

Pro-Growth Remains The Stance, but Risks Persist

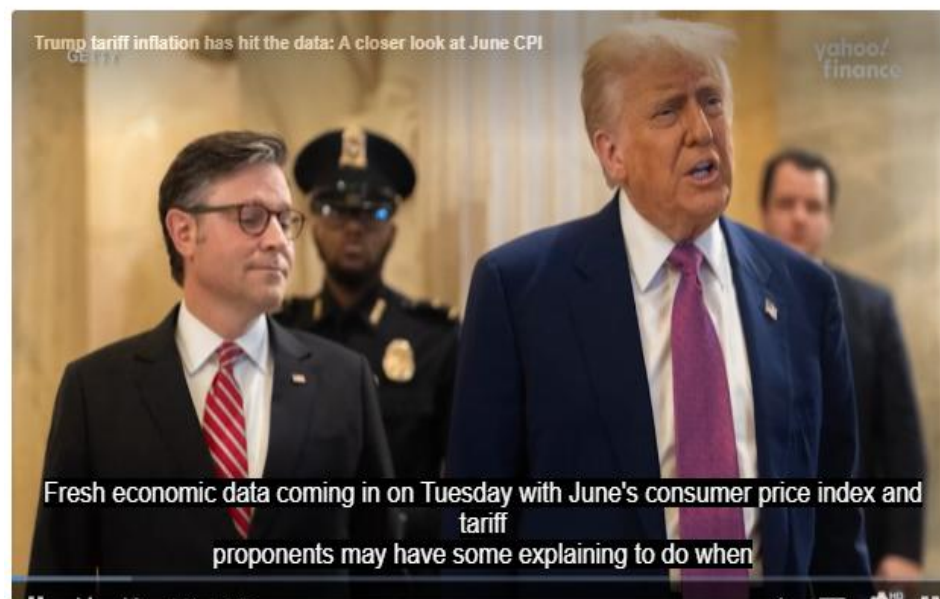
17 July 2025

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- Earlier this week, he imposed a 19% tariff on Indonesian imports—lower than the previously threatened 32%—but with higher duties on goods transshipped to circumvent existing tariffs.
- In response, Indonesia agreed to lower tariffs on U.S. exports and pledged to purchase USD15.0 bn in U.S. energy products, USD4.5 bn in agricultural goods, and 50 Boeing aircraft, although the timeline for implementation remains uncertain.
- President Trump announced on Wednesday that he would send letters to over 150 countries ahead of a new wave of tariffs set to take effect on 1 Aug '25, including levies on pharmaceutical imports and semiconductors.
- Meanwhile, Bank Indonesia's 25 bps rate cut yesterday reaffirmed its pro-growth stance maintained since the beginning of this year.
- We expect this move to help lower domestic funding costs, support credit demand and improve liquidity.
- However, it also raises concerns over the potential delay in further Rupiah appreciation.
- Accordingly, we have revised down our BI rate projection for end-2025 by 25–50 bps compared to our earlier forecast at the start of the year.

Trump tariffs live updates: Trump says he'll send letters to over 150 countries, plans tariff barrage Aug. 1



Source: yahoo finance (2025),

Link: <https://uk.finance.yahoo.com/news/trump-tariffs-live-updates-trump-says-hell-send-letters-to-over-150-countries-plans-tariff-barrage-aug-1-200619164.html>



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	%	Jun '25	4,50	4,50
Economic Growth	%, yoy	1Q25	2.0	2.5
Inflation Rate	%, yoy	Jun '25	2,7	2,4
Unemployment Rate	%	Jun '25	4,1	4,2

Sources : various sources, KBVS Research (2025)

The data releases that influenced yield movements in the week of 10-16 Jul '25 are as follows:

- The number of people claiming unemployment benefits on the period ending June 31th, '25 in the US decreased by 5K to 227K (Cons: 236K, Prev: 232K).
- 10-Year Note Auction decreased to 4.36% (Prev: 4.42%).
- 30-Year Bond Auction increased to 4.89% (Prev: 4.84%).
- Core CPI in Jun '25 increased to 0.20% MoM (Cons: 0.30% MoM, Prev: 0.10 MoM).
- CPI in Jun '25 increased to 0.30% MoM (Cons: 0.30% MoM, Prev: 0.10% MoM).

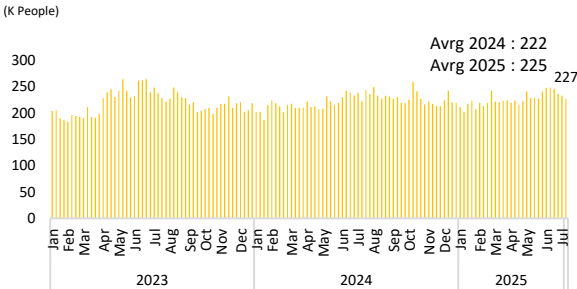
ECONOMIC CALENDAR

(10-16 JUL '25)

Event	Actual	Forecast	Previous
Thursday, 10 Jul '25			
US 10-Year Note Auction	4,36%		4,42%
US FOMC Meeting Minutes			
US Continuing Jobless Claims	1,965K	1,980K	1,955K
US Initial Jobless Claims	227K	236K	232K
Friday, 11 Jul '25			
US 30-Year Bond Auction	4,89%		4,84%
US Fed Waller Speaks			
US FOMC Member Daly Speaks			
US Fed's Balance Sheet	6,662B		6,660B
US IEA Monthly Report			
US WASDE Report			
Monday, 14 Jul '25			
Tuesday, 15 Jul '25			
US OPEC Monthly Report			
US Core CPI (YoY) (Jun)	2,90%	3,00%	2,80%
US Core CPI (MoM) (Jun)	0,20%	0,30%	0,10%
US CPI (MoM) (Jun)	0,30%	0,30%	0,10%
US CPI (YoY) (Jun)	2,70%	2,60%	2,40%
US NY Empire State Manufacturing Index (Jul)	5,50	-8,30	-16,00
US FOMC Member Bowman Speaks			
US Fed Vice Chair for Supervision Barr Speaks			
Wednesday, 16 Jul '25			
US API Weekly Crude Oil Stock	19.100M	-2.000M	7.100M
US Core CPI (MoM) (Jun)		0,20%	0,10%
US PPI (MoM) (Jun)		0,30%	0,10%
US Industrial Production (YoY) (Jun)			0,60%
US Industrial Production (MoM) (Jun)		0,10%	-0,20%
US Fed Vice Chair for Supervision Barr Speaks			
US Crude Oil Inventories			7.070M
US Cushing Crude Oil Inventories			0.464M

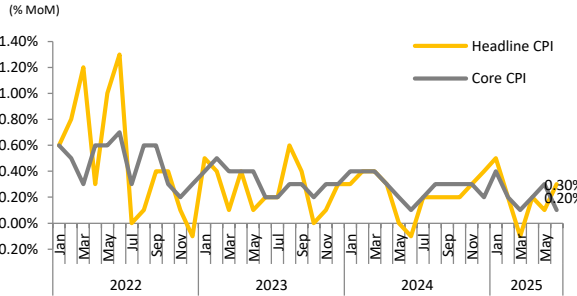
Sources : investing, KBVS Research (2025)

WEEKLY INITIAL JOBLESS CLAIMS



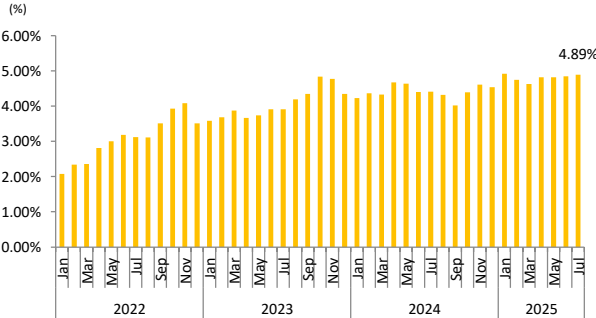
Sources : US DoL, KBVS Research (2025)

CPI



Sources : US Bureau of Labor Statistics, KBVS Research (2025)

30-YEAR BOND AUCTION



























Sources : US Department of Treasury, KBVS Research (2025)

TRUMP TARIFF UPDATE (as of 16 Jul '25)

TRUMP ANNOUNCES TARIFF RATES ON SELECT TRADING PARTNERS

Tariff rates announced in July, set to take effect on August 1

	TRADING PARTNER	JULY ANNOUNCED RATE	APRIL 2 ANNOUNCED RATE
	INDONESIA	19%	32%
	PHILIPPINES	20%	17%
	BRUNEI	25%	24%
	MOLDOVA	25%	31%
	JAPAN	25%	24%
	SOUTH KOREA	25%	25%
	MALAYSIA	25%	24%
	KAZAKHSTAN	25%	27%
	TUNISIA	25%	28%
	EUROPEAN UNION	30%	20%
	MEXICO	30%	
	SRI LANKA	30%	44%
	IRAQ	30%	39%
	LIBYA	30%	31%
	ALGERIA	30%	30%
	SOUTH AFRICA	30%	30%
	BOSNIA AND HERZEGOVINA	30%	35%
	CANADA	35%	
	SERBIA	35%	37%
	BANGLADESH	35%	37%
	THAILAND	36%	36%
	CAMBODIA	36%	49%
	MYANMAR	40%	44%
	LAOS	40%	48%
	BRAZIL	50%	10%

Source : Yahoo Finance (2025)

China growth beats expectations as Trump tariffs loom

2 days ago

Share Save

Osmond Chia
Business reporter, BBC News
Reporting from Singapore



Sources : BBC (2025)

Russia 'didn't care' about Trump's weapons for Ukraine, tariff threats, official says

The president on Monday announced new plans to provide Kyiv with military aid.

By David Brennan
July 16, 2025, 6:10 AM

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Russia 'didn't care' about Trump's weapons for Ukraine, tariff threats, official says. Kremlin spokesperson Dmitry Peskov said Tuesday that Russian President Vladimir Putin would make a decision about how to respond to Trump. ABC News' Patrick Reeve reports.

Sources : abcnews (2025)

- One of the first trade actions was with Indonesia: the **U.S. imposed a 19% tariff on Indonesian imports**, while Indonesia agreed to lower tariffs on U.S. energy and agricultural goods and committed to purchasing USD15 bn in U.S. energy, USD4.5 bn in agricultural products, and 50 Boeing jets.
- Trump also exited a 1996 tomato trade deal with Mexico, citing unfair dumping. **A 17% tariff on tomatoes was imposed, with a broader 30% tariff on all Mexican imports** starting 1 Aug '25.
- **Trump imposed 30% tariffs to EU** after he criticized the EU's 10% tariff on U.S. cars versus the U.S. 2.5% on EU cars and subsidies for firms like Airbus. In response, the **EU is preparing EUR72 bn in retaliatory tariffs on U.S. goods**, including aircraft and auto parts.
- **Brazil will face 50% tariffs on copper and other goods** starting 1 Aug '25. **President Lula signaled possible reciprocal measures.**
- Trump also gave a 50-day ultimatum for a Russia-Ukraine ceasefire, **threatening 100% secondary tariffs on countries buying Russian oil. Moscow rejected the warning.**

FED PROBABILITIES

FED PROBABILITIES, as of 16 Jul '25

MEETING DATE	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
30-Jul-25	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	3,1%	96,9%
17-Sep-25	0,0%	0,0%	0,0%	0,0%	0,0%	1,6%	52,5%	45,8%
29-Oct-25	0,0%	0,0%	0,0%	0,0%	0,8%	27,7%	49,1%	22,3%
10-Dec-25	0,0%	0,0%	0,0%	0,6%	18,7%	41,9%	31,3%	7,5%
28-Jan-26	0,0%	0,0%	0,2%	7,4%	27,4%	37,9%	22,4%	4,7%
18-Mar-26	0,0%	0,1%	3,9%	17,8%	32,9%	29,8%	13,2%	2,2%
29-Apr-26	0,0%	1,3%	8,2%	22,5%	31,9%	24,7%	9,8%	1,6%
17-Jun-26	0,7%	4,9%	15,6%	27,4%	28,2%	16,9%	5,5%	0,7%

Sources : CME Group, and KBVS Research (2025)

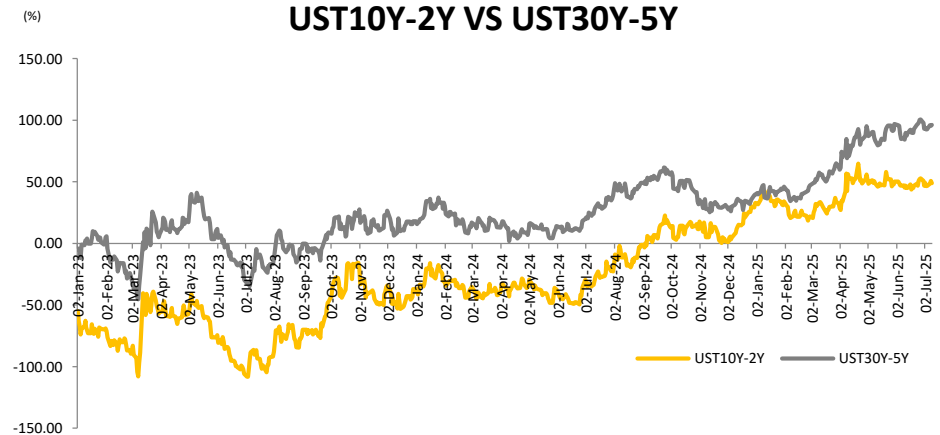
- Investors have begun to lower their expectations for Fed rate cuts in 2025, become two 25-bps cuts projected last week, following stronger-than-expected U.S. unemployment data and core inflation that rise again.
- Meanwhile, A few wanted a cut as early as the next meeting, while others saw no need to cut in 2025.
- At the same time, the shift in rate expectations has supported the U.S. dollar, with the DXY index climbing to 98.47, and higher spread between long term and short term UST yields.

DXY



Sources : Bloomberg, and KBVS Research (2025)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2025)

THE MOVEMENT OF UST YIELDS

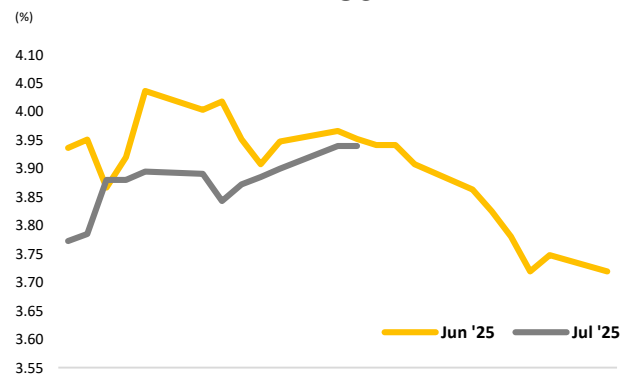
US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Nov' 24	36.08	35.95
Govt Debt to GDP	%	4Q24	124.35	122.3
Govt Budget	USD Bn	Nov '24	-367.30	-257.00
S&P Credit Rating	Rating	27-Mar-24	AA+	AA+

Sources : US Treasury, KBVS Research (2025)

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

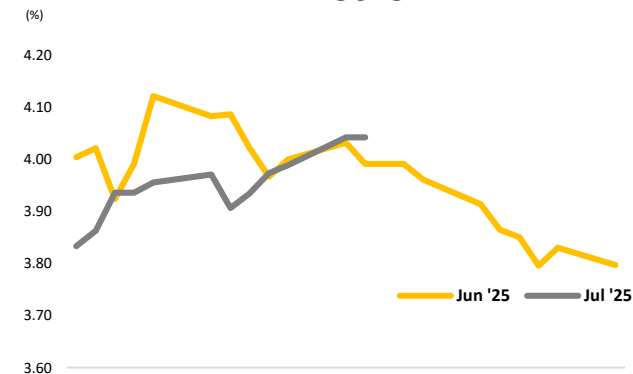
- Yield UST6M
 - +1.85 bps (WoW)
 - +1.85 bps (YtD, as of Jul 16,'25)
- Yield UST1Y
 - +4.34 1ps (WoW)
 - 4.07 bps (YtD, as of Jul 16,'25)
- Yield UST2Y
 - +10.55 bps (WoW)
 - 29.32 bps (YtD, as of Jul 16,'25)
- Yield UST5Y
 - +13.70 bps (WoW)
 - 33.88 bps (YtD, as of Jul 16,'25)
- Yield UST10Y
 - +14.73 bps (WoW)
 - 8.97 bps (YtD, as of Jul 16,'25)
- Yield UST30Y
 - +14.20 bps (WoW)
 - +22.92 bps (YtD, as of Jul 16,'25)

YIELD UST2Y



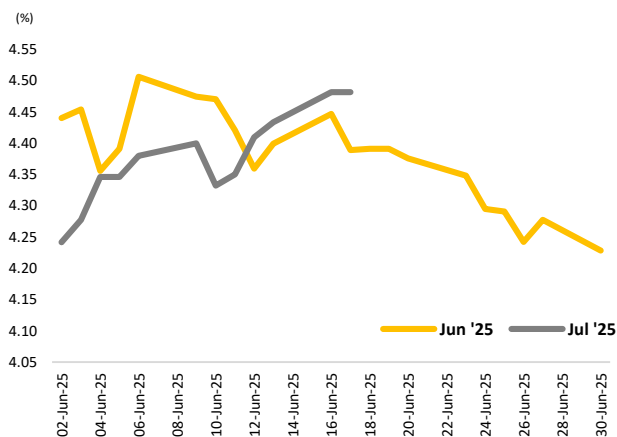
Sources : Bloomberg, KBVS Research (2025)

YIELD UST5Y



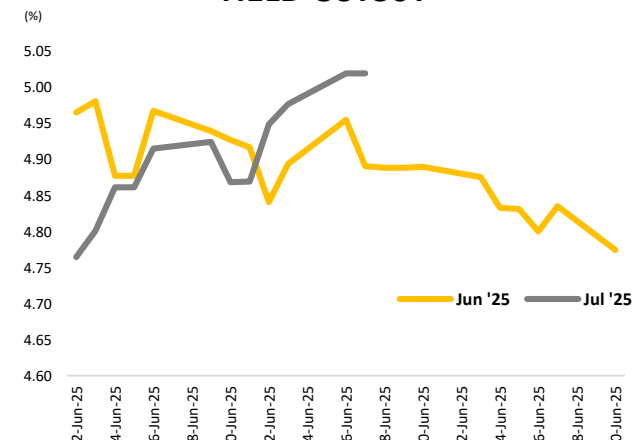
Sources : Bloomberg, KBVS Research (2025)

YIELD UST10Y



Sources : US Treasury, KBVS Research (2025)

YIELD UST30Y



Sources : US Treasury, KBVS Research (2025)



TABLE OF CONTENTS :

3 Global Economy

8 Domestic Economy

16 Economic Calendar

INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	16 Jul '25	5,25	5,50
Economic Growth	%, yoy	1Q25	4.87	5.02
Inflation Rate	%, yoy	Jun '25	1.87	1.60
Unemployment Rate	%	Feb '25	4.76	4.91
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2025)

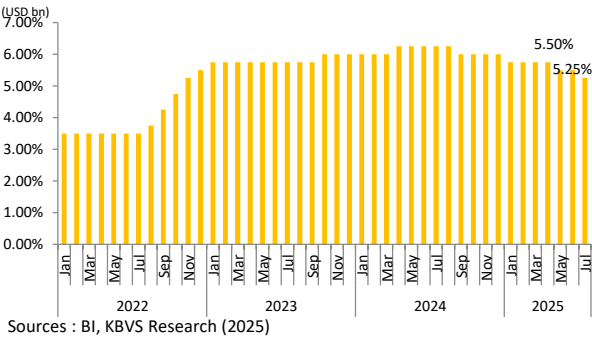
ECONOMIC CALENDAR

(10-16 JUL '25)

Event	Actual	Forecast	Previous
Thursday, 10 Jul '25			
Friday, 11 Jul '25			
Monday, 14 Jul '25			
Tuesday, 15 Jul '25			
Wednesday, 16 Jul '25			
ID Deposit Facility Rate (Jul)	4.50%	4.50%	4,75%
ID Lending Facility Rate (Jul)	6.00%	6.00%	6,25%
ID Loans (YoY) (Jun)	7.77%		8,43%
ID Interest Rate Decision (Jul)	5.25%	5,25%	5,50%

Sources : Investing, KBVS Research (2025)

BI RATE

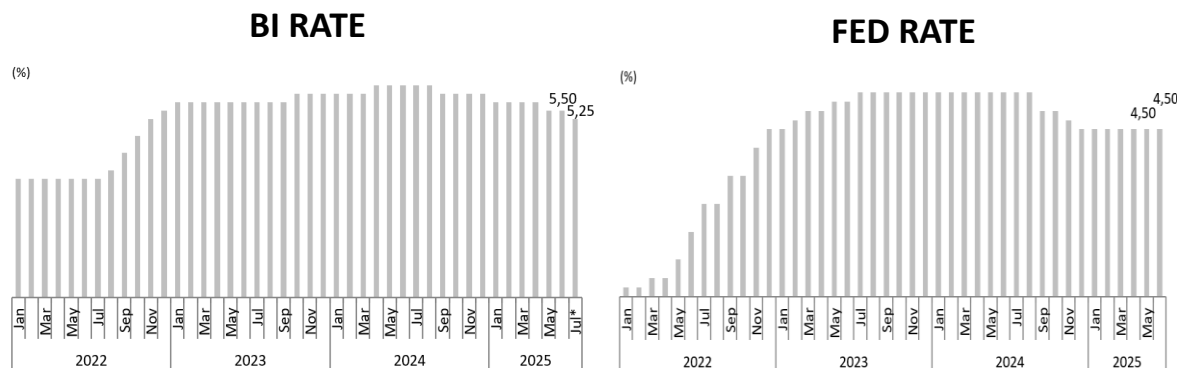


Sources : BI, KBVS Research (2025)

The data release that influenced yield movements in the week of 10-16 Jul '25 are as follows:

- Bank Indonesia has once again cut the BI Rate by 25 bps to 5.25%**, continuing its pro-growth stance in line with coordinated fiscal efforts to stimulate economic expansion. This move comes as inflation remains subdued — with headline CPI at 1.87% YoY and core inflation at 2.37% YoY in Jun '25. Despite the rate cut, BI remains committed to maintaining Rupiah stability through the implementation of its triple intervention strategy and by optimizing the use of its monetary instruments. **Looking ahead, further rate cuts remain on the table.** The central bank also continues to support economic financing, including efforts to boost credit growth and reduce excess liquidity in the market, amid rising risk aversion and increasingly cautious lending behavior in the banking sector. That said, **we are concerned this latest rate cut may dampen the potential for Rupiah appreciation**, particularly as the interest rate differential between the BI Rate and the Fed Funds Rate narrows to 75 bps (Prev: 100 bps).

BI RATE



Indicators	16-Jul-25		Monthly Changes	Ytd Changes
	Latest	M-1	(in bps)	(in bps)
	Policy Rate (in %)			
United States	4,50	4,50	0,0	(100,0)
European Union	2,15	2,40	(25,0)	(235,0)
United Kingdom	4,25	4,25	0,0	(100,0)
Japan	0,50	0,50	0,0	60,0
China	3,00	3,00	0,0	(45,0)
India	5,50	6,00	(50,0)	(100,0)
Thailand	1,75	1,75	0,0	(75,0)
Philippines	5,25	5,50	(25,0)	(125,0)
Indonesia	5,25	5,50	(25,0)	(75,0)
	Global Monetary Policy Change (in number of countries)			
Easing	0	1		
Unchanged	9	21		
Tightening	7	13		
	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	5,38	5,83	(44,8)	(61,6)
JIBOR - 1 Month	6,16	6,31	(15,8)	(23,4)
JIBOR - 3 Months	6,44	6,61	(17,0)	(30,7)
JIBOR - 6 Months	6,54	6,71	(17,1)	(32,7)
JIBOR - 12 Months	6,74	6,91	(16,3)	(30,7)

Source: Various sources (2025)

- Bank Indonesia (BI) has once again lowered its benchmark interest rate (BI Rate) by 25 bps to 5.25% as part of its ongoing pro-growth monetary stance for 2025. We believe this decision was driven by; First, BI is maintaining its pro-growth posture; Second, inflation remains well within target; and Third, capital flows are beginning to shift out of the United States and into other emerging markets.
- To further solidify its pro-growth monetary stance, BI is set to implement a series of follow-up strategies. These include: a) optimizing monetary operations; b) BI is pushing for stronger bank credit growth; c) A stable infrastructure and a healthy financial industry structure; and d) BI has also issued a call to businesses to align with its forward-looking pro-growth stance and contribute to national economic momentum.
- Looking ahead, further rate cuts remain on the table. **We project between one and two more 25 bps reductions before the end of 2025.** However, *we remain cautious that this latest rate cut may limit the potential for Rupiah appreciation.
- Given BI's continued pro-growth stance and the potential positive impact on funding costs, liquidity conditions, and overall economic momentum, **we also expect SUN yields to gradually decline, our forecast places 10-year SUN yields in the range of 5.85% to 6.25% by the end of 2025.**

Indonesia's Tariffs on U.S. Imports Could Reshape Bilateral Trade



Sources : BPS and KBVS Research (2025)

- Between 2003 and April 2025, Indonesia has consistently recorded a monthly trade surplus with the United States, averaging USD1.22 bn.
- This surplus has primarily stemmed from non-oil and gas exports.
- Looking ahead, the implementation of a 19% import tariff on Indonesian exports to the U.S.—coupled with a 0% tariff on U.S. exports to Indonesia—and a commitment to purchase USD15 bn in energy, USD4.5 bn in agricultural products, and 50 Boeing jets, could potentially reshape the trade dynamics between the two countries.
- Nonetheless, the reduction in tariffs from 32% (as imposed under the Trump Tariff on 4 Apr) to 19% (on 15 Jul) is seen as a constructive move for Indonesia.
- It offers an opportunity to:
 - Foster and maintain strong trade relations between Indonesia and the U.S.;
 - Preserve trade value while opening opportunities to diversify export destinations and product portfolios; and
 - Encourage both foreign direct investment (FDI) and portfolio inflows from the U.S. into Indonesia.

Trump says Indonesia to pay 19% tariffs, buy 50 Boeing jets under trade deal

Rate is significantly below the 32% the US president had threatened but timeline for implementation of deal remains unclear



Jakarta's international container terminal. Indonesia will pay US tariffs of 19% and has agreed to buy 50 Boeing jets under a new trade deal, Donald Trump says. Photograph: Bagus Indahono/EPA

US President Donald Trump says he has struck a trade pact with **Indonesia** resulting in significant purchase commitments from the south-east Asian country, after negotiations to avoid steeper tariffs.

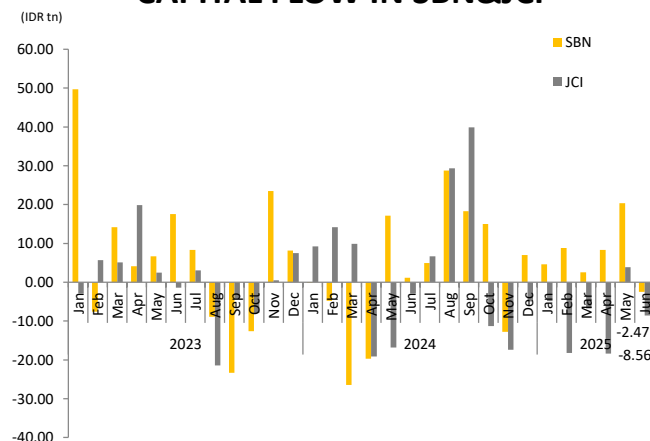
Indonesian goods entering the United States would face a 19% tariff, Trump said in a post on his Truth Social platform. This is significantly below the 32% level the president earlier threatened.

“As part of the Agreement, **Indonesia has committed to purchasing \$15 Billion Dollars in US Energy, \$4.5 Billion Dollars in American Agricultural Products, and 50 Boeing Jets, many of them 777’s,**” Trump wrote.

Source : The Guardian (2025), link: <https://www.theguardian.com/us-news/2025/jul/16/trump-says-indonesia-to-pay-19-tariffs-buy-50-boeing-jets-under-trade-deal>

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2025)

Between 10-16 July '25, non-residents conducted:

- A net sell of tradeable SBN, amounting IDR1.86 tn.
- A net sell of JCI, amounting IDR2.09 tn.

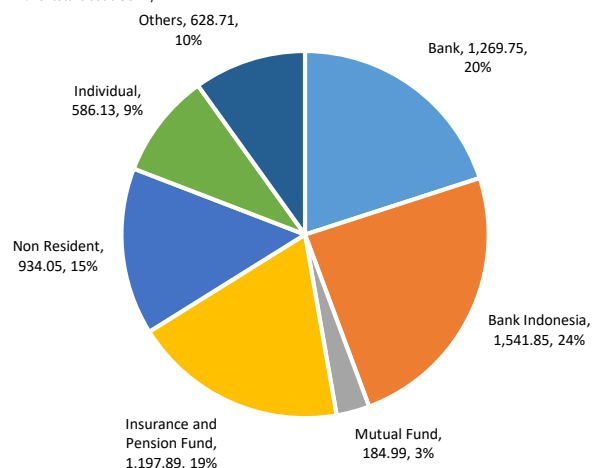
SUN LATEST AUCTION

15 Jul '25									
Instruments	SPN03251015	SPN12260702	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1,00	5,81	37,47	32,47	12,60	9,97	5,34	4,35	109,01
Bid to Cover Ratio	-	2,90	6,30	4,48	2,62	2,46	1,26	1,18	3,41
Weighted Average Yields Awarded	-	5,820%	6,150%	6,570%	6,890%	6,996%	7,020%	7,050%	
1 Jul '25									
Instruments	SPN12251002	SPN12260702	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1,00	6,27	43,16	39,12	18,03	10,83	1,53	1,75	121,68
Bid to Cover Ratio	-	3,14	5,91	4,30	3,00	2,04	1,05	2,06	3,80
Weighted Average Yields Awarded	-	5,850%	6,254%	6,595%	6,947%	7,010%	7,010%	7,059%	

Sources : DJPPR, KBVS Research (2025)

OWNERSHIP of IDR TRADABLE SBN

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2025)

As of 14 July '25, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,541.85 tn (+IDR12.98 tn, WoW),
- Banks : IDR1,269.75 tn (-IDR2.77 tn, WoW), and
- Insurance & Pension Funds: IDR1,197.89 tn (+IDR0.03 tn, WoW)

SBSN LATEST AUCTION

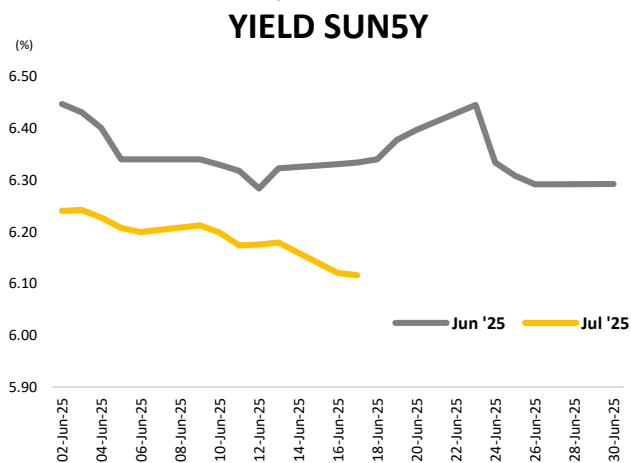
8 Jul '25								
Instruments	SPNS12012026	SPNS06042026	PBS003	PBS030	PBSG001	PBS034	PBS038	Total
Incoming Bids (IDR tn)	1.04	4.90	8.58	13.35	3.15	2.05	7.77	40.83
Bid to Cover Ratio	-	2.45	5.36	3.38	1.97	2.93	3.61	3.40
Weighted Average Yields Awarded	-	5.842%	5.982%	6.111%	6.230%	6.829%	6.969%	
24 Jun '25								
Instruments	SPNS08122025	SPNS09032026	PBS003	PBS030	PBS034	PBS039	PBS038	Total
Incoming Bids (IDR tn)	1.15	5.08	9.84	14.44	0.57	2.66	5.98	39.73
Bid to Cover Ratio	-	5.08	7.29	3.61	1.44	1.84	1.57	3.31
Weighted Average Yields Awarded	-	6.000%	6.207%	6.296%	6.845%	7.000%	7.010%	

Sources : DJPPR, KBVS Research (2025)

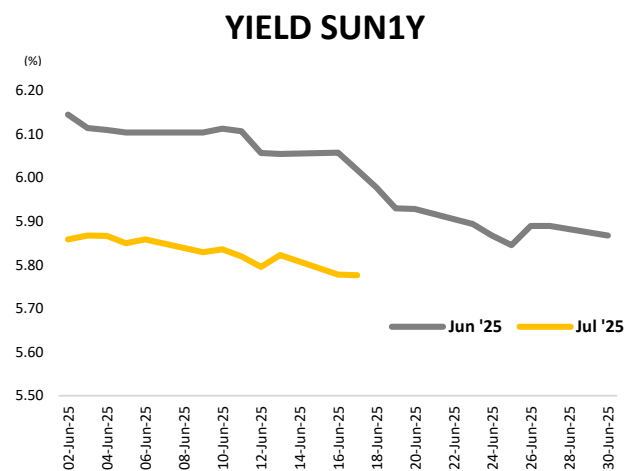
THE MOVEMENT OF SUN YIELDS

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

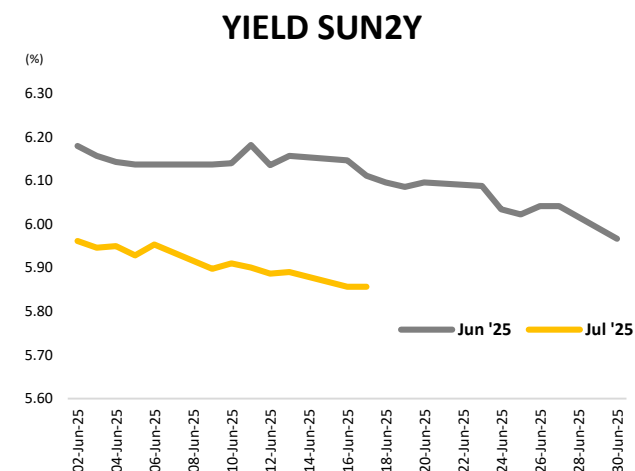
- Yield SUN1Y
 - -5.30 bps (WoW)
 - -90.60 bps (YtD, as of Jul 16, '25)
- Yield SUN2Y
 - -5.20 bps (WoW)
 - -104.60 bps (YtD, as of Jul 16, '25)
- Yield SUN5Y
 - -6.20 bps (WoW)
 - -85.20 bps (YtD, as of Jul 16, '25)
- Yield SUN10Y
 - -1.60 bps (WoW)
 - -41.00 bps (YtD, as of Jul 16, '25)
- Yield SUN30Y
 - -0.50 bps (WoW)
 - -8.30 bps (YtD, as of Jul 16, '25)



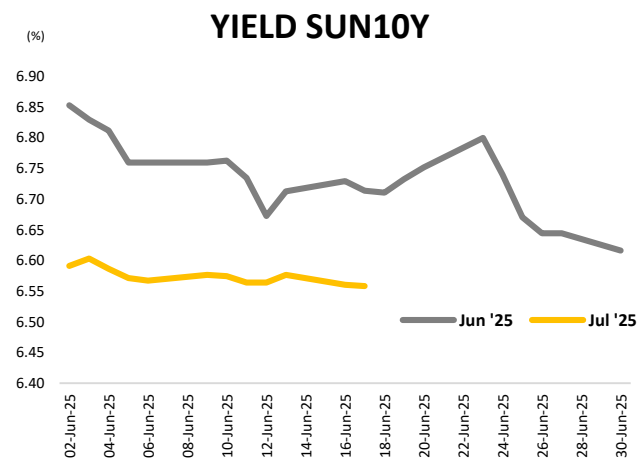
Sources : Bloomberg, KBVS Research (2025)



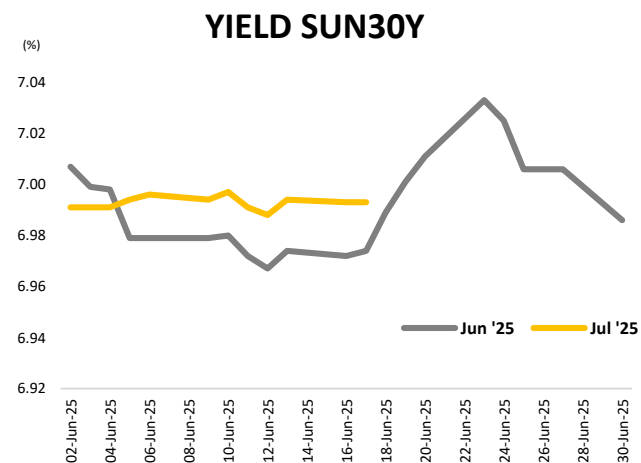
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)



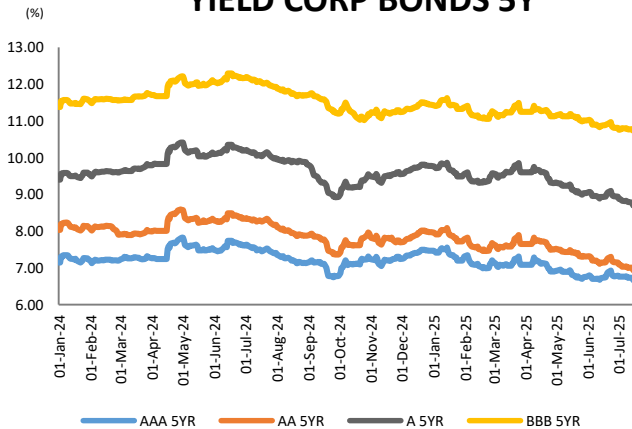
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)

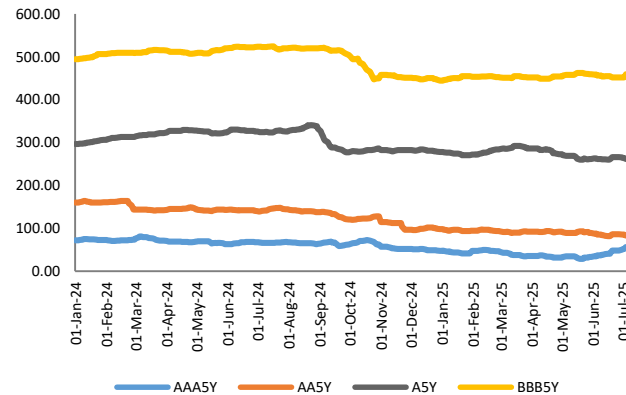
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2025)

YIELD SPREAD 5Y TENOR

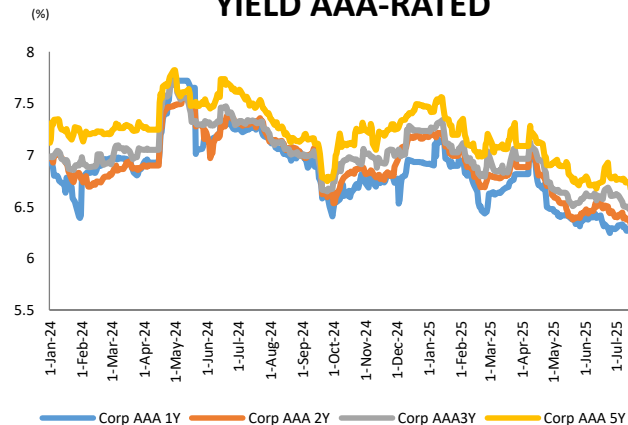


Sources : Bloomberg, KBVS Research (2025)

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

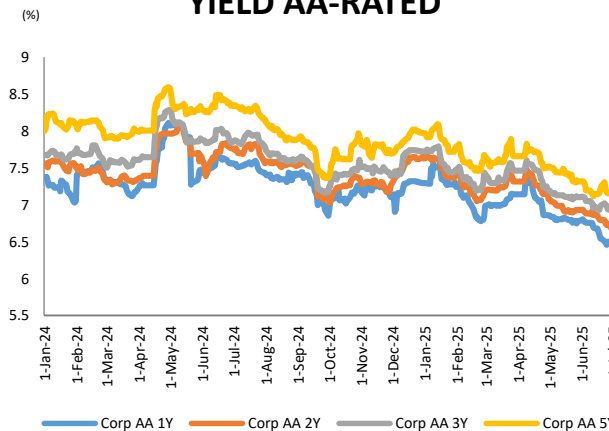
- AAA-rated
 - Tenor 1Y : -4.22 bps (WoW)
 - Tenor 2Y : +5.44 bps (WoW)
 - Tenor 5Y : +10.40 bps (WoW)
- AA-rated
 - Tenor 1Y : -1.39 bps (WoW)
 - Tenor 2Y : -0.44 bps (WoW)
 - Tenor 5Y : -10.23 bps (WoW)
- A-rated
 - Tenor 1Y : -2.51 bps (WoW)
 - Tenor 2Y : -3.93 bps (WoW), and
 - Tenor 5Y : -13.03 bps (WoW)

YIELD AAA-RATED



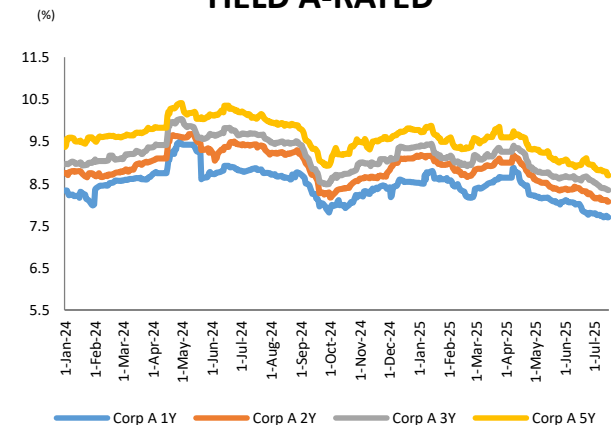
Sources : Bloomberg, KBVS Research (2025)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2025)

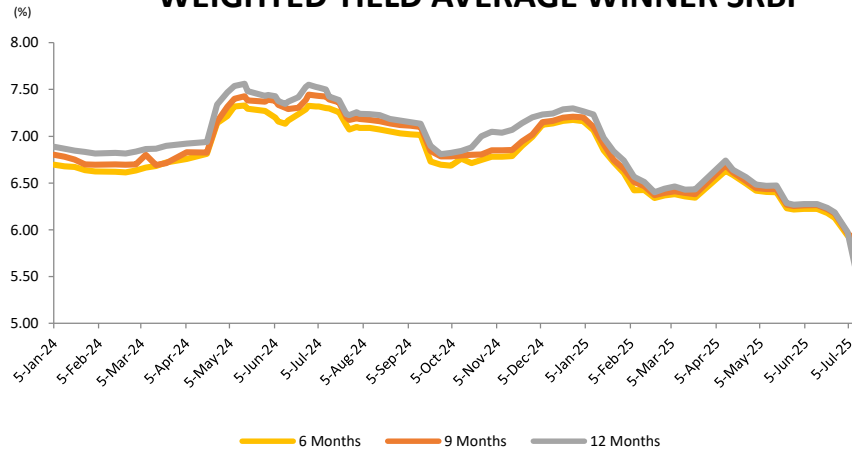
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2025)

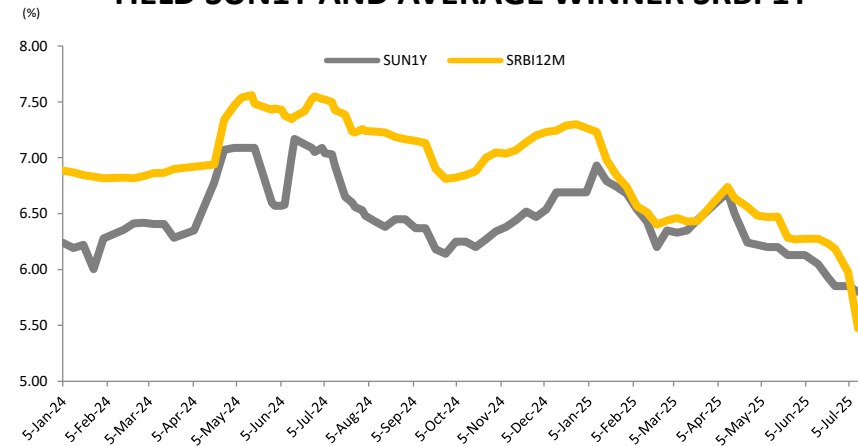
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



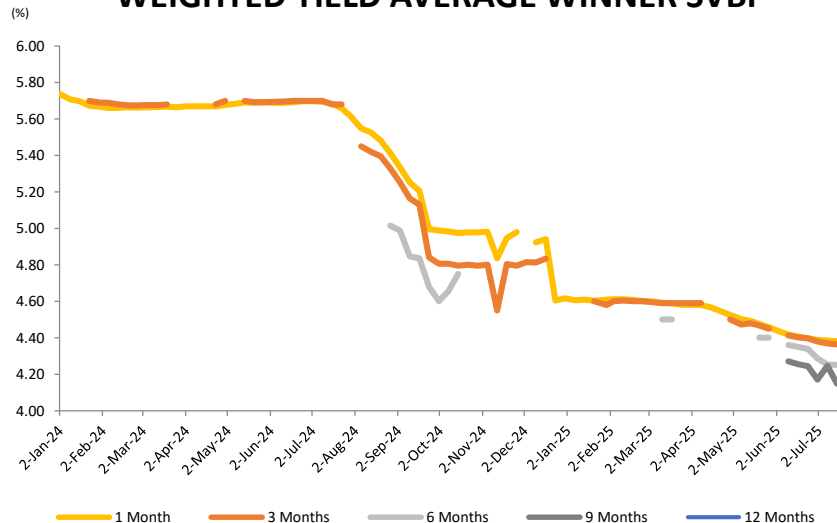
Sources : BI, KBVS Research (2025)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2025)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2025)

- Incoming bids in the SRBI auction on 11 Jul '25, recorded an decrease, decline from IDR88.55 tn to IDR63.94 tn.
- This was also accompanied by a decline movement in the weighted average yield across the respective tenors as follows:
 - 6 month : -5.175 bps
 - 9 month :- 6.624 bps
 - 12 month : -11.785 bps
- On the other hand, Incoming bids in the SVBI auction on 15 Jul '25, decline to USD799.00 mn (Prev: USD1,048.00 mn).
- Yields mixed across tenors, with the following results::
 - 1 month: -0.329 bps
 - 3 month: -0.569 bps
 - 6 month: +0.815 bps
 - 12 month: +0.175 bps



TABLE OF CONTENTS :

3 Global Economy

8 Domestic Economy

16 Economic Calendar

NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(17-23 JUL 2025)

Country	Event	Forecast	Previous
Thursday, Jul 17, 2025			
US	Beige Book		
US	FOMC Member Williams Speaks		
JP	Adjusted Trade Balance	-0.26T	-0.31T
JP	Exports (YoY) (Jun)	0,50%	-1,70%
JP	Imports (YoY) (Jun)	-1,60%	-7,70%
JP	Trade Balance (Jun)	353.90B	-638.60B
GB	Average Earnings Index + Bonus (May)	5,00%	5,30%
GB	Claimant Count Change (Jun)	17.90K	33.10K
GB	Employment Change 3M/3M (MoM) (May)		89K
GB	Unemployment Rate (May)	4,60%	4,60%
EU	Core CPI (YoY) (Jun)	2,30%	2,30%
EU	CPI (YoY) (Jun)	2,00%	2,00%
EU	CPI (MoM) (Jun)	0,30%	0,00%
US	Continuing Jobless Claims		1,965K
US	Initial Jobless Claims	234K	227K
US	Core Retail Sales (MoM) (Jun)	0,30%	-0,30%
US	Export Price Index (MoM) (Jun)		-0,90%
US	Import Price Index (MoM) (Jun)	0,20%	0,00%
US	Philly Fed Manufacturing Index (Jul)	0,40	-4,00
US	Philly Fed Employment (Jul)		-9,80
US	Retail Control (MoM) (Jun)		0,40%
US	Retail Sales (MoM) (Jun)	0,20%	-0,90%
US	Business Inventories (MoM) (May)	0,00%	0,00%
US	Retail Inventories Ex Auto (May)	0,20%	0,30%
US	FOMC Member Daly Speaks		

Country	Event	Forecast	Previous
Friday, Jul 18, 2025			
US	TIC Net Long-Term Transactions (May)		-7.80B
US	Fed Waller Speaks		
JP	National Core CPI (YoY) (Jun)	3,30%	3,70%
GE	PPI (MoM) (Jun)	0,10%	-0,20%
GE	Buba Mauderer Speaks		
GE	Buba President Nagel Speaks		
US	Building Permits (Jun)	1.390M	1.394M
US	Housing Starts (Jun)	1.290M	1.256M
US	Housing Starts (MoM) (Jun)		-9,80%
US	Michigan 1-Year Inflation Expectations (Jul)		5,00%
US	Michigan 5-Year Inflation Expectations (Jul)		4,00%
US	Michigan Consumer Expectations (Jul)		58,10
US	Michigan Consumer Sentiment (Jul)	61,40	60,70

Country	Event	Forecast	Previous
Monday, Jul 21, 2025			
CN	Loan Prime Rate 5Y (Jul)		3,50%
US	Leading Index (MoM) (Jun)		-0,10%
Tuesday, Jul 22, 2025			
ID	M2 Money Supply (YoY) (Jun)		4,90%
US	Fed Chair Powell Speaks		
Wednesday, Jul 23, 2025			
US	FOMC Member Bowman Speaks		
GE	10-Year Bund Auction		2,63%
US	Existing Home Sales (Jun)		4.03M
US	Existing Home Sales (MoM) (Jun)		0,80%

KBVS's 2H25 ECONOMIC ASSUMPTIONS

Year		Fed Rate (%)			Yield US10Y (%)			BI Rate (%)			GDP Growth (% yoy)			Inflation (% YoY)			Rupiah ER (Rp per USD)			Yield SUN10Y (%)		
		Worst	Base	Best	Worst	Base	Best	Worst	Base	Best	Worst	Base	Best	Worst	Base	Best	Worst	Base	Best	Worst	Base	Best
2024	End of Year	4.50			4.53			6.00			5.02			1.57			16,143			6.97		
	Average	5.27			4.20			6.10			5.03			2.29			15,847			6.78		
2025	End of Year	4.25	4.00	3.75	4.08	3.78	3.48	5.25	5.00	4.50	4.42	4.72	5.02	1.85	1.55	1.25	17,355	16,295	15,236	6.55	6.25	5.85
	Average	4.31	4.06	3.81	4.38	4.08	3.78	5.63	5.38	4.98	4.50	4.80	5.10	1.83	1.53	1.23	17,169	16,121	15,073	6.78	6.38	5.98
2026	End of Year	3.50	3.00	2.50	3.69	3.19	2.69	4.50	4.25	4.00	4.78	5.03	5.28	2.08	1.83	1.58	17,617	16,357	15,098	5.91	5.51	5.11
	Average	3.88	3.38	2.88	3.99	3.49	2.99	4.88	4.63	4.38	4.69	4.94	5.19	1.98	1.74	1.50	17,607	16,348	15,090	6.22	5.72	5.22

Source: KBVS Research – Juli (2025)

- Overall, not much has changed from our assumptions back in Mar '25.
- The Fed Rate remains largely unchanged; however, with the introduction of the Trump Tariff and its implications on U.S. inflation and growth, we have slightly raised our 2025 US10Y yield assumption by +24.0 bps.
- Conversely, we have trimmed our BI Rate assumption by -25 bps to -50 bps for end-2025, reflecting Bank Indonesia's increasingly pro-growth stance amid weak domestic demand and global monetary easing.
- We've also lowered our 2025–2026 inflation outlook by -0.01% to -0.75%, supported by improving domestic supply-demand dynamics and subdued consumption under persistent risk-off sentiment.
- Accordingly, we now expect the SUN10Y yield to end 2025 lower by -9 bps and decline a further -59 bps by end-2026, in line with dovish signals from global and domestic central banks.
- Looking forward, structural shifts—particularly the Trump Tariff, geopolitical tensions, and Indonesia's fiscal realignments—will shape the economic trajectory into 2026.
- **Despite the potential for strong momentum (like coasting downhill), lingering “speed bumps” remain key hurdles to a faster recovery.**

