Market Repricing of Fed Cuts Supports DXY and Shapes Bond Dynamics

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EXCECUTIVE SUMMARY

- The softer-than-expected CPI print initially reinforced expectations of a near-term Federal Reserve rate cut.
- However, the Minutes of the 29 January 2026 meeting of the Federal Open Market Committee, released on 18 February, revived concerns over a potentially more hawkish policy stance, prompting markets to reassess the trajectory of US monetary policy. Current market pricing indicates a 92.1% probability that the policy rate will remain unchanged at 350–375 bps at the March 2026 meeting. The first rate reduction is now firmly anticipated at the 17 June 2026 meeting, with a 50.0% probability of a 25 bps cut to the 325–350 bps range. The easing cycle is expected to proceed gradually, with a second 25 bps reduction—to 300–325 bps—emerging as the base case for the 16 September 2026 meeting, currently assigned a 36.2% probability.
- This repricing of easing expectations has continued to underpin support for the DXY Index, which is trading within the 96–98 range.
- Meanwhile, the UST 10Y–2Y and 30Y–5Y yield spreads remain in positive territory but are consolidating, reflecting market adjustments toward a delayed—yet increasingly likely—mid-year policy pivot.

- Domestically, front-loaded issuance of SBN in 2026 has become more pronounced, with total issuance reaching IDR178 trillion as of 18 February 2026, compared with IDR140.4 trillion over the same period last year.
- Concurrently, daily trading activity has been relatively more robust than in 2025. In our assessment, this dynamic also signals a more cautious positioning by global investors amid persistent macroeconomic and policy uncertainties.

Source : price2spy (2026), link: https://www.price2spy.com/blog/price2spy-introduces-fully-automated-repricing/

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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	Jan '26	2.4	2.7
Unemployment Rate	%	Jan '26	4.3	4.4

Sources : various sources, KBVS Research (2026)

The data releases that influenced yield movements in the week of 12-18 Feb '26 are as follows:

- US Initial Jobless Claims decreased to 227K (Cons: 222K, Prev: 232K).
- US 10-Year Note Auction increased to 4.18% (Prev: 4.17%).
- US Existing Home Sales in Jan '26 decreased to 3.91M (Cons: 4.16M, Prev: 4.27M).
- US 30-Year Bond Auction decreased to 4.75% (Prev: 4.83%).
- US CPI in Jan '26 decreased to 0.20% MoM (Cons: 0.30% MoM, Prev: 0.30% MoM)
- US Core CPI in Jan '26 increased to 0.30% MoM (Cons: 0.30% MoM, Prev: 0.20% MoM)

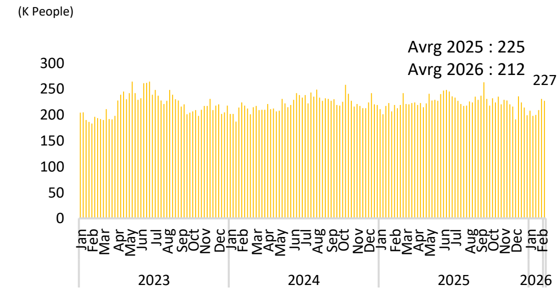
ECONOMIC CALENDAR

(12-18 FEB '26)

Event	Actual	Forecast	Previous
Thursday, 12 Feb '26			
US 10-Year Note Auction	4.18%		4.17%
US Federal Budget Balance (Jan)	-95.00B	-94.60B	-145.00B
US IEA Monthly Report			
US Initial Jobless Claims	**227K**	**222K**	**232K**
US Continuing Jobless Claims	1,862K	1,850K	1,841K
US Existing Home Sales (Jan)	**3.91M**	**4.16M**	**4.27M**
US Existing Home Sales (MoM) (Jan)	-8.40%		4.40%
Friday, 13 Feb '26			
US 30-Year Bond Auction	4.75%		4.83%
US Fed's Balance Sheet	6,622B		6,606B
US CPI (MoM) (Jan)	**0.20%**	**0.30%**	**0.30%**
US CPI (YoY) (Jan)	**2.40%**	**2.50%**	**2.70%**
US Core CPI (MoM) (Jan)	0.30%	0.30%	0.20%
US Core CPI (YoY) (Jan)	2.50%	2.50%	2.60%
Monday, 16 Feb '26			
US FOMC Member Bowman Speaks			
Tuesday, 17 Feb '26			
US ADP Employment Change Weekly	10.30K		7.80K
US NY Empire State Manufacturing Index (Feb)	7.10	6.40	7.70
Wednesday, 18 Feb '26			
US Fed Vice Chair for Supervision Barr Speaks			
US FOMC Member Daly Speaks			
US Durable Goods Orders (MoM) (Dec)	-1.40%	-1.80%	5.40%
US Core Durable Goods Orders (MoM) (Dec)	0.90%	0.30%	0.40%
US Housing Starts (MoM) (Dec)			-4.60%
US Building Permits (Dec)	1.448M	1.400M	1.411M
US Housing Starts (Dec)	1.404M	1.310M	1.246M
US Industrial Production (YoY) (Jan)	2.28%		1.30%
US Industrial Production (MoM) (Jan)	0.70%	0.40%	0.20%

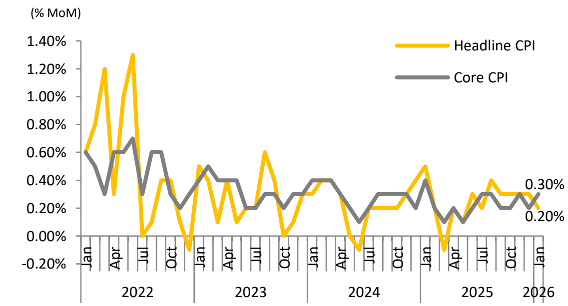
Sources : investing, KBVS Research (2026)

WEEKLY INITIAL JOBLESS CLAIMS



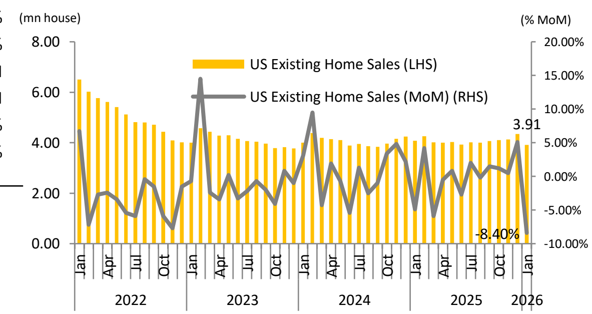
Sources : US DoL, KBVS Research (2026)

CPI



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

EXISTING HOME SALES



Sources : US National Association of Realtors, KBVS Research (2026)

JAN '26 CPI: HEADLINE COOLS, SERVICES HEAT UP

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Jan. 2026
	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	
All items	0.2	0.3	0.3	–	–	0.3	0.2	2.4
Food	0.1	0.4	0.2	–	–	0.7	0.2	2.9
Food at home	0.0	0.5	0.3	–	–	0.6	0.2	2.1
Food away from home[1]	0.3	0.3	0.1	–	–	0.7	0.1	4.0
Energy	-0.6	0.7	1.4	–	–	0.3	-1.5	-0.1
Energy commodities	-1.1	1.6	3.4	–	–	-0.3	-3.3	-7.3
Gasoline (all types)	-1.2	1.6	3.6	-1.3	2.7	-0.3	-3.2	-7.5
Fuel oil	1.0	0.7	0.7	–	–	-0.8	-5.7	-4.2
Energy services	-0.2	-0.2	-0.4	–	–	1.0	0.2	7.2
Electricity	0.0	0.2	-0.3	–	–	0.2	-0.1	6.3
Utility (piped) gas service	-0.6	-1.2	-0.9	–	–	3.7	1.0	9.8
All items less food and energy	0.3	0.3	0.2	–	–	0.2	0.3	2.5
Commodities less food and energy commodities	0.2	0.2	0.2	–	–	0.0	0.0	1.1
New vehicles	0.0	0.2	0.2	0.0	0.2	0.0	0.1	0.4
Used cars and trucks	0.5	0.8	-0.2	0.7	0.1	-0.9	-1.8	-2.0
Apparel	0.1	0.3	0.5	–	–	0.3	0.3	1.7
Medical care commodities[1]	0.1	-0.3	-0.1	–	–	0.3	-0.1	0.3
Services less energy services	0.4	0.3	0.2	–	–	0.3	0.4	2.9
Shelter	0.2	0.4	0.2	–	–	0.4	0.2	3.0
Transportation services	0.6	0.9	0.3	–	–	0.4	1.4	1.3
Medical care services	0.8	-0.1	0.2	–	–	0.4	0.3	3.9

Sources : BLS (2026)

- US annual inflation eased to 2.4% in January 2026, marking its lowest level since May and declining from 2.7% in each of the prior two months. The figure also came in below market expectations of 2.5%, indicating a modest cooling in price pressures.
- On a monthly basis, the shelter index rose by 0.2% and remained the primary contributor to the overall increase in headline inflation. Food prices also advanced, with both the food index and food at home index rising 0.2% MoM, while the food away from home index edged up 0.1% MoM. These gains were partly offset by a 1.5% MoM decline in the energy index. Within the energy components, gasoline prices fell sharply by 3.2% MoM and electricity prices slipped 0.1% MoM, although natural gas prices increased by 1.0% MoM. The moderation in annual inflation largely reflects base effects, as elevated readings from the previous year have rolled off the annual comparison.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, January 2026
[1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Dec. 2025	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Jan. 2025	Dec. 2025	Jan. 2026	Jan. 2025-Jan. 2026	Dec. 2025-Jan. 2026	Oct. 2025-Nov. 2025	Nov. 2025-Dec. 2025	Dec. 2025-Jan. 2026
All items	100.000	317.671	324.054	325.252	2.4	0.4	–	0.3	0.2
Food	13.698	335.517	343.795	345.165	2.9	0.4	–	0.7	0.2
Food at home	8.325	310.936	315.664	317.431	2.1	0.6	–	0.6	0.2
Cereals and bakery products	1.035	355.964	361.984	366.830	3.1	1.3	–	0.5	1.2
Meats, poultry, fish, and eggs	1.995	339.169	346.815	346.613	2.2	-0.1	–	-0.2	0.2
Dairy and related products[1]	0.758	272.038	268.951	271.185	-0.3	0.8	–	0.9	0.8
Fruits and vegetables	1.269	355.837	355.246	358.840	0.8	1.0	–	0.4	0.1
Nonalcoholic beverages and beverage materials	0.995	225.510	232.021	235.761	4.5	1.6	–	0.4	0.1
Other food at home	2.273	273.796	279.814	279.657	2.1	-0.1	–	1.4	-0.3
Food away from home[1]	5.373	375.532	389.889	390.471	4.0	0.1	–	0.7	0.1
Energy	6.383	273.045	274.131	272.668	-0.1	-0.5	–	0.3	-1.5
Energy commodities	3.120	283.278	269.403	262.636	-7.3	-2.5	–	-0.3	-3.3
Fuel oil	0.083	370.297	367.209	354.701	-4.2	-3.4	–	-0.8	-5.7
Motor fuel	2.981	276.532	262.906	256.211	-7.3	-2.5	–	-0.3	-3.2
Gasoline (all types)	2.895	275.527	261.466	254.887	-7.5	-2.5	2.7	-0.3	-3.2
Energy services	3.262	274.264	290.037	293.976	7.2	1.4	–	1.0	0.2
Electricity	2.489	281.888	295.121	299.731	6.3	1.6	–	0.2	-0.1
Utility (piped) gas service	0.773	246.117	268.415	270.302	9.8	0.7	–	3.7	1.0
All items less food and energy	79.919	323.842	330.506	331.950	2.5	0.4	–	0.2	0.3
Commodities less food and energy commodities	19.176	164.645	166.037	166.484	1.1	0.3	–	0.0	0.0
Apparel	2.368	128.464	128.122	130.685	1.7	2.0	–	0.3	0.3
New vehicles	3.838	178.008	178.034	178.668	0.4	0.4	0.2	0.0	0.1
Used cars and trucks	2.759	181.265	183.265	177.714	-2.0	-3.0	0.1	-0.9	-1.8
Medical care commodities[1]	1.489	417.214	418.532	418.270	0.3	-0.1	–	0.3	-0.1
Alcoholic beverages[1]	0.840	292.771	298.085	298.623	2.0	0.2	–	-0.1	0.2
Tobacco and smoking products[1]	0.445	1,592.421	1,693.007	1,727.752	8.5	2.1	–	-0.2	2.1
Services less energy services	60.744	425.619	436.025	438.161	2.9	0.5	–	0.3	0.4
Shelter	35.625	409.153	420.134	421.526	3.0	0.3	–	0.4	0.2
Rent of primary residence	7.840	429.506	440.667	441.718	2.8	0.2	–	0.3	0.2
Owners' equivalent rent of residences[2]	26.204	421.485	434.166	435.241	3.3	0.2	–	0.3	0.2
Medical care services	6.935	621.661	641.566	645.667	3.9	0.6	–	0.4	0.3
Physicians' services[1]	1.684	424.125	431.766	433.225	2.1	0.3	–	0.3	0.3
Hospital services[1, 3]	2.167	422.429	446.056	450.139	6.6	0.9	–	1.0	0.9
Transportation services	6.315	445.853	446.138	451.857	1.3	1.3	–	0.4	1.4
Motor vehicle maintenance and repair[1]	1.039	419.417	439.752	440.175	4.9	0.1	–	-1.3	0.1
Motor vehicle insurance	2.754	887.651	892.879	892.491	0.5	0.0	–	–	-0.4
Airline fares	0.881	265.273	253.714	271.190	2.2	6.9	–	3.8	6.5

[1] Not seasonally adjusted.
[2] Indexes on a December 1982=100 base.
[3] Indexes on a December 1996=100 base.
NOTE: The Oct 2025 data values are not available due to the 2025 lapse in appropriations.

Sources : BLS (2026)

FED PROBABILITIES

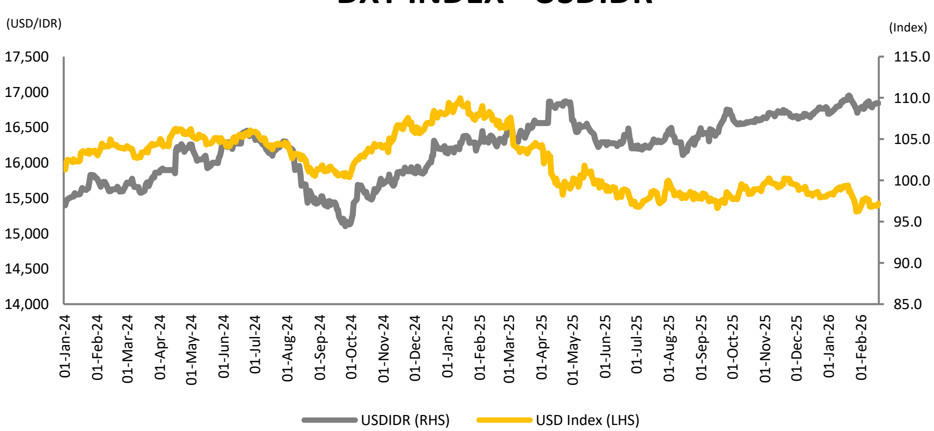
FED PROBABILITIES, as of 18 Feb '26

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%	7.9%	92.1%
29-Apr-26	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	23.6%	75.0%
17-Jun-26	0.0%	0.0%	0.0%	0.0%	0.8%	12.8%	50.0%	36.4%
29-Jul-26	0.0%	0.0%	0.0%	0.3%	5.5%	27.5%	44.6%	22.0%
16-Sep-26	0.0%	0.0%	0.2%	2.9%	16.7%	36.2%	33.2%	10.9%
28-Oct-26	0.0%	0.1%	1.7%	10.5%	27.5%	34.5%	20.8%	4.8%
9-Dec-26	0.0%	0.3%	2.8%	12.7%	28.4%	32.8%	18.8%	4.2%
27-Jan-27	0.1%	1.3%	6.9%	19.2%	30.2%	27.0%	12.8%	2.5%

Sources : CME Group, and KBVS Research (2026)

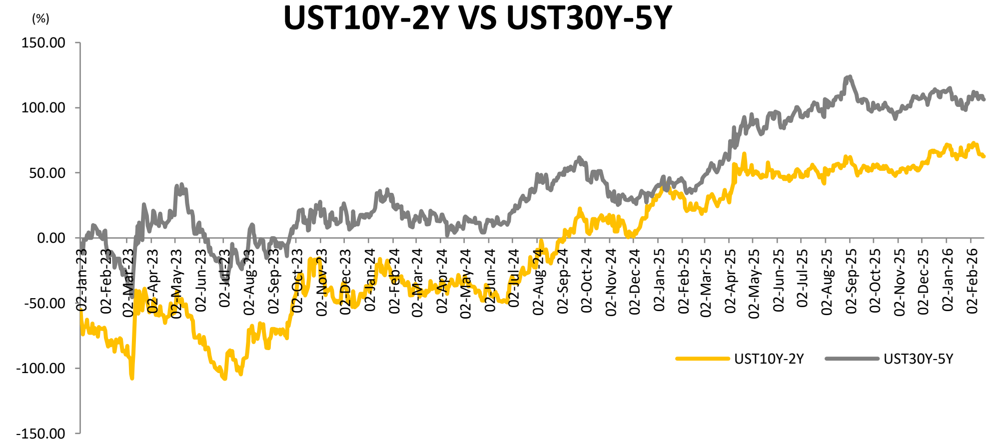
- The softer-than-expected CPI release initially strengthened expectations of an imminent Fed rate cut. However, the Minutes of the Jan FOMC meeting, published on 18 Feb, reignited concerns over a potentially hawkish stance and prompted a recalibration of market expectations for US monetary policy.
- Market consensus now reflects a 92.1% probability that the policy rate will be maintained at 350–375 bps at the Mar '26 meeting. The first rate cut is firmly priced in for the 17 June 2026 meeting, with a 50.0% probability of a 25 bps reduction to the 325–350 bps range. The easing trajectory remains gradual, with a second 25 bps cut—to 300–325 bps—emerging as the base case for the 16 September 2026 meeting, currently carrying a 36.2% probability.
- This repricing of easing expectations has continued to lend support to the DXY Index, which is trading in the 96–98 range.
- Meanwhile, the UST 10Y–2Y and 30Y–5Y yield spreads remain positive but are consolidating, reflecting market adjustment toward a delayed—yet increasingly probable—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

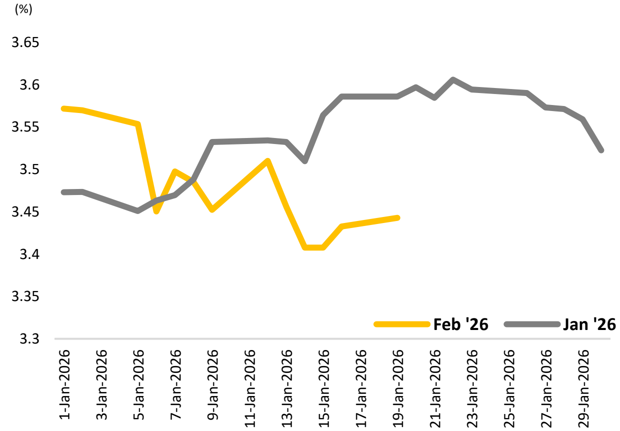
US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Nov' 24	36.08	35.95
Govt Debt to GDP	%	4Q24	124.35	122.3
Govt Budget	USD Bn	Nov '24	-367.30	-257.00
S&P Credit Rating	Rating	27-Mar-24	AA+	AA+

Sources : US Treasury, KBVS Research (2026)

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

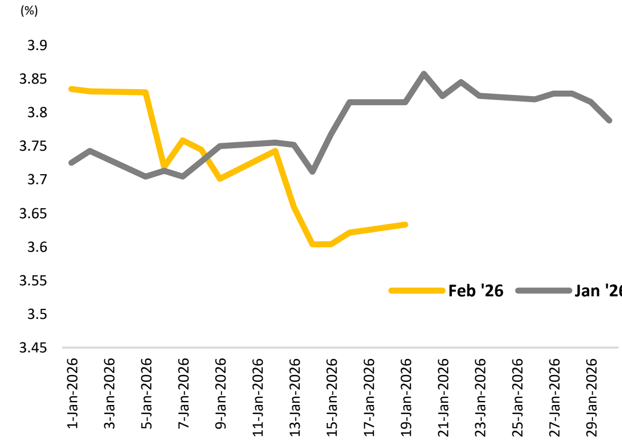
- Yield UST6M
  - -2.89 bps (WoW)
  - -2.59 bps (YtD, as of Feb 18,'26)
- Yield UST1Y
  - +0.51 bps (WoW)
  - -1.40 bps (YtD, as of Feb 18,'26)
- Yield UST2Y
  - -6.08 bps (WoW)
  - -2.39 bps (YtD, as of Feb 18,'26)
- Yield UST5Y
  - -10.28 bps (WoW)
  - -8.52 bps (YtD, as of Feb 18,'26)
- Yield UST10Y
  - -9.93 bps (WoW)
  - -9.39 bps (YtD, as of Feb 18,'26)
- Yield UST30Y
  - -10.90 bps (WoW)
  - -14.54 bps (YtD, as of Feb 18,'26)

YIELD UST2Y



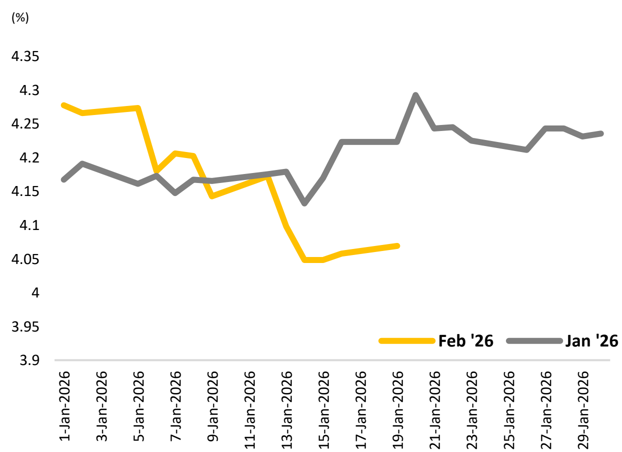
Sources : Bloomberg, KBVS Research (2026)

YIELD UST5Y



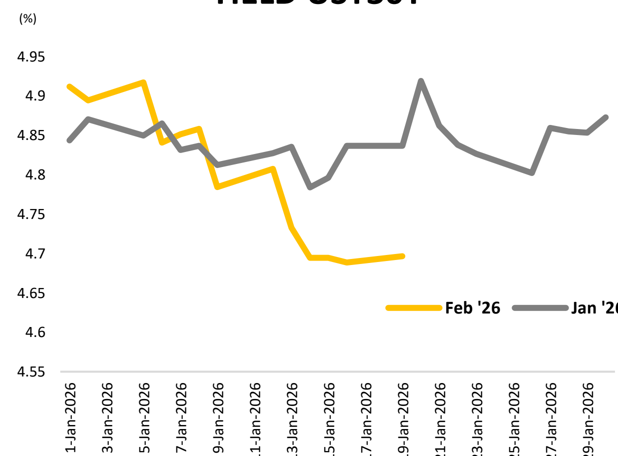
Sources : Bloomberg, KBVS Research (2026)

YIELD UST10Y



Sources : US Treasury, KBVS Research (2026)

YIELD UST30Y



Sources : US Treasury, KBVS Research (2026)

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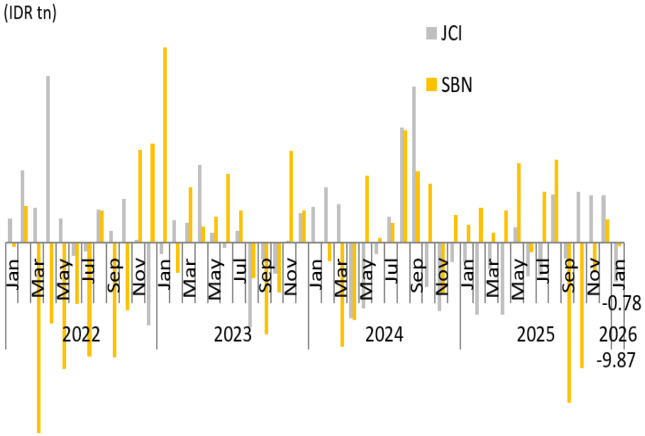
DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2026)

Between 12-18 February '26, non-residents conducted:

- A net sell of tradeable SBN, amounting IDR5.39 tn.
- A net sell of JCI, amounting IDR3.52 tn.

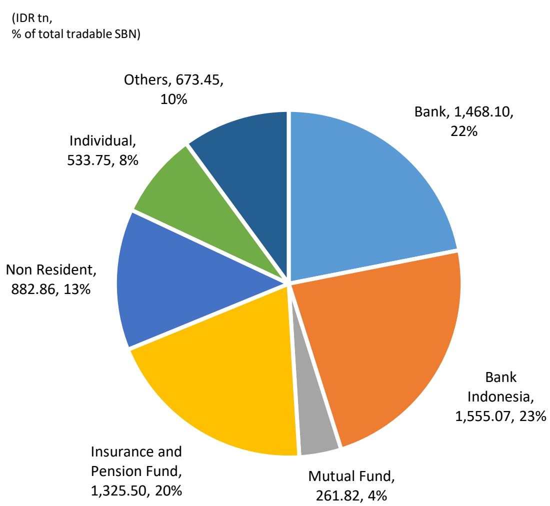
SUN LATEST AUCTION

18 Feb '26										
Instruments	SPN01260322	SPN03260521	SPN1227020 4	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	0.70	0.30	4.775	24.16	21.07	4.34	3.29	2.23	2.18	63.06
Bid to Cover Ratio	1,00	-	1,91	1,47	1,71	1,34	2,06	1,39	1,32	1.56
Weighted Average Yields Awarded	4.500%	-	4.768%	5.677%	6.379%	6.599%	6.6697%	6.749%	6.779%	

3 Feb '26										
Instruments	SPN01260307	SPN12260507	SPN1227020 4	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%	

Sources : DJPPR, KBVS Research (2026)

OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2026)

As of 11 February '26, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,555.07 tn (+IDR37.98 tn, WoW),
- Banks : IDR1,468.10 tn (-IDR38.65 tn, WoW), and
- Insurance & Pension Funds: IDR1,325.50 tn (-IDR1.18 tn, WoW)

SBSN LATEST AUCTION

10 Feb '26									
Instruments	SPNS0903202 6	SPNS1008202 6	SPNS1210202 6	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	SPNS0903202 6	SPNS1008202 6	SPNS1210202 6	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)

TRENDS IN THE SBN ACTIVITY

PERDAGANGAN RATA-RATA HARIAN SUN

(Rp Juta)

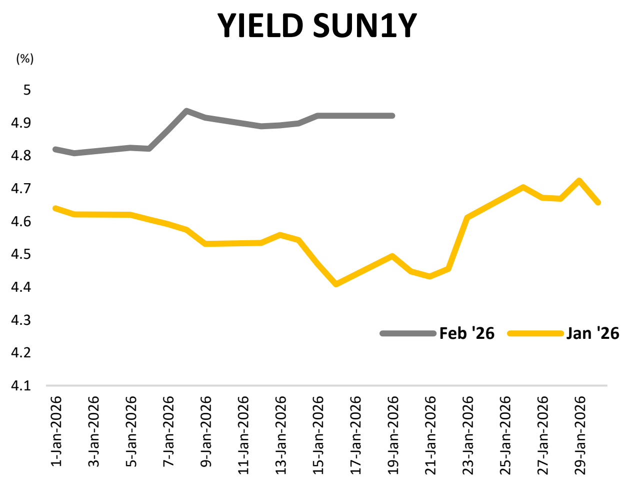
BULAN	JUMLAH HARI	OUTRIGHT		REPO NON BI		REPO BI		RATA-RATA HARIAN					
		VOLUME	FREKUENSI	VOLUME	FREKUENSI	VOLUME	FREKUENSI	VOLUME	FREKUENSI	VOLUME	FREKUENSI	VOLUME	FREKUENSI
								OUTRIGHT		REPO NON BI		REPO BI	
2016	246	2.609.403.408	161.761	154.128.129	784	4.362.788.000	17.222	10.607.331	658	626.537	3	17.734.911	70
2017	240	2.923.322.106	178.784	219.244.432	1.495	4.992.225.977	18.027	12.180.509	745	913.518	6	20.800.942	75
2018	242	3.412.916.578	185.795	204.042.531	1.812	5.295.849.571	21.203	14.102.961	768	843.151	7	21.883.676	88
2019	245	4.123.063.137	227.062	573.648.254	2.181	5.909.211.890	22.669	16.828.829	927	2.341.421	9	24.119.232	93
2020	242	5.452.421.703	379.789	258.632.804	1.062	18.389.188.421	57.752	22.530.668	1.569	1.068.731	4	75.988.382	239
2021	248	5.349.217.464	426.350	2.306.553.618	7.455	32.881.565.048	96.132	21.569.425	1.719	9.300.619	30	132.586.956	388
2022	246	4.544.034.465	427.711	3.797.967.390	11.004	27.617.076.286	97.046	18.471.685	1.739	15.438.892	45	112.264.538	394
2023	239	4.997.348.298	481.806	5.269.219.860	16.595	12.109.877.011	39.178	20.909.407	2.016	22.046.945	69	50.668.941	164
2024	238	4.568.382.083	476.934	6.499.051.750	24.541	11.896.995.026	27.522	19.194.883	2.004	27.306.940	103	49.987.374	116
Jan-25	19	359.357.497	42.462	500.747.800	2.024	1.020.822.500	2.008	18.913.552	2.235	26.355.147	107	53.727.500	106
Feb-25	20	581.384.156	43.584	500.538.100	2.059	605.437.800	1.522	29.069.208	2.179	25.026.905	103	30.271.890	76
Mar-25	19	493.759.909	41.279	566.817.510	2.378	577.445.900	1.523	25.987.364	2.173	29.832.501	125	30.391.889	80
Apr-25	16	320.105.191	35.648	460.868.150	1.907	708.441.900	1.641	20.006.574	2.228	28.804.259	119	44.277.619	103
May-25	17	452.031.355	36.194	324.679.150	1.754	1.089.964.000	1.884	26.590.080	2.129	19.098.774	103	64.115.529	111
Jun-25	18	494.839.201	37.822	503.706.000	2.165	917.414.000	2.022	27.491.067	2.101	27.983.667	120	50.967.444	112
Jul-25	23	634.923.645	52.204	604.972.030	2.466	854.980.900	2.178	27.605.376	2.270	26.303.132	107	37.173.083	95
Aug-25	20	674.762.338	50.326	606.252.763	2.307	713.625.101	2.258	33.738.117	2.516	30.312.638	115	35.681.255	113
Sep-25	21	880.652.638	54.595	632.929.700	2.620	768.645.569	2.610	41.935.840	2.600	30.139.510	125	36.602.170	124
Oct-25	23	734.888.304	59.708	669.242.618	2.547	766.164.249	4.462	31.951.665	2.596	29.097.505	111	33.311.489	194
Nov-25	20	528.411.901	38.316	518.996.310	1.920	820.165.451	4.251	26.420.595	1.916	25.949.816	96	41.008.273	213
Dec-25	21	354.530.817	34.727	592.601.540	2.293	940.582.548	2.578	16.882.420	1.654	28.219.121	109	44.789.645	123
2025	237	6.509.646.952	526.865	6.482.351.671	26.440	9.783.689.918	28.937	27.466.865	2.223	27.351.695	112	41.281.392	122
Jan-26	20	577.853.916	36.960	452.355.155	2.045	540.188.626	1.811	28.892.696	1.848	22.617.758	102	27.009.431	91
2026	20	577.853.916	36.960	452.355.155	2.045	540.188.626	1.811	28.892.696	1.848	22.617.758	102	27.009.431	91

- The front-loading strategy in SBN in 2026 has become increasingly evident, with total issuance reaching IDR178 tn as of 18 Feb '26, compared to IDR140.4 tn in the same period previously.
- At the same time, daily trading activity has been relatively more active than in 2025.
- In our view, this also reflects a more cautious stance adopted by global market participants amid prevailing uncertainties.

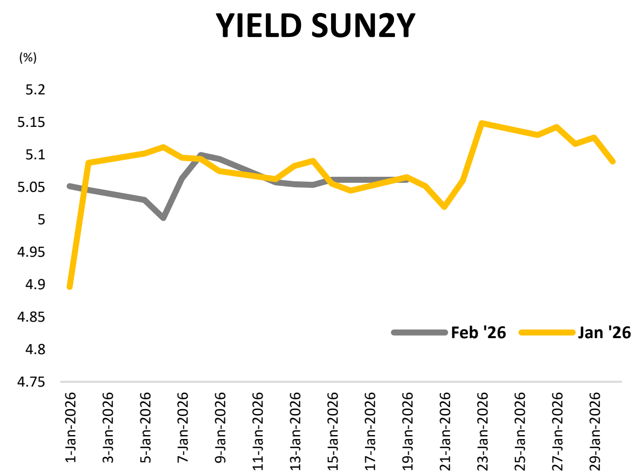
THE MOVEMENT OF SUN YIELDS

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

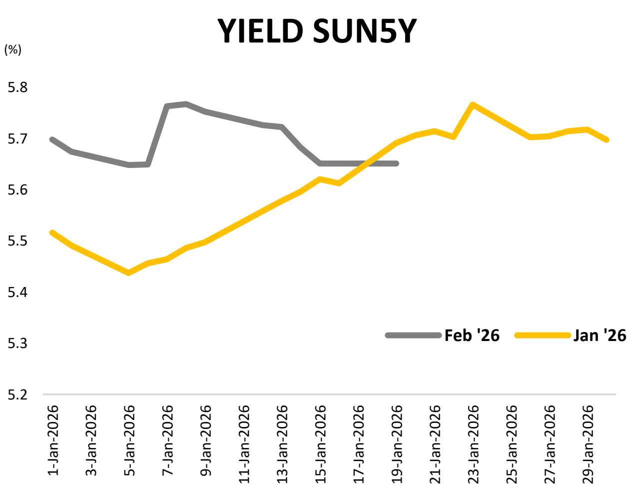
- Yield SUN1Y
  - +3.20 bps (WoW)
  - +28.20 bps (YtD, as of Feb 18,'26)
- Yield SUN2Y
  - +0.40 bps (WoW)
  - +16.50 bps (YtD, as of Feb 18,'26)
- Yield SUN5Y
  - -7.50 bps (WoW)
  - +13.50 bps (YtD, as of Feb 18,'26)
- Yield SUN10Y
  - -3.90 bps (WoW)
  - +33.20 bps (YtD, as of Feb 18,'26)
- Yield SUN30Y
  - -0.70 bps (WoW)
  - +4.40 bps (YtD, as of Feb 18,'26)



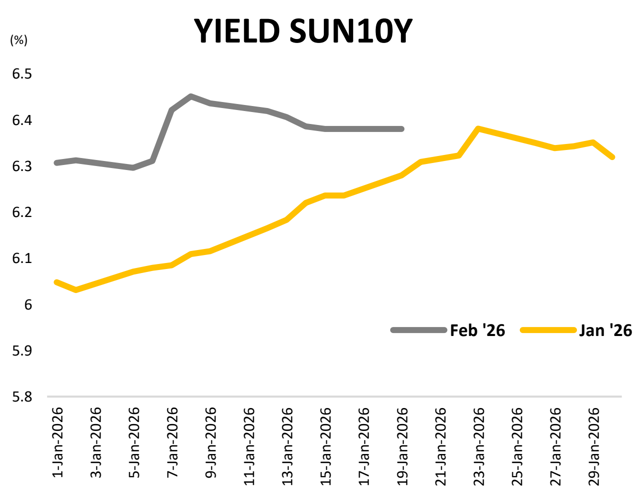
Sources : Bloomberg, KBVS Research (2026)



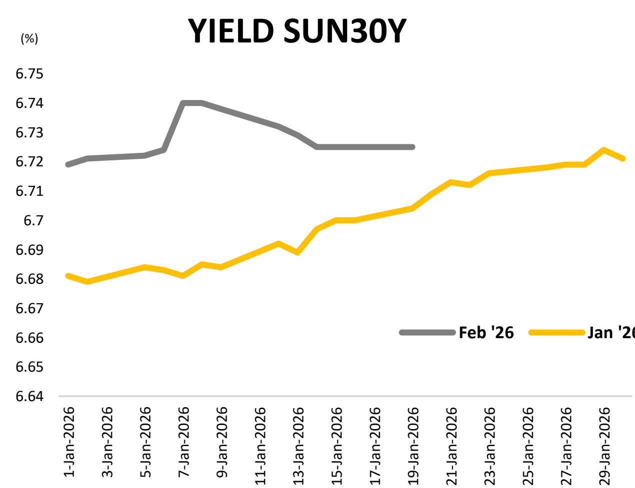
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



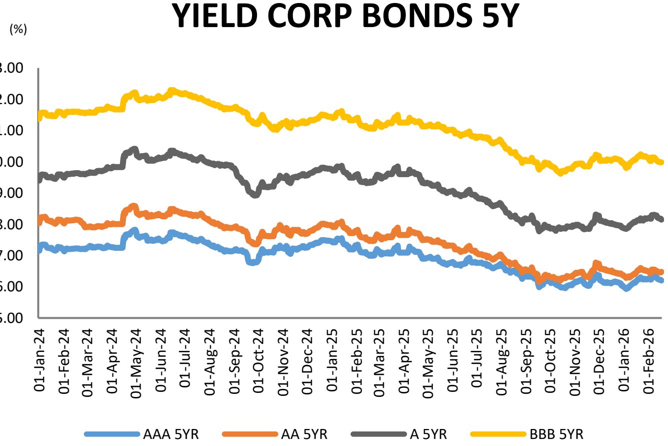
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)

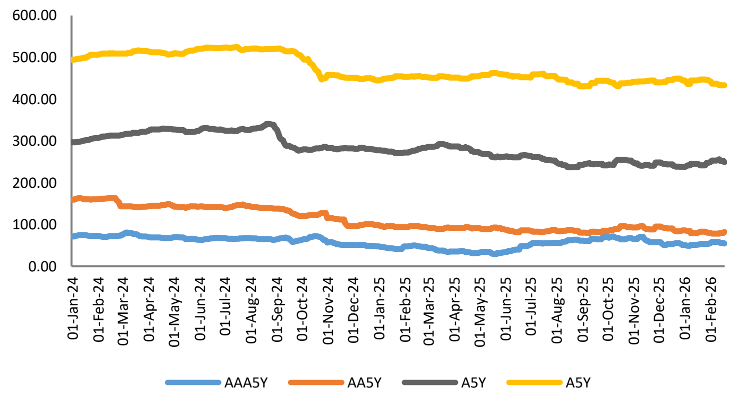
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2026)

YIELD SPREAD 5Y TENOR

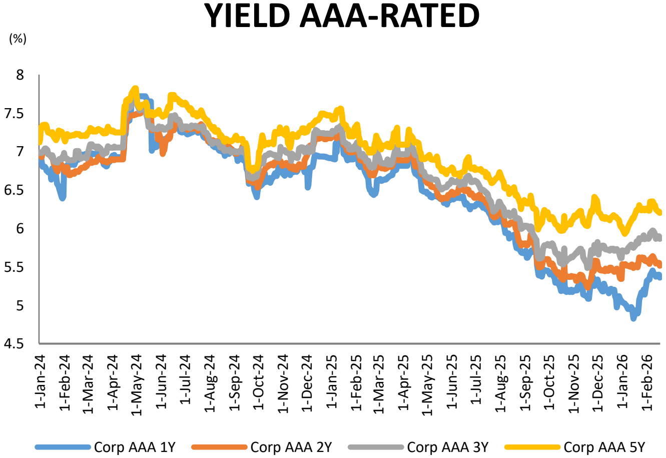


Sources : Bloomberg, KBVS Research (2026)

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

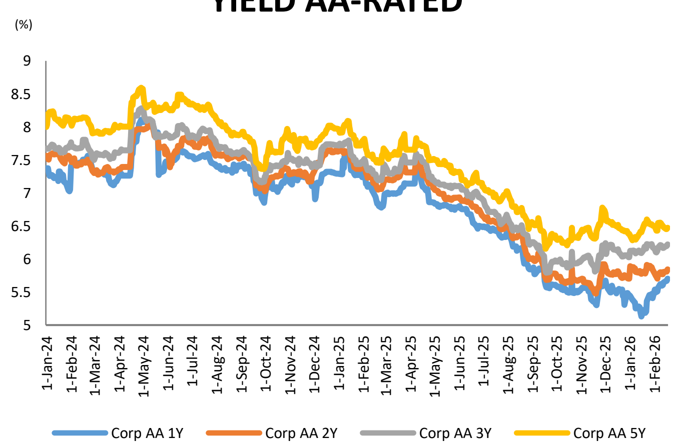
- AAA-rated
  - Tenor 1Y : -3.86 bps (WoW)
  - Tenor 2Y : -7.74 bps (WoW)
  - Tenor 5Y : -10.62 bps (WoW)
- AA-rated
  - Tenor 1Y : +10.83 bps (WoW)
  - Tenor 2Y : +7.13 bps (WoW)
  - Tenor 5Y : -3.23 bps (WoW)
- A-rated
  - Tenor 1Y : -0.53 bps (WoW)
  - Tenor 2Y : -5.18 bps (WoW), and
  - Tenor 5Y : -13.08 bps (WoW)

YIELD AAA-RATED



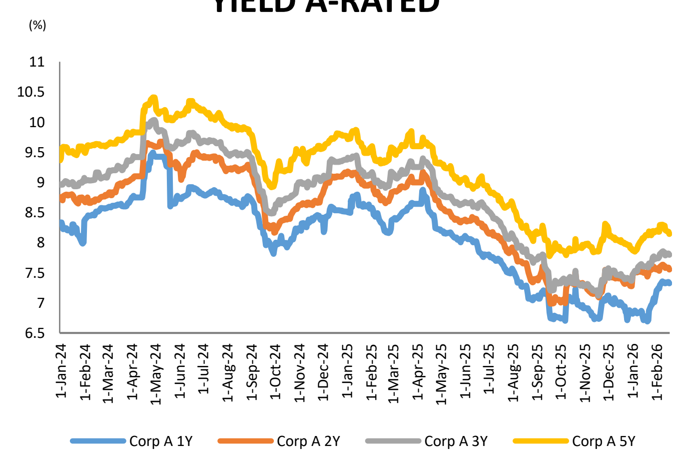
Sources : Bloomberg, KBVS Research (2026)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2026)

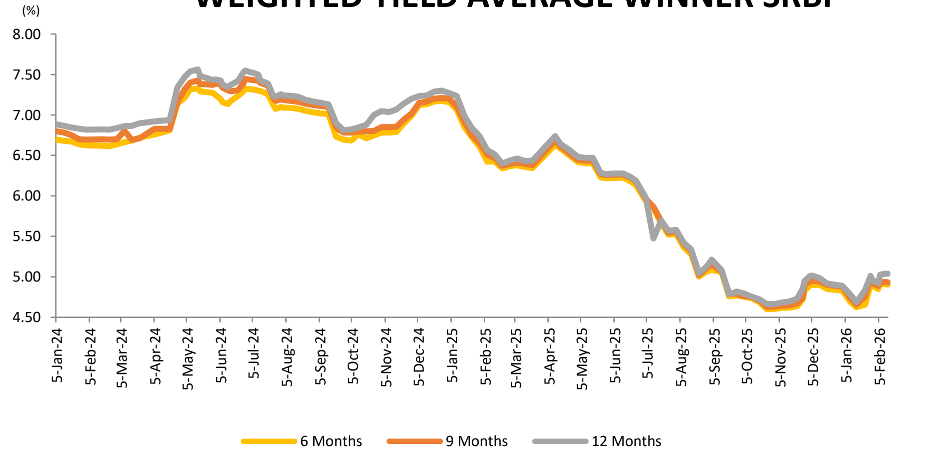
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2026)

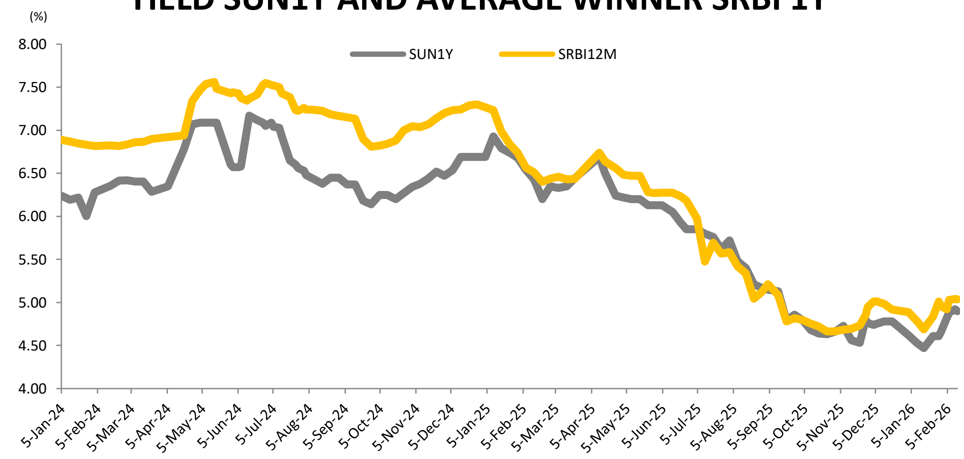
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



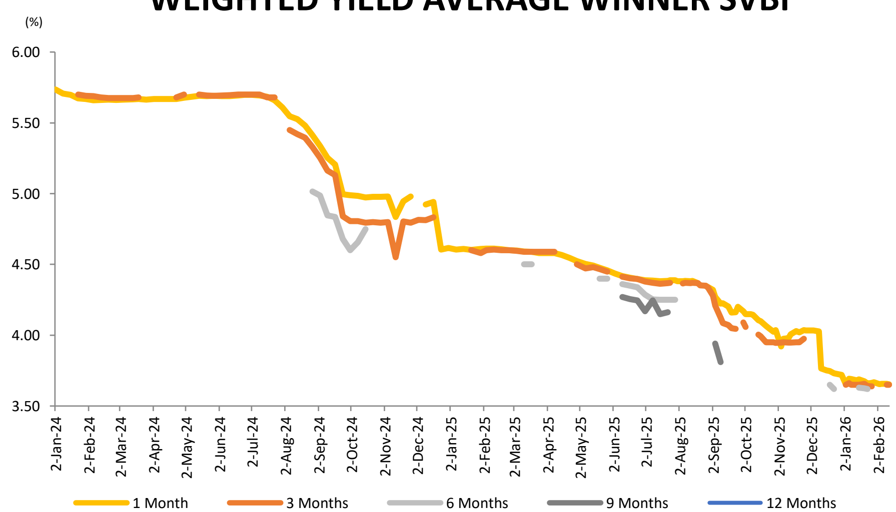
Sources : BI, KBVS Research (2026)

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. However, only 1 auction period is done this week (13 Feb)

Yield (%)	11 Feb 2026	13 Feb 2026
6 Month	4.90908%	4.90542%
9 Month	4.93478%	4.93050%
12 Month	4.03906%	5.03851%

- Meanwhile, there are no SUVBI in the past week

TABLE OF CONTENTS :

NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(19-25 FEB 2026)

Country Event	Forecast	Previous
Thursday, Feb 19, 2026		
EU ECB's Schnabel Speaks		
US 20 Year Bond Auction		4.85%
US FOMC Member Bowman Speaks		
US FOMC Meeting Minutes		
US TIC Net Long-Term Transactions (Dec)		220.20B
US API Weekly Crude Oil Stock		13.400M
ID Interest Rate Decision		4.75%
ID Lending Facility Rate (Feb)		5.50%
ID Deposit Facility Rate (Feb)		3.75%
ID Loans (YoY) (Jan)		9.69%
EU ECB Economic Bulletin		
EU ECB's De Guindos Speaks		
US FOMC Member Bostic Speaks		
US Philly Fed Manufacturing Index (Feb)	7.80	12.60
US Initial Jobless Claims	229K	227K
US Continuing Jobless Claims		1,862K
US Philly Fed Employment (Feb)		9.70
US Goods Trade Balance (Dec)	-85.20B	-84.72B
US Trade Balance (Dec)	55.50B	-56.80B
US Retail Inventories Ex Auto (Dec)		0.00%
US Exports (Dec)		292.10B
US Imports (Dec)		348.90B
US FOMC Member Bowman Speaks		
US FOMC Member Kashkari Speaks		
US Pending Home Sales (MoM) (Jan)	2.40%	-9.30%

Country Event	Forecast	Previous
Friday, Feb 20, 2026		
US Crude Oil Inventories		8.530M
US Cushing Crude Oil Inventories		1.0171M
US 30-Year TIPS Auction		2.65%
US Fed Reserves Balance Sheet		6,622B
JP National Core CPI (YoY) (Jan)	2.00%	2.40%
JP National CPI (MoM) (Jan)		-0.10%
EU ECB President Lagarde Speaks		
JP S&P Global Services PMI (Feb)		53.70
CN Loan Prime Rate 5Y (Feb)		3.50%
GE PPI (MoM) (Jan)	0.30%	-0.20%
GB Retail Sales (YoY) (Jan)		2.50%
GB Retail Sales (MoM) (Jan)	0.20%	0.40%
GB Core Retail Sales (YoY) (Jan)		3.10%
GB Core Retail Sales (MoM) (Jan)		0.30%
GE HCOB Manufacturing PMI (Feb)	49.60	49.10
GE HCOB Services PMI (Feb)	49.10	52.40
EU HCOB Manufacturing PMI (Feb)	50.00	49.50
EU HCOB Services PMI (Feb)	51.90	51.60
EU HCOB Composite PMI (Feb)		51.30
GB S&P Global Composite PMI (Feb)		53.70
GB S&P Global Services PMI (Feb)	53.40	54.00
GB S&P Global Manufacturing PMI (Feb)	51.50	51.80
US Core PCE Price Index (MoM) (Dec)	0.30%	0.20%
US GDP (QoQ) (Q4)	2.80%	4.40%
US Core PCE Price Index (YoY) (Dec)	3.00%	2.80%
US Personal Spending (MoM) (Dec)	0.40%	0.50%
US PCE Price Index (YoY) (Dec)	2.90%	2.80%
US PCE Price Index (MoM) (Dec)	0.40%	0.20%
US Core PCE Prices (Q4)		2.90%
US GDP Price Index (QoQ) (Q4)	3.20%	3.70%
US S&P Global Manufacturing PMI (Feb)	52.10	52.40
US S&P Global Services PMI (Feb)	52.80	52.70
US S&P Global Composite PMI (Feb)		53.00
US FOMC Member Bostic Speaks		
US New Home Sales (Dec)	735K	737K
US New Home Sales (MoM) (Dec)		-0.10%
US Michigan Consumer Sentiment (Feb)	57.30	56.40
US Michigan Consumer Expectations (Feb)	56.60	57.00
US Michigan 1-Year Inflation Expectations (Feb)	3.50%	4.00%
US Michigan 5-Year Inflation Expectations (Feb)	3.40%	3.30%

Country Event	Forecast	Previous
Monday, Feb 23, 2026		
ID M2 Money Supply (YoY) (Jan)		9.60%
GE Current Assessment (Feb)		85.70
GE Ifo Business Climate Index (Feb)		87.60
GE Business Expectations (Feb)		89.50
US Factory Orders (MoM) (Dec)		2.70%
Tuesday, Feb 24, 2026		
US S&P/CS HPI Composite - 20 n.s.a. (MoM) (Dec)		0.00%
US S&P/CS HPI Composite - 20 n.s.a. (YoY) (Dec)		1.40%
US CB Consumer Confidence (Feb)		84.50
Wednesday, Feb 25, 2026		
GE GDP (QoQ) (Q4)		0.30%
GE GDP (YoY) (Q4)		0.40%
GE Gfk Consumer Climate (Mar)		-24.10
EU CPI (YoY) (Jan)		1.70%
EU Core CPI (YoY) (Jan)		2.20%
EU CPI (MoM) (Jan)		0.20%

Sources : investing, KBVS Research (2025)


Thank you!