

Tensions in Middle East

19 June 2025

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- Tensions surged after Israel launched *Operation Rising Lion* on June 13, targeting Iran's key nuclear sites. In response, Iran initiated *Operation True Promise 3*, launching over 200 missiles and drones at Israeli cities, including Tel Aviv and Haifa, significantly escalating the regional conflict. The U.S. is now weighing direct involvement, heightening concerns of a broader war.
- Meanwhile, the Federal Reserve kept interest rates steady at 4.25–4.50%, while warning of inflation risks tied to new tariffs and rising geopolitical uncertainty. Although monitoring the Middle East situation closely, the Fed expects any energy-related price shocks to be temporary.
- On the domestic side, as of May 2025, Indonesia's state revenue fell 11.41% YoY to IDR995.3 tn, or 33.1% of the annual target, mainly due to lower tax and non-tax income. State spending also declined 11.26% YoY to IDR1,016.3 tn, resulting in a budget deficit of IDR21 tn (0.09% of GDP).
- The government continues to maintain fiscal prudence while supporting growth through targeted stimulus in June–July. Focus areas include healthcare, food security, MSME support, and labor-intensive sectors.
- On other hand, Bank Indonesia (BI) decided to keep its benchmark interest rate unchanged at 5.50% (Cons: 5.50%, KBVS: 5.50%, Prev: 5.50%), reflecting a cautious stance amid heightened global uncertainty. Key concerns include rising geopolitical tensions, particularly the conflict between Iran and Israel, which has the potential to push global oil prices higher and prompt investors to shift portfolios toward safer assets.



Source: Fox News (2025)

Link: <https://www.foxnews.com/opinion/iran-impotent-conventional-warfare-israel-proven>



TABLE OF CONTENTS :

3 Global Economy

8 Domestic Economy

22 Economic Calendar

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	May '25	2.4	2.3
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 12-18 Jun '25 are as follows:

- The number of people claiming unemployment benefits on the period ending June 2nd, '25 in the US stable at 248K (Cons: 242K, Prev: 248K).
- 10 Year Note Auction increased to 4.42% (Prev: 4.34%).
- PPI in May '25 increased to 0.10% MoM (Cons: 0.20% MoM, Prev: -0.20% MoM).
- 30 Year Note Auction increased to 4.84% (Prev: 4.82%).
- Retail Sales in May '25 decreased to -0.90% MoM (Cons: -0.50% MoM, Prev: -0.10% MoM)

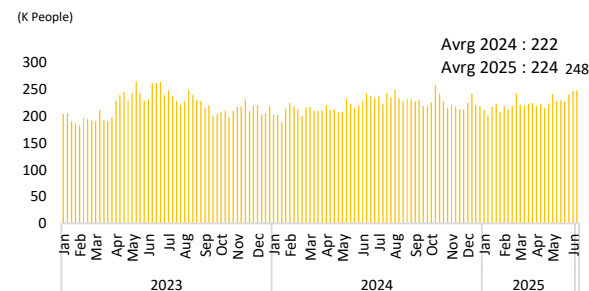
ECONOMIC CALENDAR

(12-18 JUN '25)

Event	Actual	Forecast	Previous
Thursday, 12 Jun '25			
US 10-Year Note Auction	4.42%		4.34%
US Federal Budget Balance (May)	-316.00B	-314.30B	258.00B
US Continuing Jobless Claims	1,956K	1,910K	1,902K
US Initial Jobless Claims	248K	242K	248K
US Core PPI (MoM) (May)	0.10%	0.30%	-0.20%
US PPI (MoM) (May)	0.10%	0.20%	-0.20%
EU ECB's Elderson Speaks			
US WASDE Report			
Friday, 13 Jun '25			
US 30-Year Bond Auction	4.84%		4.82%
US Fed's Balance Sheet	6,677B		6,673B
US Michigan 1-Year Inflation Expectations (Jun)	5.10%	6.40%	6.60%
US Michigan 5-Year Inflation Expectations (Jun)	4.10%	4.10%	4.20%
US Michigan Consumer Expectations (Jun)	58.40	49.00	47.90
US Michigan Consumer Sentiment (Jun)	60.50	53.50	52.20
Monday, 16 Jun '25			
US OPEC Monthly Report			
US NY Empire State Manufacturing Index (Jun)	-16.00	-5.90	-9.20
Tuesday, 17 Jun '25			
US 20-Year Bond Auction	4.94%		5.10%
US IEA Monthly Report			
US Core Retail Sales (MoM) (May)	-0.30%	0.20%	0.00%
US Export Price Index (MoM) (May)	-0.90%	-0.10%	0.10%
US Import Price Index (MoM) (May)	0.00%	-0.20%	0.10%
US Retail Control (MoM) (May)	0.40%	0.30%	-0.10%
US Retail Sales (MoM) (May)	-0.90%	-0.50%	0.10%
US Industrial Production (YoY) (May)	0.60%		1.43%
US Industrial Production (MoM) (May)	-0.20%	0.00%	0.10%
US Business Inventories (MoM) (Apr)	0.00%	0.00%	0.10%
US Retail Inventories Ex Auto (Apr)	0.30%	0.30%	0.30%
Wednesday, 18 Jun '25			
US 5-Year TIPS Auction	1.61%		1.70%
US API Weekly Crude Oil Stock	-10.133M	-0.600M	-0.370M
US Building Permits (May)		1.420M	1.422M
US Housing Starts (MoM) (May)			1.60%
US Housing Starts (May)		1.350M	1.361M
US Crude Oil Inventories			-3.644M
US Cushing Crude Oil Inventories			-0.430M

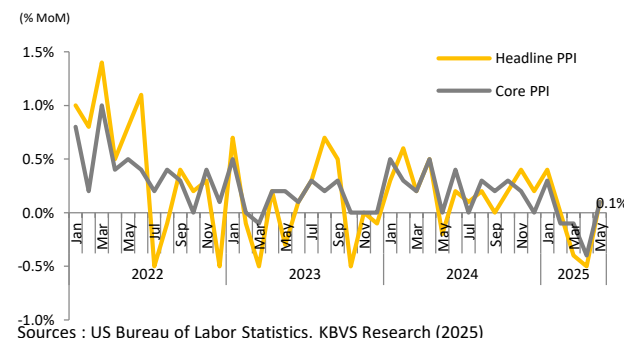
Sources : investing, KBVS Research (2025)

WEEKLY INITIAL JOBLESS CLAIMS

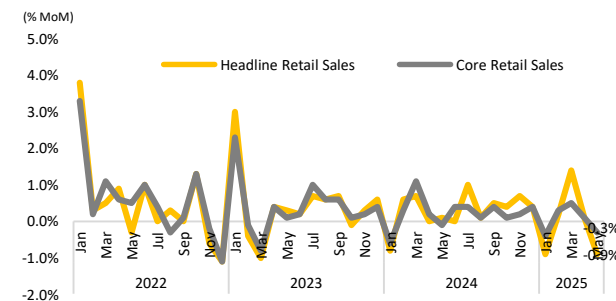


Sources : US DoL, KBVS Research (2025)

PPI



RETAIL SALES



Sources : US Census Bureau, KBVS Research (2025)

Iran vs Israel (and US)



Source: Republic World (2025)

Link: <https://www.republicworld.com/world-news/iran-severely-harmed-by-israeli-strikes-all-goals-achieved-pm-netanyahu>

- **On June 13, 2025, Israel launched a major surprise operation against Iran, known as Operation Rising Lion.** Using stealth jets, long-range missiles, and drones, some smuggled into Iran earlier, **Israel targeted Iran's key nuclear sites at Natanz, Fordo, and Isfahan**, along with military bases, air defense systems, and command centers. **The goal was to severely weaken Iran's nuclear and military capabilities.**
 - These sites, especially Fordo, were believed to be close to producing a nuclear warhead. For Israel, this crossed a red line, as it sees a nuclear-armed Iran as a direct threat. **Israeli leaders felt they had to act quickly before Iran completed a bomb or hid its program deeper underground.** The strike aimed to destroy enrichment equipment, eliminate key scientists, and cripple Iran's nuclear infrastructure before it became operational.
- **In response, Iran launched Operation True Promise 3**, firing over 200 ballistic missiles and drones at Israel. While most were intercepted by Israel's Iron Dome, some struck cities like **Tel Aviv and Haifa**, causing damage and casualties. **By June 18–19, the war had escalated further.** Iran launched new missile waves targeting Israeli airbases, radars, and key infrastructure in **Tel Aviv and Beersheba**. Some attacks breached defenses, injuring civilians and damaging facilities.
- Meanwhile, political tensions grew. **U.S. President Donald Trump is reportedly considering direct U.S. strikes on Iranian nuclear facilities, though no final decision has been made.** However, Trump said "unconditional surrender" to Iran. In response, **Iran's Supreme Leader Ayatollah Khamenei warned that U.S. involvement would trigger a broader war, declaring, "The battle begins."**
- **Despite continued fighting, there are early signs of possible diplomacy.** Iran has shown limited openness to talks—if the U.S. stays out of the conflict. The UN and European nations are pushing for negotiations, with **Geneva** mentioned as a possible location.

Fed Rate



Source: abc NEWS (2025)

Link: <https://abcnews.go.com/Business/story?id=118175314>

- **The U.S. Federal Reserve decided on Wednesday to keep interest rates unchanged, holding them steady at 4.25% to 4.50%.** While policymakers still believe rate cuts are likely later in 2025, Fed Chair Jerome Powell warned against assuming that will happen for sure. He explained that rising inflation could change things, especially as consumers may soon start paying more for goods due to new import tariffs planned by the Trump administration. Powell said that without these tariffs, the Fed might already be cutting rates, since recent inflation numbers have been encouragingly low. However, with new trade duties on the horizon, he expects a “meaningful” increase in costs.
- **Powell also warned that the economy is facing a “cost shock,” as businesses—such as producers, manufacturers, and retailers—are still trying to figure out who will bear the extra expenses caused by the tariffs.** On top of that, Trump is considering more aggressive import taxes that could begin as early as next month. These policies have made the future uncertain, and the Fed's latest projections paint a somewhat gloomy picture: economic growth in 2025 is expected to slow to just 1.4%, unemployment is predicted to rise to 4.5%, and inflation may end the year at 3%, which is higher than the Fed's target.
- **There's also disagreement within the Fed itself. Of the 19 policymakers, seven think no rate cuts will be needed at all.** Powell acknowledged that opinions differ because it's still a very unclear time, especially when it comes to understanding how long inflation might stay high or how much the job market might weaken. The Fed now expects inflation to remain above its 2% target through 2026 and only fall to 2.1% in 2027, even though unemployment should stay fairly stable. For now, the labor market is still strong, with low unemployment and solid job conditions.
- **The Fed made no mention of the recent outbreak of conflict between Israel and Iran, although Powell said they're watching the situation carefully.** He noted that energy prices could rise if the conflict worsens, but these kinds of price spikes usually don't last long or lead to long-term inflation problems. He emphasized that the Fed is prepared to respond quickly if global developments affect the U.S. economy.

FED PROBABILITIES

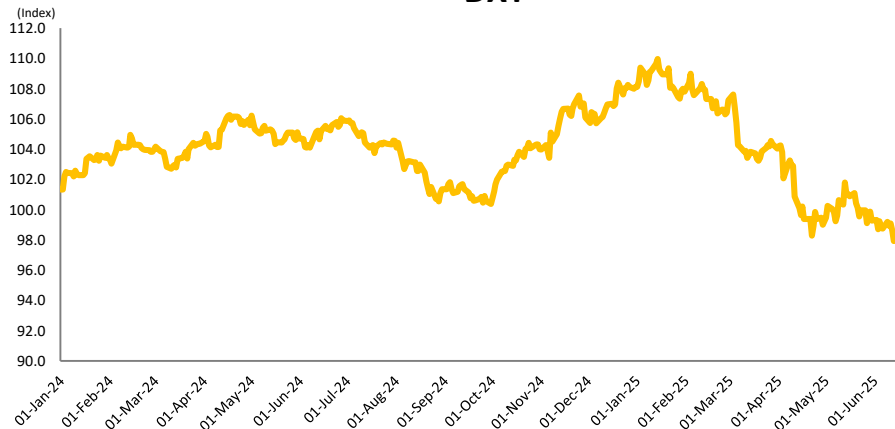
FED PROBABILITIES, as of 18 Jun '25

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%	8.2%	54.8%	36.9%
29-Oct-25	0.0%	0.0%	0.0%	0.0%	4.1%	31.2%	46.0%	18.8%
10-Dec-25	0.0%	0.0%	0.0%	2.5%	20.5%	40.2%	29.4%	7.4%
28-Jan-26	0.0%	0.0%	0.8%	8.5%	27.1%	36.6%	22.1%	4.9%
18-Mar-26	0.0%	0.4%	4.8%	18.1%	32.0%	29.1%	13.2%	2.4%
29-Apr-26	0.1%	1.7%	8.8%	22.3%	31.1%	24.3%	9.9%	1.7%

Sources : CME Group, and KBVS Research (2025)

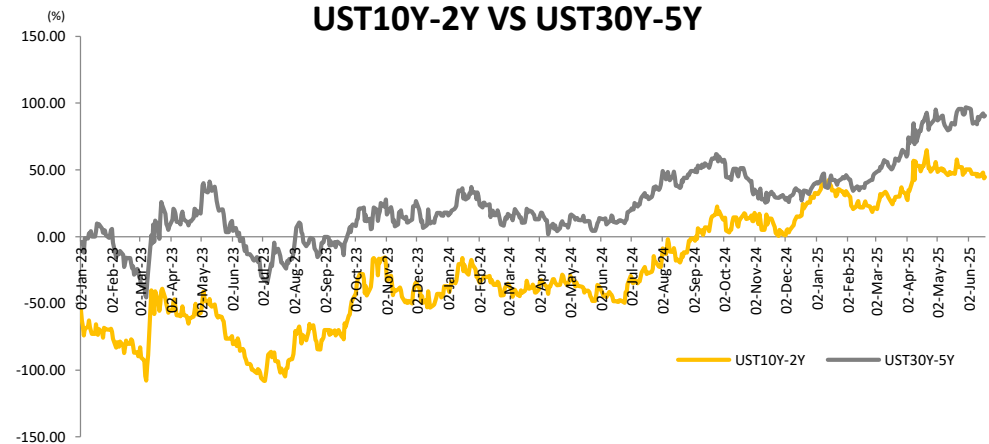
- Markets remain predict in 25 bps cuts on September and December.
- Powell warned of a “cost shock” as businesses grapple with who will absorb new tariff-related expenses. With more aggressive import taxes likely next month, economic uncertainty is rising.
- Nevertheless, bonds remain attractive, with the yield spread between long- and short-term tenors widening. While the curve is still far from a flattening pattern, investors are shifting toward long-term U.S. Treasuries as a safer asset amid ongoing geopolitical tensions and tariff risks.

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 decrease:

- Yield UST6M
 - 0.85 bps (WoW)
 - +1.53 bps (YtD, as of Jun 18,'25)
- Yield UST1Y
 - +0.80 bps (WoW)
 - 6.53 bps (YtD, as of Jun 18,'25)
- Yield UST2Y
 - 1.01 bps (WoW)
 - 30.02 bps (YtD, as of Jun 18,'25)
- Yield UST5Y
 - 2.99 bps (WoW)
 - 39.12 bps (YtD, as of Jun 18,'25)
- Yield UST10Y
 - 2.94 bps (WoW)
 - 17.81 bps (YtD, as of Jun 18,'25)
- Yield UST30Y
 - 2.85 bps (WoW)
 - +10.75 bps (YtD, as of Jun 18,'25)

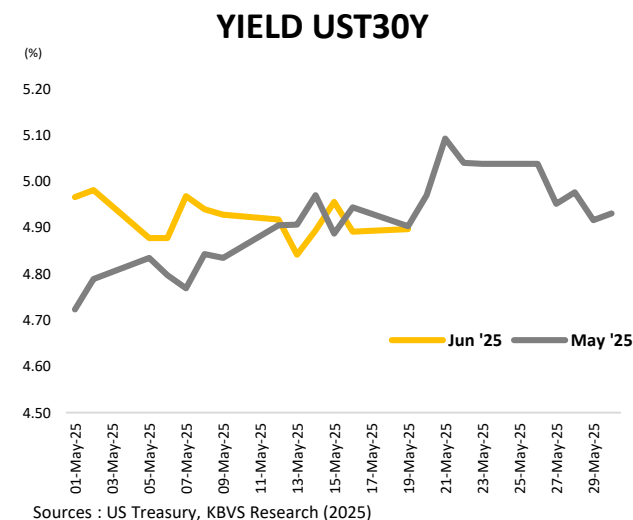
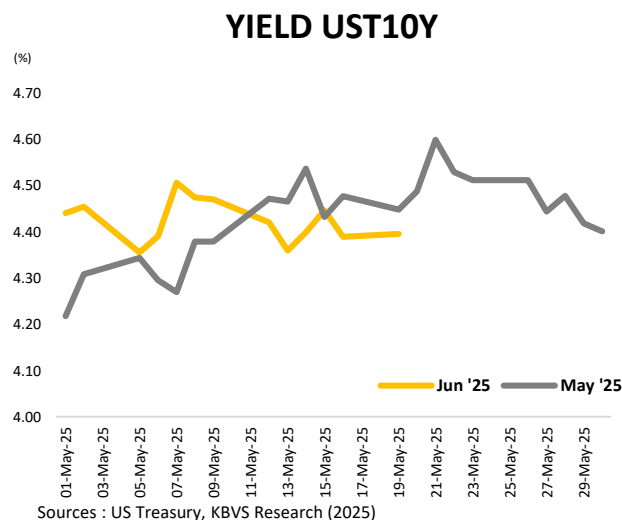
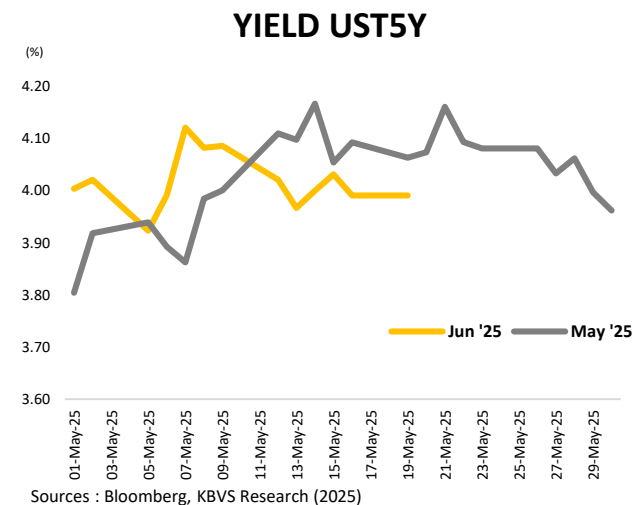
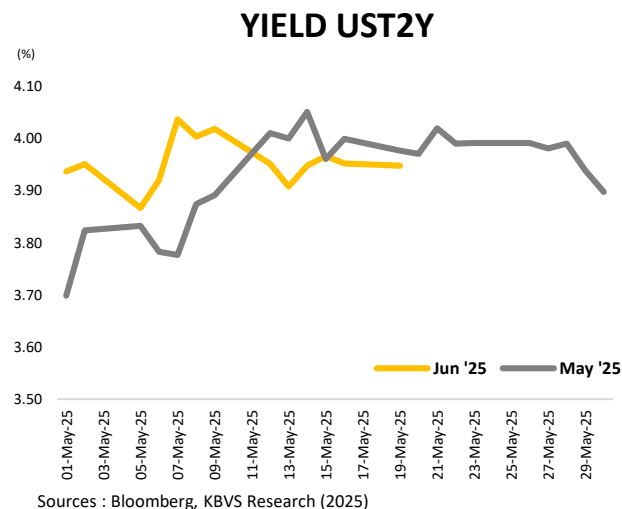




TABLE OF CONTENTS :

3

Global Economy

8

Domestic Economy

22

Economic Calendar

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)

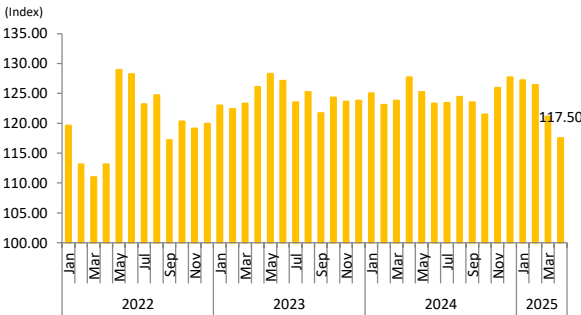
ECONOMIC CALENDAR

(12-18 JUN '25)

Event	Actual	Forecast	Previous
Thursday, 12 Jun '25			
ID Consumer Confidence (May)	117.50		121.70
Friday, 13 Jun '25			
ID Retail Sales (YoY) (Apr)	-0.30%		5.50%
Monday, 16 Jun '25			
Tuesday, 17 Jun '25			
Wednesday, 18 Jun '25			
ID Interest Rate Decision	5.50%	5.50%	5.50%
ID Deposit Facility Rate (Jun)	4.75%	4.75%	4.75%
ID Lending Facility Rate (Jun)	6.25%	6.25%	6.25%
ID Loans (YoY) (May)	8.43%		8.88%

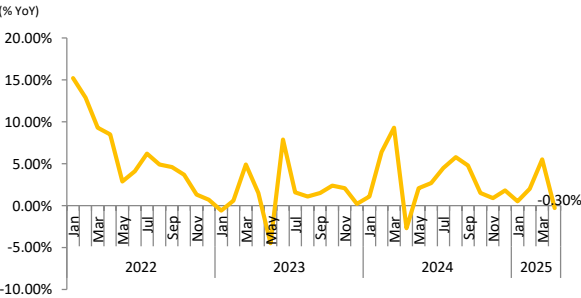
Sources : Investing, KBVS Research (2025)

CONSUMER CONFIDENCE



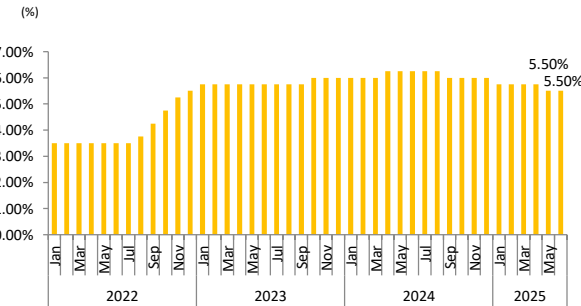
Sources : BI, KBVS Research (2025)

RETAIL SALES



Sources : BI, KBVS Research (2025)

BI RATE

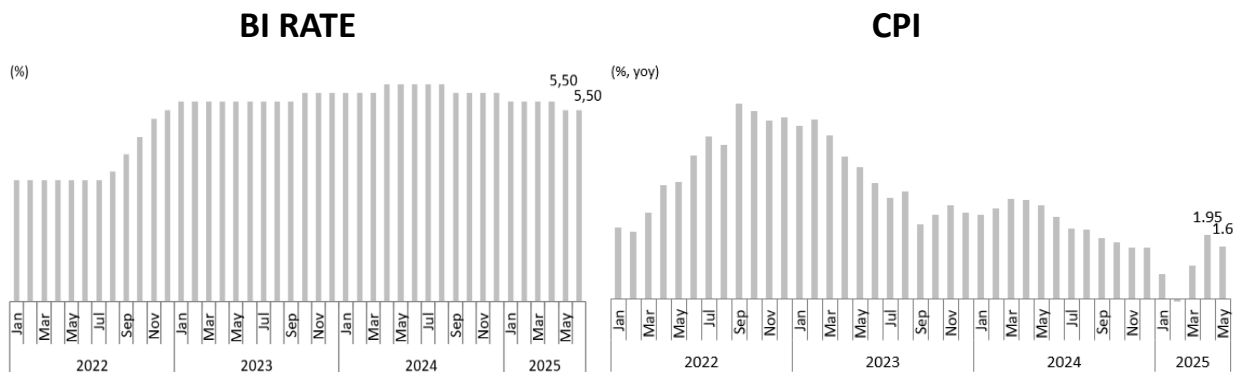


Sources : BI, KBVS Research (2025)

The data releases that influenced yield movements in the week of 12-18 Jun '25 are as follows:

- Consumer Confidence in May '25 decreased to 117.50 (Prev: 121.70).
- Retail Sales in May '25 decreased to -0.30% YoY (Prev: 5.50% YoY).
- As expected, BI maintained the BI Rate at 5.50%, in line with the stable inflation outlook. As of May '25, core inflation stood at a manageable +2.40% YoY, reinforcing BI's confidence that inflation will remain within the 2.5% \pm 1% target range going forward. Despite this, we see room for future rate cuts as lending and deposit rates remain sticky. The 1-month deposit rate edged down only slightly to 4.81% (prev: 4.83%), while the lending rate also declined marginally to 9.18% (prev: 9.19%). Meanwhile, banking credit growth softened to 8.43%, with future projections ranging between 8–11%. These trends suggest that while inflation is under control, further easing might be needed to stimulate stronger transmission to the real economy. Further macroprudential and fiscal easing might be needed to reinforce growth momentum.

BI RATE



Indicators	18-Jun-25		Monthly Changes (in bps)	Ytd Changes (in bps)
	Latest	M-1		
	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	4.50	(25.0)	(100.0)
Japan	0.50	0.50	0.0	60.0
China	3.00	3.10	(10.0)	(45.0)
India	5.50	6.00	(50.0)	(100.0)
Thailand	1.75	1.75	0.0	(75.0)
Philippines	5.50	5.50	0.0	(100.0)
Indonesia	5.50	5.50	0.0	(50.0)
	Global Monetary Policy Change (in number of countries)			
Easing	1	3		
Unchanged	22	19		
Tightening	13	10		
	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	5.83	5.71	11.7	(16.8)
JIBOR - 1 Month	6.31	6.01	29.9	(7.6)
JIBOR - 3 Months	6.61	6.38	23.1	(13.7)
JIBOR - 6 Months	6.71	6.69	2.7	(15.6)
JIBOR - 12 Months	6.91	6.97	(6.7)	(14.4)

Source: Various sources - KBVS (2025)

- **Bank Indonesia (BI) decided to keep its benchmark interest rate unchanged at 5.50% (Cons: 5.50%, KBVS: 5.50%, Prev: 5.50%),** reflecting a cautious stance amid heightened global uncertainty. Key concerns include rising geopolitical tensions, particularly the conflict between Iran and Israel, which has the potential to push global oil prices higher and prompt investors to shift portfolios toward safer assets.
- **The domestic macroeconomic backdrop continued to show signs of moderation and still within Bank Indonesia's target.** Credit growth currently stands at 8.43% YoY (Prev: 8.88% YoY), and although Bank Indonesia maintains its projection of 8–11% YoY growth for FY25, the figure has been declining for seven consecutive months, indicating persistent weakness in lending activity despite supportive policy measures.
- **The slowdown in credit growth is closely linked to ongoing structural changes in Indonesia's economy. On the demand side, stagnation in labor-intensive sectors has limited job creation and wage growth, resulting in weaker consumer purchasing power. Under these circumstances, monetary policy easing, such as reducing the BI Rate, has had limited impact on boosting consumption and credit growth.** To strengthen demand, fiscal stimulus should be directed toward programs with high multiplier effects, such as social protection, and support for MSMEs, which can generate jobs, raise incomes, and stimulate broader economic activity.
- **On the supply side, producers are also under strain, as reflected in Indonesia's Manufacturing PMI, which remains in contraction territory.** Possibly because of these conditions, improving the investment climate must be a key priority to address supply-side constraints.
- **Bank Indonesia's forward policy remains focused on maintaining rupiah stability, enhancing liquidity, and supporting sustainable growth.** To reinforce these goals, BI will optimize monetary operations through SRBI, SVBI, and SUVBI instruments, with rate adjustments to maintain market interest.

APBN REALIZATION

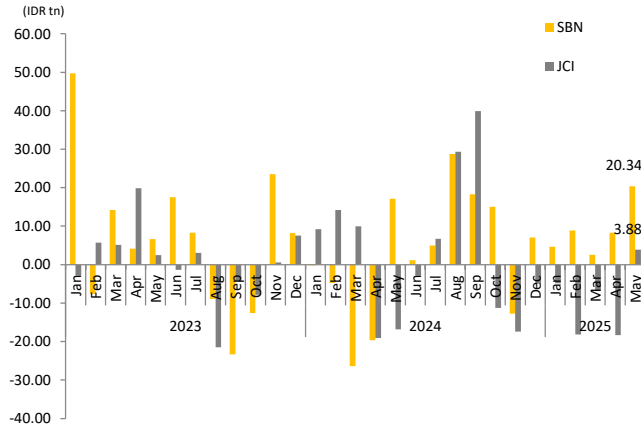


Source: MoF (2025)

- **As of May 2025, state revenue (APBN) declined by 11.41% yoy to IDR995.3 tn** (prev: IDR1,123.52 tn on 5M24), representing 33.1% of the 2025 state budget target. The decrease was primarily driven by lower tax revenues, which amounted to IDR683.3 tn (prev: IDR760.38 tn). Meanwhile, revenue from customs and excise rose to IDR122.9 tn (prev: IDR109.13 tn), and Non-Tax State Revenue (PNBP) reached IDR188.7 tn (prev: IDR251.35 tn).
- In addition, **state expenditure also declined by 11.26% yoy to IDR1,016.3 tn** (prev: IDR1,145.27 tn), driven by a decrease in central government spending to IDR694.2 tn (prev: IDR824.3 tn) and transfers to regions amounting to IDR322 tn (prev: IDR320.97 tn). These developments resulted in a budget deficit of IDR21 tn, equivalent to 0.09% of GDP.
- **Indonesia's fiscal policy remains prudent to support economic stability.** Restitutions and stimulus packages, especially in June–July, have been provided to maintain corporate resilience and boost economic activity. According to Finance Minister Sri Mulyani, ongoing restructuring and efficiency measures align with Presidential Instruction No. 1 of 2025. While maintaining spending discipline, the government selectively funds key national priorities such as nutritious meals, free health checkups, village cooperatives, and community schools.
- **APBN spending is also aimed at protecting purchasing power, including through early-year electricity discounts and stimulus for MSMEs and labor-intensive sectors.** Additionally, the government has lifted budget blocks for 99 ministries and agencies, unlocking IDR129 tn. The funds prioritize new or restructured Special Economic Zones (KEKs) and support priority government programs. Some allocations also go to newly formed ministries and agencies.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2025)

Between 12-18 June '25, non-residents conducted:

- A net buy of tradeable SBN, amounting IDR2.36 tn.
- A net sell of JCI, amounting IDR0.19 tn.

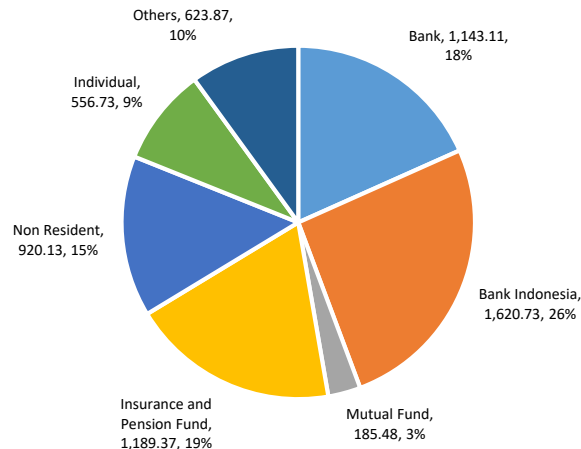
SUN LATEST AUCTION

17 Jun '25									
Instruments	SPN03250915	SPN12260604	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1.00	4.84	20.23	32.07	13.64	6.32	1.36	1.57	81.03
Bid to Cover Ratio	-	2.42	3.32	3.67	1.79	1.71	2.10	1.31	2.70
Weighted Average Yields Awarded	-	5.940%	6.334%	6.724%	6.990%	7.036%	7.019%	7.099%	
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%	

Sources : DJPPR, KBVS Research (2025)

OWNERSHIP of IDR TRADABLE SBN

(IDR tn,
% of total tradable SBN)



Sources : DJPPR, and KBVS Research (2025)

As of 16 June '25, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,620.73 tn (-IDR35.38 tn, WoW),
- Banks : IDR1,143.11 tn (+IDR32.50 tn, WoW), and
- Insurance & Pension Funds: IDR1,189.37 tn (-IDR12.62 tn, WoW)

SBSN LATEST AUCTION

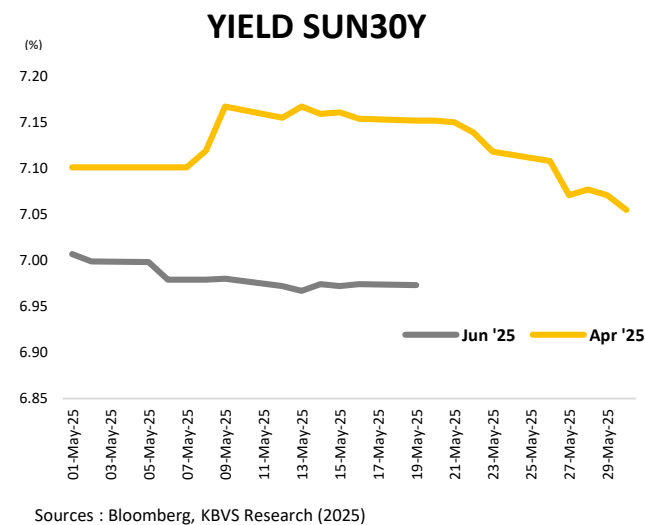
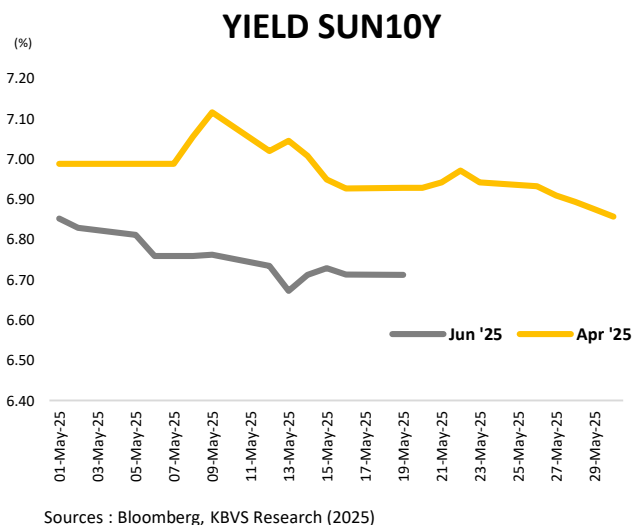
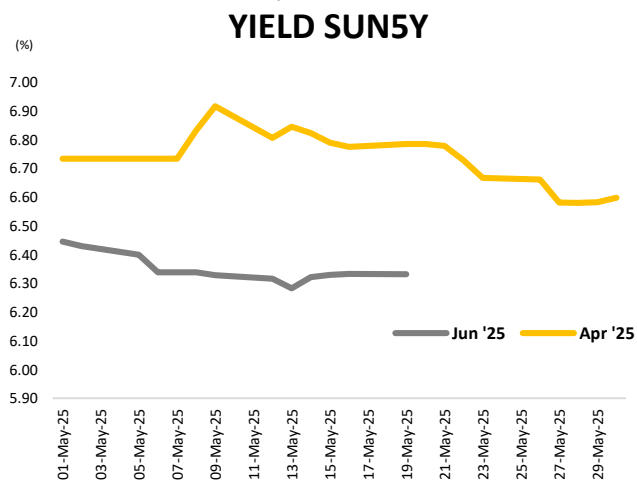
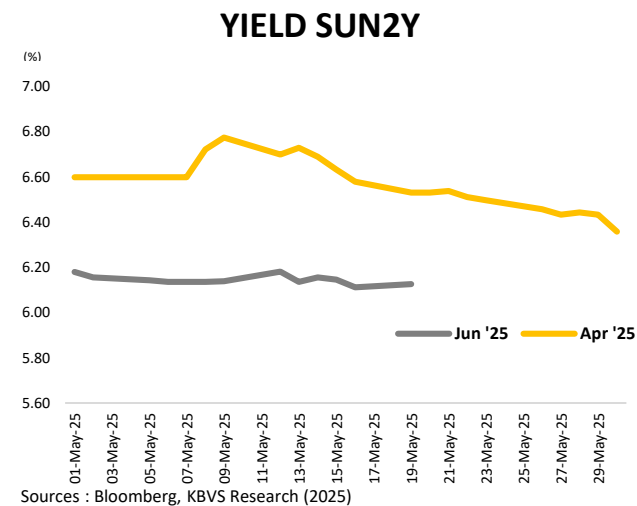
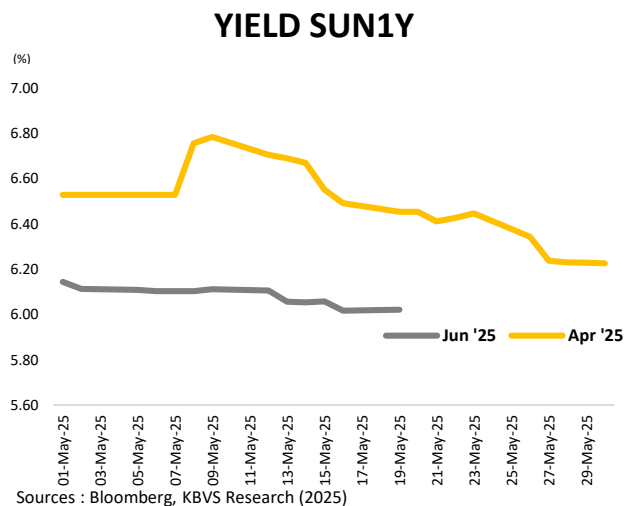
10 Jun '25								
Instruments	SPNS08122025	SPNS09032026	PBS003	PBS030	PBSG001	PBS034	PBS038	Total
Incoming Bids (IDR tn)	1.11	4.47	8.68	13.72	2.43	3.20	3.29	36.89
Bid to Cover Ratio	2.78	3.19	5.26	4.50	1.03	5.34	5.98	3.69
Weighted Average Yields Awarded	5.800%	5.953%	6.287%	6.360%	6.462%	6.898%	6.998%	
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)

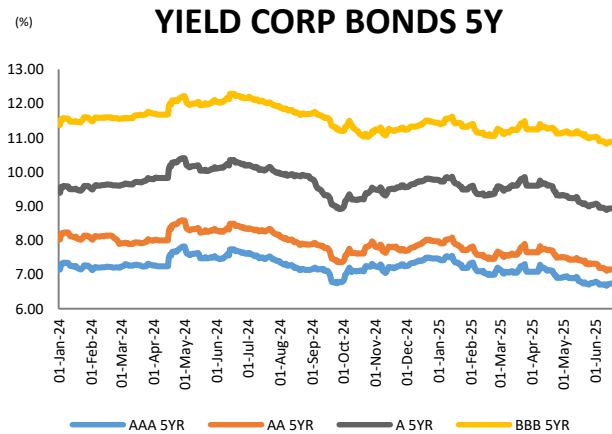
THE MOVEMENT OF SUN YIELDS

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

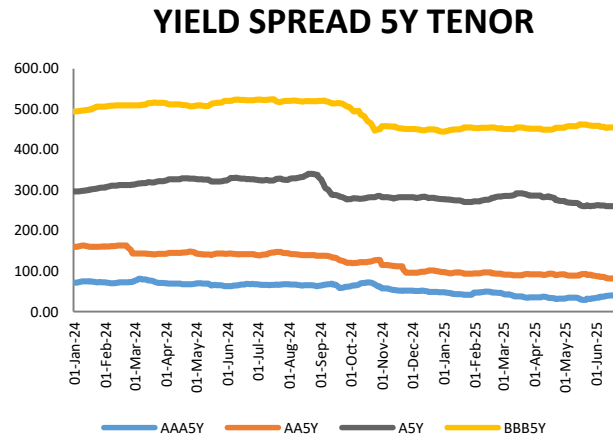
- Yield SUN1Y
 - -12.90 bps (WoW)
 - -71.10 bps (YtD, as of Jun 18, '25)
- Yield SUN2Y
 - -8.60 bps (WoW)
 - -80.90 bps (YtD, as of Jun 18, '25)
- Yield SUN5Y
 - +2.20 bps (WoW)
 - -64.90 bps (YtD, as of Jun 18, '25)
- Yield SUN10Y
 - -2.40 bps (WoW)
 - -25.80 bps (YtD, as of Jun 18, '25)
- Yield SUN30Y
 - +1.70 bps (WoW)
 - -8.60 bps (YtD, as of Jun 18, '25)



THE MOVEMENT OF CORPORATE BOND YIELD



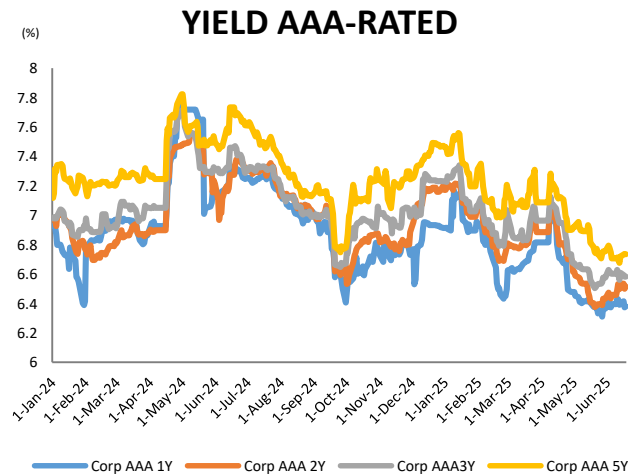
Sources : Bloomberg, KBVS Research (2025)



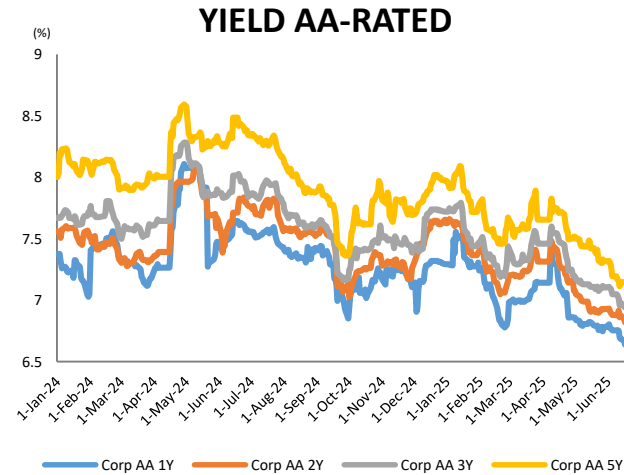
Sources : Bloomberg, KBVS Research (2025)

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

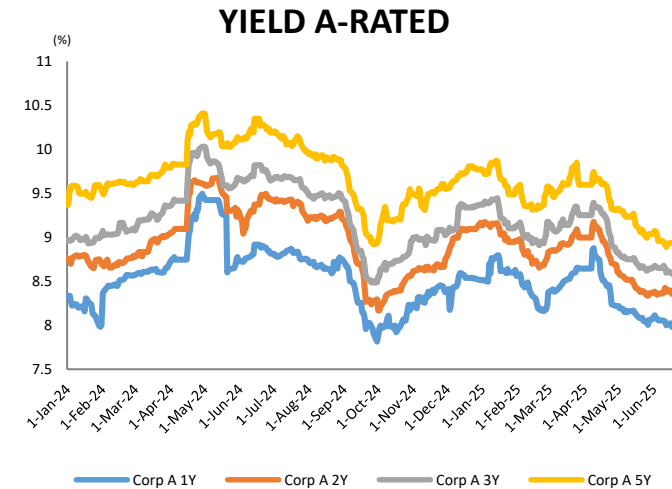
- AAA-rated
 - Tenor 1Y : -9.21 bps (WoW)
 - Tenor 2Y : -4.82 bps (WoW)
 - Tenor 5Y : +4.602 bps (WoW)
- AA-rated
 - Tenor 1Y : -15.45 bps (WoW)
 - Tenor 2Y : -11.19 bps (WoW)
 - Tenor 5Y : +0.02 bps (WoW)
- A-rated
 - Tenor 1Y : -10.26 bps (WoW)
 - Tenor 2Y : -8.43 bps (WoW), and
 - Tenor 5Y : +1.75 bps (WoW)



Sources : Bloomberg, KBVS Research (2025)



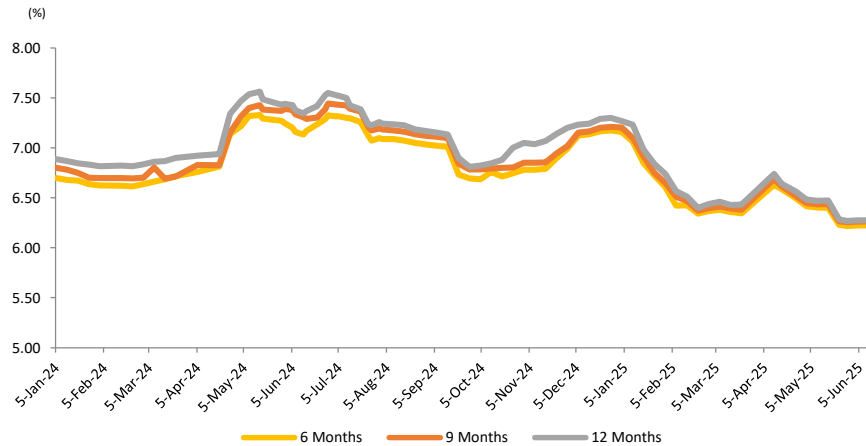
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)

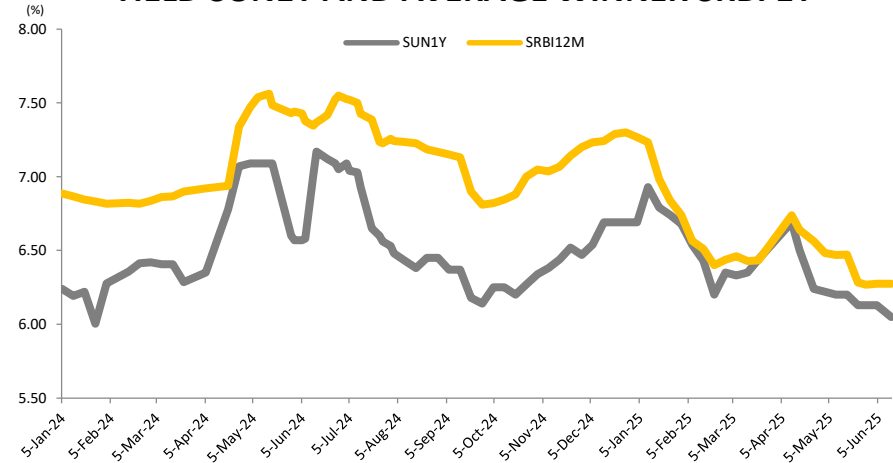
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



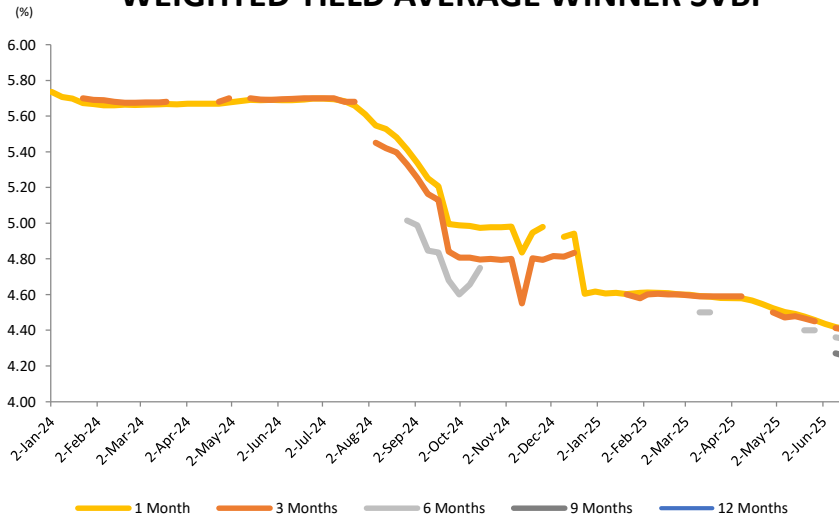
Sources : BI, KBVS Research (2025)

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 13, 2025, rose significantly to IDR41.91 trillion, rose from IDR24.26 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 decreased to 6.22489% (Prev: 6.24356%)
 - 9-month tenor decreased to 6.26398% (Prev: 6.26650%)
 - 12-month tenor decreased to 6.27495% (Prev: 6.28146%)
- On the other hand, Incoming bids in the SVBI auction on June 10, 25, increased to USD930.00 mn (Prev: USD819.00 mn).
- Yields declined across tenors, with the following results:
 - 1-month tenor decreased to 4.40557% (Prev: 4.41792 %)
 - 3-month tenor decreased at 4.40162% (prev: 4.41256 %)
 - 6 month tenor decreased at 4.34909% (prev: 4.36000 %)
 - 9 month tenor decreased at 4.25545% (prev: 4.27000 %)
- Meanwhile, in the secondary market, non-residents recorded a net sell of IDR10.84 trillion from June 11 to June 18, reflecting waning interest in Indonesian securities.



TABLE OF CONTENTS :

3 Global Economy

8 Domestic Economy

22 Economic Calendar

NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(19-25 JUN 2025)

Country	Event	Forecast	Previous	Country	Event	Forecast	Previous	Country	Event	Forecast	Previous
Thursday, Jun 19, 2025				Friday, Jun 20, 2025				Monday, Jun 23, 2025			
GE	Buba Balz Speaks			US	Fed's Balance Sheet		6,677B	JP	Au Jibun Bank Services PMI (Jun)		51.00
US	Interest Rate Projection - 1st Year (Q2)		3.40%	JP	National Core CPI (YoY) (May)	3.60%	3.50%	ID	M2 Money Supply (YoY) (May)		5.20%
US	Interest Rate Projection - 2nd Year (Q2)		3.10%	JP	National CPI (MoM) (May)		0.30%	GE	HCOB Manufacturing PMI (Jun)		48.30
US	Interest Rate Projection - Current (Q2)		3.90%	JP	Monetary Policy Meeting Minutes			GE	HCOB Services PMI (Jun)		47.10
US	Interest Rate Projection - Longer (Q2)		3.00%	CN	Loan Prime Rate 5Y (Jun)	3.50%	3.50%	EU	HCOB Manufacturing PMI (Jun)		49.40
US	FOMC Economic Projections			CN	PBoC Loan Prime Rate	3.00%	3.00%	EU	HCOB Composite PMI (Jun)		50.20
US	FOMC Statement			GB	Core Retail Sales (MoM) (May)		1.30%	EU	HCOB Services PMI (Jun)		49.70
US	FOMC Press Conference			GB	Core Retail Sales (YoY) (May)		5.30%	GB	S&P Global Composite PMI (Jun)		50.30
US	Fed Interest Rate Decision	4.50%	4.50%	GB	Retail Sales (YoY) (May)	1.50%	5.00%	GB	S&P Global Manufacturing PMI (Jun)		46.40
EU	ECB's De Guindos Speaks			GB	Retail Sales (MoM) (May)	-0.50%	1.20%	GB	S&P Global Services PMI (Jun)		50.90
US	TIC Net Long-Term Transactions (Apr)		161.80B	GE	PPI (MoM) (May)	-0.30%	-0.60%	US	S&P Global Manufacturing PMI (Jun)		52.00
EU	ECB President Lagarde Speaks			EU	ECB Economic Bulletin			US	S&P Global Composite PMI (Jun)		53.00
GE	Buba Vice President Buch Speaks			EU	Eurogroup Meetings			US	S&P Global Services PMI (Jun)		53.70
GE	Buba President Nagel Speaks			US	Philly Fed Manufacturing Index (Jun)	-1.20	-4.00	US	Existing Home Sales (MoM) (May)		-0.50%
EU	Eurogroup Meetings			US	Philly Fed Employment (Jun)		16.50	US	Existing Home Sales (May)		4.00M
GB	BoE MPC Vote Cut (Jun)	2.00	7.00	US	Leading Index (MoM) (May)	-0.10%	-1.00%	Tuesday, Jun 24, 2025			
GB	BoE MPC Vote Hike (Jun)	0.00	0.00					GE	Business Expectations (Jun)		88.90
GB	BoE MPC Vote Unchanged (Jun)	7.00	2.00					GE	Current Assessment (Jun)		86.10
GB	BoE Interest Rate Decision (Jun)	4.25%	4.25%					GE	Ifo Business Climate Index (Jun)		87.50
GB	BoE MPC Meeting Minutes							US	Current Account (Q1)		-303.90B
US	Continuing Jobless Claims		1,956K					US	S&P/CS HPI Composite - 20 n.s.a. (MoM) (Apr)		1.10%
US	Initial Jobless Claims		248K					US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Apr)		4.10%
								US	CB Consumer Confidence (Jun)		98.00
								Wednesday, Jun 25, 2025			
								US	New Home Sales (May)		743K
								US	New Home Sales (MoM) (May)		10.90%

