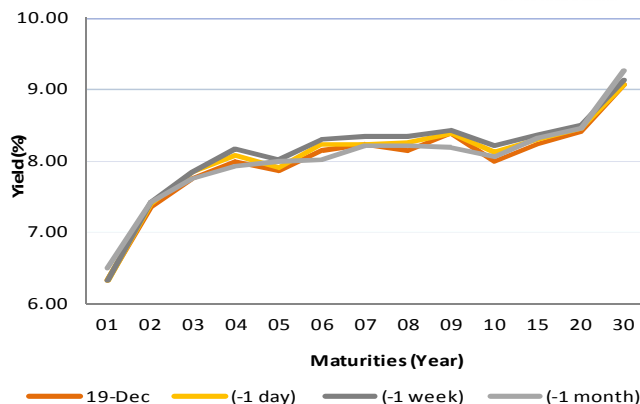


Fixed Income Daily Notes

Indonesia Government Bonds Yield

Maturities (Year)	19-Dec	(-1 day)	(-1 week)	(-1 month)
01	6.33	6.33	6.33	6.50
02	7.36	7.41	7.43	7.42
03	7.75	7.84	7.84	7.75
04	7.99	8.07	8.16	7.94
05	7.85	7.91	8.01	7.99
06	8.15	8.23	8.30	8.02
07	8.23	8.24	8.35	8.22
08	8.15	8.26	8.34	8.21
09	8.39	8.39	8.43	8.20
10	8.00	8.12	8.21	8.05
15	8.23	8.31	8.36	8.32
20	8.41	8.46	8.50	8.45
30	9.08	9.07	9.13	9.25

Source: Bloomberg



Global Market Update

- As economist and investors projected, yesterday, December 19, The Fed hiked their interest rate 25 bps to 2.25% - 2.50%. Chairman of The Fed, Jerome Powell, stated that in 2019, The Fed would still implemented interest rate normalization policy even though he also stated pessimistic view of economic projection in 2019. Those dovish tone signaled that The Fed would only hike their interest rate 2 times in 2019.
- Sesuai dengan ekspektasi ekonom serta investor, pada tanggal 19 Desember 2018, The Fed menaikkan tingkat suku bunganya sebesar 25 bps menjadi 2,25% - 2,50%. Tidak hanya itu, The Fed melalui kepalanya, Jerome Powell, menyatakan bahwa The Fed akan tetap melakukan normalisasi kebijakan suku bunga, namun disertai nada pesimisme terkait pertumbuhan ekonomi di 2019. Nada Dovish dari Powell tersebut memberikan sinyal bahwa kenaikan tingkat suku bunga pada 2019 kemungkinan hanya akan sebanyak 2 kali, tidak 3 kali seperti rencana The Fed sebelumnya.
- Yesterday, December 19 2018, US 10-years treasury note yield fell to 2.76% after dovish tone of The Fed for 2019 even though they still hiked their interest rate 25 bps to 2.25% - 2.50%. On the other hand, yield benchmark global bond moved varied, reflected by yield 10-years UK Gilt, which moved downward to 1.27%, while 10-years German Bunds flat at 0.24%.
- Yield 10-years US Treasury note kemarin, 19 Desember 2018, ditutup turun ke level 2,76% setelah The Fed memberikan sinyal dovish untuk tahun 2019, meskipun mereka tetap menaikkan tingkat suku bunganya pada bulan ini sebesar 25 bps ke level 2,25% - 2,50%. Di sisi lain, yield obligasi benchmark global ditutup bervariasi, terlihat dari yield 10-years UK Gilt yang turun ke level 1,27%, sementara 10-years German Bunds ditutup datar di level 0,24%

Domestic Market Update

- Today, Government bond prices on the secondary market are likely to strengthen because of significant decrease of US yield until reach lowest point in last 7 months. Rupiah will be ranging from IDR 14,460 - 14,534 and yield of 10-years benchmark bond (FR0064) will be ranging from 7.88% - 7.96%.
- Hari ini, pergerakan harga SBN secara umum di pasar sekunder diprediksi mengalami penguatan seiring dengan jatuhnya yield AS ke level terendah sejak 7 bulan terakhir. Nilai tukar rupiah terhadap dolar AS diprediksi bergerak pada kisaran Rp 14.460 – Rp 14.534, sedangkan yield benchmark 10 tahun (FR0064) pada perdagangan hari ini diperkirakan bergerak di rentang 7,88% - 7,96%.

Most Active Government Bonds	Last Price	Last Yield	Volume (IDR bn)
FR0078	102.20	7.93	1960
FR0065	86.80	8.20	1466
FR0077	101.34	7.81	846
FR0074	93.25	8.34	801
FR0053	101.20	7.72	657
FR0056	101.50	8.11	622
FR0064	87.50	8.04	584
FR0061	103.48	5.22	571
FR0075	91.78	5.93	558
FR0069	100.40	6.50	544

Most Active Corporate Bonds	Last Price	Last Yield	Volume (IDR bn)	
MORA01B	idA	100.00	8.95	400
SMLPPI01B	idA+(sy)	100.00		385
BSSB01CN1	idA+	100.00	7.42	249
MEDC03ACN2	idA+	101.28	9.87	226
BAFI02A	idAA	99.21	5.21	200
EXCL01BCN1	AAA(idn)	100.05	7.24	130
NISPO3ACN1	idAAA	99.30	5.99	120
BSBR07	idA	100.88	8.54	110
ISAT02ACN3	idAAA	99.25	5.01	100
PNBN02CN3	idAA	95.00	6.80	80

Global Stock Markets	Last Price	Chg (bps)	% Chg	% YTD
Indonesia (JCI)	6176	94.23	1.55%	-2.83%
Malaysia (KLCI)	1656	20.35	1.24%	-7.86%
Thailand (SET)	1601	17.93	1.13%	-8.70%
Singapore (STI)	3059	13.11	0.43%	-10.1%
Hang Seng	25865	51.14	0.20%	-13.5%
Nikkei 225	20988	-127.53	-0.60%	-7.81%
Shanghai	2550	-27.09	-1.05%	-22.91%
Dow Jones (DJIA)	23324	-351.98	-1.49%	-5.65%
London (FTSE 100)	6766	64.35	0.96%	-11.99%
DAX	10766	25.32	0.24%	-16.7%

FX Rate	19-Dec		
	19-Dec	(-1 day)	(-1 week)
USD/IDR	14,534	14,421	14,528
GBP/USD	1.261	1.264	1.263
USD/JPY	112.5	112.5	113.3
USD/SGD	1.372	1.370	1.372
USD/THB	32.75	32.71	32.76
USD/MYR	4.179	4.195	4.192

Macroeconomic Data	Nov-18	Oct-18	Sep-18
Consumer Price Index (MoM)	0.27	0.28	-0.20
Consumer Price Index (YoY)	3.23	3.16	2.88
Core Inflation (YoY)	3.03	2.94	2.82
BI 7-Day RR Rate (%)	6.00	5.75	5.75
Foreign Reserve (US\$ Bn)	117.20	115.20	114.80

Indonesia Sovereign CDS	2-year	5-year	10-year
As of			
19-Dec	53.59	133.58	209.00
(-1 Day)	53.36	133.06	208.31
(-1 Week)	60.29	134.09	209.51
(-1 Month)	72.54	150.44	226.17
(-1 Year)	35.34	88.47	156.32

Global Bonds	19-Dec			
	19-Dec	(-1 day)	(-1 week)	(-1 month)
Fed Fund Rate & US T-Bonds Yield				
Fed Fund Rate	2.50	2.25	2.25	2.25
2-Year	2.65	2.65	2.77	2.82
5-Year	2.62	2.65	2.77	2.89
10-Year	2.76	2.82	2.91	3.06
30-Year	2.98	3.07	3.15	3.32
10-Year Government Bond Yield				
UK	1.27	1.28	1.28	1.39
Germany	0.24	0.24	0.28	0.38
France	0.70	0.71	0.73	0.76
China	3.35	3.38	3.28	3.38
Japan	0.03	0.02	0.05	0.09
Korea	2.73	2.73	2.73	2.73
Thailand	2.57	2.63	2.68	2.71
Malaysia	4.08	4.09	4.09	4.16
Singapore	2.13	2.15	2.30	2.44
Indonesia USD Bond Yield				
INDO-22	3.96	3.96	4.07	4.20
INDO-27	4.49	4.50	4.66	4.85
INDO-47	5.21	5.21	5.37	5.55

Money Market	19-Dec			
	19-Dec	(-1 day)	(-1 week)	(-1 month)
JIBOR				
O/N	5.90	5.90	5.90	5.93
1M	7.56	7.56	7.36	7.31
3M	7.71	7.71	7.67	7.71
LIBOR				
1M	2.47	2.47	2.44	2.32
3M	2.79	2.79	2.78	2.68
6M	2.88	2.88	2.89	2.89
Indonesia Interest Rates				
Deposit 1M	6.32	6.24	6.30	6.14
Lending	14.0	14.0	13.9	13.7

Benchmark	19-Dec	(-1 day)	Change	Yield
FR0061	97.43	97.26	17	7.87%
FR0059	93.35	92.91	44	8.11%
FR0074	93.06	92.77	29	8.36%
FR0072	98.31	97.96	35	8.44%

Government Bond Ownership As of December 14, 2018 (in Trillion)

Holders	2013	2014	2015	2016	2017	11-Dec-18	12-Dec-18	13-Dec-18	14-Dec-18
Banks	335.43	375.55	350.07	399.46	491.61	648.70	442.93	632.40	638.81
Bank Indonesia	44.44	41.63	148.91	134.25	141.83	85.90	91.56	103.13	96.91
Mutual Fund	42.50	45.79	61.60	85.66	104.00	116.69	96.45	116.58	116.62
Insurance	129.55	150.60	171.62	238.24	150.80	200.98	153.11	201.44	201.47
Foreign Investor	323.83	461.35	558.52	665.81	836.15	896.31	875.35	892.66	892.33
Pension Fund	39.47	43.30	49.83	87.28	198.06	212.60	168.55	212.61	212.66
Individual Investors	32.48	30.41	42.53	57.75	59.84	76.56	54.51	76.54	76.55
Others	47.56	61.32	78.76	104.84	117.48	136.71	99.02	136.08	136.10
Total	995.25	1,209.96	1,461.85	1,773.28	2,099.77	2,369.14	1,981.47	2,371.45	2,371.45

Source: Bloomberg, IDX & DJPPR

December 20, 2018

Government Bonds Prices

Closing Price Data : 19-Dec-2018



Series	Maturity	TTM	Coupon	Price	YTM	Price (-1)	Price Spread (bps)
FR0069	15-Apr-19	0.32	7.875%	100.48	6.23%	100.47	1.2
FR0036	15-Sep-19	0.74	11.500%	102.02	8.55%	103.50	-148.2
FR0031	15-Nov-20	1.91	11.000%	106.63	7.20%	106.55	8.4
FR0034	15-Jun-21	2.49	12.800%	111.59	7.59%	111.61	-2.3
FR0053	15-Jul-21	2.57	8.250%	101.32	7.67%	101.17	14.8
FR0061	15-May-22	3.41	7.000%	97.43	7.87%	97.26	17.0
FR0035	15-Jun-22	3.49	12.900%	114.65	8.00%	114.58	7.1
FR0043	15-Jul-22	3.57	10.250%	107.07	7.93%	106.89	18.5
FR0063	15-May-23	4.41	5.625%	91.60	7.92%	91.34	26.1
FR0046	15-Jul-23	4.57	9.500%	105.83	7.95%	105.47	36.3
FR0039	15-Aug-23	4.66	11.750%	113.78	8.13%	113.75	2.6
FR0070	15-Mar-24	5.24	8.375%	101.45	8.03%	100.90	55.2
FR0077	15-May-24	5.41	8.125%	101.34	7.81%	101.14	20.0
FR0044	15-Sep-24	5.75	10.000%	108.77	8.05%	108.35	41.8
FR0040	15-Sep-25	6.75	11.000%	114.45	8.16%	114.39	5.9
FR0037	15-Sep-26	7.75	12.000%	121.16	8.24%	121.18	-2.0
FR0056	15-Sep-26	7.75	8.375%	101.44	8.12%	100.97	46.6
FR0059	15-May-27	8.41	7.000%	93.35	8.11%	92.91	44.0
FR0042	15-Jul-27	8.58	10.250%	112.42	8.20%	111.89	52.9
FR0047	15-Feb-28	9.16	10.000%	110.54	8.33%	110.54	0.0
FR0064	15-May-28	9.41	6.125%	88.03	7.96%	87.32	71.7
FR0071	15-Mar-29	10.24	9.000%	105.03	8.26%	104.79	24.6
FR0078	15-May-29	10.41	8.500%	102.15	7.94%	101.46	68.3
FR0052	15-Aug-30	11.66	10.500%	116.06	8.32%	115.75	31.0
FR0073	15-May-31	12.41	8.750%	102.95	8.36%	102.39	56.1
FR0054	15-Jul-31	12.58	9.500%	109.26	8.30%	108.98	27.6
FR0058	15-Jun-32	13.50	8.250%	99.18	8.35%	98.79	39.5
FR0074	15-Aug-32	13.67	7.500%	93.06	8.36%	92.77	29.4
FR0065	15-May-33	14.41	6.625%	86.85	8.20%	86.32	53.8
FR0068	15-Mar-34	15.25	8.375%	99.65	8.41%	98.99	66.1
FR0072	15-May-36	17.42	8.250%	98.31	8.44%	97.96	34.9
FR0045	15-May-37	18.42	9.750%	112.00	8.45%	112	0.0
FR0075	15-May-38	19.42	7.500%	91.58	8.39%	91.16	41.3
FR0050	15-Jul-38	19.58	10.500%	117.80	8.60%	117.80	0.0
FR0057	15-May-41	22.42	9.500%	107.86	8.70%	107.28	58.0
FR0062	15-Apr-42	23.34	6.375%	77.19	8.67%	77.19	0.0
FR0067	15-Jul-43	24.59	8.750%	100.16	8.73%	100.16	0.0
FR0076	15-May-48	29.42	7.375%	83.51	9.08%	83.52	-0.7

Source: Bloomberg, IBPA & MCS Estimates

Macroeconomic Indicator Calendar (December 17 - December 21 2018)

INDONESIA

Date	Indicator	Series Data	Actual	Previous	Projection
17	Balance of Trade	Nov-18	USD -2.08 billion	USD -1.77 billion	USD -0.17 billion
20	7-Days Repo Rate (7-DRR)	-	-	6.00%	6.00%

GLOBAL

Date	Indicator	Country	Series Data	Actual	Previous	Projection
17	Inflation Rate Final (YoY)	Euro Area	Nov-18	1.9%	2.2%	2.0%
18	Ifo Business Climate	Germany	Dec-18	101.0	102.0	102.7
19	Inflation Rate (YoY)	Great Britain	Nov-18	2.3%	2.4%	2.5%
19	Crude Oil Inventory	US	Week Ended, Dec 14 - 2018	-0.50 million barrel	-1.21 million barrel	-2.99 million barrel
20	Fed Funds Rate	US	-	-	2.25%	2.50%
20	BoJ Interest Rate	Japan	-	-	-0.1%	-0.1%
20	BoE Interest rate	Great Britain	-	-	0.75%	0.75%
20	Initial Jobless Claims	US	Week Ended, Dec 15 - 2018	-	206 thousand	226 thousand
20	Continuing Jobless Claims	US	Week Ended, Dec 08 - 2018	-	1661 thousand	1710 thousand
21	Inflation Rate (YoY)	Japan	Nov-18	-	1.4%	1.4%
21	Durable Goods Orders (MoM)	US	Nov-18	-	-4.4%	1.2%

December 20, 2018

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