Delayed Fed Easing and Rating Developments Shape Indonesia's Market Outlook

12 February 2026

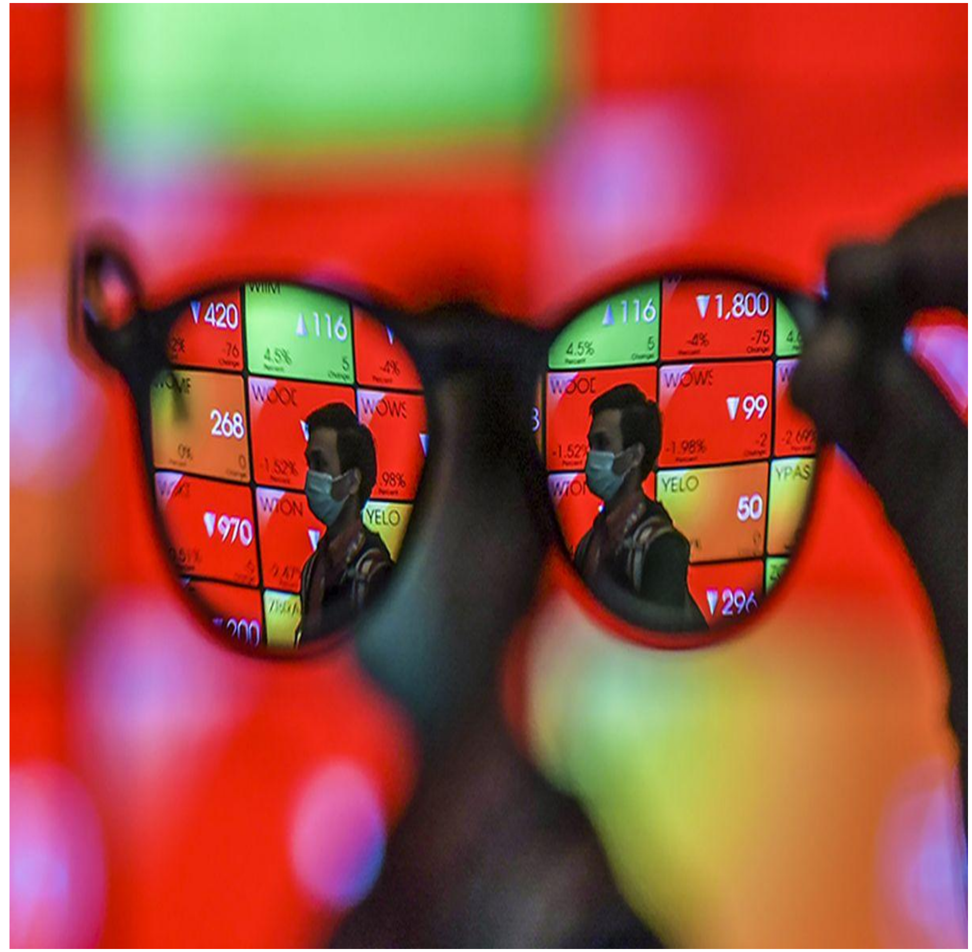
Economist / Fikri C Permana

KB Valbury Sekuritas

EXCECUTIVE SUMMARY

- The US federal budget deficit narrowed to USD94.6 bn in Jan ‘26 from USD128.6 bn a year earlier, supported by stronger revenue collection. Total receipts rose 9.1% YoY to USD559.9 bn, driven mainly by individual income taxes, social insurance contributions, and customs duties, with seasonal factors providing an additional boost.
- Meanwhile, total outlays grew at a more moderate 2.0% YoY to USD654.6 bn, led by spending on Social Security, healthcare and Medicare, and national defense.
- However, the Congressional Budget Office warned that current fiscal policies could widen the deficit by around USD1.4 tn over the next decade, with annual shortfalls projected to rise from USD1.9 tn in 2026 to USD3.1 tn by 2036, potentially pushing public debt above its post-World War II peak by 2030.
- Against this backdrop, markets continue to price a higher-for-longer policy stance through 1Q26, with a 79.9% probability that the Fed will hold rates at 350–375 bps in March. The first 25 bps rate cut is now expected in Jun ‘26, followed by gradual easing through September.

- This delay in easing expectations has supported the DXY Index and kept USDIDR near the upper end of the IDR16,500–17,000 range, while UST yield curves remain positively sloped but consolidating.
- In Indonesia, 4Q25 GDP exceeded expectations, driven by strong growth in public administration and government consumption, although January indicators were mixed—FX reserves fell to USD154.6 bn, consumer confidence rose to 127.0, and motorbike sales growth moderated to 3.1% YoY.
- At the same time, MSCI’s warning, Moody’s outlook downgrade, and FTSE Russell’s decision to delay index rebalancing warrant close attention, as they have contributed to renewed volatility in domestic financial markets.



Source : Kompas (20256), link: https://money.kompas.com/read/2026/02/11/151024026/ftse-tunda-rebalancing-indeks-ri-bagaimana-laju-ihsg-sepekan

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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Jan '26	3.75	3.75
Economic Growth	%, yoy	3Q25	2.3	2.1
Inflation Rate	%, yoy	Dec '25	2.7	2.7
Unemployment Rate	%	Dec '25	4.4	4.5

Sources : various sources, KBVS Research (2026)

The data releases that influenced yield movements in the week of 5-11 Feb '26 are as follows:

- US Initial Jobless Claims increased to 231K (Cons: 212K, Prev: 209K).
- US JOLTS Job Openings in Dec '25 decreased to 6.542M (Cons: 7.200M, Prev: 6.928M).
- US Retail Sales in Dec '25 decreased to 0.00% MoM (Cons: 0.40% MoM, Prev: 0.60% MoM).
- US Core Retail Sales in Dec '25 decreased to 0.00% MoM (Cons: 0.30% MoM, Prev: 0.40% MoM).

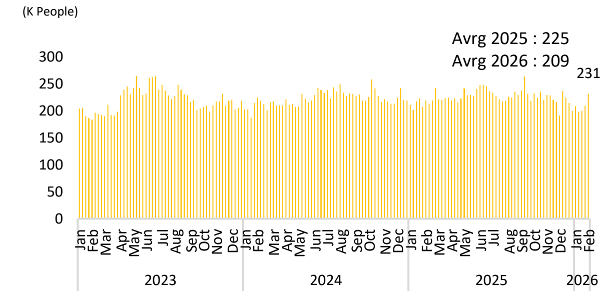
ECONOMIC CALENDAR

(5-11 FEB '26)

Event	Actual	Forecast	Previous
Thursday, 5 Feb '26			
US Initial Jobless Claims	231K	212K	209K
US Continuing Jobless Claims	1,844K	1,850K	1,819K
US JOLTS Job Openings (Dec)	6.542M	7.200M	6.928M
US FOMC Member Bostic Speaks			
Friday, 6 Feb '26			
US Fed's Balance Sheet	6,606B		6,588B
US President Trump Speaks			
US Michigan 1-Year Inflation Expectations (Feb)	3.50%	4.00%	4.00%
US Michigan 5-Year Inflation Expectations (Feb)	3.40%	3.30%	3.30%
US Michigan Consumer Expectations (Feb)	56.60	56.70	57.00
US Michigan Consumer Sentiment (Feb)	57.30	55.00	56.40
Monday, 9 Feb '26			
US NY Fed 1-Year Consumer Inflation Expectations (Jan)	3.10%		3.40%
Tuesday, 10 Feb '26			
US Fed Waller Speaks			
US FOMC Member Bostic Speaks			
US ADP Employment Change Weekly	6.50K		5.00K
US Retail Sales (MoM) (Dec)	0.00%	0.40%	0.60%
US Core Retail Sales (MoM) (Dec)	0.00%	0.30%	0.40%
US Import Price Index (MoM) (Dec)	0.10%	0.10%	0.40%
US Export Price Index (MoM) (Dec)	0.30%	0.10%	0.50%
US Employment Cost Index (QoQ) (Q4)	0.70%	0.80%	0.80%
US Retail Control (MoM) (Dec)	-0.10%	0.40%	0.20%
US Business Inventories (MoM) (Nov)	0.10%	0.20%	0.20%
US Retail Inventories Ex Auto (Nov)	0.20%		0.20%
Wednesday, 11 Feb '26			
US 3-Year Note Auction	3.52%		3.61%
US API Weekly Crude Oil Stock	13.400M		-11.100M
US Average Hourly Earnings (MoM) (Jan)	0.40%	0.30%	0.30%
US Nonfarm Payrolls (Jan)	130K	66K	50K
US Unemployment Rate (Jan)	4.30%	4.40%	4.40%
US Private Nonfarm Payrolls (Jan)	172K	70K	37K
US U6 Unemployment Rate (Jan)	8.0%		8.40%
US Average Hourly Earnings (YoY) (Jan)	3.70%	3.60%	3.80%
US Participation Rate (Jan)	62.5%		62.40%
US Payrolss Benchmark n.s.a.	181.00K		-911.00K
US FOMC Member Bowman Speaks			
US Crude Oil Inventories	8.530M	-0.200M	-3.455M
US Cushing Crude Oil Inventories	1071M		-0.743M

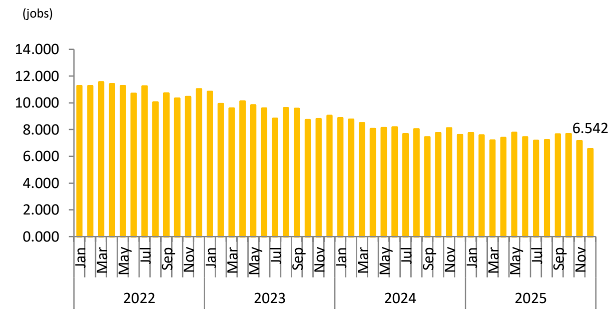
Sources : investing, KBVS Research (2026)

WEEKLY INITIAL JOBLESS CLAIMS



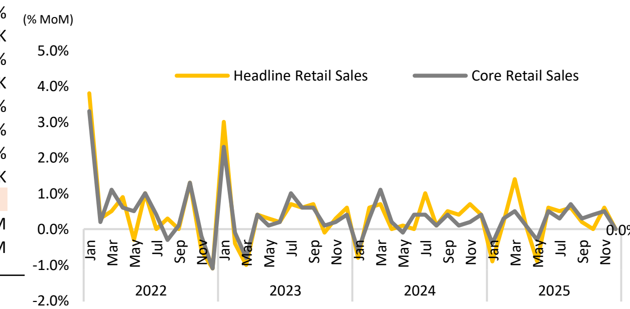
Sources : US DoL, KBVS Research (2026)

JOLTS JOB OPENINGS



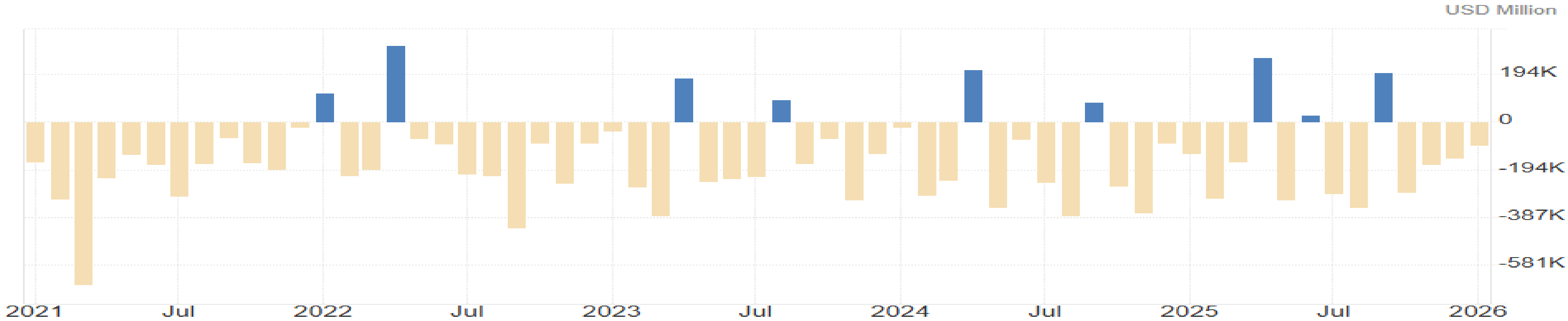
Sources : US Labor of Statistics, KBVS Research (2026)

RETAIL SALES



Sources : US Census Bureau, KBVS Research (2026)

CBO WARNS OF RISING US DEFICITS DESPITE JAN '26 IMPROVEMENT



Sources : Trading Economics (2026)

- The US federal government recorded a budget deficit of USD94.6 billion in Jan '26, narrowing from a USD128.6 bn deficit in the same month a year earlier.
- Revenue performance was notably stronger, with total receipts rising 9.1% YoY to USD559.9 bn. The increase was primarily driven by individual income taxes (USD317.3 bn), social insurance and retirement contributions (USD169.8 bn), and customs duties (USD27.7 bn). The improvement largely reflected seasonal and collection-timing factors, which temporarily boosted tax and customs inflows during the month.
- On the expenditure side, total outlays increased more moderately, rising 2.0% YoY to USD654.6 bn. The largest spending components were Social Security (USD143.6 bn), health and Medicare programs (USD217.1 bn), and national defense (USD70.8 bn). Monthly spending dynamics were also influenced by the timing of several payments, including Medicare and veterans' benefits.

- Looking ahead, the Congressional Budget Office (CBO) warned that the administration's fiscal policies could expand the federal deficit by approximately USD1.4 tn over the next decade, further increasing public debt.
- The CBO raised its estimate of cumulative deficits through 2035 by 6% compared with its Jan '25 projection, reflecting the impact of recent tax, spending, and immigration measures.
- Under the revised outlook, the annual deficit is projected to widen from USD1.9 tn in 2026 to USD3.1 tn by 2036, potentially pushing federal debt above its post-World War II peak as early as 2030, placing government finances on an increasingly unsustainable trajectory.


Trump's policies will add $1.4tn to US deficit over next decade, watchdog says

Congressional Budget Office warns Washington's public finances are 'not sustainable'

The Congressional Budget Office raised its estimate of cumulative deficits to 2035 by 6% following the implementation of the president's sweeping tax and spending bill and his immigration policies © Bryan Dozier/ZUMA Press Wire/Reuters Connect

Sources : FT (2026), link: https://www.ft.com/content/03a1bfe8-528a-4ac9-b586-05b1d9733d42

FED PROBABILITIES

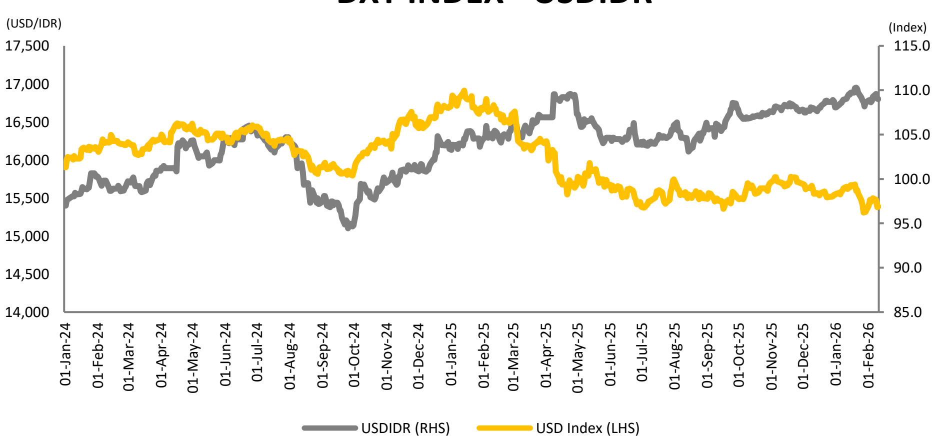
FED PROBABILITIES, as of 11 Feb '26

MEETING DATE	175-200	220-225	225-250	250-275	275-300	300-325	325-350	350-375
18-Mar-26	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.1%	79.9%
29-Apr-26	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%	36.2%	58.4%
17-Jun-26	0.0%	0.0%	0.0%	0.0%	3.1%	23.1%	49.0%	24.8%
29-Jul-26	0.0%	0.0%	0.0%	1.2%	10.8%	33.1%	39.7%	15.3%
16-Sep-26	0.0%	0.0%	0.5%	5.6%	21.0%	36.1%	28.5%	8.3%
28-Oct-26	0.0%	0.1%	1.8%	9.3%	24.6%	34.2%	23.6%	6.3%
9-Dec-26	0.0%	0.5%	3.5%	12.9%	26.9%	31.8%	19.6%	4.8%
27-Jan-27	0.1%	0.7%	4.1%	13.7%	27.2%	31.1%	18.7%	4.5%

Sources : CME Group, and KBVS Research (2026)

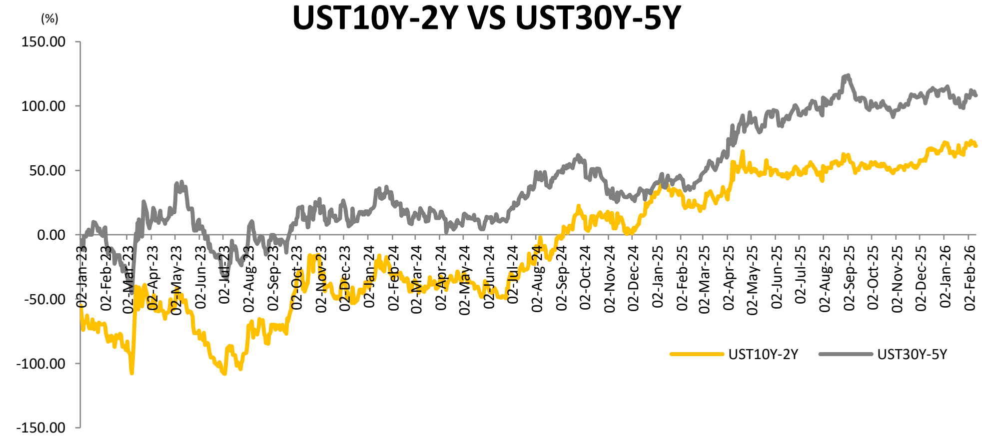
- Market consensus has firmly converged on a "higher-for-longer" policy stance through 1Q26, with a 79.9% probability of the policy rate being held at 350–375 bps at the March meeting, underscoring continued caution against premature easing.
- The first rate cut is now priced in for the 17 Jun '26 meeting, where the probability of a 25 bps reduction has risen to 49.0%, reversing the hold bias reflected in earlier April projections.
- Beyond June, the easing trajectory is expected to be gradual, with a second 25 bps cut (to 300–325 bps) emerging as the base case (36.1% probability) by the 16 Sep '26 meeting.
- The postponement of easing expectations has reinforced the DXY Index's strength, keeping USDIDR elevated and testing the upper end of the IDR16,500–17,000 per USD range.
- Meanwhile, the UST 10Y–2Y and 30Y–5Y spreads remain positive but are consolidating, indicating market adjustment to a delayed—yet increasingly likely—mid-year policy pivot.

DXY INDEX - USDIDR



Sources : Bloomberg, and KBVS Research (2026)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2026)

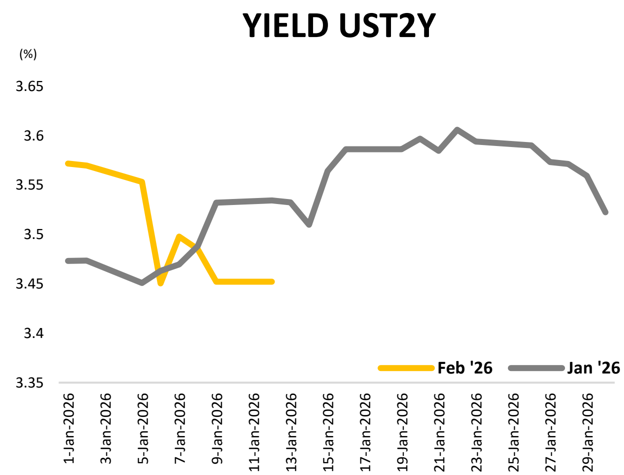
THE MOVEMENT OF UST YIELDS

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+

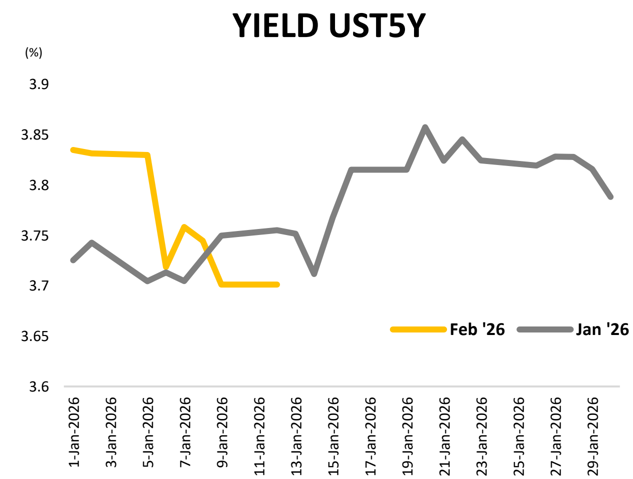
Sources : US Treasury, KBVS Research (2026)

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

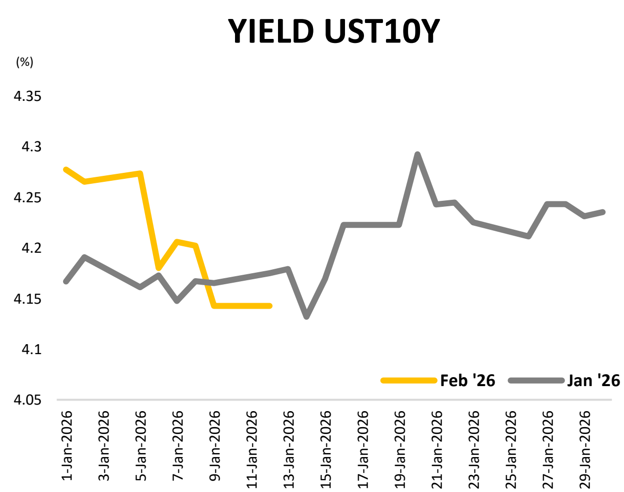
- Yield UST6M
  - -5.52 bps (WoW)
  - -1.28 bps (YtD, as of Feb 11,'26)
- Yield UST1Y
  - -8.94 bps (WoW)
  - -8.29 bps (YtD, as of Feb 11,'26)
- Yield UST2Y
  - -10.75 bps (WoW)
  - -2.73 bps (YtD, as of Feb 11,'26)
- Yield UST5Y
  - -13.91 bps (WoW)
  - -3.45 bps (YtD, as of Feb 11,'26)
- Yield UST10Y
  - -13.87 bps (WoW)
  - -3.22 bps (YtD, as of Feb 11,'26)
- Yield UST30Y
  - -14.21 bps (WoW)
  - -6.87 bps (YtD, as of Feb 11,'26)



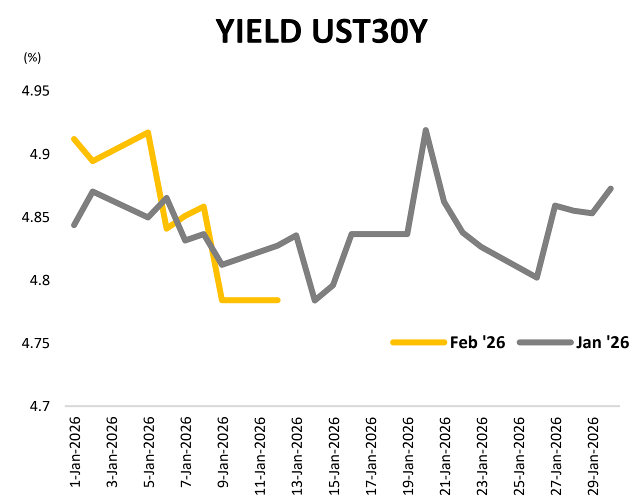
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)

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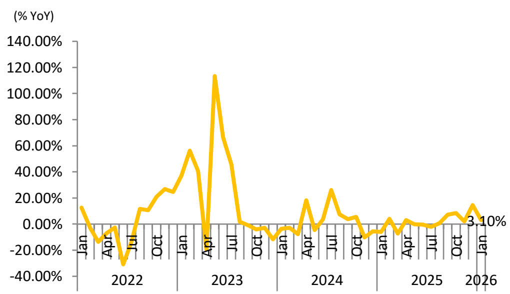
INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	21 Jan '26	4.75	4.75
Economic Growth	%, yoy	4Q25	5.39	5.04
Inflation Rate	%, yoy	Jan '26	3.55	2.92
Unemployment Rate	%	Sep '25	4.85	4.76
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2026)

MOTORBIKE SALES



Sources : BPS, KBVS Research (2026)

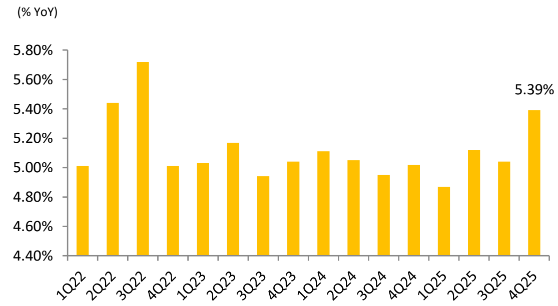
ECONOMIC CALENDAR

(5-11 FEB '26)

Event	Actual	Forecast	Previous
Thursday, 5 Feb '26			
ID GDP Annual (YoY)	5.11%	5.00%	5.03%
ID GDP (YoY) (Q4)	5.39%	5.01%	5.04%
ID GDP (QoQ) (Q4)	0.86%	0.68%	1.42%
Friday, 6 Feb '26			
ID Fx Reserves (USD) (Jan)	154.60B		156.50B
Monday, 9 Feb '26			
ID Consumer Confidence (Jan)	127.00		123.50
ID Motorbike Sales (YoY) (Jan)	3.10%		14.50%
Tuesday, 10 Feb '26			
Wednesday, 11 Feb '26			

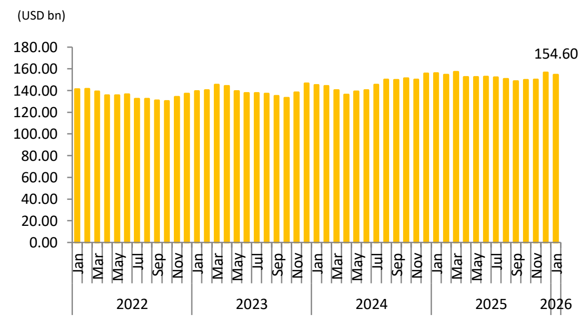
Sources : Investing, KBVS Research (2025)

GDP



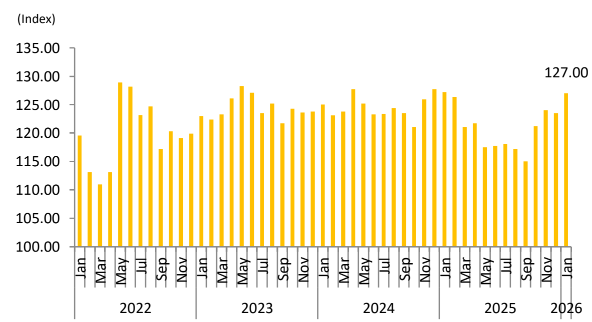
Sources : BPS, KBVS Research (2026)

FX RESERVES



Sources : BI, KBVS Research (2026)

CONSUMER CONFIDENCE



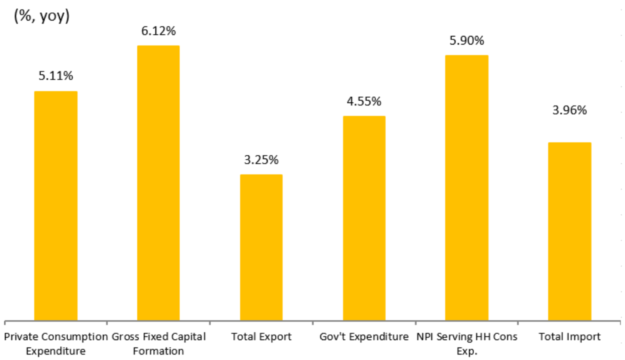
Sources : BI, KBVS Research (2026)

The data releases that influenced yield movements in the week of 5-11 Feb '26 are as follows:

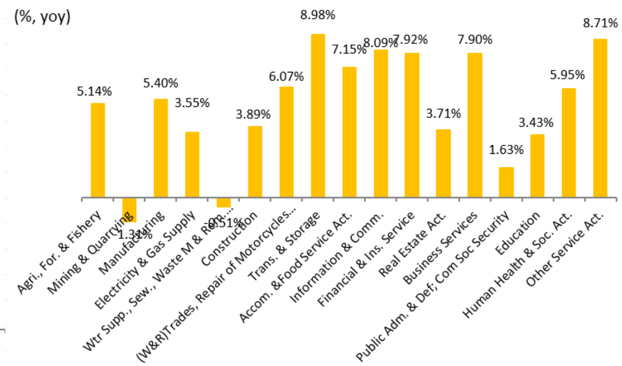
- **Indonesia's economic growth in 4Q25 exceeded expectations.** This outcome was notable given the major floods in Sumatra in early Nov '25 and relatively weak tax revenue realization in 2025, which reached IDR1,917.6 tn (Prev: IDR1,932.4 tn). Despite these challenges, BPS recorded the strongest growth on the production side from Public Administration, Defence, and Compulsory Social Security, which expanded by 13.59% yoy. On the expenditure side, Government Consumption grew the fastest, rising by 37.68% yoy. **Looking ahead, we expect these two components to remain key growth drivers, supported by the government's political commitments.**
- ID FX Reserves in Jan '26 decreased to 154.60B (Prev: 156.50B).
- ID Consumer Confidence in Jan '26 increased to 127.00 (Prev: 123.50).
- ID Motorbike Sales in Jan '26 decreased to 3.10% YoY (Prev: 14.50% YoY).

GDP

GDP BASED ON EXPENDITURE



GDP BASED ON INDUSTRIAL ORIGIN



Types	Current Price			Constant Price (2010)		
	2024	3Q25	2025	2024	3Q25	2025
Based On Expenditure						
Private Consumption Expenditure	11,965.40	3,220.00	12,834.80	6,806.90	1,786.70	7,145.80
Gross Fixed Capital Formation	6,452.50	1,762.80	6,852.60	4,001.70	1,084.80	4,205.40
Total Export	4,939.10	1,432.40	5,442.30	3,106.50	870.80	3,325.00
Total Import	4,538.60	1,222.30	4,894.00	2,585.50	677.80	2,708.80
Government Consumption Expenditure	1,714.60	434.80	1,794.30	958.00	237.90	982.00
NPI Serving Household Consumption Expenditure	300.10	78.10	321.50	173.10	44.00	182.00
Changes in Inventories	498.30	102.50	441.10	127.70	49.60	214.20
Based On Industrial Origin						
Manufacturing	4,202.90	1,160.60	4,541.50	2,618.90	704.60	2,757.60
Agri., For. & Fishery	2,791.70	869.40	3,120.50	1,464.40	424.00	1,542.40
(W&R)Trades, Repair of Motorcycles & MC	2,893.30	799.10	3,136.60	1,682.60	451.20	1,775.00
Mining & Quarrying	2,026.60	515.60	2,048.60	955.30	237.20	948.90
Construction	2,233.50	595.00	2,340.90	1,262.80	333.60	1,311.00
Transportation & Storage	1,358.10	369.90	1,466.30	603.10	166.70	656.00
Information & Comm.	960.00	266.60	1,048.70	868.40	238.80	940.90
Financial & Ins. Service	922.80	237.90	979.70	519.70	130.80	540.30
Education	621.40	166.10	666.90	372.30	97.60	390.90
Public Adm. & Def; Com Soc Security	673.50	156.20	715.10	403.40	92.10	419.00
Accom. &Food Service Act.	583.90	162.60	639.00	415.00	113.10	445.80
Real Estate Act.	520.70	138.40	534.80	352.50	92.10	365.10
Other Service Act.	454.30	125.60	508.90	266.70	72.10	293.20
Business Services	424.20	138.40	471.70	251.50	92.10	274.40
Human Health & Soc. Act.	278.20	75.90	299.70	182.70	48.90	192.90
Electricity & Gas Supply	227.50	60.80	238.70	134.60	35.20	138.80
Wtr Supp., Sew., Waste M & Rem. Activities	14.20	3.80	14.90	10.90	2.80	11.00
Indonesia's GDP	22,139.00	6,060.00	23,821.10	12,920.50	3,444.80	13,580.50

Source: KBVS, BPS (2026)

- **Indonesia's economic growth in 4Q25 exceeded expectations, reaching 0.86% QoQ or 5.39% YoY.** On a quarterly basis, the strongest expansion from the production side came from Public Administration, Defence, and Compulsory Social Security. Support from the expenditure side was particularly evident in 4Q25, led by a sharp acceleration in Government Consumption. Meanwhile, Household Consumption, which accounts for more than half of GDP, continued to support growth, expanding 1.84% QoQ and 5.11% YoY in 4Q25, or 4.98% YoY for full-year 2025.

- **Despite the stronger headline GDP growth, several indicators suggest that underlying demand remains moderate.** Moreover, stronger economic growth has yet to be reflected in tax revenue performance. **Against this backdrop, we view Moody's decision on 5 February 2026 to revise Indonesia's sovereign outlook from stable to negative, while maintaining the Baa2 rating, as understandable. For fixed-income markets, this development is likely to translate into a higher risk premium**, particularly for future global bond issuances.

- **Looking ahead, government policy commitments to support household consumption, particularly through fiscal spending and social programs, are expected to remain key growth drivers.** On the investment front, activity is expected to gradually improve, supported by resilient manufacturing indicators. Finally, the divergence between consumer expectations, manufacturing PMI, and business activity surveys suggests uneven economic gains across income groups.

EROSION OF INSTITUTIONAL CONFIDENCE

- **Technical and accessibility hurdles:** The delay is officially attributed to "market accessibility" issues, suggesting that Indonesia's current trading infrastructure or regulatory environment is not meeting global standards for passive fund inclusion.
- **BEI is in "Damage Control" mode:** The Indonesia Stock Exchange (BEI) management responded by stating they are working to resolve these administrative technicalities to ensure the delay does not become a permanent exclusion.
- **Stagnation of passive inflows:** This postponement stalls significant "blind" capital inflows from global funds that track FTSE indices, potentially capping the upside for major blue-chip stocks in the near term.

FTSE Tunda Index Review Saham RI, Ini Respons BEI

Mentari Puspadini, CNBC Indonesia

10 February 2026 10:42

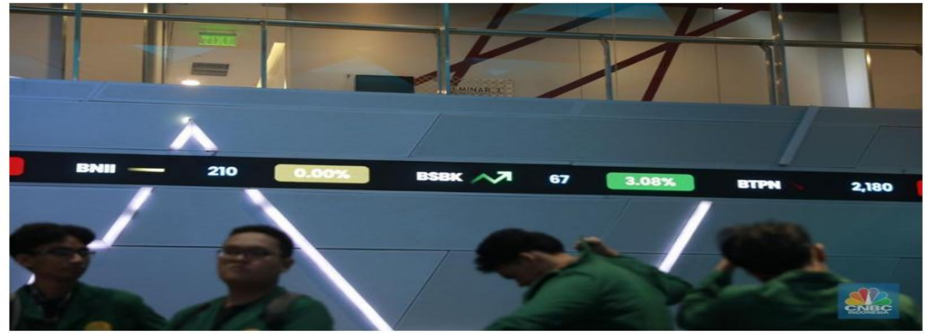


Foto: Suasana layar digital pergerakan harga saham di Bursa Efek Indonesia, Jakarta, Jumat (30/1/2026). (CNBC Indonesia/Muhammad Sabki)

Source: CNBC(2026), link: https://www.cnbcindonesia.com/market/20260210103316-17-709756/ftse-tunda-index-review-saham-ri-ini-respons-bei

- **Governance concerns supersede growth:** While the **Baa2 rating** remains intact, Moody's cited a deterioration in institutional strength and policy predictability as the primary catalysts for the outlook shift
- **Fiscal discipline under scrutiny:** The agency is flagging potential risks to the state budget from aggressive social spending and massive infrastructure projects, which could threaten the 3% deficit ceiling.
- **Increased risk premium:** This revision serves as a warning to global investors, likely driving up the yield requirements for Indonesian sovereign and corporate bonds in international markets.

Moody's cuts Indonesia outlook to negative on governance concerns

By Ankur Banerjee, Stefanno Sulaiman and Gayatri Suroyo

February 5, 2026 9:04 PM GMT+7 · Updated February 5, 2026

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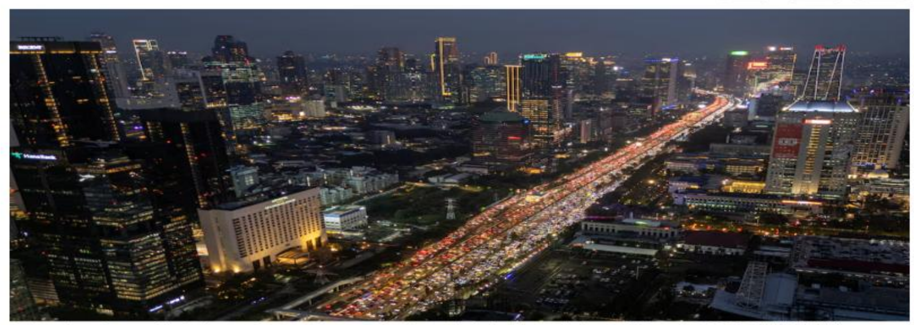
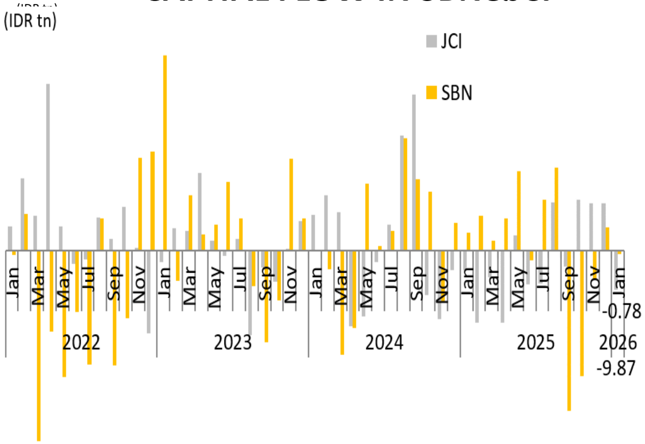


A drone view shows traffic during evening rush hours at the business district in Jakarta, Indonesia, February 3, 2026. REUTERS/Willy Kurniawan/File Photo Purchase Licensing Rights

Source: Reuters (2026), [link: https://www.reuters.com/world/asia-pacific/moodys-cuts-indonesia-outlook-negative-governance-concerns-2026-02-05/](https://www.reuters.com/world/asia-pacific/moodys-cuts-indonesia-outlook-negative-governance-concerns-2026-02-05/)

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2026)

Between 5-11 February '26, non-residents conducted:

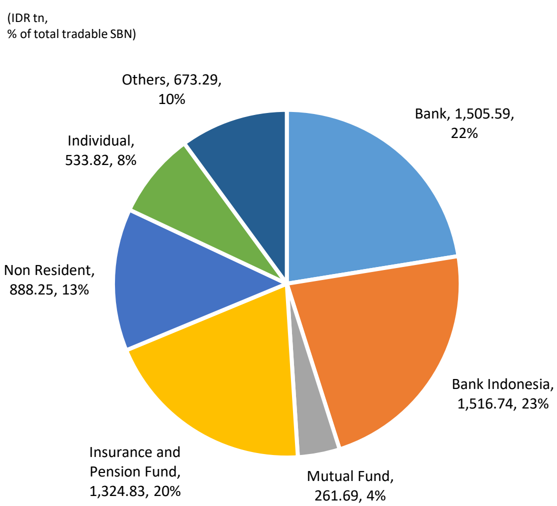
- A net buy of tradeable SBN, amounting IDR6.22 tn.
- A net buy of JCI, amounting IDR0.01 tn.

SUN LATEST AUCTION

3 Feb '26										
Instruments	SPN01260307	SPN12260507	SPN12270204	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.66	2.40	6.92	25.40	20.60	6.94	4.13	3.79	3.75	76.59
Bid to Cover Ratio	1.72	4.80	1.38	4.13	1.96	1.24	3.94	1.35	1.32	2.13
Weighted Average Yields Awarded	4.480%	4.500%	4.610%	5.706%	6.320%	6.540%	6.588%	6.750%	6.790%	
20 Jan '26										
Instruments	SPN01260221	SPN12260423	SPN12270107	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	6.18	10.96	14.48	15.40	14.63	6.00	5.84	4.95	4.47	82.90
Bid to Cover Ratio	3.09	3.65	2.90	2.00	2.25	2.93	1.41	1.90	1.49	2.30
Weighted Average Yields Awarded	4.300%	4.350%	4.650%	5.718%	6.320%	6.490%	6.590%	6.730%	6.790%	

Sources : DJPPR, KBVS Research (2026)

OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2026)

As of 9 February '26, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,516.74 tn (-IDR43.32 tn, WoW),
- Banks : IDR1,505.59 tn (+IDR51.83 tn, WoW), and
- Insurance & Pension Funds: IDR1,324.83 tn (+IDR7.16 tn, WoW)

SBSN LATEST AUCTION

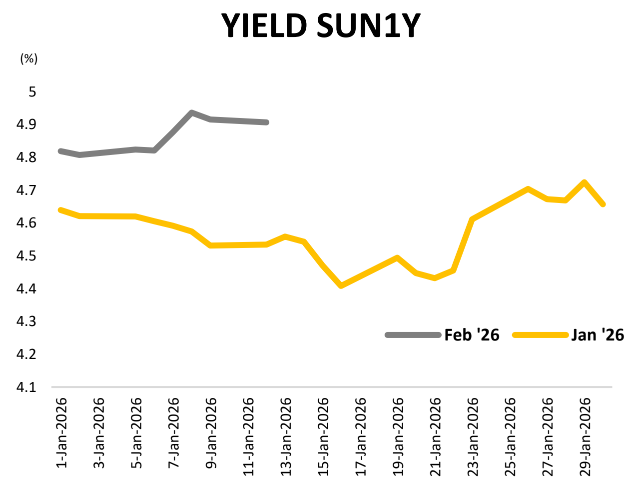
10 Feb '26									
Instruments	SPNS09032026	SPNS10082026	SPNS12102026	PBS030	PBS040	PBSG002	PBS034	PBS038	Total
Incoming Bids (IDR tn)	3.40	2.48	7.25	9.68	3.19	7.85	5.23	4.75	43.83
Bid to Cover Ratio	3.09	1.55	-	1.86	6.38	17.45	4.18	2.50	3.65
Weighted Average Yields Awarded	4.400%	4.500%	-	5.250%	5.640%	6.155%	6.374%	6.783%	
27 Jan '26									
Instruments	SPNS09032026	SPNS10082026	SPNS12102026	PBS030	PBS040	PBS034	PBS005	PBS038	Total
Incoming Bids (IDR tn)	4.64	3.15	6.29	10.80	3.00	2.01	2.57	6.15	38.59
Bid to Cover Ratio	4.64	3.15	3.15	3.93	1.50	1.38	3.43	5.85	3.22
Weighted Average Yields Awarded	4.250%	4.400%	4.750%	5.237%	5.599%	6.419%	6.620%	6.720%	

Sources : DJPPR, KBVS Research (2026)

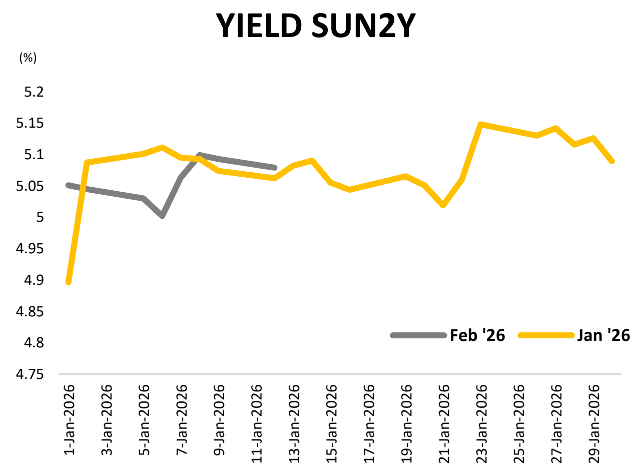
THE MOVEMENT OF SUN YIELDS

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

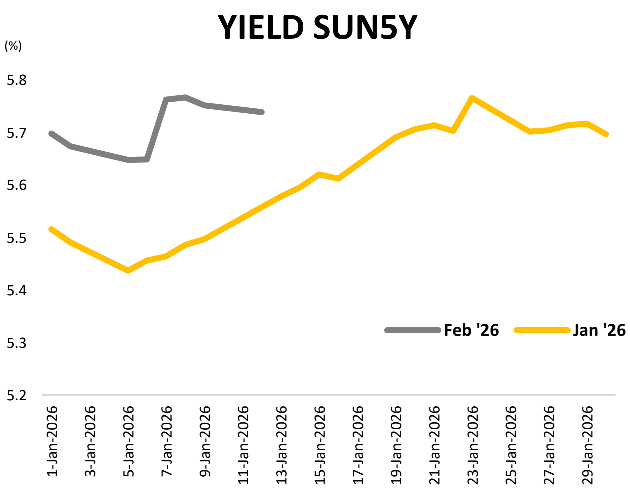
- Yield SUN1Y
    - +7.80 bps (WoW)
    - +26.30 bps (YtD, as of Feb 11,'26)
- Yield SUN2Y
    - +3.70 bps (WoW)
    - +17.10 bps (YtD, as of Feb 11,'26)
- Yield SUN5Y
    - +8.30 bps (WoW)
    - +21.50 bps (YtD, as of Feb 11,'26)
- Yield SUN10Y
    - +12.30 bps (WoW)
    - +37.10 bps (YtD, as of Feb 11,'26)
- Yield SUN30Y
    - +1.10 bps (WoW)
    - +5.20 bps (YtD, as of Feb 11,'26)



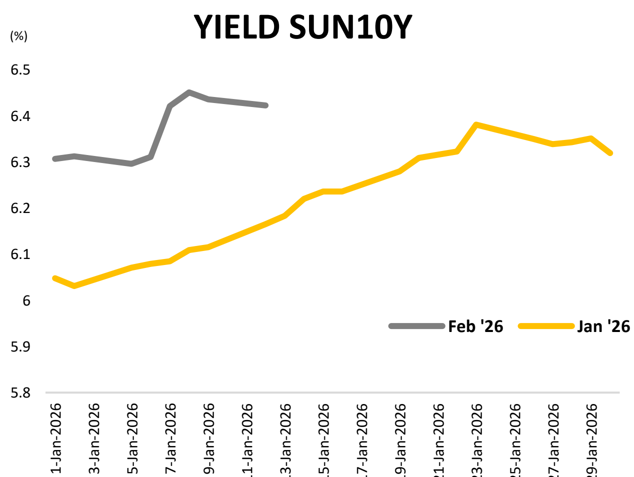
Sources : Bloomberg, KBVS Research (2026)



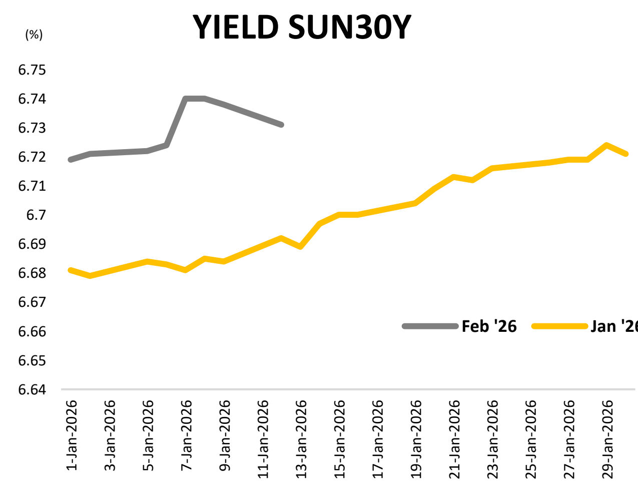
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



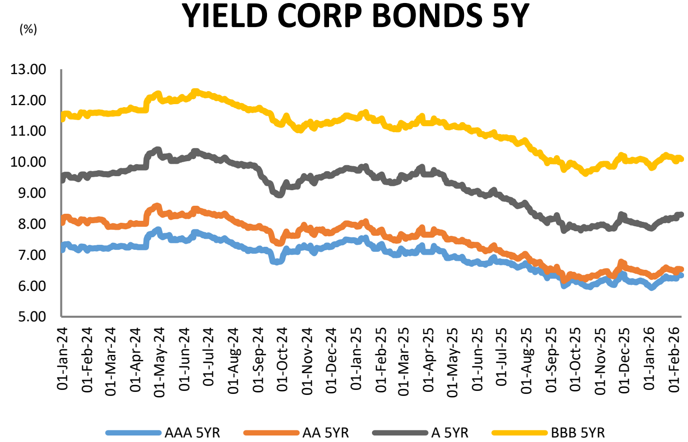
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)

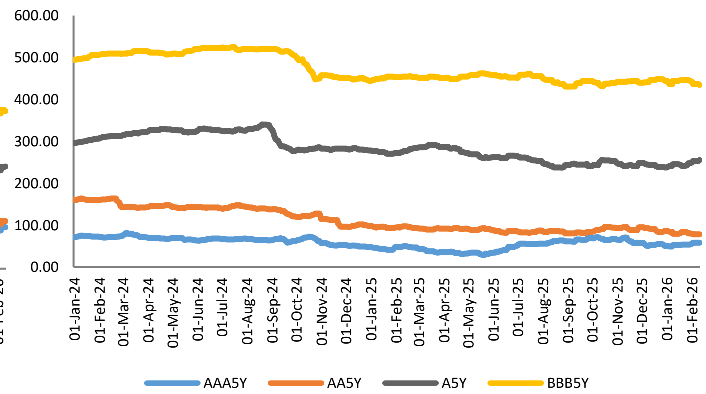
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2026)

YIELD SPREAD 5Y TENOR

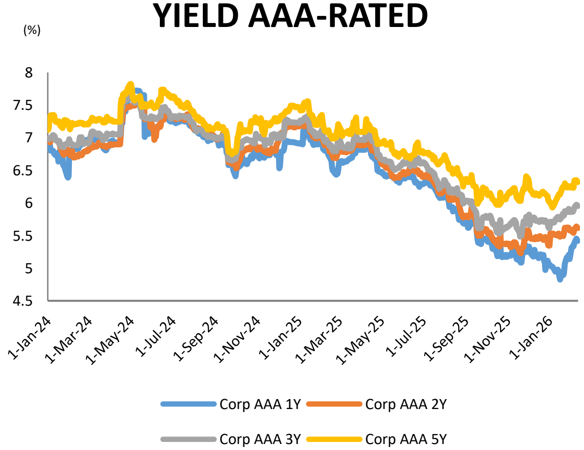


Sources : Bloomberg, KBVS Research (2026)

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

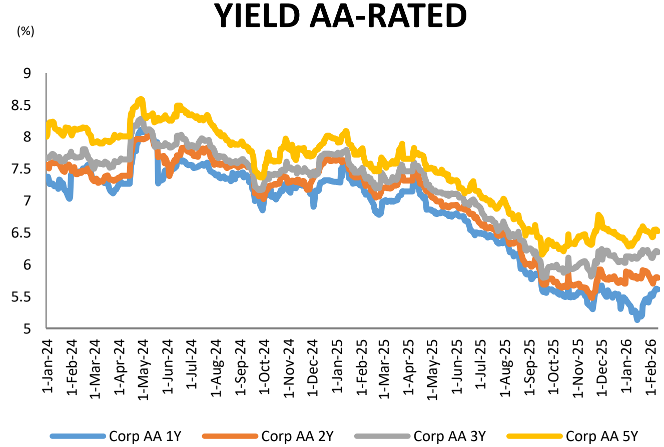
- AAA-rated
  - Tenor 1Y : +7.44 bps (WoW)
  - Tenor 2Y : +3.29 bps (WoW)
  - Tenor 5Y : +8.12 bps (WoW)
- AA-rated
  - Tenor 1Y : +9.70 bps (WoW)
  - Tenor 2Y : +4.87 bps (WoW)
  - Tenor 5Y : +8.25 bps (WoW)
- A-rated
  - Tenor 1Y : +9.85 bps (WoW)
  - Tenor 2Y : +5.57 bps (WoW), and
  - Tenor 5Y : +10.17 bps (WoW)

YIELD AAA-RATED



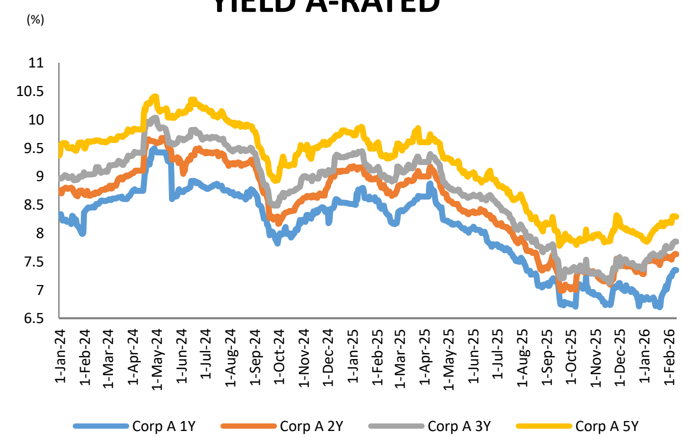
Sources : Bloomberg, KBVS Research (2026)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2026)

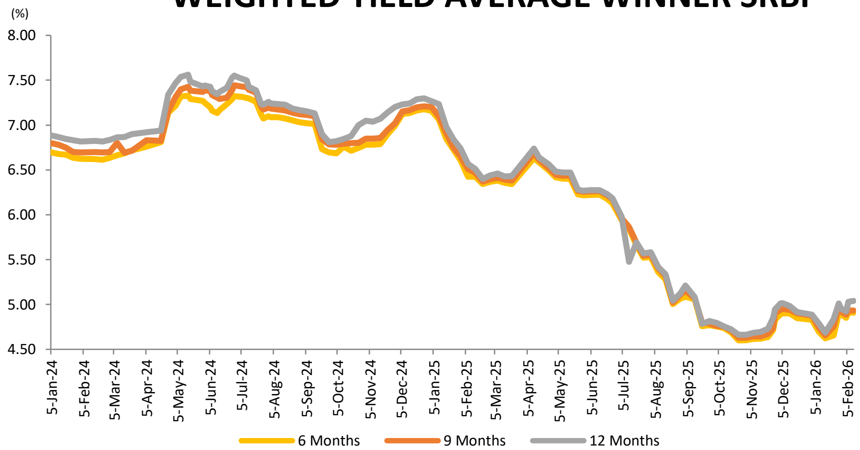
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2026)

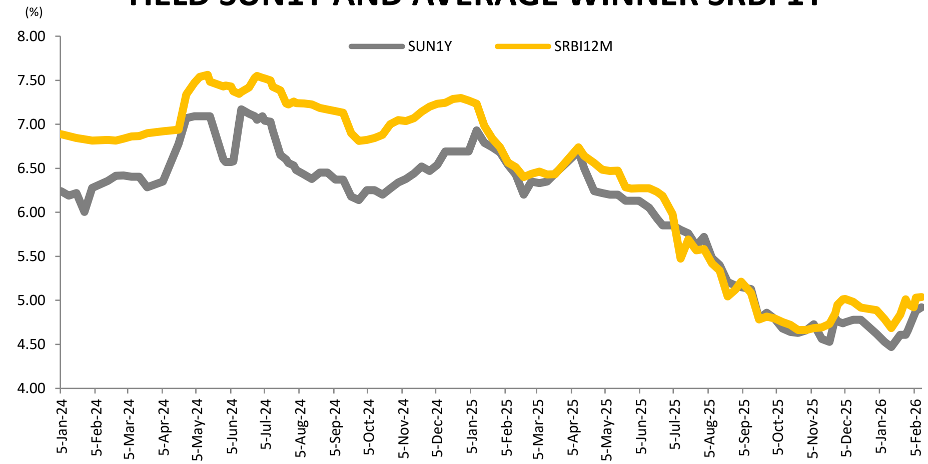
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



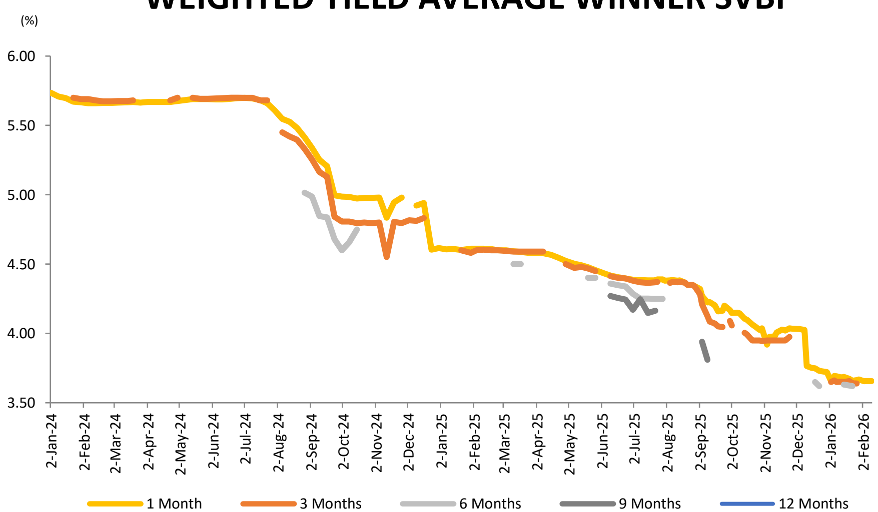
Sources : BI, KBVS Research (2026)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2026)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2026)

- The Weighted Average Yield of Winning Bids can be seen in the table below.

Yield (%)	6 Feb 2026	11 Feb 2026
6 Month	4.91280%	4.90908%
9 Month	4.93328%	4.93478%
12 Month	5.02899%	4.03906%

- Meanwhile, the latest SUVBI auction saw the profit sharing rate was at:
  - 1 month: 3.655%
  - 3 month: 3.650%
  - 6 month: 3.576%
  - 9 month: 3.501%
  - 12 month: 3.426%

TABLE OF CONTENTS :

NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(12-18 FEB 2026)

Country	Event	Forecast	Previous
	Thursday, Feb 12, 2026		
EU	ECB's Schnabel Speaks		
EU	ECB Supervisory Board Member Tuominen Speaks		
US	10-Year Note Auction		4.17%
US	Federal Budget Balance (Jan)	-93.20B	-145.00B
GB	RICS House Price Balance (Jan)	-11.00%	-14.00%
GB	GDP (YoY) (Q4)	1.20%	1.30%
GB	GDP (MoM) (Dec)	0.10%	0.30%
GB	GDP (QoQ) (Q4)	0.20%	0.10%
GB	Industrial Production (MoM) (Dec)	0.00%	1.10%
GB	Manufacturing Production (MoM) (Dec)	-0.10%	2.10%
GB	Monthly GDP 3M/3M Change (Dec)	0.20%	0.10%
GB	Business Investment (QoQ) (Q4)	0.20%	1.50%
GB	Trade Balance Non-EU (Dec)		-11.46B
GB	Trade Balance (Dec)	-22.00B	-23.71B
US	IEA Monthly Report		
GB	NIESR Monthly GDP Tracker (Jan)		-0.10%
US	Initial Jobless Claims	222K	231K
US	Continuing Jobless Claims		1,844K
US	Existing Home Sales (Jan)	4.22M	4.35M
US	Existing Home Sales (MoM) (Jan)		5.10%
	Friday, Feb 13, 2026		
US	30-Year Bond Auction		4.83%
EU	ECB's Lane Speaks		
GE	Buba President Nagel Speaks		
US	Fed's Balance Sheet		6,606B
EU	GDP (YoY) (Q4)	1.30%	1.40%
EU	Trade Balance (Dec)	10.20B	9.90B
EU	GDP (QoQ) (Q4)	0.30%	0.30%
EU	ECB's De Guindos Speaks		
GB	BoE MPC Member Pill Speaks		
US	CPI (MoM) (Jan)	0.30%	0.30%
US	CPI (YoY) (Jan)	2.50%	2.70%
US	Core CPI (MoM) (Jan)	0.30%	0.20%
US	Core CPI (YoY) (Jan)		2.60%

Country	Event	Forecast	Previous
	Monday, Feb 16, 2026		
JP	GDP (QoQ) (Q4)	0.40%	-0.60%
JP	GDP (YoY) (Q4)	1.60%	-2.30%
JP	GDP Price Index (YoY) (Q4)		3.40%
JP	Industrial Production (MoM) (Dec)		-0.10%
EU	Industrial Production (MoM) (Dec)		0.70%
	Tuesday, Feb 17, 2026		
GE	CPI (MoM) (Jan)		0.10%
GE	CPI (YoY) (Jan)		2.10%
GB	Employment Change 3M/3M (MoM) (Dec)		82K
GB	Unemployment Rate (Dec)		5.10%
GB	Average Earnings Index + Bonus (Dec)		4.70%
GB	Claimant Count Change (Jan)		17.9K
GB	Labor Productivity (Q3)		-0.60%
EU	ZEW Economic Sentiment (Feb)		40.80
GE	ZEW Current Conditions (Feb)		-72.70
GE	ZEW Economic Sentiment (Feb)		59.60
US	NY Empire State Manufacturing Index (Feb)		7.70
	Wednesday, Feb 18, 2026		
JP	Trade Balance (Jan)		113.50B
JP	Exports (YoY) (Jan)		5.10%
JP	Imports (YoY) (Jan)		5.20%
GB	CPI (YoY) (Jan)		3.40%
GB	CPI (MoM) (Jan)		0.40%
GB	PPI Input (MoM) (Jan)		-0.20%
US	Durable Goods Orders (MoM) (Dec)		5.30%
US	Core Durable Goods Orders (MoM) (Dec)		0.40%
US	Housing Starts (MoM) (Dec)		-4.60%
US	Building Permits (Dec)		1.411M
US	Housing Starts (Dec)		1.246M
US	Industrial Production (YoY) (Jan)		1.99%
US	Industrial Production (MoM) (Jan)		0.40%

Sources : investing, KBVS Research (2025)


Thank you!