

Diverging Global Monetary Paths: Fed Easing Bets Rise as BoJ Signals Tightening

4 December 2025

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- Markets have now priced in a December rate cut with near-certainty, with the implied probability reaching 89.1%. This decisive shift reflects intensified dovish guidance from policymakers and pro-growth expectations surrounding the likely nomination of Kevin Hassett.
- As investors unwind “higher-for-longer” positions, the DXY continues to retreat, while the U.S. yield curve has steepened as front-end Treasury yields fall more rapidly than the long end ahead of the December 10 meeting of the Federal Reserve.
- Global risks have risen amid renewed tensions in East Asia. China cancelled over 1,900 flights to Japan and reinstated a full seafood import ban, disrupting tourism and regional trade flows. At the same time, the Bank of Japan has signaled a possible December rate hike, with Governor Kazuo Ueda citing improving wages, sticky inflation, and tight labor conditions. The immediate impact has been a stronger yen and rising JGB yields, while globally this raises the risk of yen carry trade unwinding, tighter liquidity, and renewed pressure on risk assets.
- Indonesia’s inflation moderated in Nov ‘25 to 0.17% MoM and 2.72% YoY, although core inflation remains influenced by Rupiah weakness and manufacturing PMI dynamics.
- A potential 25 bps Fed cut could help stabilize the currency and ease imported inflation, preserving policy space for Bank Indonesia to consider a rate cut if price pressures remain contained.
- Indonesia’s trade surplus narrowed sharply to USD2.39 bn in Oct ‘25, the weakest since April, as exports contracted for the first time in 19 months amid broad-based commodity declines, while imports rebounded strongly, led by energy.



Source : NYTimes (2025), link: <https://www.nytimes.com/2025/11/26/business/dealbook/hassett-trump-fed.html/>



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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Oct '25	4.00	4.25
Economic Growth	%, yoy	2Q25	2.1	2
Inflation Rate	%, yoy	Sep '25	3.0	2.9
Unemployment Rate	%	Sep '25	4.4	4.3

Sources : various sources, KBVS Research (2025)

The data releases that influenced yield movements in the week of 27 Nov – 3 Dec '25 are as follows:

- US S&P Global Manufacturing PMI in Nov '25 decreased to 52.20 (Cons: 51.90, Prev: 52.50).
- US ISM Manufacturing Prices in Nov '25 decreased to 48.20 (Cons: 49.00, Prev: 48.70).
- US ISM Manufacturing Prices in Nov '25 increased to 58.50 (Cons: 59.50, Prev: 58.00).

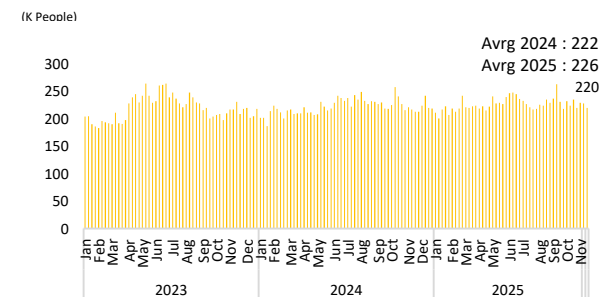
ECONOMIC CALENDAR

(27 NOV – 3 DEC '25)

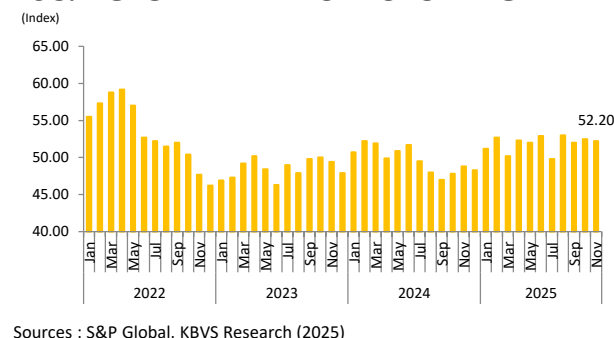
Event	Actual	Forecast	Previous
Thursday, 27 Nov '25			
US 7-Year Note Auction	3.78%		3.79%
US Baker Hughes Oil Rig Count	407.00		419.00
US Baker Hughes Total Rig Count	544.00		554.00
US Beige Book			
Friday, 28 Nov '25			
Monday, 1 Dec '25			
US S&P Global Manufacturing PMI (Nov)	52.20	51.90	52.50
US ISM Manufacturing Employment (Nov)	44.00		46.00
US ISM Manufacturing PMI (Nov)	48.20	49.00	48.70
US ISM Manufacturing Prices (Nov)	58.50	59.50	58.00
US Atlanta Fed GDP Now (Q4)	3.90%	3.90%	3.90%
Tuesday, 2 Dec '25			
US Fed Chair Powell Speaks			
US FOMC Member Bowman Speaks			
Wednesday, 3 Dec '25			
US CFTC Crude Oil Speculative Net Positions	39.8K		74.3K
US CFTC Gold Speculative Net Positions	176.6K		232.0K
US CFTC Nasdaq 100 Speculative Net Positions	48.9K		43.3K
US CFTC S&P 500 Speculative Net Positions	-145.3K		-144.1K
US API Weekly Crude Oil Stock	-2.480M		-1.900M
US ADP Nonfarm Employment Change (Nov)		7K	42K
US Export Price Index (MoM) (Sep)		0.00%	0.30%
US Import Price Index (MoM) (Sep)		0.10%	0.30%
US Industrial Production (MoM) (Sep)		0.10%	-0.10%
US Industrial Production (YoY) (Sep)			0.87%
US S&P Global Composite PMI (Nov)		54.80	54.60
US S&P Global Services PMI (Nov)		55.00	54.80
US ISM Non-Manufacturing Employment (Nov)			48.20
US ISM Non-Manufacturing PMI (Nov)		52.00	52.40
US ISM Non-Manufacturing Prices (Nov)			70.00
US Crude Oil Inventories			2.774M
US Cushing Crude Oil Inventories			-0.068M

Sources : investing, KBVS Research (2025)

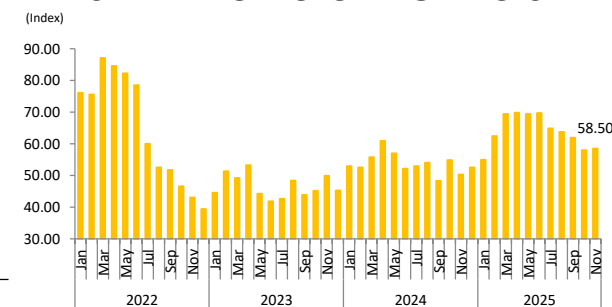
WEEKLY INITIAL JOBLESS CLAIMS



S&P GLOBAL MANUFACTURING PMI



ISM MANUFACTURING PRICES



Kevin Hassett Emerges as Trump's Fed Frontrunner

Why Kevin Hassett Is Winning the Fed Chair Race Before It Has Ended



Provided by Dow Jones • Dec 2, 2025, 7:22:00 PM

Source: Morning Star (2025) <https://www.morningstar.com/news/dow-jones/202512022482/why-kevin-hassett-is-winning-the-fed-chair-race-before-it-has-ended>

KEY POINTS

- National Economic Council Director Kevin Hassett has been dubbed the clear favorite for the next Federal Reserve chair.
- Asked Sunday about the situation, Trump told reporters aboard Air Force One, “I know who I am going to pick, yeah. We’ll be announcing it.”
- Whomever the actual pick is will take over a Fed that is currently torn over the future course of interest rates and is facing calls for aggressive reforms.



Kevin Hassett, director of the National Economic Council, speaks to members of the media outside the White House in Washington, DC, US, on Friday, Oct. 24, 2025.

Francis Chung | Bloomberg | Getty Images

Source: SCMP (2025) <https://www.scmp.com/economy/china-economy/article/3334889/1900-china-japan-flights-cancelled-december-political-row-continues>

• Key Market Narrative: The Emerging “Unofficial” Fed Transition:

- Although the Federal Reserve remains formally chaired by Jerome Powell until May 2026, financial markets have begun to price in an early leadership transition.
- Donald Trump recently stated that he has already “made his choice” for the next Fed Chair, triggering speculation of a policy regime shift well before the official transition date.
- Market expectations have rapidly converged on Kevin Hassett, currently serving as Director of the National Economic Council.

• Why Kevin Hassett Is Favored as Powell’s Replacement

- Strong political loyalty and close alignment with Trump’s pro-growth agenda.
- Open advocate of faster and deeper rate cuts, in contrast to Powell’s tight stance.
- Critic of Fed “mission creep”, favoring growth over strict inflation control.
- Seen as supportive of cheaper borrowing costs for households and businesses.

• Market Impact

- If nominated early, Hassett could act as a “shadow Fed Chair,” weakening Powell’s policy signaling.
- Markets now price ~80% probability of his nomination, contributing to downward pressure on bond yields.

• Key Risk

- The core risk, therefore, is a potential regime shift in U.S. monetary policy from *rules-based* to *politically influenced decision-making*.
- In the short term, markets may welcome easier liquidity and faster rate cuts. However, over the medium to long term, this could weaken the Fed’s credibility in anchoring inflation expectations.

Japan–China Tensions and the BoJ Rate Outlook

China and Japan are in a war of words over Taiwan – what happens next?

Japan's hawkish new PM has angered Beijing after suggesting her country could become involved in a military conflict between China and Taiwan



During Sanae Takaichi's short time as prime minister she has prioritised boosting Japan's defences to counter an increasingly assertive China. Photograph: Eugene Hoshiko/AP

Source: The Guardian (2025) <https://www.theguardian.com/world/2025/nov/17/china-and-japan-are-in-a-war-of-words-over-taiwan-what-happens-next>

Japan–China Tensions

- **What happened :** On 7 November 2025, Japanese Prime Minister Sanae Takaichi said in parliament that a Chinese attack on Taiwan could become a “survival-threatening situation” for Japan — implying Tokyo might consider military reaction. China responded harshly: it demanded Japan stop meddling, issued a travel warning to its citizens, and reimposed a ban on Japanese seafood imports.
- **Effects on Markets & Economy**
 - Stocks in Japan's tourism, retail and service sectors fell sharply: airlines, department stores, cosmetics and other consumer-oriented firms saw significant share price drops.
 - Tourism, a key revenue for Japan, was hit hard: many tour bookings cancelled and outbound Chinese visitors plunged — threatening a substantial loss in tourism revenues.
 - More broadly, businesses and economic actors in Japan are warning that continuing diplomatic fallout could undermine trade and cross-border cooperation.

BOJ to consider rate hike in December, governor says; yen, yields rise

By Leika Kihara

December 1, 2025 2:02 PM GMT+7 · Updated December 1, 2025



Pedestrians walk past the Bank of Japan building in Tokyo, Japan March 18, 2024. REUTERS/Kim Kyung-Hoon [Purchase Licensing Rights](#)

Source: Reuters (2025) https://www.reuters.com/world/asia-pacific/boj-consider-pros-cons-rate-increase-december-meeting-ueda-says-2025-12-01/?utm_source=chatgpt.com

BOJ December Rate Hike: Key Points & Market Impact

- The Bank of Japan has signaled it may raise rates in December, with Governor Kazuo Ueda stating the central bank is assessing the “pros and cons” of tightening.
- Markets now see a high probability of a December hike, reflecting Japan's improving wages, sticky inflation, and tighter labor conditions.
- Immediate impact:
 - a stronger yen and
 - rising Japanese government bond yields.
- Global spillover:
 - Possible unwinding of yen carry trades,
 - Tighter global liquidity, and
 - Downside pressure on risk assets such as equities, EM bonds, and crypto.

FED PROBABILITIES

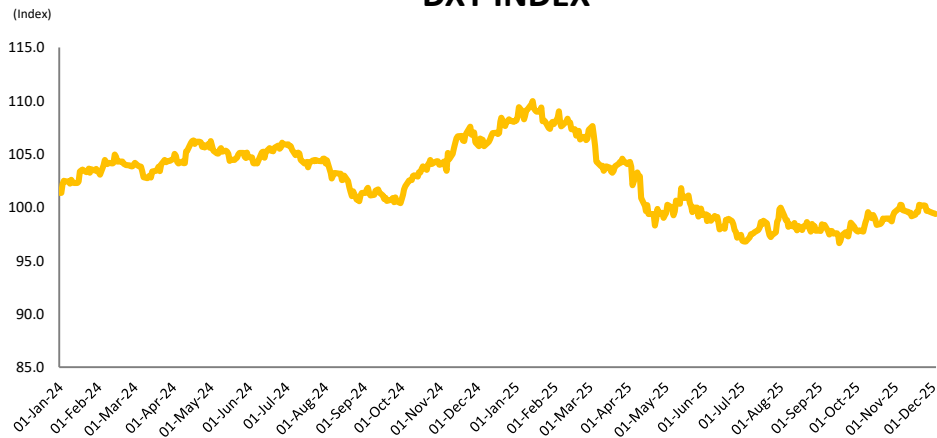
FED PROBABILITIES, as of 3 Dec '25

MEETING DATE	220-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400
10-Dec-25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	89.1%	10.9%
28-Jan-26	0.0%	0.0%	0.0%	0.0%	0.0%	26.6%	65.7%	7.6%
18-Mar-26	0.0%	0.0%	0.0%	0.0%	9.1%	40.0%	45.9%	5.0%
29-Apr-26	0.0%	0.0%	0.0%	2.3%	16.8%	41.5%	35.7%	3.8%
17-Jun-26	0.0%	0.0%	1.4%	10.9%	31.5%	38.0%	16.6%	1.5%
29-Jul-26	0.0%	0.4%	4.5%	17.8%	33.7%	30.9%	11.6%	1.0%
16-Sep-26	0.2%	2.0%	9.7%	24.0%	32.6%	23.4%	7.5%	0.6%
28-Oct-26	0.6%	3.6%	12.7%	25.8%	30.7%	20.1%	6.0%	0.5%

Sources : CME Group, and KBVS Research (2025)

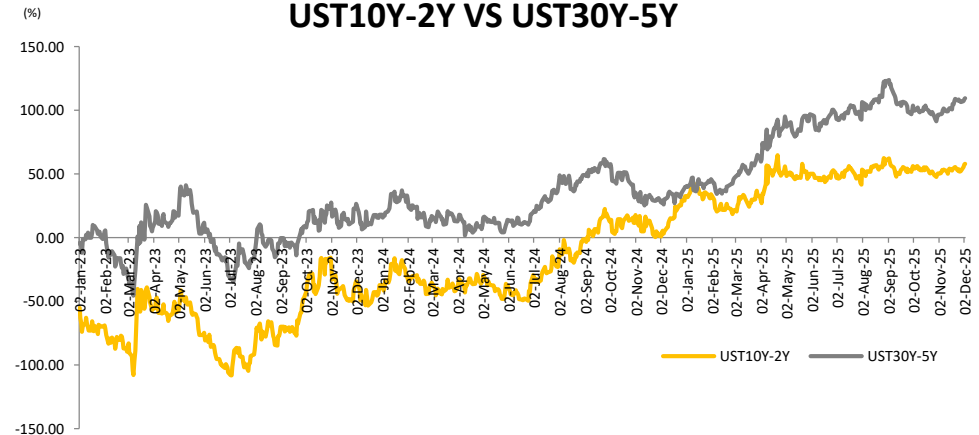
- Market conviction for a December rate cut has reached near-certainty levels, with the implied probability surging to 89.1%.
- At the same time, renewed speculation over a potential rate hike by the Bank of Japan has added upward pressure on global yields and contributed to a broad-based sell-off across global bond markets.
- Rising Japanese yields are encouraging capital repatriation and cross-market repricing, amplifying volatility across U.S., European, and Asian fixed-income markets.
- The combined effect of U.S. easing expectations and tightening bias in Japan has intensified global yield dispersion, reinforcing currency volatility and accelerating portfolio rebalancing away from duration-heavy assets.

DXV INDEX



Sources : Bloomberg, and KBVS Research (2025)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2025)

THE MOVEMENT OF UST YIELDS

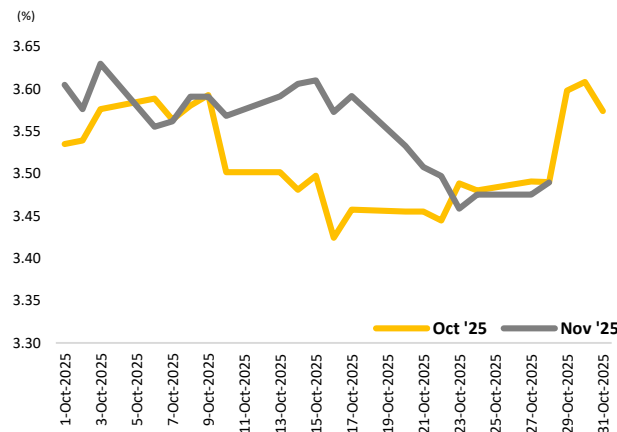
US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Nov' 24	36.08	35.95
Govt Debt to GDP	%	4Q24	124.35	122.3
Govt Budget	USD Bn	Nov '24	-367.30	-257.00
S&P Credit Rating	Rating	27-Mar-24	AA+	AA+

Sources : US Treasury, KBVS Research (2025)

Over the past week, UST yields moved tends to increase:

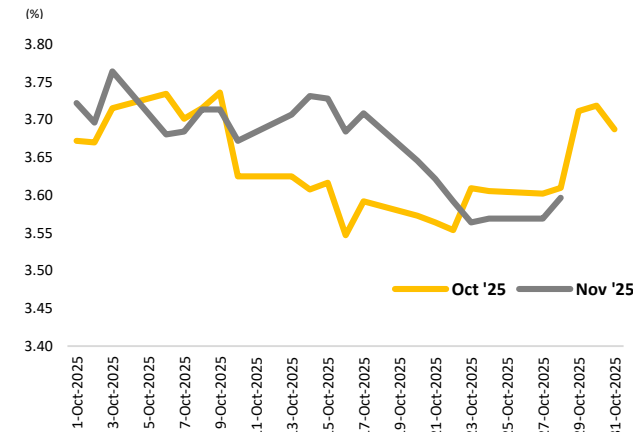
- Yield UST6M
 - -7.07 bps (WoW)
 - -55.90 bps (YtD, as of Dec 3,'25)
- Yield UST1Y
 - -2.83 bps (WoW)
 - -58.18 bps (YtD, as of Dec 3,'25)
- Yield UST2Y
 - +1.87 bps (WoW)
 - -78.79 bps (YtD, as of Dec 3,'25)
- Yield UST5Y
 - +6.75 bps (WoW)
 - -74.57 bps (YtD, as of Dec 3,'25)
- Yield UST10Y
 - +7.69 bps (WoW)
 - -49.80 bps (YtD, as of Dec 3,'25)
- Yield UST30Y
 - +9.34 bps (WoW)
 - -4.64 bps (YtD, as of Dec 3,'25)

YIELD UST2Y



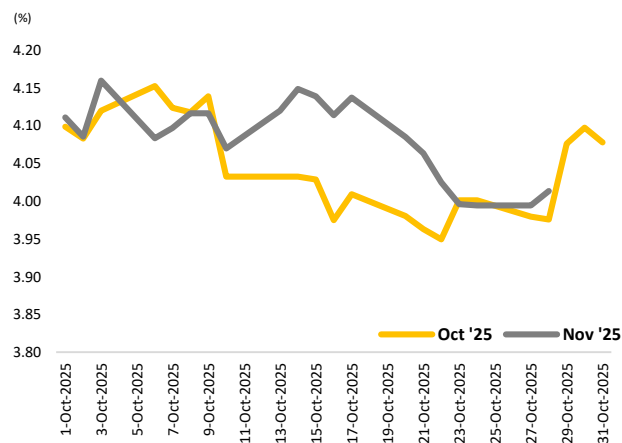
Sources : Bloomberg, KBVS Research (2025)

YIELD UST5Y



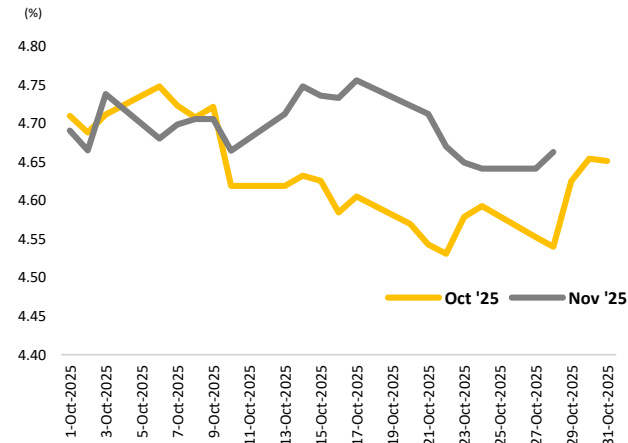
Sources : Bloomberg, KBVS Research (2025)

YIELD UST10Y



Sources : US Treasury, KBVS Research (2025)

YIELD UST30Y



Sources : US Treasury, KBVS Research (2025)



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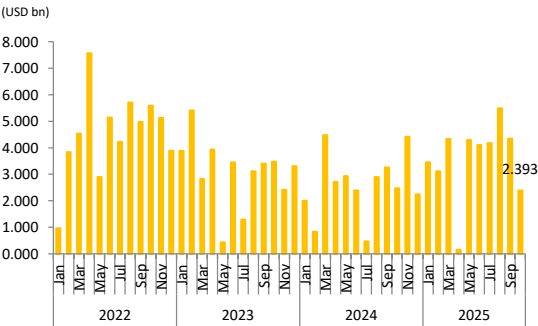
INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	22 Nov '25	4.75	4.75
Economic Growth	%, yoy	3Q25	5.04	5.12
Inflation Rate	%, yoy	Nov '25	2.72	2.86
Unemployment Rate	%	Sep '25	4.85	4.76
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2025)

TRADE BALANCE



Sources : BPS, KBVS Research (2025)

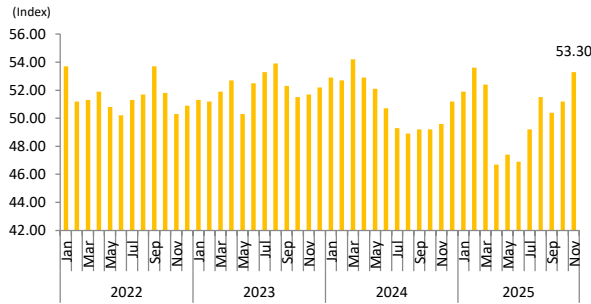
ECONOMIC CALENDAR

(27 NOV – 3 DEC '25)

Event	Actual	Forecast	Previous
Thursday, 27 Nov '25			
Friday, 28 Nov '25			
Monday, 1 Dec '25			
ID S&P Global Manufacturing PMI (Nov)	53.30		51.20
ID Core Inflation (YoY) (Nov)	2.36%		2.36%
ID Inflation (YoY) (Nov)	2.72%		2.86%
ID Inflation (MoM) (Nov)	0.17%		0.28%
ID Export Growth (YoY) (Oct)	-2.31%		11.14%
ID Import Growth (YoY) (Oct)	-1.15%		7.17%
ID Trade Balance (Oct)	2.40B		4.34B
Tuesday, 2 Dec '25			
Wednesday, 3 Dec '25			

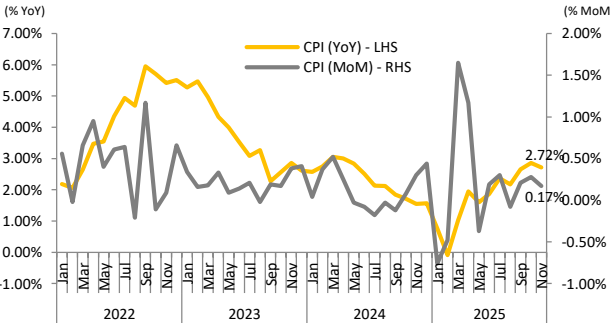
Sources : Investing, KBVS Research (2025)

S&P GLOBAL MANUFACTURING PMI



Sources : S&P Global, KBVS Research (2025)

INFLATION

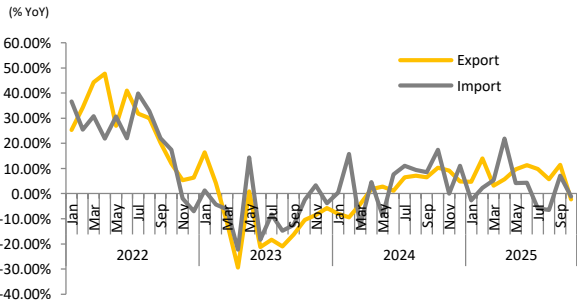


Sources : BPS, KBVS Research (2025)

The data releases that influenced yield movements in the week of 27 Nov – 3 Dec '25 are as follows:

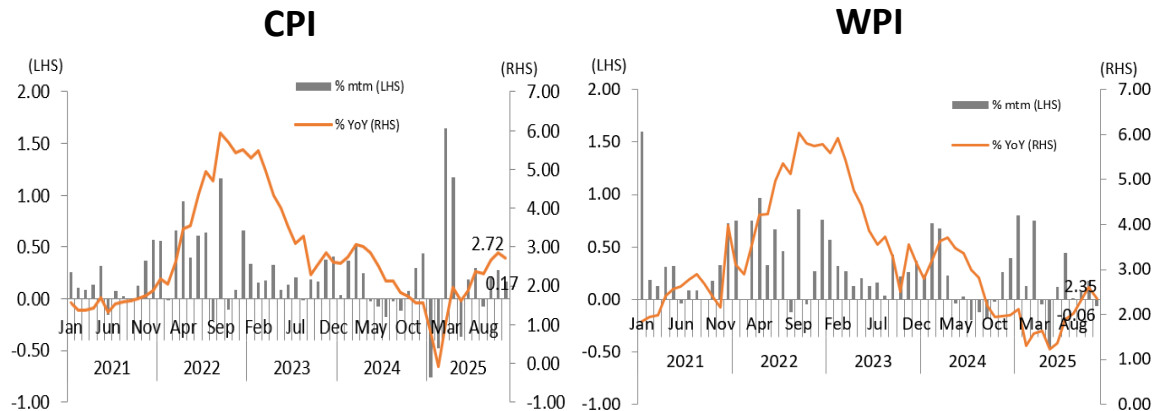
- S&P Global Manufacturing PMI in Nov '25 increased to 53.30 (Prev: 51.20).
- Indonesia's inflation in Nov '25 stood at 0.17% MoM or 2.72% YoY, driven by price increases across most expenditure groups, particularly shallots, fresh fish, carrots, oranges, mustard greens, cucumbers, long beans, airfares, and gold jewelry. Meanwhile, price declines were recorded in broiler chicken meat, rice, red chilies, chicken eggs, jengkol, and potatoes. Easing inflation strengthens the case for a BI Rate cut this month, although it would ideally be supported by a Fed rate reduction within the next two weeks, which could further encourage a decline in SUN yields.**
- As expected, exports declined this month, driven by broad-based contractions across all oil and gas sector commodities, alongside weaker shipments of iron and steel (HS72) and precious metals and jewelry (HS71). On the other hand, the rebound in imports—supported by rising oil and gas imports and a sharp 431.8% MoM surge in HS71 imports—ended the import downturn of the previous two months. This dynamic has narrowed the trade surplus and is likely to exert short-term pressure on the rupiah, ahead of the anticipated Fed rate cut later this month.**

EXPORT - IMPORT



Sources : BPS, KBVS Research (2025)

INFLATION

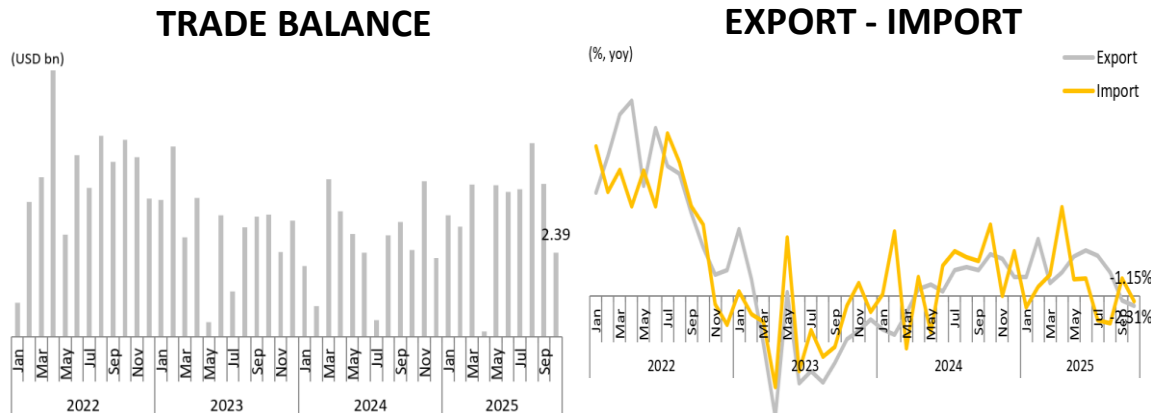


Indicators	Index		Inflation	
	Latest	M-1	MoM	YoY
Consumer Price Index (CPI)	109.04	108.74	0.28%	2.86%
Food, Beverages, and Tobacco	109.22	109.04	0.17%	2.72%
Clothing and Footwear	113.59	113.52	0.06%	4.25%
Housing, Water, Electricity, and Household Fuels	104.06	104.03	0.03%	0.76%
Equipment, Tools, and Routine Household Maintenance	104.20	104.18	0.02%	1.57%
Health	104.08	104.05	0.03%	0.23%
Transport	106.45	106.32	0.12%	2.09%
Info, Comm. and Financial Services	110.22	109.85	0.34%	0.71%
Recreation, Sport and Culture	99.23	99.25	-0.02%	-0.25%
Education Services	105.37	105.35	0.02%	1.15%
Food and Beverages Services/Restaurants	106.19	106.19	0.00%	1.26%
Personal Care and Other Services	108.06	107.99	0.06%	1.50%
Core inflation	107.65	107.47	0.17%	2.36%
Administered Price	110.49	110.22	0.24%	1.58%
Volatile Food	114.11	114.09	0.02%	5.48%
Wholesale Price Index (WPI)	105.40	105.46	-0.06%	2.35%
Agriculture	107.83	107.96	-0.12%	5.76%
Mining and Quarrying	100.83	100.06	0.77%	0.10%
Manufacturing	107.68	107.82	-0.13%	2.16%
Farmer Exchange Rate	124.05	124.33	-0.23%	2.78%
Farmers Price Received Index	154.72	115.13	34.39%	27.56%
Farmers Price Paid Index	124.73	124.77	-0.03%	-15.05%

Source : BPS (2025)

- Indonesia's headline CPI inflation eased to 0.17% MoM and 2.72% YoY in Nov '25. Beyond demand–supply dynamics, the persistence of core inflation in Nov '25 also reflects the impact of Rupiah depreciation, which averaged around 0.6% MoM during the month. Inflationary pressures were also reflected in the latest S&P Global Indonesia Manufacturing PMI.
- Looking ahead, risks stem not only from the potential rise in manufactured goods inflation but also from weather-related disruptions.
- Rupiah depreciation remains another concern, though expectations of a Fed rate cut—likely 25 bps at the 10 Dec '25 meeting—may help stabilize the currency thereafter, reducing imported inflation pass-through to both core and headline measures. In this context, stronger coordination by national (TPIP) and regional inflation control teams (TPID) will be essential to maintain price stability as year-end mobility increases. Government year-end stimulus programs, including toll-road discounts, airfare reductions, lower sea and rail transport fares, and support for the national online shopping festival (Harbolnas), should also help offset inflationary pressures.
- From a monetary-policy perspective, if inflation remains contained, we expect Bank Indonesia to have room for a rate cut this month. Such a coordinated policy shift would likely improve liquidity conditions, drive a further decline in SUN10Y yields, and enhance the relative attractiveness of Indonesian financial assets.

TRADE BALANCE



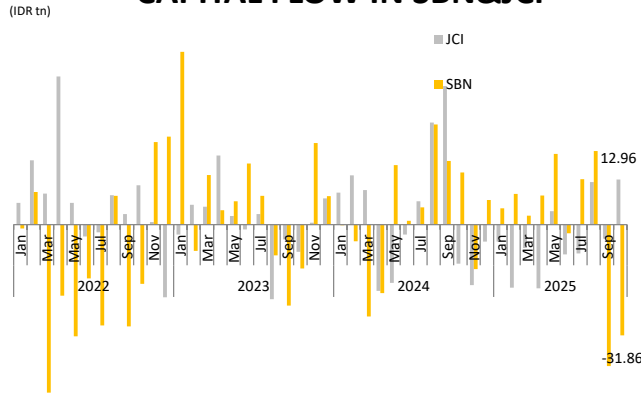
Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
Total Export (FOB)	24.24	24.68	-1.79	-2.31
Oil and Gas	0.89	0.99	-10.14	-33.60
- Crude Oil	0.07	0.15	-54.10	-54.86
- Processed Oil	0.24	0.25	-2.79	-40.11
- Gas	0.58	0.60	-2.13	-26.20
Non-Oil and Gas	23.34	23.68	-1.44	-0.51
- Agriculture, Forestry, and Fisheries	0.63	0.63	0.77	-5.05
- Manufacturing	19.97	19.90	0.33	6.06
- Mining & Others	2.74	3.16	-13.08	-30.92
Total Import (CIF)	21.84	20.34	7.41	-1.15
Oil and Gas	2.81	2.64	6.58	-23.32
- Crude Oil	0.82	0.78	4.16	-32.79
- Processing Oil	2.00	1.85	7.60	-18.63
- Gas	0.00	0.00	0.00	0.00
Non-Oil and Gas	19.03	17.70	7.54	3.26
Import Based on the Goods Usage Classification				
Consumption Goods	2.00	1.93	3.67	-1.93
Raw/Auxiliary Materials	15.20	13.83	9.89	-5.18
Capital Goods	4.65	4.58	1.50	15.24
Trade Balance	2.39	4.34	-44.91%	-3.50%
Oil and Gas Trade Balance	-1.92	-1.64	16.69%	-17.35%
Non-Oil and Gas Trade Balance	4.31	5.99	-28.00%	-10.19%

Source : BPS (2025)

- Indonesia's external trade position weakened in Oct '25 as exports contracted for the first time in 19 months. In contrast, imports rebounded strongly after two consecutive months of contraction. The sharp reversal between exports and imports narrowed Indonesia's Oct '25 trade surplus to USD2.39 bn, the lowest level since Apr '25.
- Looking ahead, **downward risks to export performance remain elevated**. China, as the Indonesia's largest export market, reported a decline in its Nov '25 Manufacturing PMI to 49.9 (Cons: 50.5; Prev: 50.6), the weakest since Jul '25. This indicates stagnant output and new orders amid renewed job cuts and subdued purchasing activity, which could weigh on demand for Indonesian exports. In addition, the December crude palm oil (CPO) reference price set at USD 926.14 per tonne, down from USD 963.75 per tonne previously, by the Indonesia's authorities may further dampen the value of Indonesia's CPO exports, particularly to China and India.
- On the import side**, rising gold prices, which climbed through November and opened early December at around USD4,240 per ounce—the highest level in six weeks—pose upside risks to jewelry imports. At the same time, renewed geopolitical risks, following the escalation of U.S. rhetoric toward Venezuela and OPEC+'s decision to maintain its production freeze in 1Q26, may continue to fuel import cost pressures in the coming months. Although, crude oil prices remain capped by expectations of a potential Russia-Ukraine peace agreement, which could ease sanctions and increase global supply. These pressures are further amplified by seasonally stronger demand for imported consumer goods ahead of Christmas and year-end festivities in Indonesia.
- Given these dynamics, we expect the Rupiah to remain under considerable pressure in the near term.**

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2025)

SUN LATEST AUCTION

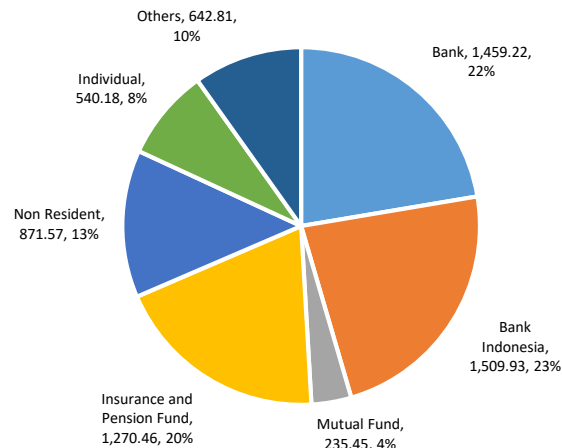
2 Dec '25										
Instruments	SPN01260103	SPN12260305	SPN12261203	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.85	1.35	4.85	17.41	16.14	7.19	7.71	6.73	5.41	69.64
Bid to Cover Ratio	1.43	1.35	2.43	13.93	8.07	1.31	2.00	1.62	1.66	2.79
Weighted Average Yields Awarded	4.550%	4.700%	5.000%	5.710%	6.239%	6.460%	6.550%	6.750%	6.780%	

18 Nov '25										
Instruments	SPN01251206	SPN03260218	SPN12261105	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.05	3.25	7.12	25.81	8.64	11.05	8.27	5.87	6.85	78.90
Bid to Cover Ratio	2.05	1.86	2.19	4.82	4.12	2.76	2.23	2.40	1.56	2.82
Weighted Average Yields Awarded	4.505%	4.534%	4.600%	5.407%	6.060%	6.370%	6.514%	6.730%	6.760%	

Sources : DJPPR, KBVS Research (2025)

OWNERSHIP of IDR TRADABLE SBN

(IDR tn,
% of total tradable SBN)



Sources : DJPPR, and KBVS Research (2025)

As of 1 December '25, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,509.93 tn (-IDR26.20 tn, WoW),
- Banks : IDR1,459.22 tn (+IDR32.71 tn, WoW), and
- Insurance & Pension Funds: IDR1,270.46 tn (+IDR13.43 tn, WoW)

SBSN LATEST AUCTION

25 Nov '25									
Instruments	SPNS12012026	SPNS01062026	SPNS10082026	PBS030	PBS040	PBSG002	PBS034	PBS038	Total
Incoming Bids (IDR tn)	3.10	0.70	7.53	5.59	4.98	5.22	3.87	3.49	34.46
Bid to Cover Ratio	3.10	-	3.76	13.97	2.43	14.90	2.42	1.34	3.45
Weighted Average Yields Awarded	4.480%	-	4.662%	5.100%	5.549%	5.967%	6.353%	6.700%	

11 Nov '25									
Instruments	SPNS08122025	SPNS04052026	SPNS10082026	PBS030	PBS040	PBS034	PBS039	PBS038	Total
Incoming Bids (IDR tn)	6.05	1.41	7.51	5.16	5.87	8.52	4.11	4.82	43.44
Bid to Cover Ratio	6.05	1.41	7.51	8.59	2.86	3.79	2.83	7.42	4.34
Weighted Average Yields Awarded	4.539%	4.590%	4.601%	5.059%	5.420%	6.337%	6.451%	6.670%	

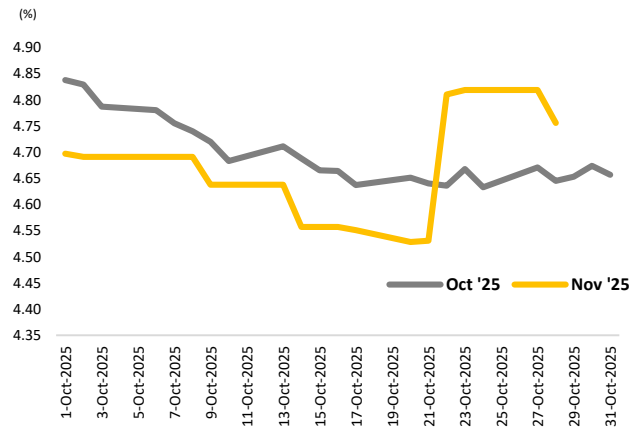
Sources : DJPPR, KBVS Research (2025)

THE MOVEMENT OF SUN YIELDS

Over the past week, SUN yields moved tends to decrease:

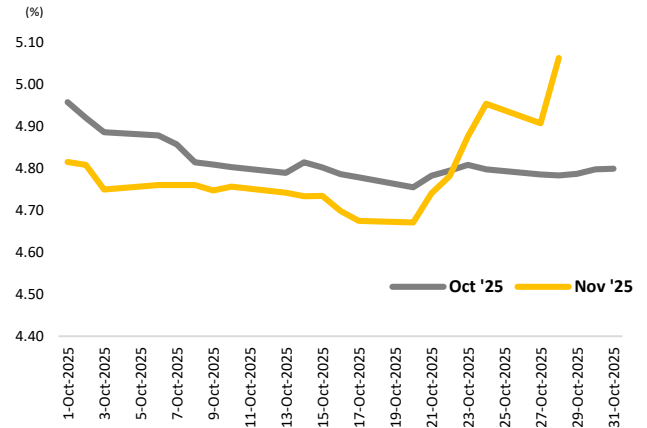
- Yield SUN1Y
 - -4.50 bps (WoW)
 - -191.40 bps (YtD, as of Dec 3, '25)
- Yield SUN2Y
 - -0.10 bps (WoW)
 - -195.20 bps (YtD, as of Dec 3, '25)
- Yield SUN5Y
 - -4.20 bps (WoW)
 - -135.60 bps (YtD, as of Dec 3, '25)
- Yield SUN10Y
 - +0.80 bps (WoW)
 - -72.90 bps (YtD, as of Dec 3, '25)
- Yield SUN30Y
 - +0.40 bps (WoW)
 - -32.50 bps (YtD, as of Dec 3, '25)

YIELD SUN1Y



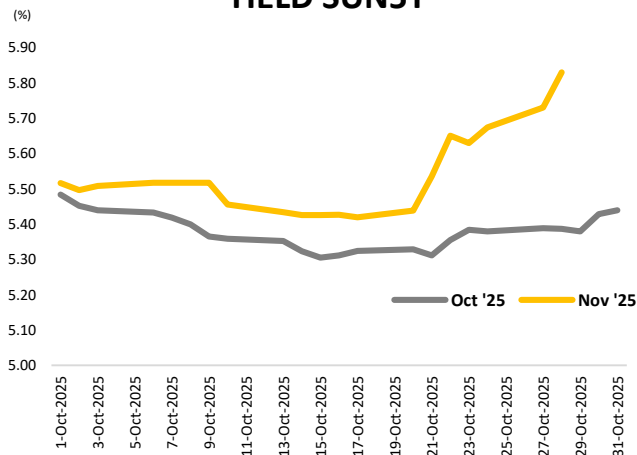
Sources : Bloomberg, KBVS Research (2025)

YIELD SUN2Y



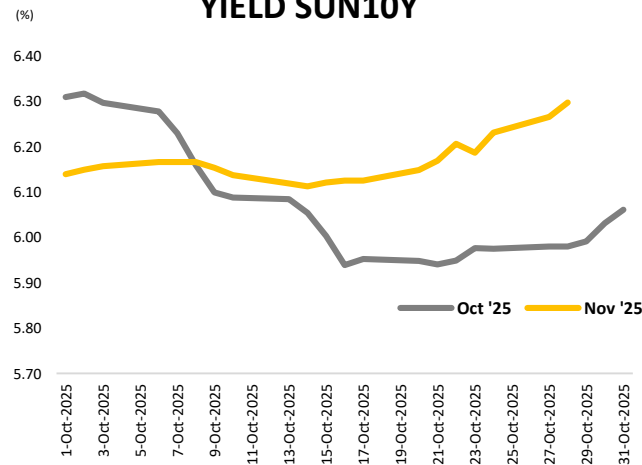
Sources : Bloomberg, KBVS Research (2025)

YIELD SUN5Y



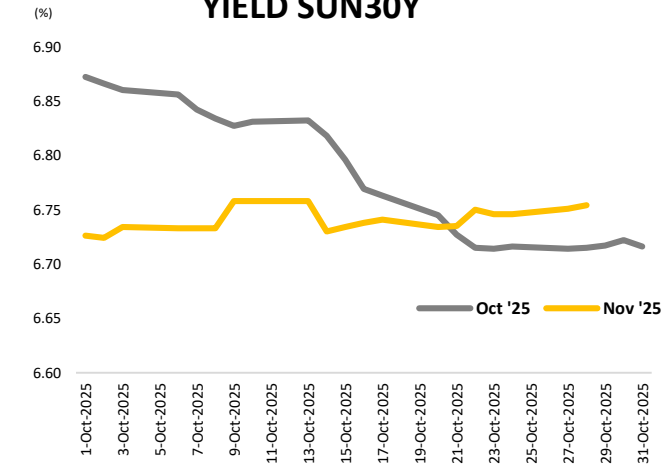
Sources : Bloomberg, KBVS Research (2025)

YIELD SUN10Y



Sources : Bloomberg, KBVS Research (2025)

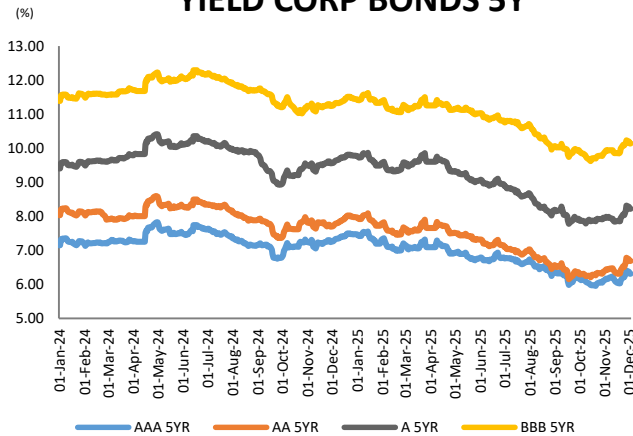
YIELD SUN30Y



Sources : Bloomberg, KBVS Research (2025)

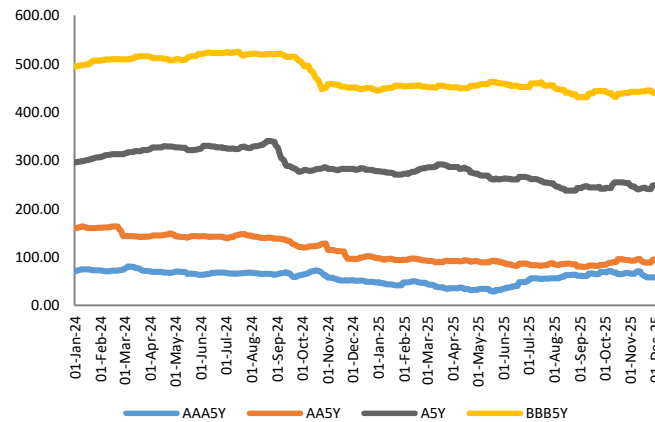
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2025)

YIELD SPREAD 5Y TENOR

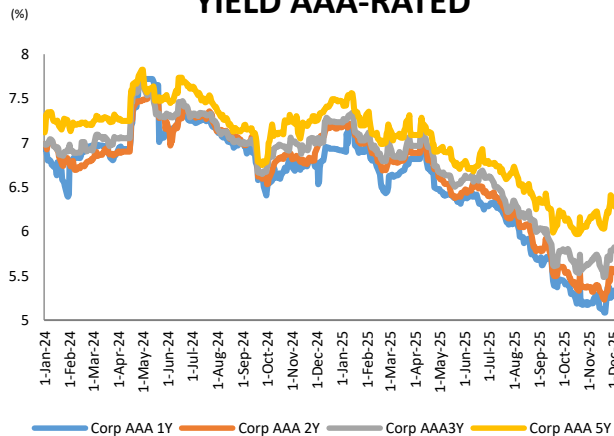


Sources : Bloomberg, KBVS Research (2025)

Corporate bond yields showed an incline movement on most of the tenors last week, as follows:

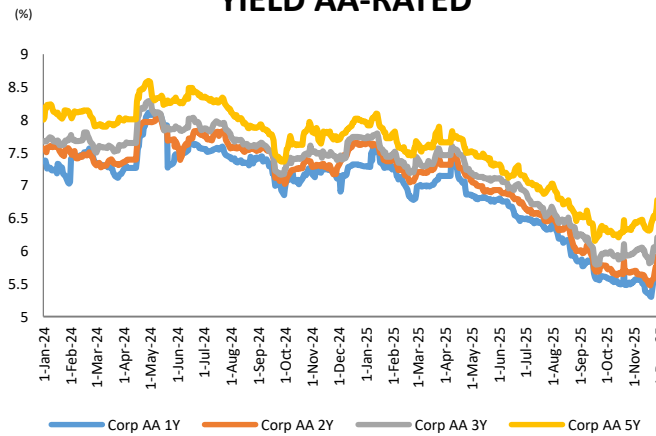
- AAA-rated
 - Tenor 1Y : -10.27 bps (WoW)
 - Tenor 2Y : -3.43 bps (WoW)
 - Tenor 5Y : -4.21 bps (WoW)
- AA-rated
 - Tenor 1Y : +1.64 bps (WoW)
 - Tenor 2Y : +5.98 bps (WoW)
 - Tenor 5Y : +2.38 bps (WoW)
- A-rated
 - Tenor 1Y : +2.62 bps (WoW)
 - Tenor 2Y : +7.75 bps (WoW), and
 - Tenor 5Y : +3.65 bps (WoW)

YIELD AAA-RATED



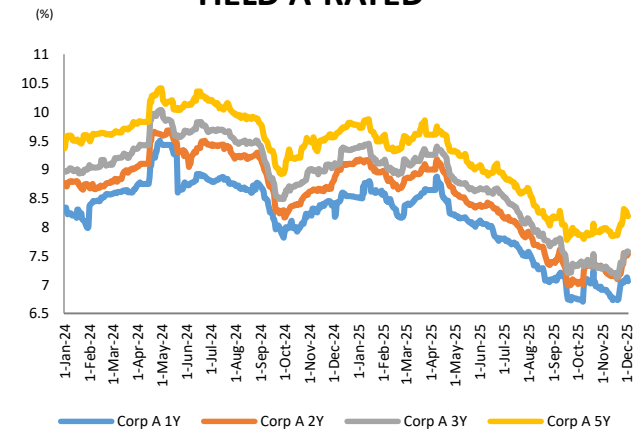
Sources : Bloomberg, KBVS Research (2025)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2025)

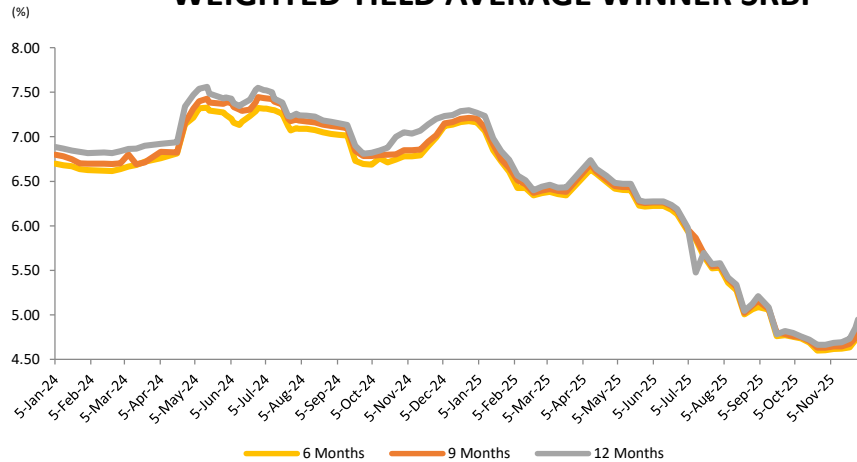
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2025)

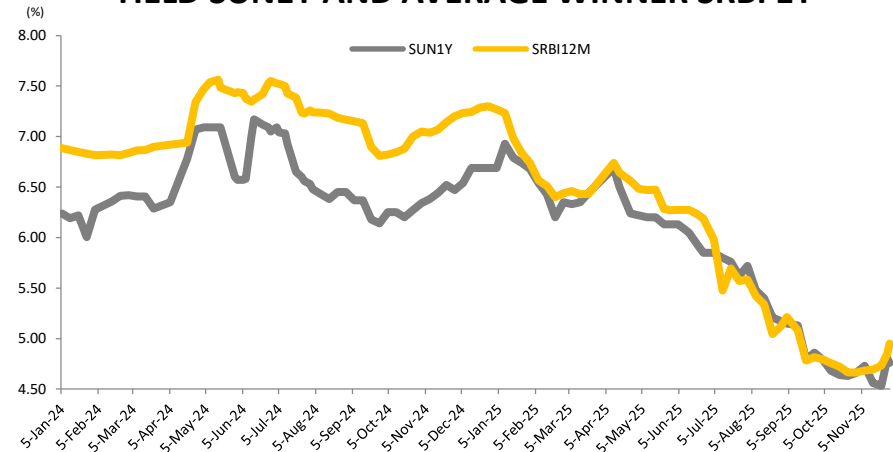
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



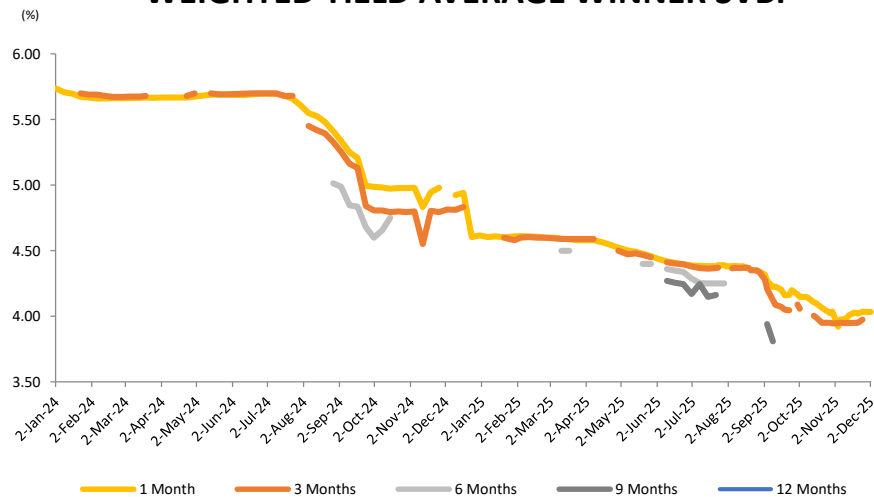
Sources : BI, KBVS Research (2025)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2025)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2025)

- Since last week, BI introduces 2 SRBI auctions every week.
- Yields from the latest SRBI auction increased noticeably across all tenors. The Weighted Average Yield of Winning Bids can be seen in the table below.

Yield (%)	21 Nov	26 Nov	28 Nov
6 Month	4.63630%	4.71706%	4.82958%
9 Month	4.67267%	4.73769%	4.90333%
12 Month	4.73093%	4.88765%	4.94914%

- Meanwhile, the latest SVBI auction maintains last week's trend with the 1-month period yield higher than the 3-month period yield. The 1-month yield and 3-month yield was recorded at 4.03273% and 3.97000% respectively, a slight decrease from last week. The remaining 6, 9, and 12-month tenors were not offered.
 - 1 month: 4.03273% (Prev: 4.03643 %)
 - 3 month: 3.97000% (Prev: 3.97500 %)



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NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(4-10 DEC 2025)

Country	Event	Forecast	Previous
Thursday, Dec 4, 2025			
GB	BoE MPC Member Mann Speaks		
GB	S&P Global Construction PMI (Nov)	44.30	44.10
US	Continuing Jobless Claims		1,960K
US	Initial Jobless Claims	220K	216K
EU	ECB's Lane Speaks		
Friday, Dec 5, 2025			
US	FOMC Member Bowman Speaks		
EU	ECB's De Guindos Speaks		
JP	Household Spending (MoM) (Oct)	0.70%	-0.70%
JP	Household Spending (YoY) (Oct)	1.10%	1.80%
ID	Fx Reserves (USD) (Nov)		149.90B
GB	Halifax House Price Index (MoM) (Nov)	0.40%	0.60%
GB	Halifax House Price Index (YoY) (Nov)		1.90%
GE	Factory Orders (MoM) (Oct)	0.40%	1.10%
GB	Mortgage Rate (GBP) (Nov)		6.78%
EU	GDP (QoQ) (Q3)	0.20%	0.20%
EU	GDP (YoY) (Q3)	1.40%	1.50%
US	Core PCE Price Index (MoM) (Sep)	0.20%	0.20%
US	Core PCE Price Index (YoY) (Sep)	2.90%	2.90%
US	Factory Orders (MoM) (Sep)		1.40%
US	Michigan 1-Year Inflation Expectations (Dec)		4.50%
US	Michigan 5-Year Inflation Expectations (Dec)		3.40%
US	Michigan Consumer Expectations (Dec)	52.00	51.00
US	Michigan Consumer Sentiment (Dec)		51.00
US	PCE Price Index (MoM) (Sep)	0.30%	0.30%
US	PCE Price Index (YoY) (Sep)	2.80%	2.70%
US	Personal Spending (MoM) (Sep)	0.30%	0.60%
EU	ECB's Lane Speaks		
GE	Buba Mauderer Speaks		

Country	Event	Forecast	Previous
Monday, Dec 8, 2025			
JP	Adjusted Current Account (Oct)		434.76T
JP	Current Account n.s.a. (Oct)		4.438T
JP	GDP (QoQ) (Q3)	-0.40%	-0.40%
JP	GDP Annualized (QoQ) (Q3)		-1.80%
JP	GDP Price Index (YoY) (Q3)	2.80%	2.80%
CN	Imports (YoY) (Nov)		1.00%
CN	Exports (YoY) (Nov)		-1.10%
CN	Trade Balance (USD) (Nov)		90.07B
GE	Industrial Production (MoM) (Oct)		1.30%
Tuesday, Dec 9, 2025			
GB	BRC Retail Sales Monitor (YoY) (Nov)		1.50%
ID	Consumer Confidence (Nov)		121.20
GE	Trade Balance (Oct)		15.30B
US	Nonfarm Productivity (QoQ) (Q3)		2.40%
US	Unit Labor Costs (QoQ) (Q3)		1.60%
US	JOLTS Job Openings (Sep)		7.227M
Wednesday, Dec 10, 2025			
CN	CPI (YoY) (Nov)		0.20%
CN	CPI (MoM) (Nov)		0.20%
CN	PPI (YoY) (Nov)		-2.10%
ID	Retail Sales (YoY) (Oct)		3.70%
US	Core CPI (MoM) (Oct)		0.20%
US	Core CPI (YoY) (Oct)		3.00%
US	CPI (MoM) (Oct)		0.30%
US	CPI (YoY) (Oct)		3.00%
US	Employment Cost Index (QoQ) (Q3)		0.90%

