

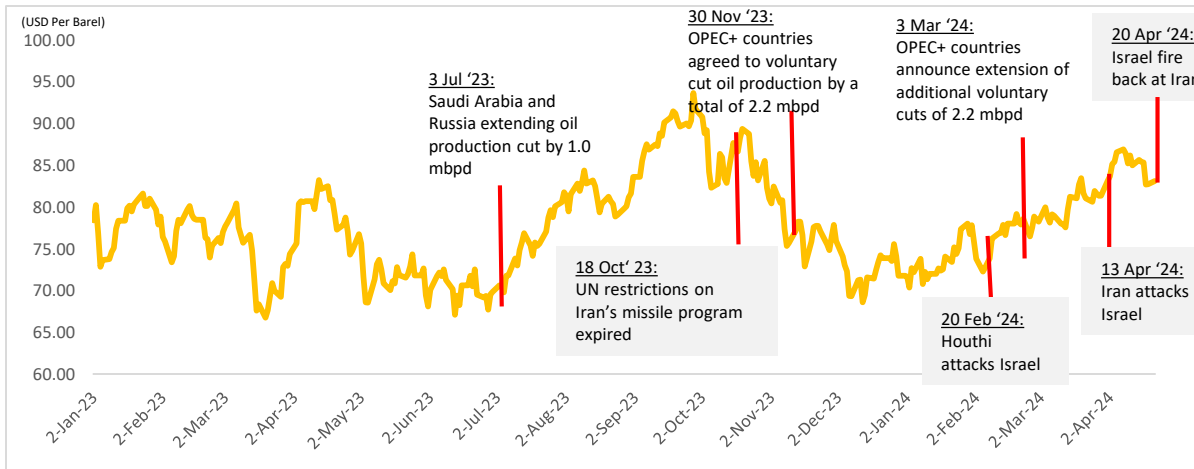
Geopolitics Disrupts The Economy

25 April 2024

Economist / Fikri C Permana

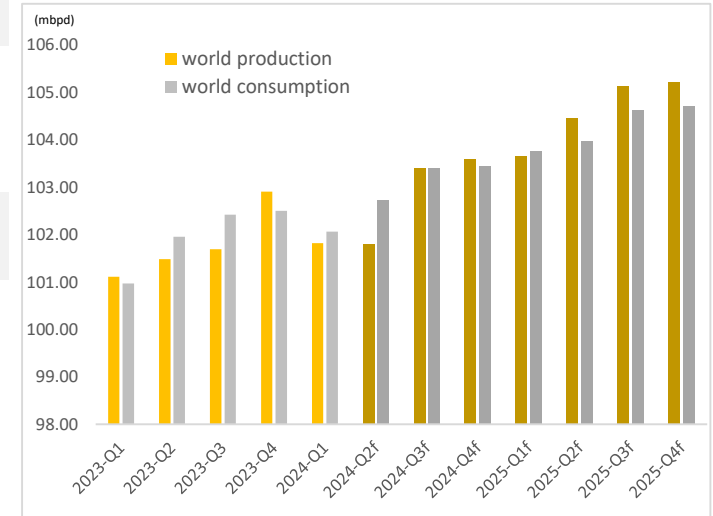
Geopolitics Raises Global Oil Prices

WTI OIL PRICE



Sources : Bloomberg, and KBVS Research (2024)

WORLD OIL PRODUCTION VS CONSUMPTION



Source : EIA (2024), link : https://www.eia.gov/outlooks/steo/report/global_oil.php

US - CNN FEAR & GREED INDEX

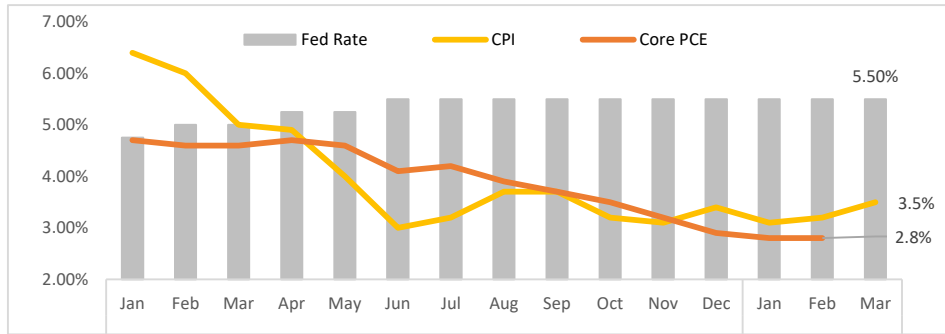


Sources : CNN, MacroMicro(2024)

- The lifting of sanctions has led to an increase in Iran's crude oil exports to reach 1.29 mbpd, marking a 5-year high.
- This surge in exports has contributed to the decline in oil prices since Oct '23.
- However, escalating geopolitical tensions in the Middle East, involving Iran, have driven oil prices back up since early 2024.
- The aforementioned factor also contributes to an escalation in concerns within the global market, as evidenced by the fear zone observed on the Fear & Greed Index.

Global Oil Prices Are Keeping US Inflation at High Levels

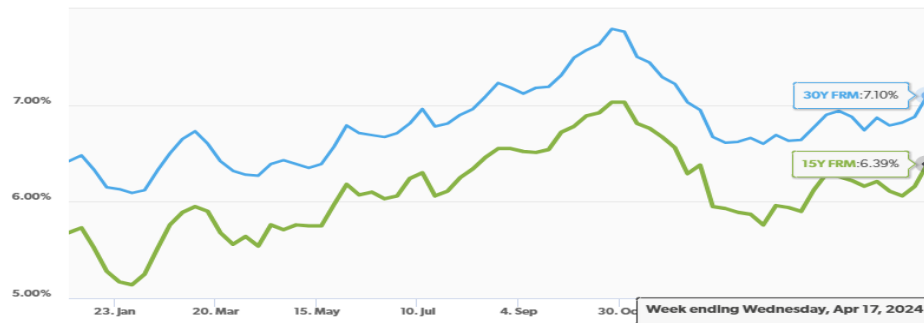
FED RATE VS US CPI VS US CORE PCE



Sources : The Fed, US BLS, and KBVS Research (2024)

- The increase in global oil prices has a positive impact on inflation, which continues to be stubbornly high in the US.
- This is evident in the CPI components, particularly gasoline, which even recorded a 6.4% MoM increase in Mar '24.
- Additionally, the still robust labor market maintains inflation in the services sector.
- At the same time, The Fed's response in maintaining the Fed Rate at a high level also contributes to the increase in the cost of funds, especially mortgage rates, which further complicates the reduction of inflation in the US.

US MORTGAGE RATES



Source : Freddie Mac (2024)

US CPI BASED ON EXPENDITURE CATEGORY

Expenditure category	Relative importance Feb. 2024	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Mar. 2023	Feb. 2024	Mar. 2024	Mar. 2023-Mar. 2024	Feb. 2024-Mar. 2024	Dec. 2023-Jan. 2024	Jan. 2024-Feb. 2024	Feb. 2024-Mar. 2024
All items.....	100.000	301.836	310.326	312.332	3.5	0.6	0.3	0.4	0.4
Food.....	13.495	320.863	327.731	328.043	2.2	0.1	0.4	0.0	0.1
Food at home.....	8.138	301.918	305.469	305.426	1.2	0.0	0.4	0.0	0.0
Cereals and bakery products.....	1.062	353.866	356.633	354.666	0.2	-0.6	-0.2	0.5	-0.9
Meats, poultry, fish, and eggs.....	1.702	318.306	320.096	322.589	1.3	0.8	0.0	0.1	0.9
Dairy and related products.....	0.738	271.384	267.334	266.274	-1.9	-0.4	0.2	-0.6	-0.1
Fruits and vegetables.....	1.409	345.814	353.965	352.841	2.0	-0.3	0.4	-0.2	0.1
Nonalcoholic beverages and beverage materials.....	1.040	216.329	220.956	221.423	2.4	0.2	1.2	-0.2	0.3
Other food at home.....	2.188	268.567	272.768	272.352	1.4	-0.2	0.6	0.0	-0.5
Food away from home ¹	5.356	349.944	363.596	364.546	4.2	0.3	0.5	0.1	0.3
Energy.....	6.748	279.084	276.331	285.002	2.1	3.1	-0.9	2.3	1.1
Energy commodities.....	3.588	311.160	296.368	313.861	0.9	5.9	-3.2	3.6	1.5
Fuel oil.....	0.084	403.040	396.859	388.191	-3.7	-2.2	-4.5	1.1	-1.3
Motor fuel.....	3.419	304.575	289.546	307.684	1.0	6.3	-3.3	3.7	1.6
Gasoline (all types).....	3.312	302.673	287.943	306.513	1.3	6.4	-3.3	3.8	1.7
Energy services.....	3.160	259.647	267.662	267.658	3.1	0.0	1.4	0.8	0.7
Electricity.....	2.464	265.033	276.384	278.233	5.0	0.7	1.2	0.3	0.9
Utility (piped) gas service.....	0.695	238.182	236.218	230.601	-3.2	-2.4	2.0	2.3	0.0
All items less food and energy.....	79.758	305.476	315.419	317.088	3.8	0.5	0.4	0.4	0.4
Commodities less food and energy commodities.....	18.805	166.961	165.752	165.875	-0.7	0.1	-0.3	0.1	-0.2
Apparel.....	2.605	133.112	131.985	133.640	0.4	1.3	-0.7	0.6	0.7
New vehicles.....	3.648	178.342	178.592	178.247	-0.1	-0.2	0.0	-0.1	-0.2
Used cars and trucks.....	1.921	184.997	180.006	180.891	-2.2	0.5	-3.4	0.5	-1.1
Medical care commodities ¹	1.464	398.917	408.246	408.919	2.5	0.2	-0.6	0.1	0.2
Alcoholic beverages.....	0.848	282.588	289.220	289.360	2.4	0.0	0.3	0.0	0.1
Tobacco and smoking products ¹	0.541	1,413.380	1,502.976	1,509.166	6.8	0.4	0.3	0.8	0.4
Services less energy services.....	60.953	392.024	410.432	413.179	5.4	0.7	0.7	0.5	0.5
Shelter.....	36.184	374.971	393.906	396.174	5.7	0.6	0.6	0.4	0.4
Rent of primary residence.....	7.639	392.910	413.695	415.219	5.7	0.4	0.4	0.5	0.4
Owners' equivalent rent of residences ²	26.713	383.502	404.656	406.155	5.9	0.4	0.6	0.4	0.4
Medical care services.....	6.501	595.745	605.162	608.528	2.1	0.6	0.7	-0.1	0.6
Physicians' services ¹	1.814	412.119	414.702	415.118	0.7	0.1	0.6	-0.2	0.1
Hospital services ^{1,3}	1.983	383.420	408.345	412.365	7.5	1.0	1.6	-0.6	1.0
Transportation services.....	6.390	387.966	420.850	429.591	10.7	2.1	1.0	1.4	1.5
Motor vehicle maintenance and repair ¹	1.234	373.865	397.541	404.475	8.2	1.7	0.8	0.4	1.7
Motor vehicle insurance.....	2.854	677.445	806.444	827.852	22.2	2.7	1.4	0.9	2.6
Airline fares.....	0.806	286.814	263.952	266.481	-7.1	1.0	1.4	3.6	-0.4

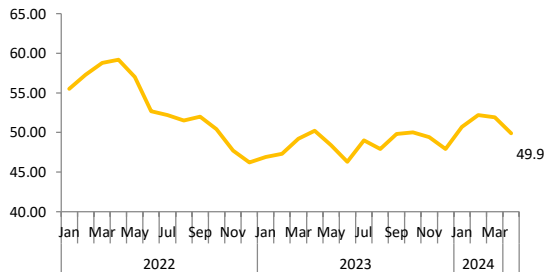
Source : US BLS (2024).

US Economic Data

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	20 Mar '24	5.5	5.5
Economic Growth	%, yoy	4Q23	3.4	4.9
Inflation Rate	%, yoy	Mar'24	3.5	3.2
Unemployment Rate	%	Mar'24	3.8	3.9

Sources : various sources, KBVS Research (2024)

US PMI MANUFACTURING



Sources : US CB, KBVS Research (2024)

- The S&P Global Flash US Manufacturing PMI in Apr '24 fell to 49.9 (Cons: 52.0, Prev: 51.9), lowest in four months.
- The reading pointed to broadly unchanged business conditions, although stocks of finished goods ticked and the slight rise in post-production inventories reflected a slowdown in demand which left firms holding unsold goods.

ECONOMIC CALENDAR

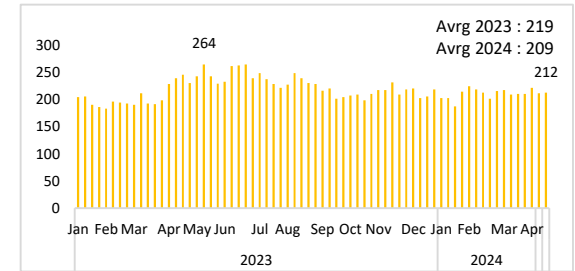
(18 APR – 24 APR '24)

Event	Actual	Forecast	Previous
Thursday, 18 Apr '24			
20-Year Bond Auction	4.82%		4.54%
TIC Net Long-Term Transaction (Feb)	71.50B	40.20B	14.00B
FOMC Member Mester Speaks			
FOMC Member Bowman Speaks			
Continuing Jobless Claims	1,812K	1,818K	1,810K
Initial Jobless Claims	212K	215K	212K
Philadelphia Fed Manufacturing Index (Apr)	15.50	1.50	3.20
Philadelphia Fed Employment (Apr)	-10.70		-9.60
FOMC Member Williams Speaks			
Existing Home Sales (Mar)	4.19M	4.20M	4.38M
Existing Home Sales (MoM) (Mar)	-4.30%		9.50%
Leading Index (MoM) (Mar)	-0.30%	-0.10%	0.20%
FOMC Member Bostic Speaks			
Friday, 19 Apr '24			
5-Year TIPS Auction	2.24%		1.71%
Fed's Balance Sheet	7,406B		7,438B
FOMC Member Bostic Speaks			
Monday, 22 Apr '24			
Tuesday, 23 Apr '24			
Building Permits	1.467M	1.458M	1.524M
S&P Global Manufacturing PMI (Apr)	49.90	52.00	51.90
S&P Global Composite PMI (Apr)	50.90		52.10
S&P Global Services PMI (Apr)	50.90	52.00	51.70
New Home Sales (MoM) (Mar)	8.80%		-5.10%
New Home Sales (Mar)	693K	668K	637K
Wednesday, 24 Apr '24			
2-Year Note Auction	4.90%		4.60%
API Weekly Crude Oil Stock	-3.230M	1.800M	4.090M
Core Durable Goods Orders (MoM) (Mar)		0.30%	0.30%
Durable Goods Orders (MoM) (Mar)		2.50%	1.30%
Crude Oil Inventories		1.700M	2.735M

Sources : investing, KBVS Research (2024)

WEEKLY INITIAL JOBLESS CLAIMS

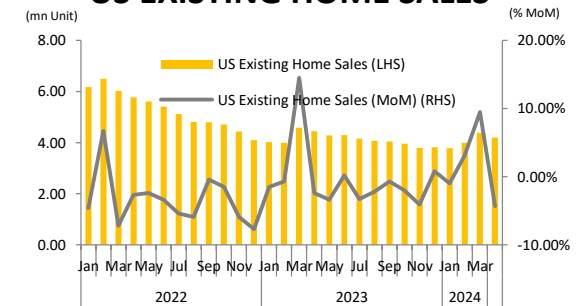
(K People)



Sources : US DoL, KBVS Research (2024)

The consistently low weekly initial jobless claims reflect the robust condition of the labor market in the US.

US EXISTING HOME SALES



Sources : US CB, Freddie Mac, KBVS Research (2024)

- US existing home sales in Mar '24 decline to -4.3% MoM (Prev: 9.5% MoM).
- Nevertheless, New Home Sales in the US rose to 8.8% MoM in Mar '24 (Prev: -5.1% MoM), amidst a 12 bps increase in 30-year mortgage rates for homes in the US to 7.4%.

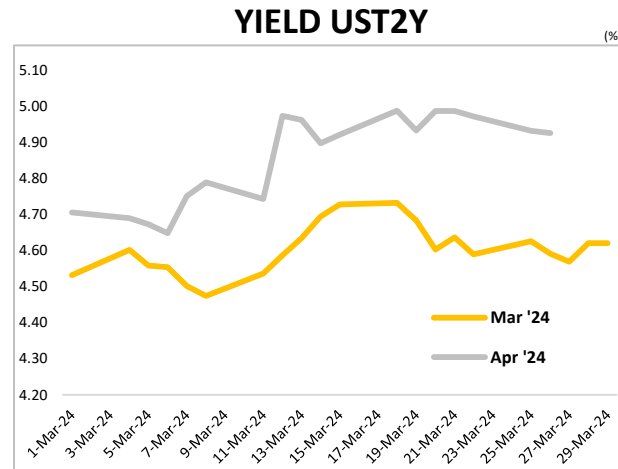
The Movement of UST Yields

US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Mar'24	34.67	34.47
Govt Debt to GDP	%	4Q23	124.3	122.9
Govt Budget	USD Bn	Feb '24	296.28	21.93
S&P Credit Rating	Rating	16-Mar-23	AA+	AA+

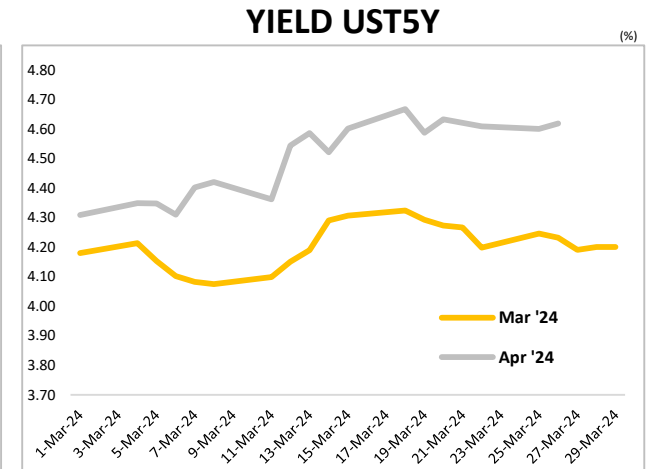
Sources : US Treasury, KBVS Research (2024)

Weekly UST yields in the secondary market tended to decrease last week:

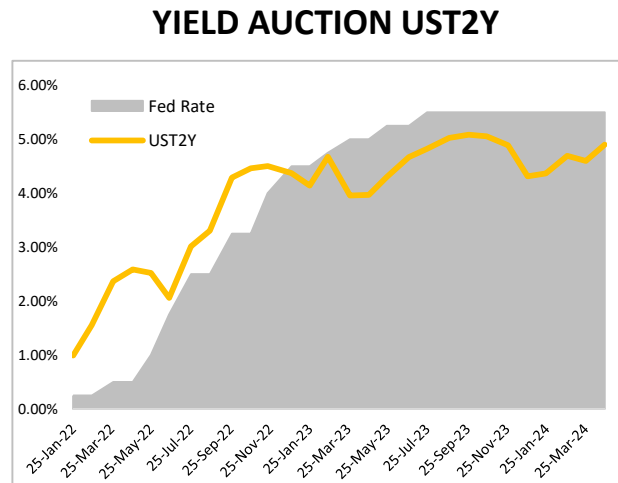
- Yield UST2Y
 - -6.13 bps (WoW)
 - +67.49 bps (YtD, as of 24 Apr '24)
- Yield UST5Y
 - -2.12 bps (WoW)
 - +80.00 bps (YtD, as of 24 Apr '24)
- Yield UST10Y
 - -1.37 bps (WoW)
 - +73.98 bps (YtD, as of 24 Apr '24)



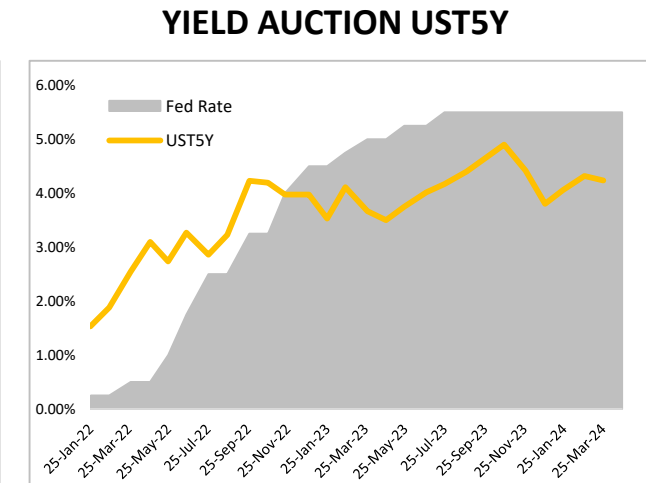
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)

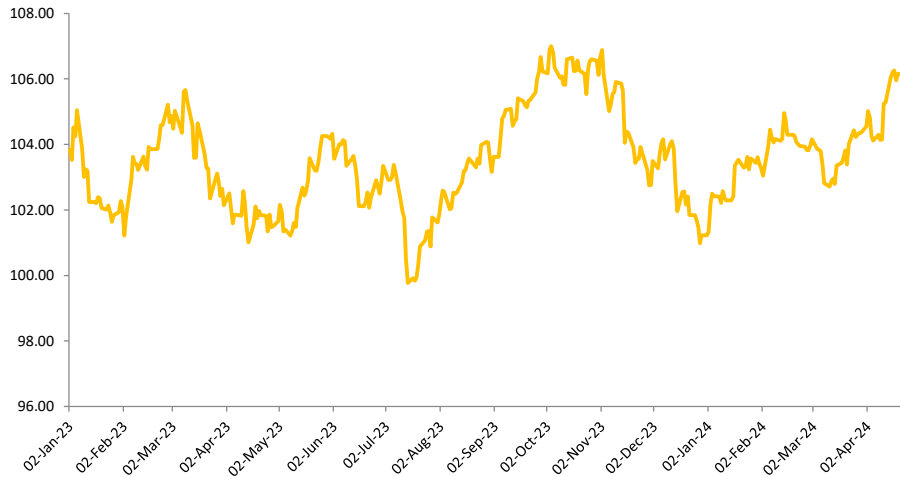
The Fed's Pivot is Also Postponed

FED PROBABILITIES, as of 24 Apr '24

MEETING DATE	FED PROBABILITIES							
	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550
1-May-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	94.8%
12-Jun-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	14.8%	84.6%
31-Jul-24	0.0%	0.0%	0.0%	0.0%	0.2%	5.3%	37.9%	56.6%
18-Sep-24	0.0%	0.0%	0.0%	0.0%	2.4%	19.6%	46.1%	31.7%
7-Nov-24	0.0%	0.0%	0.0%	0.7%	7.1%	26.9%	42.2%	23.0%
18-Dec-24	0.0%	0.0%	0.3%	3.6%	16.1%	33.9%	33.5%	12.5%
29-Jan-25	0.0%	0.1%	1.4%	7.5%	21.6%	33.7%	27.0%	8.6%
19-Mar-25	0.0%	0.6%	4.0%	13.5%	26.7%	30.9%	19.3%	5.0%
30-Apr-25	0.2%	1.6%	6.7%	17.3%	27.9%	27.5%	15.1%	3.6%

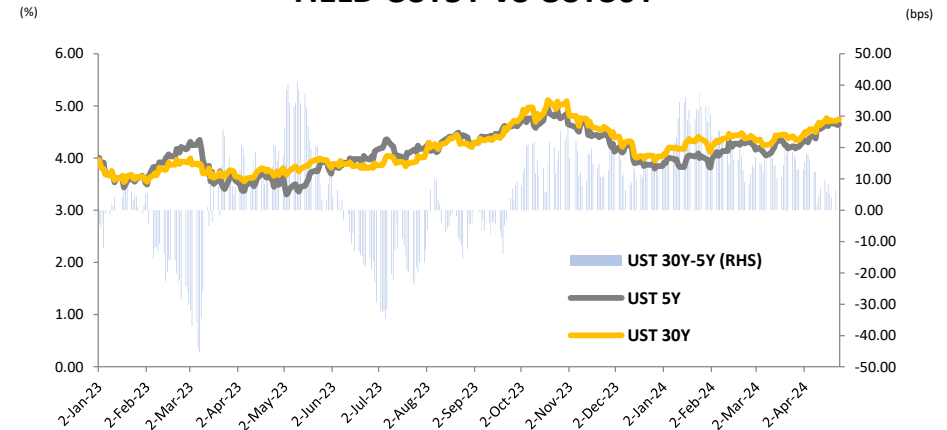
Sources : CME Group, and KBVS Research (2024)

DXY



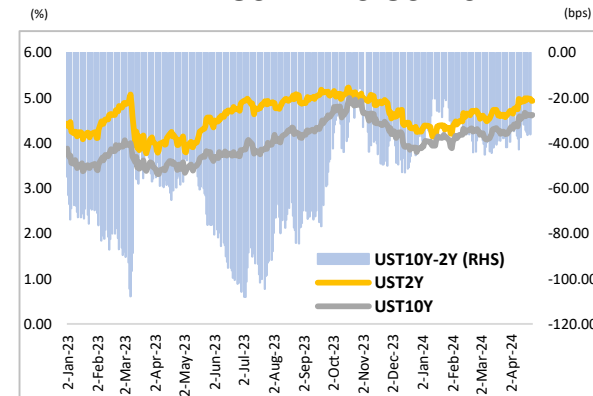
Sources : Bloomberg, and KBVS Research (2024)

YIELD UST5Y VS UST30Y



Sources : Bloomberg, and KBVS Research (2024)

YIELD UST2Y VS UST10Y

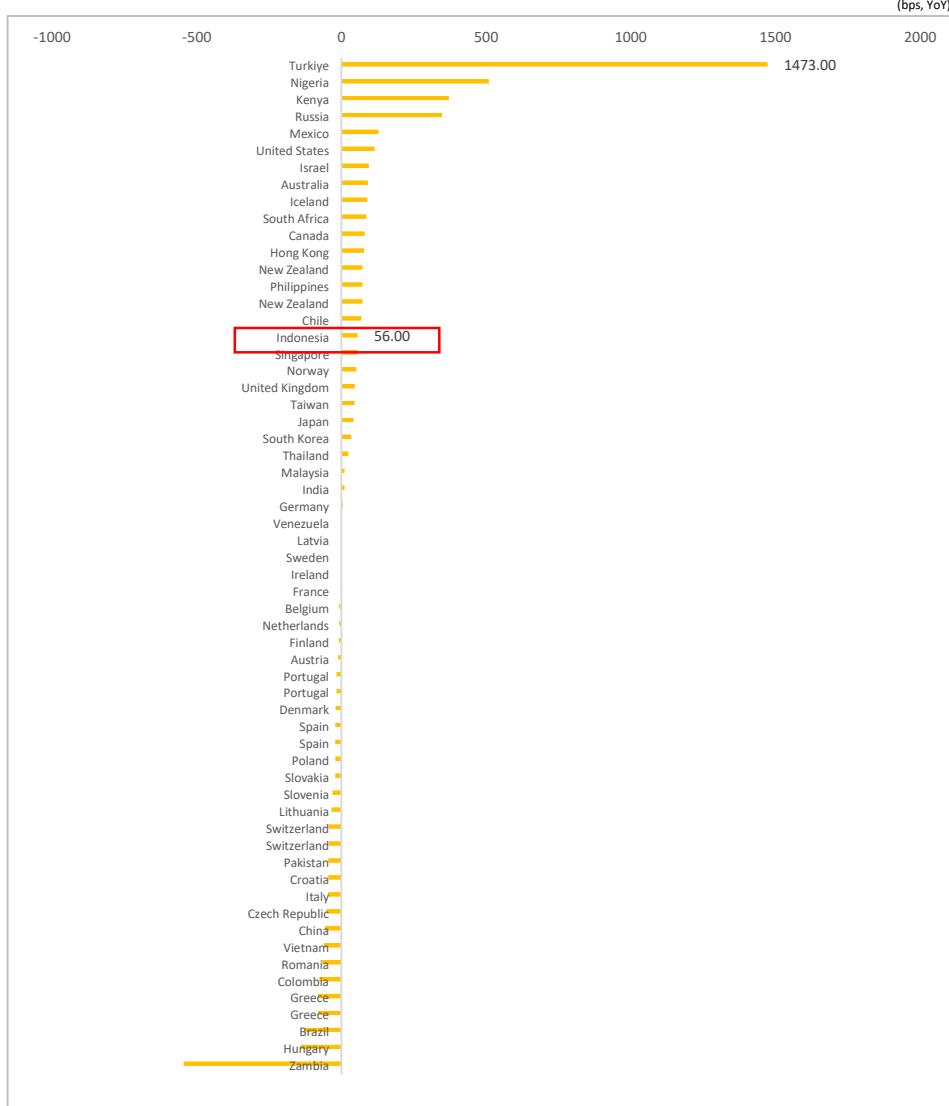


Sources : Bloomberg, KBVS Research (2024)

- Given the continued high inflation risks in the US, the higher-for longer of the Fed Rate UST yields.
- This further drives the occurrence of an inverted yield curve between UST10Y and UST2Y, with the hope that this condition will change as the Fed Rate decreases.
- Additionally, the DXY has risen higher than expected, adding pressure on emerging markets.

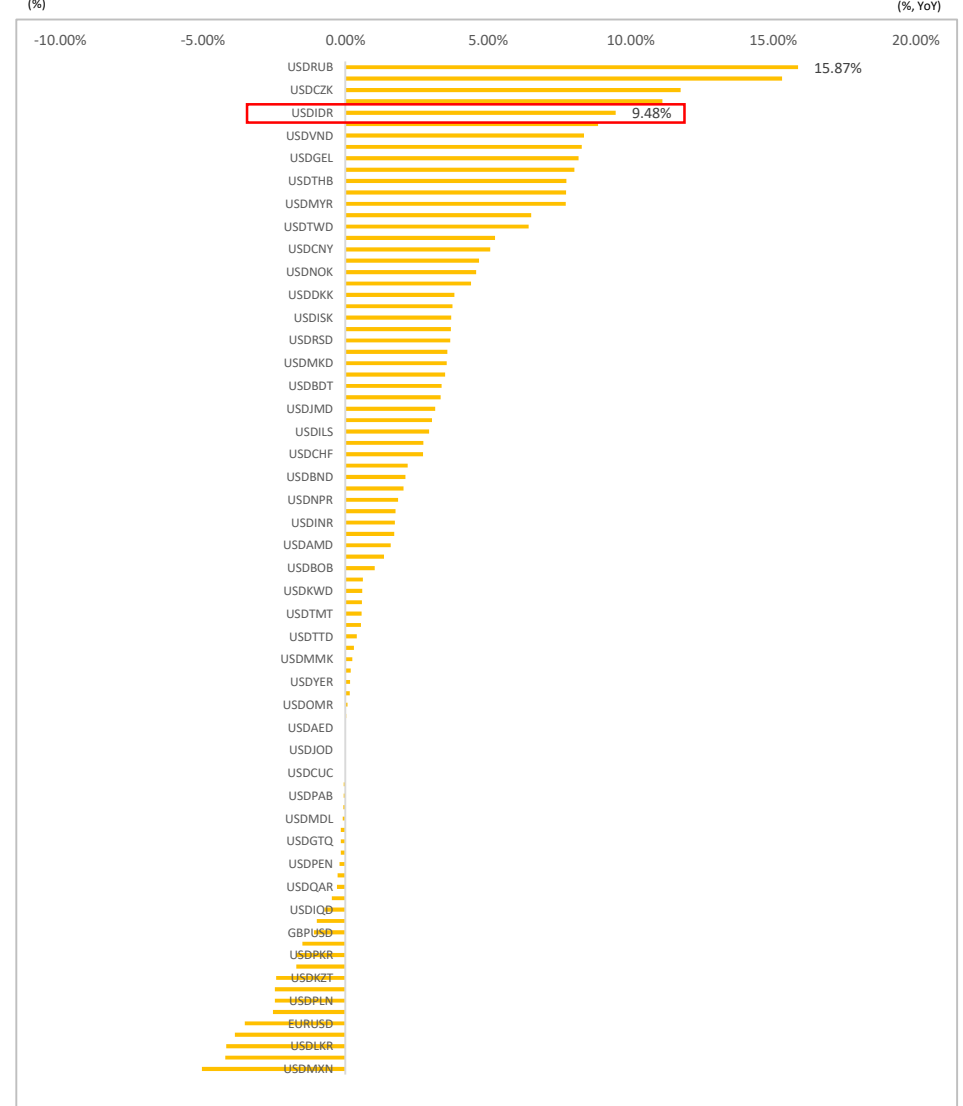
Increase in UST Yields and DXY is Driving Up Yields Worldwide

YIELD GLOBAL GOVERNMENT BOND 10Y



Sources : Bloomberg and KBVS Research (2024)

GLOBAL CURRENCIES AGAINTS USD



Sources : Bloomberg, and KBVS Research (2024)

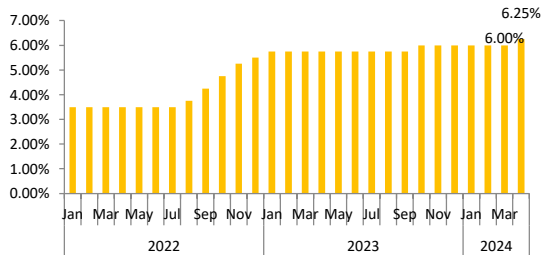
Indonesia Economic Data

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	20 Mar '24	6.00	6.00
Economic Growth	%, yoy	4Q23	5.04	4.90
Inflation Rate	%, yoy	Mar '24	3.05	2.75
Unemployment Rate	%	Ags '23	5.32	5.45
S&P Credit Rating	Rating	Rating	4-Jul-23	BBB

Sources : various sources, KBVS Research (2024)

BI-RATE



Sources : BI, KBVS Research (2024)

- The 25 bps increase in the BI Rate to 6.25% (Cons: 6.00%, KBVS: 6.00%, Prev: 6.00%) as a pro-stability measure is viewed as a response to significant pressures on the Rupiah.
- Looking ahead, we anticipate this BI-Rate hike to soon have a positive impact BY driving Rupiah appreciation back below IDR16,000 per USD.
- Yet, at the same time, if Rupiah stability can be achieved, we expect the BI Rate to return to 5.75% by the end of 2024.

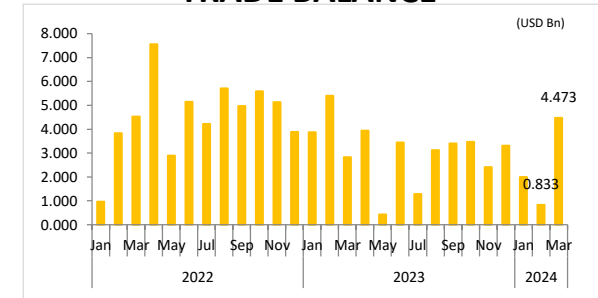
ECONOMIC CALENDAR

(18 APR – 24 APR '24)

Event	Actual	Forecast	Previous
Monday, 22 Apr '24			
Export Growth (YoY) (Mar)	-4.19%		-9.60%
Import Growth (YoY) (Mar)	-12.76%		15.84%
Trade Balance (Mar)	4.47B		0.83B
Wednesday, 24 Apr '24			
Interest Rate Decision	6.25%	6.00%	6.00%
Deposit facility Rate (Apr)	5.50%	5.25%	5.25%
Lending Facility Rate (Apr)	7.00%	6.75%	6.75%
Loans (YoY) (Mar)	12.40%		11.28%

Sources : investing, KBVS Research (2024)

TRADE BALANCE

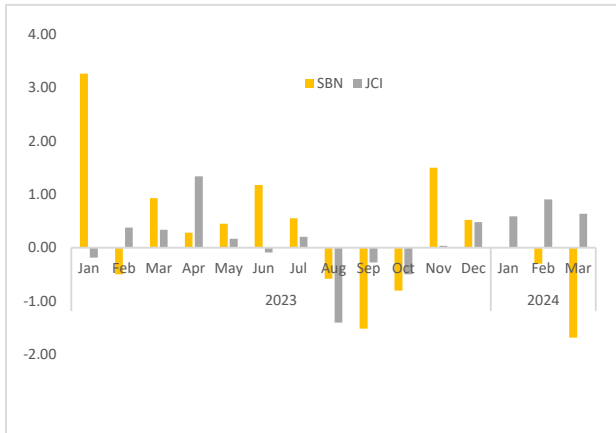


Sources : BPS, KBVS Research (2024)

- The decline in Mar '24 FX reserves by USD3.65 bn, accompanied by a capital outflow of USD1.05 bn is being offsetted by an increase in the trade surplus to USD4.47 bn (Cons: USD1.23 bn, KBVS: USD-0.14 bn, Prev: USD0.87 bn) in the same period.
- based on commodity groups, the largest increase in exports came from Precious Metals and Jewelry/Gemstones (HS71) by 206.58% MoM (or 25.34% YoY), followed by Iron and Steel (HS72) by 27.06% MoM (or -7.23% YoY), and Animal/Vegetable Fats and Oils (HS15) by 19.28% MoM (or -7.45% YoY).
- Meanwhile, decline in imports occurred across all categories of goods usage, including Consumer Goods -2.60% MoM (or -12.76% YoY), Raw Materials/Intermediates -0.73% MoM (or -12.63% YoY), and Capital Goods -11.26% MoM (or -21.72% YoY). However, the increase in Oil Products imports by 16.82% MoM (or 13.47% YoY), ahead of the holiday season amid rising global oil prices.

Development of Tradable SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2024)

During Mar '24, Non-Residents conducted net sales of tradable SBN amounting to USD1.68 bn (or IDR26.42 tn).

Meanwhile, net foreign sell of SBN as of 31 Mar '24 (ytd) amounting to IDR2.00 bn (or IDR31.24 tn).

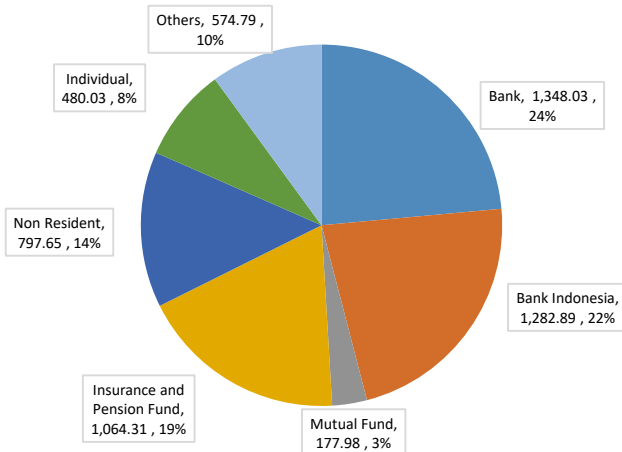
SUN LATEST AUCTION

26 Mar '24								
Instruments	SPN12240628	SPN12250314	FR0101	FR0100	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	2.29	4.94	8.37	5.65	2.77	2.27	6.05	32.34
Bid to Cover Ratio	-	2.47	1.12	1.22	1.46	1.34	1.23	1.43
Weighted Average Yields Awarded	-	6.455%	6.570%	6.680%	6.890%	6.940%	6.960%	
13 Mar '24								
Instruments	SPN03240613	SPN12250314	FR0101	FR0100	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	2.28	4.19	18.86	19.44	5.59	2.57	6.01	58.94
Bid to Cover Ratio	15.18	2.99	3.89	2.14	1.80	1.28	1.77	2.46
Weighted Average Yields Awarded	6.376%	6.459%	6.490%	6.620%	6.800%	6.867%	6.940%	

Sources : DJPPR, KBVS Research (2024)

OWNERSHIP of IDR TRADABLE SBN

(% of total tradable SBN)



- As of 24 Apr '24, the transactions led to Non-resident ownership in IDR Tradable SBN reaching IDR799.65 tn, accounting for 13.97% of the total tradable SBN.
- Meanwhile, BI continues its net purchases amounting to IDR66.19 tn mtd or IDR242.45 tn ytd (as of 19 Apr '24).

Sources : DJPPR, and KBVS Research (2024)

SBSN LATEST AUCTION

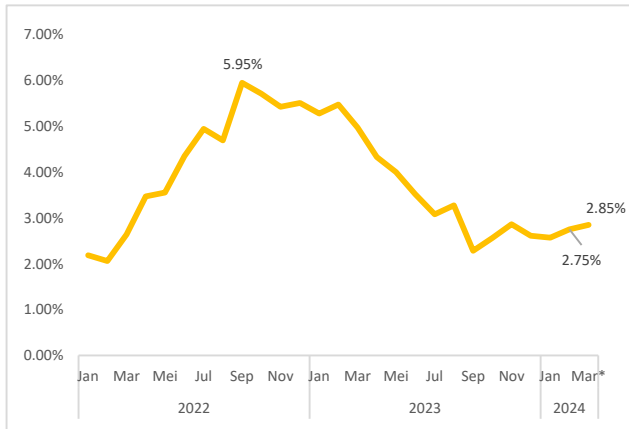
23 Apr '24								
Instruments	SPNS22102024	SPNS20012025	PBS032	PBS030	PBS004	PBS039	PBS038	Total
Incoming Bids (IDR tn)	2.02	4.69	3.54	1.54	2.02	1.68	0.73	21.07
Bid to Cover Ratio	103.55	2.78	3.37	19.23	40.30	1.14	1.02	1.30
Weighted Average Yields Awarded	6.500%	6.660%	6.910%	6.849%	6.950%	7.130%	7.150%	
19 Mar '24								
Instruments	SPNS03092024	SPNS02122024	PBS032	PBS030	PBSG001	PBS004	PBS038	Total
Incoming Bids (IDR tn)	2.17	4.41	6.93	1.34	1.07	0.84	4.31	21.07
Bid to Cover Ratio	4.81	3.67	1.80	1.12	1.07	1.11	1.22	1.76
Weighted Average Yields Awarded	6.410%	6.472%	6.620%	6.488%	6.603%	6.720%	6.969%	

Sources : DJPPR, KBVS Research (2024)

Domestic Inflation

INDONESIA'S CPI INFLATION

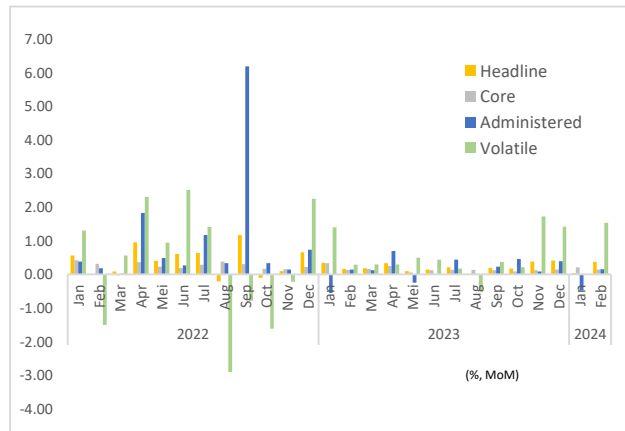
(%, YoY)



Sources : BPS, KBVS Research (2024)

COMPONENTS OF CPI INFLATION

(% MoM)



Sources : BPS, KBVS Research (2024)

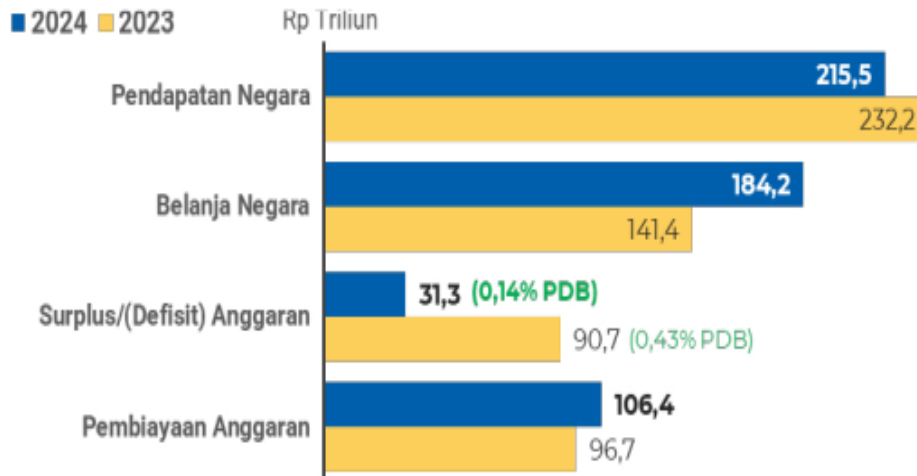
INDONESIA'S COST OF LIVING STANDARDS in 2022

Components	Quality	Quantity of Needs	Components	Quality	Quantity of Needs
1 Pangan			3 Papan (Perumahan)		
Beras	Sedang	10 kg	Sewa kamar	Dapat menampung jenis KHL lain	1 bulan
Sumber protein			Dipan/Tempat tidur	No. 3 polos	1/48 buah
a. Daging	Sedang	0.75 kg	Perlengkapan tidur		
b. Ikan segar	Baik	1.2 kg	a. Kasur busa	Busa	1/48 buah
c. Telur ayam	Telur ayam ras	1 kg	a. Bantal busa	Busa	2/36 buah
Kacang-kacang: tempe/tahu	Baik	4.5 kg	Sprei dan sarung bantal	Katun	2/12 set
Susu bubuk	Sedang	0.9 kg	Meja dan kursi	1 meja/4 kursi	1/48 set
Gula pasir	Sedang	3 kg	Lemari pakaian	Kayu sedang	1/48 buah
Minyak goreng	Curah	2 kg	Sapu	Ijuk sedang	2/12 buah
Sayuran	Baik	7.2 kg	Perlengkapan makan		
Buah-buahan: pisang atau pepaya	Baik	7.5 kg	a. Piring makan	Polos	3/12 buah
Karbohidrat lain: terigu	Sedang	3 kg	b. Gelas minum	Polos	3/12 buah
		2 Dus isi 25 atau	c. Sendok garpu	Sedang	3/12 pasang
Teh/kopi	Celup/Sachet	75 gram	Ceret aluminium	Ukuran 25 cm	1/24 buah
Bumbu-bumbuan	Nilai 1 hingga 10	15%	Wajan aluminium	Ukuran 32 cm	1/24 buah
			Panci aluminium	Ukuran 32 cm	2/12 buah
2 Sandang (Pakaian)			Sendok masak	Aluminium	1/12 buah
Celana panjang/rok	Katun/sedang	6/12 potong	Rice cooker (½ liter)	350 watt	1/48 buah
Celana pendek	Katun/sedang	2/12 potong	Komprom dan perlengkapannya		
Ikatan pinggang	Kulit sintetis, polos, unbranded	1/12 buah	a. Kompor 1 tungku	SNI	1/24 buah
Kemeja lengan pendek atau blouse	Setara katun	6/12 potong	b. Selang dan regulator	SNI	10 liter
Kaos oblong atau BH	Sedang	6/12 potong	c. Tabung gas 3 kg	Pertamina	1/60 buah
Celana dalam	Sedang	6/12 potong	Gas LPG	3 kg	2 tabung
Sarung atau kain panjang	Sedang	1/12 helai	Ember plastik	Isi 20 liter	2/12 buah
Sepatu	Kulit sintetis	2/12 pasang	Gayung plastik	Sedang	1/12 buah
Kaos kaki	Katun, polyester, polos, sedang	4/12 pasang	Listrik	900 watt	1 bulan
Perlengkapan pembersih sepatu			Bola lampu hemat energi	14 watt	3/12 buah
a. Semir sepatu	Sedang	6/12 buah	Air bersih	Standar PAM	2 m kubik
b. Sikat sepatu	Sedang	1/12 buah	Sabun cuci pakaian	Krim/deterjen	1.5 kg
Sandal jepit	Karet	2/12 pasang	Sabun cuci piring (colek)	500 gram	1 buah
Handuk mandi	100 x 60 cm	2/12 potong	Setrika	250 watt	1/48 buah
Perlengkapan ibadah			Rak portable plastik	Sedang	1/24 buah
a. Sajadah	Sedang	1/12 potong	Pisau dapur	Sedang	1/36 buah
b. Mukena	Sedang	1/12 potong	Cermin	30 x 50 cm	1/36 buah
c. Peci	Sedang	1/12 potong			
			4 Pendidikan		
			Bacaan/radio	Tabloid/4 band	4 buah (1/48)
			Ballpoint/pensil	Sedang	6/12 buah
			5 Kesehatan		
			Sarana kesehatan		
			a. Pasta gigi	80 gram	1 tube
			b. Sabun mandi	81 gram	2 buah
			c. Sikat gigi	Produk lokal	3/12 buah
			d. Shampoo	Produk lokal	1 botol 100 ml
			e. Pembalut atau alat cukur	Isi 10	1 dus/set
			Deodorant	100 ml/gr	6/12 botol
			Obat anti nyamuk	Bakar	3 dus
			Potong rambut	Di tukang cukur/salon	6/12 kali
			Sisir	Biasa	2/12 buah
			6 Transportasi		
			Transportasi kerja dan lainnya	Angkutan umum	30 hari (PP)
			7 Rekreasi dan tabungan		
			Rekreasi	Daerah sekitar	2/12 kali
			Tabungan	2% dari nilai 1 s.d 59	2%

Sources : BPS, KBVS Research (2024)

Domestic Fiscal Side

APBN REALIZATION, as of 31 Jan '24



Sources : MoF-RI (2024)

SENSITIVITY ANALYSIS APBN 2024

URAIAN	2024						
	Pertumbuhan Ekonomi ↑ 0,1%	Inflasi ↑ 0,1%	SBN 10 Tahun ↑ 0,1%	Nilai Tukar Rupiah ↑ Rp100/US\$	ICP ↑ US\$1	Lifting Minyak ↑ 10rb	Lifting Gas ↑ 10rb
A. Pendapatan Negara	1,9	1,7	0,0	4,0	3,6	2,1	1,1
I. Penerimaan Dalam Negeri	1,9	1,7	0,0	4,0	3,6	2,1	1,1
1. Penerimaan Perpajakan	1,9	1,7	0,0	3,0	1,8	0,4	0,5
2. PNBP	0,0	0,0	0,0	1,0	1,8	1,7	0,6
II. Penerimaan Hibah	0,0	0,0	0,0	0,0	0,0	0,0	0,0
B. Belanja Negara	0,1	0,1	1,2	10,2	10,1	0,3	0,3
I. Belanja Pemerintah Pusat*	0,0	0,0	1,2	9,5	9,8	0,1	0,0
II. Transfer ke Daerah	0,1	0,1	0,0	0,7	0,3	0,3	0,2
C. Surplus/(Defisit) Anggaran	1,8	1,6	-1,2	-6,2	-6,5	1,8	0,8
D. Pembiayaan Anggaran	0,0	0,0	0,0	-1,2	0,0	0,0	0,0

Sources : MOF-RI (2024)

MACRO ASSUMPTION OF APBN 2024



Stabilitas ekonomi makro terus dipertahankan dengan menjaga situasi kondusif dan damai pada Pemilu dan Pilkada serentak 2024. Reformasi struktural akan memperkuat fondasi perekonomian ke depan



Laju inflasi tahun 2024 terkendali dalam rentang sasaran target inflasi, dikendalikan oleh optimalisasi peran APBN sebagai shock absorber serta daya beli masyarakat yang kuat



Terjaganya fundamental perekonomian domestik serta kebijakan pembiayaan yang inovatif, prudent, dan sustainable akan menopang kinerja pasar SBN domestik



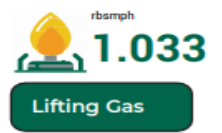
Kondisi perekonomian domestik yang stabil akan meningkatkan kepercayaan asing dan arus modal masuk ke Indonesia sehingga mendukung terjaganya stabilitas nilai tukar rupiah



Pergerakan harga minyak di tahun 2024 dipengaruhi oleh penurunan stok minyak mentah global akibat kebijakan pemotongan produksi oleh OPEC+



Pemerintah terus berupaya mempertahankan produksi hulu migas nasional, antara lain melalui pengembangan giant fields jangka menengah, mendorong kegiatan eksplorasi, serta perbaikan regulasi untuk menarik investor



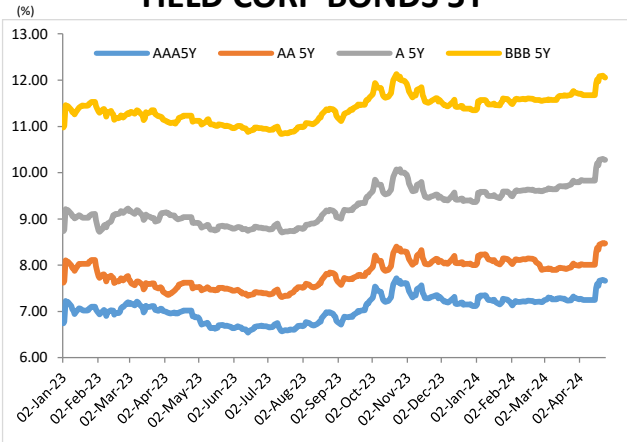
Source : MOF-RI (2024)

As of 15 Mar '24, our financial position remains robust. The national budget continues to maintain a surplus with overall performance tracking as anticipated.

- Revenue realization stands at IDR493.2 tn (17.6% of the target), while
- Expenditure realization is at IDR470.3 tn (14.1% of the target),
- Consequently, the national budget surplus amounts to IDR22.8 tn (0.1% of GDP).
- Furthermore, the primary balance also maintains a surplus of IDR132.1 tn.

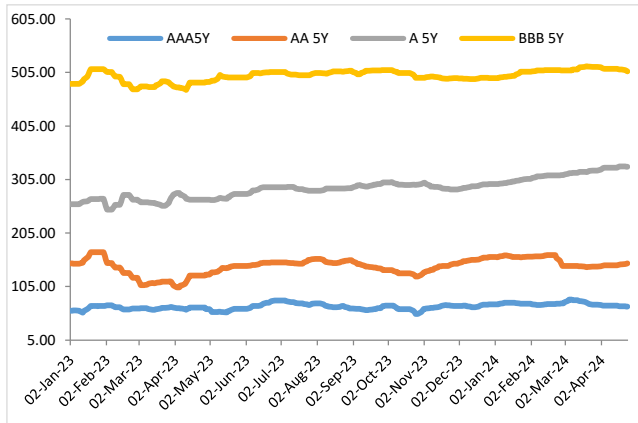
The Movement of Corporate Bond Yields

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

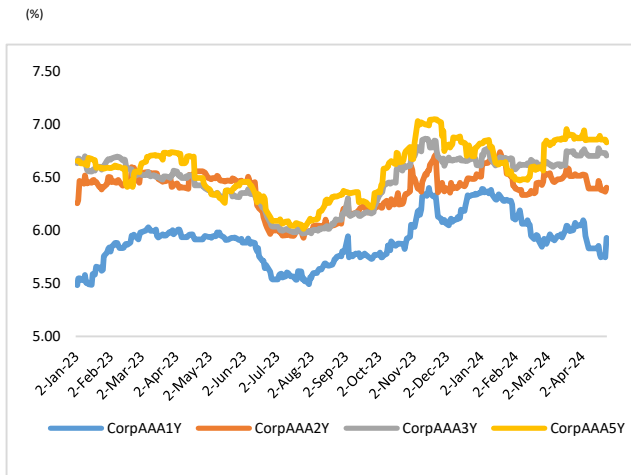
YIELD SPREAD 5Y TENOR



Sources : Bloomberg, KBVS Research (2024)

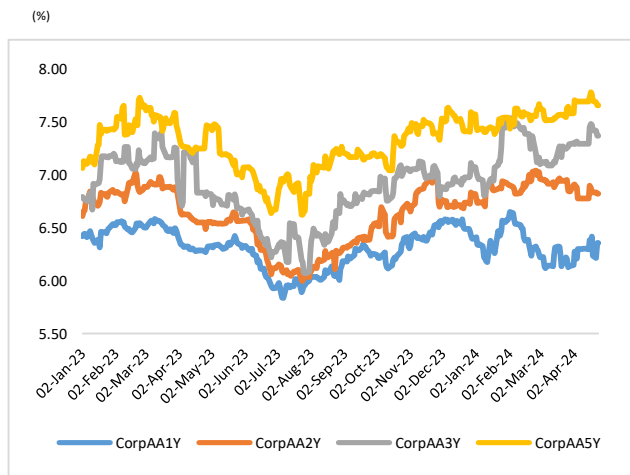
- The trend of rising SUN yields also impacts the trend of increasing corporate bond yields.
- However, the increase in corporate bond yields has not had a significant impact on the increase in yield spreads between SUN and corporate bonds of each tenor in their respective ratings.
- In fact, the yield spread for BBB-rated bonds with tenors of 1Y, 2Y, 3Y, and 5Y actually decreased by -6.82 bps, -5.43 bps, -4.06 bps, and -3.42 bps respectively last week (between 17 Apr and 24 Apr '24).

YIELD AAA-RATED



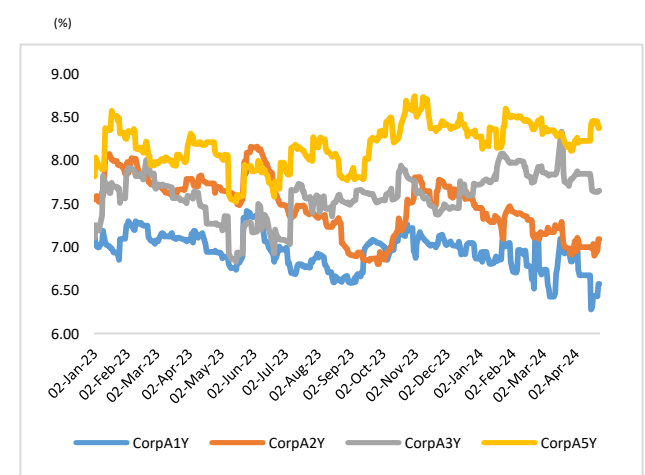
Sources : Bloomberg, KBVS Research (2024)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

YIELD A-RATED



Sources : Bloomberg, KBVS Research (2024)

BI's Monetary Operation

SRBI's DEVELOPMENT

SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
15-Sep-23	6.30	6.39	6.40	29,872.00	24,456.00	1.22
20-Sep-23	6.31	6.39	6.42	15,635.00	13,275.00	1.18
22-Sep-23	6.31	6.40	6.43	15,850.00	14,950.00	1.06
27-Sep-23	6.32	6.40	6.43	11,525.00	10,590.00	1.09
29-Sep-23	6.32	6.40	6.43	8,730.00	8,230.00	1.06
4-Oct-23	6.32	6.40	6.43	12,275.00	9,075.00	1.35
6-Oct-23	6.32	6.40	6.43	12,034.00	11,184.00	1.08
11-Oct-23	6.32	6.40	6.43	14,585.00	14,135.00	1.03
13-Oct-23	6.32	6.40	6.43	8,005.00	7,805.00	1.03
18-Oct-23	6.32	6.39	6.43	6,775.00	6,665.00	1.02
20-Oct-23	6.64	6.64	6.71	4,680.00	4,480.00	1.04
25-Oct-23	6.77	6.82	6.76	2,330.00	2,320.00	1.00
27-Oct-23	6.78	6.87	6.97	5,626.00	3,000.00	1.88
1-Nov-23	6.79	6.93	7.02	6,252.00	4,000.00	1.56
3-Nov-23	6.79	6.95	7.02	10,143.00	10,143.00	1.00
8-Nov-23	6.80	6.99	7.01	11,086.00	3,000.00	3.70
10-Nov-23	6.81	6.98	6.99	13,155.00	6,000.00	2.19
15-Nov-23	6.78	6.91	6.94	18,200.00	7,000.00	2.60
17-Nov-23	6.75	6.85	6.90	21,607.00	8,500.00	2.54
22-Nov-23	6.73	6.82	6.87	15,320.00	10,000.00	1.53
24-Nov-23	6.71	6.82	6.88	11,499.00	10,000.00	1.15
29-Nov-23	6.73	6.83	6.87	8,885.00	8,885.00	1.00
1-Dec-23	6.74	6.84	6.91	8,184.00	3,300.00	2.48
6-Dec-23	6.72	6.84	6.92	8,586.00	7,474.00	1.15
8-Dec-23	6.71	6.84	6.92	8,920.00	6,205.00	1.44
13-Dec-23	6.70	6.84	6.92	8,410.00	4,935.00	1.70
15-Dec-23	6.70	6.84	6.90	11,257.00	10,342.00	1.09
20-Dec-23	6.70	6.85	6.89	12,630.00	7,090.00	1.78
22-Dec-23	6.72	6.85	6.89	11,620.00	9,615.00	1.21
29-Dec-23	6.71	6.85	6.90	8,812.00	7,802.00	1.13
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24	6.64	6.70	6.83	37,435.00	29,000.00	1.29
2-Feb-24	6.62	6.70	6.82	40,047.00	29,000.00	1.38
16-Feb-24	6.62	6.70	6.82	13,791.00	12,791.00	1.08
23-Feb-24	6.61	6.70	6.82	8,073.00	7,583.00	1.06
1-Mar-24	6.64	6.70	6.84	4,996.00	3,966.00	1.26
8-Mar-24	6.66	6.80	6.86	4,075.00	3,665.00	1.11
15-Mar-24	6.68	6.69	6.87	9,720.00	9,130.00	1.06

Sources : BI, KBVS Research (2024)

SVBI's DEVELOPMENT

SVBI	Weighted Yield Average Winner (%)		Bidding Amount (USD mn)	Total Nominal Awarded (USD Mn)	Bid to Cover Ratio
	1 Month	3 Months			
21-Nov-23	5.45	5.60	266.50	236.50	1.13
28-Nov-23	5.62	5.63	100.10	92.10	1.09
5-Dec-23	5.66	5.68	50.90	48.90	1.04
12-Dec-23	5.71	5.77	25.00	25.00	1.00
19-Dec-23	5.71	5.76	24.00	19.00	1.26
27-Dec-23	5.74	-	18.00	13.00	1.38
2-Jan-24	5.74	-	66.00	31.00	2.13
9-Jan-24	5.71	-	268.00	147.00	1.82
16-Jan-24	5.70	-	382.00	284.00	1.35
23-Jan-24	5.67	5.70	397.00	251.00	1.58
30-Jan-24	5.67	5.69	512.00	472.00	1.08
6-Feb-24	5.66	5.69	472.00	442.00	1.07
13-Feb-24	5.66	5.68	808.00	607.00	1.33
20-Feb-24	5.66	5.67	662.00	652.00	1.02
27-Feb-24	5.66	5.67	518.00	488.00	1.06
5-Mar-24	5.66	5.68	312.00	272.00	1.15
14-Mar-24	5.67	5.68	577.00	532.00	1.08
19-Mar-24	5.67	5.68	367.00	357.00	1.03

Sources : BI, KBVS Research (2024)

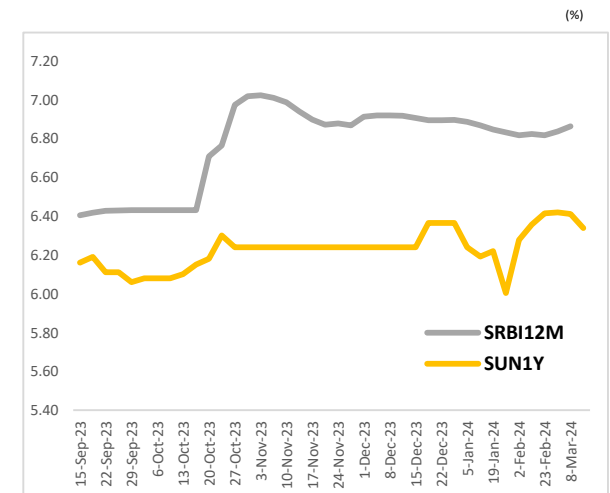
- Through its twist operation policy, BI remains actively engaged in issuing SBRI, SVBI, SuKBI, and SUVBI in the market.
- The promotion of these instruments is also accompanied by offering yields higher than SUN1Y.

SUVBI's DEVELOPMENT

SUVBI	Weighted Yield Average Winner (%)		Bidding Amount (USD mn)	Total Nominal Awarded (USD Mn)	Bid to Cover Ratio
	1 Month	3 Months			
29-Nov-23	5.62	5.63	64.00	64.00	1.00
13-Dec-23	5.71	5.77	65.00	65.00	1.00
28-Dec-23	5.74	5.75	25.00	25.00	1.00
10-Jan-24	5.71	5.70	90.00	90.00	1.00
24-Jan-24	5.67	5.70	65.00	65.00	1.00
7-Feb-24	5.66	5.69	110.00	110.00	1.00
21-Feb-24	5.66	5.67	85.00	85.00	1.00
6-Mar-24	5.66	5.68	187.00	187.00	1.00
20-Mar-24	5.67	5.68	124.00	124.00	1.00

Sources : BI, KBVS Research (2024)

YIELD OF SRBI12M VS SUN1Y (%)



Sources : BI, KBVS Research (2024)

KBVS Economic Assumptions

KBVS ECONOMIC ASSUMPTIONS

Tahun		Fed Rate (%)			YIELD UST10Y			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	5.75	5.25	5.00	4.55	4.20	3.85	6.25	5.75	5.25	4.98	5.48	5.98	3.30	2.80	2.30	16,339	15,561	14,783	6.77	6.32	5.87
	Average	5.55	5.30	5.05	4.75	4.40	4.05	6.10	5.85	5.60	4.85	5.35	5.85	3.40	2.90	2.40	16,581	15,791	15,002	6.89	6.44	5.99
2025	End of Year	5.00	4.75	4.50	4.05	3.60	3.15	5.25	5.00	4.75	4.42	5.07	5.72	3.25	2.60	1.95	16,633	15,618	14,603	6.16	5.66	5.16
	Average	5.05	4.80	4.55	4.25	3.80	3.35	5.35	5.10	4.85	4.30	4.95	5.60	3.35	2.70	2.05	16,631	15,616	14,601	6.26	5.76	5.26
2026	End of Year	3.50	3.25	3.00	2.75	2.20	1.65	3.75	3.50	3.25	4.75	5.52	6.29	3.17	2.40	1.63	16,789	15,589	14,389	5.80	5.25	4.70
	Average	3.65	3.40	3.15	2.95	2.40	1.85	3.95	3.70	3.45	3.96	4.73	5.50	3.17	2.40	1.63	16,439	15,264	14,088	5.97	5.42	4.87

The assumption regarding the global economic:

- Best Scenario: The gradual decrease of US inflation to a range between 2.4% YoY and 2.9% YoY into the end of 2024. This, in turn, could serve as the basis for a potential decrease in the Fed Rate by between to max 50 bps in the respective period. Additionally, geopolitical risk are easing, potentially acting as a catalyst for a decline in global oil prices. Both of these conditions are expected to act as catalysts for further reduction in UST yield.
- Base Scenario: The US inflation is expected to decrease to 2.7% - 3.2% YoY, thus the Fed Rate is anticipated to decrease by 25 bps in 3Q24, resulting in the UST yield approaching the 4.1% level by the end of 2024.
- Worst Scenario: However, if US inflation continues to persist above 3.4%, we are concerned that the Fed will maintain the Fed Rate at the same level until the end of 2024. Additionally, there is a possibility of a 25 bps increase if US inflation approaches the 4.0% level throughout 2024.

Meanwhile, the basic foundational assumption regarding the domestic economic involves:

- Best Scenario: If the Fed Rate could decrease and the USD remains stable, the hope is that BI will be able to lower the BI Rate to 5.25%. Furthermore, this scenario is expected to be supported by domestic political stability during the elections. Then, the financial market, particularly the SUN could be reduced to approach the level of 5.9% in the end of 2024.
- Base Scenario: We anticipate a scenario of a 25 bps decrease in the Fed Rate, leading BI Rate to 5.75% at the end of 2024, with the Rupiah expected to remain around IDR15,500 per USD to IDR15,800 per USD. Hopefully, the yield of SUN10Y is expected to decrease to 6.3% by the end of 2024.
- Worst Scenario: If the risk-off market sentiment persists, we are concerned that BI may need keep the BI Rate in 6.25% until the end of 2024. This is also concerning at a time when the Rupiah and domestic inflation are at the upper bounds of the government's target. This could result in the possibility of SUN10Y yield reaching the 6.8% level at the respective period.

This Week's Economic Calendar

ECONOMIC CALENDAR

(25 APR - 1 MAY 2024)

Country	Event	Forecast	Previous	Country	Event	Forecast	Previous
Thursday, Apr 25, 2024				Monday, Apr 29, 2024			
US	5-Year Note Auction		4.24%	GE	CPI (MoM) (Apr)		0.40%
US	M2 Money Supply (YoY) (Mar)		5.30%	GE	CPI (YoY) (Apr)		2.20%
US	GfK Consumer Climate (May)	-25.90	-27.40				
EU	ECB Schnabel Speaks			Tuesday, Apr 30, 2024			
EU	ECB Economic Bulletin			JP	Industrial Production (MoM) (Mar)		-0.60%
US	Continuing Jobless Claims		1,812K	CN	Composite PMI (Apr)		52.70
US	GDP (QoQ) (Q1)	2.50%	3.40%	CN	Manufacturing PMI (Apr)		50.80
US	GDP Price Index (QoQ) (Q1)	3.00%	1.70%	CN	Non-Manufacturing PMI (Apr)		53.00
US	Goods Trade Balance (Mar)	-91.20B	-91.84B	CN	Caixin Manufacturing PMI (Apr)		51.10
US	Initial Jobless Claims	215K	212K	GE	Retail Sales (MoM) (Mar)		-1.90%
US	Retail Inventories Ex Auto (Mar)		0.40%	GE	Unemployment Change (Apr)		4K
US	Pending Home Sales (MoM) (Mar)	0.90%	1.60%	GE	Unemployment Rate (Apr)		5.90%
GE	Buba President Nagel Speaks			GE	GDP (QoQ) (Q1)		-0.30%
GE	Buba Mauderer Speaks			GE	GDP (YoY) (Q1)		-0.20%
Friday, Apr 26, 2024				EU	CPI (YoY) (Apr)		2.40%
US	7-Year Note Auction		4.19%	EU	GDP (YoY) (Q1)		0.10%
US	Fed's Balance Sheet		7,406B	EU	GDP (QoQ) (Q1)		-0.10%
JP	Tokyo Core CPI (YoY) (Apr)	2.20%	2.40%	US	Employment Cost Index (QoQ) (Q1)		0.90%
JP	BoJ Monetary Policy Statement			US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Feb)		6.60%
JP	BoJ Outlook Report (YoY)			US	S&P/CS HPI Composite - 20 n.s.a. (MoM) (Feb)		-0.10%
JP	BoJ Interest Rate Decision		0.10%	US	Chicago PMI (Apr)		41.40
JP	BoJ Press Conference			US	CB Consumer Confidence (Apr)		104.70
EU	ECB's De Guindos Speaks			Wednesday, May 1, 2024			
US	Core PCE Price Index (YoY) (Mar)	2.60%	2.80%	GB	S&P Global/CIPS Manufacturing PMI (Apr)		48.70
US	Core PCE Price Index (MoM) (Mar)	0.30%	0.30%	US	ADP Nonfarm Employment Change (Apr)		184K
US	PCE Price Index (YoY) (Mar)	2.60%	2.50%	US	S&P Global Manufacturing PMI		49.90
US	PCE Price Index (MoM) (Mar)	0.30%	0.30%	US	Construction Spending (MoM) (Mar)		-0.30%
US	Personal Spending (MoM) (Mar)	0.60%	0.80%	US	ISM Manufacturing Employment (Apr)		47.40
US	Michigan 1-Year Inflation Expectations (Apr)	3.10%	2.90%	US	ISM Manufacturing PMI (Apr)		50.30
US	Michigan 5-Year Inflation Expectations (Apr)	3.00%	2.80%	US	ISM Manufacturing Prices (Apr)		55.80
US	Michigan Consumer Expectations (Apr)	77.00	77.40	US	JOLTs Job Openings (Mar)		8.756M
US	Michigan Consumer Sentiment (Apr)	77.80	79.40				

- The release of labor market conditions indicated by weekly initial jobless claims, thus PCE (core and headline) Price Index and are expected to once again become the primary drivers of sentiment in the global market next week, alongside the release of US ISM Manufacturing PMI.
- Meanwhile, the release of GDP data from Germany and the EU, alongside CN Manufacturing PMI is also likely to determine the movement of the USD Index going forward.

