Anticipating The Positive Impact Of COP29 And The G20 On Indonesia

21 November 2024

Economist / Fikri C Permana

KB Valbury Sekuritas

Executive Summary

- The G20 Summit in Rio de Janeiro resulted in a joint declaration addressing Brazil's priority issues, including global conflicts, hunger eradication, taxes on billionaires, and global governance reforms.

- Meanwhile, some of the outcomes from the 29th United Nations Climate Change Conference (COP29) held in Baku, Azerbaijan include:
  - Enhancing ambition and implementation related to mitigation
  - Mainstreaming climate change adaptation and resilience into policies
  - Transitioning from fossil fuels in the energy system
  - Accelerating low-emission and net-zero emission technologies
  - Discussing the Global Goal on Adaptation (GGA) to guide climate change adaptation efforts
  - Outlining the Harmoniya Climate Initiative for farmers to drive finance and collaboration in the agricultural sector
- In addition, Indonesia successfully secured green funding amounting to 1.2 billion Euros at COP29.

Source : Jakartaglobe(2024), link:
https://jakartaglobe.id/news/indonesia-calls-for-immediate-ukraine-ceasefire-at-g20-summit-

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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	Oct'24	2.6	2.4
Unemployment Rate	%	Oct'24	4.1	4.1

Sources : various sources, KBVS Research (2024)

The data releases that influenced yield movements in the week of 14-20 Nov '24 are as follows:

- The number of people claiming unemployment benefits on the period ending Nov 10th in the US decreased by 4K to 217K (Cons: 224K, Prev: 221K).
- US PPI in Oct'24 increased to 0.20% MoM (Cons: 0.20% MoM, Prev: 0.10% MoM).
- US Core Retail Sales in Oct'24 decreased to 0.10% MoM (Cons: 0.30% MoM, Prev: 1.00% MoM).
- US Retail Sales in Oct'24 decreased to 0.40% MoM (Cons: 0.30% MoM, Prev: 0.80% MoM).
- US Building Permits in Oct '24 fell to 1.416 mn units (Cons: 1.440 mn units, Prev: 1.425 mn units).
- US Housing Starts for the same month (Oct '24) slipped slightly to 1.311 mn units (Cons: 1.340 mn units, Prev: 1.353 mn units).

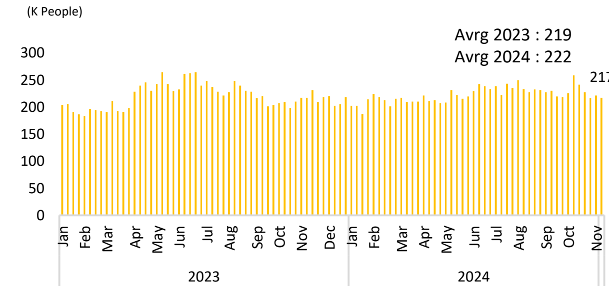
ECONOMIC CALENDAR

(14-20 NOV '24)

Event	Actual	Forecast	Previous
Thursday, 14 Nov '24			
US EIA Short-Term Energy Outlook			
US Federal Budget Balance (Oct)	-257.0B	-226.4B	64.0B
US API Weekly Crude Oil Stock	-0.777M	1.000M	3.132M
US IEA Monthly Report			
US Continuing Jobless Claims	1,873K	1,880K	1,884K
US Initial Jobless Claims	217K	224K	221K
US Core PPI (MoM) (Oct)	0.30%	0.30%	0.20%
US PPI (MoM) (Oct)	0.20%	0.20%	0.10%
US Crude Oil Inventories	2.089M	0.400M	2.149M
US Cushing Crude Oil Inventories	-0.688M		0.522M
Friday, 15 Nov '24			
US Fed Chair Powell Speaks			
US FOMC Member Williams Speaks			
US Fed's Balance Sheet	6,967B		6,994B
US Core Retail Sales (MoM) (Oct)	0.10%	0.30%	1.00%
US Export Price Index (MoM) (Oct)	0.80%	-0.10%	-0.60%
US Import Price Index (MoM) (Oct)	0.30%	-0.10%	-0.40%
US NY Empire State Manufacturing Index (Nov)	31.20	-0.30	-11.90
US Retail Control (MoM) (Oct)	-0.10%	0.30%	1.20%
US Retail Sales (MoM) (Oct)	0.40%	0.30%	0.80%
US Industrial Production (YoY) (Oct)	-0.29%		-0.73%
US Industrial Production (MoM) (Oct)	-0.30%	-0.30%	-0.50%
US Business Inventories (MoM) (Sep)	0.10%	0.20%	0.30%
US Retail Inventories Ex Auto (Sep)	0.20%	0.30%	0.10%
Monday, 18 Nov '24			
Tuesday, 19 Nov '24			
US TIC Net Long-Term Transactions (Sep)	216.10B	114.30B	108.80B
US Building Permits (Oct)	1.416M	1.440M	1.425M
US Housing Starts (MoM) (Oct)	-3.10%		-1.90%
US Housing Starts (Oct)	1.311M	1.340M	1.353M
US Atlanta Fed GDP Now (Q4)	2.60%	2.50%	2.50%
Wednesday, 20 Nov '24			
US API Weekly Crude Oil Stock	4.735M	0.800M	-0.777M
US Crude Oil Inventories			2.089M
US Cushing Crude Oil Inventories			-0.688M

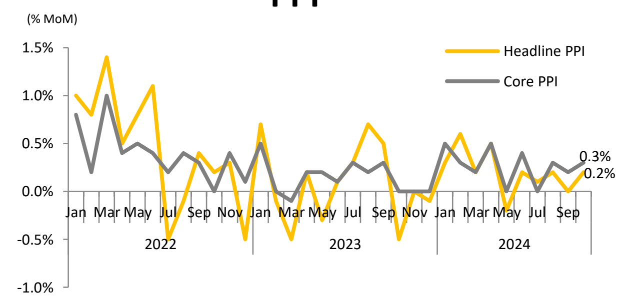
Sources : investing, KBVS Research (2024)

WEEKLY INITIAL JOBLESS CLAIMS



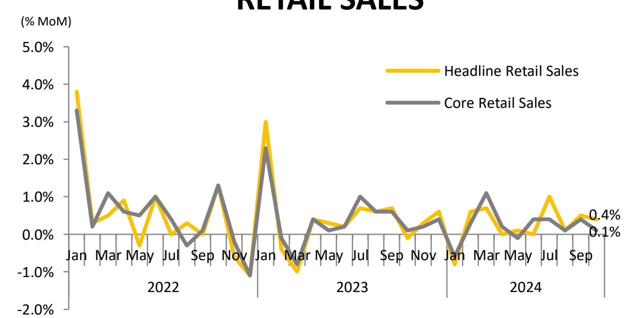
Sources : US DoL, KBVS Research (2024)

PPI



Sources : US Bureau of Labor Statistics, KBVS Research (2024)

RETAIL SALES



Sources : US Census Bureau, The Fed, KBVS Research (2024)

THE HIGH-LEVEL CONFERENCE HELD LAST WEEK

G20 : BRAZIL 18-19 NOV '24

Source : RRI, accessed in Nov 20, '24 , link: https://rri.co.id/internasional/1131727/deklarasi-g20-brasil-fokus-kelaparan-dan-reformasi-global

- The G20 Summit in Brazil resulted in a decision where the proposal for a minimum tax on the super-rich has not yet been fully agreed upon by G20 member countries. The implementation of this progressive tax will be left to the sovereign discretion of each country, respecting the tax sovereignty of each nation.
- Meanwhile, Indonesia calls for immediate ukraine ceasefire at G20 Summit .

COP29 : AZERBAIJAN 11-22 NOV '24

- The United Nations has urged G20 leaders to push the COP29 climate conference discussions toward an agreement that would help raise funds for developing countries.
- On a related note, Indonesia received a green funding agreement of EUR1.2 bn (approximately IDR20.18 tn) for clean energy development.
- Meanwhile, Saudi Arabia is seeking to reverse a resolution made a year ago to transition away from fossil fuels and is working to exclude this issue from the financial discussions at the initial agenda of the meeting.

FED PROBABILITIES AND THEIR IMPACT

FED PROBABILITIES, as of 20 NOV '24

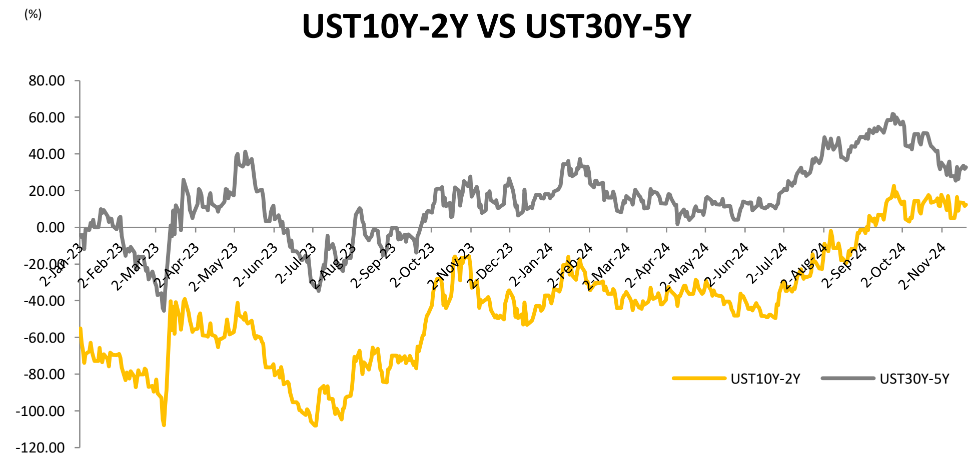
MEETING DATE	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475
18-Dec-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	58.9%	41.1%
29-Jan-25	0.0%	0.0%	0.0%	0.0%	0.0%	16.4%	54.0%	29.7%
19-Mar-25	0.0%	0.0%	0.0%	0.2%	9.7%	38.5%	39.6%	12.2%
30-Apr-25	0.0%	0.0%	0.0%	2.9%	18.2%	38.9%	31.5%	8.6%
18-Jun-25	0.0%	0.0%	1.4%	10.3%	28.2%	35.3%	20.4%	4.4%
30-Jul-25	0.0%	0.4%	3.9%	15.3%	30.2%	31.1%	15.9%	3.2%
17-Sep-25	0.1%	1.3%	6.8%	19.2%	30.4%	27.2%	12.6%	2.4%
29-Oct-25	0.3%	2.3%	9.1%	21.2%	29.9%	24.6%	10.8%	1.9%

Sources : CME Group, and KBVS Research (2024)

DXY

Sources : Bloomberg, and KBVS Research (2024)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2024)

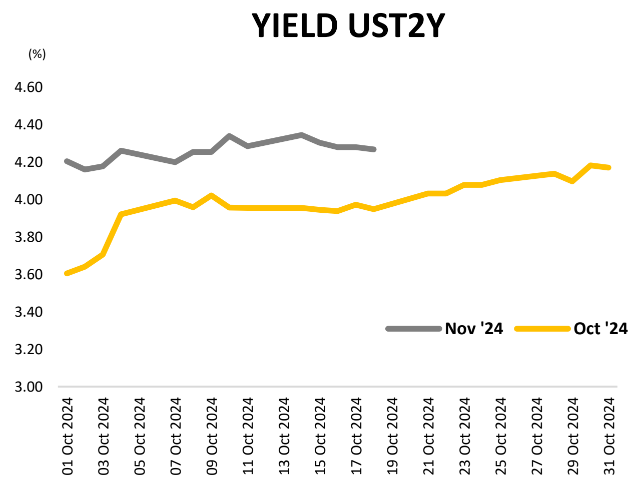
THE MOVEMENT OF UST YIELDS

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+

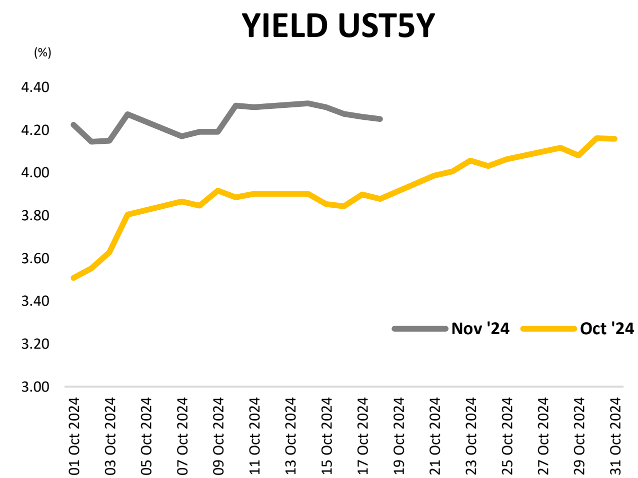
Sources : US Treasury, KBVS Research (2024)

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

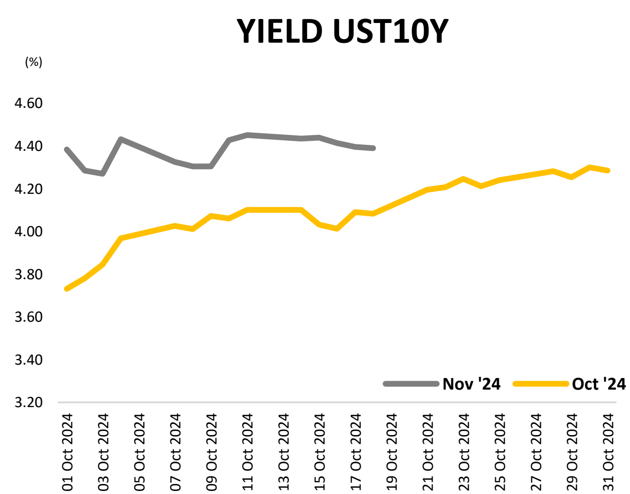
- UST6M
  - +2.11 bps (WoW)
  - -79.76 bps (YtD, as of Nov 20,'24)
- UST52W (1Y)
  - +2.43 bps (WoW)
  - -44.15 bps (YtD, as of Nov 20,'24)
- UST2Y
  - +0.54 bps (WoW)
  - +4.12 bps (YtD, as of Nov 20,'24)
- UST5Y
  - -2.97 bps (WoW)
  - +42.97 bps (YtD, as of Nov 20,'24)
- UST10Y
  - -3.34 bps (WoW)
  - +53.87 bps (YtD, as of Nov 20,'24)
- UST30Y
  - -2.75 bps (WoW)
  - +58.00 bps (YtD, as of Nov 20,'24)



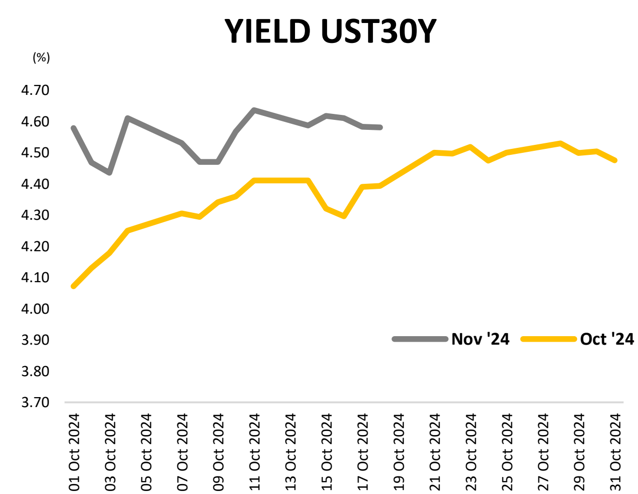
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)

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INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	16 Oct '24	6.00	6.00
Economic Growth	%, yoy	3Q24	4.95	5.05
Inflation Rate	%, yoy	Oct '24	1.71	1.84
Unemployment Rate	%	Sep '24	4.91	4.82
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2024)

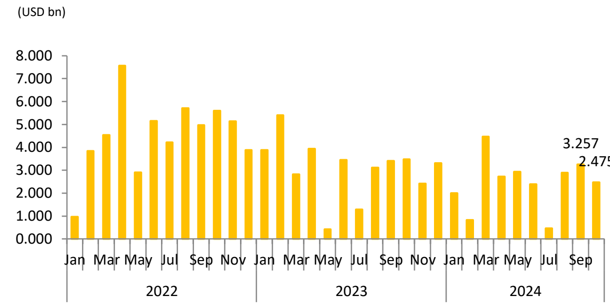
ECONOMIC CALENDAR

(14-20 NOV '24)

Event	Actual	Forecast	Previous
Thursday, 14 Nov '24			
Friday, 15 Nov '24			
ID Export Growth (YoY) (Oct)	10.25%	3.84%	6.44%
ID Import Growth (YoY) (Oct)	17.49%	7.10%	8.55%
ID Trade Balance (Oct)	2.47B	3.05B	3.26B
Monday, 18 Nov '24			
Tuesday, 19 Nov '24			
Wednesday, 20 Nov '24			
ID Loans (YoY) (Oct)	10.92%		10.85%
ID Interest Rate Decision	6.00%	6.00%	6.00%
ID Deposit Facility Rate (Nov)	5.25%		5.25%
ID Lending Facility Rate (Nov)	6.75%		6.75%

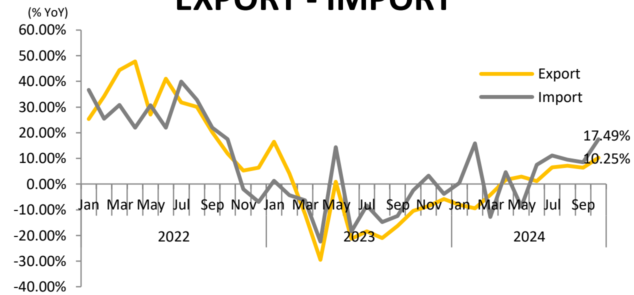
Sources : Investing, KBVS Research (2024)

TRADE BALANCE



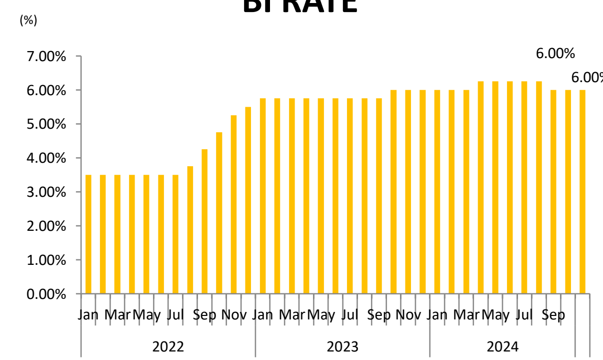
Sources : BPS, KBVS Research (2024)

EXPORT - IMPORT



Sources : BPS, KBVS Research (2024)

BI RATE



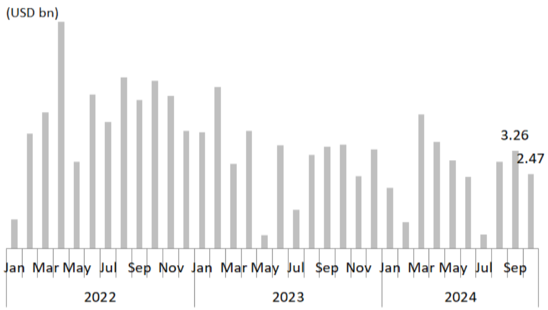
Sources : BI, KBVS Research (2024)

The data releases that influenced yield movements in the week of 14-20 Nov '24 are:

- The rise in commodity prices has driven an increase in both exports and imports across nearly all goods categories in Oct '24. **However, the decline in the trade surplus could allow for further depreciation of the Rupiah**. Looking forward, despite this depreciation, the anticipated benefits from Indonesia's recent entry into the OECD and BRICS groups are expected to positively impact the country's export comparative advantage. Additionally, year-end seasonality may further boost imports, particularly of consumer goods, in the coming months of Nov and Dec '24.
- **The Bank Indonesia Board of Governors (RDG) has decided to maintain the benchmark interest rate at 6.00%,** in line with its pro-stability policy. This decision is primarily aimed at preserving Rupiah stability amid global geopolitical uncertainties and the potential pause in Fed rate cuts in December. Along with this, BI is optimizing its instruments (such as SRBI, SUVBI, etc.), strengthening its repo policies for both Rupiah and foreign exchange, and intervening in the foreign exchange market through spot transactions, DNDF, and secondary market SBN. **Moving forward, we anticipate that BI will remain cautious, given the volatility of the DXY and the ongoing risk-off sentiment observed among global investors.**

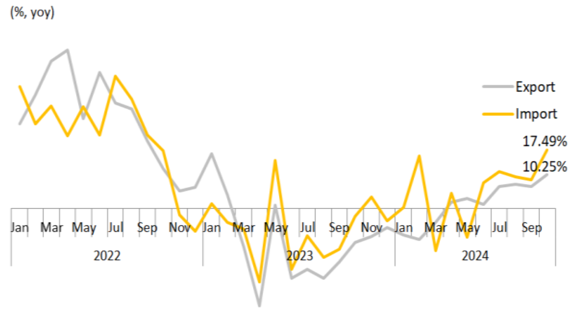
TRADE BALANCE

TRADE BALANCE



Sources : BPS, KBVS Research (2024)

EXPORT-IMPORT



Sources : BPS, KBVS Research (2024)

Indonesia's Trade Balance

Indicators	Value (USD bn) Latest	M-1	Growth (%) Mom	YoY
Total Export	**24.41**	**22.06**	**10.69**	**10.25**
Oil and Gas	**1.35**	**1.15**	**16.88**	**-1.84**
- Crude Oil	0.15	0.20	-22.85	-15.06
- Processed Oil	0.40	0.31	28.56	-17.99
- Gas	0.79	0.64	23.46	12.81
Non-Oil and Gas	**23.07**	**20.90**	**10.35**	**11.04**
- Agriculture, Forestry, and Fisheries	0.66	0.56	17.58	78.11
- Manufacturing	18.43	16.45	12.04	14.41
- Mining & Others	3.97	3.89	2.15	-7.42
Total Import	**21.94**	**18.82**	**16.54**	**17.49**
Oil and Gas	**3.67**	**2.53**	**44.98**	**14.32**
- Crude Oil	1.21	0.75	61.87	17.74
- Processing Oil	2.45	1.78	37.86	12.70
- Gas	0.00	0.00	0.00	0.00
Non-Oil and Gas	**18.27**	**16.30**	**12.13**	**18.14**
Import Based on the Goods Usage Classification				
Consumption Goods	2.04	1.85	10.02	12.16
Raw/Auxiliary Materials	15.92	13.44	18.49	18.48
Capital Goods	3.98	3.53	12.56	16.41
Trade Balance	**2.48**	**3.23**	**-23.39%**	**-36.37%**
Oil and Gas Trade Balance	**-2.32**	**-1.38**	**-40.64%**	**34.92%**
Non-Oil and Gas Trade Balance	**4.80**	**4.61**	**-3.91%**	**-14.51%**

Sources: BPS, KBVS Research – treated (2024).

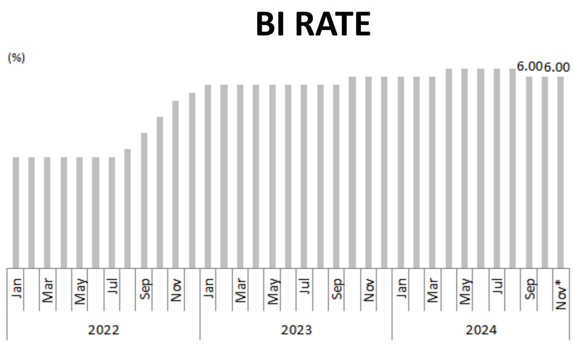
- The rise in commodity prices has spurred increases in both exports and imports across nearly all goods categories in Oct ‘24. However, contrary to the previous month, import growth of 16.54% MoM (Prev: -8.91% MoM) outpaced export growth of 10.69% MoM (Prev: -6.17% MoM) in the period. Consequently, the trade surplus narrowed to USD 2.47 bn (Cons: USD3.08 bn, KBVS: USD3.19 bn, Prev: USD3.26 bn).

- Indonesia's exports in Oct ‘24 amounted to USD22.05 bn, growing by 10.25% YoY (Cons: 3.47% YoY, KBVS: 3.10% YoY, Prev: 6.44% YoY).

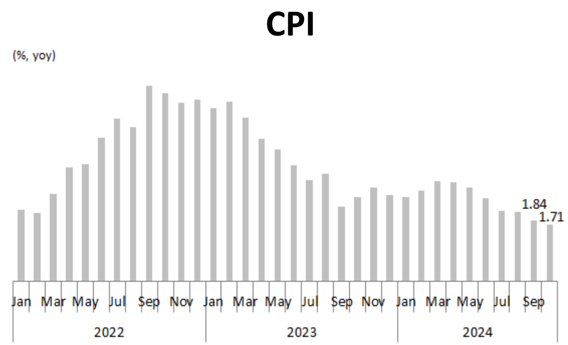
- Meanwhile, Indonesia's imports in Oct ‘24 reached USD21.94 bn, growing by 17.49% YoY (Cons: 7.18% YoY, KBVS: 5.20% YoY, Prev: 8.55% YoY).

- Despite these changes, the narrowing trade surplus may exert further pressure for Rupiah depreciation in the short term. However, the widening interest rate differential between the Fed and Bank Indonesia over the last two months is expected to encourage capital inflows and support Rupiah stability in the longer term. Looking ahead, although depreciation risks persist, Indonesia's recent entry into the OECD and BRICS groups is anticipated to enhance the country's export comparative advantage. Additionally, year-end seasonality may lead to increased imports, particularly of consumer goods, during Nov and Dec ‘24.

BI RATE



Sources : BI, KBVS Research (2024)



Sources : BPS, KBVS Research (2024)

Indicators	20-Nov-24		Monthly Changes (in bps)	Ytd Changes (in bps)
	Latest	M-1		
Policy Rate (in %)				
United States	4.75	5.00	(25.0)	(75.0)
European Union	3.40	3.65	(25.0)	(110.0)
United Kingdom	4.75	5.00	(25.0)	(50.0)
Japan	0.25	0.25	0.0	35.0
China	3.10	3.35	(25.0)	(35.0)
India	6.50	6.50	0.0	0.0
Thailand	2.25	2.50	(25.0)	(25.0)
Philippines	6.00	6.25	(25.0)	(50.0)
Indonesia	6.00	6.00	0.0	0.0
Global Monetary Policy Change (in number of countries)				
Easing	3	7		
Unchanged	17	10		
Tightening	16	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	6.17	6.30	(13.3)	16.8
JIBOR - 1 Month	6.64	6.80	(16.5)	24.9
JIBOR - 3 Months	6.82	7.08	(25.6)	7.1
JIBOR - 6 Months	7.05	7.20	(15.0)	18.1
JIBOR - 12 Months	7.20	7.36	(15.1)	15.5

Sources : Each Central Bank and GlobalRates – treated (2024)

- The Bank Indonesia Board of Governors (RDG), in line with its pro-stability policy, decided to maintain the benchmark interest rate at 6.00% (Cons: 6.00%, KBVS: 5.75%, Prev: 6.00%).
- On the other hand, both headline and core inflation, which remain within Bank Indonesia's target range, provide room for further potential BI rate cuts in the future.
- Our forecast is for headline inflation to reach 1.7% by the end of 2024. Similarly, core inflation, at 2.21% YoY or 1.91% YTD, is expected to close at 2.4% YoY by the end of 2024.
- In addition to this, Bank Indonesia is optimizing its policy tools (such as SRBI, SUVBI, etc.), strengthening its repo policies for both Rupiah and foreign exchange, and intervening in the foreign exchange market through spot transactions, DNDF, and secondary market SBN.
- Then, with global geopolitical risks still uncertain, the ongoing risk-off sentiment driven by high US Treasury yields, and expectations regarding Trump’s policies as his finance minister appointment awaits, we anticipate that Bank Indonesia will remain highly cautious and data-dependent in its approach to future interest rate decisions, despite the likelihood of a 25 bps Fed rate cut in Dec ‘24.

12% VAT Rate Increase

Pasal 7

(1) Tarif Pajak Pertambahan Nilai yaitu:

a. sebesar 11% (sebelas persen) yang mulai berlaku pada tanggal 1 April 2022;

b. sebesar 12% (dua belas persen) yang mulai berlaku paling lambat pada tanggal 1 Januari 2025.

(2) Tarif Pajak Pertambahan Nilai sebesar 0% (nol persen) diterapkan atas:

a. ekspor Barang Kena Pajak Berwujud;

b. ekspor Barang Kena Pajak Tidak Berwujud; dan

c. ekspor Jasa Kena Pajak.

(3) Tarif Pajak Pertambahan Nilai sebagaimana dimaksud pada ayat (1) dapat diubah menjadi paling rendah 5% (lima persen) dan paling tinggi 15% (lima belas persen).

(4) Perubahan tarif Pajak Pertambahan Nilai sebagaimana dimaksud pada ayat (3) diatur dengan Peraturan Pemerintah setelah disampaikan oleh Pemerintah kepada Dewan Perwakilan Rakyat Republik Indonesia untuk dibahas dan disepakati dalam penyusunan Rancangan Anggaran Pendapatan dan Belanja Negara.

Sources : MoF, KBVS Research (2024)

- Minister of Finance Sri Mulyani Indrawati confirmed that the government is ready to implement an increase in the value added tax (VAT) rate from 11% to 12% next year.
- The 12% VAT rate is based on UU No. 7 of 2021 concerning Harmonization of Tax Regulations (UU HPP). Referring to Pasal 7 ayat (1), the 12% VAT rate will apply no later than Jan 1 ‘25, after the VAT rate increases from 10% to 11% in April 2022.
- Several goods and services are expected to experience price increases due to the 12% VAT rate, including:
  - Consumer Goods: Electronics: Items such as TVs, refrigerators, mobile phones, laptops, and other electronic products.
  - Household Goods: Furniture, such as cabinets, mattresses, tables, and cooking equipment.
  - Clothing and Accessories: Finished clothing, shoes, bags, and other fashion accessories.Luxury Goods:Motor vehicles (cars, motorcycles).
  - Jewelry and other luxury items.Services:Construction Services: Building and infrastructure projects.
  - Consulting Services: Business, legal, and other advisory services.Financial Services: Certain financial products, such as insurance or banking services, subject to VAT.
- Meanwhile, several items that are exempt from the 12% VAT include rice, corn, sago, soybeans, consumption salt, meat, eggs, milk, fruits, vegetables, tubers, spices, and consumption sugar.
- Additionally, :
  a) Food and beverages served in restaurants, hotels, eateries, and similar establishments;
  b) Money, gold bars used as foreign exchange reserves, and securities;
  c) Religious services;
  d) Arts and entertainment services (covering all types of services provided by artists and entertainers);
  e) Hotel services (such as room rentals or space rentals in hotels);
  f) Parking services;
  g) Services provided by the government for general administration purposes, and
  h) Catering services are also exempt from VAT.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI

Sources : Bloomberg, KBVS Research (2024)

Between 14 and 20 Nov '24, non-residents conducted:

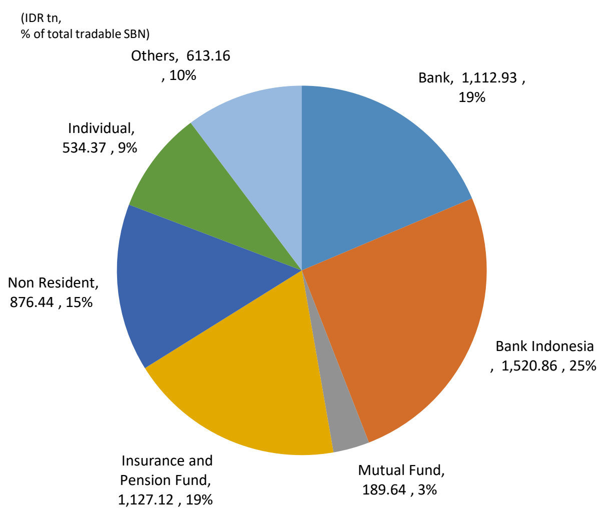
- No transaction in tradable SBN, and
- A net sell of JCI, amounting IDR3.79 tn.

SUN LATEST AUCTION

12 Nov '24									
Instruments	SPN12250213	SPN12251113	FR0104	FR0103	FR0098	FR0097	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.00	3.35	8.61	11.46	3.03	4.30	2.22	2.41	29.58
Bid to Cover Ratio	-	-	2.46	1.12	1.48	1.02	1.14	24.10	1.57
Weighted Average Yields Awarded	-	-	6.640%	6.930%	6.959%	7.012%	6.993%	7.005%	
29 Oct '24									
Instruments	SPN03250129	SPN12251030	FR0104	FRSDG001	FR0103	FR0098	FR0097	FR0105	Total
Incoming Bids (IDR tn)	2.52	3.53	4.76	1.97	5.70	3.19	3.21	4.71	29.58
Bid to Cover Ratio	-	1.07	1.47	1.19	2.71	1.03	1.07	1.92	1.57
Weighted Average Yields Awarded	-	6.150%	6.770%	6.719%	6.940%	7.048%	7.057%	7.059%	

Sources : DJPPR, KBVS Research (2024)

OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2024)

As of 18 Nov '24, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,520.86 tn (+IDR17.39 tn, WoW),
- Banks : IDR1,112.93 tn (-IDR12.08 tn, WoW), and
- Insurance & Pension Funds: IDR1,127.12 tn (+IDR6.88 tn, WoW)

SBSN LATEST AUCTION

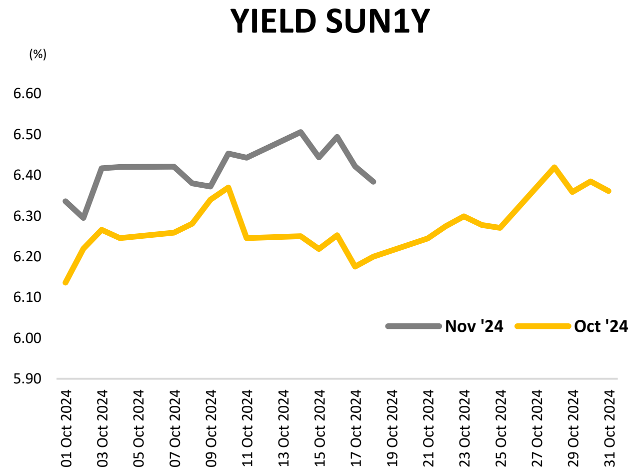
19 Nov '24								
Instruments	SPNS29052025	SPNS04082025	PBS032	PBS030	PBS029	PBS004	PBS038	Total
Incoming Bids (IDR tn)	2.13	3.24	3.63	1.07	0.29	0.17	3.33	13.85
Bid to Cover Ratio	1.06	1.03	1.21	5.36	-	1.72	6.06	1.54
Weighted Average Yields Awarded	6.200%	6.308%	6.730%	6.699%	-	6.926%	7.047%	
5 Nov '24								
Instruments	SPNS29052025	SPNS04082025	PBS032	PBS030	PBS004	PBS029	PBS038	Total
Incoming Bids (IDR tn)	2.23	3.88	2.63	1.23	0.42	2.35	3.58	16.27
Bid to Cover Ratio	1.06	1.06	1.17	1.54	2.83	2.62	8.95	1.59
Weighted Average Yields Awarded	6.200%	6.244%	6.620%	6.596%	6.848%	6.970%	6.998%	

Sources : DJPPR, KBVS Research (2024)

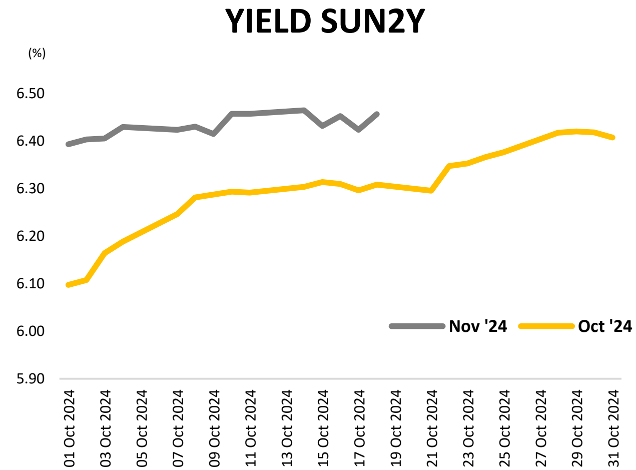
The Movement of SUN Yields

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

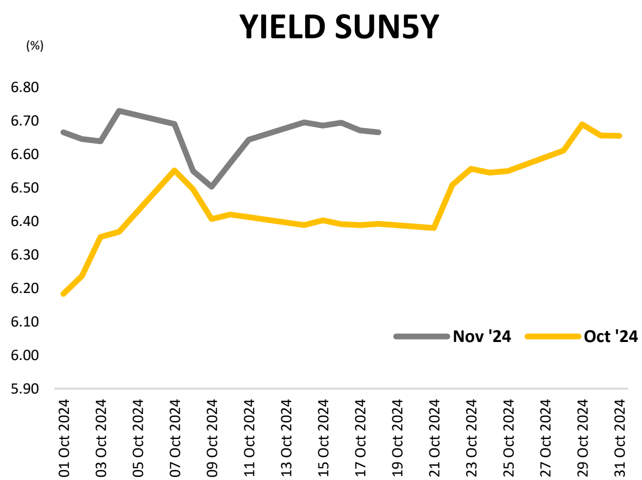
- Yield SUN1Y
  - -0.50 bps (WoW)
  - +7.20 bps (YtD, as of Nov 20,'24)
- Yield SUN2Y
  - +1.20 bps (WoW)
  - +8.60 bps (YtD, as of Nov 20,'24)
- Yield SUN5Y
  - +3.10 bps (WoW)
  - +27.30 bps (YtD, as of Nov 20,'24)
- Yield SUN10Y
  - -2.50 bps (WoW)
  - +42.30 bps (YtD, as of Nov 20,'24)
- Yield SUN30Y
  - +0.40 bps (WoW)
  - +14.70 bps (YtD, as of Nov 20,'24)



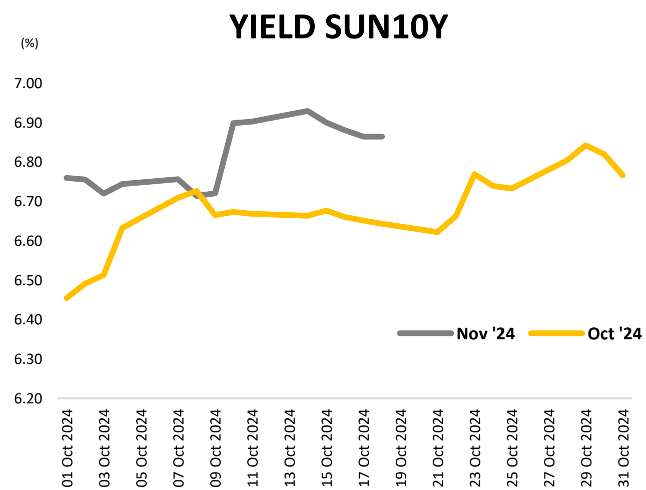
Sources : Bloomberg, KBVS Research (2024)



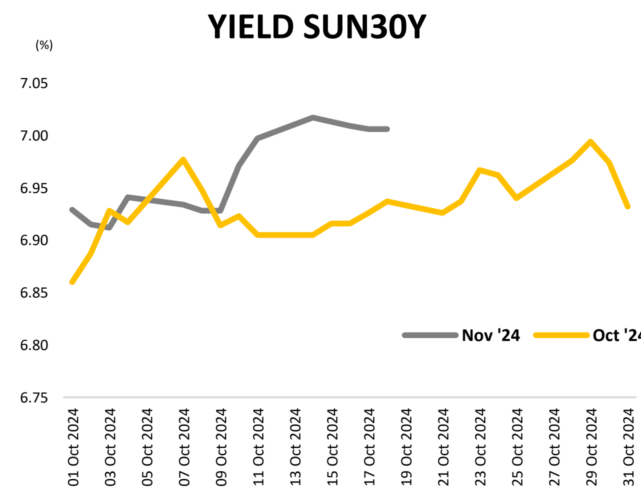
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



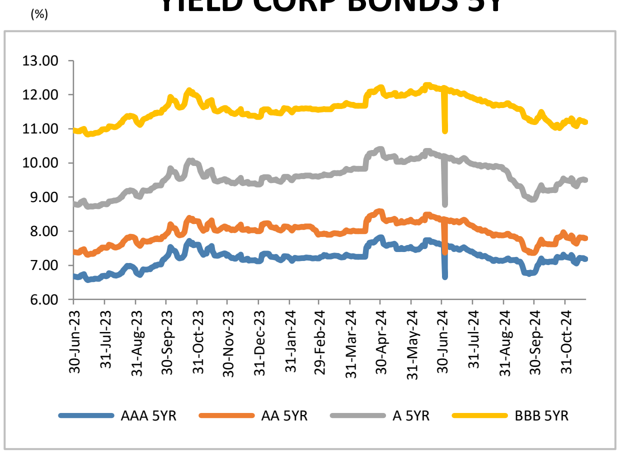
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)

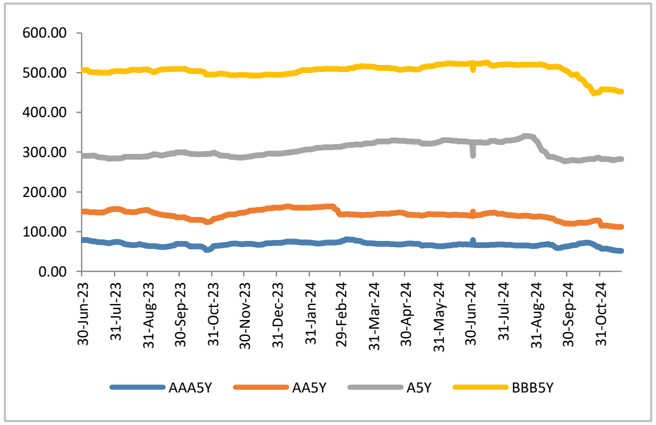
The Movement of Corporate Bond Yields

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

YIELD SPREAD 5Y TENOR

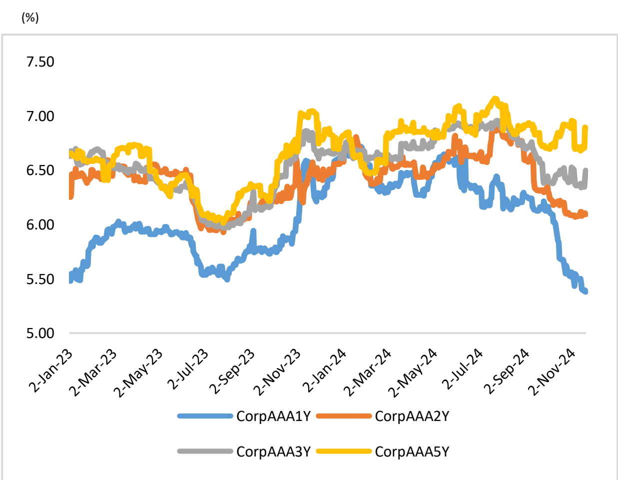


Sources : Bloomberg, KBVS Research (2024)

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

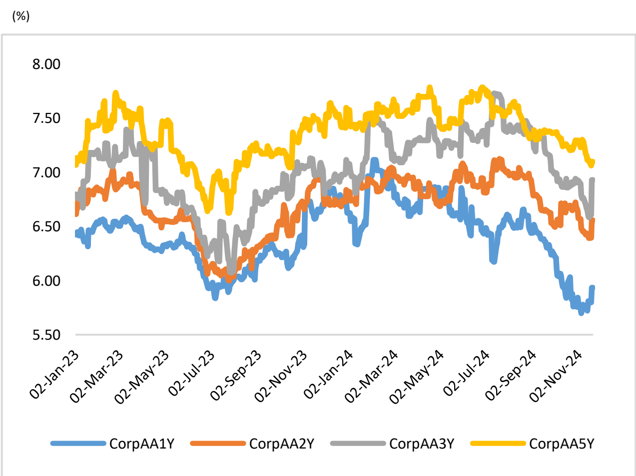
- AAA-rated
  - Tenor 1Y : +1.73 bps (WoW)
  - Tenor 2Y : -6.79 bps (WoW)
  - Tenor 5Y : +15.55 bps (WoW)
- AA-rated
  - Tenor 1Y : +20.94 bps (WoW)
  - Tenor 2Y : +13.25 bps (WoW)
  - Tenor 5Y : -6.34 bps (WoW)
- A-rated
  - Tenor 1Y : +16.88 bps (WoW)
  - Tenor 2Y : +55.56 bps (WoW), and
  - Tenor 5Y : +6.77 bps (WoW)

YIELD AAA-RATED



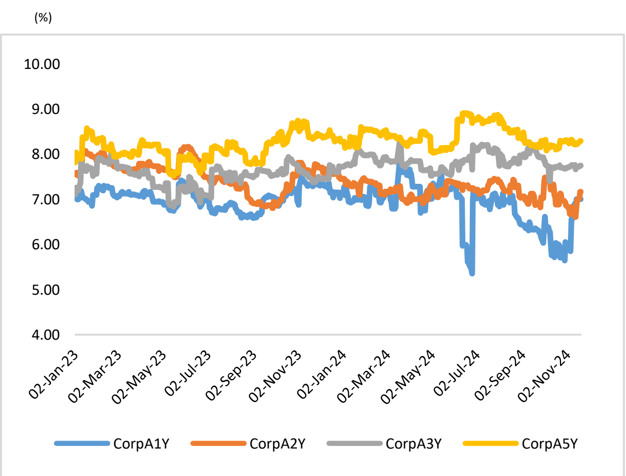
Sources : Bloomberg, KBVS Research (2024)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

YIELD A-RATED



Sources : Bloomberg, KBVS Research (2024)

BI'S MONETARY OPERATION

SRBI's DEVELOPMENT

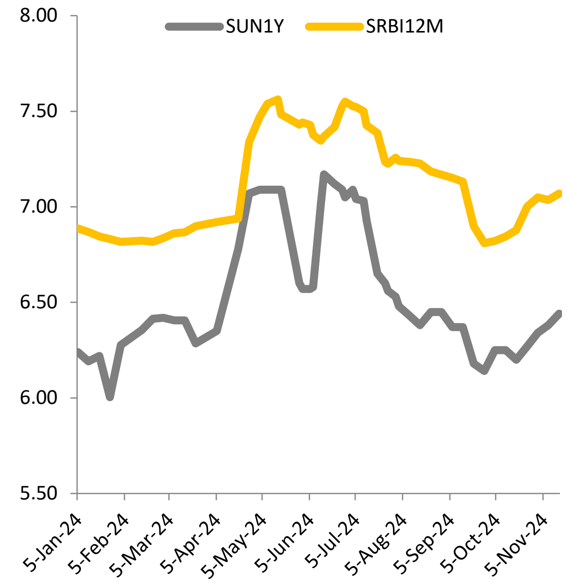
SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24	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

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

Sources : BI, KBVS Research (2024)



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NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(21-27 NOV 2024)

Country	Event	Forecast	Previous
Thursday, Nov 21, 2024			
US	FOMC Member Bowman Speaks		
US	20-Year Bond Auction		4.59%
EU	ECB's De Guindos Speaks		
ID	Balance of Payments (EUR) (Q3)		-0.60B
ID	Current Account % of GDP (Q3)		-0.90%
US	Continuing Jobless Claims		1,837K
US	Initial Jobless Claims	220K	217K
US	Philadelphia Fed Manufacturing Index (Nov)	6.30	10.30
US	Philadelphia Fed Employment (Nov)		-2.20
GB	MPC Member Mann Speaks		
US	Existing Home Sales (MoM) (Oct)		-1.00%
US	Existing Home Sales (Oct)	3.94M	3.84M
US	Leading Index (MoM) (Oct)	-0.30%	-0.50%
EU	ECB Elderson Speaks		
EU	ECB's Lane Speaks		

Country	Event	Forecast	Previous
Friday, Nov 22, 2024			
US	10-Year TIPS Auction		1.59%
US	Fed's Balance Sheet		6,967B
US	Fed Vice Chair for Supervision Barr Speaks		
JP	National Core CPI (YoY) (Oct)	2.20%	2.40%
JP	Au Jibun Bank Japan Services PMI (Nov)		49.70
ID	M2 Money Supply (YoY) (Oct)		7.20%
GB	Core Retail Sales (MoM) (Oct)		0.30%
GB	Core Retail Sales (YoY) (Oct)		4.00%
GB	Retail Sales (MoM) (Oct)	-0.30%	0.30%
GB	Retail Sales (YoY) (Oct)	3.40%	3.90%
GE	GDP (YoY) (Q3)	-0.20%	-0.20%
GE	GDP (QoQ) (Q3)	0.20%	0.20%
GE	HCOB Manufacturing PMI (Nov)	43.10	43.00
GE	HCOB Services PMI (Nov)	51.80	51.60
EU	ECB President Lagarde Speaks		
EU	ECB De Guindos Speaks		
EU	HCOB Manufacturing PMI (Nov)	46.00	46.00
EU	HCOB Composite PMI (Nov)		50.00
EU	HCOB Services PMI (Nov)	51.60	51.60
GB	S&P Global/CIPS Composite PMI (Nov)		51.80
GB	S&P Global/CIPS Manufacturing PMI (Nov)	50.10	49.90
GB	S&P Global/CIPS Services PMI (Nov)	52.30	52.00
EU	ECB Supervisory Board Member Tuominen Speaks		
GE	Buba President Nagel Speaks		
US	S&P Global Manufacturing PMI (Nov)		48.50
US	S&P Global Composite PMI (Nov)		54.10
US	S&P Global Services PMI (Nov)		55.00
US	Michigan 1-Year Inflation Expectations (Nov)	2.60%	2.70%
US	Michigan 5-Year Inflation Expectations (Nov)	3.10%	3.00%
US	Michigan Consumer Expectations (Nov)	78.50	74.10
US	Michigan Consumer Sentiment (Nov)	73.00	70.50
EU	ECB's Schnabel Speaks		

Country	Event	Forecast	Previous
Monday, Nov 25, 2024			
GE	Business Expectations (Nov)		87.30
GE	Current Assessment (Nov)		85.70
GE	Ifo Business Climate Index (Nov)		86.50
Tuesday, Nov 26, 2024			
US	S&P/CS HPI Composite - 20 n.s.a. (MoM) (Sep)		-0.30%
US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Sep)		5.20%
US	CB Consumer Confidence (Nov)		108.70
US	New Home Sales (MoM) (Oct)		4.10%
US	New Home Sales (Oct)		738K
Tuesday, Nov 27, 2024			
GE	Gfk Consumer Climate (Dec)		-18.30
US	Core Durable Goods Orders (MoM) (Oct)		0.50%
US	Core PCE Prices (Q3)		2.20%
US	Durable Goods Orders (MoM) (Oct)		-0.70%
US	GDP (QoQ) (Q3)		2.80%
US	GDP Price Index (QoQ) (Q3)		1.80%
US	Goods Trade Balance (Oct)		-108.69B
US	Retail Inventories Ex Auto (Oct)		0.20%
US	Core PCE Price Index (MoM) (Oct)		0.30%
US	Core PCE Price Index (YoY) (Oct)		2.70%
US	PCE Price Index (MoM) (Oct)		0.20%
US	PCE Price Index (YoY) (Oct)		2.10%
US	Pending Home Sales (MoM) (Oct)		7.40%
US	Personal Spending (MoM) (Oct)		0.50%

Sources : investing, KBVS Research (2024)


Thank you!