

Indonesia Government Bonds Yield

Maturities (Year)	2-Feb	(-1 day)	(-1 week)	(-1 month)
01	5.09	5.12	5.14	5.26
02	5.32	5.34	5.43	5.54
03	5.71	5.71	5.73	5.79
04	5.86	5.82	5.83	5.90
05	5.81	5.76	5.82	5.94
06	6.03	6.02	6.00	5.98
07	6.26	6.24	6.30	6.39
08	6.32	6.31	6.37	6.45
09	6.42	6.36	6.50	6.41
10	6.28	6.22	6.31	6.30
15	6.73	6.69	6.75	6.90
20	7.03	6.98	7.11	7.03
30	7.11	7.11	7.11	7.15

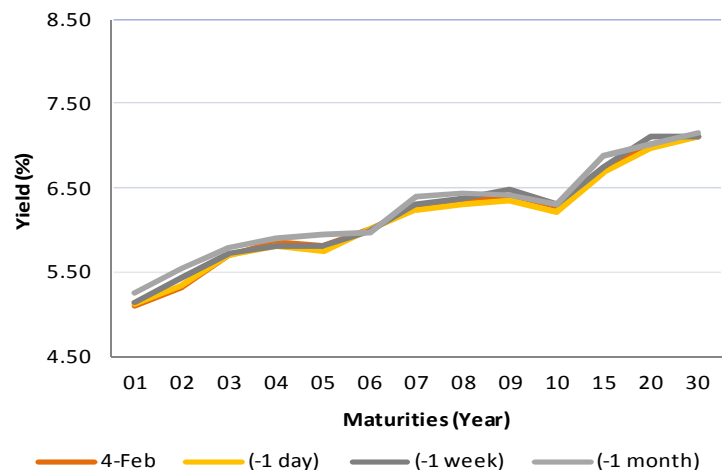
Source: Bloomberg

Global Market Update

- The yield of 10 yr US treasury surged significantly to 2.86% or the highest level since early 2014 that was driven by robust condition on US job market. This was based on US non farm payroll in January 2018 that rose to 200 thousand jobs compared with December 2017 at only 160 thousand jobs and surpassing market expectation at 180 thousand jobs. Meanwhile, the conducive condition on US job market was also represented by unemployment data in January 2018 that was stable at the lowest level in the last 17 years at 4.1%. The strengthening on US job market, furthermore, was mirrored by rising average hourly earning by 0.3% (MoM) and 2.9% (YoY). Those indicators above delivered a signal that US inflation will soon match or close to The Fed's target at 2% (YoY) this year. Nonetheless, similar with initial prediction, market still foresees that The Fed will raise its benchmark rates by 3 times in 2018, which is represented by Fed Watch Tools probabilities, in which the first action will be begun in March 2018.

Domestic Market Update

- Indonesia composite bond index tended to stagnate at 246.22 compared with previous day in the last trading.
- The market, today, is likely to focus on the release of Indonesia's economic growth in the last quarter of 2017 that we predict will be 5.12% (YoY) so that in full year of 2017 the economy only grew by 5.05% (YoY). This, in full year term, is lower than market consensus (Bloomberg consensus) at 5.07% (YoY) and government target at 5.2% (YoY).
- Today, government bond prices are likely to be bearish amid surging global yield especially US treasury, rupiah against US dollar depreciation, and increasing CDS Indonesia. Nonetheless, the investor need to focus on Indonesia's economic growth release (released 11 AM) that could deliver positive sentiment on bond market in the second session if the figure can surpass market expectation.



- US treasury yield tenor 10 tahun meningkat signifikan ke level 2,86% atau tertinggi sejak awal tahun 2014 yang didorong oleh terus membaiknya sektor tenaga kerja AS. Hal tersebut didasarkan pada data akun gaji non petani (*Non Farm Payroll*) pada Januari 2018 yang meningkat menjadi sebesar 200 ribu tenaga kerja dibandingkan dengan bulan Desember 2017 sebesar 160 ribu tenaga kerja serta di atas ekspektasi pasar sebesar 180 ribu tenaga kerja. Sementara itu, tingkat pengangguran terbuka AS pada Januari 2018 stabil di level terendah dalam kurun waktu 17 tahun terakhir yaitu di level 4,1%. Lebih lanjut lagi, menguatnya sektor tenaga kerja AS juga tercermin dari meningkatnya pertumbuhan rata-rata upah per jam sebesar 0,3% (MoM) dan 2,9% (YoY). Menguatnya sektor tenaga kerja menjadi indikasi pulihnya ekonomi AS dan juga menjadi sinyal bahwa inflasi AS diperkirakan dapat meningkat hingga mendekati atau mencapai target The Fed sebesar 2% (YoY) pada tahun ini. Meskipun demikian, selaras dengan prediksi sebelumnya, pasar masih meyakini bahwa The Fed akan menaikkan suku bunga acuannya sebanyak 3 kali di tahun 2018, yang tercermin dari probabilitas Fed Watch Tools, di mana kenaikan awal akan dimulai pada Maret 2018.

- Indonesia Composite Bond Index cenderung stagnan di level 246,22 dibandingkan hari sebelumnya pada perdagangan terakhir.
- Hari ini, pasar diperkirakan fokus pada rilis data pertumbuhan ekonomi Indonesia kuartal terakhir 2017 yang kami prediksi sebesar 5,12% (YoY) sehingga di tahun 2017, ekonomi hanya tumbuh sebesar 5,05% (YoY). Prediksi tersebut, secara full year lebih rendah dibandingkan dengan konsensus pasar (Bloomberg consensus) sebesar 5,07% (YoY) dan target pemerintah sebesar 5,2% (YoY).
- Hari ini harga SBN pada perdagangan di pasar sekunder diperkirakan akan cenderung terkoreksi seiring dengan kenaikan yield global, melemahnya nilai tukar rupiah dan meningkatnya CDS obligasi Indonesia. Meski demikian, Investor perlu mencermati rilis data pertumbuhan ekonomi Indonesia (rilis 11 siang) yang dapat memberikan sentimen positif pada sesi kedua perdagangan jika rilis pertumbuhan ekonomi mampu melampaui ekspektasi pasar.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0059	104.35	6.37	2312
FR0075	105.65	6.97	1522
FR0064	99.40	6.20	1160
FR0047	125.62	6.48	954
FR0074	105.55	6.89	866
FR0071	119.51	6.50	864
FR0056	112.85	6.41	813
SPN03180215	99.91	3.85	800
PBS013	101.20	5.25	790
FR0072	112.00	7.07	710

Most Active Corporate Bonds		Last Price	Last Yield	Volume (IDR bn)
BIIF01ACN4	AA+(idn)	100.10	7.61	90
TPIA01BCN1	idAA-	102.40	8.49	48
ASDF03ACN3	AAA(idn)	100.30	4.50	24
ADMFO3ACN5	idAAA	100.35	5.08	20
APLN01CN1	idA-	101.22	6.09	20
TUFI03ACN2	idAA+	102.50	7.32	20
BBRI02CCN3	idAAA	107.60	6.80	20
BEXI03BCN4	idAAA	102.69	6.98	15
ISAT08A	idAAA	101.90	7.17	12
WOMF02BCN3	AA-(idn)	103.00	7.27	8

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6629	30.36	0.46%	25.15%
Malaysia (KLCI)	1869	1.90	0.10%	13.94%
Thailand (SET)	1827	-6.25	-0.34%	18.44%
Singapore (STI)	3530	-17.41	-0.49%	22.5%
Hang Seng	32602	-40.31	-0.12%	48.2%
Nikkei 225	23275	-211.58	-0.90%	21.77%
Shanghai	3462	15.10	0.44%	11.55%
Dow Jones (DJIA)	25521	-665.75	-2.54%	29.14%
London (FTSE 100)	7443	-46.96	-0.63%	4.21%
DAX	12785	-218.74	-1.68%	11.4%

FX Rate	4-Feb		
	4-Feb	(-1 day)	(-1 week)
USD/IDR	13,507	13,393	13,317
GBP/USD	1.413	1.426	1.416
USD/JPY	110.2	109.4	108.6
USD/SGD	1.320	1.309	1.308
USD/THB	31.45	31.31	31.34
USD/MYR	3.887	3.901	3.874

Macroeconomic Data	Dec-17	Nov-17	Oct-17
Consumer Price Index (MoM)	0.71	0.20	0.01
Consumer Price Index (YoY)	3.61	3.3	3.58
Core Inflation (YoY)	2.95	3.05	3.07
BI 7-Day RR Rate (%)	4.25	4.25	4.25
Foreign Reserve (US\$ Bn)	130.2	125.9	126.5

Indonesia Sovereign CDS	2-year	5-year	10-year
As of			
2-Feb	33.09	83.58	147.31
(-1 Day)	31.93	80.71	143.48
(-1 Week)	28.33	78.18	141.78
(-1 Month)	32.43	85.47	154.40
(-1 Year)	63.00	148.71	222.00

Global Bonds	4-Feb			
	4-Feb	(-1 day)	(-1 week)	(-1 month)
Fed Fund Rate & US T-Bonds Yield				
Fed Fund Rate	1.50	1.50	1.50	1.50
2-Year	2.147	2.163	2.12	1.96
5-Year	2.596	2.572	2.47	2.29
10-Year	2.863	2.84	2.66	2.48
30-Year	3.12	3.03	2.91	2.81
10-Year Government Bond Yield				
UK	1.576	1.530	1.44	1.24
Germany	0.765	0.718	0.63	0.44
France	1.02	0.97	0.91	0.79
China	3.92	3.90	3.94	3.92
Japan	0.083	0.094	0.07	0.06
Korea	2.75	2.76	2.68	2.52
Thailand	2.35	2.35	2.31	2.34
Malaysia	3.90	3.95	3.92	3.87
Singapore	2.33	2.24	2.11	2.02
Indonesia USD Bond Yield				
INDO-22	3.10	3.07	2.98	2.90
INDO-27	3.77	3.71	3.61	3.54
INDO-47	4.60	4.55	4.50	4.42

Money Market	4-Feb			
	4-Feb	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	3.90	3.90	3.93	3.90
1M	4.92	4.93	4.94	4.98
3M	5.31	5.31	5.32	5.29
LIBOR				
1M	1.58	1.58	1.57	1.55
3M	1.79	1.79	1.77	1.70
6M	1.99	1.98	1.96	1.87
Indonesia Interest Rates				
Deposit 1M	5.57	5.56	5.61	5.63
Lending	13.8	13.5	14.1	13.9

Government Bond Ownership As of February 1, 2017 (in Trillion)

Holders	2013	2014	2015	2016	29-Jan-18	30-Jan-18	31-Jan-18	1-Feb-18
Banks	335.43	375.55	350.07	399.46	551.26	552.14	544.59	548.13
Bank Indonesia	44.44	41.63	148.91	134.25	49.54	49.54	58.16	56.09
Mutual Fund	42.50	45.79	61.60	85.66	104.44	104.34	104.31	104.64
Insurance	129.55	150.60	171.62	238.24	154.06	154.45	154.89	153.99
Foreign Investor	323.83	461.35	558.52	665.81	873.81	872.11	869.77	864.33
Pension Fund	39.47	43.30	49.83	87.28	202.14	202.30	202.81	203.06
Individual Investors	32.48	30.41	42.53	57.75	56.42	56.43	56.42	56.53
Others	47.56	61.32	78.76	104.84	115.09	115.44	115.79	116.24
Total	995.25	1,209.96	1,461.85	1,773.28	2,106.74	2,106.74	2,106.74	2,103.00

Source: Bloomberg, IDX & DJPPR

February 05, 2018

Government Bonds Prices

Closing Price Data : 2-Feb-2018



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0066	15-May-18	0.27	5.25%	100.37	3.83%	100.35	1.3
FR0032	15-Jul-18	0.44	15.00%	104.82	3.82%	104.82	-0.3
FR0038	15-Aug-18	0.53	11.60%	104.10	3.63%	104.03	7.7
FR0048	15-Sep-18	0.61	9.00%	102.63	4.50%	102.65	-1.5
FR0069	15-Apr-19	1.19	7.88%	103.31	4.96%	103.30	0.8
FR0036	15-Sep-19	1.61	11.50%	109.55	5.21%	109.52	2.4
FR0031	15-Nov-20	2.78	11.00%	113.82	5.54%	113.87	-4.8
FR0034	15-Jun-21	3.36	12.80%	121.62	5.63%	121.57	4.9
FR0053	15-Jul-21	3.44	8.25%	107.99	5.66%	107.94	5.1
FR0061	15-May-22	4.28	7.00%	104.51	5.79%	104.64	-13.6
FR0035	15-Jun-22	4.36	12.90%	126.97	5.80%	126.96	0.6
FR0043	15-Jul-22	4.44	10.25%	116.98	5.85%	116.93	4.7
FR0063	15-May-23	5.28	5.625%	99.46	5.74%	99.57	-11.4
FR0046	15-Jul-23	5.44	9.50%	116.45	5.92%	116.45	0.0
FR0039	15-Aug-23	5.53	11.75%	126.61	6.02%	126.59	1.9
FR0070	15-Mar-24	6.11	8.38%	112.26	5.95%	112.29	-3.1
FR0044	15-Sep-24	6.62	10.00%	120.42	6.18%	120.47	-4.7
FR0040	15-Sep-25	7.62	11.00%	128.42	6.25%	128.19	22.5
FR0037	15-Sep-26	8.62	12.00%	137.48	6.29%	137.35	13.6
FR0056	15-Sep-26	8.62	8.38%	113.29	6.35%	113.51	-22.3
FR0059	15-May-27	9.28	7.00%	104.46	6.35%	104.65	-19.3
FR0042	15-Jul-27	9.45	10.25%	126.59	6.45%	126.55	3.8
FR0047	15-Feb-28	10.04	10.00%	125.82	6.46%	125.82	0.0
FR0064	15-May-28	10.28	6.125%	99.24	6.23%	99.45	-20.7
FR0071	15-Mar-29	11.12	9.00%	119.89	6.46%	119.73	16.3
FR0052	15-Aug-30	12.53	10.50%	130.42	6.84%	130.15	26.9
FR0073	15-May-31	13.28	8.75%	116.84	6.80%	115.94	90.3
FR0054	15-Jul-31	13.45	9.50%	123.08	6.85%	122.11	96.9
FR0058	15-Jun-32	14.37	8.25%	112.44	6.87%	112.63	-19.2
FR0074	15-Aug-32	14.54	7.50%	105.78	6.86%	105.84	-5.6
FR0065	15-May-33	15.28	6.625%	99.34	6.69%	99.60	-26.2
FR0068	15-Mar-34	16.12	8.38%	113.49	6.97%	113.47	2.5
FR0072	15-May-36	18.29	8.25%	112.30	7.04%	112.39	-9.0
FR0045	15-May-37	19.29	9.75%	127.96	7.07%	127.958	0.0
FR0075	15-May-38	138.47	7.500%	105.53	6.99%	105.86	-33.5
FR0050	15-Jul-38	20.45	10.50%	134.74	7.22%	134.74	0.0
FR0057	15-May-41	23.29	9.50%	125.19	7.24%	125.30	-10.8
FR0062	15-Apr-42	24.21	6.38%	91.64	7.10%	91.64	-0.2
FR0067	15-Jul-43	25.46	8.75%	117.15	7.27%	116.30	85.0
FR0076	15-May-48	30.30	7.38%	103.54	7.11%	103.45	8.8

Source: Bloomberg, IBPA, MCS Estimates

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