%
Malaysia	3.72	0.13%	0.41%	1.92%	Malaysia	3.76	0.33%	0.53%	0.40%
Thailand	1.58	0.32%	1.94%	25.00%	Thailand	2.03	3.58%	3.58%	23.10%

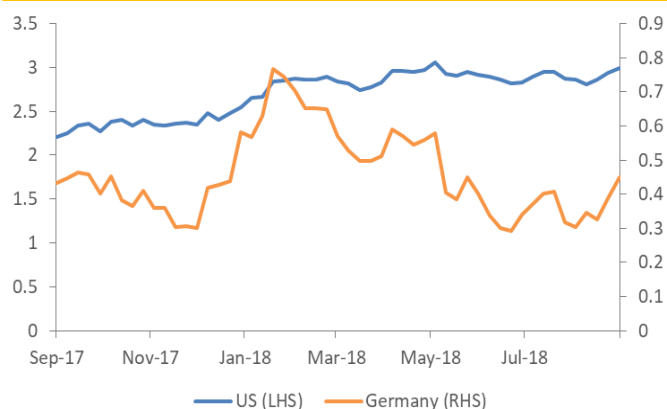
Source: Bloomberg

Foreign Exchange Fluctuation

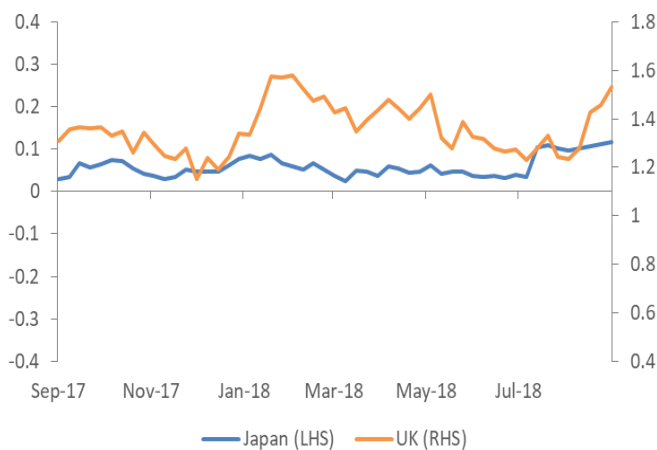
Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.	Currency	Last	Weekly Chg	Monthly Chg.	YTD Chg.
Dollar	94.93	-0.23%	-0.22%	3.04%	USDKRW	1,117	-1.05%	0.34%	4.30%
USDJPY	112.06	0.84%	0.93%	-0.56%	USDCNY	6.87	0.18%	0.53%	5.54%
GBPUSD	1.31	0.32%	0.83%	-3.29%	USDMYR	4.14	-0.19%	0.71%	2.27%
EURUSD	1.16	0.27%	0.20%	-3.17%	USDTHB	32.57	-0.85%	-0.49%	-0.02%
USDCAD	1.30	-0.97%	-0.03%	3.70%	USDIDR	14,807	-0.34%	0.52%	9.24%
USDCHF	0.97	-0.69%	-0.05%	-0.61%	AUDUSD	0.72	0.53%	-0.50%	-8.40%

Source: Bloomberg

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

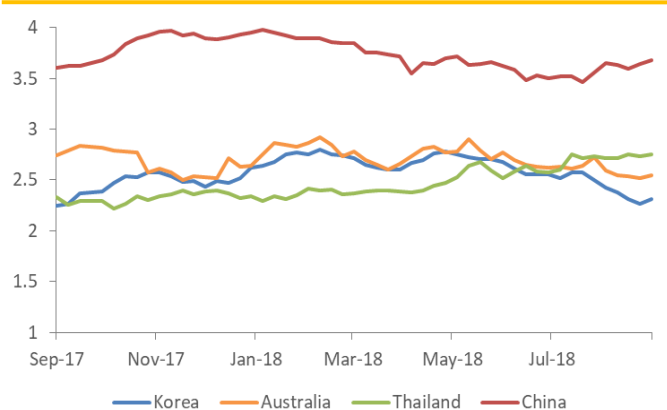


Source: Bloomberg



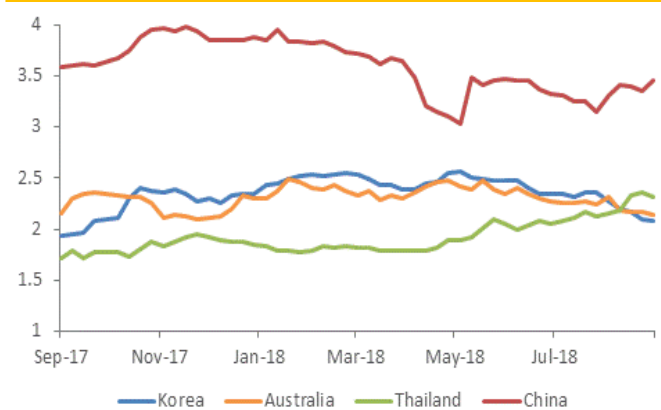
Source: Bloomberg

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



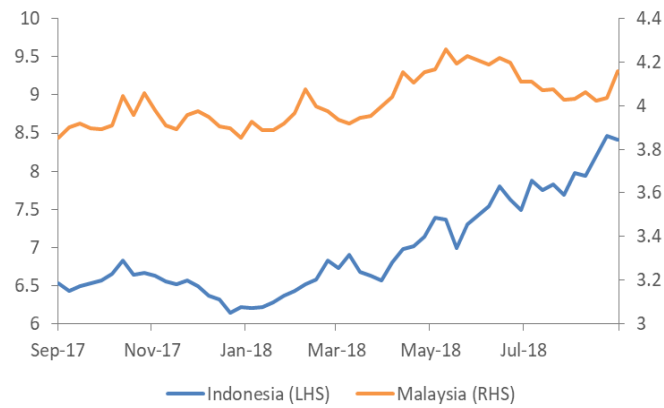
Source: Bloomberg

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



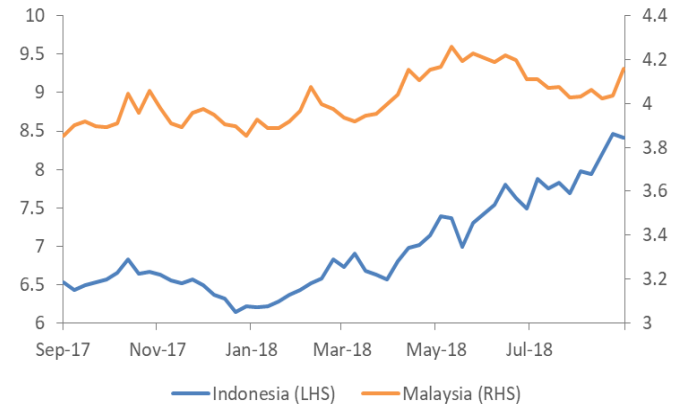
Source: Bloomberg

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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