

Has the Trade Agreement Been Broken?

5 June 2025

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- President Trump accused China of breaking a recent trade deal, warning it could lead to a renewed trade war. The 90-day agreement had lowered tariffs on both sides, though Trump gave no details on how China violated the deal.
- Meanwhile, a U.S. court struck down the remaining 30% tariffs on Chinese goods, though a higher court has temporarily reinstated them. At the same time, industries like carmakers are warning of possible shortages due to China's export restrictions.
- Treasury Secretary Scott Bessent said trade talks with China are currently stalled, but a call between Trump and President Xi may take place soon. He also noted that little progress has been made since the Geneva talks.
- In the domestic market, the inflation announcement came as a surprise. Headline inflation fell to 1.6%, approaching the lower bound of Bank Indonesia's target range (2.5% ± 1%). Core inflation also declined to 2.4%, indicating a weakening of the national economy.
- On the other hand, MoF has issued an economic stimulus package, hoping it will create a multiplier effect and help revive economic growth.



Source: South China Morning Post (2025), accessed in 4 June '25.

Link: <https://www.scmp.com/economy/china-economy/article/3018819/trumps-tweets-part-propaganda-and-psychological-war-china>



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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 | % | Apr '25 | 4.2 | 4.2 |

Sources : various sources, KBVS Research (2025)

The data releases that influenced yield movements in the week of 29 May – 4 Jun '25 are as follows:

- The number of people claiming unemployment benefits on the period ending May 19th, '25 in the US increased by 14K to 240K (Cons: 229K, Prev: 226K).
- GDP in 1Q25 decreased to -0.20% QoQ (Cons: -0.30% QoQ, Prev: 2.40% QoQ).
- Crude Oil Inventories decreased to -2.795M (Cons: 1.000M, Prev: 1.328M).
- Core PCE Price Index in Apr '25 decreased to 2.50% YoY (Cons: 2.50% YoY, Prev: 2.70% YoY).
- Chicago PMI in May '25 decreased to 40.50 (Cons: 45.10, Prev: 44.60).
- S&P Global Manufacturing PMI in May '25 increased to 52.00 (Cons: 52.30, Prev: 50.20).
- ISM Manufacturing PMI in May '25 decreased to 69.40 (Cons: 70.20, Prev: 69.80).
- JOLTS Job Openings in Apr '25 increased to 7.391M (Cons: 7.110M, Prev: 7.200M).

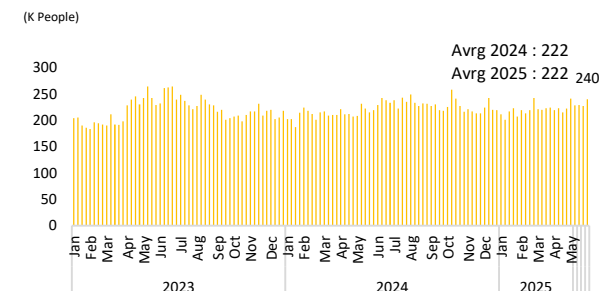
ECONOMIC CALENDAR

(29 MAY – 4 JUN '25)

| Event | Actual | Forecast | Previous |
|---|---------|----------|----------|
| Thursday, 29 May '25 | | | |
| US 5-Year Note Auction | 4.07% | | 4.00% |
| US FOMC Meeting Minutes | | | |
| US API Weekly Crude Oil Stock | -4.236M | 1.000M | 2.499M |
| US Continuing Jobless Claims | 1,919K | 1,890K | 1,893K |
| US Initial Jobless Claims | 240K | 229K | 226K |
| US Core PCE Prices (Q1) | 3.40% | 3.50% | 2.60% |
| US GDP (QoQ) (Q1) | -0.20% | -0.30% | 2.40% |
| US GDP Price Index (QoQ) (Q1) | 3.70% | 3.70% | 2.30% |
| US Pending Home Sales (MoM) (Apr) | -6.30% | -0.90% | 5.50% |
| US Crude Oil Inventories | -2.795M | 1.000M | 1.328M |
| US Cushing Crude Oil Inventories | 0.075M | | -0.457M |
| Friday, 30 May '25 | | | |
| US 7-Year Note Auction | 4.19% | | 4.12% |
| US FOMC Member Daily Speaks | | | |
| US Fed's Balance Sheet | 6.673B | | 6,689B |
| US Core PCE Price Index (MoM) (Apr) | 0.10% | 0.10% | 0.10% |
| US Core PCE Price Index (YoY) (Apr) | 2.50% | 2.50% | 2.70% |
| US Goods Trade Balance (Apr) | -87.62B | -142.80B | -162.25B |
| US PCE Price Index (YoY) (Apr) | 2.10% | 2.20% | 2.30% |
| US PCE Price Index (MoM) (Apr) | 0.10% | 0.10% | 0.00% |
| US Personal Spending (MoM) (Apr) | 0.20% | 0.20% | 0.70% |
| US Retail Inventories Ex Auto (Apr) | 0.30% | | 0.30% |
| US Chicago PMI (May) | 40.50 | 45.10 | 44.60 |
| US Michigan 1-Year Inflation Expectations (May) | 6.60% | 7.30% | 6.50% |
| US Michigan 5-Year Inflation Expectations (May) | 4.20% | 4.60% | 4.40% |
| US Michigan Consumer Expectations (May) | 47.90 | 46.50 | 47.30 |
| US Michigan Consumer Sentiment (May) | 52.20 | 50.80 | 52.20 |
| US FOMC Member Bostic Speaks | | | |
| Monday, 2 June '25 | | | |
| US Fed Waller Speaks | | | |
| US S&P Global Manufacturing PMI (May) | 52.00 | 52.30 | 50.20 |
| US Construction Spending (MoM) (Apr) | -0.40% | 0.40% | -0.80% |
| US ISM Manufacturing Employment (May) | 46.80 | | 46.50 |
| US ISM Manufacturing PMI (May) | 48.50 | 49.30 | 48.70 |
| US ISM Manufacturing Prices (May) | 69.40 | 70.20 | 69.80 |
| US Atlanta Fed GDP Now (Q2) | 4.60% | 3.80% | 3.80% |
| Tuesday, 3 June '25 | | | |
| US Fed Chair Powell Speaks | | | |
| US Factory Orders (MoM) (Apr) | -3.70% | -3.10% | 3.40% |
| US JOLTS Job Openings (Apr) | 7.391M | 7.110M | 7.200M |
| Wednesday, 4 June '25 | | | |
| US API Weekly Crude Oil Stock | -3.300M | -0.900M | -4.236M |
| US ADP Nonfarm Employment Change (May) | | 111K | 62K |
| US FOMC Member Bostic Speaks | | | |
| US S&P Global Composite PMI (May) | | 52.10 | 50.60 |
| US S&P Global Services PMI (May) | | 52.30 | 50.80 |
| US ISM Non-Manufacturing Employment (May) | | | 49.00 |
| US ISM Non-Manufacturing PMI (May) | | 52.10 | 51.60 |
| US ISM Non-Manufacturing Prices (May) | | | 65.10 |
| US Crude Oil Inventories | | | -2.795M |
| US Cushing Crude Oil Inventories | | | 0.075M |

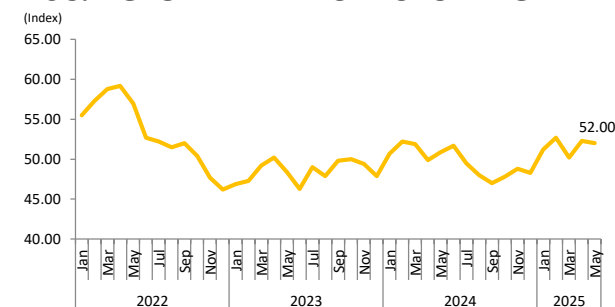
Sources : investing, KBVS Research (2025)

WEEKLY INITIAL JOBLESS CLAIMS



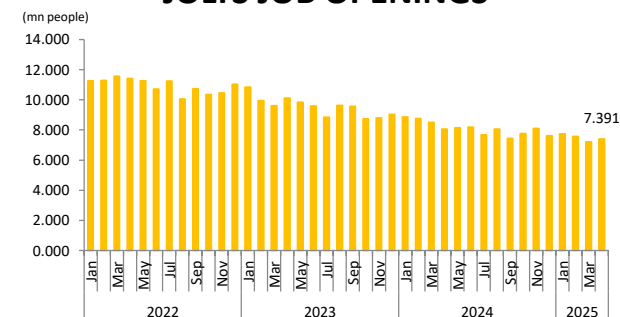
Sources : US DoL, KBVS Research (2025)

S&P GLOBAL MANUFACTURING PMI



Sources : S&P Global, KBVS Research (2025)

JOLTS JOB OPENINGS



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

US-China Trade Talks Meeting on 10 May '25



- President Donald Trump said on Friday that China had broken a recent trade agreement with the United States.
- He posted on social media that China had "totally violated" the deal and added, "So much for being Mr. NICE GUY!" However, Trump did not explain exactly what China had done to break the agreement. His strong words raised concerns that the trade war between the U.S. and China could start again.
- Earlier this month, the U.S. and China had agreed to reduce high taxes (called tariffs) on each other's products. The U.S. lowered tariffs on Chinese goods from 145% to 30%, and China reduced its tariffs on U.S. goods from 125% to 10%. This 90-day deal helped calm financial markets and raised hopes of a bigger agreement later.
- But U.S. Treasury Secretary Scott Bessent said that talks with China were currently "stalled." He said more discussions could happen in the coming weeks and that Trump might speak with China's President Xi Jinping. After these comments, U.S. stock markets dropped slightly.
- At the same time, a U.S. court ruled that the remaining 30% tariffs on Chinese goods were not legally justified and canceled them. A higher court later put the tariffs back temporarily, but the final decision is still uncertain.
- Also, some industries in the U.S., especially car manufacturers, are warning that they might soon run out of important parts made with materials from China. If the trade situation doesn't improve, it could lead to factory shutdowns and further economic trouble.
- On Sunday, Bessent said a conversation between President Trump and China's President Xi would happen "very soon," and that it would focus on trade issues like critical minerals and China's export limits.
- Bessent, who helped lead the Geneva talks that paused the trade war last year, also told Fox News that there has been little progress since then.

Source: South China Morning Post (2025)

Link: <https://www.scmp.com/economy/china-economy/article/3018819/trumps-tweets-part-propaganda-and-psychological-war-china>

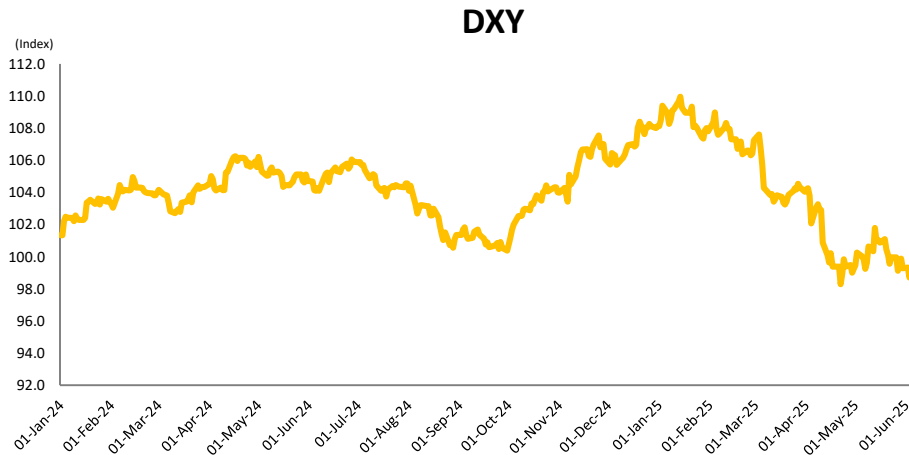
FED PROBABILITIES

FED PROBABILITIES, as of 4 Jun '25

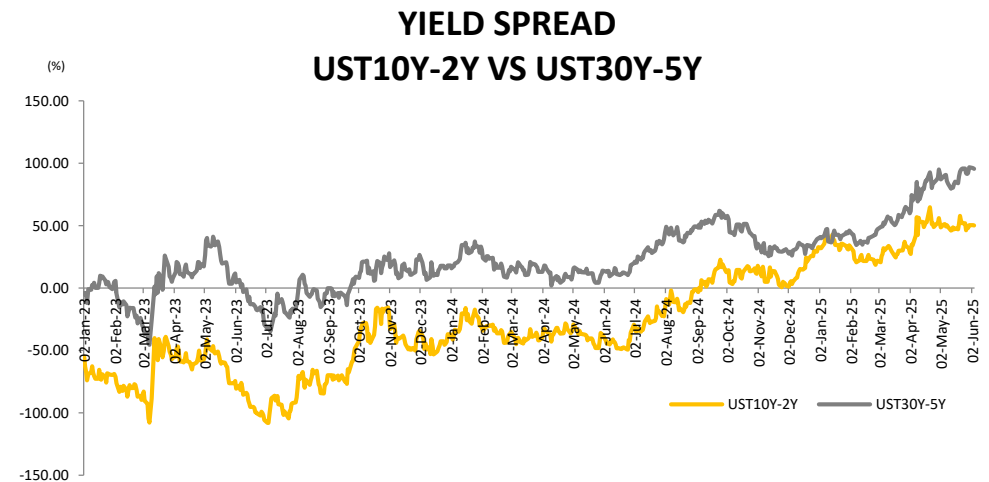
| MEETING DATE | FED PROBABILITIES (in bps) | | | | | | | |
|--------------|----------------------------|---------|---------|---------|---------|---------|---------|---------|
| | 250-275 | 275-300 | 300-325 | 325-350 | 350-375 | 375-400 | 400-425 | 425-450 |
| 18-Jun-25 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.2% | 98.8% |
| 30-Jul-25 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.3% | 25.4% | 74.3% |
| 17-Sep-25 | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% | 15.3% | 54.7% | 29.9% |
| 29-Oct-25 | 0.0% | 0.0% | 0.0% | 0.1% | 7.6% | 34.7% | 42.5% | 15.2% |
| 10-Dec-25 | 0.0% | 0.0% | 0.1% | 5.0% | 25.4% | 39.8% | 24.5% | 5.2% |
| 28-Jan-26 | 0.0% | 0.0% | 1.8% | 12.0% | 30.3% | 34.6% | 17.9% | 3.4% |
| 18-Mar-26 | 0.0% | 0.9% | 7.0% | 21.4% | 32.5% | 26.0% | 10.5% | 1.7% |
| 29-Apr-26 | 0.2% | 2.4% | 10.6% | 24.1% | 30.9% | 22.2% | 8.3% | 1.3% |

Sources : CME Group, and KBVS Research (2025)

- Markets remain predict in 25 bps cuts for September and October.
- Fed officials saw the new tariffs as broader than expected, raising uncertainty and risks to growth, jobs, and inflation. Still, with the economy stable, they agreed to stay patient and wait for clearer signals.
- Nevertheless, bonds remain attractive to the market, as the yield spread between long- and short-term tenors has widened, staying away from flattening curve pattern. However, market is still wait-and-see regarding the future global conditions.



Sources : Bloomberg, and KBVS Research (2025)



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
 - 4.79 bps (WoW)
 - 0.27 bps (YtD, as of Jun 4, '25)
- Yield UST1Y
 - 9.64 bps (WoW)
 - 8.57 bps (YtD, as of Jun 4, '25)
- Yield UST2Y
 - 12.36 bps (WoW)
 - 37.51 bps (YtD, as of Jun 4, '25)
- Yield UST5Y
 - 13.85 bps (WoW)
 - 45.87 bps (YtD, as of Jun 4, '25)
- Yield UST10Y
 - 12.21 bps (WoW)
 - 21.38 bps (YtD, as of Jun 4, '25)
- Yield UST30Y
 - 9.83 bps (WoW)
 - +9.63 bps (YtD, as of Jun 4, '25)

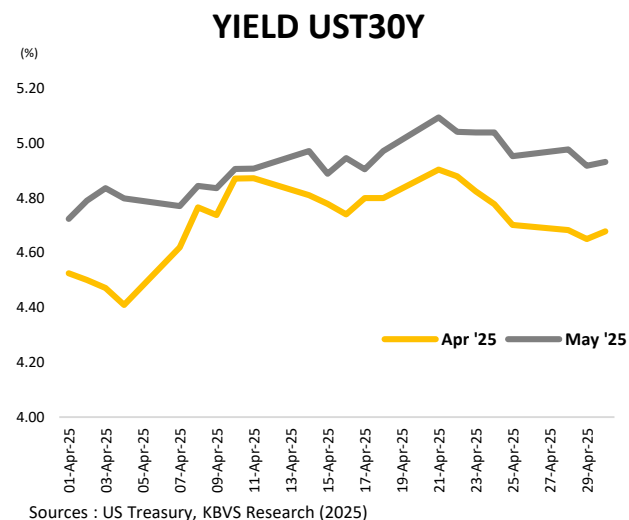
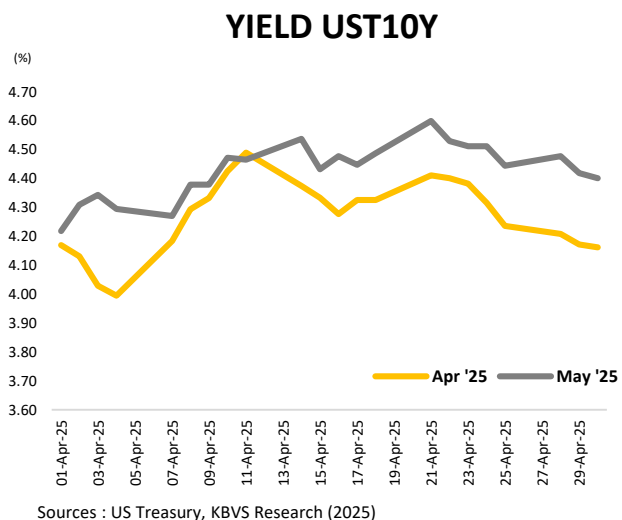
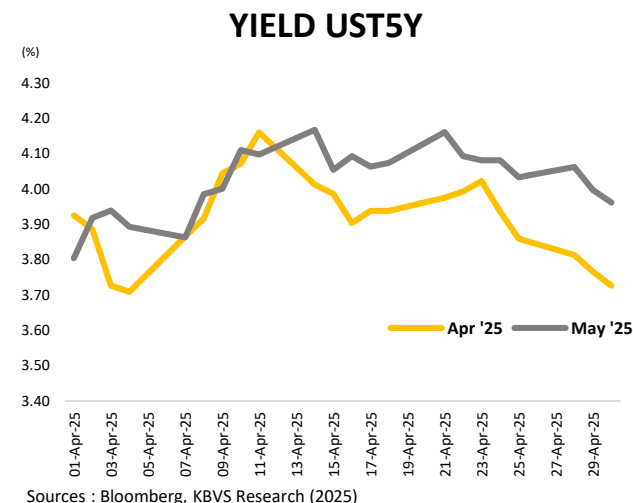
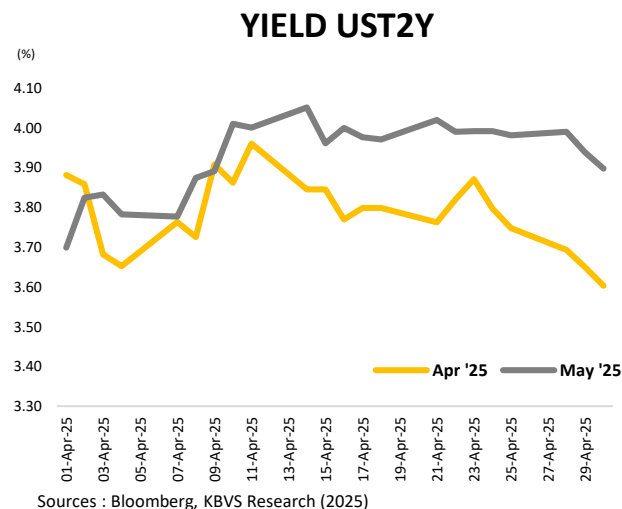




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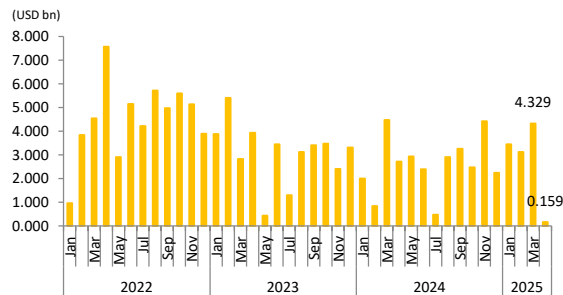
INDONESIA ECONOMIC DATA

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)

TRADE BALANCE



Sources : S&P Global, KBVS Research (2025)

The data releases that influenced yield movements in the week of 29 May – 4 Jun '25 are as follows:

- S&P Global Manufacturing PMI in May '25 increased to 47.40 (Prev: 46.70).**
- Indonesia maintained a trade surplus for the 60th straight month in Apr '25, totaling USD0.16 bn.** The surplus was supported by a 5.76% YoY rise in exports. However, the monthly export decline, mainly due to a -19.52% MoM drop in oil and gas shipments. Non-oil and gas exports also weakened, with agriculture, forestry, and fisheries falling -16.54% MoM, and manufactured goods down -12.14% MoM. On the other hand, Imports rose sharply by 21.84% YoY, led by a MoM increased in raw materials and intermediate goods by 11.09% and capital goods also increased by 5.66%, while consumer goods was down -2.21% MoM. Looking ahead, the stronger rupiah in May '25 may boost imports by lowering foreign goods' costs, while slightly weighing on exports due to reduced price competitiveness. Nonetheless, **the trade balance is expected to stay resilient, supported by improved global sentiment following the 90-day pause in U.S. tariffs on China and other major trade partners.**
- Inflation in May '25 showed clear signs of moderation, largely driven by subdued conditions on both the supply and demand sides.** Headline inflation recorded a deflation of -0.37% MoM, primarily due to a -0.02% MoM decrease in administered prices and a notable -1.28% MoM drop in volatile food prices. However, core inflation still posted a slight increase of +0.08% MoM, driven by rising prices in key components such as clothing and footwear; housing, water, electricity, and household fuels; information and financial services; and food and beverage services (restaurants). Moving forward, **inflation is expected to remain subdued, as consumer purchasing power remains weak (reflected in only a marginal rise in the Consumer Confidence Index) while supply-side activity also moderated (indicated by the S&P Global Manufacturing PMI still on the contraction zone).** These mixed signals highlight the importance of close policy coordination and continued monitoring to ensure that inflation remains within target while supporting a sustained recovery in domestic demand.

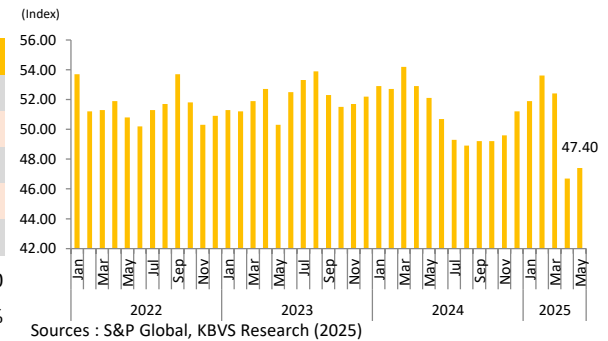
ECONOMIC CALENDAR

(29 MAY – 4 JUN '25)

| Event | Actual | Forecast | Previous |
|---------------------------------------|--------|----------|----------|
| Thursday, 29 May '25 | | | |
| ID S&P Global Manufacturing PMI (May) | 47.40 | | 46.70 |
| ID Core Inflation (YoY) (May) | 2.40% | 2.50% | 2.50% |
| ID Inflation (YoY) (May) | 1.60% | 1.94% | 1.95% |
| ID Inflation (MoM) (May) | -0.37% | -0.01% | 1.17% |
| ID Export Growth (YoY) (Apr) | 5.76% | 5.75% | 3.16% |
| ID Import Growth (Apr) | 21.84% | 7.75% | 5.34% |
| ID Trade Balance (Apr) | 0.15B | 3.04B | 4.33B |
| Tuesday, 3 June '25 | | | |
| Wednesday, 4 June '25 | | | |

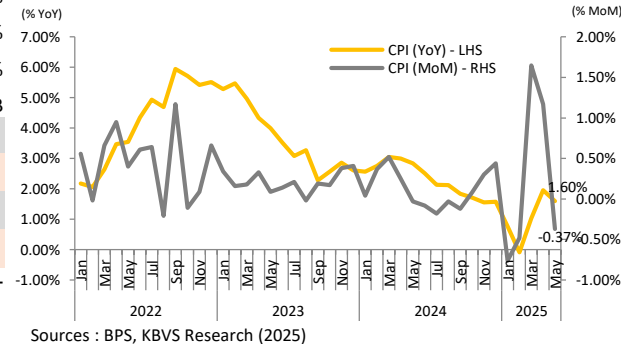
Sources : Investing, KBVS Research (2025)

S&P GLOBAL MANUFACTURING PMI



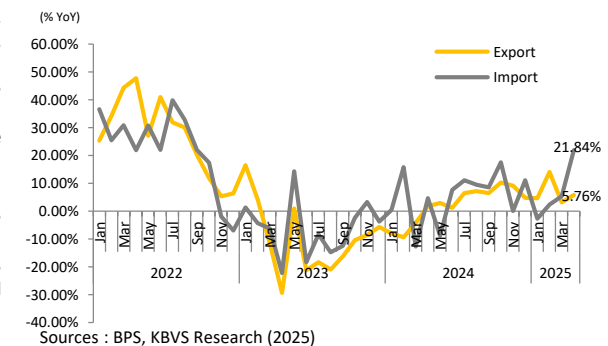
Sources : S&P Global, KBVS Research (2025)

INFLATION



Sources : BPS, KBVS Research (2025)

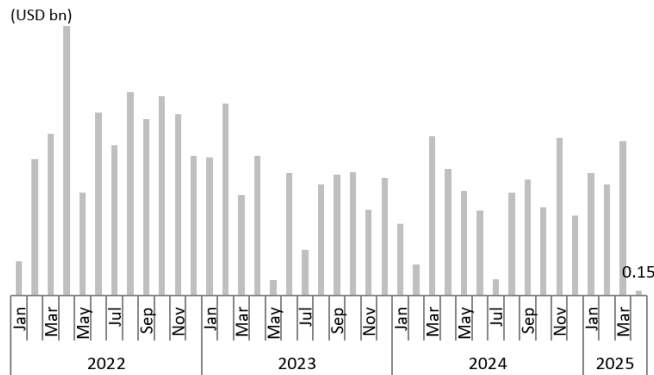
EXPORT-IMPORT



Sources : BPS, KBVS Research (2025)

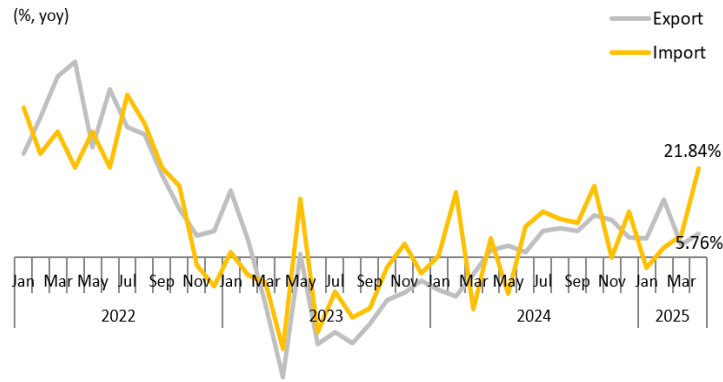
TRADE BALANCE

TRADE BALANCE



Sources : BPS, KBVS Research (2025)

EXPORT-IMPORT GROWTH



Sources : BPS, KBVS Research (2025)

| Indicators | Value (USD bn) | | Growth (%) | |
|---|----------------|-------|------------|---------|
| | Latest | M-1 | MoM | YoY |
| Total Export (FOB) | 20.74 | 23.25 | -10.77 | 5.76 |
| Oil and Gas | 1.17 | 1.45 | -19.52 | -13.38 |
| - Crude Oil | 0.10 | 0.20 | -49.98 | -31.27 |
| - Processed Oil | 0.45 | 0.59 | -22.78 | 4.06 |
| - Gas | 0.62 | 0.66 | -7.35 | -19.84 |
| Non-Oil and Gas | 19.57 | 21.79 | -10.19 | 7.17 |
| - Agriculture, Forestry, and Fisheries | 0.48 | 0.58 | -16.55 | 59.76 |
| - Manufacturing | 15.95 | 18.15 | -12.14 | 13.93 |
| - Mining & Others | 3.15 | 3.07 | 2.58 | -20.68 |
| Total Import (CIF) | 20.59 | 18.92 | 8.80 | 21.84 |
| Oil and Gas | 2.52 | 3.13 | -19.44 | -15.57 |
| - Crude Oil | 0.65 | 0.84 | -22.01 | -22.05 |
| - Processing Oil | 1.87 | 2.29 | -18.51 | -13.05 |
| - Gas | 0.00 | 0.00 | 0.00 | 0.00 |
| Non-Oil and Gas | 18.07 | 15.79 | 14.39 | 29.86 |
| Import Based on the Goods Usage Classification | | | | |
| Consumption Goods | 1.70 | 1.74 | -2.22 | 18.46 |
| Raw/Auxiliary Materials | 14.97 | 13.48 | 11.09 | 18.93 |
| Capital Goods | 3.91 | 3.70 | 5.66 | 36.28 |
| Trade Balance | 0.16 | 4.33 | -96.33% | -95.54% |
| Oil and Gas Trade Balance | -1.35 | -1.67 | -19.38% | -16.14% |
| Non-Oil and Gas Trade Balance | 1.51 | 6.00 | -74.86% | -70.81% |

Sources : BPS, KBVS Research (2025)

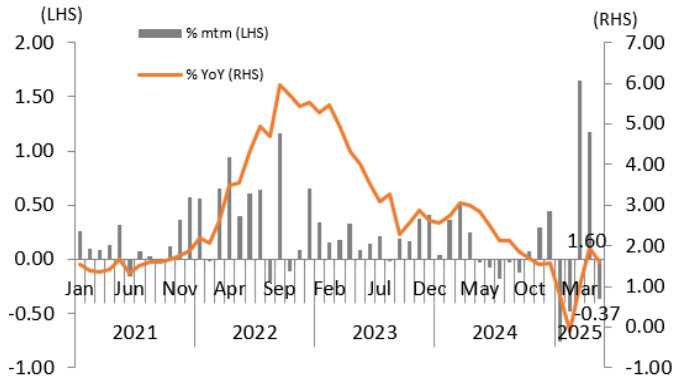
- Indonesia's trade surplus extended its record for 60 consecutive months in April 2025, although it narrowed significantly to USD0.16 bn (Cons: USD3.40 bn; KBVS: USD2.70 bn; Prev: USD4.33 bn). Indonesia's export performance in April 2025 showed a mixed trend, with sharp gains in select commodities like precious metals and machinery, while most others recorded notable monthly declines. Meanwhile, Indonesia's import performance in April 2025 showed a sharp overall increase, mainly driven by precious metals and steel, while oil-related imports declined amid falling global energy prices.

- Indonesia's trade surplus fell sharply in April 2025, likely due to reciprocal tariffs announced by former President Trump during U.S. "Liberalization Day". The move triggered capital outflows and market uncertainty. Rising imports of precious metals and jewelry signaled a flight to safety, driving up total import value and worsening the trade balance. The situation was further strained by Rupiah depreciation past IDR 16,650/USD, inflating import costs and amplifying the deficit.

- Looking ahead, the Rupiah's appreciation in May 2025 is expected to ease import costs. The 90-day suspension of Trump's reciprocal tariffs may also bring temporary trade stability. Amid ongoing tensions, Indonesia must stay strategic in export targeting and leverage its position to attract FDI relocations, especially from firms avoiding high-tariff countries and Rules of Origin (RoO) challenges.

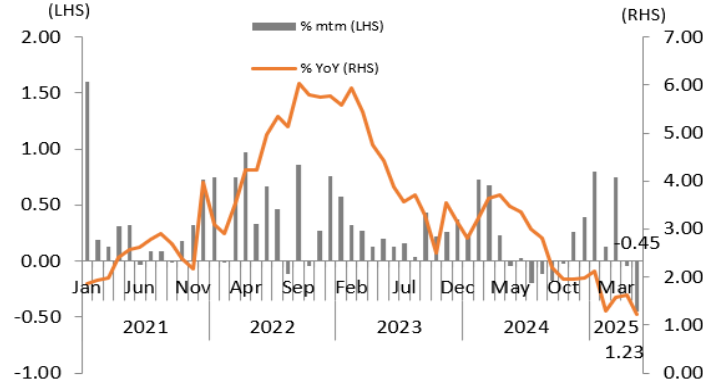
INFLATION

CPI



Sources : BPS, KBVS Research (2025)

WPI



Sources : BPS, KBVS Research (2025)

| Indicators | Index | | Inflation | |
|---|--------|--------|-----------|--------|
| | Latest | M-1 | MoM | YoY |
| Consumer Price Index (CPI) | 108.07 | 108.47 | -0.37% | 1.60% |
| Food, Beverages, and Tobacco | 111.98 | 113.57 | -1.40% | 1.03% |
| Clothing and Footwear | 103.95 | 103.92 | 0.03% | 0.98% |
| Housing,Water, Electricity,and Household Fuels | 103.89 | 103.87 | 0.02% | 1.54% |
| Equipment, Tools, and Routine Household Maintenance | 104.07 | 104.11 | -0.04% | 0.79% |
| Health | 105.58 | 105.58 | 0.00% | 1.79% |
| Transport | 109.89 | 109.97 | -0.07% | 0.18% |
| Info, Comm. and Financial Services | 99.30 | 98.99 | 0.31% | -0.28% |
| Recreation, Sport and Culture | 104.87 | 104.78 | 0.09% | 1.24% |
| Education Services | 105.08 | 105.08 | 0.00% | 1.88% |
| Food and Beverages Services/Restaurants | 107.57 | 107.47 | 0.09% | 1.97% |
| Personal Care and Other Services | 119.62 | 119.34 | 0.23% | 9.24% |
| Core inflation | 106.59 | 106.51 | 0.08% | 2.40% |
| Administered Price | 109.93 | 109.95 | -0.02% | 1.36% |
| Volatile Food | 111.90 | 114.75 | -2.48% | -1.17% |
| | | | | |
| Wholesale Price Index (WPI) | 104.60 | 105.07 | -0.45% | 1.23% |
| Agriculture | 106.08 | 108.41 | -2.15% | 0.27% |
| Mining and Quarrying | 101.26 | 100.89 | 0.37% | -0.20% |
| Manufacturing | 106.81 | 106.86 | -0.05% | 1.07% |
| | | | | |
| Farmer Exchange Rate | 121.15 | 121.06 | 0.07% | 3.80% |
| Farmers Price Received Index | 149.84 | 150.19 | -0.23% | 5.86% |
| Farmers Price Paid Index | 123.68 | 124.07 | -0.31% | 1.98% |

Sources : BPS, KBVS Research (2025)

- Inflation in May 2025 showed further moderation driven by concurrent harvest in some regions on some volatile foods commodities. This was reflected in headline monthly deflation of -0.37% MoM (Prev: 1.17% MoM, Cons: -0.01% MoM), while annual inflation eased to 1.60% YoY (Prev: 1.95% YoY, Cons: 1.94% YoY).
- From the expenditure group perspective, the largest deflation occurred in the food, beverages, and tobacco category, which declined by 1.4% MoM and contributed 0.41% to overall monthly deflation. Meanwhile, the highest inflation was recorded in the information, communication, and financial services category, particularly in the sub-category of information and communication services, which rose by 0.31% MoM.
- Looking ahead, we expect decline in the BI rates will increase consumer spending and thus increase the deflation upward again. As is well known, the BI rate was lowered to stimulate the economy and keep inflation within BI's inflation target of $2.5\pm 1\%$. In addition, the new civil servant salary bonus that was distributed in early June is also expected to boost household spending.

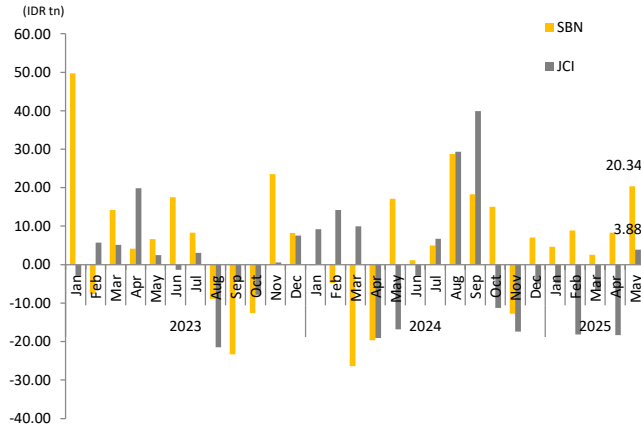
ECONOMIC STIMULUS PACKAGE



- Following sluggish economic growth at previous quarter and the recent deflation report from BPS, MoF has launched a new stimulus package to boost the economy. The assistance includes various forms such as transportation discounts, toll fee reductions, and wage subsidies.
- This new subsidy replaces the electricity subsidy, which was deemed less effective in generating a strong multiplier effect and stimulating economic activity. The electricity subsidy has been discontinued, and IDR 24.44 trillion has been reallocated across five types of economic stimulus programs.
- Looking ahead, this stimulus is expected to have a significant multiplier effect and support economic growth, especially in the context of recent deflation and a more accommodative monetary policy. With lower interest rates and the appreciation of rupiah, we expect that the stimulus package is positioned to act as a catalyst for accelerating domestic economic activity at 2Q25.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2025)

Between 29 May – 4 June '25, non-residents conducted:

- No transaction in tradeable SBN.
- A net sell of JCI, amounting IDR1.54 tn.

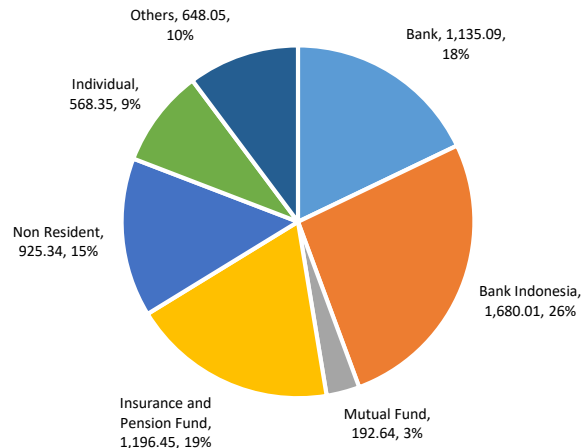
SUN LATEST AUCTION

| 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 2 June '25, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,680.01 tn (-IDR10.44 tn, WoW),
- Banks : IDR1,135.09 tn (+IDR13.24 tn, WoW), and
- Insurance & Pension Funds: IDR1,196.45 tn (+IDR0.28 tn, WoW)

SBSN LATEST AUCTION

| 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% | |
| 14 May '25 | | | | | | | | |
| Instruments | SPNS10112025 | SPNS10022026 | PBS003 | PBS030 | PBSG001 | PBS034 | PBS038 | Total |
| Incoming Bids (IDR tn) | 1.61 | 5.67 | 4.43 | 6.33 | 2.21 | 2.30 | 4.78 | 27.32 |
| Bid to Cover Ratio | 1.61 | 4.73 | 6.32 | 1.47 | 6.31 | 23.02 | 2.03 | 2.73 |
| Weighted Average Yields Awarded | 5.990% | 6.050% | 6.429% | 6.499% | 6.490% | 6.931% | 7.069% | |

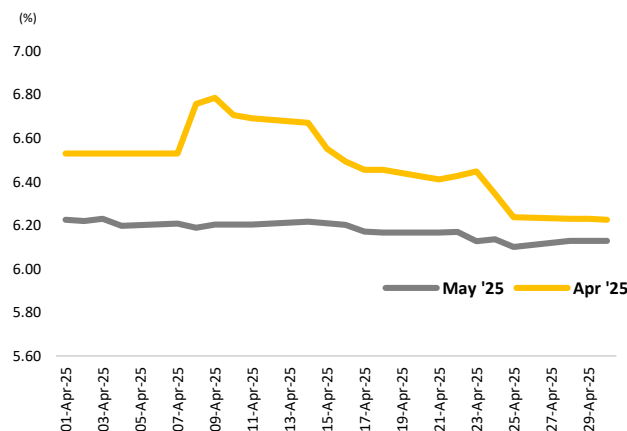
Sources : DJPPR, KBVS Research (2025)

THE MOVEMENT OF SUN YIELDS

Over the past week, SUN yields tend to move mixed:

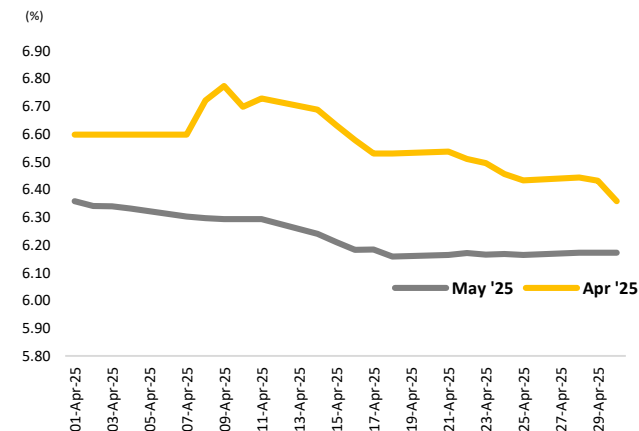
- Yield SUN1Y
 - -1.90 bps (WoW)
 - -57.90 bps (YtD, as of Jun 4, '25)
- Yield SUN2Y
 - -3.10 bps (WoW)
 - -76.200 bps (YtD, as of Jun 4, '25)
- Yield SUN5Y
 - -2.30 bps (WoW)
 - -58.80 bps (YtD, as of Jun 4, '25)
- Yield SUN10Y
 - -1.40 bps (WoW)
 - -15.70 bps (YtD, as of Jun 4, '25)
- Yield SUN30Y
 - -0.80 bps (WoW)
 - -7.70 bps (YtD, as of Jun 4, '25)

YIELD SUN1Y



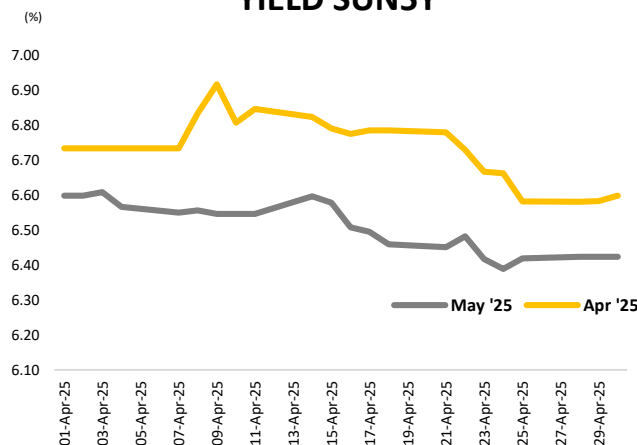
Sources : Bloomberg, KBVS Research (2025)

YIELD SUN2Y



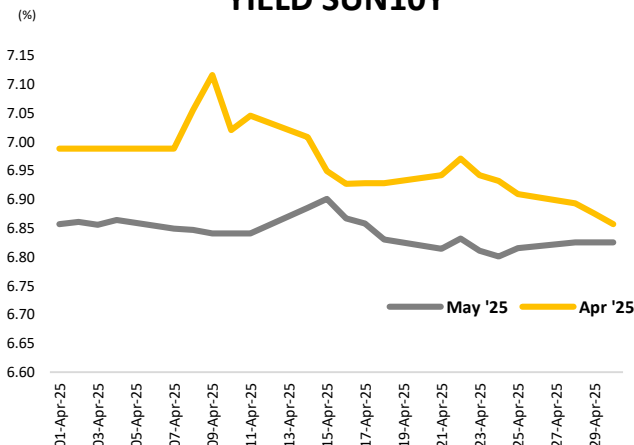
Sources : Bloomberg, KBVS Research (2025)

YIELD SUN5Y



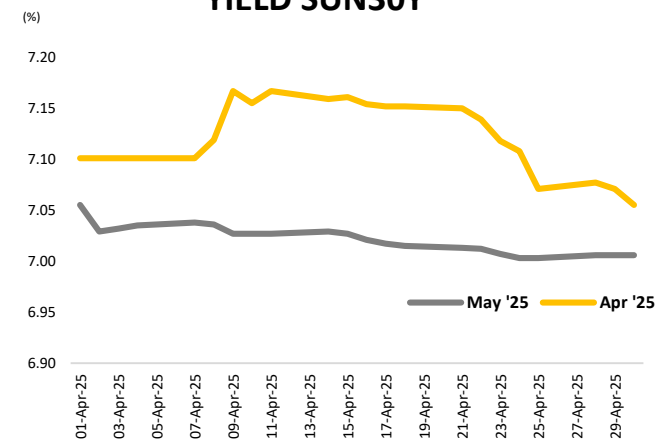
Sources : Bloomberg, KBVS Research (2025)

YIELD SUN10Y



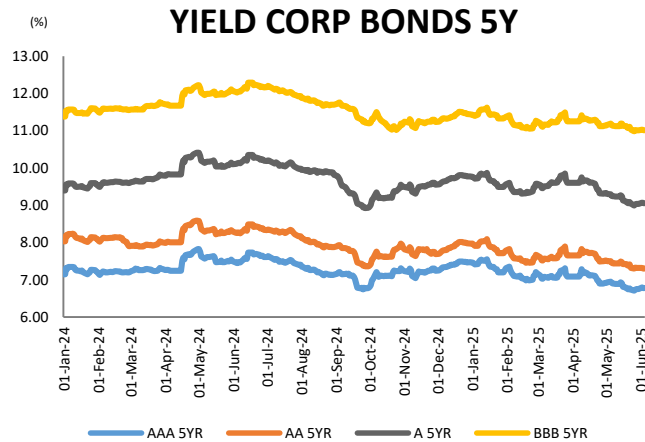
Sources : Bloomberg, KBVS Research (2025)

YIELD SUN30Y

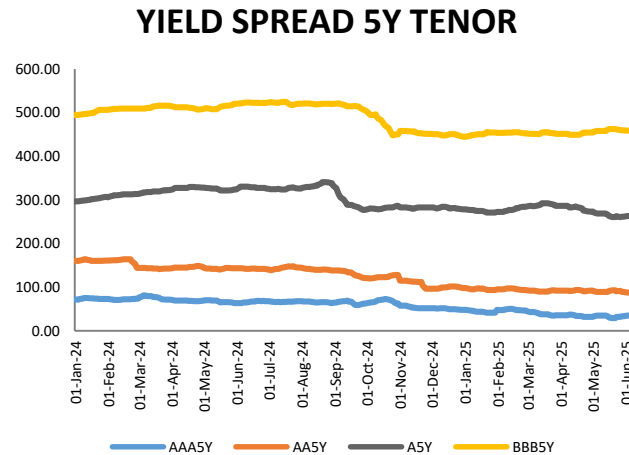


Sources : Bloomberg, KBVS Research (2025)

THE MOVEMENT OF CORPORATE BOND YIELD



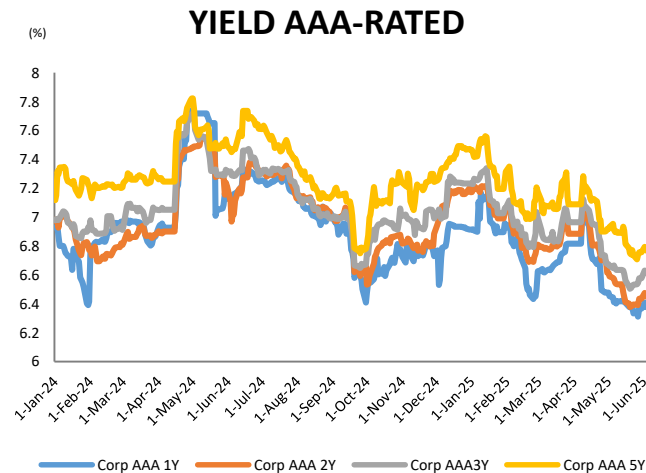
Sources : Bloomberg, KBVS Research (2025)



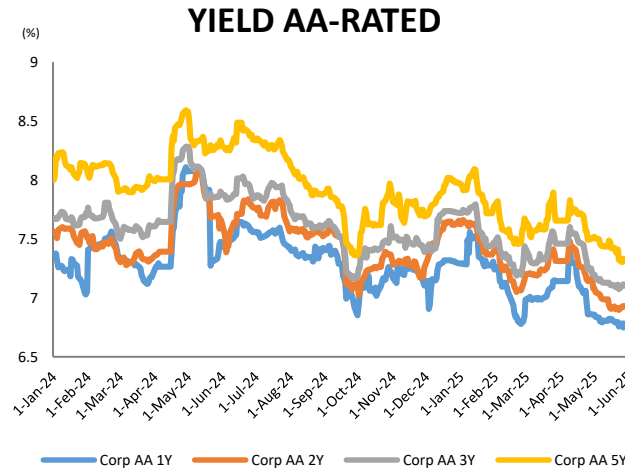
Sources : Bloomberg, KBVS Research (2025)

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

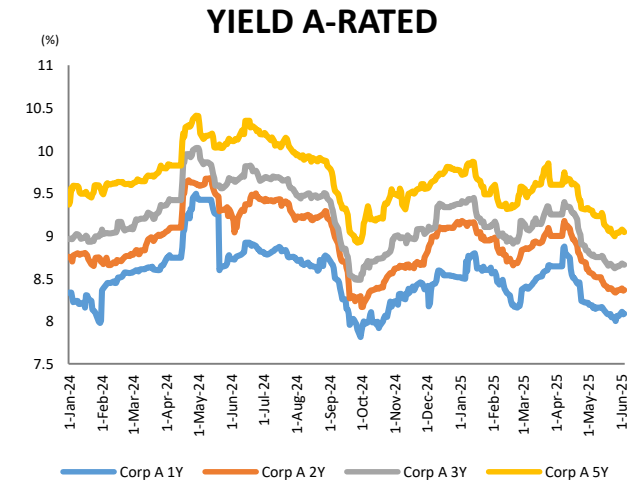
- AAA-rated
 - Tenor 1Y : +0.98 bps (WoW)
 - Tenor 2Y : +0.15 bps (WoW)
 - Tenor 5Y : -0.64 bps (WoW)
- AA-rated
 - Tenor 1Y : -1.24 bps (WoW)
 - Tenor 2Y : -3.47 bps (WoW)
 - Tenor 5Y : -4.22 bps (WoW)
- A-rated
 - Tenor 1Y : +1.36 bps (WoW)
 - Tenor 2Y : -1.58 bps (WoW), and
 - Tenor 5Y : -1.11 bps (WoW)



Sources : Bloomberg, KBVS Research (2025)



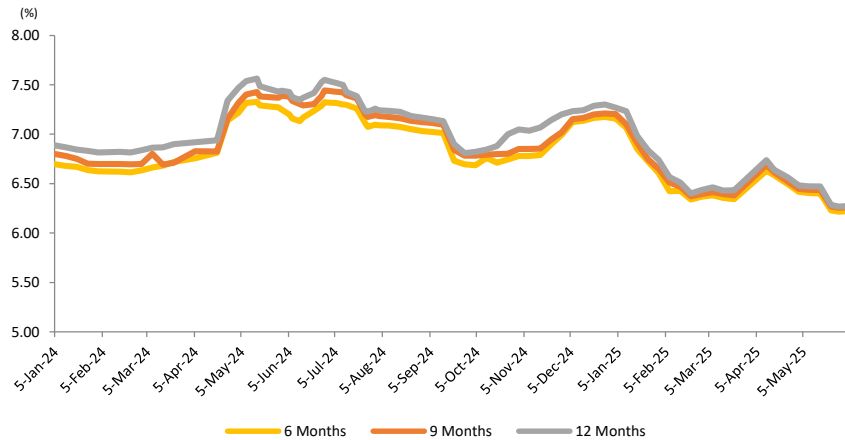
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)

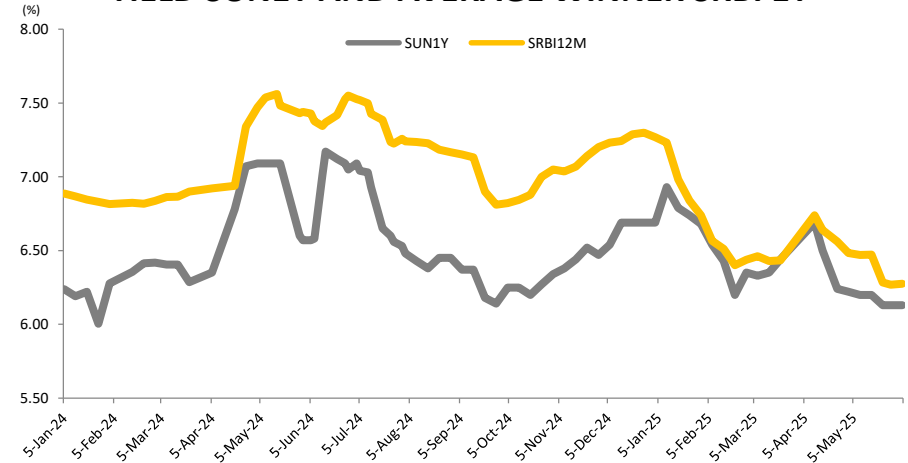
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



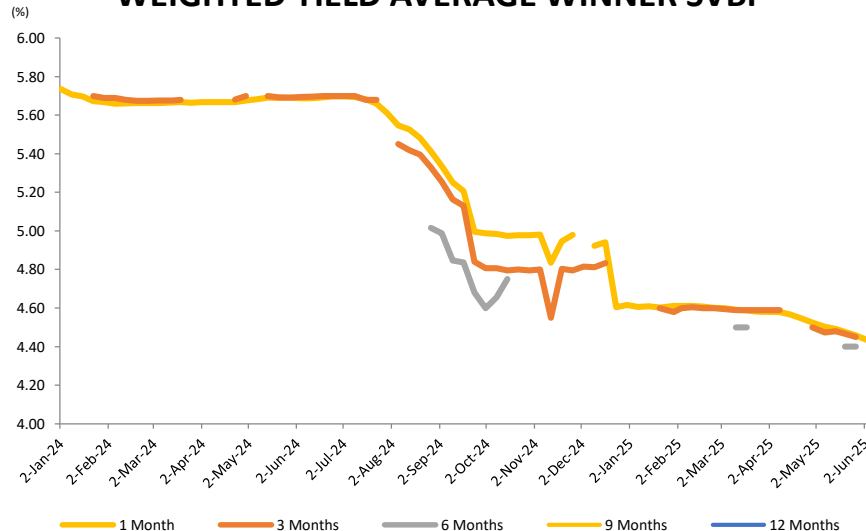
Sources : BI, KBVS Research (2025)

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 3, 25, decreased slightly at USD868.500 mn (Prev: USD878.00 mn).
- Yields showed mixed results following yesterday's auction:
 - 1-month tenor declined to 4.43499% (Prev: 4.45743%)
- Meanwhile, in the secondary market, non-residents recorded a net buy of IDR19.6 tn from May 15 to June 2, signaling continued attractiveness in Indonesian securities.



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NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(5-11 JUN 2025)

| Country | Event | Forecast | Previous |
|-----------------------|---------------------------------------|----------|----------|
| Thursday, Jun 5, 2025 | | | |
| US | Beige Book | | |
| CN | Caixin Services PMI (May) | 51.10 | 50.70 |
| GE | Factory Orders (MoM) (Apr) | -1.10% | 3.60% |
| GB | S&P Global Construction PMI (May) | 47.20 | 46.60 |
| EU | Deposit Facility Rate (Jun) | 2.00% | 2.25% |
| EU | Marginal Lending Facility | | 2.65% |
| EU | ECB Interest Rate Decision (Jun) | 2.15% | 2.40% |
| EU | Monetary Policy Statement | | |
| US | Continuing Jobless Claims | | 1,919K |
| US | Initial Jobless Claims | 232K | 240K |
| US | Exports (Apr) | | 278.50B |
| US | Imports (Apr) | | 419.00B |
| US | Trade Balance (Apr) | -117.20B | -140.50B |
| US | Nonfarm Productivity (QoQ) (Q1) | -0.80% | -1.70% |
| US | Unit Labor Costs (QoQ) (Q1) | 5.70% | 2.00% |
| EU | ECB Press Conference | | |
| GE | Buba Mauderer Speaks | | |
| Friday, Jun 6, 2025 | | | |
| US | FOMC Member Harker Speaks | | |
| US | Fed's Balance Sheet | | 6,673B |
| JP | Household Spending (YoY) (Apr) | 1.60% | 2.10% |
| JP | Household Spending (MoM) (Apr) | | 0.40% |
| GB | Halifax House Price Index (YoY) (May) | | 3.20% |
| GB | Halifax House Price Index (MoM) (May) | 0.40% | 0.30% |
| GE | Industrial Production (MoM) (Apr) | -0.90% | 3.00% |
| GE | Trade Balance (Apr) | 20.2B | 21.10B |
| EU | ECB President Lagarde Speaks | | |
| GB | Mortgage Rate (GBP) | | 7.21% |
| EU | GDP (QoQ) (Q1) | 0.30% | 0.20% |
| EU | GDP (YoY) (Q1) | 1.20% | 1.20% |
| US | Average Hourly Earnings (YoY) (May) | 3.70% | 3.80% |
| US | Average Hourly Earnings (MoM) (May) | 0.30% | 0.20% |
| US | Nonfarm Payrolls (May) | 130K | 177K |
| US | Participation Rate (May) | | 62.60% |
| US | Private Nonfarm Payrolls (May) | 110K | 167K |
| US | U6 Unemployment Rate (May) | | 7.80% |
| US | Unemployment Rate (May) | 4.20% | 4.20% |

| Country | Event | Forecast | Previous |
|-------------------------|---|----------|----------|
| Monday, Jun 9, 2025 | | | |
| JP | Adjusted Current Account (Apr) | | 273.31T |
| JP | Current Account n.s.a. (Apr) | | 3.678T |
| JP | GDP (QoQ) (Q1) | -0.20% | -0.20% |
| JP | GDP Annualized (QoQ) (Q1) | | -0.70% |
| JP | GDP Price Index (YoY) (Q1) | 3.20% | 2.90% |
| CN | CPI (MoM) (May) | | 0.10% |
| CN | CPI (YoY) (May) | | -0.10% |
| CN | PPI (YoY) (May) | | -2.70% |
| CN | Trade Balance (USD) (May) | | 96.18B |
| CN | Exports (YoY) (May) | | 8.10% |
| CN | Imports (YoY) (May) | | -0.20% |
| US | NY Fed 1-Year Consumer Inflation Expectations | | 3.60% |
| Tuesday, Jun 10, 2025 | | | |
| GB | BRC Retail Sales Monitor (YoY) (May) | | 6.80% |
| ID | Fx Reserves (USD) (May) | | 152.50B |
| GB | Average Earnings Index + Bonus (Apr) | | 5.50% |
| GB | Claimant Count Change (May) | | 5.2K |
| GB | Employment Change 3M/3M (MoM) (Apr) | | 112K |
| GB | Unemployment Rate (Apr) | | 4.50% |
| Wednesday, Jun 11, 2025 | | | |
| US | 3-Year Note Auction | | 3.82% |
| US | Core CPI (YoY) (May) | | 2.80% |
| US | Core CPI (MoM) (May) | | 0.20% |
| US | CPI (MoM) (May) | | 0.20% |
| US | CPI (YoY) (May) | | 2.30% |

