Balancing Global Risks and Domestic Liquidity Concerns

23 July 2026

KBVS Economist Team

EXECUTIVE SUMMARY

- **Middle East escalation has materially broadened global energy and shipping risks.** The renewed U.S.–Iran conflict has expanded geopolitical risks beyond the Strait of Hormuz, increasing concerns over broader maritime supply disruptions. Brent and WTI rose to around USD89.8/bbl and USD84.8/bbl, respectively, while higher gasoline prices and rising U.S. Treasury yields reflected renewed inflation concerns.

- **Meanwhile, US has revived its tariff agenda by imposing new tariffs on selected Canadian and Brazilian imports, marking a renewed escalation in global trade tensions.** The measures could increase production costs, slow global disinflation, reinforce a cautious Federal Reserve stance, and weigh on global trade and risk sentiment if tariffs broaden further.

- **Domestically, Indonesia strengthened its tax compliance framework** via SE-8/PJ/2026 by establishing a 3-pillar supervision model across registered and unregistered taxpayers, alongside regional oversight through local law enforcement (Babinsa and Bhabinkamtibmas). While designed to expand the tax base and support medium-term fiscal capacity, these enforcement measures—**coupled with an AAA sovereign rating from Lianhe Credit Rating—provide a positive backdrop for upcoming sovereign financing, such as the scheduled Panda Bond issuance.**

- **Bank Indonesia unexpectedly kept the BI Rate unchanged at 5.75%** (against consensus expectations of a 25bps hike to 6.00%) to safeguard domestic credit transmission and liquidity stability. Rather than relying purely on rate hikes amid global geopolitical risks and Rupiah depreciation pressures, BI is prioritizing market interventions and its broader policy mix (including higher SRBI yields and KLM incentives) while watching the Fed's stance ahead of the September 2026 FOMC meeting.

- On the other side, **the approval of the Indonesia International Financial Center (PFII) Bill into law on July 21, 2026, marks a pivotal structural reform aimed at building an internationally competitive,** integrated financial hub. Covering diverse business activities—from banking and wealth management to carbon exchanges and family offices—the PFII framework is designed to expand capital access and foster innovation to complement the existing domestic financial ecosystem.

Source: idxchannel.com (2025)

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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Jun '26	3,75	3,75
Economic Growth	%, yoy	1Q26	2,7	2
Inflation Rate	%, yoy	Jun '26	3,5	4,2
Unemployment Rate	%	Jun '26	4,2	4,3

Sources : various sources, KBVS Research (2026)

The data releases that influenced yield movements in the week of 16-22 Jul '26 are as follows:

- US Initial Jobless Claims decreased to 208K (Cons: 216K, Prev: 216K).
- US Retail Sales in Jun '26 decreased to 0.20% MoM (Cons: 0.20% MoM, Prev: 1.00% MoM).
- US Core Retail Sales in Jun '26 decreased to -0.20% MoM (Cons: 0.00% MoM, Prev: 1.00% MoM).
- US Philly Fed Manufacturing Index in Jun '26 increased to 41.40 (Cons: 12.70, Prev: 10.30).

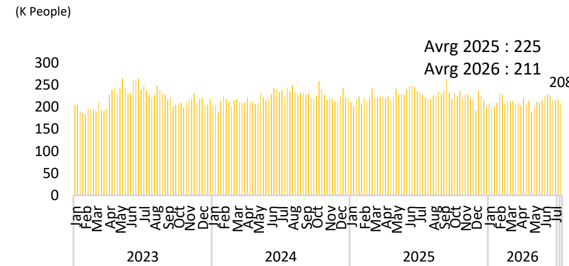
ECONOMIC CALENDAR

(16-22 JUL '26)

Event	Actual	Forecast	Previous
Thursday, 16 Jul '26			
US Beige Book			
US Retail Sales (MoM) (Jun)	0,20%	0,20%	1,00%
US Core Retail Sales (MoM) (Jun)	-0,20%	0,00%	1,00%
US Philly Fed Manufacturing Index (Jul)	41,40	12,70	10,30
US Initial Jobless Claims	208K	216K	216K
US Continuing Jobless Claims	1,805K	1,820K	1,821K
US Philly Fed Employment (Jul)	10,00		7,90
US Retail Control (MoM) (Jun)	0,50%	0,50%	0,80%
US Pending Home Sales (MoM) (Jun)	-5,40%	-0,50%	3,50%
US Retail Inventories Ex Auto (May)	0,30%	0,40%	0,60%
US Business Inventories (MoM) (May)	0,30%	0,30%	0,60%
Friday, 17 Jul '26			
US Fed's Balance Sheet	6,743B		6,736B
US President Trump Speaks			
US Export Price Index (MoM) (Jun)	-0,60%	-0,40%	1,20%
US Import Price Index (MoM) (Jun)	0,30%	-0,70%	1,70%
US Housing Starts (Jun)	1.427M	1.310M	1.199M
US Building Permits (Jun)	1.367M	1.400M	1.410M
US Housing Starts (MoM) (Jun)	19,00%		-15,20%
US Industrial Production (YoY) (Jun)	1,14%		1,58%
US Industrial Production (MoM) (Jun)	0,10%	0,20%	0,10%
US Michigan Consumer Sentiment (Jul)	54,40	51,00	49,50
US Michigan Consumer Expectations (Jul)	54,00	51,70	50,70
US Michigan 1-Year Inflation Expectations (Jul)	4,20%		4,60%
US Michigan 5-Year Inflation Expectations (Jul)	3,30%		3,30%
Monday, 20 Jul '26			
US Leading Index (MoM) (Jun)	-0,20%	-0,10%	0,10%
Tuesday, 21 Jul '26			
US ADP Employment Change Weekly	16.50K		19.25K
Wednesday, 21 Jul '26			
US API Weekly Crude Oil Stock	2.603M	-1.500M	-0.056M
US Crude Oil Inventories		-1.500M	-1.692M
US Cushing Crude Oil Inventories			0.430M

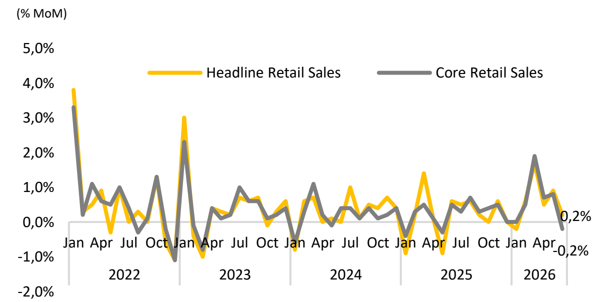
Sources : investing, KBVS Research (2026)

WEEKLY INITIAL JOBLESS CLAIMS



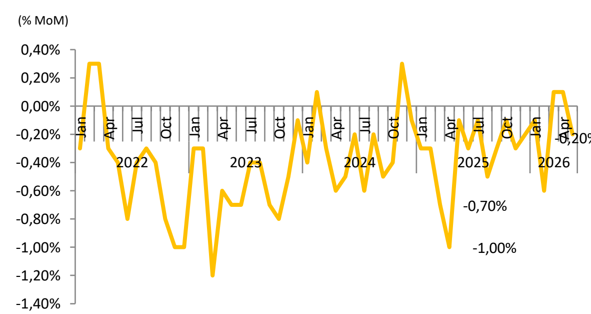
Sources : US DoL, KBVS Research (2026)

US RETAIL SALES



Sources : US CB, KBVS Research (2026)

US LEADING INDEX



Sources : US Conference Board, KBVS Research (2026)

MIDDLE EAST ESCALATION BROADENS ENERGY RISKS

Key Escalation (15-22 Jul)

15 Jul '26
- **U.S strikes Iranian military** and missile facilities for a sixth consecutive day
- Iran responds by **blocking the Strait of Hormuz** for vessels linked to Israel

17 Jul '26
- **General License X1 expires,** ending temporary authorization for Iran-related oil transactions and tightening U.S. sanctions.

20 Jul '26
- U.S. airstrikes kill senior Iranian officials
- Iran retaliates with missile and drone attacks on U.S. military bases

21 Jul '26
- Iran expands maritime pressure by **threatening/blockading Saudi-bound shipping routes**, while Houthi attacks intensify disruptions in **the Red Sea**

21 Jul '26
- Shipping risks spread beyond Hormuz to the **Red Sea and Black Sea** as ceasefire negotiations failed

Market Reaction

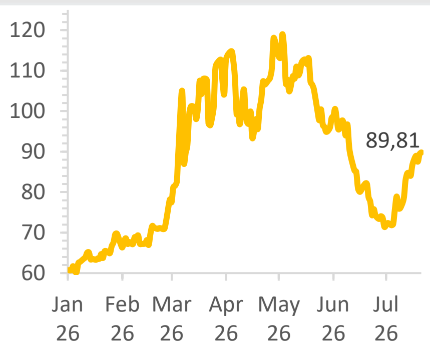
Commodities
- **Brent** climbed **above USD92/bbl** (highest since mid-Jun '26)
- **WTI** rose **above USD84/bbl** as geopolitical risk premium widened.
- **U.S. national average gasoline prices** climbed back **above USD4.00/gallon**, reinforcing concerns over renewed consumer inflation pressures.

Rates & Equities
- **Equities** remained **highly volatile** as ceasefire expectations faded
- **U.S. Treasury yields** edged **higher** (2Y: 4.26%; 10Y: 4.63%) as higher energy prices offset safe-haven demand for government bonds.

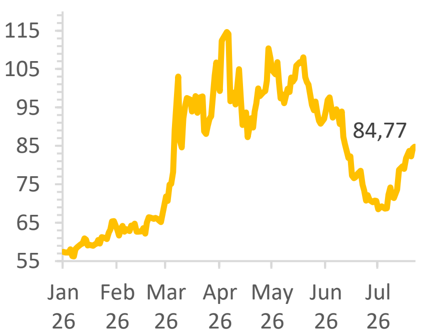
Implications

- Oil supply risk has shifted from a single chokepoint (Hormuz) to multiple maritime routes. Therefore, making disruptions more persistent.
- Higher freight insurance and shipping costs could keep energy prices elevated even without a complete Hormuz closure.
- The probability of a near-term disinflation trend has weakened as oil related inflation risks re-emerge.
- Financial markets are likely to remain headline-driven until diplomatic negotiations resume.

BRENT (USD/bbl)



WTI (USD/bbl)



Outlook

- **Base Case:** Conflict remains prolonged but contained, with Hormuz remaining partially operational
- **Brent is expected to trade within USD85-95/bbl**, supported by persistent geopolitical risk premiums
- **Global disinflation is likely to slow**, keeping the Fed and other major central banks cautious on policy easing
- **Financial markets will remain headline-driven**, with elevated volatility across equities, bonds, and FX
- **Key upside risk**: Further disruption to Saudi export routes or a full Hormuz closure could push Brent above USD100/bbl

TRADE WAR 2.0: TRUMP REVIVES TARIFF STRATEGY AFTER LEGAL SETBACK

The U.S. imposed a 50% tariff on selected Canadian goods and a 25% tariff on selected Brazilian imports within a week, marking the first major expansion of Trump's trade agenda since the Supreme Court limited the use of IEEPA.

50%

Tariff on Selected Canadian Imports in response to Canada's discriminatory treatment of US products.

- Legal Basis: Section 338, Tariff Act of 1930
- Effective: 20 Jul – 19 Aug '26 (30-day implementation period)
- Affected Products: Alcohol beverages, Dairy products, Cement & construction materials, Furniture, Sporting goods (including hockey equipment), Honey and selected consumer goods

25%

Tariff on Selected Brazilian Imports in response to Brazil's unfair trade practices that restrict U.S. market access.

- Legal Basis: Section 301, Trade Act of 1974
- Effective: 22 Jul '26
- Affected Products: Ethanol, Machinery, Footwear, Sugar, Furniture, Coffee & selected agricultural products

5+

Potential Next Targets: India, China, Japan, South Korea, European Union

Key Developments

- Canada continues negotiations with Washington, while Brazil has signaled a WTO challenge and potential retaliatory measures under its Trade Reciprocity Law.
- USTR has also indicated that additional Section 301 investigations could be extended to other major trading partners if negotiations fail.

Economic and Market Transmission

- U.S. importers may either absorb **higher costs** through lower margins or pass them on to consumers.
- Consumer-facing sectors, manufacturers, and companies with integrated North American supply chains face the largest near-term exposure.
- Retaliatory measures could **weaken trade volumes, business confidence, and capital expenditure.**
- A broader tariff cycle would complicate the **global disinflation outlook and potentially delay monetary easing.**

Market Implications

- Higher import tariffs could **increase U.S. production costs and consumer prices**, **slowing the global disinflation process** and reinforcing **a cautious Federal Reserve policy stance**.
- Renewed trade uncertainty may **weaken global trade volumes**, business investment, and manufacturing activity, particularly across export-oriented economies.
- For Indonesia, the direct trade impact remains limited, but weaker external demand and heightened risk aversion could **pressure exports, emerging market currencies, and capital flows** if tariff measures broaden further.

FED PROBABILITIES

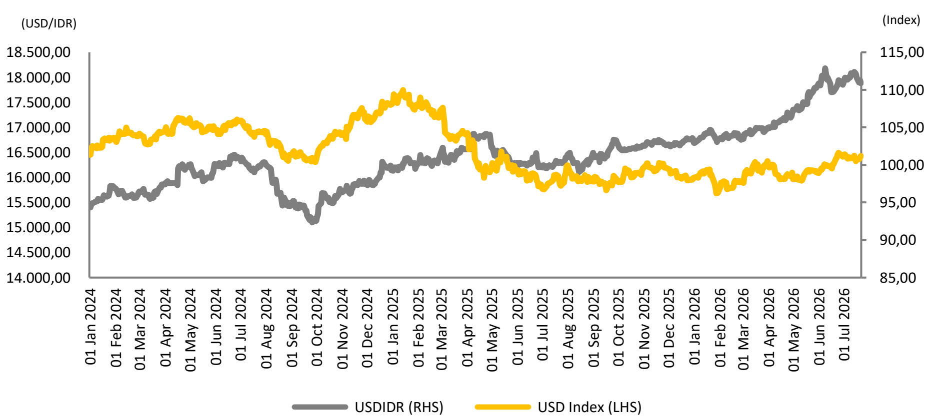
FED PROBABILITIES, as of 22 Jul '26

MEETING DATE	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525
29-Jul-26	0,0%	74,9%	25,1%	0,0%	0,0%	0,0%	0,0%	0,0%
16-Sep-26	0,0%	28,9%	55,7%	15,4%	0,0%	0,0%	0,0%	0,0%
28-Oct-26	0,0%	21,2%	48,6%	26,1%	4,1%	0,0%	0,0%	0,0%
09-Dec-26	0,0%	12,6%	37,4%	35,3%	13,1%	1,7%	0,0%	0,0%
27-Jan-27	0,0%	10,4%	33,1%	35,6%	16,9%	3,6%	0,3%	0,0%
17-Mar-27	0,0%	7,7%	27,2%	35,0%	21,8%	7,1%	1,2%	0,1%
28-Apr-27	0,3%	8,5%	27,5%	34,4%	21,2%	6,9%	1,1%	0,1%
09-Jun-27	0,3%	7,8%	25,8%	33,8%	22,4%	8,1%	1,6%	0,2%

Sources : CME Group, and KBVS Research (2026)

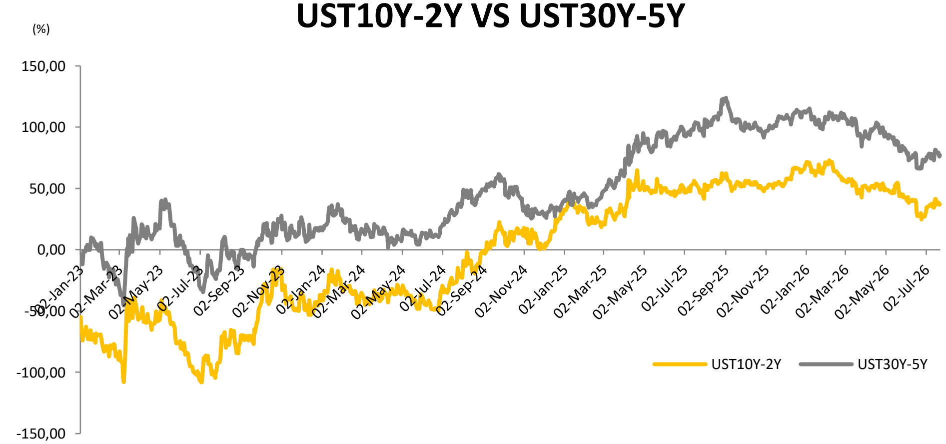
- As of 22 Jul '26, market expectations remain centered on the Fed keeping its policy rate unchanged at 350–375bps in the Jul '26 meeting, although the probability declined to 74.9%. At the same time, expectations for a 25bps rate hike in Sep '26 strengthened, reinforcing the view that the Fed is likely to maintain a cautious, data-driven policy approach.
- The firmer policy outlook supported the U.S. dollar, with the DXY Index rising to 101.17. Despite the stronger greenback, the Rupiah appreciated to IDR17,942/USD, reflecting improved domestic sentiment and easing pressure on the local currency.
- Meanwhile, the U.S. Treasury yield curve flattened slightly, as the 10Y–2Y spread narrowed to 37.32bps and the 30Y–5Y spread eased to 77.14bps. The modest compression in yield spreads suggests investors have become somewhat less aggressive in pricing additional policy tightening while still expecting interest rates to remain elevated for an extended period.

DXY INDEX - USDIDR



Sources : Bloomberg, and KBVS Research (2026)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2026)

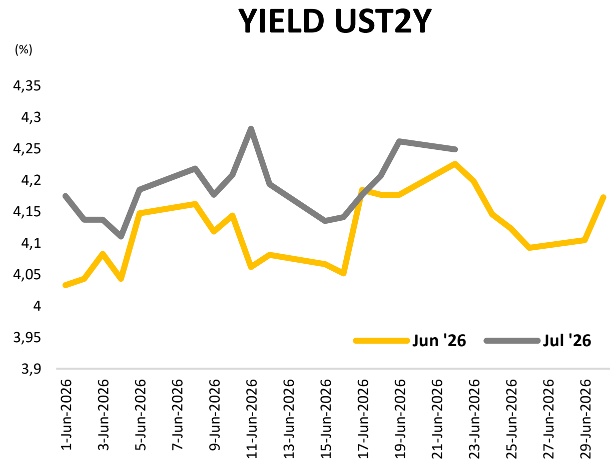
THE MOVEMENT OF UST YIELDS

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+

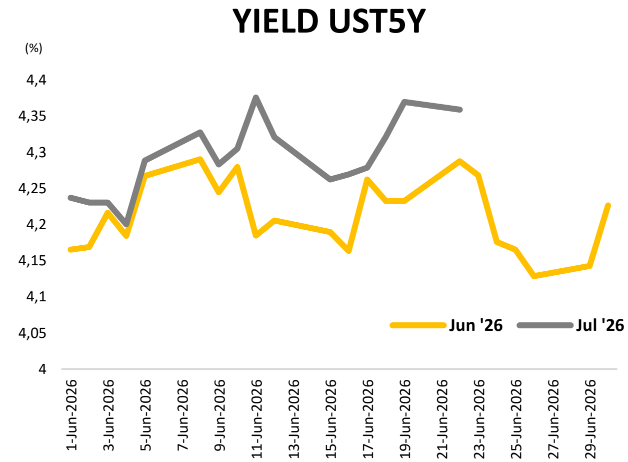
Sources : US Treasury, KBVS Research (2026)

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

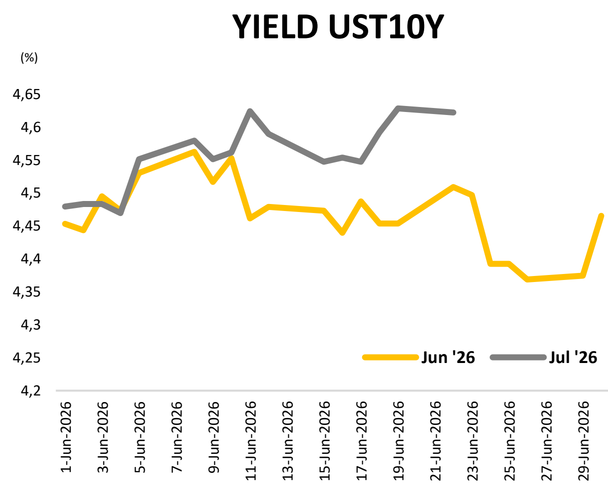
- Yield UST6M
  - +8.53 bps (WoW)
  - +36.58 bps (YtD, as of Jul 22,'26)
- Yield UST1Y
  - +8.29 bps (WoW)
  - +57.31 bps (YtD, as of Jul 22,'26)
- Yield UST2Y
  - +12.07 bps (WoW)
  - +78.23 bps (YtD, as of Jul 22,'26)
- Yield UST5Y
  - +10.55 bps (WoW)
  - +64.26 bps (YtD, as of Jul 22,'26)
- Yield UST10Y
  - +8.09 bps (WoW)
  - +46.12 bps (YtD, as of Jul 22,'26)
- Yield UST30Y
  - +5.40 bps (WoW)
  - +28.97 bps (YtD, as of Jul 22,'26)



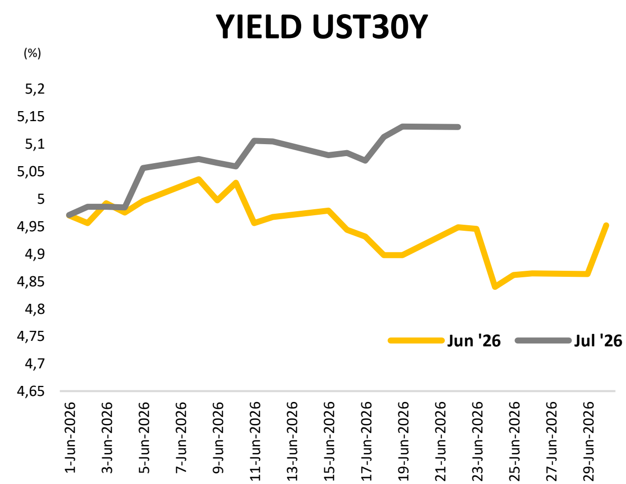
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)

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INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	22 Jul '26	5,75	5,75
Economic Growth	%, yoy	1Q26	5,61	5,39
Inflation Rate	%, yoy	Jun '26	3,34	3,08
Unemployment Rate	%	Mar '26	4,68	4,85
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2026)

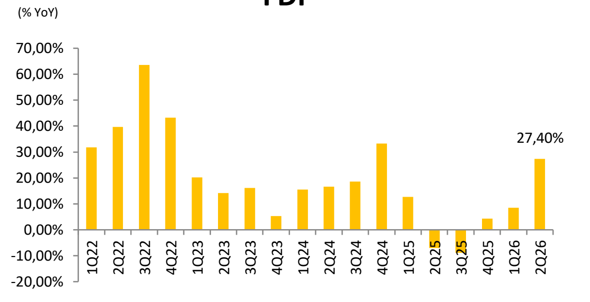
ECONOMIC CALENDAR

(16-22 JUL '26)

Event	Actual	Forecast	Previous
Thursday, 16 Jul '26			
ID Foreign Direct Investment (YoY) (Q2)	27,40%		8,50%
Friday, 17 Jul '26			
Monday, 20 Jul '26			
Tuesday, 21 Jul '26			
Wednesday, 22 Jul '26			
ID Loans (YoY) (Jun)			11,51%
ID Lending Facility Rate (Jul)		6,75%	6,50%
ID Deposit Facility Rate (Jul)		5,00%	4,75%
ID Interest Rate Decision		6,00%	5,75%

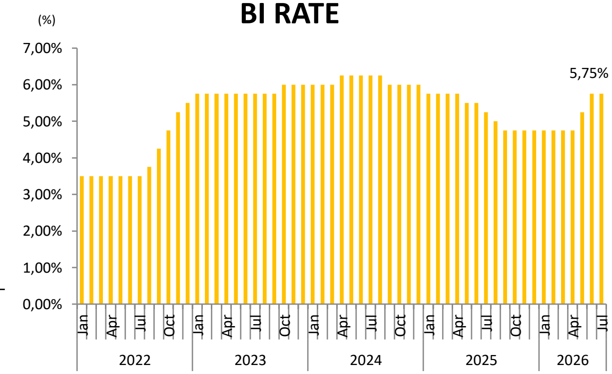
Sources : Investing, KBVS Research (2026)

FDI



Sources : BKPM, KBVS Research (2026)

BI RATE



Sources : BI, KBVS Research (2026)

The data releases that influenced yield movements in the week of 16-22 Jul '26 are as follows:

- ID Foreign Direct Investment in 2Q26 increased to 27.40% YoY (Prev: 8.50% YoY)
- **Bank Indonesia kept the BI Rate unchanged at 5.75%**, below market expectations of a 25 bps hike to 6.00%, signaling a more measured approach despite ongoing Rupiah pressures and elevated global uncertainty. The decision may limit near-term support for the interest rate differential with the US, although BI emphasized its commitment to maintaining Rupiah stability and anchoring inflation within the 2.5±1% target range for 2026–2027. **Going forward, BI will rely more heavily on FX stabilization measures through NDF, spot, and DNDF interventions, alongside enhanced incentives to attract foreign portfolio inflows.** BI will also continue deepening money and FX markets, expanding LCT instruments, and maintaining liquidity support to preserve financial stability amid ongoing market pressures.

TAX ENFORCEMENT VS GOVT (THROUGH GLOBAL BOND) FINANCING

Direktorat Jenderal Pajak (DJP) issued SE-8/PJ/2026 concerning about Guidelines for Taxpayer Compliance Supervision on 15 Jul ‘26.

- Under the new guideline, officially involving **Babinsa (TNI) and Bhabinkamtibmas (Polri)** in self-assessment-based tax compliance monitoring.

3 Pillars of Taxpayer Compliance Monitoring (SE-8/PJ/2026)

Registered Taxpayers

- Instruments: Periodic Payment Supervision (PPM/Pengawasan Pembayaran Masa) & Material Compliance Supervision (PKM/Pengawasan Kepatuhan Material)
- Request for clarification of data/information if there are indications of reporting discrepancies.

Unregistered Taxpayers

- Extension outreach program to identify new tax subjects and objects.
- Follow-up based on potential mapping results in the Pratama Tax Office (KPP Pratama) work area.

Regional Supervision

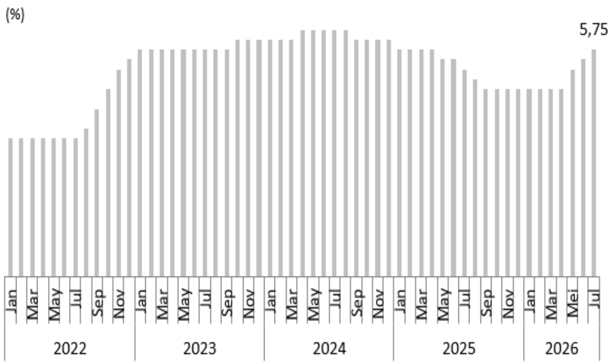
- Development of information networks through Babinsa & Bhabinkamtibmas
- Visitation, canvassing, direct observation, remote sensing, and web scrapping
- Pratama tax office (KPP Pratama(prepares a Supervision Zone Map & Officer Zone Map per Account Representative (AR)

AAA sovereign credit rating with a stable outlook from China's Lianhe Credit Rating

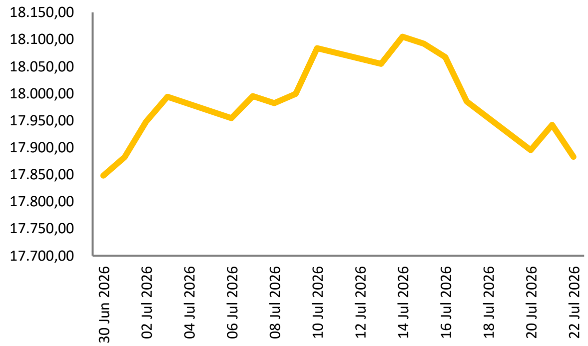
Indonesia received an AAA sovereign credit rating with a stable outlook from China's Lianhe Credit Rating, providing a positive backdrop ahead of its planned Panda Bond issuance.
The government is scheduled to issue a USD1.0 bn (around CNY7.0 bn) Panda Bond on 23 Jul '26, subject to market conditions.

BI RATE

BI RATE



USD/IDR



Indicators	22-Jul-26		Monthly Changes (in bps)	Ytd Changes (in bps)
	Latest	M-1		
Policy Rate (in %)				
United States	3,75	3,75	0,0	(175,0)
European Union	2,40	2,40	0,0	(210,0)
United Kingdom	3,75	3,75	0,0	(150,0)
Japan	1,00	1,00	0,0	110,0
China	3,00	3,00	0,0	(45,0)
India	5,25	5,25	0,0	(125,0)
Thailand	1,00	1,00	0,0	(150,0)
Philippines	4,75	4,75	0,0	(175,0)
Indonesia	5,75	5,75	0,0	(25,0)
Global Monetary Policy Change (in number of countries)				
Easing	6	3		
Unchanged	17	15		
Tightening	3	5		

Indicator	Latest Data	Implication
PUAB ON / INDONIA	~4.60% (+201 bps ytd)	Money market rates remain manageable, suggesting liquidity conditions are still adequate
SRBI Non-Resident Holdings	IDR288.65 tn (27.11% of total SRBI) as of 20 Jul '26	Higher SRBI attractiveness supports foreign portfolio inflows
Undisbursed Loans	IDR2,576 tn (22.41% of total credit ceiling)	Credit transmission remains weak despite available lending capacity
KLM Incentive	Increased to max. 6.0% of DPK (from 5.5%)	BI prioritizes liquidity support and credit growth rather than further rate hikes

- Bank Indonesia (BI) unexpectedly left the BI Rate unchanged at 5.75%
- External conditions have become materially more challenging since the June policy meeting, strengthening the case for vigilance.
- Domestic considerations, particularly liquidity management and credit transmission, played a central role in BI's policy calculus.
- Going forward, BI is expected to place greater emphasis on its broader policy mix rather than relying solely on additional policy rate adjustments to preserve macroeconomic stability.

UU PFII

- **The DPR approved the Indonesia International Financial Center (PFII) Bill into law on 21 Jul '26**, establishing the legal foundation for the development of a globally integrated financial hub.

- **PFII aims to create a modern and internationally competitive financial ecosystem**, covering financial and supporting sectors, institutional frameworks, arbitration bodies, and government support mechanisms.

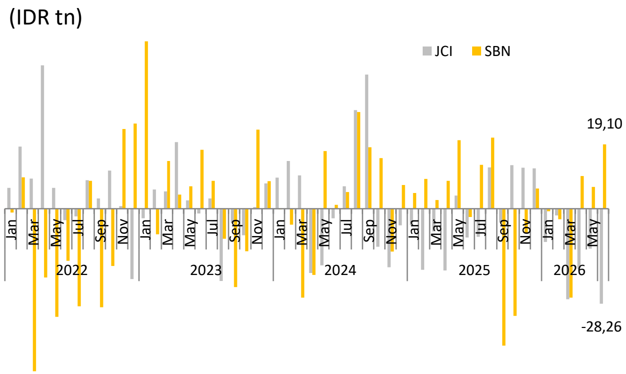
- **The PFII is designed to complement rather than replace the existing domestic financial system**, with three key pillars: expanding access to capital and investment, promoting innovation and governance, and strengthening national competitiveness.

Financial Sector Business Activities under PFII include:

- Banking
- Insurance
- Islamic finance
- Capital markets, financial derivatives, and carbon exchanges
- Pension funds
- Financing
- Venture capital
- Financial sector technology innovation
- Guarantee services
- International commodity trading/exchanges
- Bullion
- Trust fund management
- Financial instrument management
- Conglomerate holding companies
- Money markets, foreign exchange markets, and derivative transactions
- Family office services
- Other financial sector business activities

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2026)

Between 16-22 Jul '26, non-residents conducted:

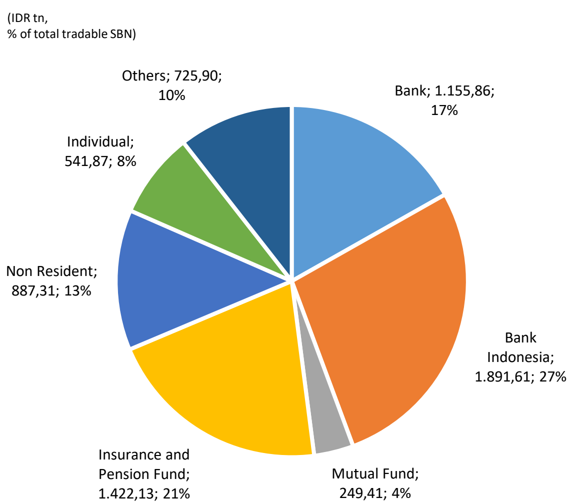
- A net sell of tradeable SBN, amounting IDR7.07 tn.
- A net buy of JCI, amounting IDR2.02 tn.

SUN LATEST AUCTION

21 Jul '26										
Instruments	SPN01260822	SPN03261021	SPN12270722	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	0,67	3,46	5,28	24,02	16,32	10,30	3,38	1,52	2,94	67,89
Bid to Cover Ratio	-	3,46	1,32	2,73	1,67	2,19	1,93	4,34	1,78	2,12
Weighted Average Yields Awarded	-	7,050%	7,150%	7,259%	7,290%	7,299%	7,330%	7,380%	7,390%	
7 Jul '26										
Instruments	SPN01260808	SPN12261008	SPN12270708	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1,46	1,77	4,55	19,39	13,73	5,11	3,58	3,19	2,32	55,09
Bid to Cover Ratio	1,21	1,01	-	1,69	1,53	1,73	2,31	1,39	1,33	1,72
Weighted Average Yields Awarded	6,900%	7,050%	-	7,104%	7,170%	7,220%	7,230%	7,340%	7,358%	

Sources : DJPPR, KBVS Research (2026)

OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2026)

As of 20 Jul '26, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,891.61 tn (-IDR7.78 tn, WoW),
- Banks : IDR1,155.86 tn (-IDR40.21 tn, WoW), and
- Insurance & Pension Funds: IDR1,422.13 tn (-IDR10.20 tn, WoW)

SBSN LATEST AUCTION

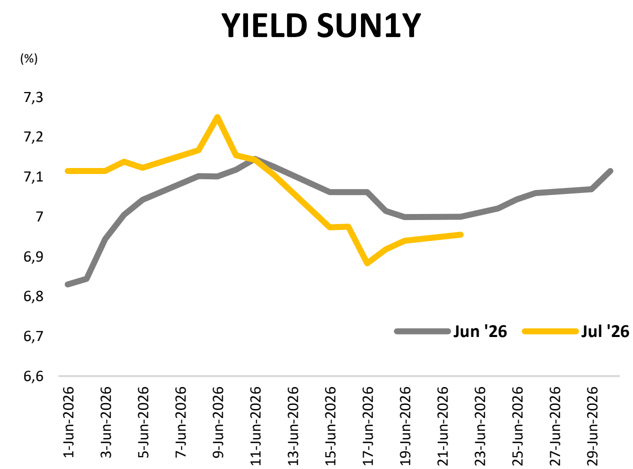
14 Jul '26									
Instruments	SPNS08092026	SPNS03022027	SPNS12042027	PBS030	PBS040	PBSG002	PBS034	PBS038	Total
Incoming Bids (IDR tn)	2,54	2,28	5,05	3,11	5,63	2,98	3,60	7,29	32,47
Bid to Cover Ratio	5,08	2,28	1,44	4,78	8,67	5,42	7,20	2,75	3,25
Weighted Average Yields Awarded	6,800%	7,098%	7,134%	7,147%	7,249%	7,260%	7,308%	7,310%	
30 Jun '26									
Instruments	SPNS10082026	SPNS16122026	SPNS01032027	PBS030	PBS040	PBS034	PBS005	PBS038	Total
Incoming Bids (IDR tn)	0,68	1,98	4,39	4,44	3,12	1,08	0,04	0,19	15,91
Bid to Cover Ratio	1,13	-	1,07	1,97	1,27	1,81	-	-	1,59
Weighted Average Yields Awarded	6,850%	-	7,100%	7,185%	7,230%	7,239%	-	-	

Sources : DJPPR, KBVS Research (2026)

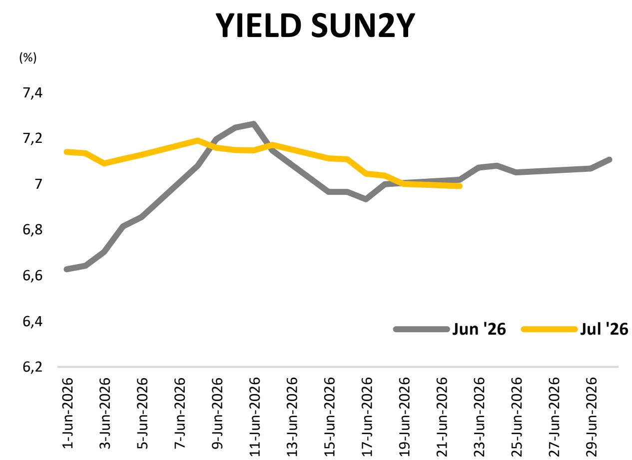
THE MOVEMENT OF SUN YIELDS

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

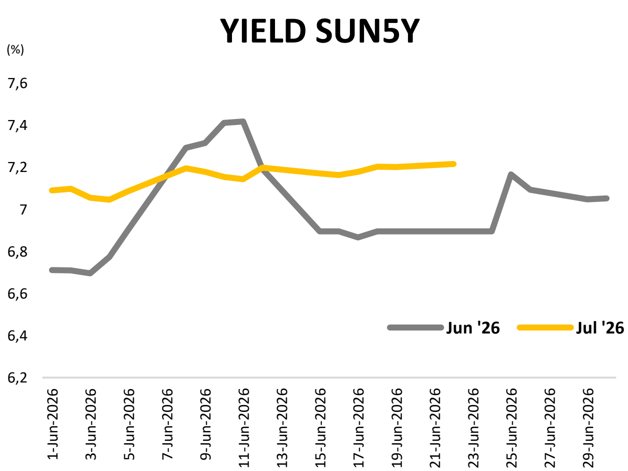
- Yield SUN1Y
  - -3.10 bps (WoW)
  - +230.30 bps (YtD, as of Jul 22,'26)
- Yield SUN2Y
  - -10.70 bps (WoW)
  - +210.90 bps (YtD, as of Jul 22,'26)
- Yield SUN5Y
  - +4.50 bps (WoW)
  - +170.00 bps (YtD, as of Jul 22,'26)
- Yield SUN10Y
  - +6.20 bps (WoW)
  - +122.50 bps (YtD, as of Jul 22,'26)
- Yield SUN30Y
  - +1.30 bps (WoW)
  - +65.20 bps (YtD, as of Jul 22,'26)



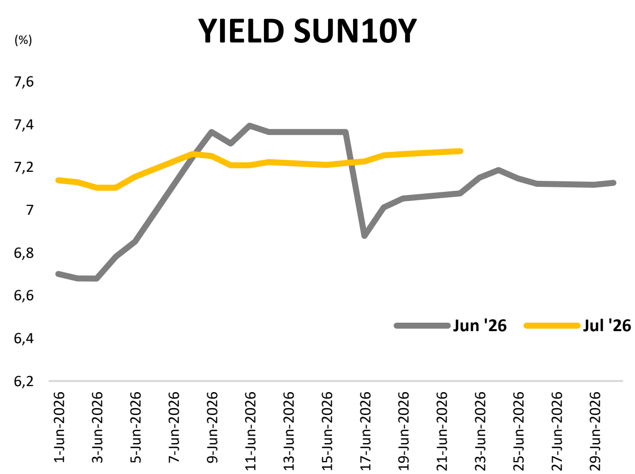
Sources : Bloomberg, KBVS Research (2026)



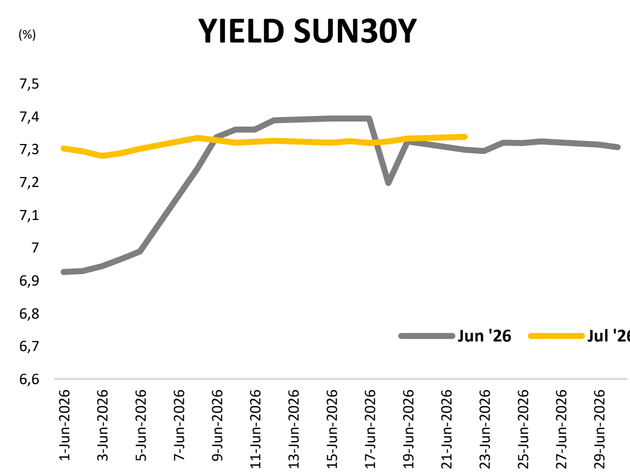
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



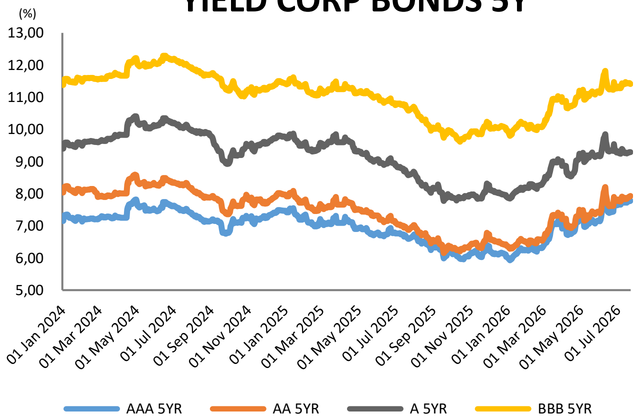
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)

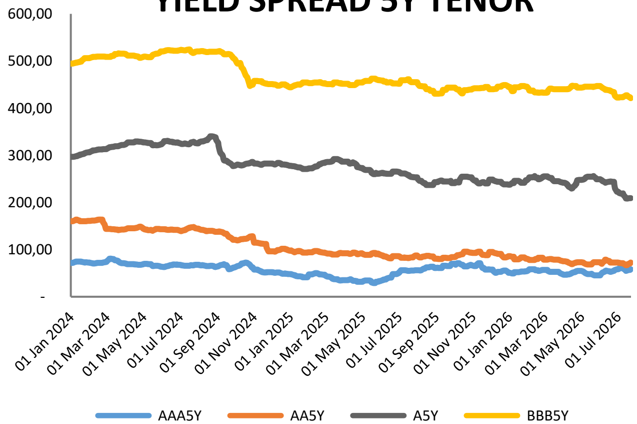
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2026)

YIELD SPREAD 5Y TENOR

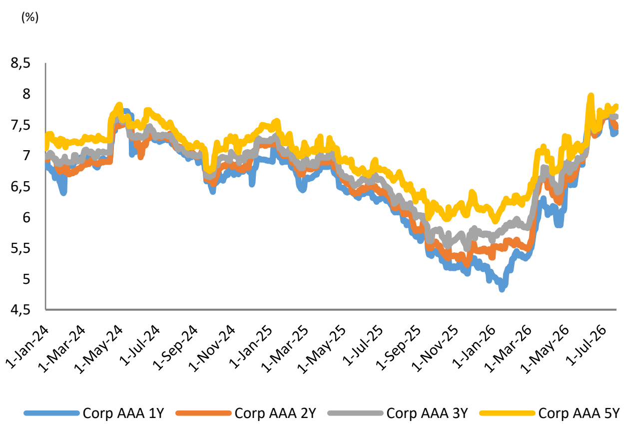


Sources : Bloomberg, KBVS Research (2026)

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

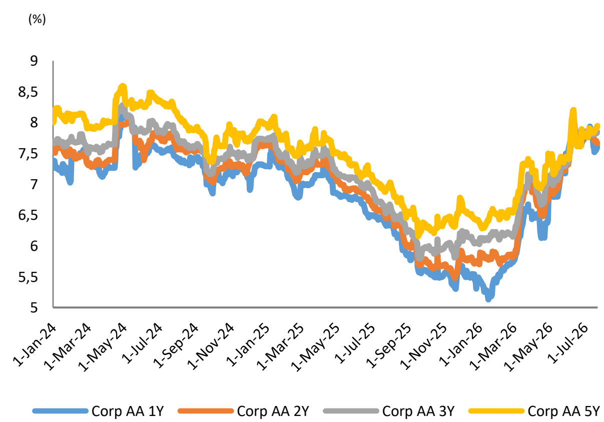
- AAA-rated
  - Tenor 1Y : -8.74 bps (WoW)
  - Tenor 2Y : -12.36 bps (WoW)
  - Tenor 5Y : +7.33 bps (WoW)
- AA-rated
  - Tenor 1Y : -1.84 bps (WoW)
  - Tenor 2Y : -7.33 bps (WoW)
  - Tenor 5Y : +10.28 bps (WoW)
- A-rated
  - Tenor 1Y : -5.53 bps (WoW)
  - Tenor 2Y : -9.69 bps (WoW), and
  - Tenor 5Y : +5.50 bps (WoW)

YIELD AAA-RATED



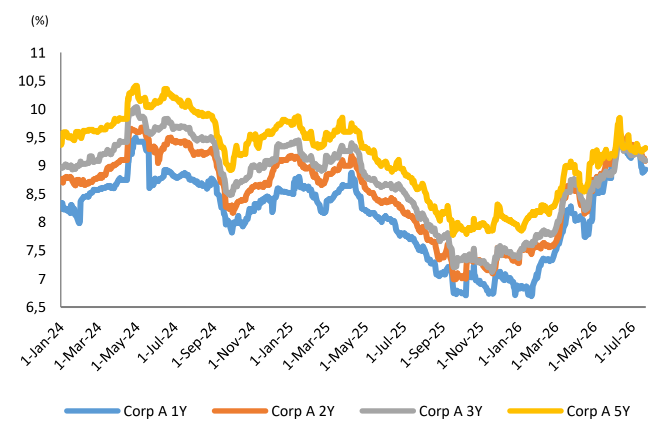
Sources : Bloomberg, KBVS Research (2026)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2026)

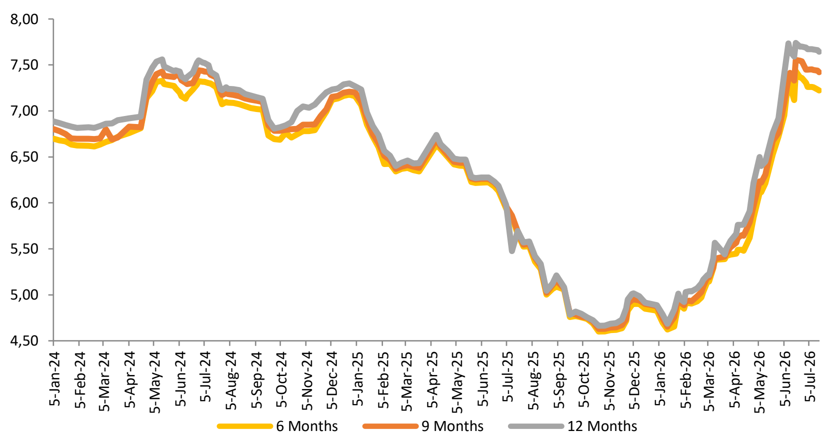
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2026)

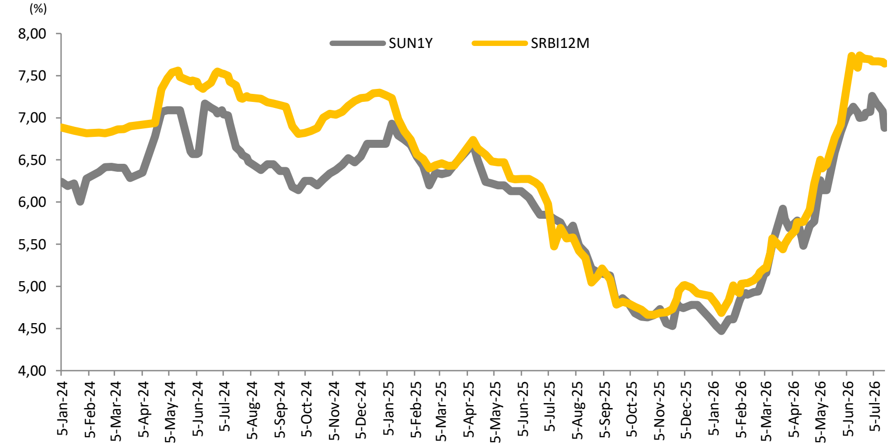
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



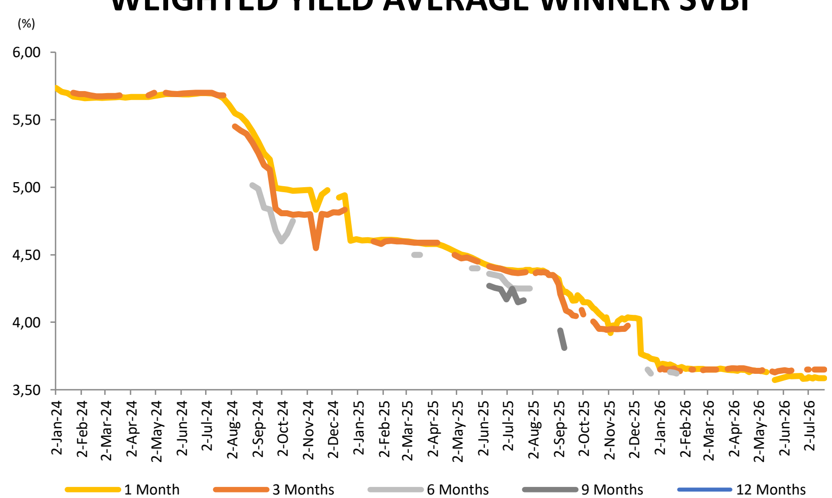
Sources : BI, KBVS Research (2026)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2026)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2026)

- The SRBI Weighted Average Yield of Winning Bids can be seen in the table below.

Yield (%)	17 Jul '26	15 Jul '26
6 Month	7.22395%	7.23258%
9 Month	7.41955%	7.44005%
12 Month	7.64362%	7.66301%

- Meanwhile, the latest SUVBI auction saw the profit sharing rate was at:
  - 1 month: 3.585%
  - 3 month: 3.650%
  - 6 month: 3.784%
  - 9 month: 3.817%
  - 12 month: 3.850%

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NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(23-29 JUL 2026)

Country Event	Forecast	Previous
Thursday, Jul 23, 2026		
US 20-Year Bond Auction		4,93%
ID M2 Money Supply (YoY) (Jun)		10,80%
GE Buba Mauderer Speaks		
EU ECB Interest Rate Decision (Jul)	2,40%	2,40%
EU Depoit Facility Rate (Jul)	2,25%	2,25%
EU ECB Marginal Lending Facility		2,65%
EU ECB Monetary Policy Statement		
US Initial Jobless Claims	211K	208K
US Continuing Jobless Claims		1,805K
EU ECB Press Conference		

Country Event	Forecast	Previous
Friday, Jul 24, 2026		
US 10-Year TIPS Auction		2,17%
JP National Core CPI (YoY) (Jun)	1,60%	1,40%
JP National CPI (MoM) (Jun)		0,40%
JP S&P Global Services PMI (Jul)		52,20
GB Retail Sales (YoY) (Jun)		3,20%
GB Retail Sales (MoM) (Jun)		1,20%
GB Core Retail Sales (YoY) (Jun)		4,60%
GB Core Retail Sales (MoM) (Jun)	-0,10%	1,20%
GE Gfk Consumer Climate (Aug)	-28,50	-29,20
GE HCOB Manfacturing PMI (Jul)	50,50	50,30
GE HCOB Services PMI (Jul)	49,00	48,60
EU HCOB Manufacturing PMI (Jul)	51,60	51,40
EU HCOB Services PMI (Jul)	49,80	49,40
EU HCOB Composite PMI (Jul)		50,00
GB S&P Global Services PMI (Jul)	49,40	48,80
GB S&P Global Composite PMI (Jul)		49,30
GB S&P Global Manufacturing PMI (Jul)	52,10	52,50
US Building Permits (Jun)	1.367M	1.410M
US S&P Global Manufacturing PMI (Jul)	54,40	53,90
US S&P Global Services PMI (Jul)	51,40	51,20
US S&P Global Composite PMI (Jul)		51,90
US New Home Sales (Jun)	604K	580K
US New Home Sales (MoM) (Jun)		-7,30%
EU ECB's Lane Speaks		

Country Event	Forecast	Previous
Monday, Jul 27, 2026		
GE Business Expectations (Jul)		84,10
GE Ifo Business Climate Index (Jul)		85,60
GE Current Assessment (Jul)		87,00
US Durable Goods Orders (MoM) (Jun)		-4,50%
US Core Durable Goods Orders (MoM) (Jun)		1,40%
Tuesday, Jul 28, 2026		
US Retail Inventories Ex Auto (Jun)		0,30%
US Goods Trade Balance (Jun)		-105.89B
US S&P/CS HPI Composite - 20 n.s.a. (MoM) (May)		1,00%
US S&P/CS HPI Composite - 20 n.s.a. (YoY) (May)		1,10%
US CB Consumer Confidence (Jul)		91,20
Wednesday, Jul 29, 2026		

Sources : investing, KBVS Research (2026)


Thank you!