

Indonesia

The outstanding amount of local currency (LCY) bonds in Indonesia reached IDR1,530 trillion (US\$123 billion) in 4Q14 on growth of 1.6% quarter-on-quarter (q-o-q) and 16.8% year-on-year (y-o-y). Growth was driven largely by increases in the stocks of central bank bills and corporate bonds. Central government bonds only grew 0.9% q-o-q as the government fulfilled most of its funding requirements in the first 3 quarters of the year.

Table 1: Size and Composition of the LCY Bond Market in Indonesia

	Outstanding Amount (billion)						Growth Rate (%)			
	4Q13		3Q14		4Q14		4Q13		4Q14	
	IDR	US\$	IDR	US\$	IDR	US\$	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,309,576	108	1,505,261	124	1,529,810	123	6.8	20.1	1.6	16.8
Government	1,091,356	90	1,285,060	105	1,306,990	106	7.9	20.9	1.7	19.8
Central Govt. Bonds	995,252	82	1,199,395	98	1,209,961	98	5.6	21.3	0.9	21.6
of which: <i>Sukuk</i>	87,174	7	109,444	9	110,704	9	(0.6)	38.3	1.2	27.0
Central Bank Bills	96,104	8	85,665	7	97,029	8	40.1	16.7	13.3	1.0
of which: <i>Sukuk</i>	4,712	0.4	6,490	0.5	8,130	0.7	30.5	36.4	25.3	72.5
Corporate	218,220	18	220,202	18	222,820	18	1.5	16.4	1.2	2.1
of which: <i>Sukuk</i>	7,553	0.6	6,958	0.6	7,391	0.6	8.3	9.7	6.2	(2.1)

() = negative, LCY = local currency, q-o-q = quarter-on-quarter, y-o-y = year-on-year.

Notes:

1. Calculated using data from national sources.
2. Bloomberg LP end-of-period LCY-US\$ rates are used.
3. Growth rates are calculated from LCY base and do not include currency effects.
4. The total stock of nontradable bonds as of end-December stood at IDR264.6 trillion.
5. 4Q14 data for outstanding corporate *sukuk* (Islamic bonds) carried over from November 2014.

Sources: Bank Indonesia, Directorate General of Financing and Risk Management Ministry of Finance, Otoritas Jasa Keuangan, and Bloomberg LP.

Corporate bond issuance totaled IDR17.4 trillion in 4Q14, almost triple the volume of bonds issued in 3Q14. Fifteen companies, mainly banking and financing institutions, issued new corporate debt in 4Q14.

Table 2: Notable LCY Corporate Bond Issuance in 4Q14

Corporate Issuers	Coupon Rate (%)	Issued Amount (IDR billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (IDR billion)
Indonesia Eximbank			Adira Finance		
370-day bond	8.25	393	370-day bond	9.60	607
3-year bond	9.25	1,485	370-day <i>Sukuk Mudharabah</i>	9.60	88
5-year bond	9.75	828	3-year bond	10.50	808
Astra Sedaya Finance			3-year bond <i>Sukuk Mudharabah</i>	10.50	45
370-day bond	9.60	1,000	5-year bond	10.75	88
3-year bond	10.50	1,500	Sarana Multigriya Finansial		
Indosat			373-day bond	9.60	701
3-year bond	10.00	950	3-year bond	10.00	753
3-year <i>Sukuk Ijarah</i>	10.00	64	Summarecon Agung		
5-year bond	10.30	750	5-year bond	11.50	800
5-year <i>Sukuk Ijarah</i>	10.30	16	5-year <i>Sukuk Ijarah</i>	11.50	300
7-year bond	10.50	250	SAN Finance		
7-year <i>Sukuk Ijarah</i>	10.50	110	3-year bond	10.50	1,000
10-year bond	10.70	360			

LCY = local currency.

Notes:

1. *Sukuk Ijarah* refers to Islamic bonds backed by lease agreements.
2. *Sukuk Mudharabah* refers to Islamic bonds backed by a profit-sharing scheme from a business venture or partnership.

Source: Indonesia Stock Exchange.

LCY corporate bonds outstanding among the top 30 corporate bond issuers in Indonesia reached IDR166.9 trillion at end-December, accounting for 74.9% of the total LCY corporate bond market. Indonesia Eximbank emerged as the top corporate bond issuer, supplanting PLN in the top spot.

Table 3: Top 30 Issuers of LCY Corporate Bonds in Indonesia

	Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
		LCY Bonds (IDR billion)	LCY Bonds (US\$ billion)			
1.	Indonesia Eximbank	15,612	1.26	Yes	No	Banking
2.	PLN	14,073	1.14	Yes	No	Energy
3.	Astra Sedaya Finance	12,705	1.03	No	No	Finance
4.	Adira Dinamika Multifinance	11,189	0.90	No	Yes	Finance
5.	Bank Internasional Indonesia	8,360	0.67	No	Yes	Banking
6.	Indosat	7,962	0.64	No	Yes	Telecommunications
7.	Bank Tabungan Negara	7,950	0.64	Yes	Yes	Banking
8.	Bank CIMB Niaga	7,750	0.63	No	Yes	Banking
9.	Bank Permata	7,178	0.58	No	Yes	Banking
10.	Bank Pan Indonesia	6,000	0.48	No	Yes	Banking
11.	Jasa Marga	5,900	0.48	Yes	Yes	Toll Roads, Airports, and Harbors
12.	Perum Pegadaian	5,569	0.45	Yes	No	Finance
13.	Sarana Multigriya Finansial	4,955	0.40	Yes	No	Finance
14.	Federal International Finance	4,875	0.39	No	No	Finance
15.	Agung Podomoro Land	4,476	0.32	No	Yes	Property, Real Estate, and Building Construction
16.	Bank Tabungan Pensiunan Nasional	4,420	0.36	No	Yes	Banking
17.	Indofood Sukses Makmur	4,000	0.32	No	Yes	Food and Beverages
18.	Bank Mandiri	3,500	0.28	Yes	Yes	Banking
19.	Medco-Energi International	3,500	0.39	No	Yes	Petroleum and Natural Gas
20.	Antam	3,000	0.24	Yes	Yes	Petroleum and Natural Gas
21.	Telekomunikasi Indonesia	3,000	0.24	Yes	Yes	Telecommunications
22.	Bank OCBC NISP	2,907	0.23	No	Yes	Banking
23.	Bumi Serpong Damai	2,750	0.22	No	Yes	Property, Real Estate, and Building Construction
24.	Indomobil Finance Indonesia	2,608	0.21	No	No	Finance
25.	Toyota Astra Financial Services	2,311	0.19	No	No	Finance
26.	SAN Finance	2,198	0.18	No	No	Finance
27.	BCA Finance	2,100	0.17	No	No	Finance
28.	WOM Finance	2,020	0.16	No	Yes	Finance
29.	Garuda Indonesia	2,000	0.16	Yes	Yes	Infrastructure, Utilities, and Transportation
30.	Permodalan Nasional Madani	2,000	0.16	Yes	No	Finance
Total Top 30 LCY Corporate Issuers		166,867	13.47			
Total LCY Corporate Bonds		222,820	17.99			
Top 30 as % of Total LCY Corporate Bonds		74.9%	74.9%			

LCY = local currency.

Notes:

1. Data as of end-December 2014.

2. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: AsianBondsOnline calculations based on Indonesia Stock Exchange data.