

Elon VS Trump

12 June 2025

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- Elon Musk is criticizing a major tax and spending bill supported by Donald Trump, warning it could add up to \$2.5 trillion to the U.S. debt and burden taxpayers. He called it a “disgusting abomination” and urged Americans to oppose it.
- The bill includes big tax cuts, more military spending, and mass deportation funding. It also raises the debt ceiling to \$4 trillion. It passed the House and is now in the Senate.
- Musk, who recently left a government cost-cutting role, said he may work to unseat lawmakers who back the bill. The White House defends the bill, calling it good for the economy.
- In the domestic market, the Indonesian government has cancelled four out of five nickel mining permits in Raja Ampat, a group of islands known for having some of the richest marine life in the world. This decision came after public protests about the damage mining was doing to the environment.
- The government said the mining companies were causing pollution, harming coral reefs, and cutting down forests. The cancelled permits were for mines on islands that are part of a UNESCO-recognized geopark, known for their rare wildlife and very old rock formations—some as old as 400 million years.



Source: Yahoo News (2025)

Link: <https://ne1.www.yahoo.com/news/photos-show-donald-trump-elon-211604798.html>



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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	May '25	4.50	4.50
Economic Growth	%, yoy	1Q25	2.0	2.5
Inflation Rate	%, yoy	Apr '25	2.3	2.4
Unemployment Rate	%	May '25	4.2	4.2

Sources : various sources, KBVS Research (2025)

The data releases that influenced yield movements in the week of 5-11 Jun '25 are as follows:

- The number of people claiming unemployment benefits on the period ending May 26th, '25 in the US increased by 7K to 247K (Cons: 236K, Prev: 239K).
- Average Hourly Earnings in May '25 increased to 0.40% MoM (Cons: 0.30% MoM, Prev: 0.20% MoM).
- Nonfarm Payrolls in May '25 decreased to 139K (Cons: 126K, Prev: 147K).
- Unemployment Rate in May '25 stable at 4.20% (Cons: 4.20%, Prev: 4.20%).

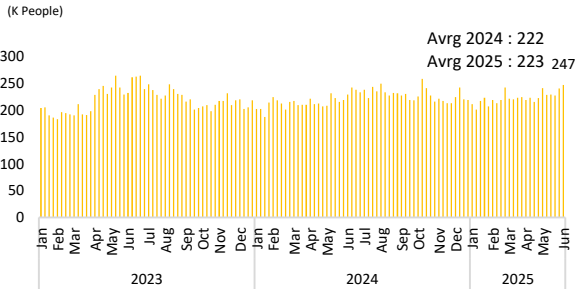
ECONOMIC CALENDAR

(5-11 JUN '25)

Event	Actual	Forecast	Previous
Thursday, 5 Jun '25			
US Beige Book			
US Continuing Jobless Claims	1,904K	1,910K	1,907K
US Initial Jobless Claims	247K	236K	239K
US Exports (Apr)	289.40B		281.10B
US Imports (Apr)	351.00B		419.40B
US Trade Balance (Apr)	-61.60B	-67.60B	-138.30B
US Nonfarm Productivity (QoQ) (Q1)	-1.50%	-0.80%	-1.70%
US Unit Labor Costs (QoQ) (Q1)	6.60%	5.70%	2.00%
Friday, 6 Jun '25			
US FOMC Member Harker Speaks			
US Fed's Balance Sheet	6,673B		6,673B
US Average Hourly Earnings (YoY) (May)	3.90%	3.70%	3.90%
US Average Hourly Earnings (MoM) (May)	0.40%	0.30%	0.20%
US Nonfarm Payrolls (May)	139K	126K	147K
US Participation Rate (May)	62.40%		62.60%
US Private Nonfarm Payrolls (May)	140K	110K	146K
US U6 Unemployment Rate (May)	7.80%		7.80%
US Unemployment Rate (May)	4.20%	4.20%	4.20%
US FOMC Member Bowman Speaks			
Monday, 9 Jun '25			
US NY Fed 1-Year Consumer Inflation Expectations	3.20%		3.60%
US Atlanta Fed GDP Now (Q2)	3.80%	3.80%	3.80%
Tuesday, 10 Jun '25			
US EIA Short Term Energy Outlook			
Wednesday, 11 Jun '25			
US 3-Year Note Auction	3.97%		3.82%
US API Weekly Crude Oil Stock	-0.370M	0.700M	-3.300M
US Core CPI (YoY) (May)		2.90%	2.80%
US Core CPI (MoM) (May)		0.30%	0.20%
US CPI (MoM) (May)		0.20%	0.20%
US CPI (YoY) (May)		2.50%	2.30%
US Crude Oil Inventories		0.100M	-4.304M
US Cushing Crude Oil Inventories			0.576M

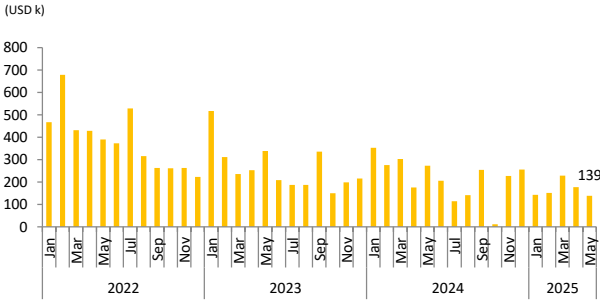
Sources : investing, KBVS Research (2025)

WEEKLY INITIAL JOBLESS CLAIMS



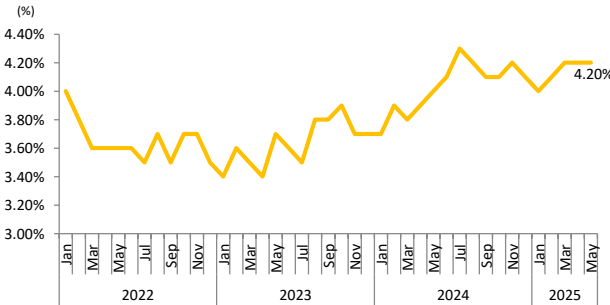
Sources : US DoL, KBVS Research (2025)

NONFARM PAYROLLS



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

UNEMPLOYMENT RATE



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

TRUMP VS ELON (Budget Bill)



Source: Yahoo News (2025)

Link: <https://ne1.www.yahoo.com/news/photos-show-donald-trump-elon-211604798.html>

- **Elon Musk is strongly speaking out against a new tax and spending plan supported by Donald Trump.** On Wednesday, he asked Americans to tell their lawmakers to reject the bill. The bill includes major tax cuts, more military funding, and money for deporting undocumented immigrants. It also raises the government's borrowing limit (called the "debt ceiling") by \$4 trillion. The bill has already passed the House of Representatives and is now being debated in the Senate.
- **Musk says the bill is dangerous because it will increase the U.S. budget deficit.** While official estimates say the bill will add \$600 billion to the deficit, Musk believes it could raise it to \$2.5 trillion. He called the bill a "disgusting abomination" and full of "pork," a term for wasteful government spending.
- **Musk used to support Trump and even gave him over \$250 million in donations.** He also briefly worked in Trump's administration on a team called Doge, which focused on cutting government spending. **But he left that role recently and is now openly criticizing the bill.**
- **Some Republicans, like Senator Rand Paul, are also against the bill because of the debt increase.** Trump responded by insulting Paul and saying he doesn't understand the bill. But other Republican leaders, like Senate Majority Leader John Thune and House Speaker Mike Johnson, still support it. Mike Johnson said he even had a phone call with Musk to discuss the bill and was surprised by Musk's strong public criticism. Johnson mentioned that part of Musk's frustration may come from the bill ending tax credits for electric vehicles, which could hurt Tesla.
- **Musk is also reportedly unhappy that his plan to have U.S. air traffic control run on his Starlink satellite system was rejected, partly over concerns about a conflict of interest.**
- **Trump and Republicans want to pass the bill by July 4.** To get more support from conservative lawmakers, they've added a proposal to cut \$9.4 billion in government spending. Most of those cuts would affect foreign aid and public services like NPR, PBS, and USAID.

FED PROBABILITIES

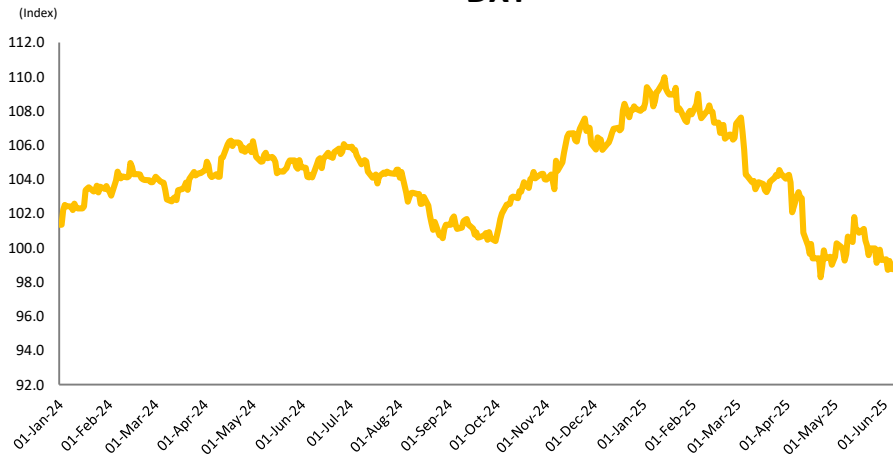
FED PROBABILITIES, as of 11 Jun '25

MEETING DATE	FED PROBABILITIES (in bps)							
	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
18-Jun-25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	99.9%
30-Jul-25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.5%	85.5%
17-Sep-25	0.0%	0.0%	0.0%	0.0%	0.2%	7.7%	52.2%	40.1%
29-Oct-25	0.0%	0.0%	0.0%	0.0%	3.5%	27.7%	46.8%	22.1%
10-Dec-25	0.0%	0.0%	0.0%	2.2%	18.6%	39.6%	31.3%	8.3%
28-Jan-26	0.0%	0.0%	0.8%	8.0%	26.1%	36.7%	23.2%	5.3%
18-Mar-26	0.0%	0.4%	4.4%	17.1%	31.4%	29.9%	14.2%	2.7%
29-Apr-26	0.1%	1.4%	7.7%	20.8%	31.0%	25.8%	11.2%	2.0%

Sources : CME Group, and KBVS Research (2025)

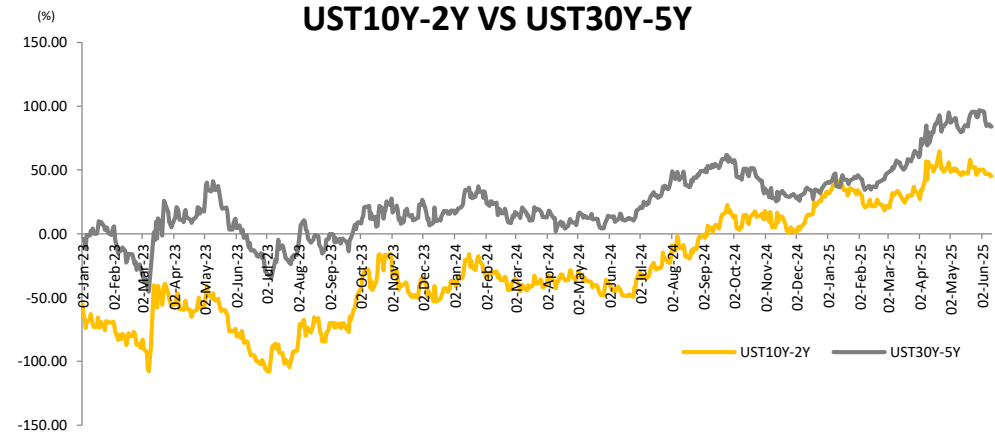
- Markets remain predict in 25 bps cuts for September and October.
- The US dollar index hovered around 99 as investors awaited the CPI report and monitored US-China trade progress. US officials noted a framework to implement the Geneva consensus following a recent presidential call.
- Nevertheless, bonds remain attractive to the market, even tough the yield spread between long- and short-term tenors has narrowed. Even so, the curve still far from the flattening curve pattern. However, market is still wait-and-see regarding the future global conditions.

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
 - +3.18 bps (WoW)
 - +2.91 bps (YtD, as of Jun 11,'25)
- Yield UST1Y
 - +5.55 bps (WoW)
 - 3.02 bps (YtD, as of Jun 11,'25)
- Yield UST2Y
 - +15.17 bps (WoW)
 - 22.34 bps (YtD, as of Jun 11,'25)
- Yield UST5Y
 - +17.11 bps (WoW)
 - 28.76 bps (YtD, as of Jun 11,'25)
- Yield UST10Y
 - +13.06 bps (WoW)
 - 8.32 bps (YtD, as of Jun 11,'25)
- Yield UST30Y
 - +7.25 bps (WoW)
 - +16.88 bps (YtD, as of Jun 11,'25)

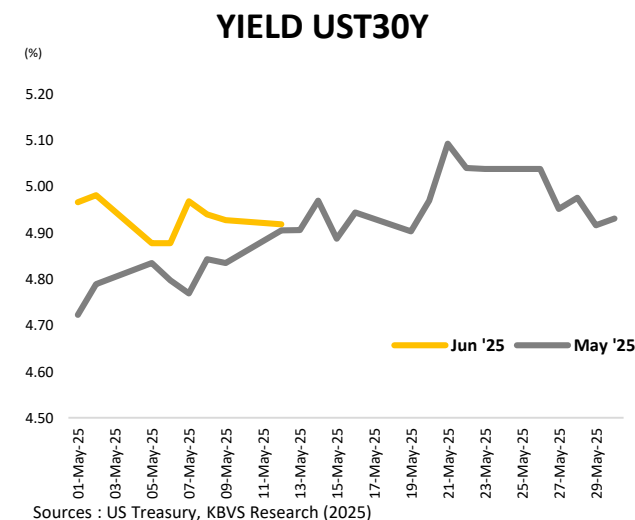
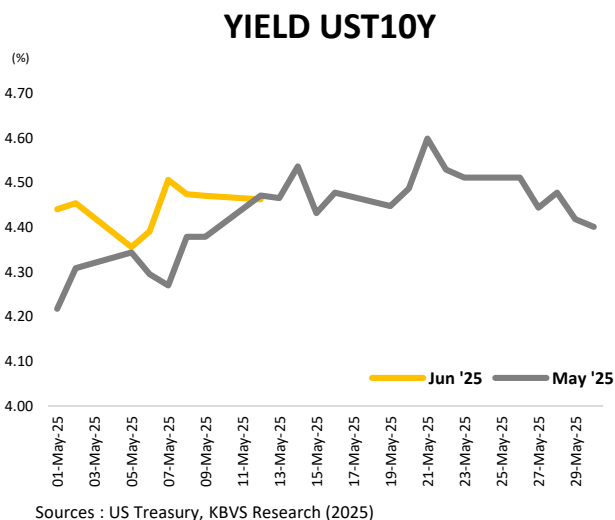
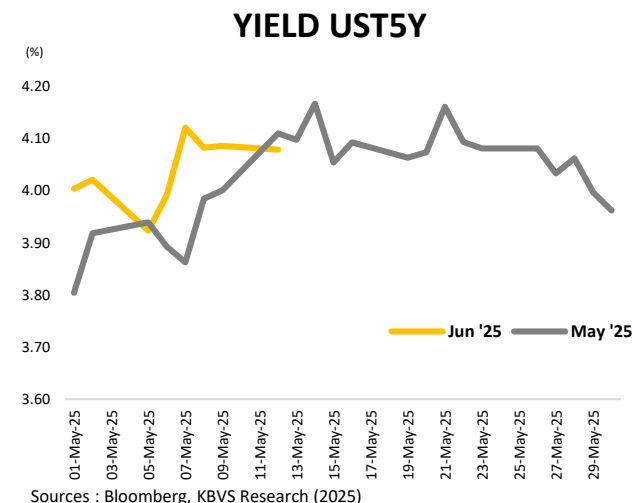
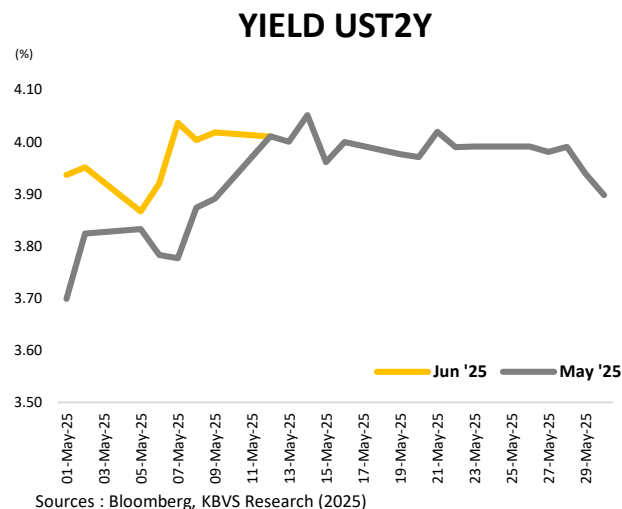




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INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	18 May '25	5.50	5.75
Economic Growth	%, yoy	1Q25	4.87	5.02
Inflation Rate	%, yoy	May '25	1.60	1.95
Unemployment Rate	%	Feb '25	4.76	4.91
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2025)

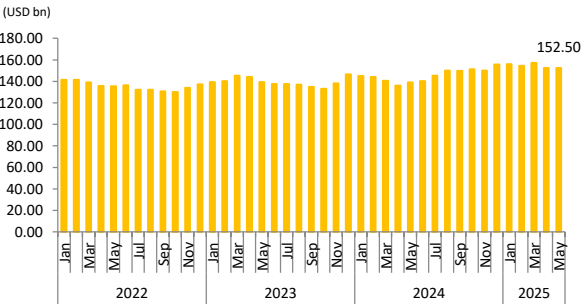
ECONOMIC CALENDAR

(5-11 JUN '25)

Event	Actual	Forecast	Previous
Thursday, 5 Jun '25			
Friday, 6 Jun '25			
Monday, 9 Jun '25			
Tuesday, 10 Jun '25			
ID Fx Reserves (USD) (May)	152.50B		152.50B
Wednesday, 11 Jun '25			
ID Motorbike Sales (YoY) (May)	-0.10%		3.00%
ID Car Sales (YoY) (May)	-16.10%		5.00%

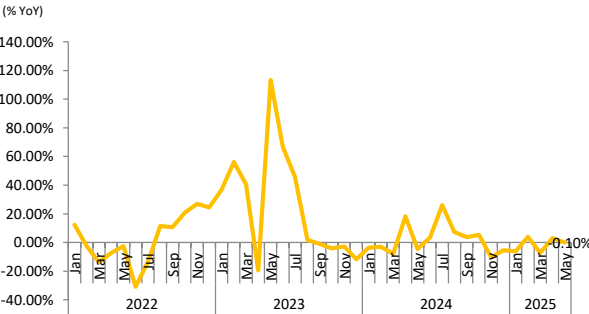
Sources : Investing, KBVS Research (2025)

FX RESERVES



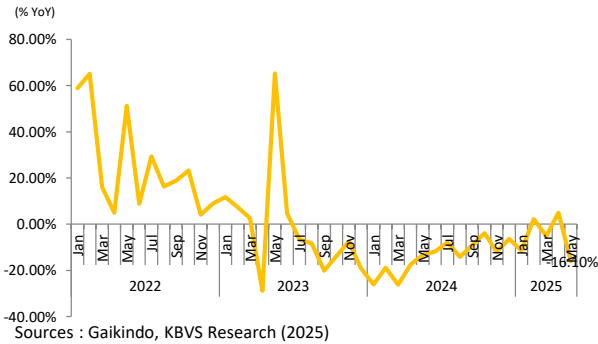
Sources : BI, KBVS Research (2025)

MOTORBIKE SALES



Sources : Gaikindo, KBVS Research (2025)

CAR SALES



Sources : Gaikindo, KBVS Research (2025)

The data releases that influenced yield movements in the week of 5-11 Jun '25 are as follows:

- Fx Reserves in May '25 stable at 152.50B (Prev: 152.50B).
- Motorbike Sales in May '25 decreased to -0.10% YoY (Prev: 3.00% YoY).
- Car Sales in May '25 decreased to -16.10% YoY (Prev: 5.00% YoY).

NICKEL MINING IN RAJA AMPAT



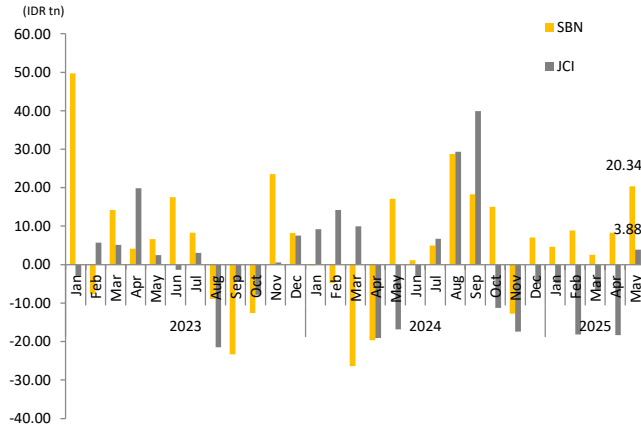
Source: VOI (2025)

Link: <https://voi.id/en/economy/487321>

- **The Indonesian government has cancelled four out of five nickel mining permits in Raja Ampat**, a group of islands known for having some of the richest marine life in the world. This decision came after public protests about the damage mining was doing to the environment.
- **The government said the mining companies were causing pollution, harming coral reefs, and cutting down forests.** The cancelled permits were for mines on islands that are part of a UNESCO-recognized geopark, known for their rare wildlife and very old rock formations—some as old as 400 million years.
- **One company, PT Gag Nickel (GN), still has permission to mine on Gag Island.** The government says this island is outside the protected geopark and far from popular tourist spots. They also claim they didn't find serious pollution there during a recent visit.
- **GN is part-owned by a government company called Antam**, and it has a legal mining contract valid until 2047. The company has rehabilitated half of the land it mined and handed some of it back to the state.
- **The government says the mine is too valuable to shut down**—it produces 3 million tons of nickel ore every year, which is used to make electric vehicle (EV) batteries. The nickel is sent to a major processing center for battery materials on a nearby island.
- **Gag Island holds over 11% of Antam's total nickel reserves**, making it very important for the company's future. Even though GN's permit was not cancelled, the government says it is watching the company closely, and had temporarily stopped its mining activities last week after public protests. It's unclear whether that suspension is still in effect.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2025)

Between 5-11 June '25, non-residents conducted:

- A net buy of tradeable SBN, amounting IDR6.81 tn.
- A net sell of JCI, amounting IDR0.10 tn.

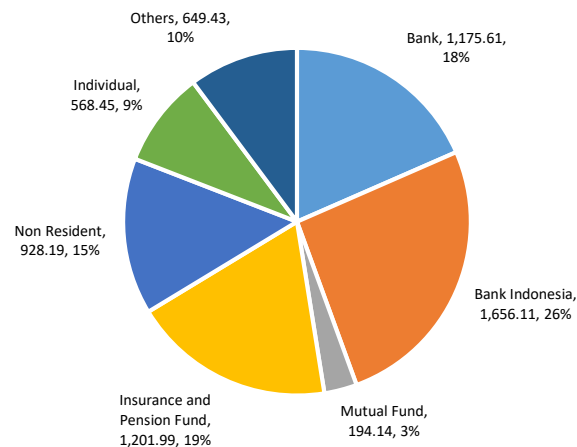
SUN LATEST AUCTION

3 Jun '25									
Instruments	SPN03250903	SPN12260604	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1.00	5.41	28.91	26.99	6.74	3.90	2.21	2.00	77.18
Bid to Cover Ratio	-	2.71	4.25	2.86	1.51	1.39	3.16	1.11	2.76
Weighted Average Yields Awarded	-	6.000%	6.456%	6.855%	7.020%	7.050%	7.029%	7.099%	
20 May '25									
Instruments	SPN03250820	SPN12260507	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1.00	5.24	46.74	39.26	7.48	4.84	2.19	1.59	108.33
Bid to Cover Ratio	-	2.62	5.63	4.49	1.48	2.02	2.57	2.44	3.87
Weighted Average Yields Awarded	-	6.150%	6.480%	6.856%	7.010%	7.040%	7.049%	7.110%	

Sources : DJPPR, KBVS Research (2025)

OWNERSHIP of IDR TRADABLE SBN

(IDR tn,
% of total tradable SBN)



Sources : DJPPR, and KBVS Research (2025)

As of 5 June '25, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,656.11 tn (-IDR22.01 tn, WoW),
- Banks : IDR1,175.61 tn (+IDR40.22 tn, WoW), and
- Insurance & Pension Funds: IDR1,201.99 tn (+IDR5.74 tn, WoW)

SBSN LATEST AUCTION

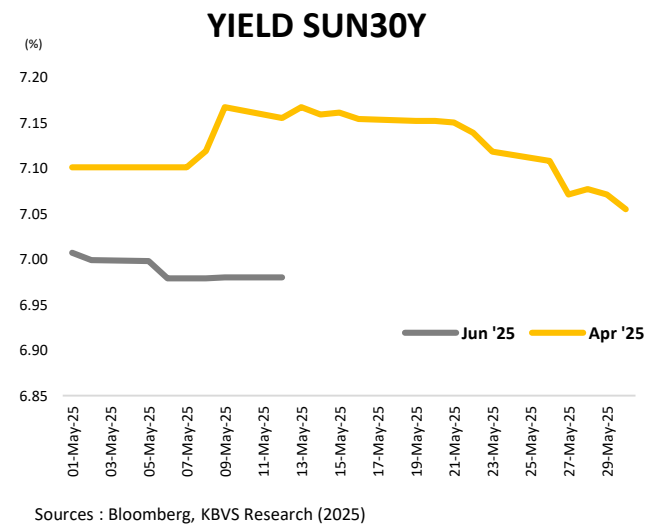
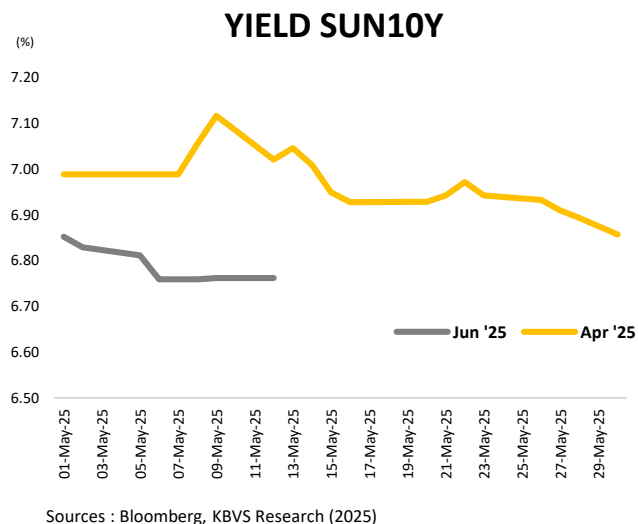
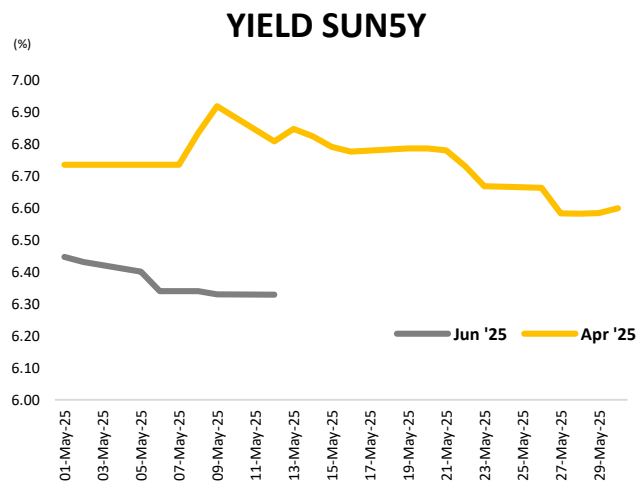
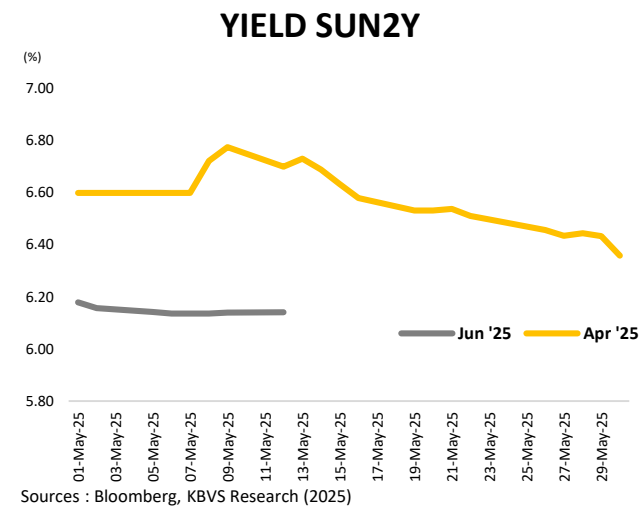
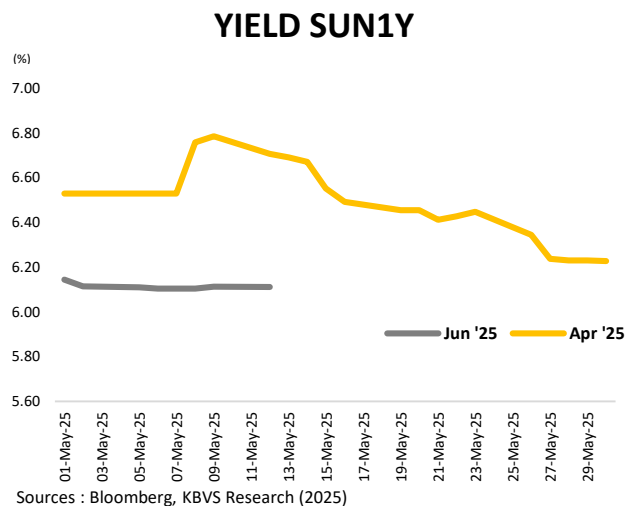
10 Jun '25								
Instruments	SPNS08122025	SPNS09032026	PBS003	PBS030	PBSG001	PBS034	PBS038	Total
Incoming Bids (IDR tn)	1.11	4.47	8.68	13.72	2.43	3.20	3.29	36.89
Bid to Cover Ratio	2.78	3.19	5.26	4.50	1.03	5.34	5.98	3.69
Weighted Average Yields Awarded	5.800%	5.953%	6.287%	6.360%	6.462%	6.898%	6.998%	
27 May '25								
Instruments	SPNS10112025	SPNS10022026	PBS003	PBS030	PBS034	PBS039	PBS038	Total
Incoming Bids (IDR tn)	1.24	4.58	6.10	5.11	2.38	2.16	3.22	24.79
Bid to Cover Ratio	1.54	4.82	2.26	12.78	23.84	1.03	3.39	3.10
Weighted Average Yields Awarded	5.950%	6.000%	6.266%	6.369%	6.874%	6.999%	7.010%	

Sources : DJPPR, KBVS Research (2025)

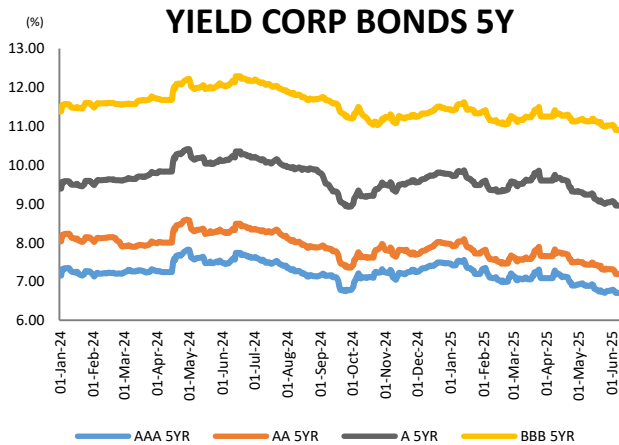
THE MOVEMENT OF SUN YIELDS

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

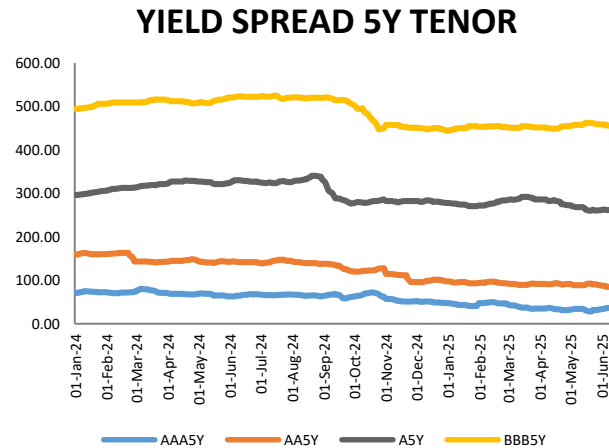
- Yield SUN1Y
 - -0.70 bps (WoW)
 - -58.60 bps (YtD, as of Jun 11, '25)
- Yield SUN2Y
 - +3.70 bps (WoW)
 - -72.50 bps (YtD, as of Jun 11, '25)
- Yield SUN5Y
 - -8.30 bps (WoW)
 - -67.10 bps (YtD, as of Jun 11, '25)
- Yield SUN10Y
 - -7.50 bps (WoW)
 - -23.20 bps (YtD, as of Jun 11, '25)
- Yield SUN30Y
 - -2.60 bps (WoW)
 - -10.30 bps (YtD, as of Jun 11, '25)



THE MOVEMENT OF CORPORATE BOND YIELD



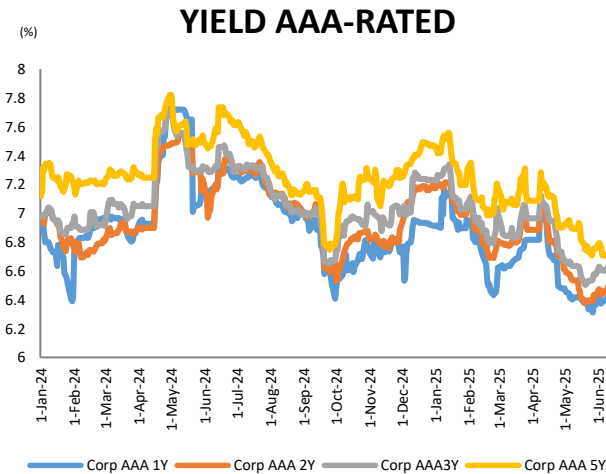
Sources : Bloomberg, KBVS Research (2025)



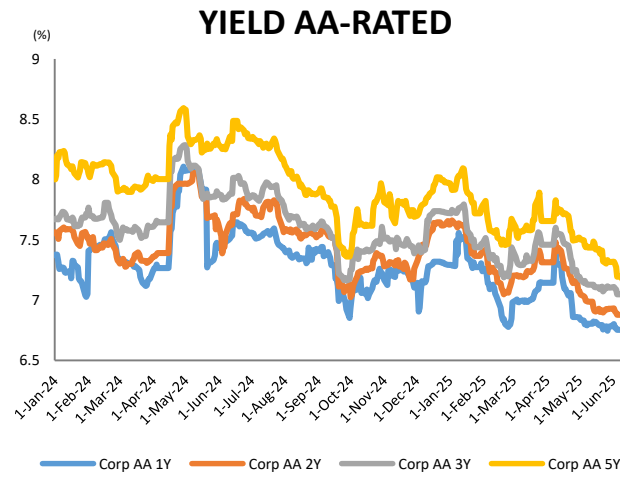
Sources : Bloomberg, KBVS Research (2025)

Corporate bond yields showed a decreasing movement last week, as follows:

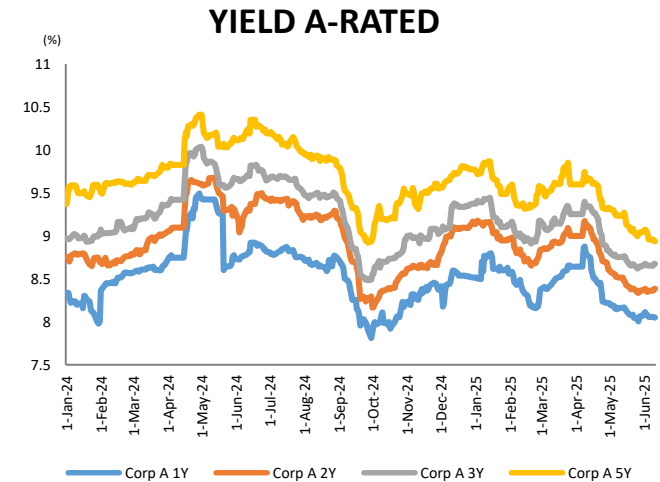
- AAA-rated
 - Tenor 1Y : +4.87 bps (WoW)
 - Tenor 2Y : +9.59 bps (WoW)
 - Tenor 5Y : -4.65 bps (WoW)
- AA-rated
 - Tenor 1Y : -2.03 bps (WoW)
 - Tenor 2Y : +1.83 bps (WoW)
 - Tenor 5Y : -11.84 bps (WoW)
- A-rated
 - Tenor 1Y : -3.72 bps (WoW)
 - Tenor 2Y : +7.56 bps (WoW), and
 - Tenor 5Y : -10.13 bps (WoW)



Sources : Bloomberg, KBVS Research (2025)



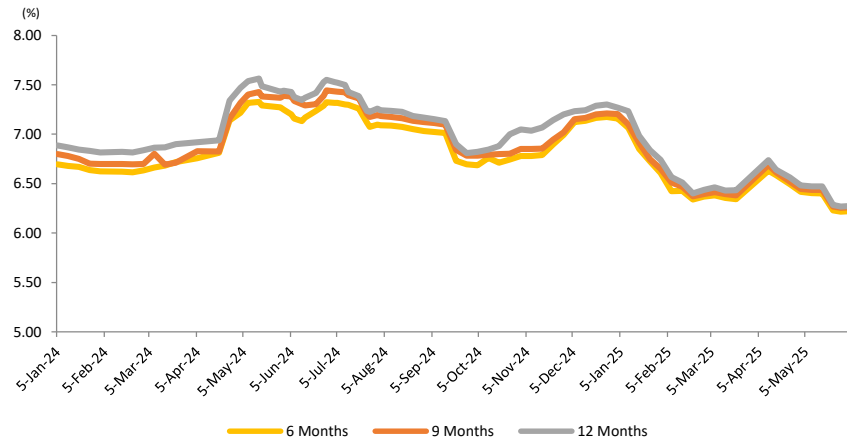
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)

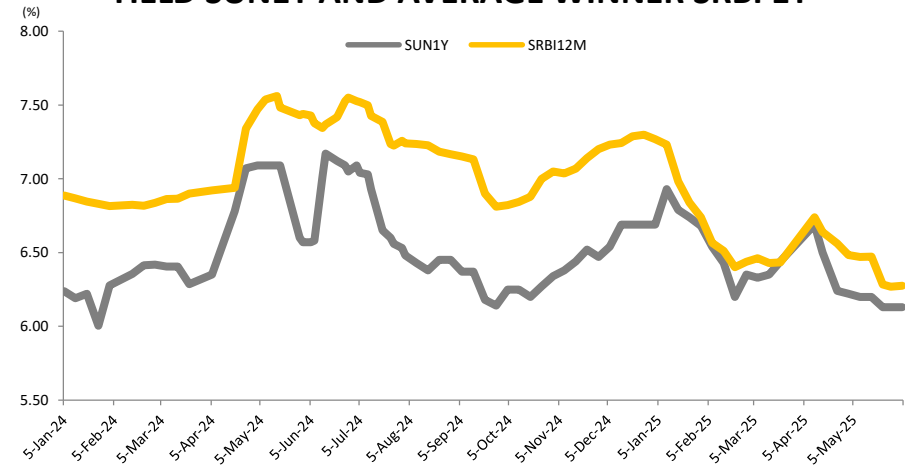
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



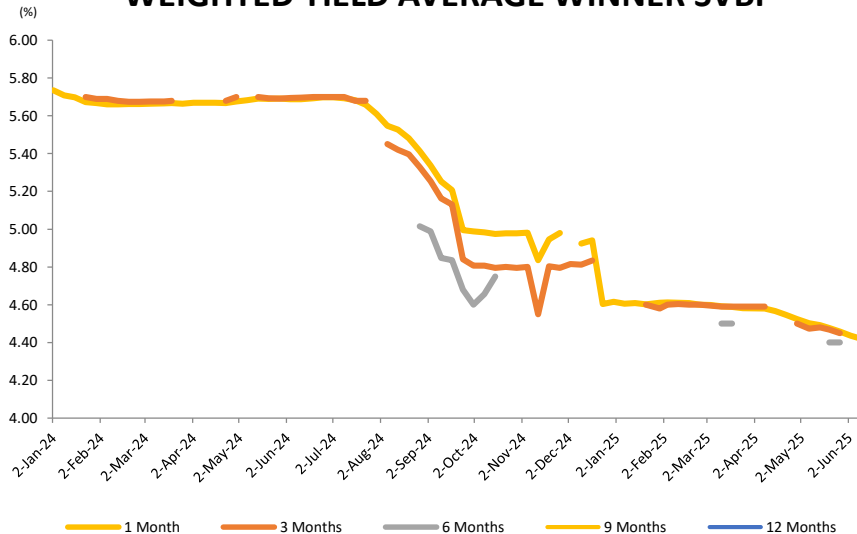
Sources : BI, KBVS Research (2025)

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 June 4, 2025, rose significantly to IDR24.26 trillion, down from IDR19.24 trillion in the previous auction.
- The level of incoming bids for SRBI increased, leading to a modest decrease in the weighted average winning yields across all tenors:
 - 6-month tenor increased to 6.24356% (Prev: 6.24494 %)
 - 9-month tenor increased to 6.26650% (Prev: 6.27704 %)
 - 12-month tenor increased to 6.28146% (Prev: 6.28213 %)
- On the other hand, Incoming bids in the SVBI auction on June 10, 25, continued decreased at USD819.00 mn (Prev: USD868. 50 mn).
- Yields on 1 month rose, but the other tenor showed moderate result:
 - 1-month tenor increased to 4.41792% (Prev: 4.43499 %)
 - 3-month tenor accounted at 4.41256% (prev: -)
 - 6 month tenor accounted at 4.36000% (prev: -)
 - 9 month tenor accounted at 4.27000% (prev: -)
- Meanwhile, in the secondary market, non-residents recorded a net buy of IDR2.85 tn from 2 until June 5, signaling continued attractiveness in Indonesian securities.



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NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(12-18 JUN 2025)

Country	Event	Forecast	Previous	Country	Event	Forecast	Previous
Thursday, Jun 12, 2025				Monday, Jun 16, 2025			
US	10-Year Note Auction		4.34%	CN	Fixed Asset Investment (YoY) (May)		4.00%
US	Federal Budget Balance (May)	-314.30B	258.00B	CN	Industrial Production (YoY) (May)		6.10%
JP	BSI Large Manufacturing Conditions (Q2)	0.80	-2.40	CN	Industrial Production Ytd (YoY) (May)		6.40%
ID	Consumer Confidence (May)		121.70	CN	Unemployment Rate (May)		5.10%
GB	GDP (MoM) (Apr)	-0.10%	0.20%	EU	Wages In Euro Zone (YoY) (Q1)		4.10%
GB	Industrial Production (MoM) (Apr)	-0.40%	-0.70%	US	OPEC Monthly Report		
GB	Manufacturing Production (MoM) (Apr)	-0.80%	-0.80%	US	NY Empire State Manufacturing Index (Jun)		-9.20
GB	Monthly GDP 3M/3M Change (Apr)	0.70%	0.70%	Tuesday, Jun 17, 2025			
GB	Trade Balance (Apr)	-20.80B	-19.87B	JP	BoJ Interest Rate Decision		0.50%
GB	Trade Balance Non-EU (Apr)		-6.83B	GE	ZEW Current Conditions (Jun)		-82.00
EU	ECB's Schnabel Speaks			GE	ZEW Economic Sentiment (Jun)		25.20
EU	ECB's De Guindos Speaks			EU	ZEW Economic Sentiment (Jun)		11.60
US	Continuing Jobless Claims		1,904K	US	Core Retail Sales (MoM) (May)		0.10%
US	Initial Jobless Claims	241K	247K	US	Export Price Index (MoM) (May)		0.10%
US	Core PPI (MoM) (May)	0.30%	-0.40%	US	Import Price Index (MoM) (May)		0.10%
US	PPI (MoM) (May)	0.20%	-0.50%	US	Retail Control (MoM) (May)		-0.20%
EU	ECB's Elderson Speaks			US	Retail Sales (MoM) (May)		0.10%
US	WASDE Report			US	Industrial Production (YoY) (May)		1.49%
Friday, Jun 13, 2025				US	Industrial Production (MoM) (May)		0.00%
US	30-Year Bond Auction		4.82%	US	Business Inventories (MoM) (Apr)		0.10%
US	Fed's Balance Sheet		6,673B	US	Retail Inventories Ex Auto (Apr)		0.30%
ID	Retail Sales (YoY) (Apr)		5.50%	Wednesday, Jun 18, 2025			
JP	Industrial Production (MoM) (Apr)	-0.90%	-0.90%	JP	Exports (YoY) (May)		2.00%
GE	CPI (YoY) (May)	2.10%	2.10%	JP	Imports (YoY) (May)		-2.20%
GE	CPI (MoM) (May)	0.10%	0.10%	JP	Trade Balance (May)		-115.60B
EU	Industrial Production (MoM) (Apr)	-1.50%	2.60%	GB	CPI (MoM) (May)		1.20%
EU	Trade Balance (Apr)	20.20B	36.80B	GB	CPI (YoY) (May)		3.50%
US	Michigan 1-Year Inflation Expectations (Jun)		6.60%	ID	Deposit Facility Rate (Jun)		4.75%
US	Michigan 5-Year Inflation Expectations (Jun)		4.20%	ID	Lending Facility Rate (Jun)		6.25%
US	Michigan Consumer Expectations (Jun)		47.90	ID	Loans (YoY) (May)		8.88%
US	Michigan Consumer Sentiment (Jun)	52.50	52.20	EU	Core CPI (YoY) (May)		2.30%
EU	ECB's Elderson Speaks			EU	CPI (YoY) (May)		1.90%
				EU	CPI (MoM) (May)		0.60%
				US	Building Permits (May)		1.422M
				US	Housing Starts (MoM) (May)		1.60%
				US	Housing Starts (May)		1.361M

