KB금융그룹 | 국민의 평생 금융파트너

Preparing for Rate Cuts Amid a Hawkish Stance

19 December 2024

Economist / Fikri C Permana

KB Valbury Sekuritas

Executive Summary

- The anticipation of central bank policy adjustments has reignited discussions on the delicate balance between monetary easing and maintaining a hawkish stance.
- This is in line with inward-looking policies that have fueled concerns over rising inflation in the US and the potential for a fragmented global economy in the future.

- Bank Indonesia (BI) has responded by holding the BI Rate steady at 6.00% for the fourth consecutive time, despite Indonesia's actual inflation data and inflation expectations remaining at the lower end of BI's target range.
- Meanwhile, the planned implementation of a 12% VAT on luxury goods, set to take effect on Jan 1, '25, warrants close attention.
- Although initially aimed at luxury items, there is growing concern that its broader application could erode overall consumer purchasing power in the long term.

Source : https://cepr.org/voxeu/columns/geo-economic-fragmentation-and-world-economy/, accessed in Dec 19 '24.

TABLE OF CONTENTS :

US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Nov '24	4.75	5.50
Economic Growth	%, yoy	3Q24	2.7	3
Inflation Rate	%, yoy	Nov'24	2.7	2.6
Unemployment Rate	%	Nov'24	4.2	4.1

Sources : various sources, KBVS Research (2024)

The data releases that influenced yield movements in the week of 12-18 Dec '24 are as follows:

- The number of people claiming unemployment benefits on the period ending Dec 13th, '24 in the US increased by 9K to 242K (Cons: 221K, Prev: 225K).
- US 10 Year Note Auction decreased to 4.24% (Prev : 4.35%).
- US PPI in Nov' 24 increased to 0.40% MoM (Cons: 0.20% MoM, Prev: 0.30% MoM).
- US 30 Year Bond Auction decreased to 4.54% (Prev: 4.61%).
- US S&P Global Manufacturing PMI in Dec' 24 decreased to 48.30 (Cons: 49.40, Prev : 49.70).
- US S&P Global Services PMI in Dec' 24 increased to 58.50 (Cons: 55.70, Prev: 56.10).
- US Core Retail Sales in Nov' 24 stable at 0.20% MoM (Cons: 0.40% MoM, Prev : 0.20% MoM).
- US Retail Sales in Nov' 24 increased to 0.70% MoM (Cons: 0.60% MoM, Prev: 0.50% MoM).

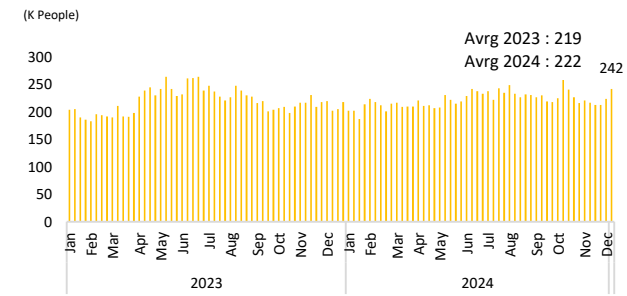
ECONOMIC CALENDAR

(12-18 DEC '24)

Event	Actual	Forecast	Previous
Thursday, 12 Dec '24			
US 10-Year Note Auction	4.24%		4.35%
US Federal Budget Balance (Nov)	-367.0B	-349.0B	-257.0B
US IEA Monthly Report			
US Continuing Jobless Claims	1,886K	1,880K	1,871K
US Initial Jobless Claims	242K	221K	225K
US Core PPI (MoM) (Nov)	0.20%	0.20%	0.30%
US PPI (MoM) (Nov)	0.40%	0.20%	0.30%
Friday, 13 Dec '24			
US 30-Year Bond Auction	4.54%		4.61%
US Fed's Balance Sheet	6,897B		6,896B
US Export Price Index (MoM) (Nov)	0.00%	-0.20%	1.00%
US Import Price Index (MoM) (Nov)	0.10%	-0.20%	0.10%
Monday, 16 Dec '24			
US NY Empire State Manufacturing Index (Dec)	0.20	6.40	31.20
US S&P Global Manufacturing PMI (Dec)	48.30	49.40	49.70
US S&P Global Composite PMI (Dec)	56.60	55.10	54.90
US S&P Global Services PMI (Dec)	58.50	55.70	56.10
Tuesday, 17 Dec '24			
US Core Retail Sales (MoM) (Nov)	0.20%	0.40%	0.20%
US Retail Control (MoM) (Nov)	0.40%	0.40%	-0.10%
US Retail Sales (MoM) (Nov)	0.70%	0.60%	0.50%
US Industrial Production (MoM) (Nov)	-0.10%	0.30%	-0.40%
US Industrial Production (YoY) (Nov)	-0.90%	0.10%	-0.45%
US Business Inventories (MoM) (Oct)	0.10%	0.20%	0.00%
US Retail Inventories Ex Auto (Oct)	0.10%	0.10%	0.10%
Wednesday, 18 Dec '24			
US Atlanta Fed GDP Now (Q4)	3.10%	3.30%	3.30%
US 20-Year Bond Auction	4.69%		4.68%
US API Weekly Crude Oil Stock	-4.700M	-1.850M	0.499M
US Building Permits (Nov)		1.430M	1.419M
US Current Account (Q3)		-286.0B	-266.80B
US Housing Starts (MoM) (Nov)			-3.10%
US Housing Starts (Nov)		1.350M	1.311M
US Crude Oil Inventories		-1.600M	-1.425M
US Cushing Crude Oil Inventories			-1.298M

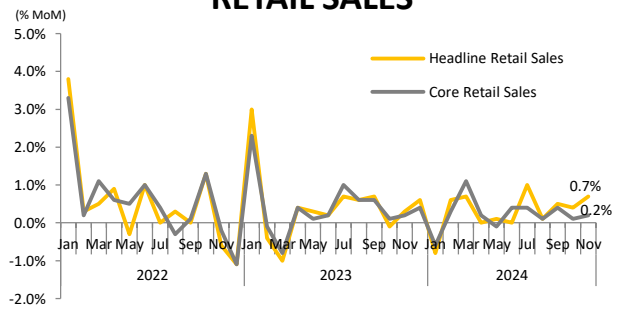
Sources : investing, KBVS Research (2024)

WEEKLY INITIAL JOBLESS CLAIMS



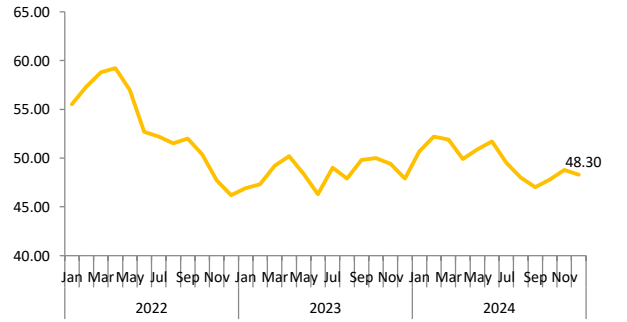
Sources : US DoL, KBVS Research (2024)

RETAIL SALES



Sources : US Census Bureau, KBVS Research (2024)

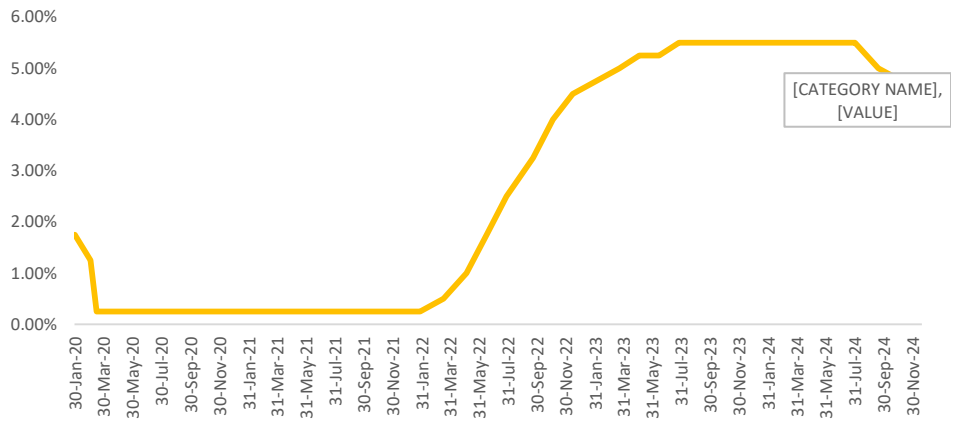
S&P GLOBAL MANUFACTURING PMI



Sources : Markit, KBVS Research (2024)

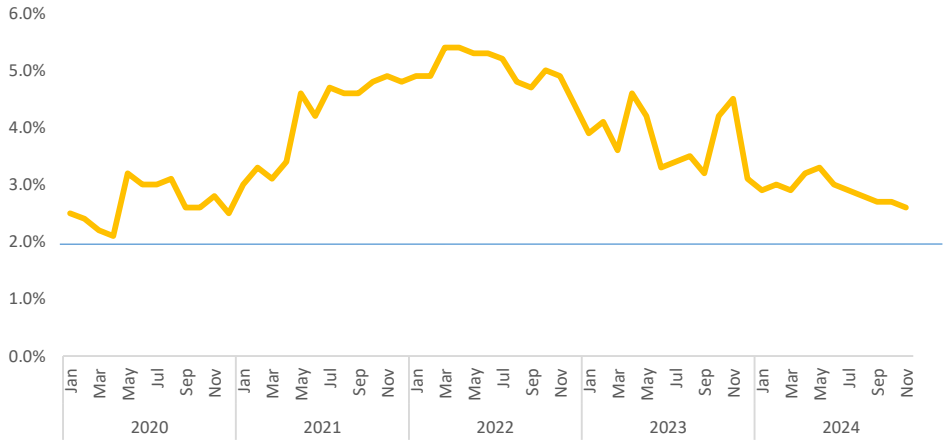
FED RATE

FED RATE



Source : The Fed (2024)

US MICHIGAN 1-YEAR INFLATION EXPECTATIONS



Source : University of Michigan (2024)

FED ECONOMIC PROJECTION, as of DEC '24

Percent

Variable	Median[1]					Central Tendency[2]					Range[3]				
	2024	2025	2026	2027	Longer run	2024	2025	2026	2027	Longer run	2024	2025	2026	2027	Longer run
Change in real GDP	2.5	2.1	2.0	1.9	1.8	2.4–2.5	1.8–2.2	1.9–2.1	1.8–2.0	1.7–2.0	2.3–2.7	1.6–2.5	1.4–2.5	1.5–2.5	1.7–2.5
September projection	2.0	2.0	2.0	2.0	1.8	1.9–2.1	1.8–2.2	1.9–2.3	1.8–2.1	1.7–2.0	1.8–2.6	1.3–2.5	1.7–2.5	1.7–2.5	1.7–2.5
Unemployment rate	4.2	4.3	4.3	4.3	4.2	4.2	4.2–4.5	4.1–4.4	4.0–4.4	3.9–4.3	4.2	4.2–4.5	3.9–4.6	3.8–4.5	3.5–4.5
September projection	4.4	4.4	4.3	4.2	4.2	4.3–4.4	4.2–4.5	4.0–4.4	4.0–4.4	3.9–4.3	4.2–4.5	4.2–4.7	3.9–4.5	3.8–4.5	3.5–4.5
PCE inflation	2.4	2.5	2.1	2.0	2.0	2.4–2.5	2.3–2.6	2.0–2.2	2.0	2.0	2.4–2.7	2.1–2.9	2.0–2.6	2.0–2.4	2.0
September projection	2.3	2.1	2.0	2.0	2.0	2.2–2.4	2.1–2.2	2.0	2.0	2.0	2.1–2.7	2.1–2.4	2.0–2.2	2.0–2.1	2.0
Core PCE inflation[4]	2.8	2.5	2.2	2.0		2.8–2.9	2.5–2.7	2.0–2.3	2.0		2.8–2.9	2.1–3.2	2.0–2.7	2.0–2.6	
September projection	2.6	2.2	2.0	2.0		2.6–2.7	2.1–2.3	2.0	2.0		2.4–2.9	2.1–2.5	2.0–2.2	2.0–2.2	
Memo: Projected appropriate policy path															
Federal funds rate	4.4	3.9	3.4	3.1	3.0	4.4–4.6	3.6–4.1	3.1–3.6	2.9–3.6	2.8–3.6	4.4–4.6	3.1–4.4	2.4–3.9	2.4–3.9	2.4–3.9
September projection	4.4	3.4	2.9	2.9	2.9	4.4–4.6	3.1–3.6	2.6–3.6	2.6–3.6	2.5–3.5	4.1–4.9	2.9–4.1	2.4–3.9	2.4–3.9	2.4–3.8

Source : The Fed (2024)

FED PROBABILITIES

FED PROBABILITIES, as of 18 DEC '24

MEETING DATE	FED PROBABILITIES					
	300-325	325-350	350-375	375-400	400-425	425-450
29-Jan-25	0.0%	0.0%	0.0%	0.0%	6.4%	93.6%
19-Mar-25	0.0%	0.0%	0.0%	2.4%	39.5%	58.0%
30-Apr-25	0.0%	0.0%	0.3%	7.5%	42.0%	50.2%
18-Jun-25	0.0%	0.1%	2.2%	16.5%	44.2%	37.1%
30-Jul-25	0.0%	0.3%	3.7%	19.4%	43.4%	33.2%
17-Sep-25	0.1%	0.9%	6.4%	23.5%	41.7%	27.5%
29-Oct-25	0.1%	1.5%	8.2%	25.5%	40.1%	24.5%
10-Dec -25	0.4%	2.6%	11.0%	27.8%	37.6%	20.6%

Sources : CME Group, and KBVS Research (2024)

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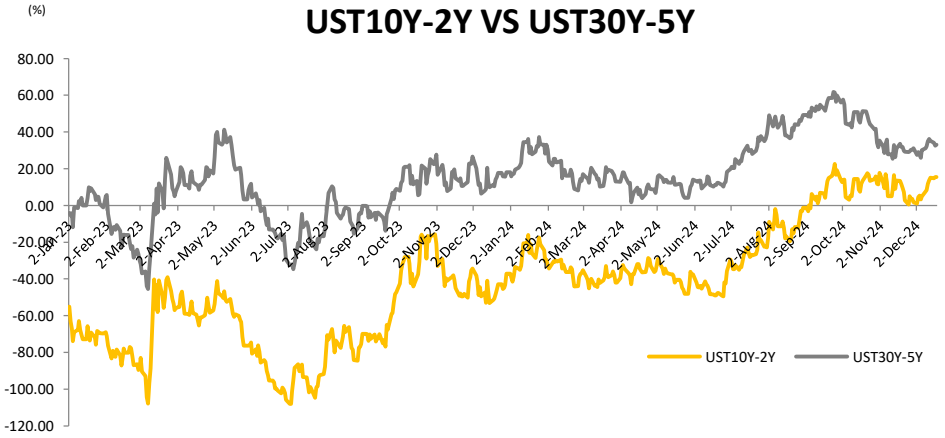
Sources : Bloomberg, and KBVS Research (2024)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2024)

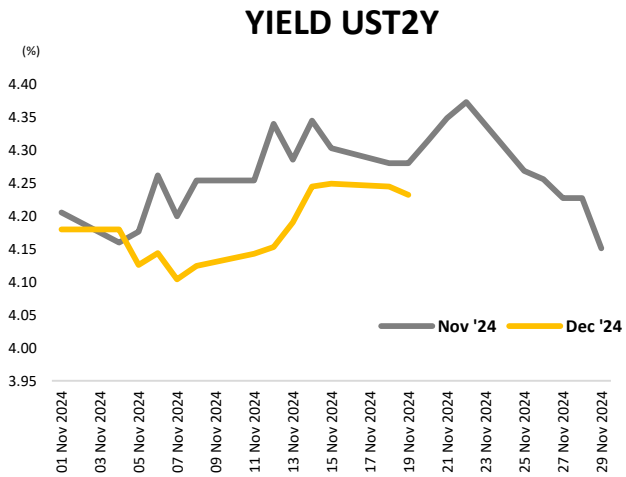
THE MOVEMENT OF UST YIELDS

US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Mar'24	34.67	34.47
Govt Debt to GDP	%	4Q23	124.3	122.9
Govt Budget	USD Bn	Feb '24	296.28	21.93
S&P Credit Rating	Rating	16-Mar-23	AA+	AA+

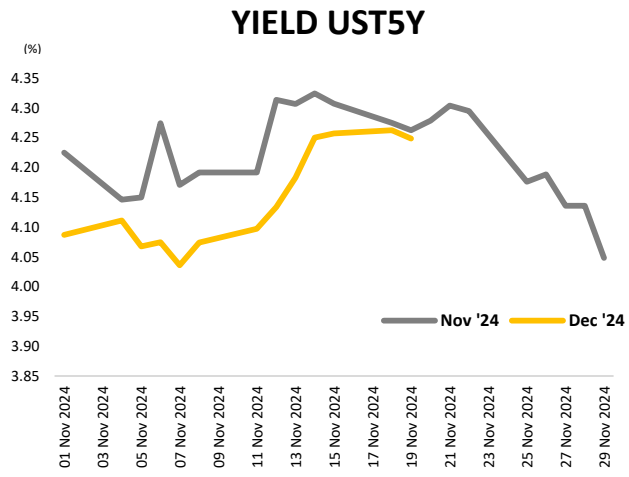
Sources : US Treasury, KBVS Research (2024)

Over the past week, there has been a tendency for UST yields to increase, where:

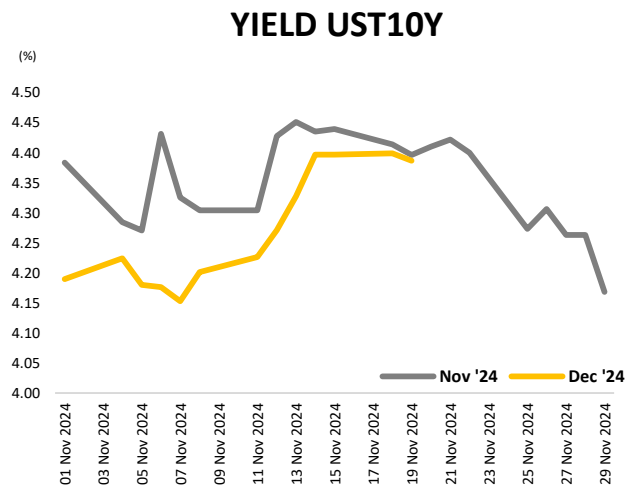
- UST6M
  - -1.30 bps (WoW)
  - -95.08 bps (YtD, as of Dec 18,'24)
- UST52W (1Y)
  - +2.98 bps (WoW)
  - -53.80 bps (YtD, as of Dec 18,'24)
- UST2Y
  - +9.15 bps (WoW)
  - -0.52 bps (YtD, as of Dec 18,'24)
- UST5Y
  - +12.36 bps (WoW)
  - +41.00 bps (YtD, as of Dec 18,'24)
- UST10Y
  - +12.17 bps (WoW)
  - +51.37 bps (YtD, as of Dec 18,'24)
- UST30Y
  - +10.11 bps (WoW)
  - +55.55 bps (YtD, as of Dec 18,'24)



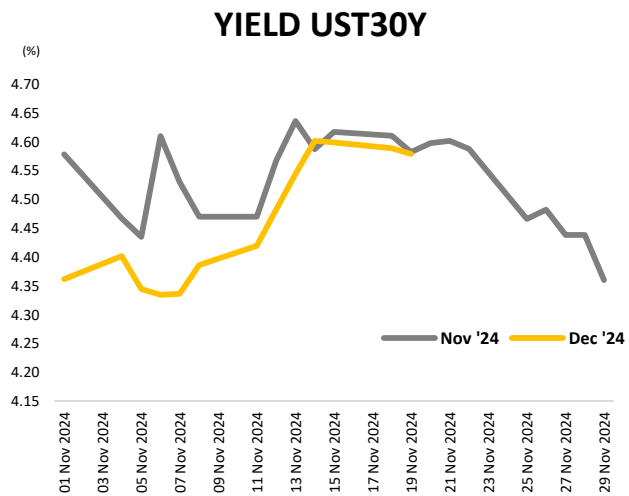
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)

TABLE OF CONTENTS :

INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	20 Nov '24	6.00	6.00
Economic Growth	%, yoy	3Q24	4.95	5.05
Inflation Rate	%, yoy	Nov '24	1.55	1.71
Unemployment Rate	%	Sep '24	4.91	4.82
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2024)

The data releases that influenced yield movements in the week of 12-18 Dec '24 are:

- The sharper decline in monthly imports (-2.7% MoM) compared to exports (-1.7% MoM) has driven Indonesia's trade surplus to rise to USD4.42 bn. **This serves as a solid foundation to mitigate the risk of a current account deficit in 4Q24 while also alleviating the depreciation pressure on the Rupiah that has persisted over the past two months.** Additionally, this marks the 55th consecutive month of sustained trade surpluses.
- **BI continues to adopt a pro-stability policy stance by maintaining the BI rate at 6.00%.** We believe this decision aligns with BI's concerns over potential Rupiah volatility in the coming period, despite the central bank's aggressive optimization of various monetary policies to attract foreign portfolio investments. On the other hand, inflation and inflation expectations remain well-anchored at 2.5% (+/- 1%).

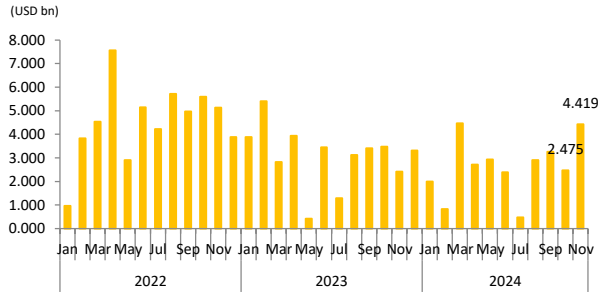
ECONOMIC CALENDAR

(12-18 DEC '24)

Event	Actual	Forecast	Previous
Thursday, 12 Dec '24			
Friday, 13 Dec '24			
Monday, 16 Dec '24			
ID Export Growth (YoY) (Nov)	9.14%	4.92%	10.25%
ID Import Growth (YoY) (Nov)	0.01%	6.15%	17.49%
ID Trade Balance (Nov)	4.42B	2.21B	2.47B
Tuesday, 17 Dec '24			
Wednesday, 18 Dec '24			
ID Loans (YoY) (Nov)	10.79%		10.29%
ID Interest Rate Decision	6.00%	6.00%	6.00%
ID Deposit Facility Rate (Dec)	5.25%	5.25%	5.25%
ID Lending Facility Rate (Dec)	6.75%	6.75%	6.75%

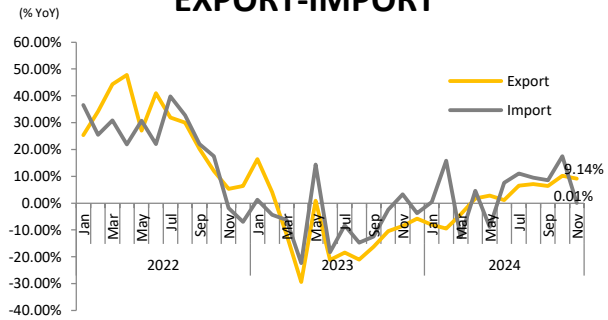
Sources : Investing, KBVS Research (2024)

TRADE BALANCE



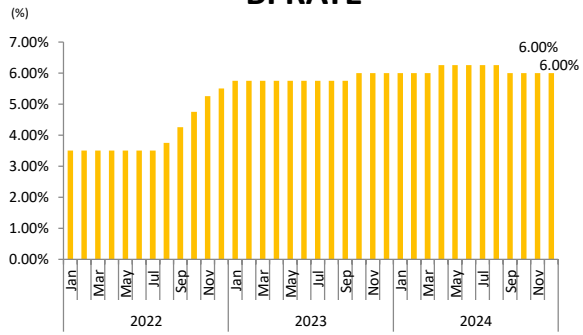
Sources : BPS, KBVS Research (2024)

EXPORT-IMPORT



Sources : BPS, KBVS Research (2024)

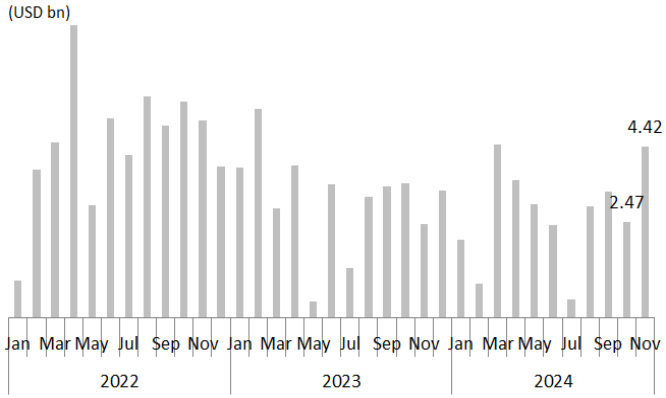
BI RATE



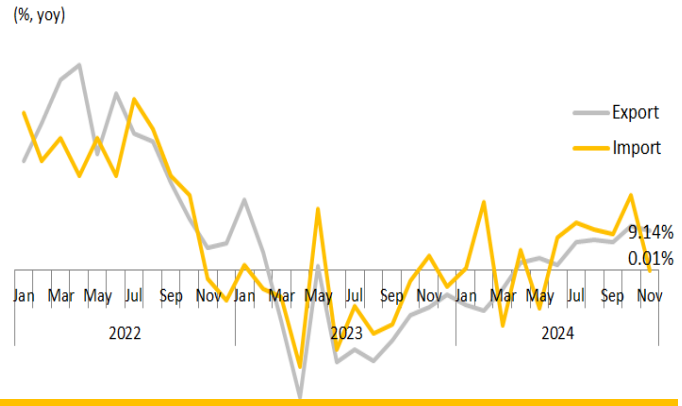
Sources : BI, KBVS Research (2024)

TRADE BALANCE

TRADE BALANCE



EXPORT IMPORT



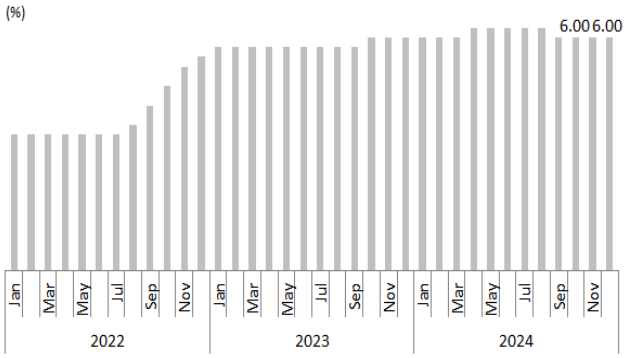
Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	Mom	YoY
Total Export	24.01	24.42	-1.70	9.14
Oil and Gas	1.32	1.35	-2.10	2.73
- Crude Oil	0.18	0.15	19.33	-5.10
- Processed Oil	0.46	0.40	13.85	33.71
- Gas	0.68	0.79	-14.33	-9.41
Non-Oil and Gas	22.69	23.08	-1.67	9.54
- Agriculture, Forestry, and Fisheries	0.58	0.67	-13.36	55.58
- Manufacturing	18.27	18.44	-0.92	13.88
- Mining & Others	3.84	3.97	-3.19	-10.63
Total Import	19.59	21.94	-10.72	0.01
Oil and Gas	2.57	3.67	-29.89	-26.32
- Crude Oil	0.49	1.21	-59.38	-54.18
- Processing Oil	2.08	2.45	-15.28	-13.89
- Gas	0.00	0.00	0.00	0.00
Non-Oil and Gas	17.02	18.27	-6.87	5.71
Import Based on the Goods Usage Classification				
Consumption Goods	2.02	2.04	-0.84	0.62
Raw/Auxiliary Materials	14.02	15.92	-11.97	0.68
Capital Goods	3.55	3.98	-10.77	-2.9
Trade Balance	4.42	2.48	77.97%	83.39%
Oil and Gas Trade Balance	-1.25	-2.32	-46.00%	-43.30%
Non-Oil and Gas Trade Balance	5.67	4.80	18.09%	22.79%

Source : BPS (2024)

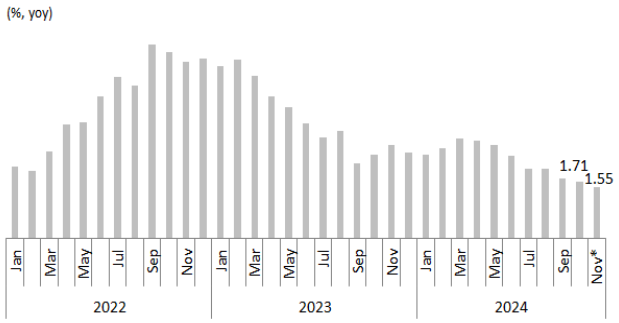
- **The sharper decline in monthly imports**, down -10.71% MoM or 0.01% YoY (Cons: 7.08% YoY, KBVS: 4.89% YoY, Prev: 17.49% YoY), **compared to exports, which fell -1.70% MoM** or 9.14% YoY (Cons: 6.30% YoY, KBVS: 6.07% YoY, Prev: 10.25% YoY), **has led to Indonesia's trade surplus rising to USD4.42 bn (Cons: USD2.34 bn, KBVS: USD2.78 bn, Prev: USD2.47 bn).** This marks the continuation of Indonesia's trade surplus for the 55th consecutive month.
- **The decline in exports and imports can be seen as an anticipatory adjustment to global supply chain shifts expected in 1Q25, following the implementation of the Trump Tariffs after the presidential inauguration on Jan 20, '25.** In terms of goods usage categories, imports have declined across all groups: Consumer Goods (-0.84% MoM), Raw Materials/Supporting Goods (-11.97% MoM), and Capital Goods (-10.77% MoM). On the export side, monthly exports also declined across all sectors.
- **The significant increase in the trade surplus, reaching its highest level since Mar '24, serves as a strong buffer to mitigate risks of a current account deficit in 4Q24.** This surplus also eases the depreciation pressures on the Rupiah, which have persisted over the past two months. Furthermore, this development strengthens the case for Bank Indonesia (BI) to provide additional monetary stimulus. The surplus could bolster BI's ability to reduce the benchmark interest rate (BI Rate) by 25 bps in its upcoming policy meeting on Wednesday, Dec 18, '24. This potential policy adjustment would support economic growth while maintaining Rupiah stability amid global uncertainties.

BI RATE

BI RATE



CPI INFLATION



Indicators	18-Dec-24 Latest	18-Dec-24 M-1	Monthly Changes (in bps)	Ytd Changes (in bps)
Policy Rate (in %)				
United States	4.75	4.75	0.0	(75.0)
European Union	3.15	3.40	(25.0)	(135.0)
United Kingdom	4.75	4.75	0.0	(50.0)
Japan	0.25	0.25	0.0	35.0
China	3.10	3.10	0.0	(35.0)
India	6.50	6.50	0.0	0.0
Thailand	2.25	2.25	0.0	(25.0)
Philippines	6.00	6.00	0.0	(50.0)
Indonesia	6.00	6.00	0.0	0.0
Global Monetary Policy Change (in number of countries)				
Easing	2	7		
Unchanged	15	10		
Tightening	14	0		
Average International Interest Rate (in %)				
USD LIBOR -1 Month	4.96	4.96	0.0	(45.0)
USD LIBOR -3 Months	4.85	4.85	0.0	(75.6)
USD LIBOR -6 Months	4.68	4.68	0.0	(117.8)
Domestic Interbank Money Market (in %)				
INDONIA	6.12	6.30	(18.3)	11.9
JIBOR - 1 Month	6.63	6.80	(17.5)	23.9
JIBOR - 3 Months	6.92	7.08	(16.2)	16.6
JIBOR - 6 Months	7.05	7.20	(15.0)	18.1
JIBOR - 12 Months	7.20	7.36	(15.3)	15.3

Source : BI (2024)

- Bank Indonesia (BI) continues to adopt a pro-stability policy stance by maintaining the BI rate at 6.00%.
- We explicitly see this decision is driven by:
  Firstly, BI's concern about the risks stemming from potential uncertainties in global trade and supply chains, which could impact global economic growth (real sector) and capital flows as a result of the imposition of Trump's tariffs and retaliatory measures prepared by various countries.
  Secondly, another risk arises from the hawkish stance likely to be adopted by the Federal Reserve, even though the Fed rate is expected to decline.
- BI's concern about volatility is reflected in expectations of the UST2Y yield reaching 4.5% in 2025 and the UST10Y yield reaching 4.7% by the end of 2025, alongside concerns over a continued rise in the DXY.
- Coordination between BI and the Ministry of Finance IN 2025 includes:
  a) the planned issuance of SBN and monetary operations for 2025, which has been discussed by both BI and the Ministry of Finance, and
  b) b) BI's agreement to continue purchasing SBN in the secondary market, potentially in greater quantities (possibly exceeding IDR150 tn), compared to the IDR100 tn in burden-sharing SBN maturing.

  However, the detailed implementation of the coordination between BI and the Ministry of Finance will be finalized soon.
- cautious sentiment demonstrated by BI signals a careful and *wait-and-see* approach in the financial markets.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI

Sources : Bloomberg, KBVS Research (2024)

Between 12-18 Dec '24, non-residents conducted:

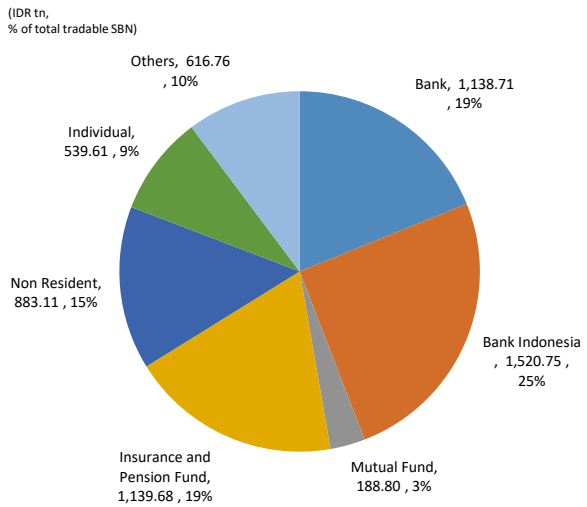
- A net buy of tradeable SBN, amounting IDR10.07 tn.
- A net sell of JCI, amounting IDR7.46 tn.

SUN LATEST AUCTION

10 Dec '24									
Instruments	SPN12250314	SPN12251211	FR0104	FR0103	FR0098	FR0097	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.04	3.04	7.87	16.31	3.40	2.52	1.67	2.13	38.98
Bid to Cover Ratio	-	-	1.17	1.46	1.31	2.19	5.57	21.32	1.77
Weighted Average Yields Awarded	-	-	6.870%	7.023%	7.089%	7.100%	7.108%	7.123%	
26 Nov '24									
Instruments	SPN03250226	SPN12251127	FR0104	FR0103	FR0098	FR0097	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.01	3.41	3.57	8.97	3.45	3.75	1.71	2.22	29.11
Bid to Cover Ratio	-	1.08	1.66	1.27	1.44	1.98	1.18	1.01	1.43
Weighted Average Yields Awarded	-	6.246%	6.830%	7.030%	7.059%	7.090%	7.088%	7.109%	

Sources : DJPPR, KBVS Research (2024)

OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2024)

As of 16 Dec '24, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,520.75 tn (-IDR1.73 tn, WoW),
- Banks : IDR1,138.71 tn (+IDR9.25 tn, WoW), and
- Insurance & Pension Funds: IDR1,139.68 tn (+IDR3.63 tn, WoW)

SBSN LATEST AUCTION

17 Dec '24								
Instruments	SPNS09062025	SPNS01092025	PBS003	PBS030	PBS029	PBS034	PBS038	Total
Incoming Bids (IDR tn)	2.04	3.21	0.89	0.49	0.12	0.17	3.88	10.79
Bid to Cover Ratio	-	1.02	8.90	1.65	-	-	1.09	1.52
Weighted Average Yields Awarded	-	6.380%	6.890%	6.899%	-	-	7.160%	
3 Dec '24								
Instruments	SPNS09062025	SPNS01092025	PBS032	PBS030	PBS034	PBS039	PBS038	Total
Incoming Bids (IDR tn)	2.09	3.23	1.90	1.52	1.29	1.06	2.59	13.67
Bid to Cover Ratio	1.05	1.06	4.22	1.38	12.86	-	1.99	1.71
Weighted Average Yields Awarded	6.300%	6.300%	6.848%	6.798%	6.930%	-	7.100%	

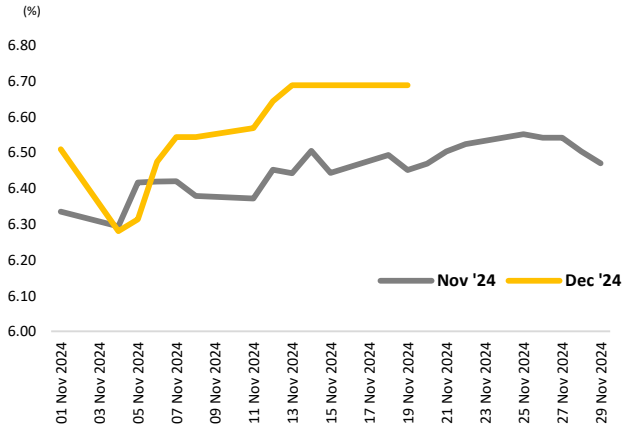
Sources : DJPPR, KBVS Research (2024)

THE MOVEMENT OF SUN YIELDS

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

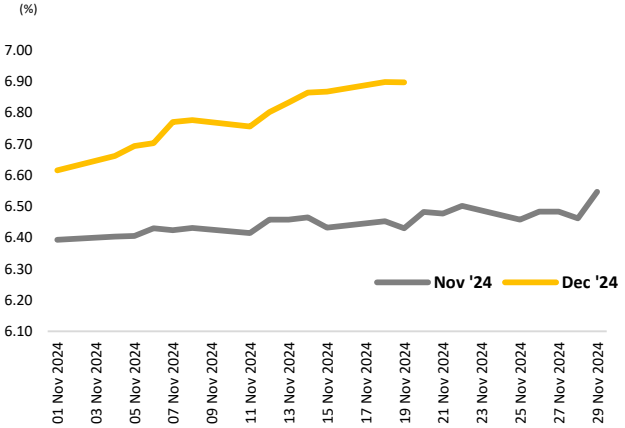
- Yield SUN1Y
  - +4.50 bps (WoW)
  - +32.30 bps (YtD, as of Dec 18,'24)
- Yield SUN2Y
  - +10.60 bps (WoW)
  - +52.30 bps (YtD, as of Dec 18,'24)
- Yield SUN5Y
  - +8.20 bps (WoW)
  - +54.50 bps (YtD, as of Dec 18,'24)
- Yield SUN10Y
  - +11.70 bps (WoW)
  - +58.40 bps (YtD, as of Dec 18,'24)
- Yield SUN30Y
  - +2.20 bps (WoW)
  - +23.20 bps (YtD, as of Dec 18,'24)

YIELD SUN1Y



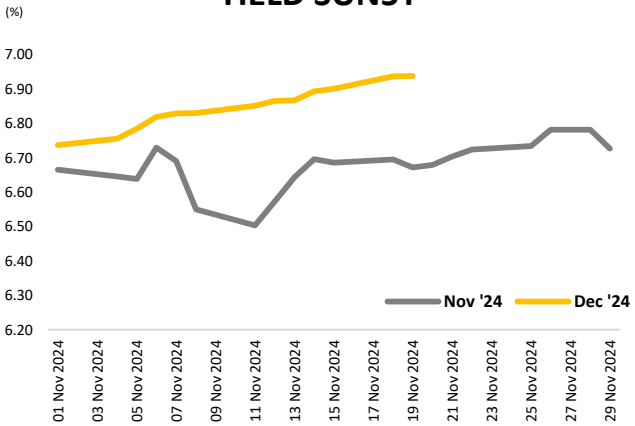
Sources : Bloomberg, KBVS Research (2024)

YIELD SUN2Y



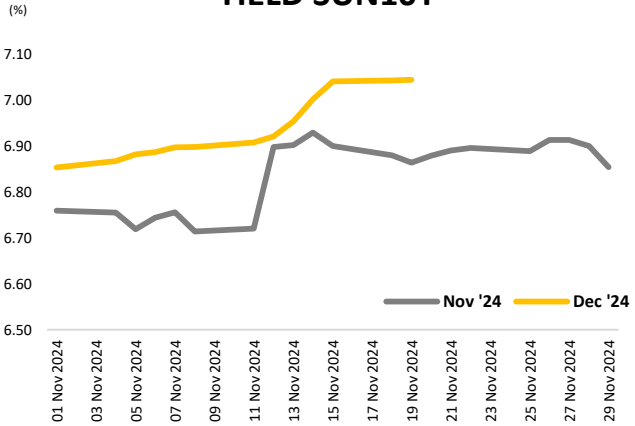
Sources : Bloomberg, KBVS Research (2024)

YIELD SUN5Y



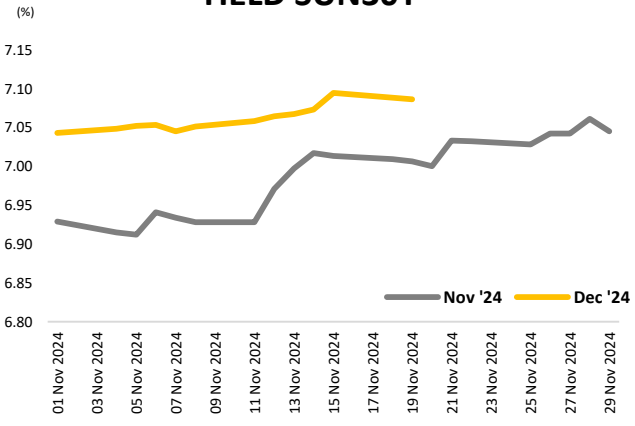
Sources : Bloomberg, KBVS Research (2024)

YIELD SUN10Y



Sources : Bloomberg, KBVS Research (2024)

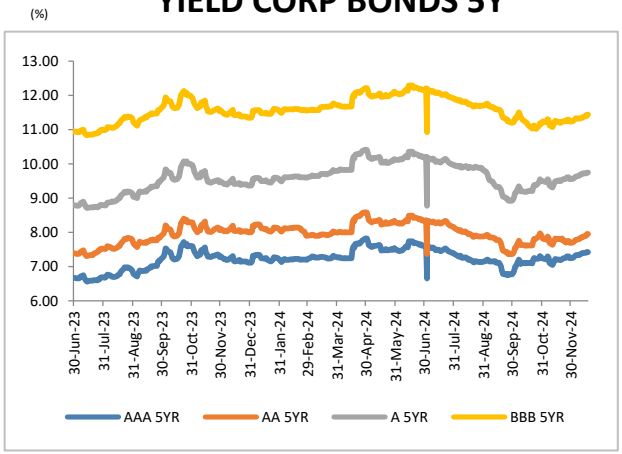
YIELD SUN30Y



Sources : Bloomberg, KBVS Research (2024)

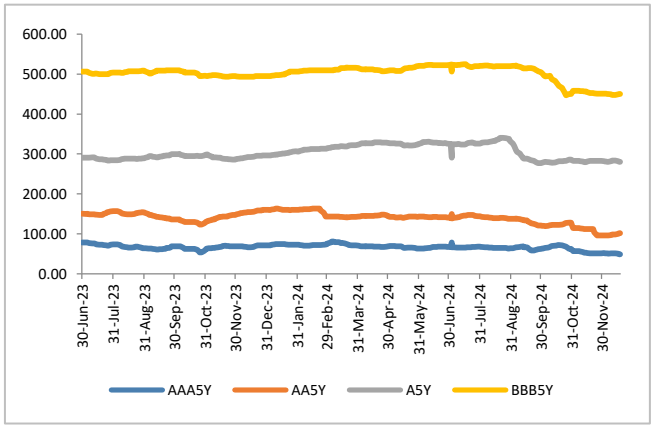
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

YIELD SPREAD 5Y TENOR

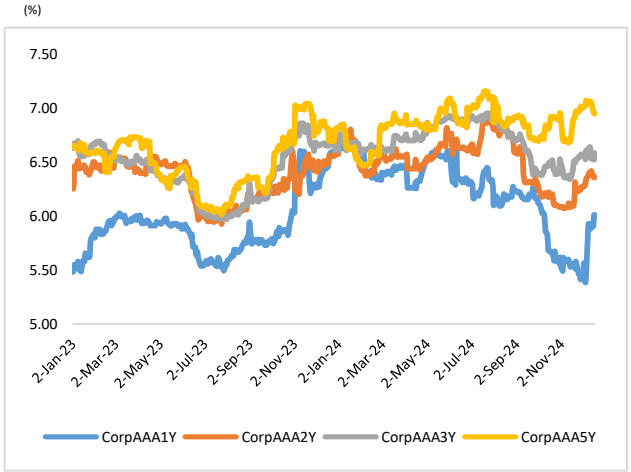


Sources : Bloomberg, KBVS Research (2024)

Corporate bonds showed a trend of decreasing yields last week, as follows:

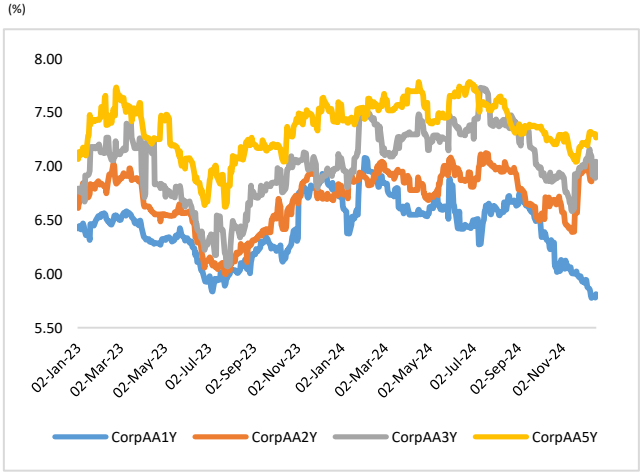
- AAA-rated
  - Tenor 1Y : +7.98 bps (WoW)
  - Tenor 2Y : -3.69 bps (WoW)
  - Tenor 5Y : -11.49 bps (WoW)
- AA-rated
  - Tenor 1Y : +1.55 bps (WoW)
  - Tenor 2Y : +12.25 bps (WoW)
  - Tenor 5Y : -5.49 bps (WoW)
- A-rated
  - Tenor 1Y : -11.95 bps (WoW)
  - Tenor 2Y : -11.77 bps (WoW), and
  - Tenor 5Y : -6.47 bps (WoW)

YIELD AAA-RATED



Sources : Bloomberg, KBVS Research (2024)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

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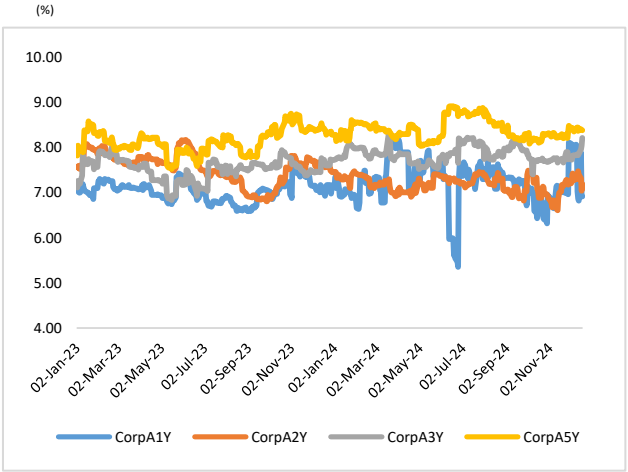


Sources : Bloomberg, KBVS Research (2024)

BI'S MONETARY OPERATION

SRBI's DEVELOPMENT

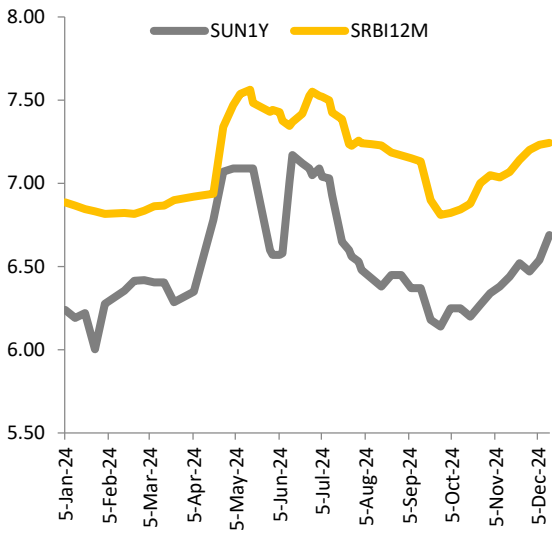
SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24	6.64	6.70	6.83	37,435.00	29,000.00	1.29
2-Feb-24	6.62	6.70	6.82	40,047.00	29,000.00	1.38
16-Feb-24	6.62	6.70	6.82	13,791.00	12,791.00	1.08
23-Feb-24	6.61	6.70	6.82	8,073.00	7,583.00	1.06
1-Mar-24	6.64	6.70	6.84	4,996.00	3,966.00	1.26
8-Mar-24	6.66	6.80	6.86	4,075.00	3,665.00	1.11
15-Mar-24	6.68	6.69	6.87	9,720.00	9,130.00	1.06
22-Mar-24	6.72	6.71	6.90	9,538.00	8,808.00	1.08
5-Apr-24	6.76	6.83	6.92	14,906.00	13,199.00	1.13
19-Apr-24	6.81	6.82	6.94	7,225.00	3,484.00	2.07
26-Apr-24	7.14	7.16	7.34	21,168.00	20,708.00	1.02
3-May-24	7.22	7.32	7.47	37,497.00	36,262.00	1.03
8-May-24	7.32	7.40	7.54	32,276.00	22,483.00	1.44
15-May-24	7.33	7.43	7.56	39,675.00	25,790.00	1.54
17-May-24	7.29	7.38	7.48	54,530.00	27,610.00	1.98
29-May-24	7.27	7.37	7.43	49,103.50	30,000.00	1.64
31-May-24	7.25	7.39	7.44	38,761.00	24,453.00	1.59
5-Jun-24	7.20	7.38	7.43	60,699.70	23,000.00	2.64
7-Jun-24	7.16	7.33	7.38	65,254.80	21,902.00	2.98
12-Jun-24	7.13	7.31	7.35	46,327.00	46,327.00	1.00
14-Jun-24	7.17	7.29	7.37	35,370.00	28,500.00	1.24
21-Jun-24	7.23	7.30	7.42	32,617.00	31,895.00	1.02
26-Jun-24	7.29	7.39	7.53	26,796.00	20,798.00	1.29
28-Jun-24	7.32	7.44	7.55	23,814.00	18,611.70	1.28
3-Jul-24	7.32	7.43	7.53	27,224.20	18,852.00	1.44
5-Jul-24	7.32	7.43	7.52	25,986.60	18,647.00	1.39
10-Jul-24	7.30	7.42	7.50	32,163.90	17,981.00	1.79
12-Jul-24	7.30	7.39	7.43	39,348.60	17,971.00	2.19
19-Jul-24	7.26	7.36	7.39	67,741.10	25,000.00	2.71
24-Jul-24	7.12	7.21	7.24	52,687.10	22,000.00	2.39
26-Jul-24	7.07	7.18	7.23	41,454.70	34,000.00	1.22
31-Jul-24	7.10	7.19	7.26	25,086.00	13,041.00	1.92
2-Aug-24	7.09	7.18	7.24	29,918.00	22,061.00	1.36
9-Aug-24	7.09	7.17	7.24	19,656.40	15,000.00	1.31
16-Aug-24	7.07	7.16	7.23	15,650.00	15,650.00	1.00
23-Aug-24	7.05	7.14	7.18	24,505.10	15,000.00	1.63
30-Aug-24	7.03	7.12	7.17	16,602.40	12,000.00	1.38
6-Sep-24	7.02	7.11	7.15	18,074.00	10,000.00	1.81
13-Sep-24	7.01	7.10	7.13	33,863.10	10,000.00	3.39
20-Sep-24	6.73	6.84	6.90	46,048.50	19,000.00	2.42
27-Sep-24	6.69	6.78	6.81	22,076.90	19,000.00	1.16
4-Oct-24	6.69	6.78	6.82	18,030.00	15,000.00	1.20
11-Oct-24	6.76	6.79	6.84	21,174.00	18,000.00	1.18
18-Oct-24	6.71	6.80	6.88	24,991.60	23,000.00	1.09
25-Oct-24	6.75	6.80	7.00	30,944.00	26,007.00	1.19
1-Nov-24	6.78	6.85	7.05	36,396.30	20,000.00	1.82
8-Nov-24	6.78	6.85	7.04	49,617.60	30,000.00	1.65
15-Nov-24	6.79	6.85	7.07	27,821.30	20,000.00	1.39
22-Nov-24	6.90	6.94	7.14	19,184.70	18,000.00	1.07
29-Nov-24	6.99	7.02	7.20	18,448.60	16,300.00	1.13
6-Dec-24	7.12	7.15	7.23	14,900.00	14,900.00	1.00
13-Dec-24	7.14	7.17	7.24	33,822.90	20,000.00	1.69

Sources : BI, KBVS Research (2024)

SVBI's DEVELOPMENT

SVBI	Weighted Yield Average Winner (%)			Bidding Amount (USD mn)	Total Nominal Awarded (USD Mn)	Bid to Cover Ratio
	1 Month	3 Months	6 Months			
2-Jan-24	5.74	-	-	66.00	31.00	2.13
9-Jan-24	5.71	-	-	268.00	147.00	1.82
16-Jan-24	5.70	-	-	382.00	284.00	1.35
23-Jan-24	5.67	5.70	-	397.00	251.00	1.58
30-Jan-24	5.67	5.69	-	512.00	472.00	1.08
6-Feb-24	5.66	5.69	-	472.00	442.00	1.07
13-Feb-24	5.66	5.68	-	808.00	607.00	1.33
20-Feb-24	5.66	5.67	-	662.00	652.00	1.02
27-Feb-24	5.66	5.67	-	518.00	488.00	1.06
5-Mar-24	5.66	5.68	-	312.00	272.00	1.15
14-Mar-24	5.67	5.68	-	577.00	532.00	1.08
19-Mar-24	5.67	5.68	-	367.00	357.00	1.03
26-Mar-24	5.66	-	-	375.00	358.00	1.05
2-Apr-24	5.67	5.68	-	264.50	264.50	1.00
16-Apr-24	5.67	-	-	210.00	160.00	1.31
23-Apr-24	5.67	5.68	-	514.00	489.00	1.05
30-Apr-24	5.68	5.70	-	305.00	303.00	1.01
7-May-24	5.68	-	-	253.00	228.00	1.11
14-May-24	5.69	5.70	-	431.00	366.00	1.18
21-May-24	5.69	5.69	-	375.00	350.00	1.07
28-May-24	5.69	5.69	-	209.00	204.00	1.02
4-Jun-24	5.69	5.69	-	606.00	591.00	1.03
11-Jun-24	5.69	5.70	-	430.50	420.50	1.02
19-Jun-24	5.69	5.70	-	152.00	137.00	1.11
25-Jun-24	5.70	5.70	-	282.00	242.00	1.17
2-Jul-24	5.70	5.70	-	342.00	340.00	1.01
9-Jul-24	5.69	5.70	-	644.00	639.00	1.01
16-Jul-24	5.68	5.68	-	552.00	264.00	2.09
23-Jul-24	5.66	5.68	-	687.00	267.00	2.57
30-Jul-24	5.61	-	-	299.00	150.00	1.99
6-Aug-24	5.55	5.45	-	864.00	190.00	4.55
13-Aug-24	5.53	5.42	-	977.00	587.00	1.66
20-Aug-24	5.48	5.40	-	1,079.00	612.00	1.76
27-Aug-24	5.41	5.33	5.02	935.50	306.00	3.06
3-Sep-24	5.34	5.25	4.99	1,019.00	884.00	1.15
10-Sep-24	5.25	5.16	4.85	710.50	644.50	1.10
17-Sep-24	5.21	5.13	4.84	652.00	627.00	1.04
24-Sep-24	5.00	4.84	4.68	311.00	301.00	1.03
1-Oct-24	4.99	4.81	4.60	283.00	283.00	1.00
8-Oct-24	4.98	4.81	4.66	398.00	374.00	1.06
15-Oct-24	4.97	4.80	4.75	435.00	430.00	1.01
22-Oct-24	4.98	4.80	-	415.00	385.00	1.08
29-Oct-24	4.98	4.80	4.75	394.00	385.00	1.02
5-Nov-24	4.98	4.80	-	502.00	490.00	1.02
12-Nov-24	4.83	4.55	4.78	414.00	413.00	1.00
19-Nov-24	4.95	4.80	-	235.00	210.00	1.12
26-Nov-24	4,98	4,80	-	379,00	327,00	1,16
3-Dec-24	-	4.82	-	207.50	100.00	2.08
10-Dec-24	4.92	4.81	-	595.00	595.00	1.00
17-Dec-24	4.94	4.83	-	515.00	515.00	1.00

Sources : BI, KBVS Research (2024)



Sources : BI, KBVS Research (2024)

TABLE OF CONTENTS :

NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(19-25 DEC 2024)

Country	Event	Forecast	Previous
	Thursday, Dec 19, 2024		
JP	BoJ Monetary Policy Statement		
JP	BoJ Interest Rate Decision	0.25%	0.25%
JP	BoJ Press Conference		
GE	Gfk Consumer Climate (Jan)	-23.10	-23.30
EU	Leaders Summit		
GB	BoE MPC Vote Cut (Dec)	2.00	8.00
GB	BoE MPC Vote Hike (Dec)	0.00	0.00
GB	BoE MPC Vote Unchanged (Dec)	7.00	1.00
GB	BoE Interest Rate Decision (Dec)	4.75%	4.75%
GB	BoE MPC Meeting Minutes		
US	Continuing Jobless Claims		1,886K
US	Initial Jobless Claims	245K	242K
US	Core PCE Prices (Q3)	2.10%	2.80%
US	GDP (QoQ) (Q3)	2.80%	3.00%
US	GDP Price Index (QoQ) (Q3)	1.90%	2.50%
US	Philadelphia Fed Manufacturing Index (Dec)	2.50	-5.50
US	Philadelphia Fed Employment (Dec)		8.60
US	Existing Home Sales (Nov)	4.11M	3.96M
US	Existing Home Sales (MoM) (Nov)		3.40%
US	Leading Index (MoM) (Nov)	-0.10%	-0.40%

Country	Event	Forecast	Previous
	Friday, Dec 20, 2024		
US	TIC Net Long-Term Transactions (Oct)		216.10B
US	Fed's Balance Sheet		6,897B
JP	National Core CPI (YoY) (Nov)	2.60%	2.30%
JP	National CPI (MoM) (Nov)		0.40%
CN	Loan Prime Rate 5Y (Dec)	3.60%	3.60%
CN	PBoC Loan Prime Rate	3.10%	3.10%
GB	Core Retail Sales (MoM) (Nov)		-0.90%
GB	Core Retail Sales (YoY) (Nov)		2.00%
GB	Retail Sales (YoY) (Nov)		2.40%
GB	Retail Sales (MoM) (Nov)	0.50%	-0.70%
GE	PPI (MoM) (Nov)	0.30%	0.20%
US	Core PCE Price Index (MoM) (Nov)	0.20%	0.30%
US	Core PCE Price Index (YoY) (Nov)		2.80%
US	PCE Price Index (MoM) (Nov)		0.20%
US	PCE Price Index (YoY) (Nov)		2.30%
US	Personal Spending (MoM) (Nov)	0.50%	0.40%
US	Michigan 1-Year Inflation Expectations (Dec)	2.90%	2.60%
US	Michigan 5-Year Inflation Expectations (Dec)	3.10%	3.20%
US	Michigan Consumer Expectations (Dec)	71.60	76.90
US	Michigan Consumer Sentiment (Dec)	74.00	71.80

Country	Event	Forecast	Previous
	Monday, Dec 23, 2024		
ID	M2 Money Supply (YoY) (Nov)		6.70%
GB	Business Investment (QoQ) (Q3)		1.20%
GB	Current Account (Q3)		-28.40B
GB	GDP (QoQ) (Q3)		0.10%
GB	GDP (YoY) (Q3)		1.00%
US	CB Consumer Confidence (Dec)		111.70
	Tuesday, Dec 24, 2024		
US	Core Durable Goods Orders (MoM) (Nov)		0.20%
US	Durable Goods Orders (MoM) (Nov)		0.30%
US	New Home Sales (MoM) (Nov)		-17.30%
US	New Home Sales (Nov)		610K
	Wednesday, Dec 25, 2024		

Sources : investing, KBVS Research (2024)


Thank you!