

Fed Outlook Clouded, BI Defends Rupiah

20 November 2025

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- The recent U.S. government shutdown has disrupted economic activity, delayed critical data releases, and caused a permanent loss of output, leaving the Fed with reduced visibility at a time when inflation remains elevated.
- At the same time, political tensions surrounding potential replacements for Fed Chair Jerome Powell have added further uncertainty to the policy outlook.
- These factors have led markets to scale back expectations for a December rate cut, reinforced by the mixed views among Fed officials on the appropriate path for policy. U.S. Treasury yields have inched higher over the past week, reflecting growing expectations that interest rates will remain elevated for longer until economic clarity and leadership stability improve.
- Bank Indonesia kept its policy rate at 4.75% to stabilize the Rupiah amid ongoing depreciation and concerns over the current account deficit.
- Overall, the fixed-income market showed a mildly bullish tone during 13–19 November 2025, although currency pressures remain a key risk.
- Despite foreign net selling of government bonds, equity inflows remained positive. Government bond yields declined across most tenors, supported by stable demand and a generally improving risk perception. Corporate bond yields also fell across most ratings and maturities, signaling stronger market sentiment.
- Meanwhile, SRBI and SVBI auctions recorded slightly higher yields, with demand concentrated in longer SRBI tenors and very short SVBI tenors.



Source : CNBC(2025), link: <https://www.cnbcindonesia.com/research/20250109032137-128-601785/the-fed-beri-kabar-buruk-badai-ihs-g-rupiah-berlanjut>



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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Oct '25	4.00	4.25
Economic Growth	%, yoy	2Q25	2.1	2
Inflation Rate	%, yoy	Sep '25	3.0	2.9
Unemployment Rate	%	Aug'25	4.3	4.2

Sources : various sources, KBVS Research (2025)

The data releases that influenced yield movements in the week of 13-19 Nov '25 are as follows:

- US Initial Jobless Claims increased to 232K (Prev: 219K).
- US 10-Year Note Auction decreased to 4.07% (Prev: 4.12%).
- US Crude Oil Inventories increased to 6.413M (Cons: 1.000M, Prev: 5.202M).
- US 30-Year Bond Auction decreased to 3.69% (Prev: 4.37%).

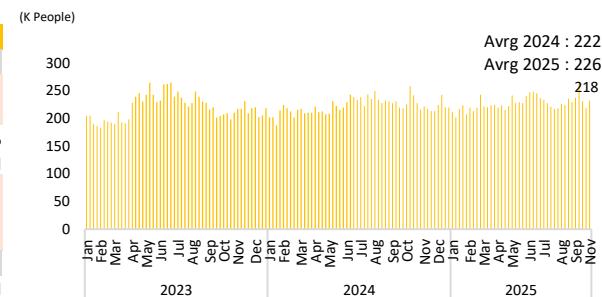
ECONOMIC CALENDAR

(13-19 NOV '25)

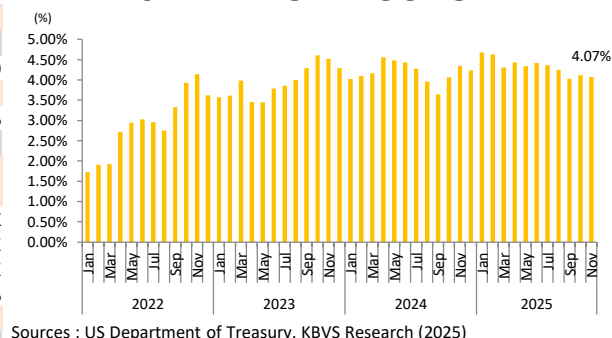
Event	Actual	Forecast	Previous
Thursday, 13 Nov '25			
US EIA Short-Term Energy Outlook			
US FOMC Member Bostic Speaks			
US 10-Year Note Auction	4.07%		4.12%
US API Weekly Crude Oil Stock	1.300M	1.700M	6.500M
US IEA Monthly Report			
US FOMC Member Daly Speaks			
US FOMC Member Kashkari Speaks			
Friday, 14 Nov '25			
US Crude Oil Inventories	6.413M	1.000M	5.202M
US Cushing Crude Oil Inventories	-0.346M		0.300M
US 30-Year Bond Auction	4.69%		4.73%
US Fed's Balance Sheet	6,508B		6,573B
US FOMC Member Bostic Speaks			
Monday, 17 Nov '25			
US NY Empire State Manufacturing Index (Nov)	18.70	6.10	10.70
US FOMC Member Williams Speaks			
US Construction Spending (MoM) (Aug)	0.20%	-0.20%	0.20%
Tuesday, 18 Nov '25			
US FOMC Member Kashkari Speaks			
US Fed Waller Speaks			
US Continuing Jobless Claims	1,957K		1,947K
US Initial Jobless Claims	232K	223K	219K
US ADP Employment Change Weekly	-2.50K		-11.25K
US Factory Orders (MoM) (Aug)	1.40%	1.40%	-1.30%
US Fed Vice Chair for Supervision Barr Speaks			
Wednesday, 19 Nov '25			
US TIC Net Long-Term Transactions	179.80B		134.20B
US API Weekly Crude Oil Stock	4.400M		1.300M
US Fed Vice Chair for Supervision Barr Speaks			
US Building Permits (Sep)		1.340M	1.330M
US Export Price Index (MoM) (Sep)		0.10%	0.30%
US Housing Starts (Sep)		1.320M	1.307M
US Housing Starts (MoM) (Sep)			-8.50%
US Import Price Index (MoM) (Sep)		0.10%	0.30%
US Trade Balance (Aug)		-61.30B	-78.30B
US Industrial Production (MoM) (Oct)			0.10%
US Industrial Production (YoY) (Oct)			0.87%
US Crude Oil Inventories	-1.900M		6.413M
US Cushing Crude Oil Inventories			-0.346M

Sources : investing, KBVS Research (2025)

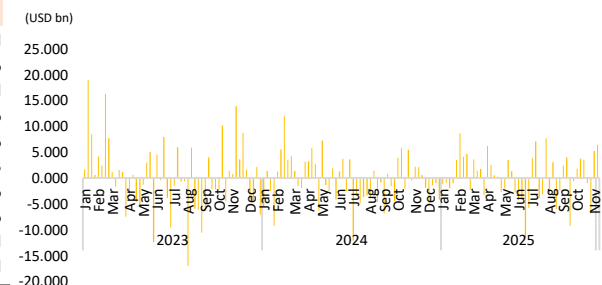
WEEKLY INITIAL JOBLESS CLAIMS



10-YEAR NOTE AUCTION



CRUDE OIL INVENTORIES



Fed Leadership Uncertainty Meets Post-Shutdown Economic Drag

WASHINGTON (AP) — The six-week government shutdown that came to an end late Wednesday will be another drag on an economy already facing many challenges, though the full impact will take months to measure.

About 1.25 million federal workers haven't been paid since Oct. 1. Roughly 10,000 flights have been cancelled since last week and disruptions will continue, the officials say, even as air traffic controllers return to work. Government contract awards have slowed and many food aid recipients have seen their [benefits interrupted](#).

Most of the lost economic activity will be recovered when the government reopens, as federal workers will receive back pay. But some canceled flights won't be rebooked, many canceled restaurant reservations won't be made again, and some postponed purchases will never happen.

The shutdown also cut off the flow of economic data on jobs, inflation, and consumer spending, which could lead the Federal Reserve to skip what had been an expected interest rate cut at its next meeting in December.

"The shutdown has been harmful to the U.S. economy and to critical data collection about employment, prices and more," said Heather Long, chief economist at the Navy Federal Credit Union.

The Congressional Budget Office [estimated](#) that a six-week shutdown will reduce growth in this year's fourth quarter by about 1.5 percentage points. That would cut growth by about half from the third quarter. The reopening should boost first-quarter growth next year by 2.2 percentage points, the CBO projected, but about \$11 billion in economic activity will be permanently lost.

Source : The Associated Press (2025), link: <https://www.msn.com/en-us/money/markets/the-unprecedented-government-shutdown-will-weigh-on-a-us-economy-already-under-stress/ar-AA1QnJ5U?ocid=BingNewsSerp>

Trump Signals He's Chosen Next Fed Chair as Pressure Mounts Over Powell's Leadership



Source: EconoTimes (2025) <https://www.econotimes.com/Trump-Signals-Hes-Chosen-Next-Fed-Chair-as-Pressure-Mounts-Over-Powells-Leadership-1726344>

- The U.S. economy is still absorbing the effects of the recently concluded six-week government shutdown.
- Roughly 900,000 federal workers were furloughed, flights were disrupted, and several public services were halted, creating a drag on activity.
- The Congressional Budget Office estimates that the shutdown will reduce 4Q25 GDP growth by around 1.5%, with roughly USD11 bn in output permanently lost.
- To make things worse, the shutdown also paused key economic data releases related to employment, inflation, and consumer spending, leaving policymakers with less visibility on current conditions.
- The political backdrop around U.S. monetary policy has intensified after Donald Trump signaled that he has already identified candidates to replace Jerome Powell once his term expires in May 15, '26, and even publicly stated that he wanted Powell off the chair immediately if possible. Reports point to names such as Scott Bessent, Kevin Warsh, and Christopher Waller as potential successors, reflecting Trump's preference for a Fed leadership more aligned with his pro-growth, lower-rate stance.
- While the change in leadership would not take effect until next year, the early signaling has injected a noticeable layer of policy uncertainty into markets, especially at a time when investors are already grappling with questions over the future path of interest rates.
- Taken together, the combination of leadership uncertainty and lasting post-shutdown effects reinforces a cautious tone ahead of upcoming Fed meetings. With inflation still hovering above comfort levels and the flow of information incomplete, policymakers have little incentive to take additional risks by cutting rates too quickly. As a result, markets have already begun scaling back expectations for near-term easing, instead preparing for a more extended period of elevated policy rates until clarity improves.

Minutes of the FOMC Oct 28–29, ‘2025

Minutes of the Federal Open Market Committee October 28–29, 2025

A joint meeting of the Federal Open Market Committee and the Board of Governors of the Federal Reserve System was held in the offices of the Board of Governors on Tuesday, October 28, 2025, at 9:00 a.m. and continued on Wednesday, October 29, 2025, at 9:00 a.m.¹

Developments in Financial Markets and Open Market Operations

The manager turned first to an overview of broad market developments during the intermeeting period. Market participants left their macroeconomic outlooks little changed, and they appeared to continue to interpret data made available over the period as consistent with a resilient economy. In line with the stable outlook, investors' expectations for the path of the policy rate, whether market based or survey based, were virtually unchanged over the period. Investors expected a 25 basis point lowering in the target range for the federal funds rate at the October meeting and another 25 basis point lowering at the December meeting, although some uncertainty around the December meeting was evident in responses to the Open Market Desk's Survey of Market Expectations (Desk survey) as well as in market prices.

The manager turned next to developments in Treasury markets and market-based measures of inflation compensation. Treasury yields were little changed, on net, over the period, consistent with stable expectations for the policy rate. Inflation compensation moved lower over the period, particularly for shorter tenors, with staff models attributing these recent movements to temporary factors.

Broad equity indexes continued to rise over the period, with the largest technology companies performing strongly on market participants' optimism about artificial intelligence (AI). The manager noted that rising stock prices were consistent with expectations for continued robust growth in earnings. Corporate bond spreads increased a bit this period but remained low in absolute terms. A couple of well-publicized bankruptcies, as well as some credit losses reported by some banks, led to

¹ The Federal Open Market Committee is referenced as the "FOMC" and the "Committee" in these minutes; the Board of Governors of the Federal Reserve System is referenced as the "Board" in these minutes.

- Several Federal Reserve officials were inclined to lower the target range for the federal funds rate in October, although many signaled they could have supported maintaining rates, and some explicitly opposed a reduction.
- When discussing the near-term trajectory of monetary policy, participants expressed markedly divergent views regarding the most appropriate decision for the December meeting. While most indicated that further downward adjustments to the target range would likely be justified, several emphasized that an additional 25-bps cut might not be appropriate in December

Participants' Views on Current Conditions and the Economic Outlook

In their discussion of inflation, participants observed that overall inflation had moved up since earlier in the year and remained somewhat above the Committee's 2 percent longer-run goal. Participants generally noted that core inflation had remained elevated, as disinflation in housing services had been more than offset by higher goods inflation, reflecting in part the effects of tariff increases implemented earlier in the year. Several participants observed that, setting aside their estimates of tariff effects, inflation was close to the Committee's target. Many participants, however, remarked that overall inflation had been above target for some time and had shown little sign of returning sustainably to the 2 percent objective in a timely manner.

Participants generally expected inflation to remain somewhat elevated in the near term before moving gradually to 2 percent. Several participants pointed to the persistence in core nonhousing services inflation as a factor that may keep overall inflation above 2 percent in the near term. Many participants expected some additional pickup in core goods inflation over the next few quarters, driven in part by further pass-through of tariffs to firms' pricing. Several participants expressed uncertainty about the timing and magnitude of tariff-related price effects, noting that some businesses were reportedly waiting to adjust prices until tariff policies seemed more settled. Drawing on reports from their District contacts, several participants remarked that businesses, including those not directly affected by tariffs, indicated that they planned to raise prices gradually in response to higher tariff-related input costs. A few participants suggested that potential recent productivity gains achieved through automation and AI may help businesses support their profit margins and limit the extent to which cost increases are passed on to consumers. A few participants commented that the softer labor market would likely help keep inflationary pressures in check. A couple of participants noted that recent changes in immigration policies would lessen housing demand and strengthen the disinflation in housing services prices.

Participants generally noted that most measures of short-term inflation expectations had eased somewhat from their peaks earlier in the year and that most survey-based and market-based measures of longer-term inflation have shown little net change since the end of last year, which suggested that longer-term inflation expectations remained well anchored. Participants emphasized the importance of maintaining well-anchored inflation expectations to help return inflation to the Committee's 2 percent objective in a timely manner, and many noted concerns that the prolonged period of above-target inflation could risk an increase in longer-term expectations.

With regard to the labor market, participants observed that the data available before the government shutdown indicated that job gains had slowed this year and that the unemployment rate had edged up but remained low through August. Participants commented on the lack of the Employment Situation report for September during this intermeeting period and reported relying on private-sector and limited government data, as well as information provided by businesses and community contacts, to assess labor market conditions. Participants pointed to recent available indicators, including survey-based measures of job availability, as being consistent with layoffs and hiring having remained low as well as a labor market that had gradually softened through September and October but had not sharply deteriorated. Participants generally attributed the slowdown in job creation to both reduced labor supply—stemming from lower immigration and labor force participation—and less labor demand amid moderate economic growth and elevated uncertainty. Many participants remarked that structural factors such as investment related to AI and other productivity-enhancing technologies may be contributing to softer labor demand.

Regarding the outlook for the labor market, participants generally expected conditions to soften gradually in coming months and the labor market to remain less dynamic than earlier in the year, with businesses reluctant to add workers but also hesitant to lay off employees. Several participants described the lack of job turnover and hesitancy among businesses to add jobs as adding downside risks to the labor market, noting that a further weakening in labor demand could push the unemployment rate sharply higher. A few participants viewed the rise in the unemployment rates for groups historically more sensitive to cyclical changes in economic activity, or the concentration of job gains in less-cyclical sectors, as signaling potential broader labor market weakness. Some participants noted the apparent divergence between subdued job growth and moderate GDP growth, with several suggesting that this pattern might persist over time as advances in AI boost productivity growth while demographic factors constrain labor supply.

Committee Policy Actions

In their discussions of monetary policy for this meeting, members agreed that available indicators suggested that economic activity had been expanding at a moderate pace. They also agreed that job gains had slowed this year and that the unemployment rate had edged up but remained low through August. Members observed that more recent indicators were consistent with these developments. They noted that inflation had moved up since earlier in the year and remained somewhat elevated. They agreed that the Committee was attentive to the risks to both sides of its dual mandate and that downside risks to employment had risen in recent months.

In support of the Committee's goals and in light of the shift in the balance of risks, almost all members decided to lower the target range for the federal funds rate by ¼ percentage point to 3¼ to 4 percent. Two members voted against that decision. One of these members preferred to lower the target range ½ percentage point, while the other member preferred to leave the target range unchanged. Almost all members agreed to conclude the reduction of the Committee's securities holdings on December 1. One member who voted against the Committee's policy rate decision at the meeting also preferred an immediate end to balance sheet runoff. Members agreed that, in considering additional adjustments to the target range for the federal funds rate, the Committee would carefully assess incoming data, the evolving outlook, and the balance of risks. All members agreed that the postmeeting statement should affirm their strong commitment both to supporting maximum employment and to returning inflation to the Committee's 2 percent objective.

Members agreed that, in assessing the appropriate stance of monetary policy, the Committee would continue to monitor the implications of incoming information for the economic outlook. They would be prepared to adjust the stance of monetary policy if risks emerged that could impede the attainment of the Committee's goals. Members also agreed that their assessments would take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

At the conclusion of the discussion, the Committee voted to direct the Federal Reserve Bank of New York, until instructed otherwise, to execute transactions in the SOMA in accordance with the following domestic policy directive, for release at 2:00 p.m.:

"Effective October 30, 2025, the Federal Open Market Committee directs the Desk to:

- Undertake open market operations as necessary to maintain the federal funds rate in a target range of 3¼ to 4 percent.
- Conduct standing overnight repurchase agreement operations with a minimum bid rate of 4.0 percent and with an aggregate operation limit of \$500 billion.
- Conduct standing overnight reverse repurchase agreement operations at an offering rate of 3.75 percent and with a per-counterparty limit of \$160 billion per day.
- Roll over at auction the amount of principal payments from the Federal Reserve's holdings of Treasury securities maturing in October and November that exceeds a cap of \$5 billion per month. Redeem Treasury coupon securities up to this monthly cap and Treasury bills to the extent that coupon principal payments are less than the monthly cap. Beginning on December 1, roll over at auction all principal payments from the Federal Reserve's holdings of Treasury securities.
- Reinvest the amount of principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities (MBS) received in October and November that exceeds a cap of \$35 billion per month into Treasury securities to roughly match the maturity composition of Treasury securities outstanding. Beginning on December 1, reinvest all principal payments from the Federal Reserve's holdings of agency securities into Treasury bills.
- Allow modest deviations from stated amounts for reinvestments, if needed for operational reasons."

The vote also encompassed approval of the statement below for release at 2:00 p.m.:

"Available indicators suggest that economic activity has been expanding at a moderate pace. Job gains have slowed this year, and the unemployment rate has edged up but remained low through August; more recent indicators are consistent with these developments. Inflation has moved up since earlier in the year and remains somewhat elevated.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate and judges that downside risks to employment rose in recent months.

In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by ¼ percentage point to 3¼ to 4 percent. In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee decided to conclude the reduction of its aggregate securities holdings on

FED PROBABILITIES

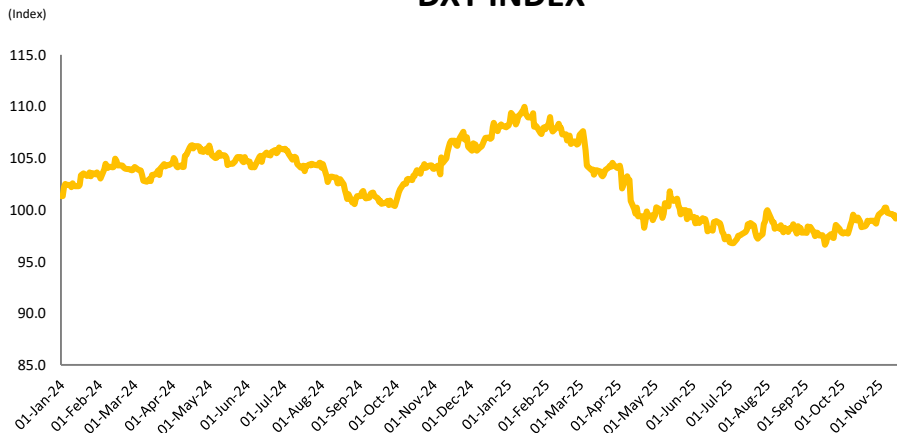
FED PROBABILITIES, as of 19 Nov '25

MEETING DATE	220-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400
10-Dec-25	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.8%	67.2%
28-Jan-26	0.0%	0.0%	0.0%	0.0%	0.0%	16.0%	49.6%	34.5%
18-Mar-26	0.0%	0.0%	0.0%	0.0%	7.1%	30.8%	42.9%	19.2%
29-Apr-26	0.0%	0.0%	0.0%	1.7%	12.7%	33.7%	37.3%	14.7%
17-Jun-26	0.0%	0.0%	1.1%	8.7%	26.1%	36.0%	22.9%	5.3%
29-Jul-26	0.0%	0.4%	3.8%	15.0%	29.7%	31.2%	16.5%	3.4%
16-Sep-26	0.2%	1.9%	8.9%	21.6%	30.4%	24.6%	10.6%	1.9%
28-Oct-26	0.5%	3.3%	11.3%	23.3%	29.3%	21.9%	8.9%	1.5%

Sources : CME Group, and KBVS Research (2025)

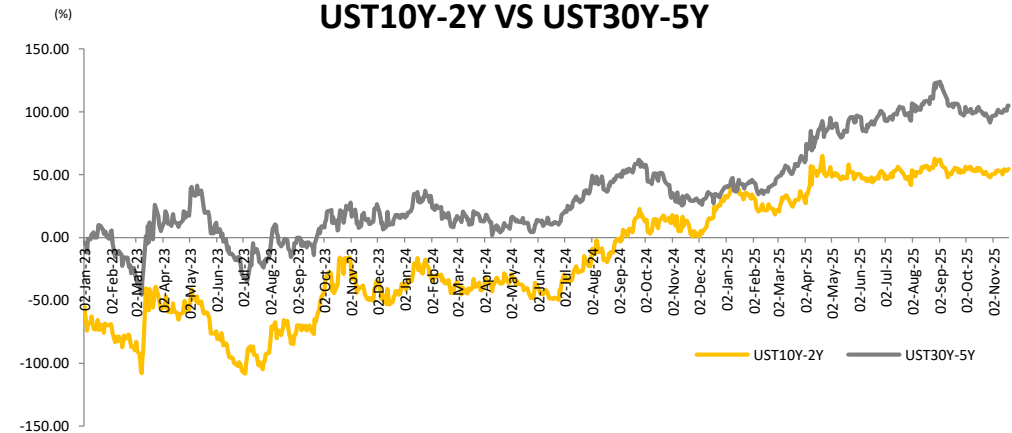
- This week, markets continued to ease back their expectations on another rate cut in December, with the probability now leaning towards a no-cut next month.
- This shift reflects growing conviction that the Fed will maintain a higher-for-longer stance as inflation looms the US economy and the lack of published economic data (due to the recently concluded shutdown) makes the Fed even more reluctant to risk another rate cut.
- Adding to this cautious tone, reports that Trump is preparing candidates to replace the Fed Chair have injected an additional layer of policy uncertainty, further reducing the likelihood of near-term easing.

DXV INDEX



Sources : Bloomberg, and KBVS Research (2025)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2025)

THE MOVEMENT OF UST YIELDS

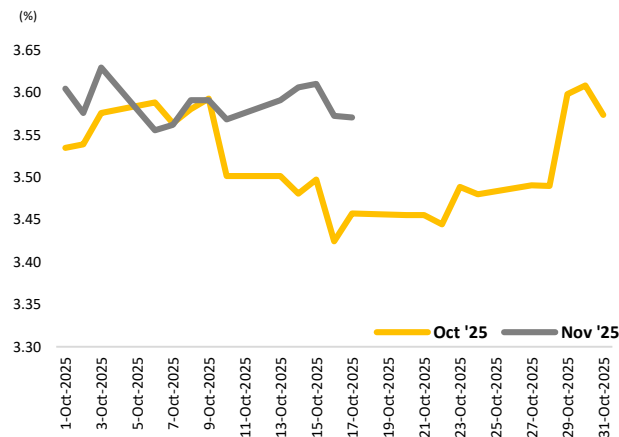
US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Nov '24	36.08	35.95
Govt Debt to GDP	%	4Q24	124.35	122.3
Govt Budget	USD Bn	Nov '24	-367.30	-257.00
S&P Credit Rating	Rating	27-Mar-24	AA+	AA+

Sources : US Treasury, KBVS Research (2025)

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

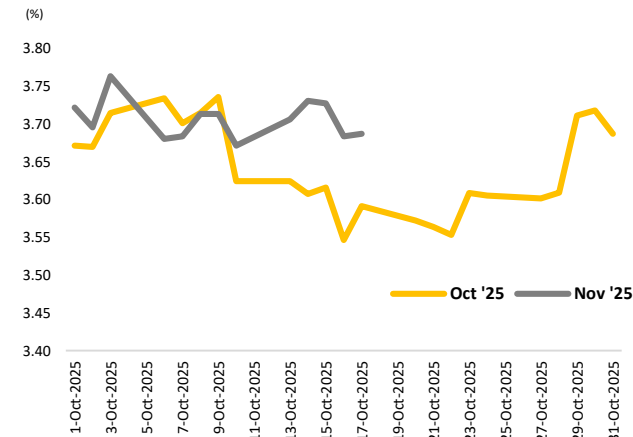
- Yield UST6M
 - +0.00 bps (WoW)
 - 46.95 bps (YtD, as of Nov 19,'25)
- Yield UST1Y
 - 2.05 bps (WoW)
 - 51.63 bps (YtD, as of Nov 19,'25)
- Yield UST2Y
 - +0.67 bps (WoW)
 - 66.69 bps (YtD, as of Nov 19,'25)
- Yield UST5Y
 - +2.28 bps (WoW)
 - 68.76 bps (YtD, as of Nov 19,'25)
- Yield UST10Y
 - +5.19 bps (WoW)
 - 44.78 bps (YtD, as of Nov 19,'25)
- Yield UST30Y
 - +7.92 bps (WoW)
 - 3.74 bps (YtD, as of Nov 19,'25)

YIELD UST2Y



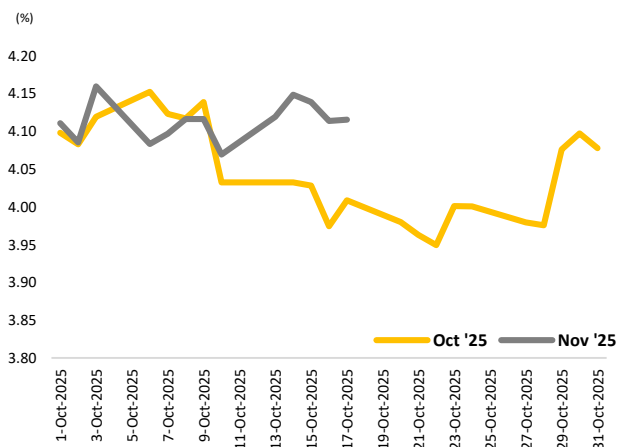
Sources : Bloomberg, KBVS Research (2025)

YIELD UST5Y



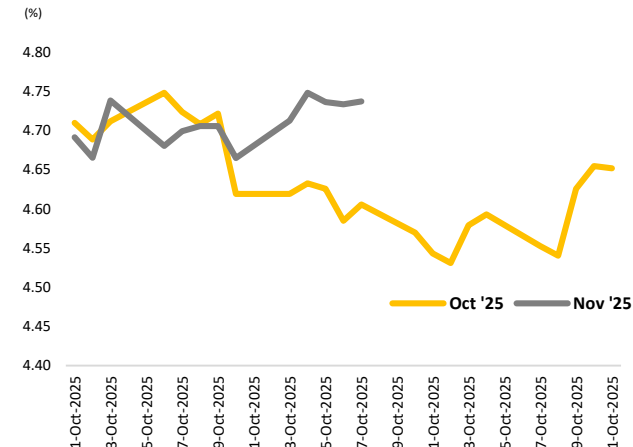
Sources : Bloomberg, KBVS Research (2025)

YIELD UST10Y



Sources : US Treasury, KBVS Research (2025)

YIELD UST30Y



Sources : US Treasury, KBVS Research (2025)



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INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	19 Nov '25	4.75	4.75
Economic Growth	%, yoy	3Q25	5.04	5.12
Inflation Rate	%, yoy	Oct '25	2.86	2.65
Unemployment Rate	%	Sep '25	4.85	4.76
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2025)

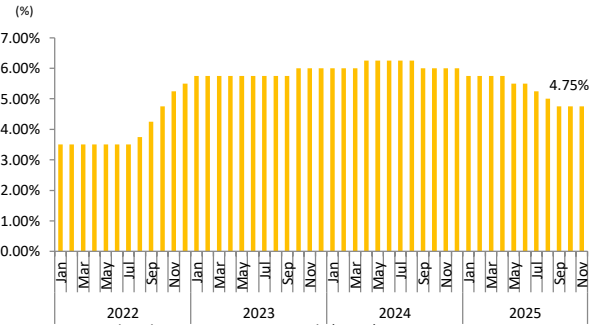
ECONOMIC CALENDAR

(13-19 NOV '25)

Event	Actual	Forecast	Previous
Thursday, 13 Nov '25			
Friday, 14 Nov '25			
Monday, 17 Nov '25			
Tuesday, 18 Nov '25			
Wednesday, 19 Nov '25			
ID Deposit Facility Rate (Nov)	3.75%		3.75%
ID Lending Facility Rate (Nov)	5.50%	5.50%	5.50%
ID Loans (YoY) (Oct)	7.36%		7.70%
ID Interest Rate Decision (Nov)	4.75%	4.75%	4.75%

Sources : Investing, KBVS Research (2025)

BI RATE



Sources : Bank Indonesia, KBVS Research (2025)

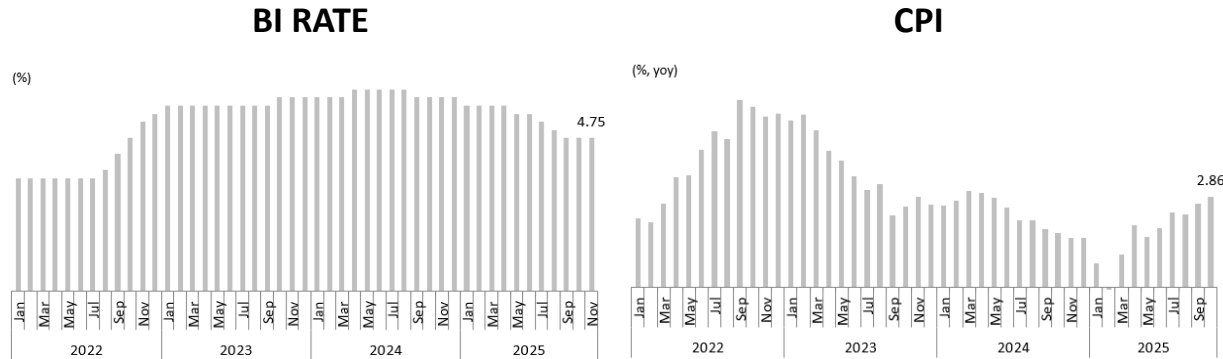
The data releases that influenced yield movements in the week of 13-19 Nov '25 are as follows:

- **As anticipated, Bank Indonesia opted to maintain its benchmark interest rate at 4.75%.**

This defensive stance is primarily a response to mounting pressure on the Rupiah, which depreciated by -0.26% (mtd, as of 18 Nov) to IDR 16,759 per USD.

The policy hold also reflects concerns over the ongoing current account deficit, which could further weigh on the Rupiah and potentially discourage ownership of domestic assets—both portfolio investments and direct investments.

BI RATE



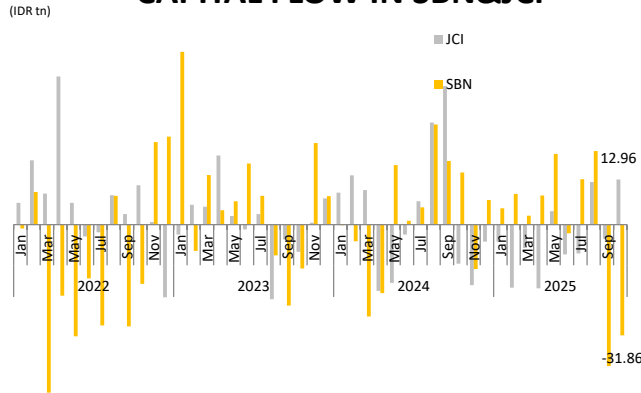
Indicators	19-Nov-25		Monthly Changes	Ytd Changes
	Latest	M-1	(in bps)	(in bps)
Policy Rate (in %)				
United States	4.00	4.25	(25.0)	(150.0)
European Union	2.15	2.15	0.0	(235.0)
United Kingdom	4.00	4.00	0.0	(125.0)
Japan	0.50	0.50	0.0	60.0
China	3.00	3.00	0.0	(45.0)
India	5.50	5.50	0.0	(100.0)
Thailand	1.50	1.50	0.0	(100.0)
Philippines	4.75	5.00	(25.0)	(175.0)
Indonesia	4.75	5.00	(25.0)	(125.0)
Global Monetary Policy Change (in number of countries)				
Easing	6	1		
Unchanged	18	8		
Tightening	0	0		
Average International Interest Rate (in %)				
USD LIBOR -1 Month	4.21	4.00	21.0	(12.0)
USD LIBOR -3 Months	4.49	3.86	63.0	19.0
USD LIBOR -6 Months	4.74	3.69	105.0	50.0
Domestic Interbank Money Market (in %)				
INDONIA	4.01	3.99	2.0	(202.0)
JIBOR - 1 Month	5.14	5.13	0.6	(148.4)
JIBOR - 3 Months	5.53	5.52	1.2	(138.8)
JIBOR - 6 Months	5.66	5.66	0.1	(139.9)
JIBOR - 12 Months	5.78	5.78	(0.1)	(144.1)

Source : Bank Indonesia (2025)

- As widely anticipated, Bank Indonesia (BI) opted to maintain its benchmark policy rate (Cons: 4.75%, KBVS: 4.75%, Prev: 4.75%).
- We see that with the steady rate, the Indonesia market remains attractive, with the 12-month Interbank Money Market (JIBOR) remaining stable at 5.6% - 5.8%. Furthermore, portfolio yields in Indonesia remain compelling, with the 10-year SUN yield currently ranging between 6.00% – 6.20%.
- Several key considerations shaped this decision.
 - First, intensified external pressure on the Rupiah
 - Second, potential inflationary pressures due to weather-related supply disruptions.
 - Third, the transmission of previous monetary easing to the banking sector remains sluggish.
 - Fourth, rising concerns over Indonesia's external balance, now running for nearly 10 consecutive quarters.
- Looking ahead, in the short term, Rupiah assets remain attractive, supporting currency stability. We maintain our expectation for a potential 25 bps cut in both the Fed Funds Rate and the BI rate by year-end. However, this BI rate cut projection relies on the assumption that there are no harvest failures that would threaten volatile food supplies.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Between 13-19 November '25, non-residents conducted:

- A net sell of tradeable SBN, amounting IDR3.56 tn.
- A net buy of JCI, amounting IDR4.12 tn.

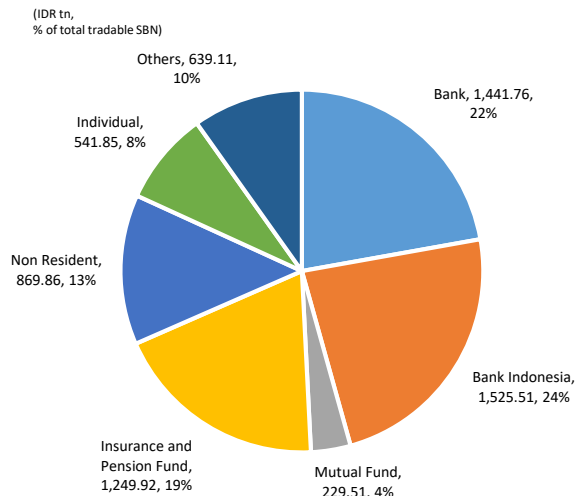
Sources : Bloomberg, KBVS Research (2025)

SUN LATEST AUCTION

18 Nov '25										
Instruments	SPN01251206	SPN03260218	SPN12261105	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.05	3.25	7.12	25.81	8.64	11.05	8.27	5.87	6.85	78.90
Bid to Cover Ratio	2.05	1.86	2.19	4.82	4.12	2.76	2.23	2.40	1.56	2.82
Weighted Average Yields Awarded	4.505%	4.534%	4.600%	5.407%	6.060%	6.370%	6.514%	6.730%	6.760%	
4 Nov '25										
Instruments	SPN01251206	SPN12260205	SPN12261105	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	4.50	1.27	5.88	20.16	23.73	17.73	3.19	5.61	5.43	87.49
Bid to Cover Ratio	2.25	1.27	1.47	13.44	5.16	2.48	1.48	2.55	1.60	3.12
Weighted Average Yields Awarded	4.520%	4.590%	4.600%	5.549%	6.123%	6.405%	5.529%	6.740%	6.760%	

Sources : DJPPR, KBVS Research (2025)

OWNERSHIP of IDR TRADABLE SBN



As of 17 November '25, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,525.51 tn (-IDR3.50 tn, WoW),
- Banks : IDR1,441.76 tn (+IDR13.00 tn, WoW), and
- Insurance & Pension Funds: IDR1,249.92 tn (+IDR2.24 tn, WoW)

Sources : DJPPR, and KBVS Research (2025)

SBSN LATEST AUCTION

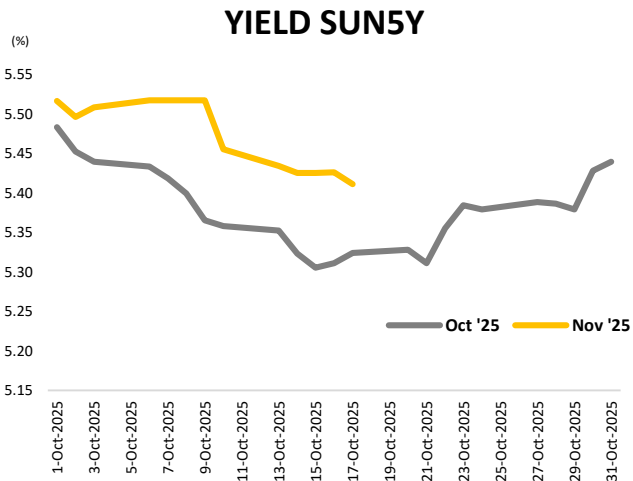
11 Nov '25									
Instruments	SPNS08122025	SPNS04052026	SPNS10082026	PBS030	PBS040	PBS034	PBS039	PBS038	Total
Incoming Bids (IDR tn)	6.05	1.41	7.51	5.16	5.87	8.52	4.11	4.82	43.44
Bid to Cover Ratio	6.05	1.41	7.51	8.59	2.86	3.79	2.83	7.42	4.34
Weighted Average Yields Awarded	4.539%	4.590%	4.601%	5.059%	5.420%	6.337%	6.451%	6.670%	
28 Oct '25									
Instruments	SPNS08122025	SPNS06042026	SPNS13072026	PBS030	PBS040	PBSG002	PBS034	PBS038	Total
Incoming Bids (IDR tn)	0.85	0.90	6.75	5.56	9.05	10.54	11.82	5.97	51.43
Bid to Cover Ratio	1.42	-	6.75	-	2.66	5.27	6.57	4.97	5.14
Weighted Average Yields Awarded	4.600%	-	4.600%	-	5.399%	5.909%	6.295%	6.610%	

Sources : DJPPR, KBVS Research (2025)

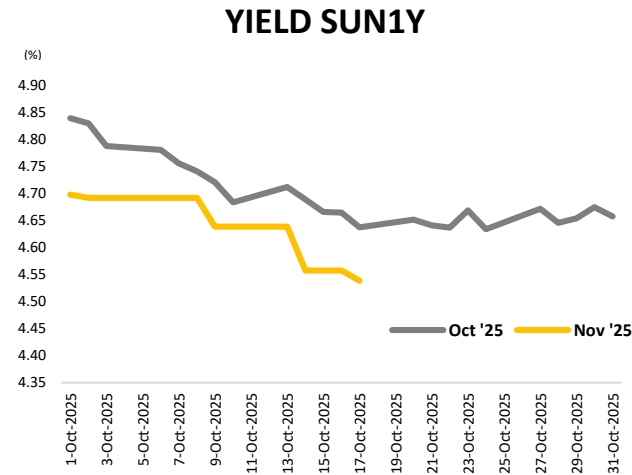
THE MOVEMENT OF SUN YIELDS

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

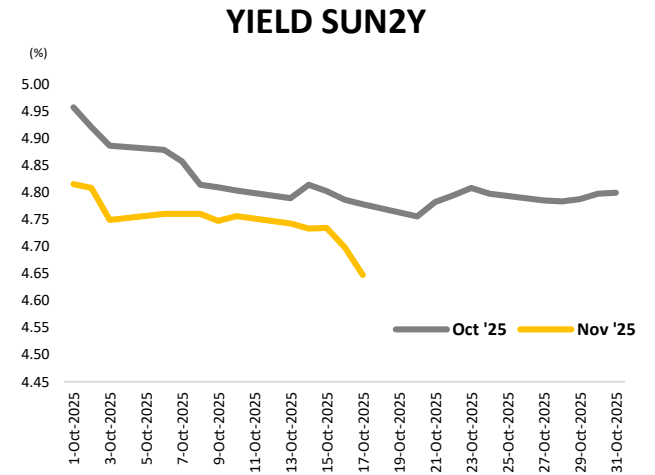
- Yield SUN1Y
 - -10.00 bps (WoW)
 - -215.00 bps (YtD, as of Nov 19, '25)
- Yield SUN2Y
 - -8.50 bps (WoW)
 - -223.30 bps (YtD, as of Nov 19, '25)
- Yield SUN5Y
 - -3.70 bps (WoW)
 - -157.00 bps (YtD, as of Nov 19, '25)
- Yield SUN10Y
 - -1.20 bps (WoW)
 - -84.30 bps (YtD, as of Nov 19, '25)
- Yield SUN30Y
 - -1.70 bps (WoW)
 - -33.40 bps (YtD, as of Nov 19, '25)



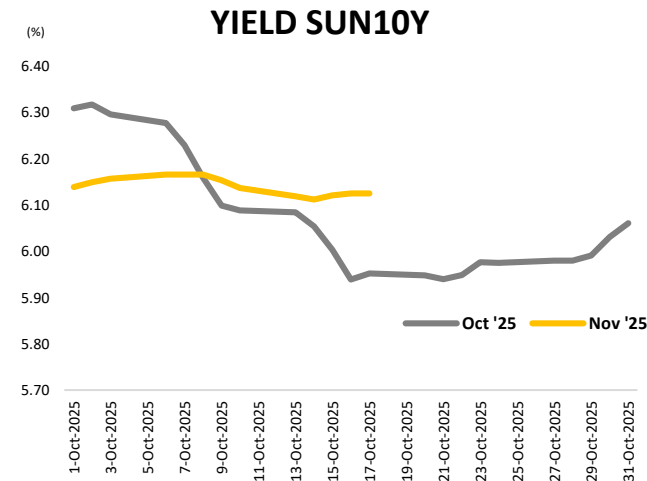
Sources : Bloomberg, KBVS Research (2025)



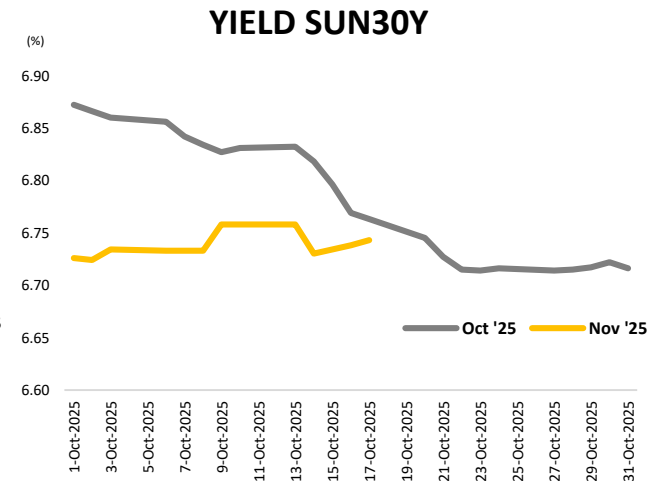
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)



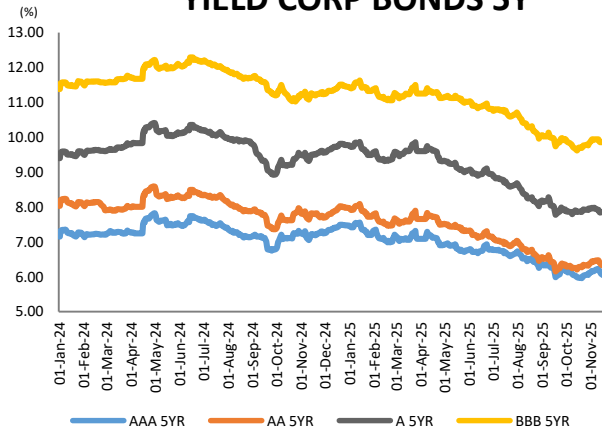
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)

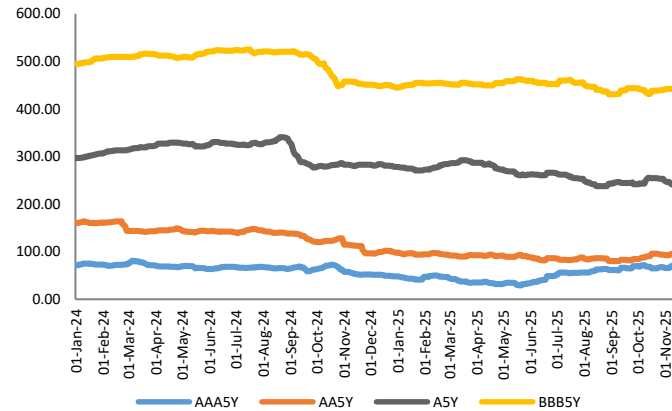
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2025)

YIELD SPREAD 5Y TENOR

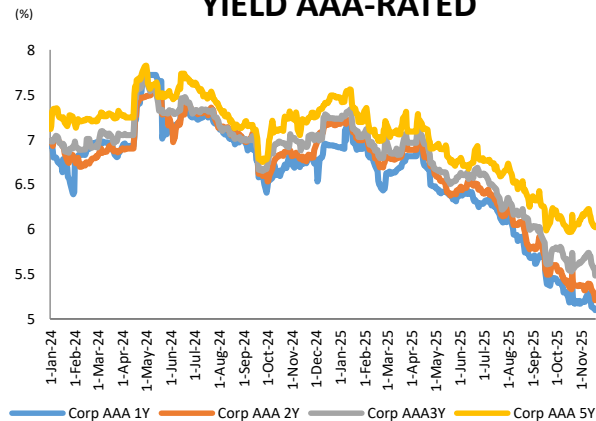


Sources : Bloomberg, KBVS Research (2025)

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

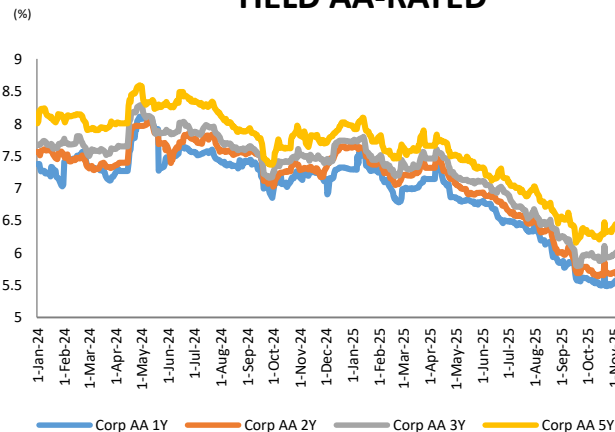
- AAA-rated
 - Tenor 1Y : -13.59 bps (WoW)
 - Tenor 2Y : -15.76 bps (WoW)
 - Tenor 5Y : -13.50 bps (WoW)
- AA-rated
 - Tenor 1Y : -17.29 bps (WoW)
 - Tenor 2Y : -15.51 bps (WoW)
 - Tenor 5Y : -10.45 bps (WoW)
- A-rated
 - Tenor 1Y : -4.96 bps (WoW)
 - Tenor 2Y : -5.86 bps (WoW), and
 - Tenor 5Y : -1.06 bps (WoW)

YIELD AAA-RATED



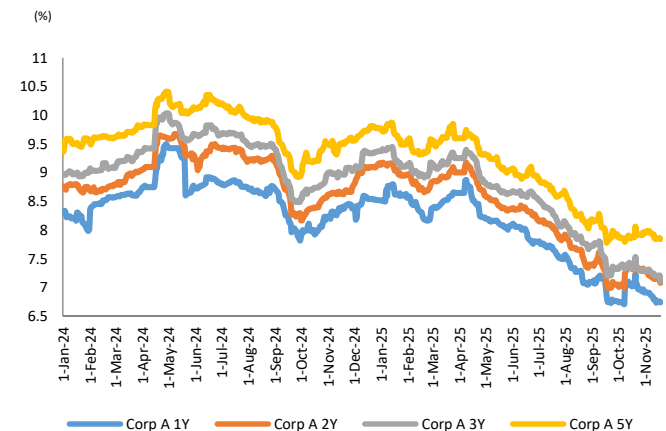
Sources : Bloomberg, KBVS Research (2025)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2025)

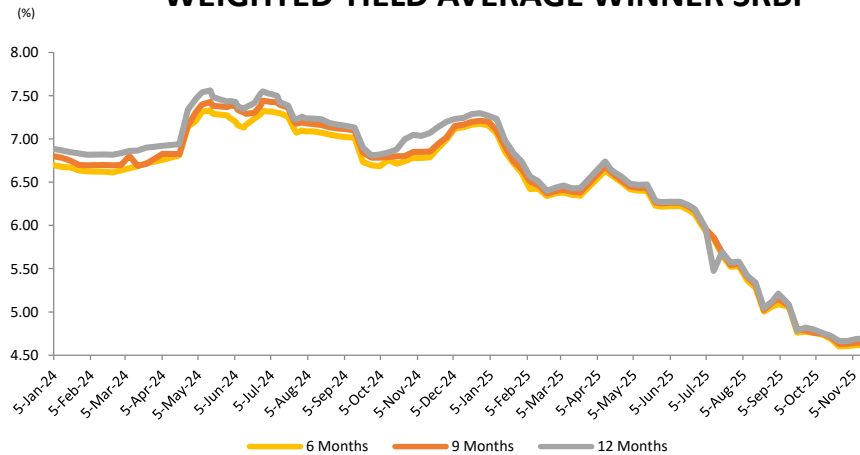
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2025)

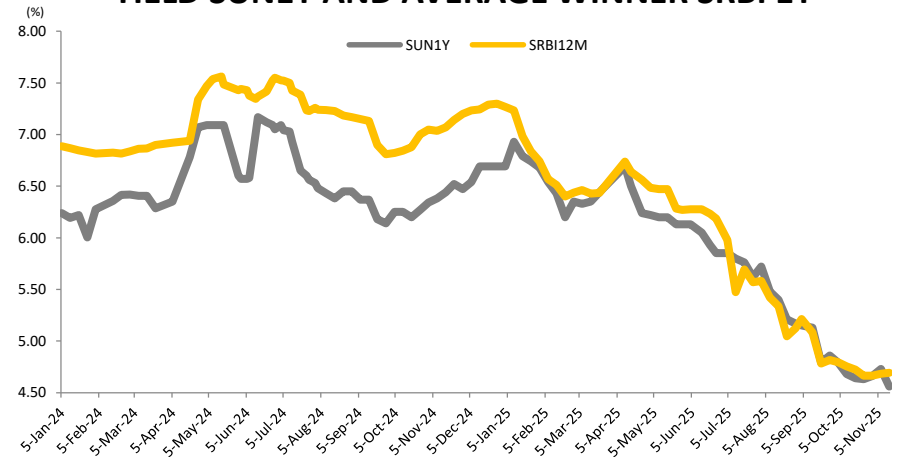
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



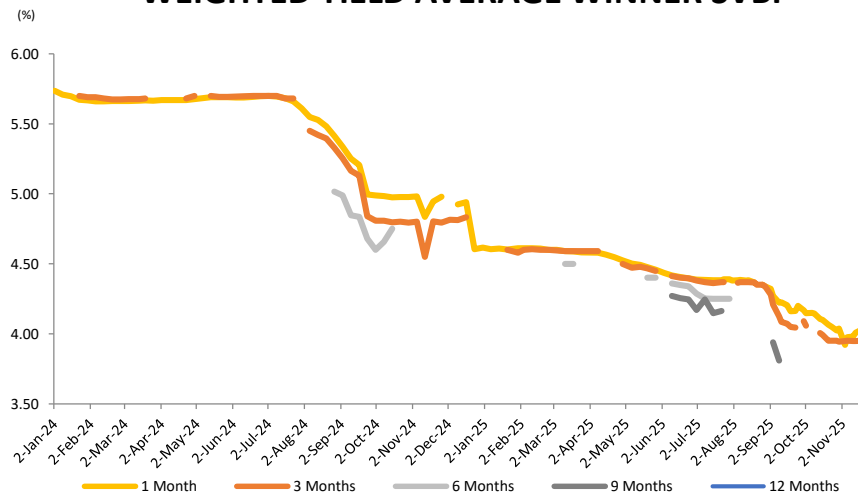
Sources : BI, KBVS Research (2025)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2025)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2025)

- Yields from the latest SRBI auction increased slightly across all tenors. The demand is focused mainly on the longest tenors offered which is 12 months. In total, only IDR18 tn of the securities are bought out of the IDR IDR27 tn offered. The Weighted Average Yield of Winning Bids were recorded at
 - 6 month : 4.62015% (Prev: 4.61692 %)
 - 9 month : 4.64583% (Prev: 4.64477 %)
 - 12 month : 4.69313% (Prev: 4.68441 %)
- Meanwhile, the latest SVBI auction maintains last week's trend with the 1-month period yield higher than the 3-month period yield. The 1-month yield and 3-month yield was recorded at 4.02862% and 3.95000% respectively, a slight increase from last week. The remaining 6, 9, and 12-month tenors were not offered.
 - 1 month: 4.02862% (Prev: 3.98012 %)
 - 3 month: 3.95000% (Prev: 3.94833 %)



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NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(20-26 NOV 2025)

Country	Event	Forecast	Previous	Country	Event	Forecast	Previous	Country	Event	Forecast	Previous
Thursday, Nov 20, 2025				Friday, Nov 21, 2025				Monday, Nov 24, 2025			
JP	Adjusted Trade Balance	-0.13T	-0.31T	US	10-Year TIPS Auction		1.73%	GE	Business Expectations (Nov)		91.60
CN	Loan Prime Rate 5Y (Nov)	3.50%	3.50%	JP	National Core CPI (YoY) (Oct)	3.00%	2.90%	GE	Current Assessment (Nov)		85.30
CN	PBoC Loan Prime Rate	3.00%	3.00%	JP	National CPI (MoM) (Oct)		0.10%	GE	Ifo Business Climate Index (Nov)		88.40
ID	Balance of Payments (EUR) (Q3)		-6.70B	JP	Exports (YoY) (Oct)	1.10%	4.20%	Tuesday, Nov 25, 2025			
ID	Current Account % GDP (Q3)		-0.80%	JP	Imports (YoY) (Oct)	-0.70%	3.00%	US	2-Year Note Auction		3.50%
GE	PPI (MoM) (Oct)	0.00%	-0.10%	JP	Trade Balance (Oct)	-280.00B	-237.40B	GE	GDP (QoQ) (Q3)		0.00%
US	Average Hourly Earnings (MoM) (Sep)		0.30%	JP	Au Jibun Bank Services PMI (Nov)		53.10	GE	GDP (YoY) (Q3)		0.30%
US	Average Hourly Earnings (YoY) (Sep)		3.70%	ID	M2 Money Supply (YoY) (Oct)		8.00%	US	ADP Employment Change Weekly		-2.50K
US	Nonfarm Payrolls (Sep)		22K	GB	Core Retail Sales (MoM) (Oct)		0.60%	US	Core PPI (MoM) (Sep)		-0.10%
US	Participation Rate (Sep)		62.30%	GB	Core Retail Sales (YoY) (Oct)		2.30%	US	PPI (MoM) (Sep)		-0.10%
US	Philly Fed Manufacturing Index (Nov)	-1.40	-12.80	GB	Retail Sales (MoM) (Oct)	0.10%	0.50%	US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Sep)		1.60%
US	Philly Fed Employment (Nov)		4.60	GB	Retail Sales (YoY) (Oct)		1.50%	US	S&P/CS HPI Composite - 20 n.s.a. (MoM) (Sep)		-0.60%
US	Private Nonfarm Payrolls (Sep)		38K	EU	ECB's De Guindos Speaks			US	CB Consumer Confidence (Nov)		94.60
US	U6 Unemployment Rate (Sep)		8.10%	GE	HCOB Manufacturing PMI (Nov)	49.80	49.60	US	Pending Home Sales (MoM) (Oct)		0.00%
US	Unemployment Rate (Sep)		4.30%	GE	HCOB Services PMI (Nov)	54.00	54.60	Tuesday, Nov 26, 2025			
US	Existing Home Sales (MoM) (Oct)		1.50%	EU	ECB President Lagarde Speaks			US	5-Year Note Auction		3.63%
US	Existing Home Sales (Oct)	4.06M	4.06M	EU	HCOB Manufacturing PMI (Nov)	50.20	50.00	US	API Weekly Crude Oil Stock		4.400M
				EU	HCOB Composite PMI (Nov)		52.50	GE	10-Year Bund Auction		2.62%
				EU	HCOB Services PMI (Nov)	52.80	53.00	US	Core Durable Goods Orders (MoM)		0.40%
				GB	S&P Global Composite PMI (Nov)		52.20	US	Core PCE Prices (Q3)		2.50%
				GB	S&P Global Manufacturing PMI (Nov)	49.30	49.70	US	Durable Goods Orders (MoM)		2.90%
				GB	S&P Global Services PMI (Nov)	52.00	52.30	US	GDP (QoQ) (Q3)		3.00%
				US	FOMC Member Williams Speaks			US	GDP Price Index (QoQ) (Q3)		2.00%
				GE	Buba President Nagel Speaks			US	Goods Trade Balance		-85.50B
				US	Fed Vice Chair for Supervision Barr Speaks			US	Retail Inventories Ex Auto		0.30%
				US	S&P Global Manufacturing PMI (Nov)		52.50	US	Chicago PMI		43.80
				US	S&P Global Composite PMI (Nov)		54.60	US	Core PCE Price Index (MoM)		0.20%
				US	S&P Global Services PMI (Nov)		54.80	US	Core PCE Price Index (YoY)		2.90%
				US	Michigan 1-Year Inflation Expectations (Nov)	4.70%	4.60%	US	New Home Sales (Sep)		800K
				US	Michigan 5-Year Inflation Expectations (Nov)	3.60%	3.90%	US	New Home Sales (MoM) (Sep)		20.50%
				US	Michigan Consumer Expectations (Nov)	49.00	50.30	US	PCE Price Index (MoM)		0.30%
				US	Michigan Consumer Sentiment (Nov)	50.30	53.60	US	PCE Price Index (YoY)		2.70%
				GB	BoE MPC Member Pill Speaks			US	Personal Spending (MoM)		0.60%

