Rising Inflation Amid Fragile Geopolitical Calm

2 July 2026

KBVS Economist Team

EXECUTIVE SUMMARY

- **Globally, Middle East geopolitical tensions remained elevated despite renewed diplomatic engagement between the US and Iran.** While both sides agreed to halt further attacks and resume negotiations, Israel's continued military operations in southern Lebanon, the Singapore-flagged vessel incident near the Strait of Hormuz, and Iran's decision to suspend direct talks with the US underscored the fragile de-escalation process. Although energy exports from major Gulf producers remain uninterrupted, oil prices edged higher as markets repriced geopolitical risks, suggesting that financial markets will remain highly sensitive to further diplomatic and security developments in the region.

- **Indonesia's inflation accelerated more than expected in Jun '26, supported by higher administered prices after fuel price adjustments and sustained food inflation amid domestic supply constraints.** The stronger inflation print reinforces expectations that Bank Indonesia will keep its policy rate unchanged in the near term, while financial markets will continue to monitor whether easing food prices and fading fuel-related base effects can gradually bring inflation back toward a more stable trajectory in 2H26.

Source: https://wuling.id/id/blog/lifestyle/fakta-isi-bensin-full-tank-pada-mobil-seberapa-penting (2026)

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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Jun ‘26	3,75	3,75
Economic Growth	%, yoy	1Q26	2,7	2
Inflation Rate	%, yoy	May '26	4,2	3,8
Unemployment Rate	%	May '26	4,3	4,3

Sources : various sources, KBVS Research (2026)

The data releases that influenced yield movements in the week of 25 Jun – 1 Jul ‘26 are as follows:

- US Initial Jobless Claims decreased to 215K (Cons: 225K, Prev: 227K).
- US Core PCE Price Index in May ‘26 stable at 0.30% MoM (Cons: 0.30% MoM, Prev: 0.30% MoM).
- US GDP in 1Q26 increased to 2.10% QoQ (Cons: 1.60% QoQ, Prev: 0.50% QoQ).
- US Durable Goods Orders in May ’26 decreased to -4.50% MoM (Cons: -5.00% MoM, Prev: 8.50% MoM).
- US Chicago PMI in Jun ’26 decreased to 56.70 (Cons: 55.70, Prev: 62.70).
- US JOLTS Job Openings in May ’26 increased to 7.594M (Cons: 7.280M, Prev: 7.585M).
- US CB Consumer Confidence in Jun ’26 increased to 91.20 (Cons: 94.40, Prev: 90.60).

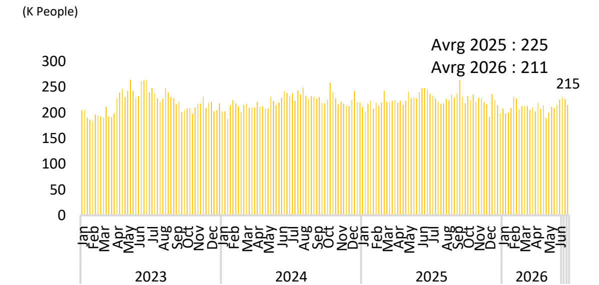
ECONOMIC CALENDAR

(25 JUN – 1 JUL ‘26)

Event	Actual	Forecast	Previous
Thursday, 25 Jun '26			
US 5-Year Note Auction	4,20%		4,18%
US Fed Bank Stress Test Result			
US President Trump Speaks			
US Core PCE Price Index (YoY) (May)	3,40%	3,40%	3,30%
US Core PCE Price Index (MoM) (May)	0,30%	0,30%	0,30%
US GDP (QoQ) (Q1)	2,10%	1,60%	0,50%
US Durable Goods Orders (MoM) (May)	-4,50%	-5,00%	8,50%
US PCE Price Index (YoY) (May)	4,10%	4,10%	3,80%
US PCE Price Index (MoM) (May)	0,40%	0,50%	0,40%
US Personal Spending (MoM) (May)	0,70%	0,60%	0,40%
US Core PCE Prices (Q1)	4,40%	4,40%	2,70%
US GDP Price Index (QoQ) (Q1)	3,60%	3,50%	3,70%
US Core Durable Goods Orders (MoM) (May)	1,30%	0,50%	1,40%
US Intial Jobless Claims	215K	225K	227K
US Continuing Jobless Claims	1,821K	1,800K	1,800K
US FOMC Member Bowman Speaks			
Friday, 26 Jun '26			
US 7-Year Note Auction	4,26%		4,29%
US FOMC Member Williams Speaks			
US Fed's Balance Sheet	6,736B		6,736B
US Retail Inventories Ex Auto (May)	0,40%		0,70%
US Goods Trade Balance (May)	-105.80B	-85.00B	-83.01B
US Michigan 1-Year Inflation Expectations (Jun)	4,60%	4,60%	4,80%
US Michigan 5-Year Inflation Expectations (Jun)	3,30%	3,40%	3,90%
US Michigan Consumer Sentiment (Jun)	49,50	48,90	44,80
US Michigan Consumer Expectations (Jun)	50,70	49,30	44,10
US FOMC Member Kashkari Speaks			
Monday, 29 Jun '26			
Tuesday, 30 Jun '26			
US S&P/CS HPI Composite - 20 n.s.a. (YoY) (Apr)	1,10%	0,90%	0,90%
US S&P/CS HPI Composite - 20 n.s.a. (MoM) (Apr)	1,00%		1,10%
US Chicago PMI (Jun)	56,70	55,70	62,70
US JOLTS Job Openings (May)	7.594M	7.280M	7.585M
US CB Consumer Confidence (Jun)	91,20	94,40	90,60
Wednesday, 1 Jul '26			
US API Weekly Crude Oil Stock	-6.072M	-4.100M	-0.765M
US ADP Nonfarm Employment Change (Jun)		118K	122K
US Fed Governor Warsh Speaks			
US S&P Global Manufacturing PMI (Jun)		55,70	55,10
US ISM Manufacturing PMI (Jun)		53,80	54,00
US ISM Manufacturing Prices (Jun)		77,70	82,10
US ISM Manufacturing Employment (Jun)			48,60
US Construction Spending (MoM) (May)		0,10%	0,40%
US Crude Oil Inventories		-4.800M	-6.088M
US Cushing Crude Oil Inventories			-1.077M

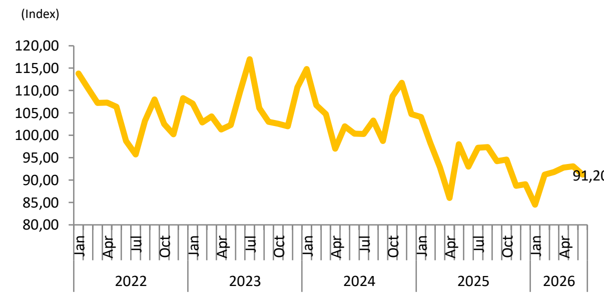
Sources : investing, KBVS Research (2026)

WEEKLY INITIAL JOBLESS CLAIMS



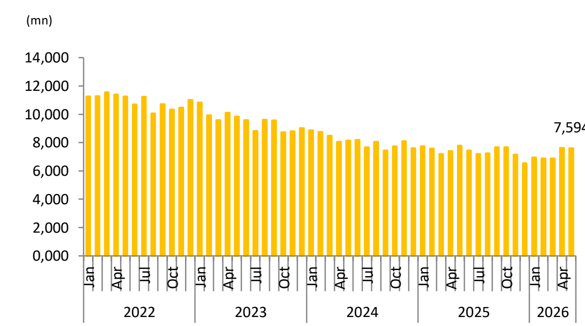
Sources : US DoL, KBVS Research (2026)

US CB CONSUMER CONFIDENCE



Sources : US Conference Board, KBVS Research (2026)

US JOLTS JOB OPENINGS



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

MIDDLE-EASTERN GEOPOLITICAL TENSION DEVELOPMENTS

26 Jun

- Israel continued **military operations in South Lebanon**
- US President Donald Trump accused Iran of **violating the interim ceasefire**
- Iranian projectile **struck a Singapore-flagged cargo vessel** in the Strait of Hormuz

29 Jun

- The US and Iran agreed to **halt further attacks and resume negotiations**
- Middle Eastern oil and LNG producers **continued export operations**

30 Jun

- Iran announced it would **not hold direct talks with US envoys** and instead should be through intermediaries such as Qatar.

1 Jul

- **Oil prices edged higher** as markets reacted to the breakdown in direct US-Iran negotiations and renewed uncertainty over Middle East energy supplies

Market Implications

- The **Singapore-flagged vessel incident** demonstrated that commercial shipping remains vulnerable despite the ceasefire.
- **Diplomatic engagement between the US and Iran has resumed**, but progress toward a permanent agreement remains slow.
- The Strait of Hormuz remains **operational but fragile**, keeping a geopolitical risk premium associated in oil prices.
- Markets continue to rea**ct to both diplomatic headlines and security incidents**, with energy prices and risk sentiment remaining highly sensitive to developments in the Middle East.

Outlook

- **Geopolitical risks remain elevated**, as negotiations between the US and Iran have yet to produce a final agreement.
- **Oil prices are expected to remain volatile,** with any setback in negotiations or renewed military escalation be met with the reintroduction of a geopolitical risk premium.
- **Global bond yields are likely to remain elevated**, due to expectations that major central banks, will maintain a higher-for-longer policy stance against inflation risk.
- **Emerging market assets,** including Indonesia**, may continue to experience periods of volatility**
- **Market attention is expected to shift from the immediate conflict** toward diplomatic developments, inflation data, and central bank policy signals, which will likely become the primary drivers of financial markets in the coming weeks.

FED PROBABILITIES

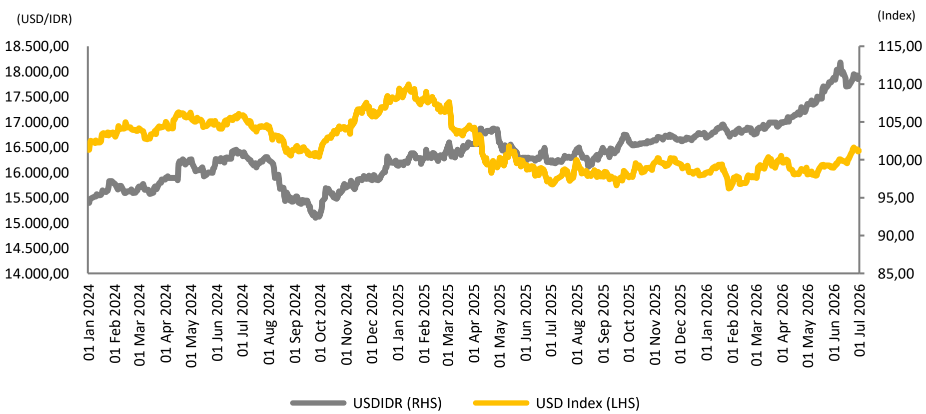
FED PROBABILITIES, as of 1 Jul '26

MEETING DATE	325-350	350-375	375-400	400-425	425-450	450-475	475-500
29-Jul-26	0,0%	66,3%	33,7%	0,0%	0,0%	0,0%	0,0%
16-Sep-26	0,0%	33,1%	50,0%	16,9%	0,0%	0,0%	0,0%
28-Oct-26	0,0%	26,5%	46,7%	23,5%	3,4%	0,0%	0,0%
09-Dec-26	0,0%	17,3%	39,6%	31,5%	10,4%	1,2%	0,0%
27-Jan-27	0,0%	15,7%	37,6%	32,3%	12,3%	2,0%	0,1%
17-Mar-27	0,0%	13,5%	34,5%	33,0%	15,1%	3,5%	0,4%
28-Apr-27	0,0%	13,5%	34,5%	33,0%	15,1%	3,5%	0,4%
09-Jun-27	2,0%	16,6%	34,3%	30,4%	13,4%	3,0%	0,3%

Sources : CME Group, and KBVS Research (2026)

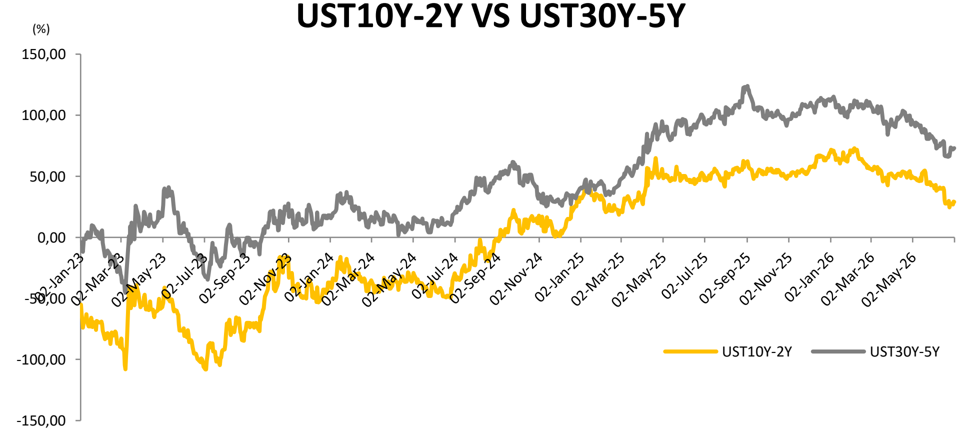
- As of 1 Jul '26, markets continue to price in a hawkish Fed outlook despite July remaining widely expected to see a policy hold. The probability of the Fed maintaining the policy rate at 350–375bps stands at 66.3% for the Jul '26 meeting, while expectations for an additional 25bps hike remain concentrated in Sep–Dec '26, reinforcing the higher-for-longer interest rate narrative through early 2027.
- Reflecting the persistent hawkish expectations, the U.S. Dollar Index (DXY) remained firm at 101.11, while USD/IDR hovered near IDR17,848/USD, suggesting that external pressure on the Rupiah remains elevated despite the slight pullback in the dollar from last week.
- In the U.S. Treasury market, the yield curve continued to flatten modestly. The 10Y–2Y spread widened slightly to 29.08bps, indicating that markets still anticipate relatively restrictive monetary policy in the near term. Meanwhile, the 30Y–5Y spread increased to 72.93bps, reflecting a mild steepening at the long end as investors reassess long-term growth and inflation expectations amid expectations that policy rates will remain restrictive for longer.

DXY INDEX - USDIDR



Sources : Bloomberg, and KBVS Research (2026)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2026)

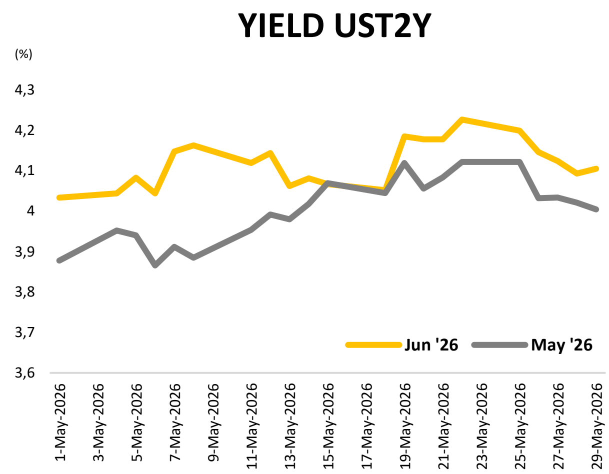
THE MOVEMENT OF UST YIELDS

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+

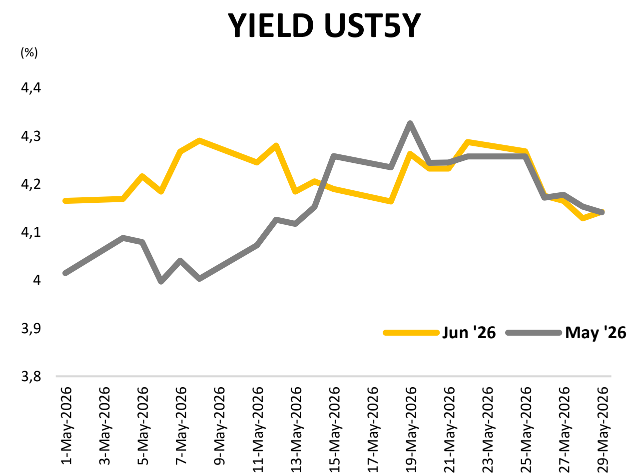
Sources : US Treasury, KBVS Research (2026)

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

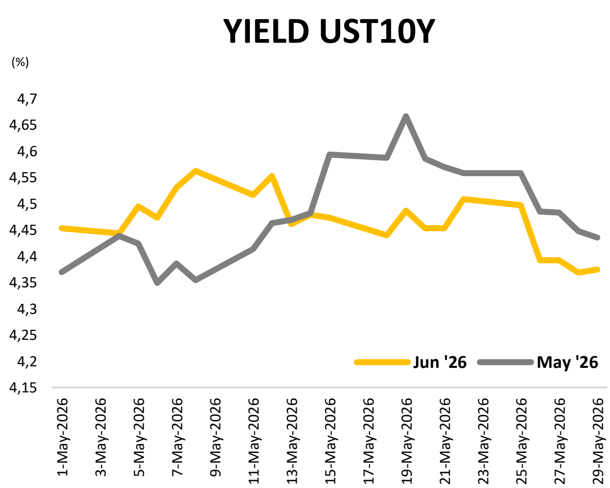
- Yield UST6M
  - +2.68 bps (WoW)
  - +36.26 bps (YtD, as of Jul 1,'26)
- Yield UST1Y
  - -0.24 bps (WoW)
  - +49.17 bps (YtD, as of Jul 1,'26)
- Yield UST2Y
  - +2.88 bps (WoW)
  - +70.14 bps (YtD, as of Jul 1,'26)
- Yield UST5Y
  - +5.08 bps (WoW)
  - +50.13 bps (YtD, as of Jul 1,'26)
- Yield UST10Y
  - +7.50 bps (WoW)
  - +30.02 bps (YtD, as of Jul 1,'26)
- Yield UST30Y
  - +12.07 bps (WoW)
  - +11.67 bps (YtD, as of Jul 1,'26)



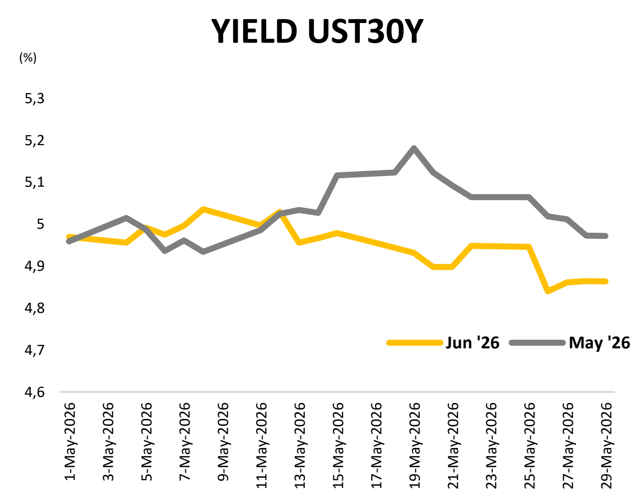
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)

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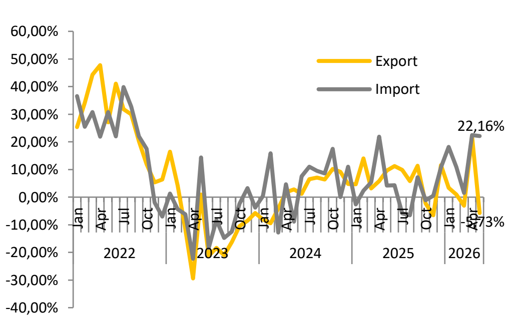
INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	18 Jun '26	5,75	5,50
Economic Growth	%, yoy	1Q26	5,61	5,39
Inflation Rate	%, yoy	Jun '26	3,34	3,08
Unemployment Rate	%	Mar '26	4,68	4,85
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2026)

EXPORT - IMPORT



Sources : BPS, KBVS Research (2026)

ECONOMIC CALENDAR

(25 JUN – 1 JUL '26)

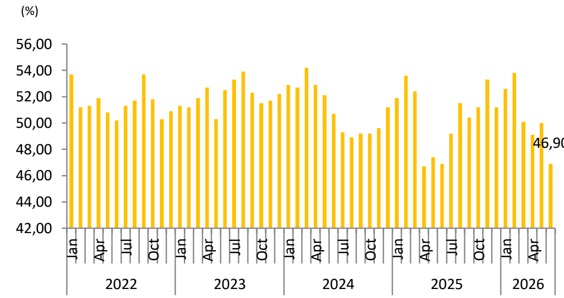
Event	Actual	Forecast	Previous
Thursday, 25 Jun '26			
Friday, 26 Jun '26			
Monday, 29 Jun '26			
Tuesday, 30 Jun '26			
Wdnesday, 1 Jul '26			
ID S&P Global Manufacturing PMI (Jun)	46,90		50,00
ID Inflation (YoY) (Jun)	3,34%	3,20%	3,08%
ID Inflation (MoM) (Jun)	0,44%	0,30%	0,28%
ID Core Inflation (YoY) (Jun)	2,76%	2,60%	2,59%
ID Export Growth (YoY) (May)	-5,37%	6,40%	21,98%
ID Import Growth (YoY) (May)	22,16%	19,50%	22,49%
ID Trade Balance (May)	-1.61B	1.10B	0.09B

Sources : Investing, KBVS Research (2026)

The data releases that influenced yield movements in the week of 25 Jun – 1 Jul '26 are as follows:

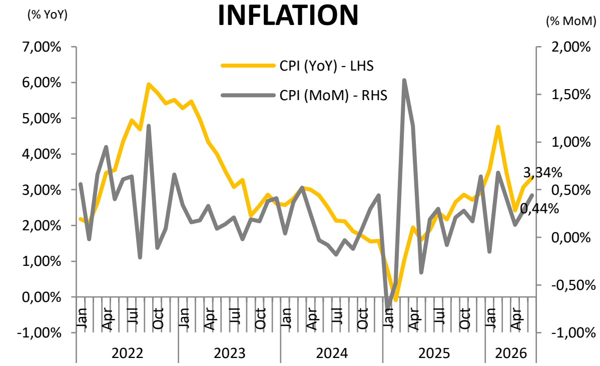
- ID S&P Global Manufacturing PMI in Jun '26 decreased to 46.90 (Prev: 50.00)
- **Headline inflation in Jun '26 accelerated to 0.44% MoM** (Cons: 0.29% MoM, Prev: 0.28% MoM)**, pushing annual inflation higher to 3.34% YoY** (Cons: 3.20% YoY, Prev: 3.08% YoY)**.** The stronger-than-expected inflation was primarily driven by the adjustment in Pertamax fuel prices, which raised transportation costs and generated second-round effects across various goods and services. In addition, reduced agricultural output due to the prolonged El Niño-induced dry season led to supply shortages for several food commodities, further fueling food price inflation.
- **Indonesia recorded a trade deficit of USD1.61 bn in May '26** (Cons: USD1.10 bn surplus, Prev: USD0.09 bn surplus), **marking the first monthly trade deficit after 72 months period of surpluses.** The deterioration was mainly driven by a sharp contraction in exports, which fell -5.73% YoY (Cons: 4.00% YoY, Prev: 21.98% YoY), while imports remained elevated at 22.16% YoY (Cons: 18.00% YoY, Prev: 22.49% YoY). The decline in exports was primarily attributable to weaker shipments of precious metals, metal ores and silver, as well as iron and steel.

S&P GLOBAL MANUFACTURING PMI



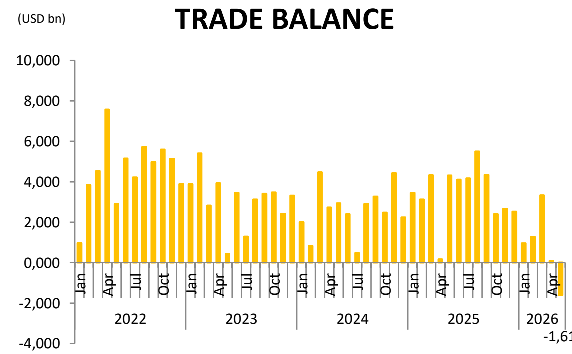
Sources : S&P, KBVS Research (2026)

INFLATION



Sources : BPS, KBVS Research (2026)

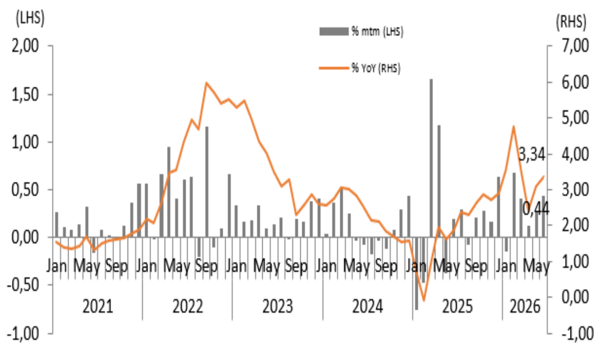
TRADE BALANCE



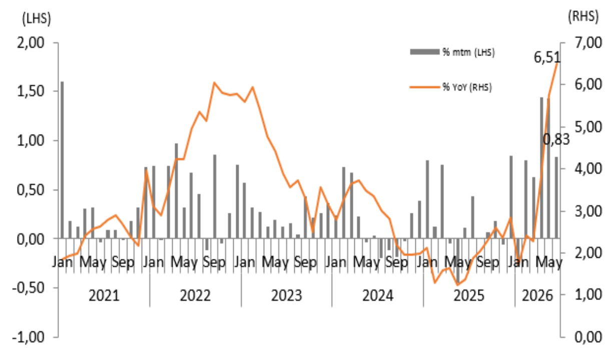
Sources : BPS, KBVS Research (2026)

INFLATION

INFLATION



WPI



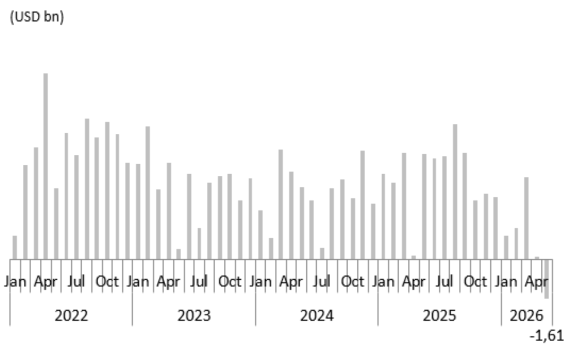
Indicators	Index		Inflation	
	Latest	M-1	MoM	YoY
Consumer Price Index (CPI)	111,89	111,40	0,44%	3,34%
Food, Beverages, and Tobacco	117,75	117,51	0,20%	4,67%
Clothing and Footwear	105,04	104,82	0,21%	1,00%
Housing,Water, Electricity,and Household Fuels	105,06	104,93	0,12%	1,04%
Equipment, Tools, and Routine Household Maintenance	105,56	105,09	0,45%	1,44%
Health	107,62	107,38	0,22%	1,84%
Transport	115,00	112,42	2,29%	4,57%
Info, Comm. and Financial Services	100,54	100,26	0,28%	1,26%
Recreation, Sport and Culture	106,43	106,23	0,19%	1,40%
Education Services	106,36	106,29	0,07%	1,27%
Food and Beverages Services/Restaurants	110,19	109,98	0,19%	2,36%
Personal Care and Other Services	132,13	132,00	0,10%	10,10%
Core inflation	109,60	109,35	0,23%	2,76%
Administered Price	113,79	112,21	1,41%	3,42%
Volatile Food	119,05	118,88	0,14%	5,58%
Wholesale Price Index (WPI)	111,55	110,63	0,83%	6,51%
Agriculture	115,49	114,28	1,06%	8,34%
Mining and Quarrying	110,87	110,29	0,53%	10,87%
Manufacturing	111,27	110,78	0,44%	3,95%
Farmer Exchange Rate	127,76	127,73	0,02%	4,96%
Farmers Price Received Index	127,65	165,36	-22,80%	-15,40%
Farmers Price Paid Index	127,65	127,74	-0,07%	2,98%

- Indonesia’s headline inflation accelerated more than expected in Jun ‘26, rising to 0.44% MoM and lifting annual inflation to 3.34% YoY. Administered Prices were the main driver, rising 1.41% MoM, mainly reflected higher non-subsidized fuel prices and airfares following Pertamina's two fuel price adjustments during the month. Food inflation remained elevated amid higher imported food costs and domestic supply shortages.

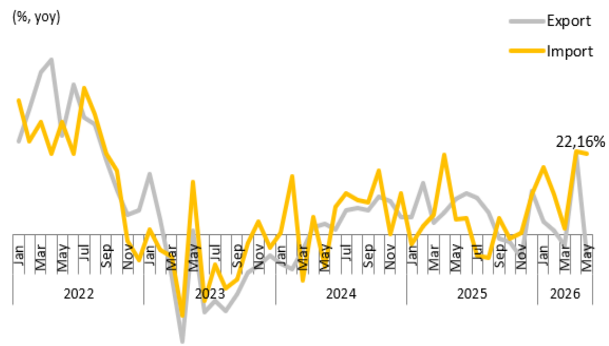
- June's stronger-than-expected inflation print reinforces our expectation that Bank Indonesia will maintain a hawkish hold at its upcoming policy meeting. Looking ahead, we expect inflation to remain elevated over the next few months, although the pace of acceleration should moderate as the one-off impact of fuel price adjustments gradually fades.

TRADE BALANCE

TRADE BALANCE



EXPORT - IMPORT

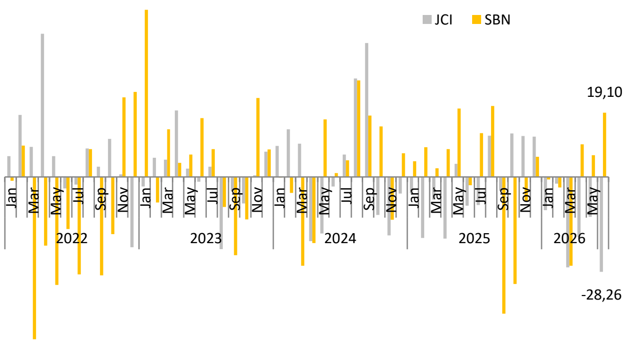


Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
Total Export (FOB)	23,20	25,30	-8,30	-5,73
Oil and Gas	0,76	1,16	-34,38	-31,76
- Crude Oil	-	0,07	-100,00	-100,00
- Processed Oil	0,41	0,56	-26,10	4,05
- Gas	0,35	0,53	-34,85	-44,57
Non-Oil and Gas	22,45	24,15	-7,05	-4,50
- Agriculture, Forestry, and Fisheries	0,50	0,45	11,31	-20,43
- Manufacturing	19,05	20,59	-7,46	-3,59
- Mining & Others	2,89	3,11	-6,99	-7,03
Total Import (CIF)	24,81	25,21	-1,59	22,16
Oil and Gas	4,51	4,60	-1,82	70,78
- Crude Oil	0,70	1,09	-35,56	-4,06
- Processing Oil	3,81	3,51	8,68	99,49
- Gas	0,00	0,00	0,00	0,00
Non-Oil and Gas	20,30	20,62	-1,53	14,89
Import Based on the Goods Usage Classification				
Consumption Goods	2,23	2,43	-8,42	21,99
Raw/Auxiliary Materials	17,58	18,65	-5,72	25,17
Capital Goods	5,00	4,13	21,12	12,7
Trade Balance	-1,61	0,09	-1907,18%	-137,45%
Oil and Gas Trade Balance	-3,76	-3,44	9,10%	145,53%
Non-Oil and Gas Trade Balance	2,15	3,53	-39,24%	-63,18%

- **Indonesia's trade balance unexpectedly reversed into a deficit of USD1.61 bn in Jun '26**, marking the country's first monthly trade deficit after 72 consecutive months of surpluses and the largest deficit since Apr '19. The primary downside came from the export side, where export value declined -5.73% YoY to USD23.20 bn, mainly due to weaker non-oil and gas exports, which fell -4.50% YoY. On the import side, import value increased 22.16% YoY to USD24.81 bn, mainly driven by a 70.78% YoY surge in oil and gas imports, while non-oil and gas imports remained robust, rising 14.89% YoY.
- Since China remains Indonesia's largest export destination, accounting for 25.90% of Indonesia's non-oil and gas exports, the moderation in China's industrial activity and commodity demand has also weighed on Indonesia's export performance. In addition, China has introduced stricter regulations governing its domestic thermal coal market for 2026, encouraging greater reliance on domestic coal production through long-term supply contracts with local producers rather than with foreign firms.
- Overall, Indonesia's trade balance is expected to gradually move back towards surplus over the coming months as global oil prices continue to ease following the de-escalation of geopolitical tensions in the Middle East. Nevertheless, risks remain from renewed geopolitical tensions, fluctuations in global commodity prices, weaker-than-expected demand from major trading partners, and further changes in global trade policies.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2026)

Between 25 Jun – 1 Jul '26, non-residents conducted:

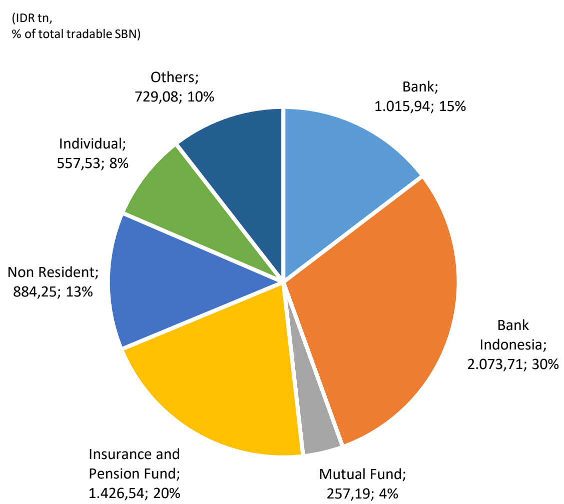
- A net buy of tradeable SBN, amounting IDR8.99 tn.
- A net sell of JCI, amounting IDR3.80 tn.

SUN LATEST AUCTION

23 Jun '26										
Instruments	SPN01260725	SPN03260923	SPN12270610	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	0,65	1,60	5,03	15,04	10,65	5,14	3,92	2,35	2,21	46,58
Bid to Cover Ratio	1,30	1,60	-	1,63	1,29	1.13	1,14	1,09	2,60	1,55
Weighted Average Yields Awarded	6,900%	7,100%	-	7,206%	7,190%	7,250%	7,259%	7,348%	7,349%	
9 Jun '26										
Instruments	SPN01260711	SPN12260910	SPN12270610	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1,15	3,03	6,36	15,29	8,45	2,36	3,92	3,77	2,37	46,70
Bid to Cover Ratio	1,15	1,21	1,27	2,20	4,69	1,57	1,31	1,26	1,48	1,77
Weighted Average Yields Awarded	6,650%	6,880%	7,299%	7,400%	7,400%	7,410%	7,390%	7,380%	7,390%	

Sources : DJPPR, KBVS Research (2026)

OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2026)

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

- Bank Indonesia : IDR2,073.71 tn (-IDR6.81 tn, WoW),
- Banks : IDR1,015.94 tn (+IDR13.13 tn, WoW), and
- Insurance & Pension Funds: IDR1,426.64 tn (+IDR8.63 tn, WoW)

SBSN LATEST AUCTION

30 Jun '26									
Instruments	SPNS10082026	SPNS16122026	SPNS01032027	PBS030	PBS040	PBS034	PBS005	PBS038	Total
Incoming Bids (IDR tn)	0,68	1,98	4,39	4,44	3,12	1,08	0,04	0,19	15,91
Bid to Cover Ratio	1,13	-	1,07	1,97	1,27	1,81	-	-	1,59
Weighted Average Yields Awarded	6,850%	-	7,100%	7,185%	7,230%	7,239%	-	-	
19 Jun '26									
Instruments	SPNS10082026	SPNS16122026	SPNS01032027	PBS030	PBS040	PBSG002	PBS034	PBS038	Total
Incoming Bids (IDR tn)	1,59	2,97	5.42	4,71	0,96	1,27	1,74	0,47	19,14
Bid to Cover Ratio	1,59	2,97	-	1,41	1,20	1,02	1,06	1,18	2,03
Weighted Average Yields Awarded	6,750%	6,900%	-	7,077%	7,057%	7,108%	7,133%	7,213%	

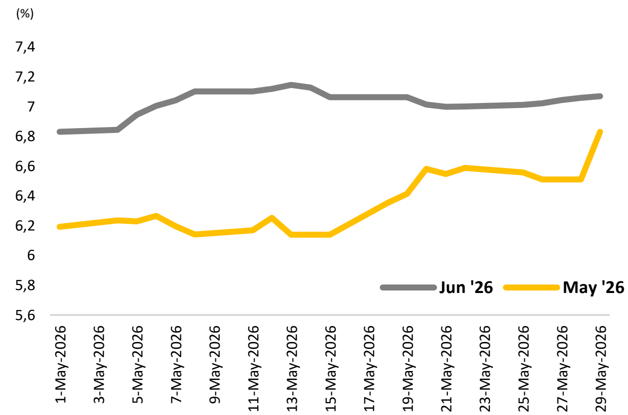
Sources : DJPPR, KBVS Research (2026)

THE MOVEMENT OF SUN YIELDS

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

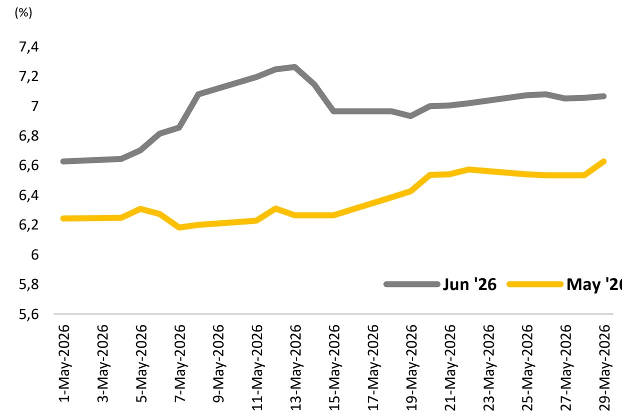
- Yield SUN1Y
  - +9.40 bps (WoW)
  - +247.60 bps (YtD, as of Jul 1,'26)
- Yield SUN2Y
  - +6.00 bps (WoW)
  - +224.40 bps (YtD, as of Jul 1,'26)
- Yield SUN5Y
  - +19.60 bps (WoW)
  - +157.50 bps (YtD, as of Jul 1,'26)
- Yield SUN10Y
  - -4.80 bps (WoW)
  - +109.10 bps (YtD, as of Jul 1,'26)
- Yield SUN30Y
  - -1.50 bps (WoW)
  - +62.40 bps (YtD, as of Jul 1,'26)

YIELD SUN1Y



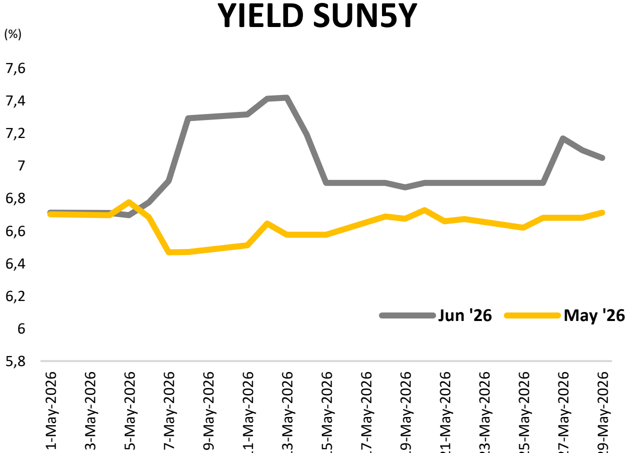
Sources : Bloomberg, KBVS Research (2026)

YIELD SUN2Y



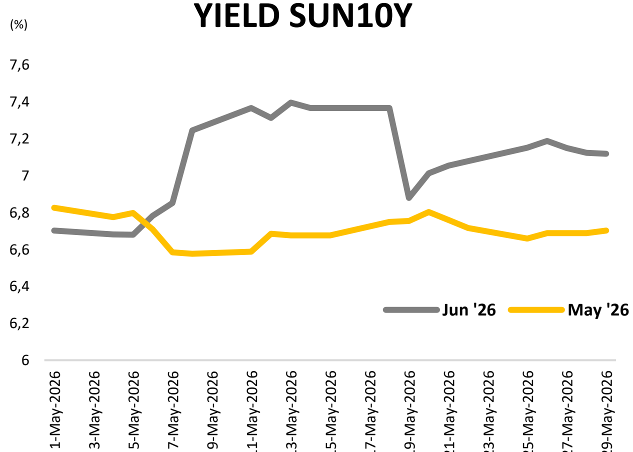
Sources : Bloomberg, KBVS Research (2026)

YIELD SUN5Y



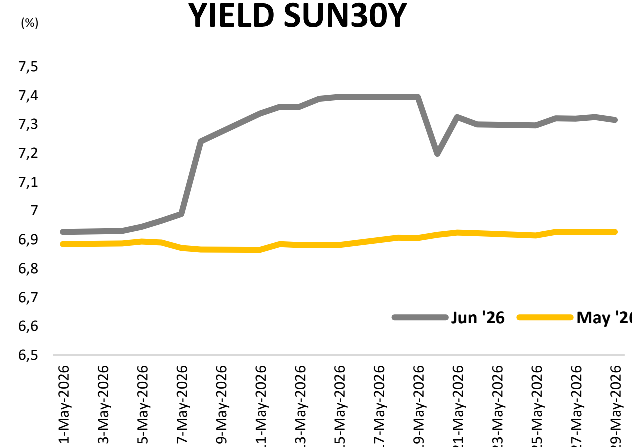
Sources : Bloomberg, KBVS Research (2026)

YIELD SUN10Y



Sources : Bloomberg, KBVS Research (2026)

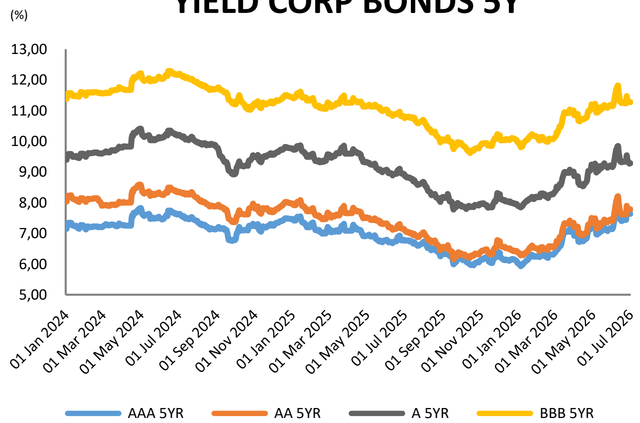
YIELD SUN30Y



Sources : Bloomberg, KBVS Research (2026)

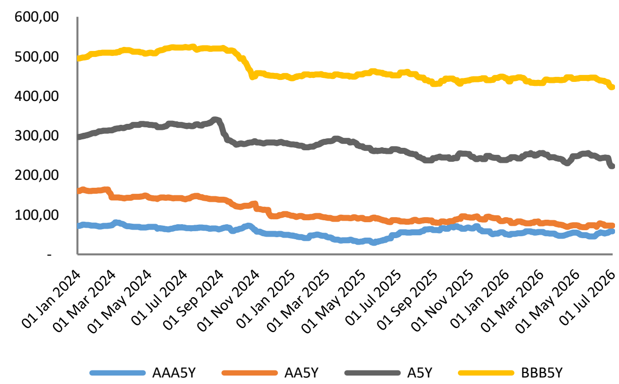
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2026)

YIELD SPREAD 5Y TENOR

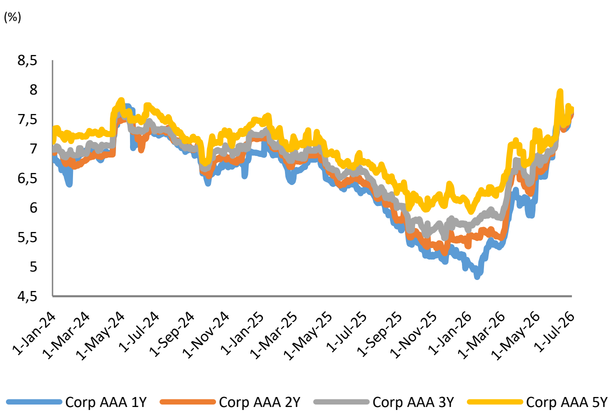


Sources : Bloomberg, KBVS Research (2026)

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

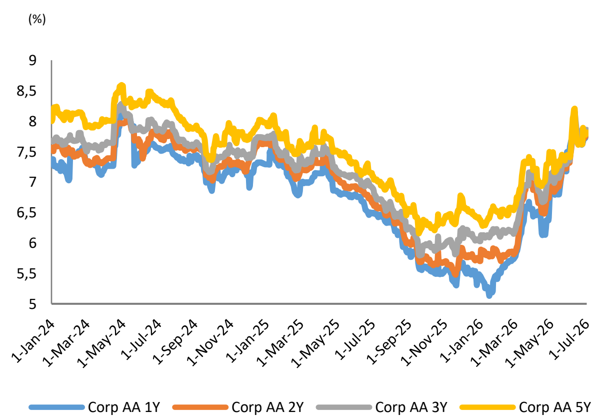
- AAA-rated
  - Tenor 1Y : +22.50 bps (WoW)
  - Tenor 2Y : +18.85 bps (WoW)
  - Tenor 5Y : +23.02 bps (WoW)
- AA-rated
  - Tenor 1Y : +14.71 bps (WoW)
  - Tenor 2Y : +10.78 bps (WoW)
  - Tenor 5Y : +19.77 bps (WoW)
- A-rated
  - Tenor 1Y : -3.60 bps (WoW)
  - Tenor 2Y : -15.41 bps (WoW), and
  - Tenor 5Y : -1.81 bps (WoW)

YIELD AAA-RATED



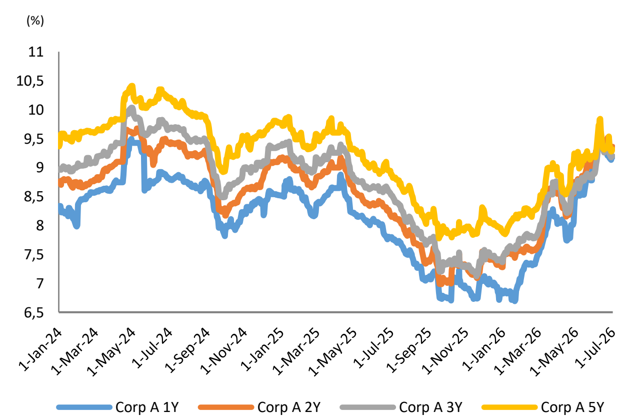
Sources : Bloomberg, KBVS Research (2026)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2026)

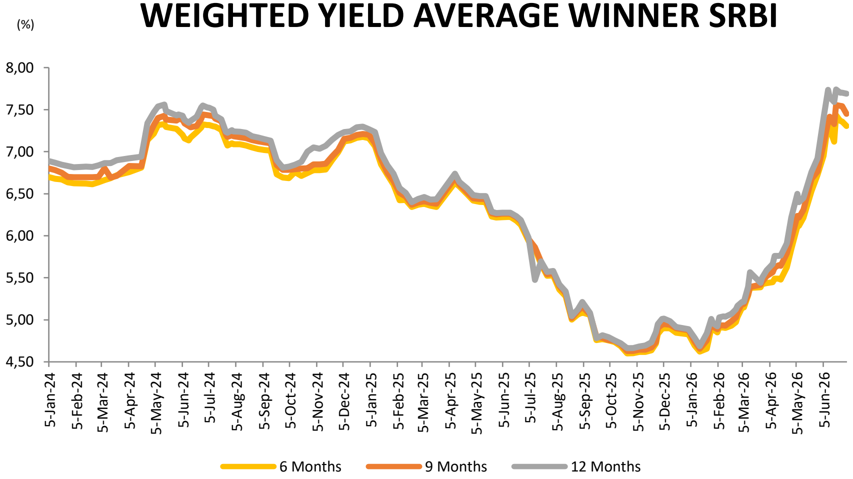
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2026)

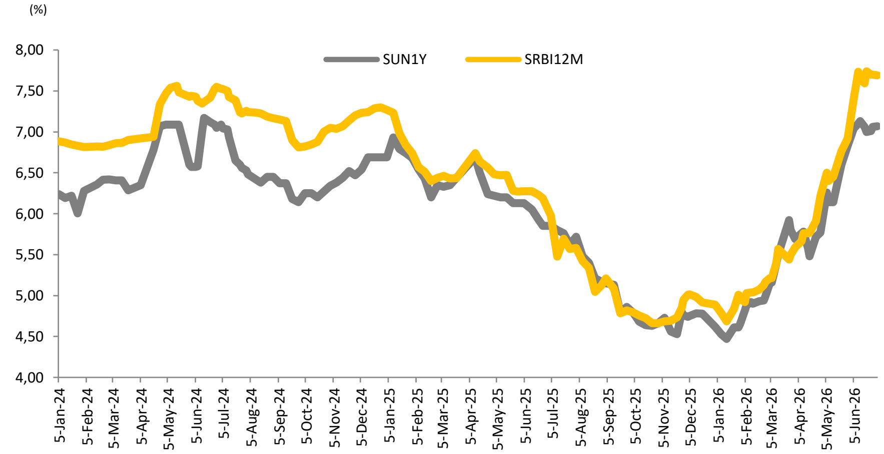
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



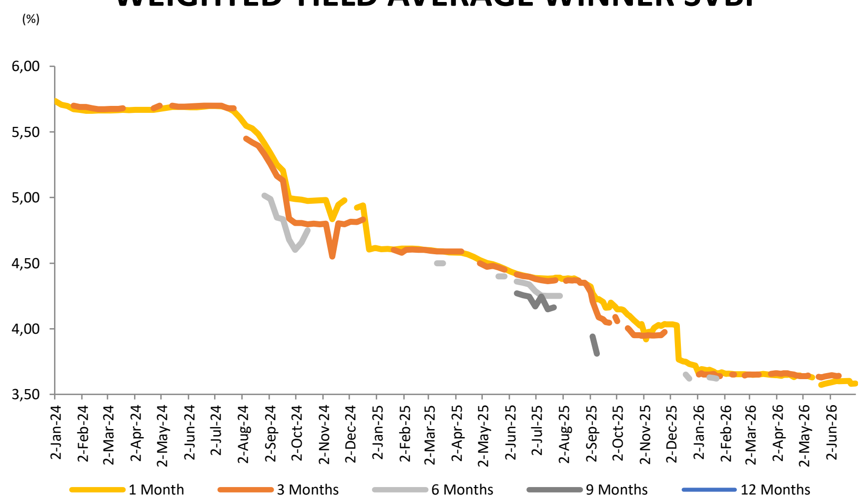
Sources : BI, KBVS Research (2026)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2026)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2026)

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

Yield (%)	1 Jul '26	26 Jun '26
6 Month	7.30567%	7.35980%
9 Month	7.44944%	7.54000%
12 Month	7.69070%	7.70005%

- Meanwhile, the latest SUVBI auction saw the profit sharing rate was at:
  - 1 month: 3.583%
  - 3 month: 3.650%
  - 6 month: 3.773%
  - 9 month: 3.843%
  - 12 month: 3.850%

TABLE OF CONTENTS :

NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(2-8 JUL 2026)

Country	Event	Forecast	Previous
	Thursday, Jul 2, 2026		
JP	10-Year JGB Auction		2,65%
GE	Buba Vice President Buch Speaks		
GB	BoE Credit Conditions Survey		
EU	Unemployment Rate (May)	6,30%	6,30%
EU	ECB's Elderson Speaks		
US	Nonfarm Payrolls (Jun)	114K	172K
US	Unemployment Rate (Jun)	4,30%	4,30%
US	Average Hourly Earnings (MoM) (Jun)	0,30%	0,30%
US	Initial Jobless Claims	220K	215K
US	Continuing Jobless Claims		1,821K
US	Private Nonfarm Payrolls (Jun)		120K
US	Average Hourly Earnings (YoY) (Jun)		3,40%
US	U6 Unemployment Rate (Jun)		8,10%
US	Participation Rate (Jun)		61,80%
US	Factory Orders (MoM) (May)	2,10%	4,80%
GB	BoE MPC Member Mann Speaks		
	Friday, Jul 3, 2026		
US	Baker Hughes Oil Rig Count		
US	Baker Hughes Total Rig Count		
US	Fed's Balance Sheet		6,736B
JP	S&P Global Services PMI (Jun)	51,80	50,00
CN	Services PMI (Jun)	53,60	54,40
GE	HCOB Services PMI (Jun)	46,80	48,10
EU	HCOB Services PMI (Jun)	48,90	48,90
EU	HCOB Composite PMI (Jun)	49,50	49,50
EU	ECB President Lagarde Speaks		
GB	S&P Global Composite PMI (Jun)	49,40	49,70
GB	S&P Global Services PMI (Jun)	48,70	49,30
GE	Buba President Nagel Speaks		
GB	BoE Gov Bailey Speaks		

Country	Event	Forecast	Previous
	Monday, Jul 6, 2026		
GE	Factory Orders (MoM) (May)		-3,80%
GB	S&P Global Construction PMI (Jun)		38,20
US	S&P Global Services PMI (Jun)		51,30
US	S&P Global Composite PMI (Jun)		52,20
US	ISM Non-Manufacturing Prices (Jun)		71,30
US	ISM Non-Manufacturing PMI (Jun)		54,50
US	ISM Non-Manufacturing Employment (Jun)		47,90
	Tuesday, Jul 7, 2026		
JP	Household Spending (YoY) (May)		-0,50%
JP	Household Spending (MoM) (May)		1,60%
ID	Fx Reserves (USD) (Jun)		144.90B
GE	Industrial Production (MoM) (May)		0,40%
GB	Halifax House Price Index (YoY) (Jun)		0,50%
GB	Halifax House Price Index (MoM) (Jun)		-0,10%
GB	Mortage Rate (GBP)		6,60%
US	ADP Employment Change Weekly		30.75K
US	Trade Balance (May)		-55.90B
US	Exports (May)		327.10B
US	Imports (May)		383.00B
US	NY Fed 1-Year Consumer Inflation Expectations		3,50%
	Wednesday, Jul 8, 2026		
US	3-Year Note Auction		4,19%
JP	Adjusted Current Account (May)		421.11T
JP	Current Account n.s.a. (May)		3.908T
ID	Consumer Confidence (Jun)		120,90

Sources : investing, KBVS Research (2026)


Thank you!