Global Risks and Domestic Resilience

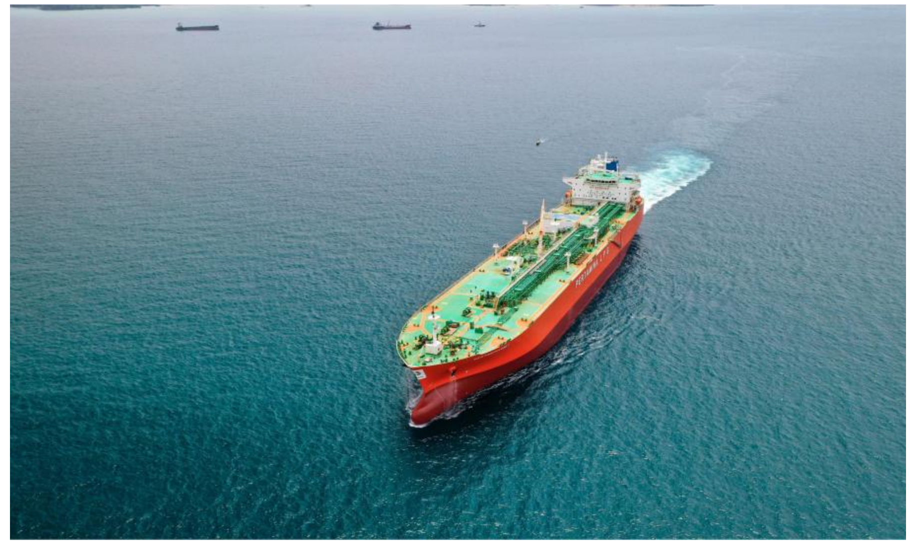
7 May 2026

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- Geopolitical Tail-Risks & Energy Market Correction. The escalation of the US-Iran conflict via the "Project Freedom" launch triggered a surge in market volatility, driving the VIX to a peak of 18.81 and pushing Brent crude to the USD114–118/bbl range. However, the operational pause on May 6 catalyzed a sharp relief rally, forcing a correction in Brent crude down to USD103.34/bbl and cooling the VIX to 16.75.
- Resilient Labor Market & Solid Domestic Activity. US labor market fundamentals remain robust, highlighted by a sharp decline in Initial Jobless Claims to 189K (well below the 213K estimate) and an improved unemployment rate of 4.3%. This resilience is further supported by an expansion in manufacturing activity, with the S&P Global PMI rising to 54.50, and an increase in New Home Sales to 682K.

- On domestic side, Indonesia's GDP outperformed expectations with 5.61% YoY growth in 1Q26. This expansion was fueled by a significant 21.81% surge in government consumption and strong seasonal demand in the services sector during Ramadan and Lebaran.
- Headline inflation moderated to 2.42% YoY in April, aided by a sharp decline in personal care costs. However, the Rupiah has weakened (IDR 17,200–17,400/USD), prompting Bank Indonesia to likely maintain steady interest rates to manage imported inflation and protect real yields.
- The trade surplus reached USD3.32 bn in March, marking 71 consecutive months of surplus. While coal exports recovered due to resolved administrative hurdles (RKAB), a surprising deceleration in capital and consumer goods imports suggests a cautious domestic investment climate.
- The MoF is preparing a windfall profit tax on nickel and coal to offset rising energy subsidy costs. While it could generate IDR80 tn and stabilize the fiscal deficit (Bull Case), it carries risks of capital outflow and negative sentiment in the mining equity sector (Bear Case).



Sources : Petromindo (2026); link: https://www.petromindo.com/news/article/indonesian-tankers-cleared-by-iran-to-exit-strait-of-hormuz

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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Apr '26	3,75	3,75
Economic Growth	%, yoy	1Q26	2,7	2
Inflation Rate	%, yoy	Mar '26	3,3	2,4
Unemployment Rate	%	Mar '26	4.3	4.4

Sources : various sources, KBVS Research (2026)

The data releases that influenced yield movements in the week of 30 Apr – 6 May'26 are as follows:

- US Initial Jobless Claims decreased to 189K (Cons: 213K, Prev: 215K).
- US GDP in 1Q26 increased to 2.00% QoQ (Cons: 2.20% QoQ, Prev: 0.50% QoQ).
- US Core PCE Price Index in Mar '26 decreased to 0.30% MoM (Cons: 0.30% MoM, Prev: 0.40% MoM).
- US Chicago PMI in Apr '26 decreased to 49.20 (Cons: 54.80, Prev: 52.80).
- US S&P Global Manufacturing PMI in Apr '26 increased to 54.50 (Cons: 54.00, Prev: 54.00).
- US ISM Manufacturing PMI in Apr '26 stable at 52.70 (Cons: 53.10, Prev: 52.70).
- US ISM Manufacturing Prices in Apr '26 increased to 84.60 (Cons: 80.00, Prev: 78.30).
- US S&P Global Services PMI in Apr '26 increased to 51.00 (Cons: 51.30, Prev: 49.80).
- US New Home Sales in Mar '26 increased to 682K (Cons: 652K, Prev: 635K).
- US JOLTS Job Openings in Mar '26 decreased to 6.866M (Cons: 6.860M, Prev: 6.922M).
- US ISM Non-Manufacturing Prices in Apr '26 stable at 70.70 (Cons: 73.70, Prev: 70.70).
- US ISM Non-manufacturing PMI in Apr '26 decreased to 53.60 (Cons: 53.70, Prev: 54.00).

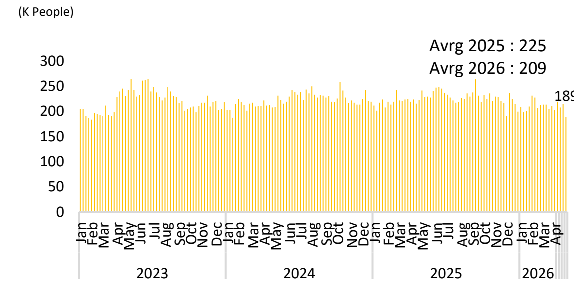
ECONOMIC CALENDAR

(30 APR – 6 MAY '26)

Event	Actual	Forecast	Previous
Thursday, 30 Apr '26			
US Fed Interest Rate Decision	3,75%	3,75%	3,75%
US FOMC Statement			
US FOMC Press Conference			
US GDP (QoQ) (Q1)	2,00%	2,20%	0,50%
US Core PCE Price Index (YoY) (Mar)	3,20%	3,20%	3,00%
US Core PCE Price Index (MoM) (Mar)	0,30%	0,30%	0,40%
US Initial Jobless Claims	189K	213K	215K
US Continuing Jobless Claims	1,785K	1,820K	1,808K
US Employment Cost Index (QoQ) (Q1)	0,90%	0,80%	0,70%
US Core PCE Prices (Q1)	4,30%	4,10%	2,70%
US GDP Price Index (QoQ) (Q1)	3,60%	3,80%	3,70%
US Personal Spending (MoM) (Mar)	0,90%	0,90%	0,60%
US PCE Price Index (MoM) (Mar)	0,70%	0,70%	0,40%
US PCE Price Index (YoY) (Mar)	3,50%	3,50%	2,80%
US Chicago PMI (Apr)	49,20	54,80	52,80
US Leading Index (MoM) (Feb)	-0,60%	-0,20%	0,00%
Friday, 1 May '26			
US Fed's Balance Sheet	6,700B		6,707B
US S&P Global Manufacturing PMI (Apr)	54,50	54,00	54,00
US ISM Manufacturing PMI (Apr)	52,70	53,10	52,70
US ISM Manufacturing Prices (Apr)	84,60	80,00	78,30
US ISM Manufacturing Employment (Apr)	46,40	49,00	48,70
Monday, 4 May '26			
US Factory Orders (MoM) (Mar)	1,50%	0,50%	0,30%
Tuesday, 5 May '26			
US Trade Balance (Mar)	-60.30B	-61.00B	-57.80B
US Exports (Mar)	320.90B		314.70B
US Imports (Mar)	381.20B		372.40B
US Building Permits (Mar)	1.363M	1.372M	1.538M
US S&P Global Services PMI (Apr)	51,00	51,30	49,80
US S&P Global Composite PMI (Apr)	51,70	52,00	50,30
US New Home Sales (Mar)	682K	652K	635K
US JOLTS Job Openings (Mar)	6.866M	6.860M	6.922M
US ISM Non-Manufacturing Prices (Apr)	70,70	73,70	70,70
US ISM Non-Manufacturing PMI (Apr)	53,60	53,70	54,00
US ISM Non-Manufacturing Employment (Apr)	48,00	48,30	45,20
US New Home Sales (MoM) (Mar)	7,40%		8,90%
US FOMC Member Bowman Speaks			
US Fed Vice Chair for Supervision Barr Speaks			
Wednesday, 6 May '26			
US API Weekly Crude Oil Stock	-8.100M	-2.800M	-1.790M
US ADP Nonfarm Employment Change (Apr)		116K	62K
US Crude Oil Inventories		-2.800M	-6.234M
US Cushing Crude Oil Inventories			-0.796M

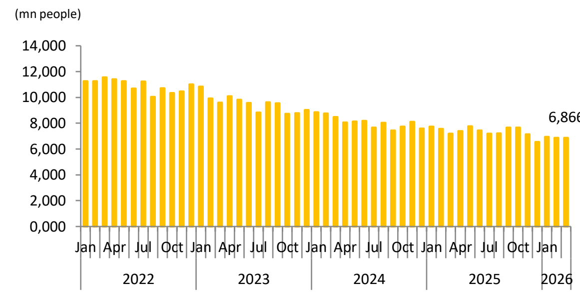
Sources : investing, KBVS Research (2026)

WEEKLY INITIAL JOBLESS CLAIMS



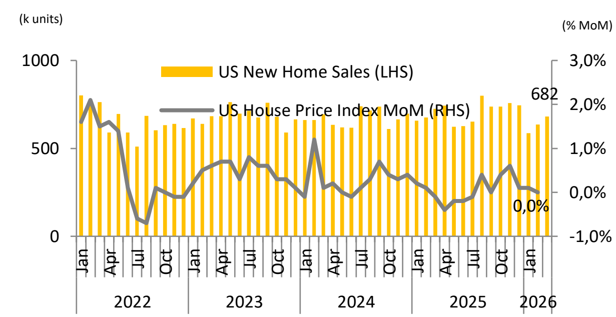
Sources : US DoL, KBVS Research (2026)

JOLTS JOB OPENINGS



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

NEW HOME SALES



Sources : US S&P Global, KBVS Research (2026)

PROJECT FREEDOM

Apr 29-30

Pre-Conditions

- **Trump** rejects Iran's latest proposal **Iran** submits **14-point peace proposal** via Pakistan; includes phased war-end, Hormuz opening within 30 days, and deferring nuclear talks to a later stage
- **Iran FM** says Iran received US response to the 14-point proposal; Tehran reviewing it
- **Immediate consequence:** Diplomatic channel functionally stalled; ceasefire status increasingly uncertain

May 3-4

"Project Freedom"

- **Trump** announces **"Project Freedom"** — a US military operation to escort stranded commercial vessels out of the Strait of Hormuz
- **Scope:** US Central Command deploys guided-missile destroyers, 100+ aircraft, 15,000 service members: **1,550 vessels / 22,500–23,000 mariners** stranded
- **US forces** sink **6–7 small Iranian boats** targeting civilian ships; Iran disputes this, claiming 5 civilians killed on passenger boats
- **Two US-flagged merchant vessels** successfully transit the strait: **Maersk** confirms one vessel exited with US military escort

May 5

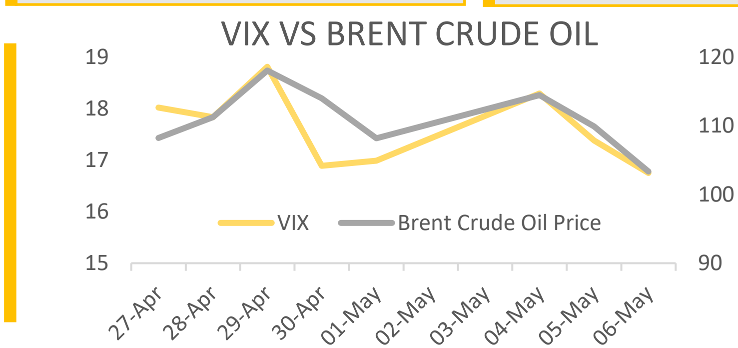
Diplomatic Turbulance

- **UAE** comes under Iranian drone and missile attacks for the first time since the April 8 ceasefire; fire at oil facility in Fujairah; 3 Indian nationals wounded
- **South Korean cargo vessel** struck/explosion in the Strait, fire later extinguished, no casualties reported
- **US Defense Secretary Hegseth** insists ceasefire is not over; frames Project Freedom as *"a separate and distinct project"*

May 6

Project Freedom Paused

- **Trump** pauses **"Project Freedom"** *"for a short period"*, citing *"great progress"* toward *"a complete and final agreement"* with Iran
- Pause requested by **Pakistan** (key intermediary), US-Iran blockades remain in place during pause
- **US States Secretary of State** states peace requires Iran to agree on nuclear program restrictions AND Hormuz reopening: calls US actions *"defensive in nature"*



- **Escalation Spikes Energy & Risk Premiums:** The rejection of peace proposals and the launch of "Project Freedom" drove severe market volatility. VIX peaked at 18.81 (Apr 29) and remained elevated through the UAE strikes, while Brent crude sustained highs between **USD114–USD118/bbl** as markets priced in significant Hormuz supply disruption tail-risks.
- **Operational Pause Triggers Relief Correction:** The May 6 military pause provided immediate market relief, forcing a sharp correction in Brent crude down to **USD103.34/bbl** and cooling the VIX to **16.75**. However, markets remain structurally range-bound with binary optionality, awaiting a definitive diplomatic resolution

FED PROBABILITIES

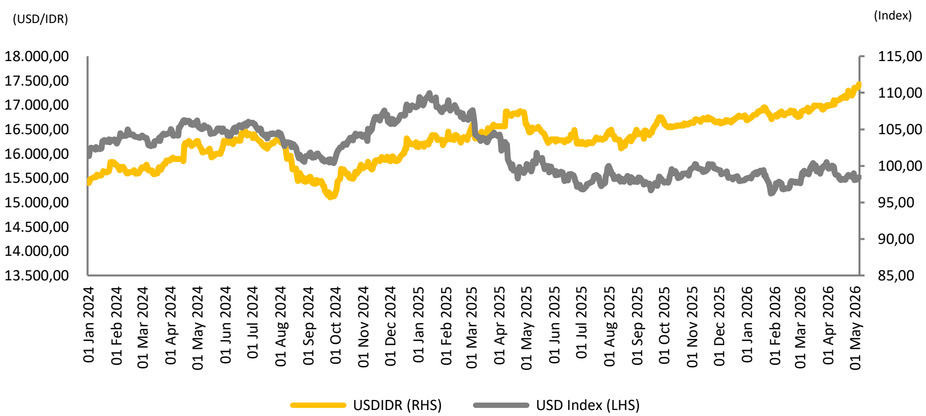
FED PROBABILITIES, as of 6 May '26

MEETING DATE	300-325	325-350	350-375	375-400	375-400	400-425	425-450
17-Jun-26	0,0%	6,1%	93,9%	0,0%	0,0%	0,0%	0,0%
29-Jul-26	0,4%	11,7%	87,9%	0,0%	0,0%	0,0%	0,0%
16-Sep-26	0,4%	12,0%	87,5%	0,0%	0,0%	0,0%	0,0%
28-Oct-26	0,4%	10,4%	76,7%	12,6%	0,0%	0,0%	0,0%
09-Dec-26	0,3%	8,9%	66,9%	22,0%	1,8%	0,0%	0,0%
27-Jan-27	0,3%	8,0%	60,9%	26,6%	3,9%	0,2%	0,0%
17-Mar-27	0,2%	7,0%	54,3%	31,0%	6,8%	0,7%	0,0%
28-Apr-27	0,2%	6,7%	51,7%	32,2%	8,1%	1,0%	0,1%

Sources : CME Group, and KBVS Research (2026)

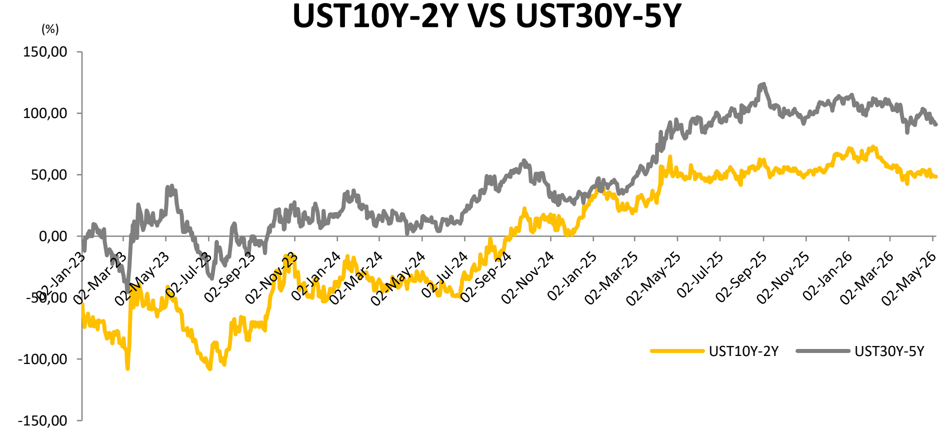
- -Fed probabilities as of 6 May '26 reinforce a "higher-for-longer" monetary stance, with markets pricing in a dominant 93.9% likelihood of a rate hold (350-375 bps) at the upcoming June FOMC meeting. Rate reduction expectations remain broadly deferred, with futures indicating the target rate will likely hold steady through the entirety of 2026.
- Supported by the Fed's holding pattern and geopolitical risk premiums, the DXY is currently consolidating around the 97.98 level. Despite backing off from recent peaks, this sustained dollar dominance continues to exert severe depreciation pressure on the Indonesian Rupiah, driving USD/IDR to close at 17,300.
- The U.S. Treasury yield curve maintains its steepened trajectory, reflecting term premium repricing. The 10Y-2Y spread currently stands at 48.43 bps, while the longer-end 30Y-5Y spread has widened to 90.82 bps.

DXY INDEX - USDIDR



Sources : Bloomberg, and KBVS Research (2026)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2026)

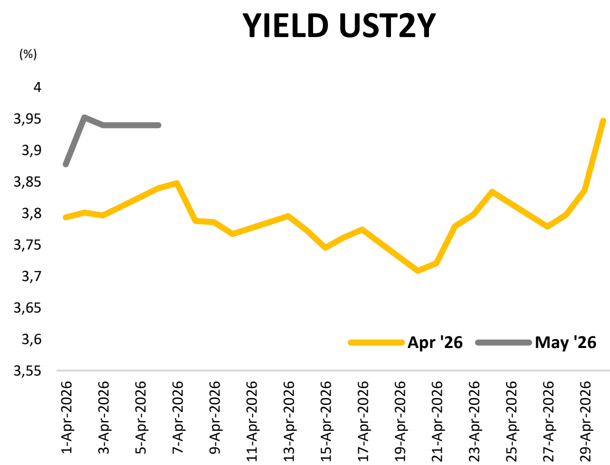
THE MOVEMENT OF UST YIELDS

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+

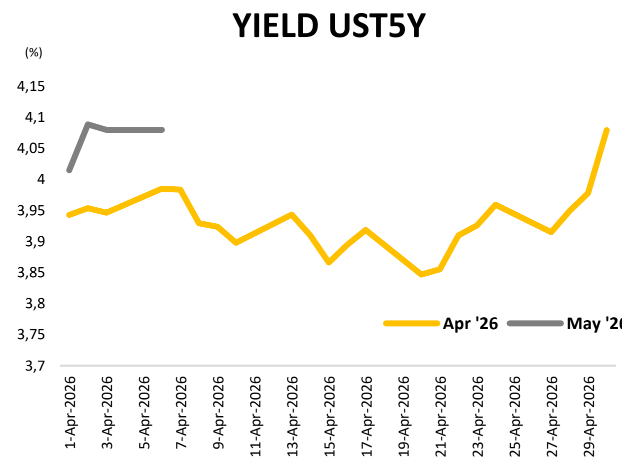
Sources : US Treasury, KBVS Research (2026)

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

- Yield UST6M
  - -2.65 bps (WoW)
  - +8.28 bps (YtD, as of May 6,'26)
- Yield UST1Y
  - -4.48 bps (WoW)
  - +22.22 bps (YtD, as of May 6,'26)
- Yield UST2Y
  - -9.17 bps (WoW)
  - +38.21 bps (YtD, as of May 6,'26)
- Yield UST5Y
  - -9.06 bps (WoW)
  - +26.31 bps (YtD, as of May 6,'26)
- Yield UST10Y
  - -8.59 bps (WoW)
  - +17.69 bps (YtD, as of May 6,'26)
- Yield UST30Y
  - -7.35 bps (WoW)
  - +8.40 bps (YtD, as of Apr 29,'26)



Sources : Bloomberg, KBVS Research (2026)



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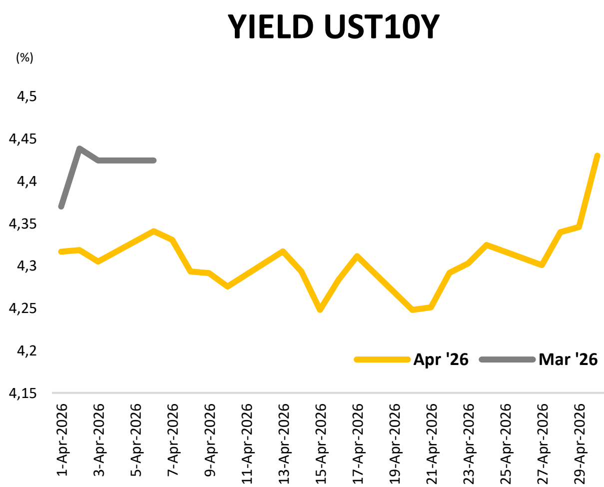
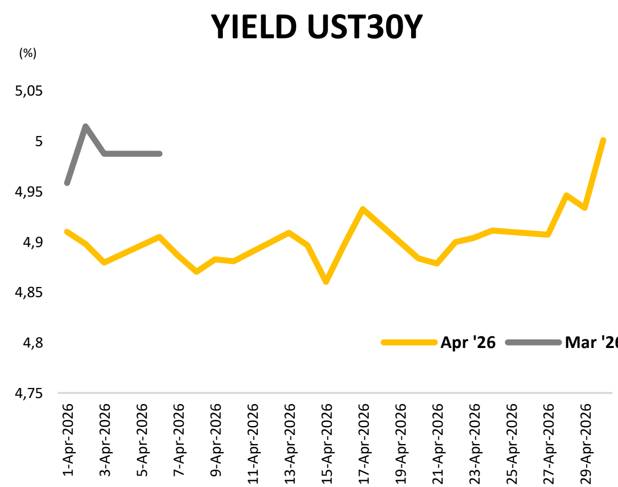


Sources : US Treasury, KBVS Research (2026)



Sources : US Treasury, KBVS Research (2026)

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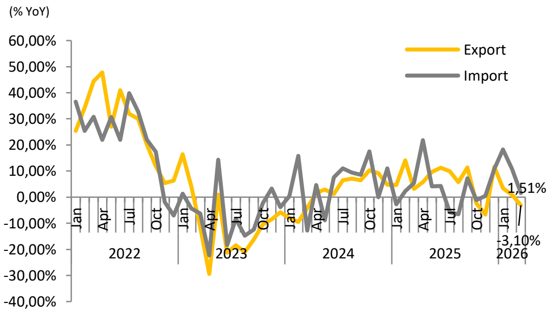
INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	22 Apr '26	4.75	4.75
Economic Growth	%, yoy	1Q26	5,61	5,39
Inflation Rate	%, yoy	Apr '26	2,42	3,48
Unemployment Rate	%	Mar '26	4,68	4,85
S&P Credit Rating	Rating	17 July '24	BBB	BBB

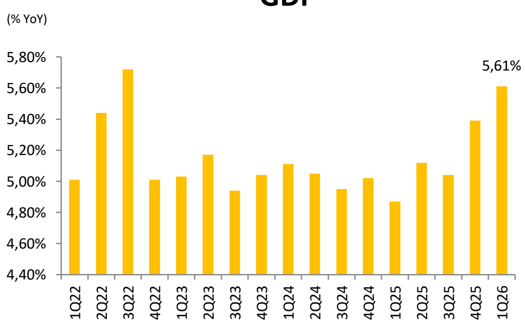
Sources : various sources, KBVS Research (2026)

EXPORT-IMPORT



Sources : BPS, KBVS Research (2026)

GDP



Sources : BPS, KBVS Research (2026)

ECONOMIC CALENDAR

(30 APR – 6 MAY '26)

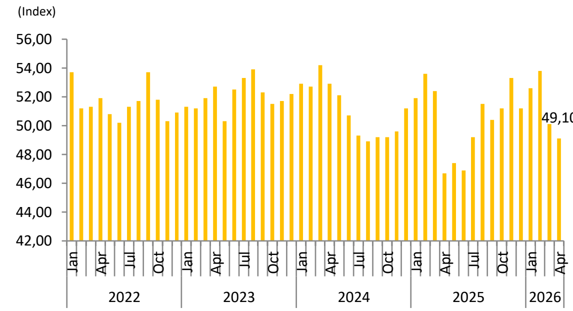
Event	Actual	Forecast	Previous
Thursday, 30 Apr '26			
Friday, 1 May '26			
Monday, 4 May '26			
ID S&P Global Manufacturing PMI (Apr)	49,10		50,10
ID Inflation (YoY) (Apr)	2,42%		3,48%
ID Inflation (MoM) (Apr)	0,13%		0,41%
ID Core Inflation (YoY) (Apr)	2,44%		2,52%
ID Export Growth (YoY) (Mar)	-3,10%		1,01%
ID Import Growth (YoY) (Mar)	1,51%		10,85%
ID Trade Balance (Mar)	3.32B		1.28B
Tuesday, 5 May '26			
ID GDP (YoY) (Q1)	5,61%	5,30%	5,39%
ID GDP (QoQ) (Q1)	-0,77%	-0,97%	0,86%
Wednesday, 6 May '26			

Sources : Investing, KBVS Research (2026)

The data releases that influenced yield movements in the week of 30 Apr – 6 May '26 are as follows:

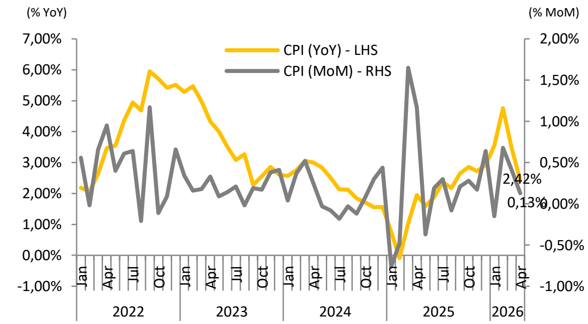
- ID S&P Global Manufacturing PMI in APR '26 decreased to 49.10 (Prev: 50.10).
- Indonesia's headline inflation in Apr '26 came in subdued at 0.13% MoM or 2.42% YoY. Looking ahead, inflationary pressures in May are likely to be influenced by the transmission of higher global oil prices, further adjustments in non-subsidized fuel prices as of 4 May '26, and the pass-through of rising input costs into final selling prices.
- Domestic export performance improved in Mar '26, supported by RKAB approvals for coal (390 mn tons) and nickel (100 mn tons) by the ESDM. Going forward, with ~90% of RKAB approvals completed (including coal at 580 mn tons), exports are expected to strengthen in April, sustaining the trade surplus.
- Indonesia's 1Q26 GDP grew 5.61% YoY (Prev : 4.87% YoY), the strongest GDP growth on first quarter of the year since 1Q24. Inflation and purchasing power remaining key for the outlook.

S&P GLOBAL MANUFACTURING PMI



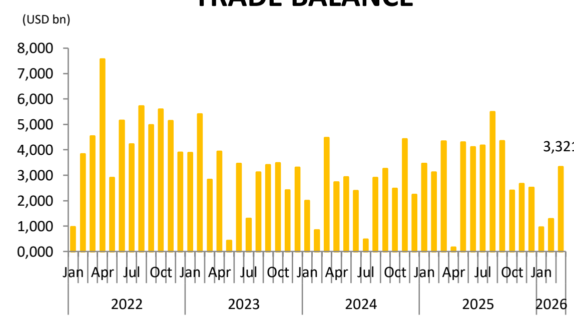
Sources : S&P Global, KBVS Research (2026)

INFLATION



Sources : BPS, KBVS Research (2026)

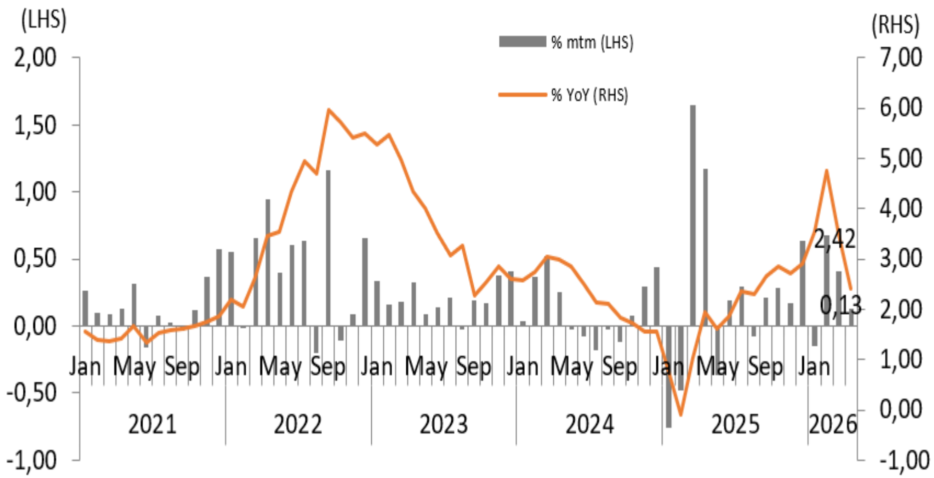
TRADE BALANCE



Sources : BPS, KBVS Research (2026)

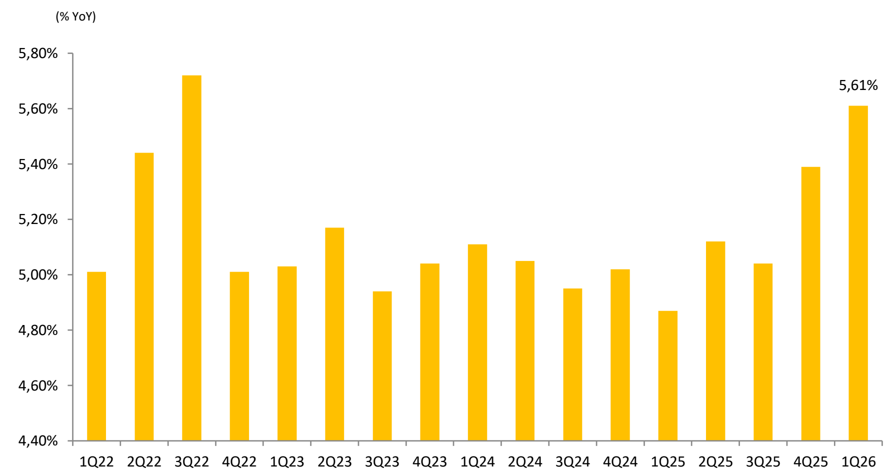
INFLATION AND GDP GROWTH

INFLATION



- Indonesia's headline inflation came in at 0.13% MoM or 2.42% YoY in Apr '26. This easing was primarily driven by falling prices in the Personal Care and Other Services category, which dropped sharply by -0.99% MoM. These price drops acted as a cushion against rising travel costs.
- Looking at the bigger picture, global commodity markets are giving mixed signals. While a recent drop in gold prices offered some relief to consumers, global crude oil prices remain stubbornly high due to ongoing geopolitical conflicts.
- From an external perspective, the Indonesian Rupiah has recently traded in the range of around IDR17,200–17,400/USD, reflecting a continued depreciation from earlier levels below IDR17,000. For retail investors, the key metric to watch is how companies handle these rising input costs. We anticipate BI will keep its benchmark interest rate steady in the near term, as this approach helps protect the Rupiah, manage imported inflation risks, and maintain the attractive 413 bps real yield to sustain foreign investor interest in domestic bonds.

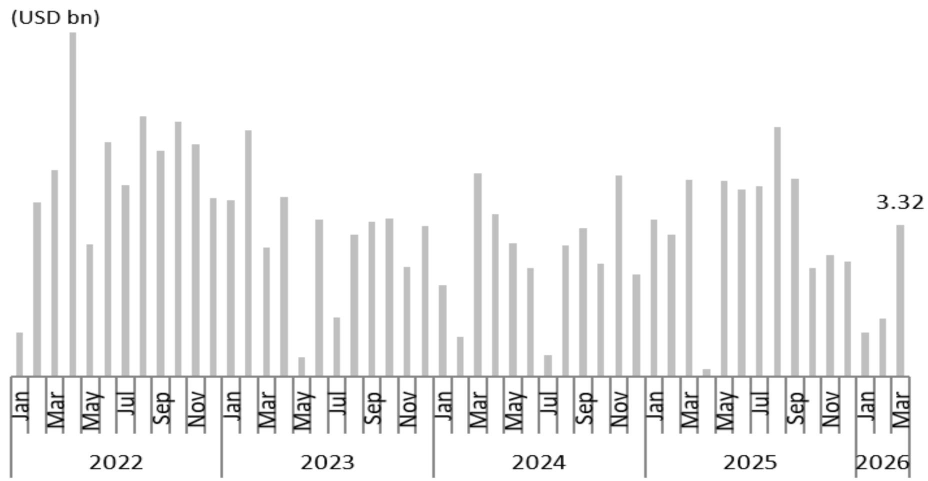
GDP GROWTH



- Indonesia's economy delivered a convincing beat in 1Q26, growing 5.61% YoY. This strength is most evident on the expenditure side, where government consumption surged 21.81% YoY (Prev: 3.25% YoY). On the production side, the narrative is consistent with the demand story, services sectors led the expansion, amplified by Ramadan and Lebaran effects.
- Looking ahead, the near-term outlook remains constructive but increasingly complex. At the same time, external vulnerabilities are becoming more visible. Coupled with the risk of a wider fiscal deficit from large-scale programs like MBG.

TRADE BALANCE AND WINDFALL TAX

TRADE BALANCE



- Indonesia's trade surplus beat expectations at USD3.32 bn in Mar '26 extending the surplus streak to 71 consecutive months since May '20. On the export side, the RKAB resolution unlocked coal catch-up shipments. Import deceleration was the key surprise. Capital goods fell -15.75% MoM in Mar '26, and consumer goods contracted 10.81% YoY, well below market expectations.

- Indonesia's trade surplus is expected to remain resilient in 2Q26, supported by the full normalisation of coal shipments, continued downstream export growth, and stable CPO prices. The expansion of copper smelter capacity represents a further medium-term tailwind for downstream export performance. Key risks to monitor include escalating geopolitical tensions in the Middle East and continued US trade policy uncertainty.

WINDFALL TAX

Policy Context

- Minister of Finance (MoF) confirmed on 4 May '26 that a windfall profit tax is being prepared, targeting the **nickel** sector first, to be paired with a new export levy on **nickel and coal**. The policy is intended to compensate for **rising energy subsidy burdens** in the APBN amid rising global oil prices.

Two-Scenarios Analysis

Positive Scenarios – Policy Works

- **Revenue** impact: estimated IDR80.0 tn (Coal windfall tax of IDR66.0 tn; Nickel windfall tax of IDR14.1 tn).
- **Lower debt issuance:** Additional revenue reduces SBN issuance need → supply pressure eases → yield support
- **Stronger Rupiah:** Less forex demand is needed for debt repayment, stabilizing the currency.
- **Potential Rate Cuts:** Gives BI room to lower interest rates, which is highly positive for the fixed-income market.

Negative Scenarios – Backfires

- **Capital Outflow & Weaker Rupiah:** Negative sentiment triggers funds to leave the mining sector, pressuring the exchange rate.
- **Yield Pressure:** The government is forced to keep issuing massive amounts of SBN to cover the deficit, driving up bond yields.
- **Debt Snowball Effect:** Because the primary balance is already negative, the government must issue new debt merely to pay the interest on old debt.

Market Impact

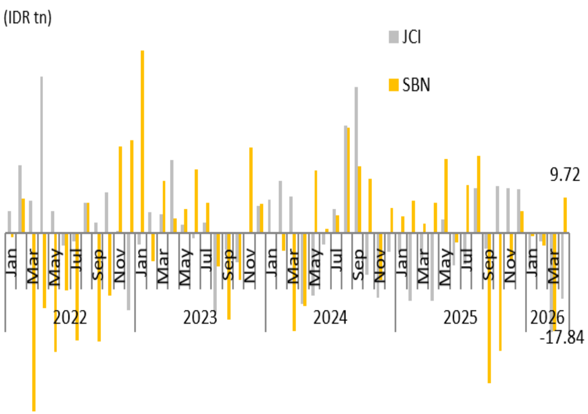
Equity (Mining Sector)	Fixed Income (SBN)	Rupiah	Corporate Bonds
- Repricing forward earnings when tariff applied - Will affect FY26F NP from HRUM, MBMA, NCKL, INCO (the most), and ANTM (the least).	- **Bull (Windfall succeeds):** SBN supply decreases →yield falls - **Bear (Delayed/Failed):** policy uncertainty →higher yield	- **Bull (Windfall succeeds):** IDR stabilizes - **Bear (Delayed):** pressure toward IDR →BI caught between growth & stability	- **Mining issuers:** credit spreads widened - **Non-mining issuers:** spreads will be more competitive if yields decline

Implementation

There is a high-stakes trade-off between **fiscal stability** (funding subsidies) and **sectoral health** (maintaining mining investment attractiveness). The success of this policy hinges on whether the government can strike a balance in tax rates without dampening investment interest in the strategic minerals sector.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2026)

Between 30 April – 6 May '26, non-residents conducted:

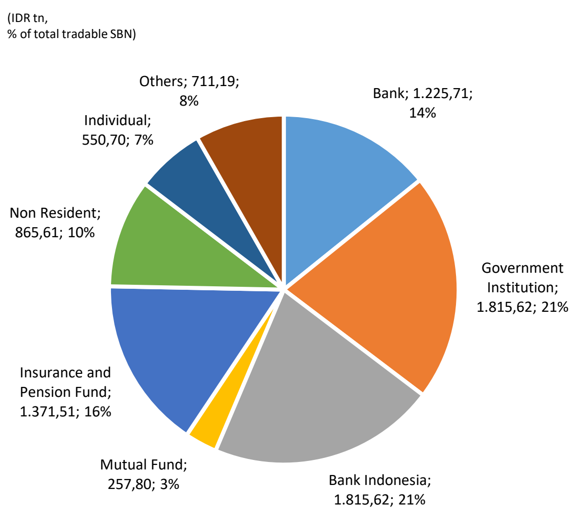
- A net buy of tradeable SBN, amounting IDR8.26 tn.
- A net sell of JCI, amounting IDR2.09 tn.

SUN LATEST AUCTION

28 Apr '26										
Instruments	SPN01260530	SPN12260730	SPN12270429	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	3,44	3,19	4,56	34,74	9,22	4,69	7,05	4,20	3,85	74,95
Bid to Cover Ratio	3,44	1,33	1,04	2,21	2,84	1,74	1,37	1,17	2,20	1,87
Weighted Average Yields Awarded	4,890%	5,400%	5,500%	6,635%	6,810%	6,818%	6,750%	6,865%	6,880%	
14 Apr '26										
Instruments	SPN01260516	SPN03260715	SPN12270401	FR0109	FR0108	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	3,26	3,58	5,21	44,44	10,66	4,65	3,56	1,87	1,23	78,44
Bid to Cover Ratio	3,26	2,98	1,11	1,89	2,05	1,86	2,03	1,43	1,53	1,87
Weighted Average Yields Awarded	4,880%	5,400%	5,500%	6,272%	6,610%	6,730%	6,719%	6,848%	6,849%	

Sources : DJPPR, KBVS Research (2026)

OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2026)

As of 4 May '26, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,815.62 tn (+IDR88.17 tn, WoW),
- Banks : IDR1,225.71 tn (-IDR73.68 tn, WoW), and
- Insurance & Pension Funds: IDR1,371.51 tn (+IDR13.12 tn, WoW)

SBSN LATEST AUCTION

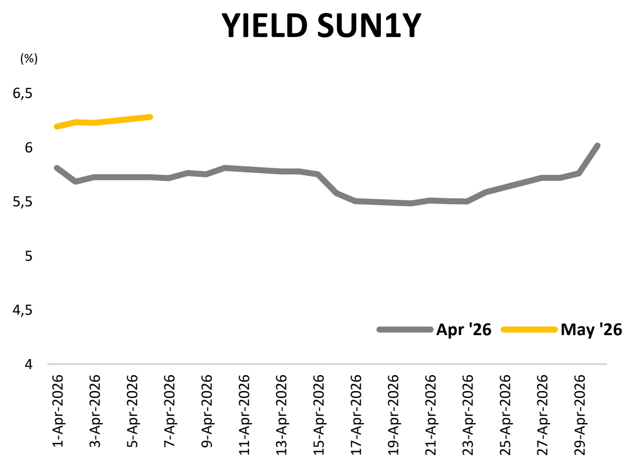
5 May '26									
Instruments	SPNS01062026	SPNS12102026	SPNS03022027	PBS030	PBS040	PBS034	PBS005	PBS038	Total
Incoming Bids (IDR tn)	2,82	1,33	4,21	2,62	1,26	1,93	2,76	4,27	21,20
Bid to Cover Ratio	3,14	-	1,87	2,18	2,52	1,04	1,31	1,34	1,77
Weighted Average Yields Awarded	5,500%	-	6,089%	6,418%	6,478%	6,722%	6,754%	6,810%	
21 Apr '26									
Instruments	SPNS01062026	SPNS12102026	SPNS03022027	PBS030	PBS040	PBSG002	PBS034	PBS038	Total
Incoming Bids (IDR tn)	4,19	1,62	4,40	5,20	2,38	4,16	3,15	8,47	33,55
Bid to Cover Ratio	4,19	1,62	2,20	2,67	1,28	1,04	1,80	5,84	2,24
Weighted Average Yields Awarded	4,872%	5,240%	5,460%	5,919%	6,099%	6,469%	6,560%	6,752%	

Sources : DJPPR, KBVS Research (2026)

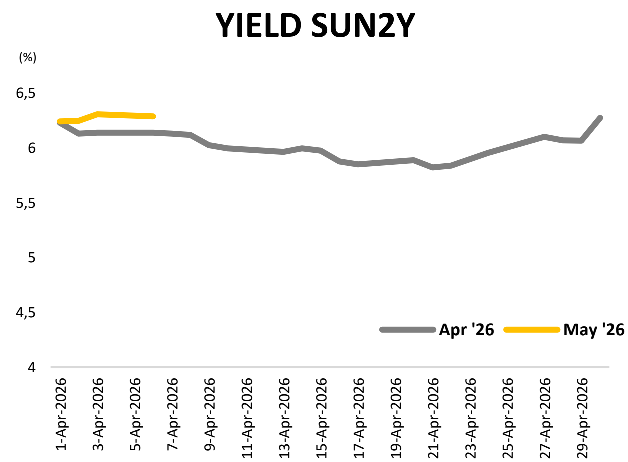
THE MOVEMENT OF SUN YIELDS

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

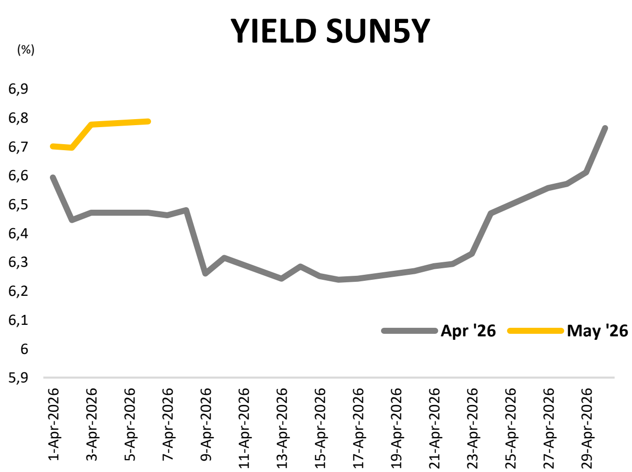
- Yield SUN1Y
    - +24.50 bps (WoW)
    - +162.40 bps (YtD, as of May 6,'26)
- Yield SUN2Y
    - -0.20 bps (WoW)
    - +137.70 bps (YtD, as of May 6,'26)
- Yield SUN5Y
    - -7.90 bps (WoW)
    - +116.90 bps (YtD, as of May 6,'26)
- Yield SUN10Y
    - -16.60 bps (WoW)
    - +66.10 bps (YtD, as of May 6,'26)
- Yield SUN30Y
    - +0.50 bps (WoW)
    - +20.80 bps (YtD, as of May 6,'26)



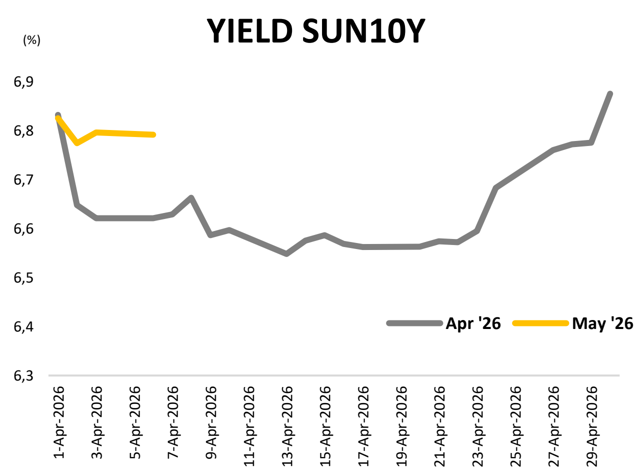
Sources : Bloomberg, KBVS Research (2026)



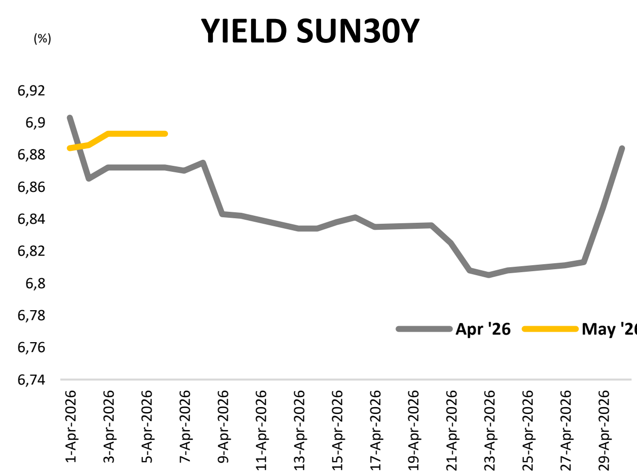
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)



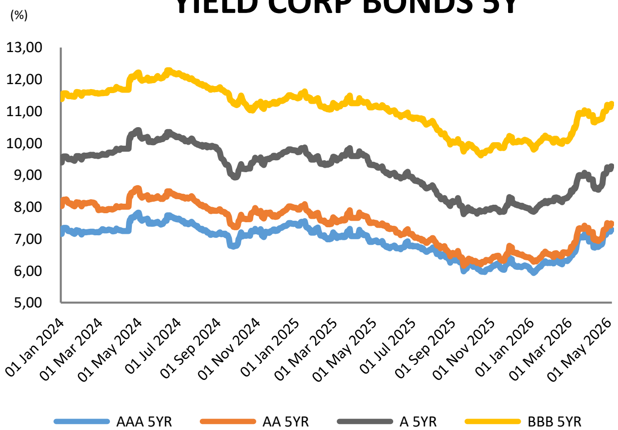
Sources : Bloomberg, KBVS Research (2026)



Sources : Bloomberg, KBVS Research (2026)

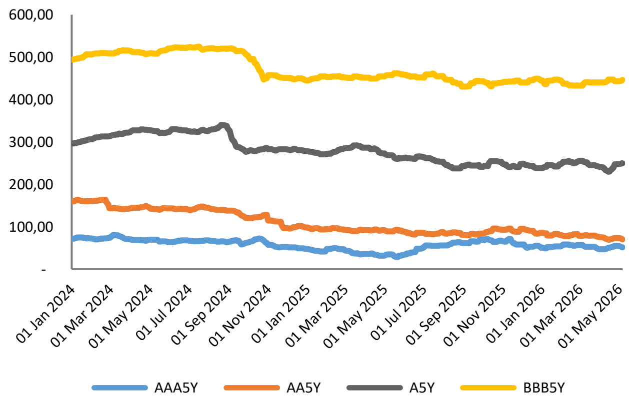
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2026)

YIELD SPREAD 5Y TENOR

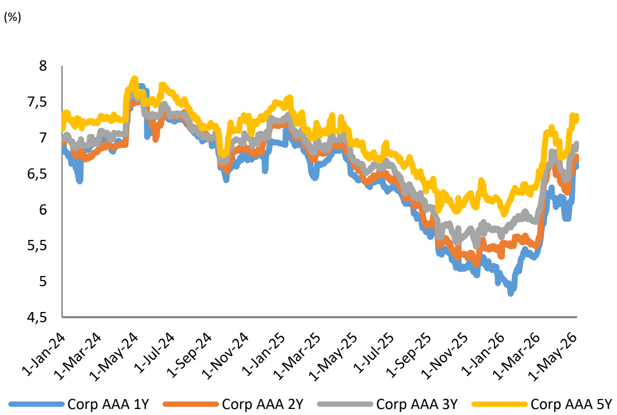


Sources : Bloomberg, KBVS Research (2026)

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

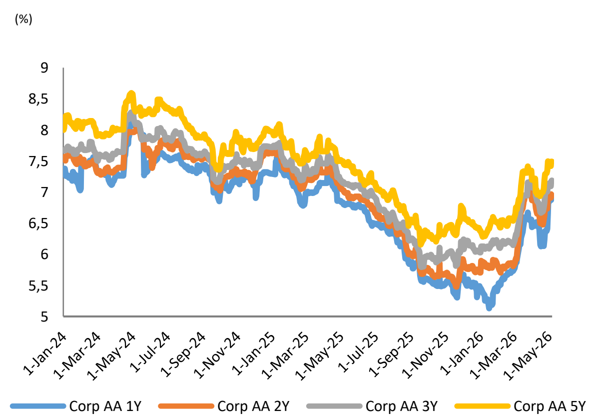
- AAA-rated
  - Tenor 1Y : +22.47 bps (WoW)
  - Tenor 2Y : -3.25 bps (WoW)
  - Tenor 5Y : -11.41 bps (WoW)
- AA-rated
  - Tenor 1Y : +23.32 bps (WoW)
  - Tenor 2Y : -1.84 bps (WoW)
  - Tenor 5Y : -10.84 bps (WoW)
- A-rated
  - Tenor 1Y : +28.61 bps (WoW)
  - Tenor 2Y : +2.16 bps (WoW), and
  - Tenor 5Y : -5.53 bps (WoW)

YIELD AAA-RATED



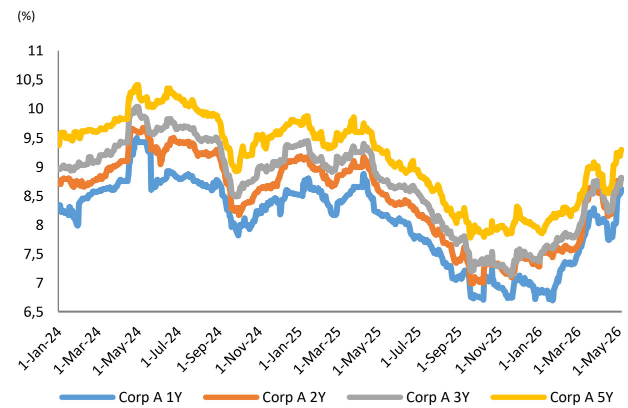
Sources : Bloomberg, KBVS Research (2026)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2026)

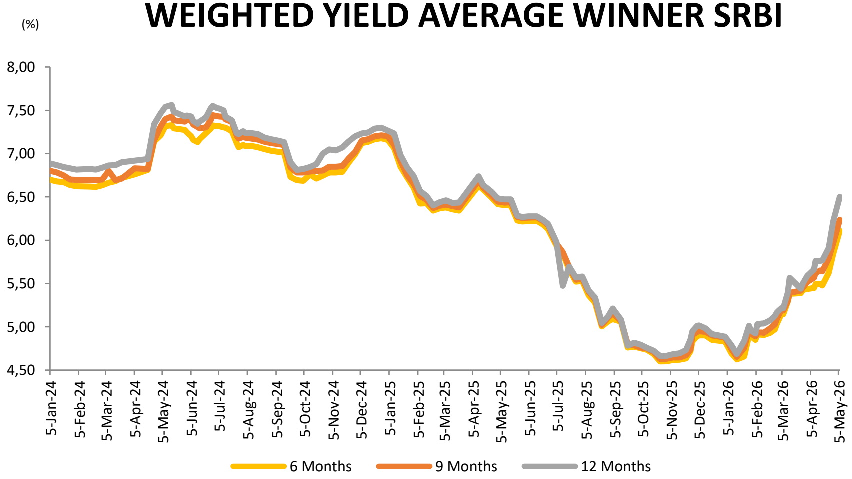
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2026)

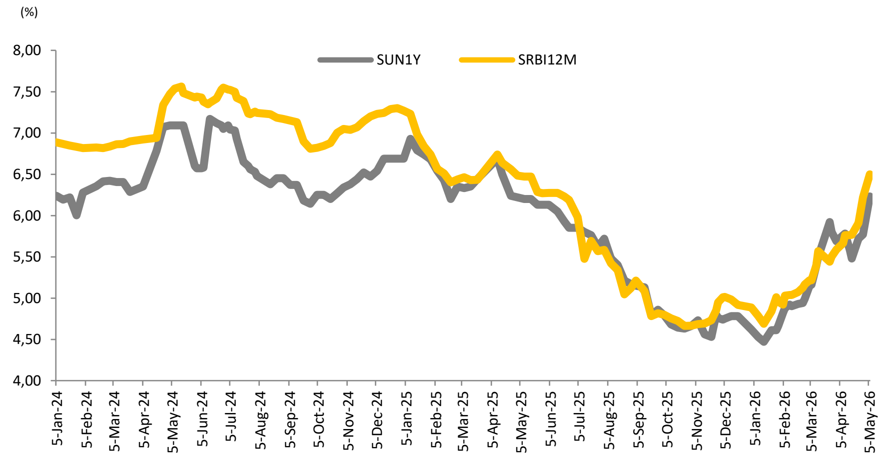
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



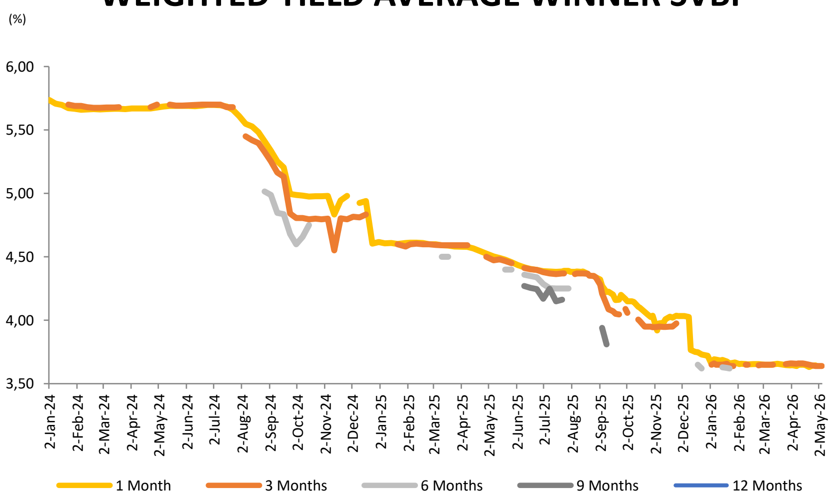
Sources : BI, KBVS Research (2026)

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 (%)	29 Apr 2026	06 Mei 2026
6 Month	5.83926%	6,10990%
9 Month	5.96652%	6,23500%
12 Month	6.21803%	6,50000%

- Meanwhile, the latest SUVBI auction saw the profit sharing rate was at:
  - 1 month: 3,638%
  - 3 month: 3,640%
  - 6 month: 3,674%
  - 9 month: 3,721%
  - 12 month: 3,768%

TABLE OF CONTENTS :

NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(7-13 MAY 2026)

Country	Event	Forecast	Previous
	Thursday, May 7, 2026		
JP	Monetary Policy Meeting Minutes		
GE	Factory Orders (MoM) (Mar)	1,10%	0,90%
EU	ECB's De Guindos Speaks		
EU	ECB's Lane Speaks		
GB	S&P Global Construction PMI (Apr)	46,00	45,60
EU	ECB's Elderson Speaks		
US	Initial Jobless Claims	203K	189K
US	Continuing Jobless Claims		1,785K
US	Nonfarm Productivity (QoQ) (Q1)	1,00%	1,80%
US	Unit Labor Costs (QoQ) (Q1)	2,50%	4,40%
US	Construction Spending (MoM) (Mar)	0,40%	-0,30%
US	NY Fed 1-year Consumer Inflation Expectations (Apr)		3,40%
	Friday, May 8, 2026		
EU	ECB's Schnabel Speaks		
US	Consumer Credit (Mar)	12.50B	9.48B
US	FOMC Member Williams Speaks		
US	Fed's Balance Sheet		6,700B
JP	S&P Global Services PMI (Apr)	51,20	51,20
ID	Fx Reserves (USD) (Apr)		148.20B
GE	Trade Balance (Mar)	18.10B	19.80B
GE	Industrial Production (MoM) (Mar)	0.40%	-0,30%
GB	Halifax House Price Index (MoM) (Apr)	0.20%	-0,50%
GB	Halifax House Price Index (YoY) (Apr)		0,80%
ID	Car Sales (YoY) (Apr)		-13,80%
EU	ECB President Lagarde Speaks		
EU	ECB's De Guindos Speaks		
GB	BoE Gov Bailey Speaks		
US	Average Hourly Earnings (MoM) (Apr)	0,30%	0,20%
US	Nonfarm Payrolls (Apr)	73K	178K
US	Unemployment Rate (Apr)	4,30%	4,30%
US	Private Nonfarm Payrolls (Apr)	60K	186K
US	Average Hourly Earnings (YoY) (Apr)		3,50%
US	Participation Rate (Apr)		61,90%
US	U6 Unemployment Rate (Apr)		8,00%
US	Michigan 1-Year Inflation Expectations (May)		4,70%
US	Michigan 5-Year Inflation Expectations (May)		3,50%
US	Michigan Consumer Expectations (May)		48,10
US	Michigan Consumer Sentiment (May)	49,30	49,80
GE	Buba President Nagel Speaks		

Country	Event	Forecast	Previous
	Monday, May 11, 2026		
CN	CPI (MoM) (Apr)		-0,70%
CN	CPI (YoY) (Apr)		1,00%
CN	PPI (YoY) (Apr)		0,50%
ID	Consumer Confidence (Apr)		122,90
US	Existing Home Sales (Apr)		3.98M
US	Existing Home Sales (MoM) (Apr)		-3,60%
	Tuesday, May 12, 2026		
GB	BRC Retail Sales Monitor (YoY) (Apr)		3,10%
JP	Household Spending (YoY) (Mar)		-1,80%
JP	Household Spending (MoM) (Mar)		1,50%
ID	Retail Sales (YoY) (Mar)		6,50%
GE	CPI (MoM) (Apr)		0,60%
GE	CPI (YoY) (Apr)		2,90%
EU	ZEW Economic Sentiment (May)		-20,40
GE	ZEW Economic Sentiment (May)		-17,20
GE	ZEW Current Conditions (May)		-73,3
US	CPI (MoM) (Apr)		0,90%
US	CPI (YoY) (Apr)		3,30%
US	Core CPI (MoM) (Apr)		0,20%
US	Core CPI (YoY) (Apr)		2,60%
	Wednesday, May 13, 2026		
US	Fed Budget Balance (Apr)		-164.00B
JP	Adjusted Current Account (Mar)		270.90T
JP	Current Account n.s.a. (Mar)		3.933T
EU	GDP (QoQ) (Q1)		0,10%
EU	GDP (YoY) (Q1)		0,80%
EU	Industrial Production (MoM) (Mar)		0,40%
US	PPI (MoM) (Apr)		0,50%
US	Core PPI (MoM) (Apr)		0,10%

Sources : investing, KBVS Research (2026)


Thank you!