

# Higher-for-Longer Global Rates and Domestic Fiscal Risks Weigh on Markets

12 March 2026

Economist / Fikri C Permana

# EXECUTIVE SUMMARY

- Inflation concerns continue to increase the risk that the Federal Reserve may maintain a relatively hawkish policy stance, although signs of a weakening labor market still leave room for potential rate cuts.
- Market pricing suggests the first rate cut toward the 3.25%–3.50% range could occur at the September 2026 FOMC meeting, with a probability of around 43%.
- Meanwhile, the U.S. Dollar Index rebounded to 98.9 amid persistently high U.S. interest rates, supporting Dollar strength.
- At the same time, rising inflation expectations and concerns over a softer labor market have narrowed the long–short yield spread, particularly in the U.S. 10Y–2Y Treasury curve.
- Domestically, rising inflation expectations and concerns over a widening fiscal deficit remain key risks for the market.
- In Feb '26, central government expenditure surged 41.9% YoY to IDR493.8 trillion, largely driven by front-loaded budget execution by ministries and agencies (K/L), which jumped 85.4% YoY.
- This development may intensify SBN supply pressure in 1H26, raising concerns over duration positioning in the bond market.
- At the same time, growing energy subsidy pressures—similar to those seen in 2022—warrant close attention.
- A sustained increase in subsidies could widen the fiscal deficit, add to inflationary pressures, and prompt a more hawkish response from Bank Indonesia through higher policy rates.



Source : Pasar Dana (2026), link: <https://pasardana.id/news/2026/2/12/inflasi-bisa-naik-risiko-permintaan-dari-program-mbg-perlu-dimitigasi/>



## TABLE OF CONTENTS :

**3 Global Economy**

8 Domestic Economy

16 Economic Calendar

# US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Feb '26	3.75	3.75
Economic Growth	%, yoy	4Q25	2.2	2.3
Inflation Rate	%, yoy	Jan '26	2.4	2.7
Unemployment Rate	%	Feb '26	4.4	4.3

Sources : various sources, KBVS Research (2026)

The data releases that influenced yield movements in the week of 5-11 Mar '26 are as follows:

- US Initial Jobless Claims stable at 213K (Cons: 215K, Prev: 213K).
- US Nonfarm Payrolls in Feb '26 decreased to -92K (Cons: 58K, Prev: 126K).
- US Unemployment Rate in Feb '26 increased to 4.40% (Cons: 4.30%, Prev: 4.30%).
- US Average Hourly Earnings in Feb '26 stable at 0.40% MoM (Cons: 0.30% MoM, Prev: 0.40% MoM).
- US Retail Sales in Jan '26 decreased to -0.20% MoM (Cons: -0.30% MoM, Prev: 0.00% MoM)
- US Existing Home Sales in Feb '26 increased to 4.09M (Cons: 3.89M, Prev: 4.02M).
- US CPI in Feb '26, both headline and core meet the expectation at 2.40% YoY and 2.50% respectively.

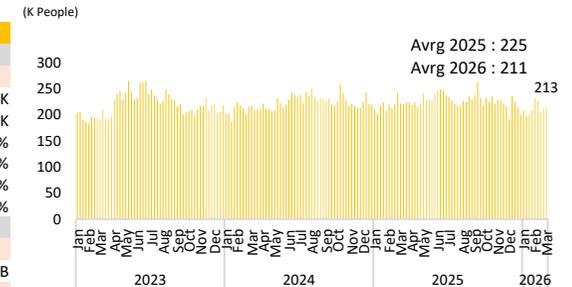
## ECONOMIC CALENDAR

(5-11 MAR '26)

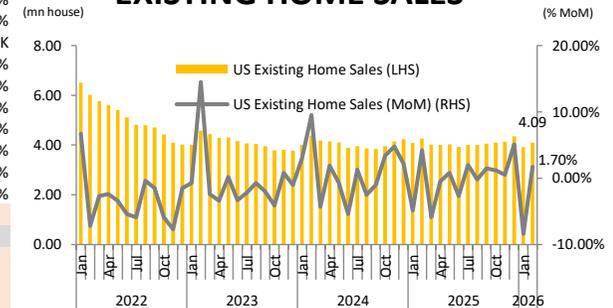
Event	Actual	Forecast	Previous
<b>Thursday, 5 Mar '26</b>			
US Beige Book			
US Initial Jobless Claims	213K	215K	213K
US Continuing Jobless Claims	1,868K	1,850K	1,822K
US Unit Labor Costs (QoQ) (Q4)	2.80%	2.00%	-1.80%
US Import Price Index (MoM) (Jan)	0.20%	0.30%	0.20%
US Export Price Index (MoM) (Jan)	0.60%	0.30%	0.60%
US Nonfarm Productivity (QoQ) (Q4)	2.80%	1.90%	5.20%
<b>Friday, 6 Mar '26</b>			
US FOMC Member Bowman Speaks			
US Fed's Balance Sheet	6,629B		6,614B
US Fed Waller Speaks			
US Nonfarm Payrolls (Feb)	-92K	58K	126K
US Unemployment Rate (Feb)	4.40%	4.30%	4.30%
US Average Hourly Earnings (MoM) (Feb)	0.40%	0.30%	0.40%
US Average Hourly Earnings (YoY) (Feb)	3.80%	3.70%	3.70%
US Private Nonfarm Payrolls (Feb)	-86K	65K	146K
US Retail Sales (MoM) (Jan)	-0.20%	-0.30%	0.00%
US Core Retail Sales (MoM) (Jan)	0.00%	0.10%	0.00%
US U6 Unemployment Rate (Feb)	7.90%		8.10%
US Participation Rate (Feb)	62.50%		62.10%
US Retail Control (MoM) (Jan)	0.30%	0.20%	0.00%
US Retail Inventories Ex Auto (Dec)	0.40%	0.20%	0.00%
US Business Inventories (MoM) (Dec)	0.10%	0.10%	0.00%
US FOMC Member Daly Speaks			
<b>Monday, 9 Mar '26</b>			
<b>Tuesday, 10 Mar '26</b>			
US ADP Employment Change Weekly	15.50K		12.80K
US Existing Home Sales (Feb)	4.09M	3.89M	4.02M
US Existing Home Sales (MoM) (Feb)	1.70%		-5.90%
US EIA Short-Term Energy Outlook			
<b>Wednesday, 11 Mar '26</b>			
US 3-Year Note Auction	3.58%		3.52%
US API Weekly Crude Oil Stock	-1.700M	1.400M	5.600M
US OPEC Monthly Report			
US CPI (MoM) (Feb)	0.30%	0.30%	0.20%
US CPI (YoY) (Feb)	2.40%	2.50%	2.40%
US Core CPI (MoM) (Feb)	0.20%	0.20%	0.30%
US Core CPI (YoY) (Feb)	2.50%	2.50%	2.50%
US FOMC Member Bowman Speaks			
US Crude Oil Inventories			3.475M
US Cushing Crude Oil Inventories			1.564M

Sources : investing, KBVS Research (2026)

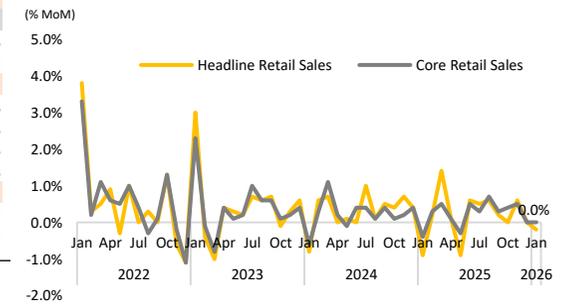
## WEEKLY INITIAL JOBLESS CLAIMS



## EXISTING HOME SALES



## RETAIL SALES



# US CPI

**Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, February 2026**  
[1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Jan. 2026	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Feb. 2025	Jan. 2026	Feb. 2026	Feb. 2025- Feb. 2026	Jan. 2026- Feb. 2026	Nov. 2025- Dec. 2025	Dec. 2025- Jan. 2026	Jan. 2026- Feb. 2026
All items.....	100.000	319.082	325.252	326.785	2.4	0.5	0.3	0.2	0.3
Food.....	13.702	336.274	345.165	346.564	3.1	0.4	0.7	0.2	0.4
Food at home.....	8.341	311.284	317.431	318.898	2.4	0.5	0.6	0.2	0.4
Cereals and bakery products.....	1.045	357.627	366.830	367.174	2.7	0.1	0.5	1.2	-0.2
Meats, poultry, fish, and eggs.....	1.987	344.781	346.613	346.309	0.4	-0.1	-0.2	0.2	0.0
Dairy and related products <sup>1</sup> .....	0.761	269.432	271.185	269.599	0.1	-0.6	0.9	0.8	-0.6
Fruits and vegetables.....	1.278	353.197	358.840	362.604	2.7	1.0	0.4	0.1	1.4
Nonalcoholic beverages and beverage materials.....	1.007	225.510	235.761	238.081	5.6	1.0	0.4	0.1	0.8
Other food at home.....	2.264	273.067	279.657	282.185	3.3	0.9	1.4	-0.3	0.8
Food away from home <sup>1</sup> .....	5.361	376.991	390.471	391.706	3.9	0.3	0.7	0.1	0.3
Energy.....	6.325	275.867	272.668	277.179	0.5	1.7	0.3	-1.5	0.6
Energy commodities.....	3.031	286.942	262.636	272.012	-5.2	3.6	-0.3	-3.3	1.1
Fuel oil.....	0.079	376.776	354.701	399.990	6.2	12.8	-0.8	-5.7	11.1
Motor fuel.....	2.894	280.143	256.211	264.748	-5.5	3.3	-0.3	-3.2	0.8
Gasoline (all types).....	2.812	279.059	254.887	263.378	-5.6	3.3	-0.3	-3.2	0.8
Energy services.....	3.294	276.377	293.976	293.659	6.3	-0.1	1.0	0.2	0.2
Electricity.....	2.518	283.194	299.731	296.798	4.8	-1.0	0.2	-0.1	-0.7
Utility (piped) gas service.....	0.776	250.380	270.302	277.644	10.9	2.7	3.7	1.0	3.1
All items less food and energy.....	79.973	325.252	331.950	333.242	2.5	0.4	0.2	0.3	0.2
Commodities less food and energy commodities.....	19.156	165.559	166.484	167.206	1.0	0.4	0.0	0.0	0.1
Apparel.....	2.406	132.774	130.685	136.132	2.5	4.2	0.3	0.3	1.3
New vehicles.....	3.837	178.038	178.668	178.841	0.5	0.1	0.0	0.1	0.0
Used cars and trucks.....	2.666	181.361	177.714	175.559	-3.2	-1.2	-0.9	-1.8	-0.4
Medical care commodities <sup>1</sup> .....	1.482	417.702	418.270	418.113	0.1	0.0	0.3	-0.1	0.0
Alcoholic beverages <sup>1</sup> .....	0.839	294.211	298.623	298.950	1.6	0.1	-0.1	0.2	0.1
Tobacco and smoking products <sup>1</sup> .....	0.453	1,601.921	1,727.752	1,730.321	8.0	0.1	-0.2	2.1	0.1
Services less energy services.....	60.816	427.309	438.161	439.805	2.9	0.4	0.3	0.4	0.3
Shelter.....	35.612	410.635	421.526	422.776	3.0	0.3	0.4	0.2	0.2
Rent of primary residence.....	7.830	430.603	441.718	442.157	2.7	0.1	0.3	0.2	0.1
Owners' equivalent rent of residences <sup>2</sup> .....	26.172	422.567	435.241	436.026	3.2	0.2	0.3	0.2	0.2
Medical care services.....	6.953	623.392	645.667	648.936	4.1	0.5	0.4	0.3	0.6
Physicians' services <sup>1</sup> .....	1.683	425.684	433.225	434.430	2.1	0.3	0.3	0.3	0.3
Hospital services <sup>1, 3</sup> .....	2.179	423.005	450.139	453.028	7.1	0.6	1.0	0.9	0.6
Transportation services.....	6.372	445.910	451.857	455.909	2.2	0.9	0.4	1.4	0.2
Motor vehicle maintenance and repair <sup>1</sup> .....	1.036	420.480	440.175	444.107	5.6	0.9	-1.3	0.1	0.9
Motor vehicle insurance.....	2.743	895.970	892.491	897.406	0.2	0.6	-	-0.4	-0.3
Airline fares.....	0.938	262.136	271.190	280.621	7.1	3.5	3.8	6.5	1.4

<sup>1</sup> Not seasonally adjusted.

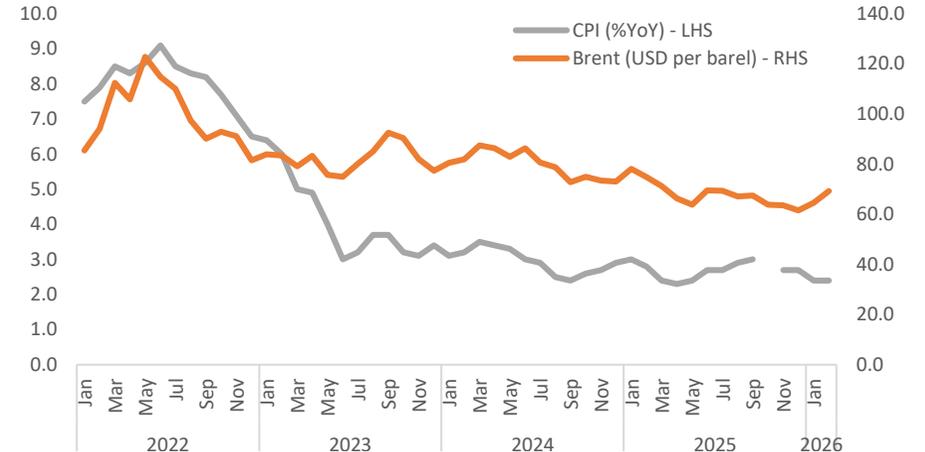
<sup>2</sup> Indexes on a December 1982=100 base.

<sup>3</sup> Indexes on a December 1996=100 base.

NOTE: The Oct 2025 data values are not available due to the 2025 lapse in appropriations.

Sources : BLS (2026)

## US CPI VS Crude Brent



- US headline inflation in Feb '26 held steady at 0.3% MoM and 2.4% (Prev: 0.2% MoM or 2.4% YoY), in line with expectations, marking the lowest annual CPI since May '25.
- The stability reflected mixed price movements across key components. Energy inflation rebounded to 0.5% (from -0.1%), driven by a smaller decline in gasoline prices and stronger increases in fuel oil and natural gas. Meanwhile, used car and truck prices declined further, while food (3.1%) and shelter (3.0%) inflation remained unchanged.
- Core inflation was stable at 2.5% YoY, while core CPI rose 0.2% MoM, easing from the previous month.
- However, looking ahead, the recent increase in global oil prices may pose upside risks to inflation. Given that energy accounts for roughly 6% of the US CPI basket, sustained energy price pressures could push US inflation higher in the coming months.

# FED PROBABILITIES

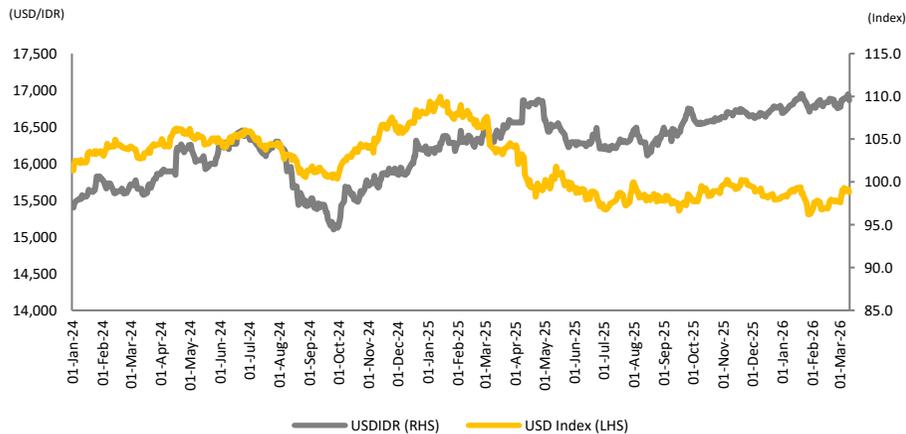
## FED PROBABILITIES, as of 11 Mar '26

MEETING DATE	220-225	225-250	250-275	275-300	300-325	325-350	350-375
18-Mar-26	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	99.4%
29-Apr-26	0.0%	0.0%	0.0%	0.0%	0.1%	12.9%	87.1%
17-Jun-26	0.0%	0.0%	0.0%	0.0%	3.9%	35.3%	60.7%
29-Jul-26	0.0%	0.0%	0.0%	1.1%	12.3%	42.1%	44.5%
16-Sep-26	0.0%	0.0%	0.4%	5.1%	23.0%	43.0%	28.5%
28-Oct-26	0.0%	0.1%	1.4%	8.9%	27.2%	39.9%	22.5%
9-Dec-26	0.0%	0.5%	3.6%	14.4%	31.1%	34.7%	15.7%
27-Jan-27	0.1%	0.7%	4.4%	15.6%	31.3%	33.4%	14.6%

Sources : CME Group, and KBVS Research (2026)

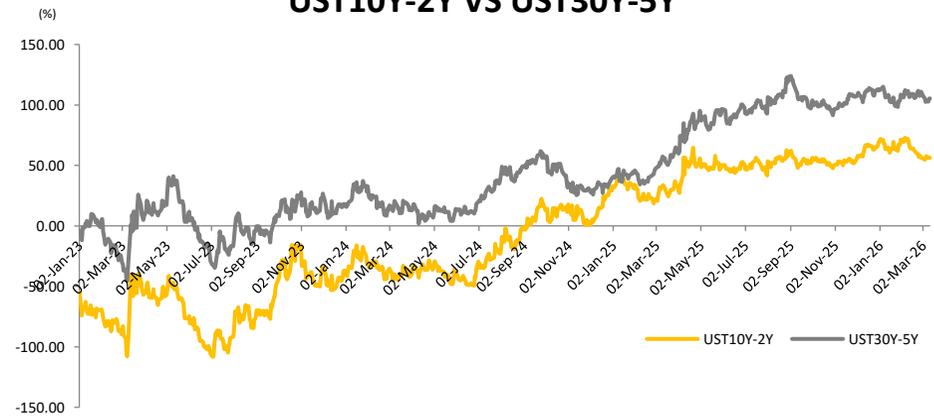
- Inflation concerns continue to raise the risk that the Federal Reserve could maintain a more hawkish policy stance. However, the weakening labor market still leaves room for potential rate cuts. Market pricing currently suggests that the first rate cut to the 3.25%–3.50% range is most likely at the Sep '26 FOMC meeting, with a probability of around 43%.
- Meanwhile, the U.S. Dollar Index rebounded to 98.9, signaling renewed Dollar strength amid persistently elevated U.S. interest rates. The Indonesian Rupiah followed the move, with USD/IDR rising to IDR16,861 per USD, reflecting continued pressure on the Rupiah.
- At the same time, rising inflation expectations and growing concerns over a weakening labor market—both of which could increase the risk of slower economic growth or even recession—have led to a narrowing of the long–short yield spread, particularly reflected in the US 10Y–2Y Treasury Yield Spread.

## DXY INDEX - USDIDR



Sources : Bloomberg, and KBVS Research (2026)

## YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2026)

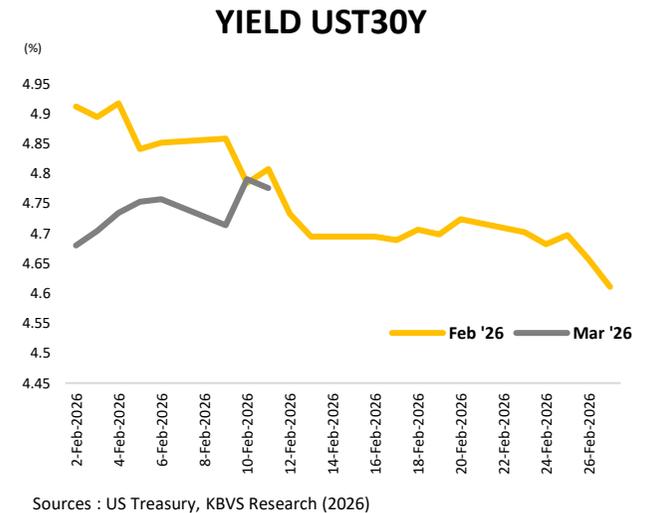
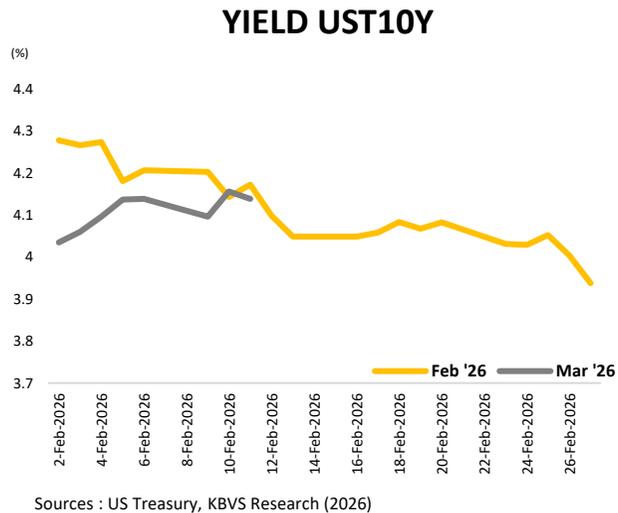
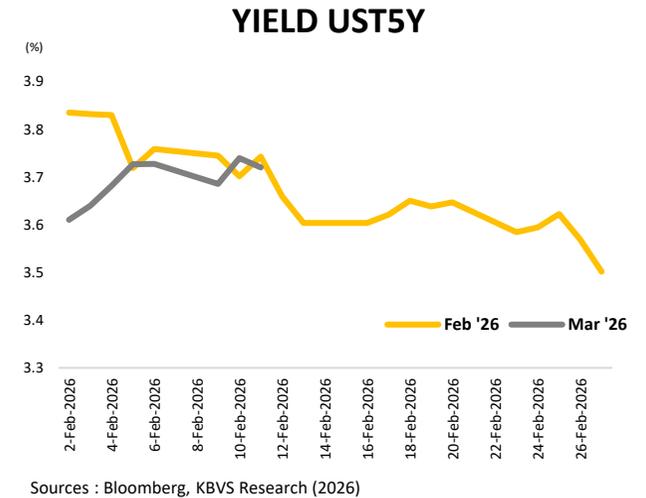
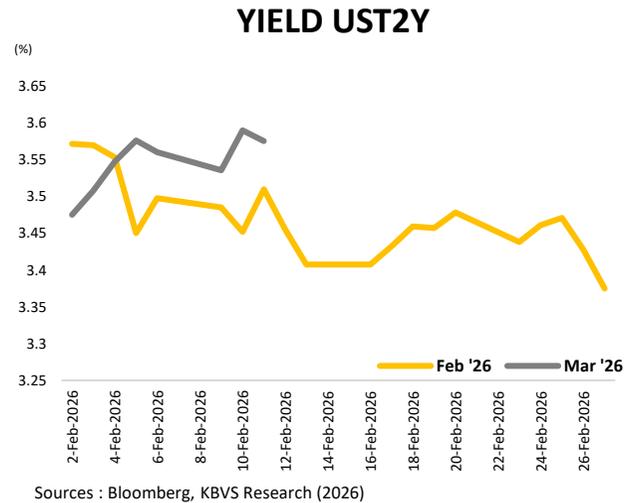
# THE MOVEMENT OF UST YIELDS

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
  - -1.57 bps (WoW)
  - +2.58 bps (YtD, as of Mar 11,'26)
- Yield UST1Y
  - -3.44 bps (WoW)
  - +6.81 bps (YtD, as of Mar 11,'26)
- Yield UST2Y
  - +4.50 bps (WoW)
  - +11.93 bps (YtD, as of Mar 11,'26)
- Yield UST5Y
  - +6.16 bps (WoW)
  - +1.79 bps (YtD, as of Mar 11,'26)
- Yield UST10Y
  - +6.75 bps (WoW)
  - -0.36 bps (YtD, as of Mar 11,'26)
- Yield UST30Y
  - +6.91 bps (WoW)
  - -4.04 bps (YtD, as of Mar 11,'26)





## TABLE OF CONTENTS :

3 Global Economy

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16 Economic Calendar

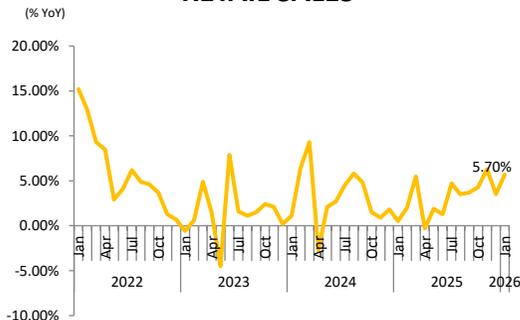
# INDONESIA ECONOMIC DATA

## INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	19 Feb '26	4.75	4.75
Economic Growth	%, yoy	4Q25	5.39	5.04
Inflation Rate	%, yoy	Feb '26	4.76	3.55
Unemployment Rate	%	Sep '25	4.85	4.76
S&P Credit Rating	Rating	17 July '24	BBB	BBB

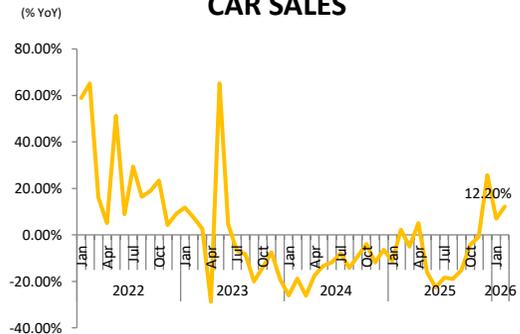
Sources : various sources, KBVS Research (2026)

## RETAIL SALES



Sources : BI, KBVS Research (2026)

## CAR SALES



Sources : Gaikindo, KBVS Research (2026)

## ECONOMIC CALENDAR

(5-11 MAR '26)

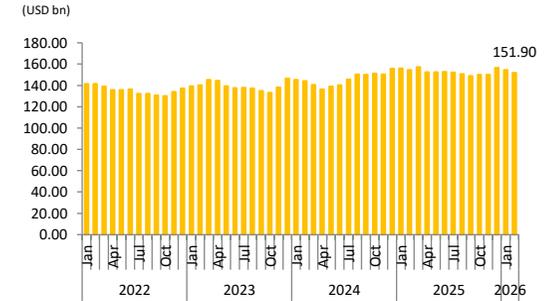
Event	Actual	Forecast	Previous
<b>Thursday, 5 Mar '26</b>			
ID Fx Reserves (USD) (Feb)	151.90B		154.60B
<b>Monday, 9 Mar '26</b>			
ID Motorbike Sales (YoY) (Feb)	1.00%		3.10%
ID Consumer Confidence (Feb)	125.20		127.00
<b>Tuesday, 10 Mar '26</b>			
ID Retail Sales (YoY) (Jan)	5.70%		3.50%
ID Car Sales (YoY) (Feb)	12.20%		7.00%
<b>Wednesday, 11 Mar '26</b>			

Sources : Investing, KBVS Research (2025)

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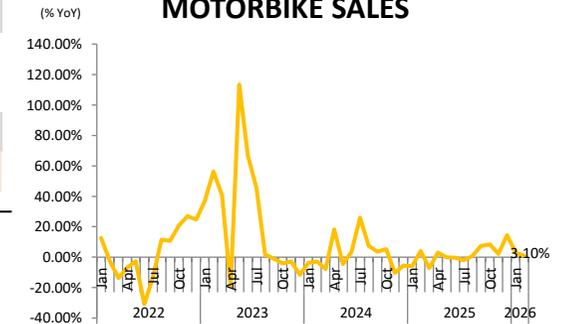
- Fx Reserves in Feb '26 decreased to 151.90B (Prev: 154.60B)
- Motorbike Sales in Feb '26 decreased to 1.00% YoY (Prev: 3.10% YoY)
- Consumer Confidence in Feb '26 decreased to 125.20 (Prev: 127.00)
- Retail Sales in Jan '26 increased to 5.70% YoY (Prev: 3.50% YoY)
- Car Sales in Feb '26 increased to 12.20% YoY (Prev: 7.00% YoY)

## FX RESERVES



Sources : BI, KBVS Research (2026)

## MOTORBIKE SALES



Sources : AISA, KBVS Research (2026)

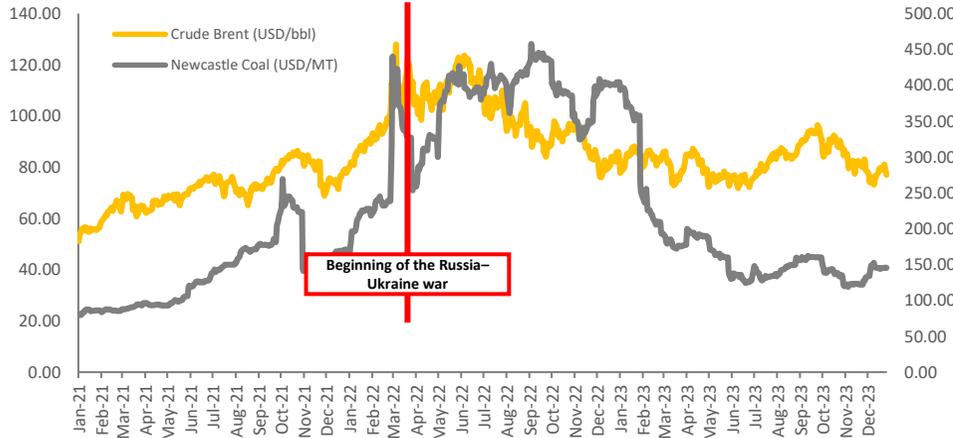
## CONSUMER CONFIDENCE



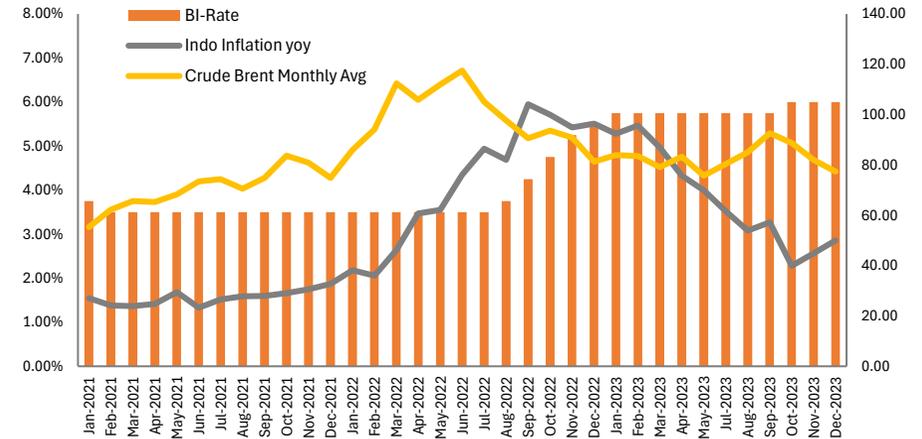
Sources : BI, KBVS Research (2026)

# HISTORICAL COMMODITIES SHOCK

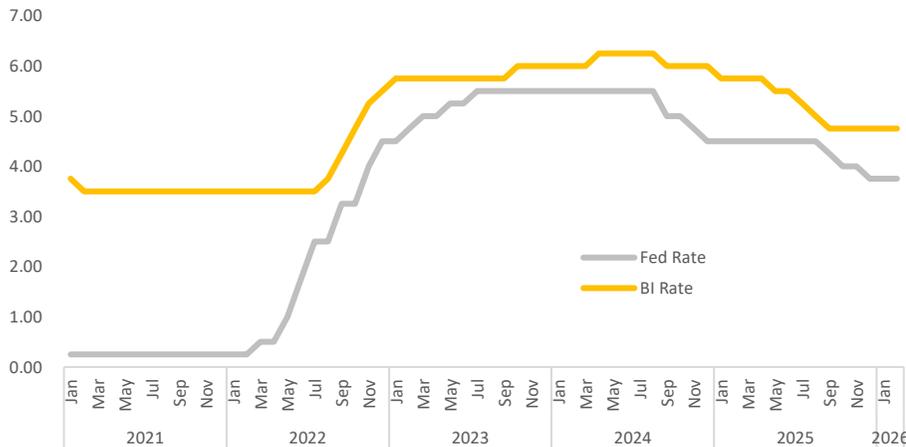
## Crude Brent vs Newcastle Coal



## BI Rate vs Indonesia Inflation vs Crude Brent



## Fed Rate VS BI Rate



- The surge in global energy prices is raising concerns over higher production and distribution costs. Brent crude is approaching USD120/bbl, while Newcastle coal has climbed to around USD450/tonne, potentially pushing up global input costs.
- In Indonesia, higher coal prices—despite adjustments to the Domestic Market Obligation (DMO)—could increase the fiscal burden through larger subsidies for fuel and electricity, which may also reignite inflationary pressures, as seen in 2022.
- At that time, inflation rose from 1.7% at end-2021 to around 6% YoY by September 2022, prompting Bank Indonesia to raise its policy rate from 3.50% to 5.75%, alongside tightening by the Federal Reserve.
- During the same period, the U.S. Dollar Index climbed to around 114, while USD/IDR weakened toward 16,000 as emerging market currencies faced broad pressure.

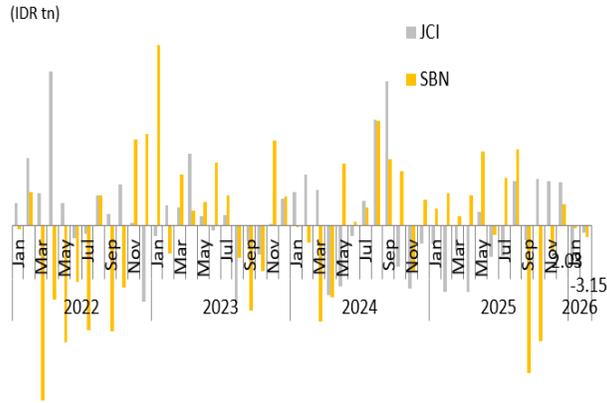
# APBN's Feb '26 REALIZATION

APBN (IDR Tn)	Feb '24	Feb '25	Feb '26	FY26 Tgt	yoy (Feb '26 vs '25)	% of FY26 Tgt
<b>I. Revenue</b>						
A. Tax Revenue	149,25	187,80	245,10	2.357,70	30,5%	10,4%
B. Custom & Excise	22,91	52,60	44,90	336,00	-14,6%	13,4%
C. Non Tax Rev.	43,26	76,40	68,00	459,20	-11,0%	14,8%
D. Grant	0,05	0,10	0,00	0,70	-100,0%	0,0%
<b>TOTAL REVENUE</b>	<b>215,47</b>	<b>316,90</b>	<b>358,00</b>	<b>3.153,60</b>	<b>13,0%</b>	<b>11,4%</b>
<b>II. Expenditure</b>						
A. K/L Spending	44,76	83,60	155,00	1.510,50	85,4%	10,3%
B. Non-K/L	51,63	127,90	191,10	1.639,20	49,4%	11,7%
C. Transfer Regions	87,78	136,60	147,70	693,00	8,1%	21,3%
<b>TOTAL EXPENDITURES</b>	<b>184,17</b>	<b>348,10</b>	<b>493,80</b>	<b>3.842,70</b>	<b>41,9%</b>	<b>12,9%</b>
<b>DEFICIT / (SURPLUS)</b>	<b>31,30</b>	<b>31,20</b>	<b>135,70</b>	<b>-689,10</b>	<b>334,9%</b>	<b>-19,7%</b>

- Central government spending surged 41.9% YoY to IDR493.8 trillion, primarily driven by front-loaded budget execution by ministries and agencies (K/L), which rose 85.4% YoY.
- The aggressive pace of expenditure reversed the IDR31.2 trillion surplus recorded in February 2025 into a deficit of IDR135.7 trillion.
- Such an early widening of the fiscal deficit raises questions regarding the trajectory of gross government bond (SBN) issuance.
- With the deficit realization already reaching 19.7% of the full-year target, SBN supply pressure could intensify in 1H26, making it a key consideration for duration positioning in the bond market.
- Looking ahead, rising subsidy pressures and the weakening domestic SBN market may force the government to consider budget reallocations or even a relaxation of the 3% fiscal deficit cap in order to maintain fiscal flexibility.

# DEVELOPMENT OF TRADABLE SBN

## CAPITAL FLOW IN SBN&JCI



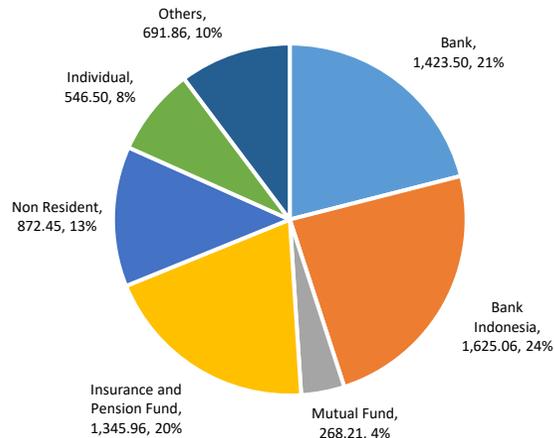
Sources : Bloomberg, KBVS Research (2026)

Between 5-11 March '26, non-residents conducted:

- A net sell of tradeable SBN, amounting IDR3.62 tn.
- A net sell of JCI, amounting IDR4.62 tn.

## OWNERSHIP of IDR TRADABLE SBN

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2026)

As of 9 March '26, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,625.06 tn (-IDR19.84 tn, WoW),
- Banks : IDR1,423.50 tn (+IDR32.01 tn, WoW), and
- Insurance & Pension Funds: IDR1,345.96 tn (+IDR14.16 tn, WoW)

## SUN LATEST AUCTION

3 Mar '26										
Instruments	SPN01260404	SPN12260604	SPN12270304	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	0.47	1.50	6.80	10.78	14.68	3.30	5.75	3.94	3.71	50.94
Bid to Cover Ratio	1.16	-	1.00	7.99	1.30	1.18	1.20	1.16	1.14	1.49
Weighted Average Yields Awarded	4.680%	-	4.973%	5.888%	6.530%	6.639%	6.668%	6.768%	6.784%	
18 Feb '26										
Instruments	SPN01260322	SPN03260521	SPN12270204	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	0.70	0.30	4.78	24.16	21.07	4.34	3.30	2.23	2.18	63.06
Bid to Cover Ratio	1.00	-	1.91	1.47	1.71	1.34	2.06	1.39	1.32	1.58
Weighted Average Yields Awarded	4.500%	-	4.768%	5.677%	6.380%	6.600%	6.670%	6.750%	6.780%	

Sources : DJPPR, KBVS Research (2026)

## SBSN LATEST AUCTION

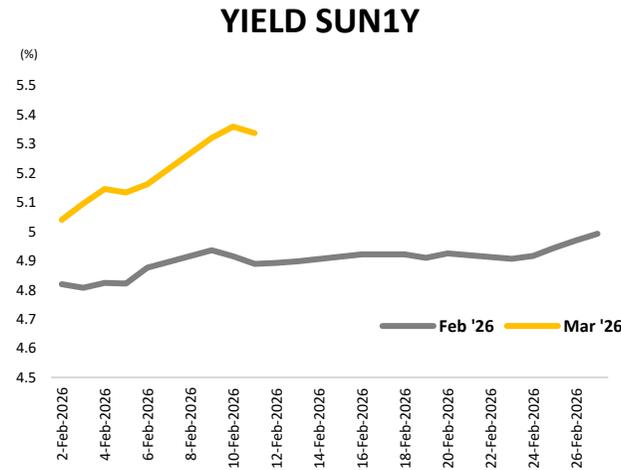
10 Mar '26									
Instruments	SPNS06042026	SPNS08092026	SPNS23112026	PBS030	PBS040	PBSG002	PBS034	PBS038	Total
Incoming Bids (IDR tn)	1.70	1.72	8.17	2.80	2.77	2.54	1.99	9.31	30.98
Bid to Cover Ratio	1.42	1.04	1.05	-	2.91	2.67	5.67	4.33	2.07
Weighted Average Yields Awarded	5.046%	5.128%	5.123%	-	5.805%	6.396%	6.516%	6.790%	
24 Feb '26									
Instruments	SPNS06042026	SPNS10082026	SPNS23112026	PBS030	PBS040	PBS034	PBS005	PBS038	Total
Incoming Bids (IDR tn)	0.53	2.40	6.35	10.90	1.24	2.22	2.94	9.03	35.61
Bid to Cover Ratio	1.33	1.02	1.02	3.35	2.48	1.39	1.34	2.62	1.78
Weighted Average Yields Awarded	4.450%	4.600%	4.800%	5.210%	5.609%	6.432%	6.621%	6.700%	

Sources : DJPPR, KBVS Research (2026)

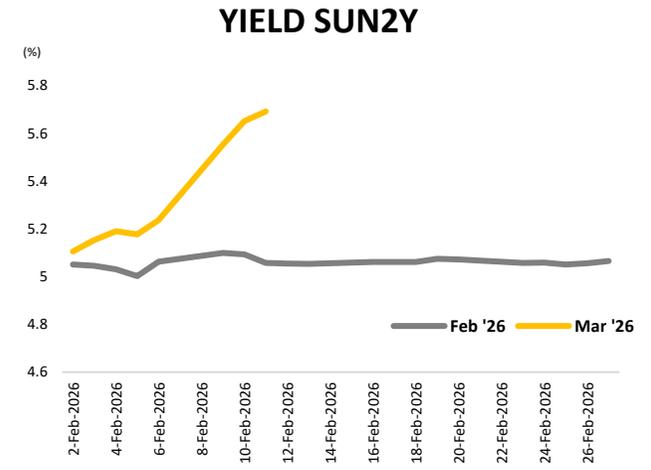
# THE MOVEMENT OF SUN YIELDS

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

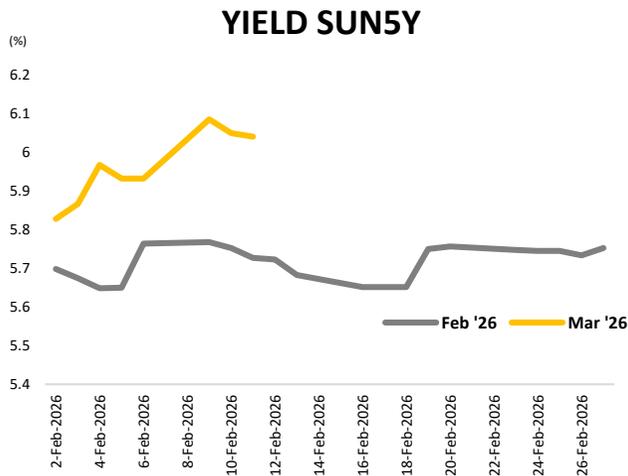
- Yield SUN1Y
  - +23.70 bps (WoW)
  - +74.30 bps (YtD, as of Mar 11,'26)
- Yield SUN2Y
  - +56.10 bps (WoW)
  - +85.50 bps (YtD, as of Mar 11,'26)
- Yield SUN5Y
  - +12.00 bps (WoW)
  - +57.00 bps (YtD, as of Mar 11,'26)
- Yield SUN10Y
  - +8.90 bps (WoW)
  - +63.70 bps (YtD, as of Mar 11,'26)
- Yield SUN30Y
  - +6.20 bps (WoW)
  - +15.80 bps (YtD, as of Mar 11,'26)



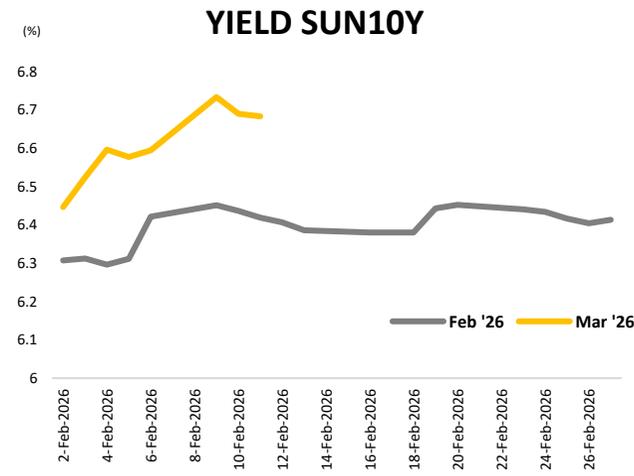
Sources : Bloomberg, KBVS Research (2026)



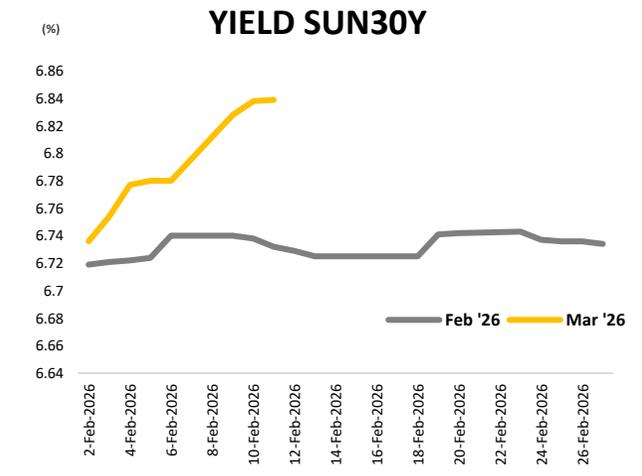
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



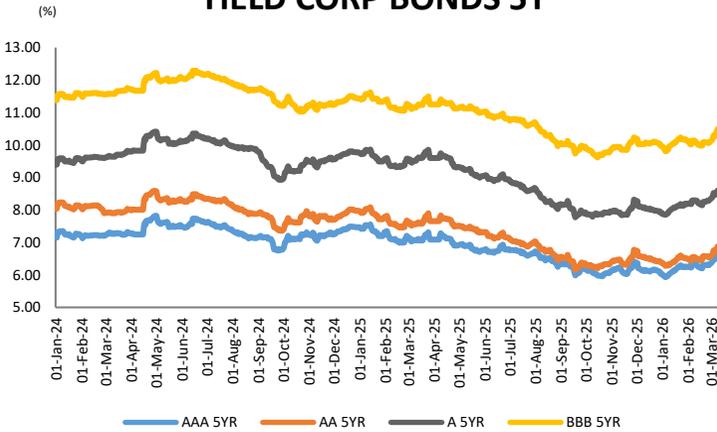
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)

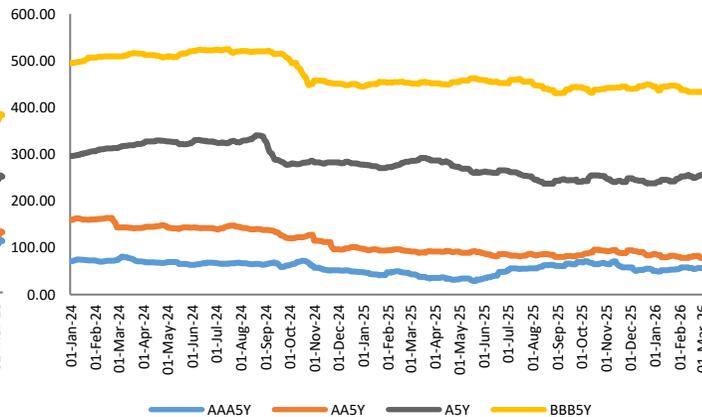
# THE MOVEMENT OF CORPORATE BOND YIELD

## YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2026)

## YIELD SPREAD 5Y TENOR

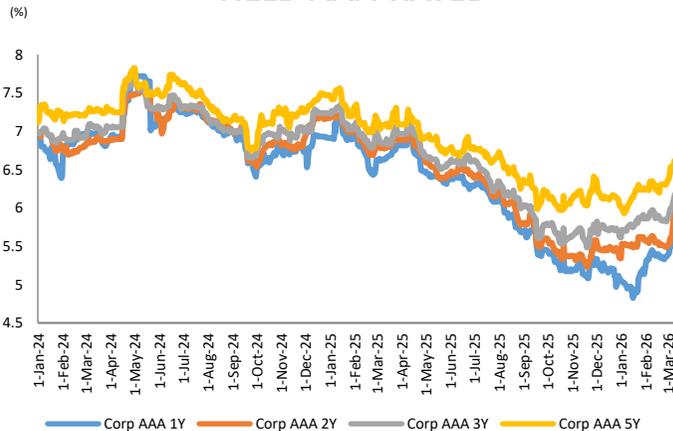


Sources : Bloomberg, KBVS Research (2026)

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

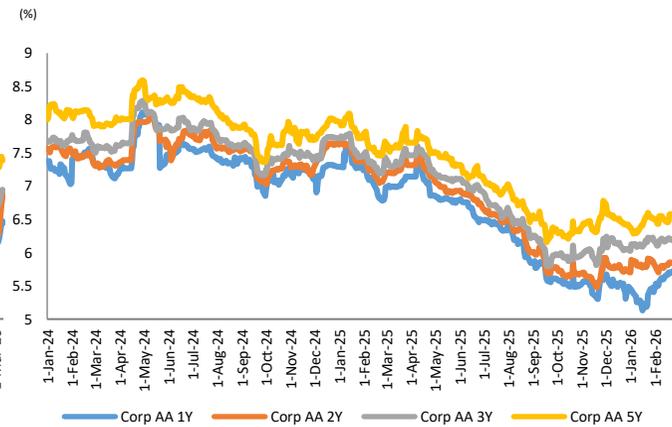
- AAA-rated
  - Tenor 1Y : +28.48 bps (WoW)
  - Tenor 2Y : +57.69 bps (WoW)
  - Tenor 5Y : +8.28 bps (WoW)
- AA-rated
  - Tenor 1Y : +26.86 bps (WoW)
  - Tenor 2Y : +58.51 bps (WoW)
  - Tenor 5Y : +13.54 bps (WoW)
- A-rated
  - Tenor 1Y : +19.39 bps (WoW)
  - Tenor 2Y : +52.40 bps (WoW), and
  - Tenor 5Y : +8.20 bps (WoW)

## YIELD AAA-RATED



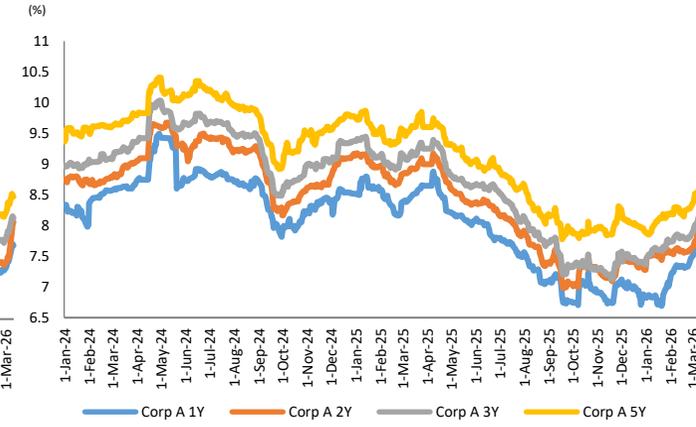
Sources : Bloomberg, KBVS Research (2026)

## YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2026)

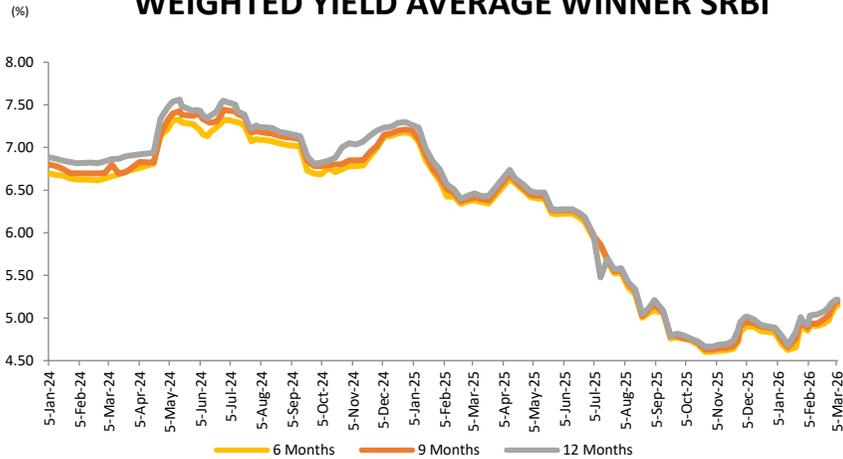
## YIELD A-RATED



Sources : Bloomberg, KBVS Research (2026)

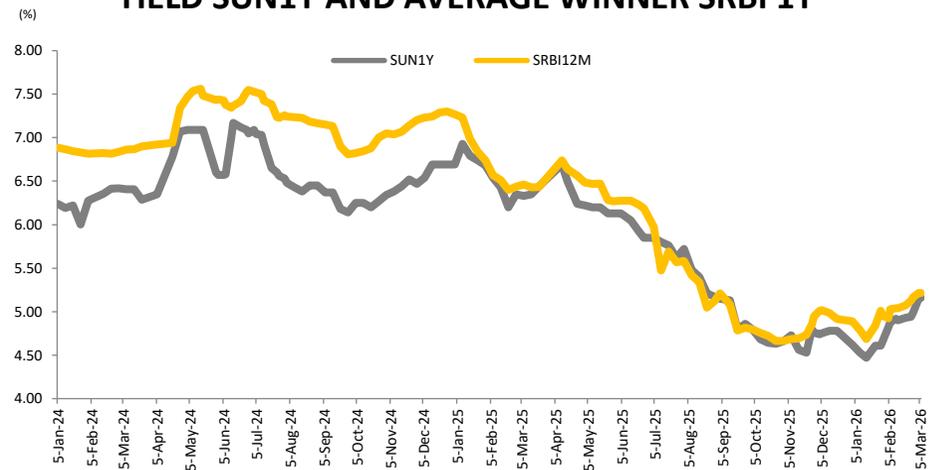
# BI'S MONETARY OPERATION

## WEIGHTED YIELD AVERAGE WINNER SRBI



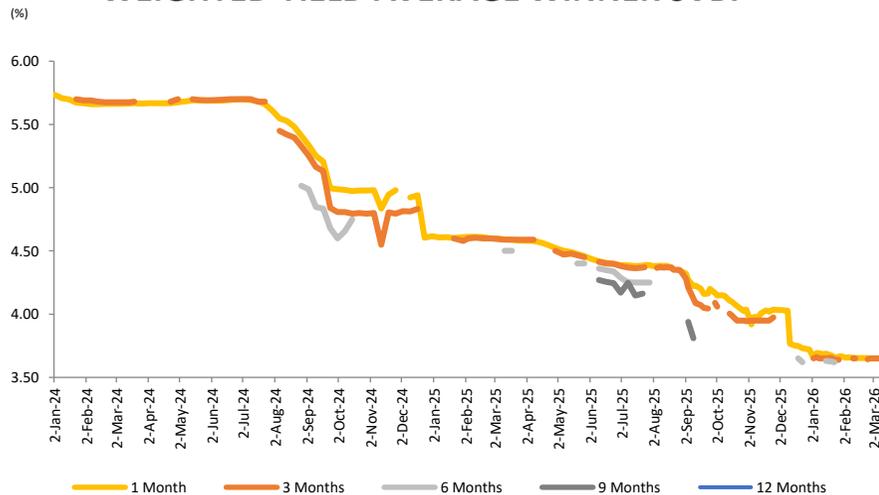
Sources : BI, KBVS Research (2026)

## YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2026)

## WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2026)

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

Yield (%)	4 Mar 2026	6 Mar 2026	11 Mar 2026
6 Month	5.14438%	5.14667%	5.24126%
9 Month	5.19333%	5.19029%	5.28033%
12 Month	5.21392%	5.21482%	5.32358%

- Meanwhile, the latest SUVBI auction saw the profit sharing rate was at:
  - 1 month: 3.650%
  - 3 month: 3.650%
  - 6 month: 3.613%
  - 9 month: 3.567%
  - 12 month: 3.522%



## TABLE OF CONTENTS :

3 Global Economy

8 Domestic Economy

**16 Economic Calendar**

# NEXT WEEK ECONOMIC CALENDAR

## ECONOMIC CALENDAR

(12-18 MAR 2026)

Country	Event	Forecast	Previous	Country	Event	Forecast	Previous	Country	Event	Forecast	Previous
<b>Thursday, Mar 12, 2026</b>				<b>Friday, Mar 13, 2026</b>				<b>Monday, Mar 16, 2026</b>			
US	10-Year Note Auction		4.18%	US	30-Year Bond Auction		4.75%	CN	Industrial Production Ytd (YoY) (Feb)		5.90%
US	Federal Budget Balance (Feb)	-304.40B	-95.00B	US	Fed's Balance Sheet		6,629B	CN	Industrial Production (YoY) (Feb)		5.20%
JP	BSI Large Manufacturing Conditions (Q1)	5.50	4.70	GB	GDP (MoM) (Jan)	0.20%	0.10%	CN	Unemployment Rate (Feb)		5.10%
GB	RICS House Price Balance (Feb)		-10.00%	GB	Manufacturing Production (MoM) (Jan)	0.30%	-0.50%	CN	Fixed Asset Investment (YoY) (Feb)		-3.80%
US	IEA Monthly Report			GB	Industrial Production (MoM) (Jan)	0.30%	-0.90%	US	NY Empire State Manufacturing Index (Mar)		7.10
GB	BoE Gov Bailey Speaks			GB	Monthly GDP 3M/3M Change (Jan)	0.20%	0.10%	US	Industrial Production (YoY) (Feb)		2.28%
US	Trade Balance (Jan)	-66.10B	-70.30B	GB	Trade Balance (Jan)	-22.10B	-22.72B	US	Industrial Production (MoM) (Feb)		0.70%
US	Housing Starts (MoM) (Jan)		6.20%	GB	Trade Balance Non-EU (Jan)		-10.99B	<b>Tuesday, Mar 17, 2026</b>			
US	Building Permits (Jan)	1.410M	1.455M	EU	Industrial Production (MoM) (Jan)	0.50%	-1.40%	ID	Deposit Facility Rate (Mar)		3.75%
US	Housing Starts (Jan)	1.340M	1.404M	GB	NIESR Monthly GDP Tracker (Feb)		0.30%	ID	Lending Facility Rate (Mar)		5.50%
US	Initial Jobless Claims	216K	213K	US	GDP (QoQ) (Q3)	1.40%	4.30%	ID	Loans (YoY) (Feb)		9.96%
US	Continuing Jobless Claims		1,868K	US	Core PCE Price Index (MoM) (Jan)	0.40%	0.40%	ID	Interest Rate Decision (Mar)		
US	Exports		287.30B	US	Core PCE Price Index (YoY) (Jan)	3.10%	3.00%	EU	ZEW Economic Sentiment (Mar)		39.40
US	Imports		357.60B	US	Durable Goods Orders (MoM) (Jan)	0.50%	-1.40%	GE	ZEW Current Conditions (Mar)		-65.90
US	Goods Trade Balance		-98.50B	US	Core PCE Prices (Q3)	2.70%	2.90%	GE	ZEW Economic Sentiment (Mar)		58.30
US	FOMC Member Bowman Speaks			US	GDP Price Index (QoQ) (Q3)	3.70%	3.70%	US	Pending Home Sales (MoM) (Feb)		-0.80%
				US	Personal Spending (MoM) (Jan)		0.40%	<b>Wednesday, Mar 18, 2026</b>			
				US	PCE Price Index (MoM) (Jan)	0.30%	0.40%	JP	Trade Balance (Feb)		-1,163.5B
				US	PCE Price Index (YoY) (Jan)	2.90%	2.90%	JP	Exports (YoY) (Feb)		16.80%
				US	Core Durable Goods Orders (MoM) (Jan)	0.40%	1.00%	JP	Imports (YoY) (Feb)		-2.40%
				US	JOLTS Job Openings (Jan)	6.840M	6.542M	EU	CPI (YoY) (Feb)		1.90%
				US	Michigan 5-Year Inflation Expectations (Mar)		3.30%	EU	CPI (MoM) (Feb)		-0.60%
				US	Michigan 1-Year Inflation Expectations (Mar)		3.40%	EU	Core CPI (YoY) (Feb)		2.40%
				US	Michigan Consumer Sentiment (Mar)	55.90	56.60	US	PPI (MoM) (Feb)		0.50%
				US	Michigan Consumer Expectations (Mar)		56.60	US	Core PPI (MoM) (Feb)		0.80%
								US	Factory Orders (MoM) (Jan)		-0.70%



*Thank  
you!*