

# The Dovish Tone Appears, but Geopolitical Risks are Rising

1 August 2024

Economist / Fikri C Permana

# US Economic Data

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	31 Jul '24	5.50	5.50
Economic Growth	%, yoy	1Q24	1.6	3.4
Inflation Rate	%, yoy	Jun'24	3.0	3.3
Unemployment Rate	%	Jun'24	4.1	4.0

Sources : various sources, KBVS Research (2024)

The data releases that influenced yield movements in the week of 25 Jul – 31 Jul '24 are as follows:

- The number of people claiming unemployment benefits in the US decreased by 10K to 235K (Cons: 237K, Prev: 245K) on the period ending Jul 20<sup>th</sup>.
- The US core PCE price index in Jun '24, the Federal Reserve's preferred gauge to measure underlying inflation, rose by 0.2% MoM (Cons: 0.1% MoM, Prev: 0.1% MoM).
- The PCE price index in the US for Jun '24 edged up 0.1% MoM (Cons: 0.1% MoM, Prev: 0.0% MoM).
- The number of job openings (JOLTs Job opening) in Jun '24 was little changed at 8.184 mn (Cons: 8.020 mn, Prev: 8.230 mn).

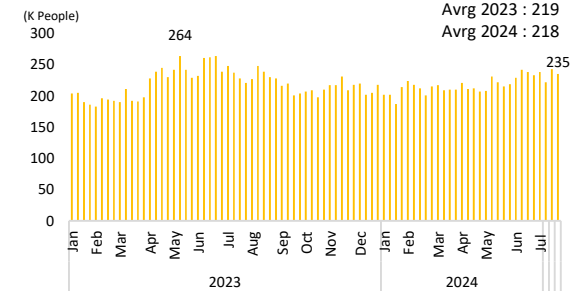
## ECONOMIC CALENDAR

(25 - 31 JUL '24)

Event	Actual	Forecast	Previous
<b>Thursday, July 25, 2024</b>			
5-Year Note Auction	4.12%		4.33%
FOMC Member Bowman Speaks			
U.S. President Biden Speaks			
Continuing Jobless Claims	1,851K	1,860K	1,860K
Core Durable Goods Orders (MoM) (Jun)	0.50%	0.20%	-0.10%
Core PCE Prices (Q2)	2.90%	2.70%	3.70%
Durable Goods Orders (MoM) (Jun)	-6.60%	0.30%	0.10%
GDP (QoQ) (Q2)	2.80%	2.00%	1.40%
GDP Price Index (QoQ) (Q2)	2.30%	2.60%	3.10%
Initial Jobless Claims	235K	237K	245K
7-Year Note Auction	4.16%		4.28%
Fed's Balance Sheet	7,205B		7,208B
<b>Friday, July 26, 2024</b>			
Core PCE Price Index (MoM) (Jun)	0.20%	0.20%	0.10%
Core PCE Price Index (YoY) (Jun)	2.60%	2.50%	2.60%
PCE Price index (YoY) (Jun)	2.50%	2.50%	2.60%
PCE price index (MoM) (Jun)	0.10%	0.10%	0.00%
Personal Spending (MoM) (Jun)	0.30%	0.30%	0.40%
Michigan 1-Year Inflation Expectations (Jul)	2.90%	2.90%	3.00%
Michigan 5-Year Inflation Expectations (Jul)	3.00%	2.90%	3.00%
Michigan Consumer Expectations (Jul)	68.8	67.2	69.6
Michigan Consumer Sentiment (Jul)	66.4	66	68.2
Atlanta Fed GDPNow (Q3)	2.80%		
<b>Tuesday, July 30, 2024</b>			
S&P/CS HPI Composite - 20 n.s.a. (YoY) (May)	6.80%	6.50%	7.30%
S&P/CS HPI Composite - 20 n.s.a. (MoM) (May)	1.00%		1.40%
CB Consumer Confidence (Jul)	100.3	99.7	97.8
JOLTs Job Openings (Jun)	8.184M	8.020M	8.230M
API Weekly Crude Oil Stock	-4.495M		-3.900M
<b>Wednesday, July 30, 2024</b>			
ADP Nonfarm Employment Change (Jul)		147K	150K
Employment Cost Index (QoQ) (Q2)		1.00%	1.20%
Chicago PMI (Jul)		44.8	47.4
Pending Home Sales (MoM) (Jun)		1.40%	-2.10%
Crude Oil Inventories			-3.741M
Cushing Crude Oil Inventories			-1.708M
FOMC Statement			
Fed Interest Rate Decision		5.50%	5.50%
FOMC Press Conference			

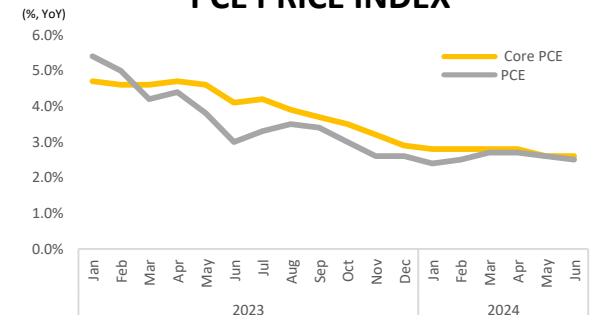
Sources : investing, KBVS Research (2024)

## WEEKLY INITIAL JOBLESS CLAIMS



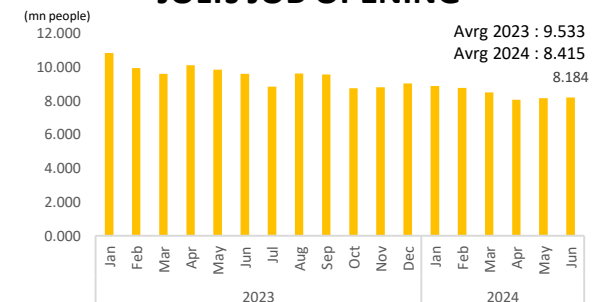
Sources : US DoL, KBVS Research (2024)

## PCE PRICE INDEX



Sources : US DoC, KBVS Research (2024)

## JOLTs JOB OPENING



Sources : US BLS, KBVS Research (2024)

# FOMC Meeting

For release at 2:00 p.m. EDT

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Recent indicators suggest that economic activity has continued to expand at a solid pace. Job gains have moderated, and the unemployment rate has moved up but remains low. Inflation has eased over the past year but remains somewhat elevated. In recent months, there has been some further progress toward the Committee's 2 percent inflation objective.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. The Committee judges that the risks to achieving its employment and inflation goals continue to move into better balance. The economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate.

In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 percent. In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2 percent. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The Committee is strongly committed to returning inflation to its 2 percent objective.

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


Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Thomas I. Barkin; Michael S. Barr; Raphael W. Bostic; Michelle W. Bowman; Lisa D. Cook; Mary C. Daly; Austan D. Goolsbee; Philip N. Jefferson; Adriana D. Kugler; and Christopher J. Waller. Austan D. Goolsbee voted as an alternate member at this meeting.

For media inquiries, please email [media@frb.gov](mailto:media@frb.gov) or call 202-452-2955.

Implementation Note issued July 31, 2024

Source : Fed Reserve, (2024), link: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20240731a.htm>

BARRON'S

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## Powell: September Rate Cut Is Possible

The Federal Reserve **didn't lower interest rates** today, but its statement did tee up the possibility of a **September cut**.

After the decision, Fed Chair Jerome Powell **said**, "a reduction in our policy rate could be on the table as soon as the next meeting in September."

That said, he stressed the Federal Open Market Committee has "made no decisions about future meetings."

Source : Barrons, Jul 31<sup>st</sup> (2024), link: <https://www.barrons.com/livecoverage/july-fed-meeting-rate-decision-today>

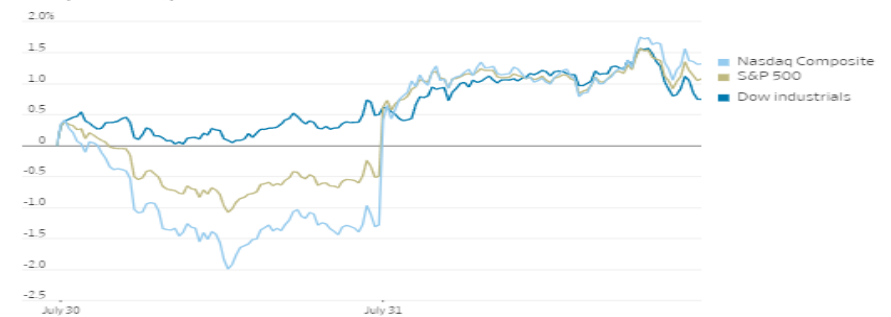
### • LIVE UPDATES

#### Fed Meeting Today: Stocks Rally After Fed Leaves Door Open to Lower Interest Rates

Nasdaq adds 2.6%; Federal Reserve Chair Jerome Powell says September rate cut 'could be on the table'

Last Updated: Jul. 31, 2024 at 5:39 PM EDT

Index performance, past two sessions



Source: FactSet

Source : WSJ, Jul 31<sup>st</sup> (2024), link: <https://www.wsj.com/livecoverage/fed-meeting-interest-rate-decision-july-2024-07-31-2024>

# Global News

## Before He Died In Tehran, The Late Hamas Leader Haniyeh Met Ayatollah Ali Khamenei And Masoud Pezeshkian

31 Juli 2024, 14:15 | Editorial Team



Ismail Haniyeh (center) with the Secretary General of Islamic Jihad Ziyad al-Nakhalah when meeting Iran's Supreme Leader Ayatollah Ali Khamenei. (Source: Khamenei.ir)

Source : Vol, Jul 31<sup>st</sup> (2024), link: <https://voi.id/en/news/403540>

## Oil and gold prices rise after Hamas leader killed

Published: 11:03 31 Jul 2024 BST



Prices of oil and gold were lifted as financial markets reacted to the killing of the Hamas political leader in Iran, which the Palestinian group said was from an attack by Israel.

Source : proactiveinvestor, Jul 31<sup>st</sup> (2024), link: <https://www.proactiveinvestors.co.uk/companies/news/1053080/oil-and-gold-prices-rise-after-hamas-leader-killed-1053080.html>

BANK OF JAPAN

## Bank of Japan raises benchmark interest rate, outlines roadmap for trimming bond buying program

PUBLISHED WED, JUL 31 2024-12:00 AM EDT | UPDATED MOMENTS AGO

Lim Hui Jie

SHARE f X in

### KEY POINTS

- Japan's central bank has raised its benchmark interest rate to "around 0.25%" from its previous range of 0% to 0.1%.
- This would mark the highest interest rates since October 2008, when it was set at 0.3%.
- It also said that it will reduce the monthly outright purchases of Japanese government bonds to about 3 trillion yen (\$19.64 billion) per month in the January to March 2026 quarter.

Source : cnbc, Jul 31<sup>st</sup> (2024), link: <https://www.cnbc.com/2024/07/31/boj-raises-benchmark-interest-rate-outlines-roadmap-for-trimming-bond-buying-program.html>

TV

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## Bank of Japan raises its key interest rate, aiming to curb yen's slide against the dollar



1 of 4 | Bank of Japan Gov. Kazuo Ueda speaks during a news conference on raising its key interest rate acting to curb the yen's slide against the U.S. dollar, at the bank's headquarters in Tokyo, Wednesday, July 31, 2024. (Nasdaq News via AP)

Source : apnews, Jul 31<sup>st</sup> (2024), link: <https://apnews.com/article/japan-economy-rates-boj-yen-e00919b053412fab7a800ed78a9ad7a>

# Fed Probabilities and Their Impact

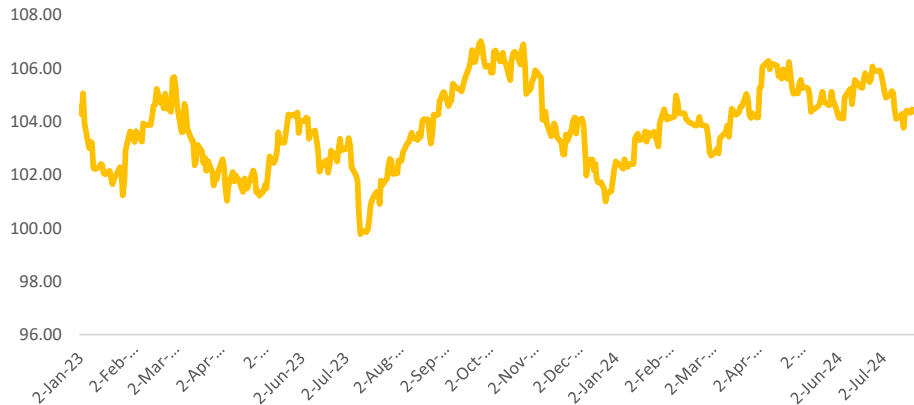
## FED PROBABILITIES, as of 31 JUL '24

Meeting Date	FED PROBABILITIES									
	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550
18-Sep-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.0%	89.0%	0.0%
07-Nov-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.4%	63.2%	29.4%	0.0%
18-Dec-24	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	63.1%	29.5%	0.1%	0.0%
29-Jan-25	0.0%	0.0%	0.0%	0.0%	5.5%	49.3%	37.8%	7.3%	0.0%	0.0%
19-Mar-25	0.0%	0.0%	0.0%	4.9%	44.0%	39.2%	11.0%	0.9%	0.0%	0.0%
30-Apr-25	0.0%	0.0%	3.0%	29.2%	41.0%	21.7%	4.7%	0.3%	0.0%	0.0%
18-Jun-25	0.0%	2.1%	21.1%	37.4%	27.6%	10.0%	1.7%	0.1%	0.0%	0.0%
30-Jul-25	0.9%	10.2%	28.1%	33.2%	20.1%	6.4%	1.0%	0.1%	0.0%	0.0%

Sources : CME Group, and KBVS Research (2024)

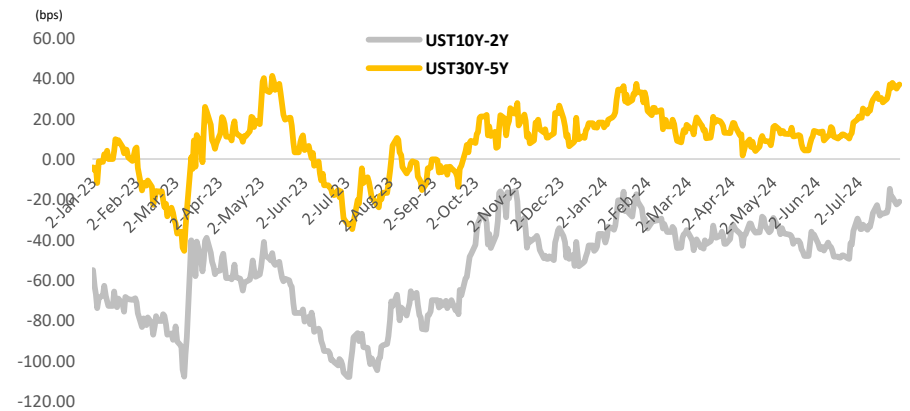
- The dovish tone expressed by Jerome Powell during last night's FOMC meeting opens up the possibility of a 25 bps Fed Rate cut in the upcoming September FOMC meeting.
- Furthermore, the DXY decreased by -0.29% during the past week,
  - Appreciation against the USD was observed in:
    - CAD 0.29%
    - SEK 0.74%
    - JPY 2.57%
  - Conversely, depreciation against the USD was observed in:
    - EUR 0.14%
    - GBP 0.35%
    - CHF 0.78%
- At the same time, reducing recession risk is evident with the widening yield spread between UST30Y and UST5Y, and the decreasing inversion between UST10Y and UST2Y yields.

## DXY



Sources : Bloomberg, and KBVS Research (2024)

## YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2024)

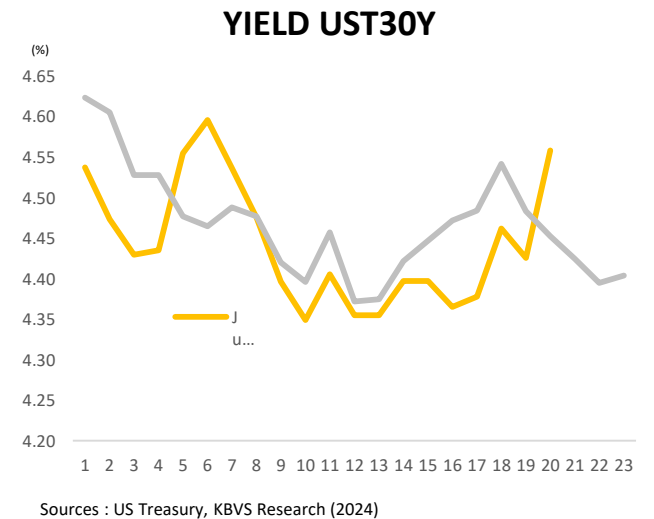
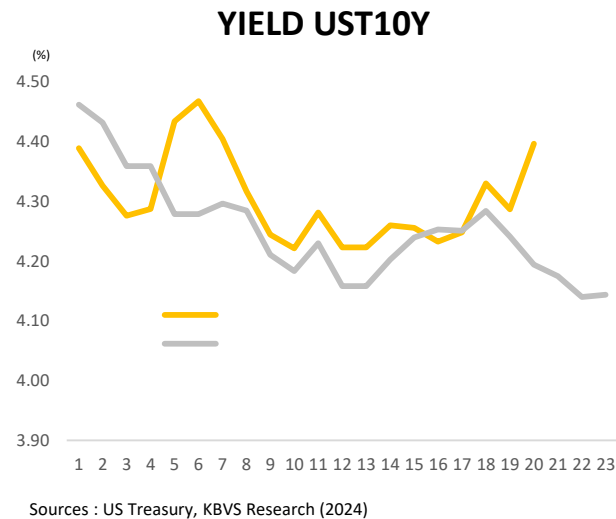
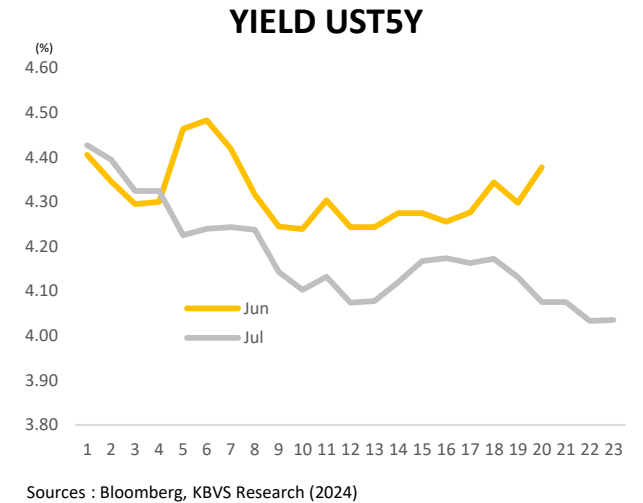
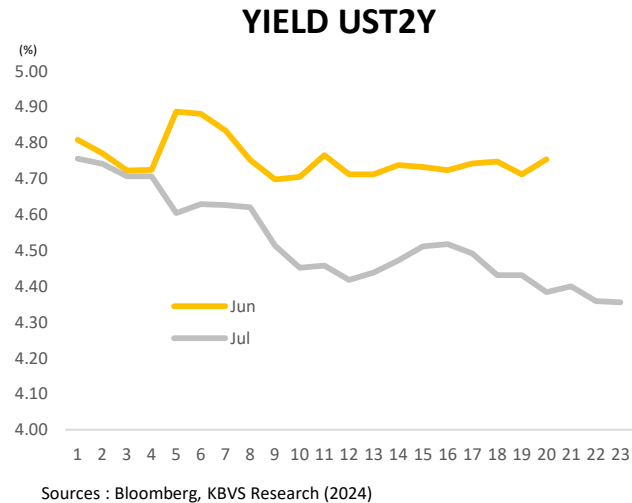
# The Movement of UST Yields

US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Mar'24	34.67	34.47
Govt Debt to GDP	%	4Q23	124.3	122.9
Govt Budget	USD Bn	Feb '24	296.28	21.93
S&P Credit Rating	Rating	16-Mar-23	AA+	AA+

Sources : US Treasury, KBVS Research (2024)

Over the past week, there has been a tendency for UST yields to decrease, where:

- UST6M
  - -5.68 bps (WoW)
  - -14.13 bps (YtD, as of Jul 31 , '24)
- UST52W (1Y)
  - -5.98 bps (WoW)
  - +1.81 bps (YtD, as of Jul 31 , '24)
- UST2Y
  - -7.63 bps (WoW)
  - +10.45 bps (YtD, as of Jul 31 , '24)
- UST5Y
  - -13.68 bps (WoW)
  - +18.77 bps (YtD, as of Jul 31 , '24)
- UST10Y
  - -14.05 bps (WoW)
  - +26.42 bps (YtD, as of Jul 31 , '24)
- UST30Y
  - -13.79 bps (WoW)
  - +37.58 bps (YtD, as of Jul 31 , '24)





# Indonesia Economic Data

## INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	17 July '24	6.25	6.25
Economic Growth	%, yoy	1Q24	5.11	5.04
Inflation Rate	%, yoy	Jun '24	2.51	2.84
Unemployment Rate	%	Feb '24	4.82	5.32
S&P Credit Rating	Rating	Rating	30-Jul-24	BBB

Sources : various sources, KBVS Research (2024)



Siaran Pers

**No.33/Sipers/B.8/A.3/2024**

**Umumkan Capaian Realisasi Semester I 2024,  
Bahليل Sebut Sektor UMKM Serap 4,6 Juta Tenaga Kerja**

**Jakarta, 29 Juli 2024** - Kementerian Investasi/Badan Koordinasi Penanaman Modal (BKPM) kembali menggelar Konferensi Pers Realisasi Investasi untuk periode Triwulan II sekaligus Semester I tahun 2024, pada Senin siang di Kantor Kementerian Investasi/BKPM (29/7). Menjelang akhir masa kepemimpinan Presiden Joko Widodo, capaian realisasi investasi terpantau masih menorehkan angka yang signifikan. Secara kumulatif realisasi investasi sepanjang April-Juni 2024 mencapai Rp428,4 triliun atau meningkat sebesar 6,7% dibanding dengan periode sebelumnya dan sebesar 22,5% dibanding periode yang sama tahun 2023.

Data realisasi investasi sepanjang periode Januari-Juni (Semester I) 2024 mencapai Rp829,9 triliun atau meningkat sebesar 22,3% dibanding dengan periode yang sama pada tahun 2023. Capaian ini adalah 50,3% dari total target tahun 2024. Penyerapan tenaga kerja pada triwulan ini sebanyak 677.623 orang dan 1.225.042 orang selama Semester I 2024.

Menteri Investasi/Kepala BKPM Bahليل Lahadalia mengungkapkan jika iklim investasi tetap kondusif walau memasuki masa transisi menuju pelantikan presiden baru. Ia juga mengungkapkan jika Usaha Mikro Kecil dan Menengah (UMKM) memberikan proporsi lapangan kerja paling besar dibandingkan dengan sektor usaha lainnya.

## ECONOMIC CALENDAR

(18-24 JUL '24)

Event	Actual	Forecast	Previous
<b>Monday, 29 Jul '24</b>			
Foreign Direct Investment (YoY)	16.60%		15.50%

Sources : investing, KBVS Research (2024)

**Jakarta, 29 Juli 2024**

"UMKM dari Januari sampai bulan Juni, itu total yang masuk 2,4 juta proyek dengan total investasi Rp127 triliun. Lapangan pekerjaannya 4.696.618 orang," ujar Bahليل.

Melihat capaian serapan tenaga kerja dari UMKM tersebut, Bahليل menyoroti rendahnya porsi UMKM dari sisi dukungan permodalan. Dari nilai *credit lending* sebesar Rp6.300 triliun, sektor UMKM hanya mendapat porsi tidak lebih dari 18%.

"Makanya saya itu lagi berpikir, kadang-kadang kita ini gak adil sama UMKM, terutama dalam hal permodalan. Padahal UMKM punya kontribusi terhadap penciptaan lapangan pekerjaan gila sekali, ini 4 juta," imbuh Bahليل.

Untuk itu, Bahليل menegaskan bahwa tim di Kementerian Investasi/BKPM konsisten mendorong permodalan bagi UMKM. Salah satunya melalui Peraturan Menteri Investasi/Kepala BKPM Nomor 1 Tahun 2022 tentang Tata Cara Pelaksanaan Kemitraan di Bidang Penanaman Modal antara Usaha Besar dengan UMKM di Daerah. Ia optimis jika hal tersebut merupakan cara yang tepat untuk mendorong UMKM naik kelas dan bisa menciptakan lapangan pekerjaan lebih besar lagi.

Senada dengan hal tersebut, Wakil Presiden Terpilih Republik Indonesia periode 2024-2029 Gibran Rakabuming Raka, yang *di-doorstop* saat berkunjung ke Kementerian Investasi/BKPM paginya, juga berpesan agar UMKM tetap diperhatikan dan diberikan kemudahan berusaha.

"Selain persoalan hilirisasi, saya juga sering menyinggung soal UMKM sejak masa debat kampanye kemarin. Sekali lagi jangan melupakan UMKM dan juga regulasi-regulasi yang masih memperlambat investasi ini perlu dikejar lagi," jelas Gibran.

Pada Semester I 2024, Kementerian Investasi/BKPM merilis data Usaha Mikro dan Kecil (UMK) yaitu sebanyak 2.411.350 proyek dengan nilai komitmen investasi sebesar Rp127,0 triliun. Nilai komitmen investasi yang tercatat dari 2.206.932 proyek yang dimiliki pelaku usaha skala mikro sebesar Rp72,2 triliun. Sedangkan, nilai komitmen investasi yang tercatat dari 204.418 proyek yang dimiliki pelaku usaha skala kecil sebesar Rp54,8 triliun. (\*)

Untuk keterangan lebih lanjut dapat menghubungi:

**Leidy Novanda**  
Pranata Humas Ahli Madya  
Kementerian Investasi/BKPM  
E-mail: [humas@bkpm.go.id](mailto:humas@bkpm.go.id)

# Indonesia's News

30-Jul-2024 | 05:28 EDT

## Indonesia Ratings Affirmed At 'BBB/A-2'; Outlook Stable

### Overview

- We expect annual general government deficits of close to 3% of GDP over the next two to three years.
- The continued development of Indonesia's commodity-related industries should help maintain stable external metrics.
- We affirmed our 'BBB/A-2' sovereign credit ratings on Indonesia.
- The outlook remains stable.

### Rating Action

On July 30, 2024, S&P Global Ratings affirmed its 'BBB' long-term and 'A-2' short-term sovereign credit ratings on Indonesia. The outlook on the long-term rating is stable.

### Outlook

The stable rating outlook reflects our expectation that annual general government deficits will stay close to 3% of GDP over the next two to three years. The continued development of Indonesia's commodity-related industries should also help maintain stable external metrics.

### Downside scenario

We may lower the ratings if we believe that one or more of the following developments will happen:

- Net general government debt rises at an annual rate of more than 3% of GDP persistently;
- General government interest payments surpass 15% of revenues on a sustained basis; or
- A structural slowdown in export receipts occurs, which drives annual gross external financing needs consistently above levels equivalent to the sum of current account receipts and usable reserves in that year.

### Upside scenario

We may raise the ratings if material improvements in Indonesia's external metrics lead to net narrow external indebtedness falling below 50% of current account receipts and gross external financing needs going below 50% of the sum of current account receipts and usable reserves.

Source : SPGR, Jul 30<sup>th</sup> (2024), link: <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3222221>

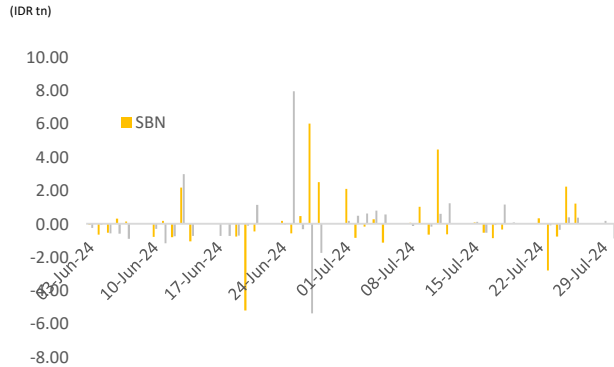
KEY RATING FACTORS	SCORE	EXPLANATION
Institutional assessment	3	Generally effective policymaking promoting balanced economic growth and sustainable public finances. Moderate policy predictability, with possible policy shifts with changes in administration. Generally cohesive civil society.
Economic assessment	4	Based on GDP per capita (US\$) and growth trends as per Selected Indicators in table 1. Weighted average real GDP per capita trend growth over a 10-year period is well above that of sovereigns in the same GDP category.
External assessment	3	Based on narrow net external debt (% of current account receipts) and gross external financing needs (% of current account receipts and usable reserves) as per the Selected Indicators in table 1.
Fiscal assessment: flexibility and performance	3	Based on the change in net general government debt (% of GDP) as per Selected Indicators in table 1.
Fiscal assessment: debt burden	4	Based on net general government debt (% of GDP) and general government interest expenditure (% of general government revenue) as per Selected Indicators in table 1.
Monetary assessment	3	The rupiah is a free-floating currency. However, the central bank intervenes intermittently in foreign exchange markets. The central bank has operational independence and uses market-based monetary instruments such as seven-day repo rate. However, there is some reliance on reserve requirements. CPI as per Selected Indicator in table 1. The central bank has the ability to act as lender of last resort for the financial system.
Indicative rating	bbb	As per table 1 of "Sovereign Rating Methodology."
Notches of supplemental adjustments and flexibility	0	
<b>FINAL RATING</b>		
Foreign currency	BBB	
Notches of uplift	0	Default risks do not apply differently to foreign- and local-currency debt.
Local currency	BBB	

Source : SPGR, Jul 30<sup>th</sup> (2024), link: <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3222221>



# Development of Tradable SBN

## CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2024)

Between 25 Jul and 30 Jul '24, non-residents conducted:

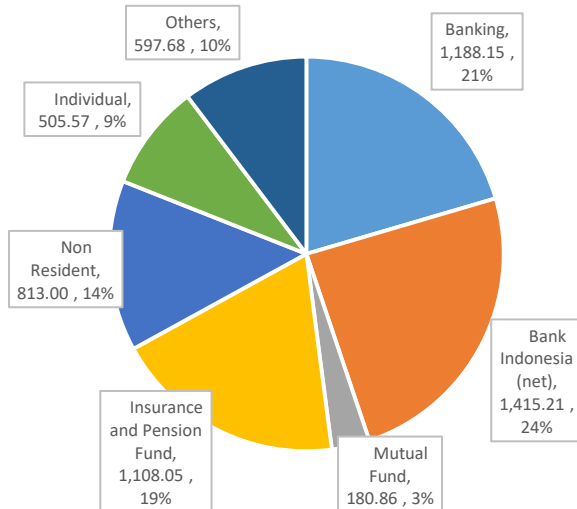
- a net buy of tradable SBN amounting to IDR3.45 tn, and
- A net buy of JCI, amounting IDR0.06 tn.

## SUN LATEST AUCTION

23 Jul '24								
Instruments	SPN03241023	SPN12250710	FR0101	FR0100	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	3.42	8.26	19.37	15.05	3.97	2.48	4.63	57.19
Bid to Cover Ratio	3.42	10.33	2.73	1.46	2.84	9.93	4.03	2.60
Weighted Average Yields Awarded	6.450%	6.720%	6.876%	7.010%	7.140%	7.147%	7.130%	
9 Jul '24								
Instruments	SPN03241009	SPN12250710	FR0101	FR0100	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	2.20	3.55	14.31	16.75	3.67	4.64	3.24	48.35
Bid to Cover Ratio	-	17.75	1.83	1.94	1.53	1.31	2.31	2.01
Weighted Average Yields Awarded	-	6.820%	6.910%	7.036%	7.090%	7.120%	7.129%	

Sources : DJPPR, KBVS Research (2024)

## OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2024)

As of 30 Jul '24, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,415.92 tn (+IDR39.77 tn, WoW),
- Banks : IDR1,188.15 tn (-IDR31.72 tn, WoW), and
- Insurance&Pension Funds: IDR1,108.05 tn (+IDR3.11 tn, WoW)

## SBSN LATEST AUCTION

30 July '24								
Instruments	SPNS02022025	SPNS29052025	PBS032	PBS030	PBSG001	PBS004	PBS038	Total
Incoming Bids (IDR tn)	2.05	3.76	6.38	2.31	4.09	0.8	5.3	24.69
Bid to Cover Ratio	-	3.76	3.04	1.18	3.27	1.23	5.05	3.09
Weighted Average Yields Awarded	-	6.70%	6.72%	6.73%	6.75%	6.96%	7.10%	
16 Jul '24								
Instruments	SPNS20012025	SPNS01042025	PBS032	PBS030	PBS004	PBS039	PBS038	Total
Incoming Bids (IDR tn)	2.19	3.33	9.93	6.97	0.39	0.2	4.7	27.71
Bid to Cover Ratio	3.65	6.05	9.03	1.27	1.29	2.02	2.54	2.77
Weighted Average Yields Awarded	6.82%	6.90%	6.82%	6.80%	76.96%	7.03%	7.16%	

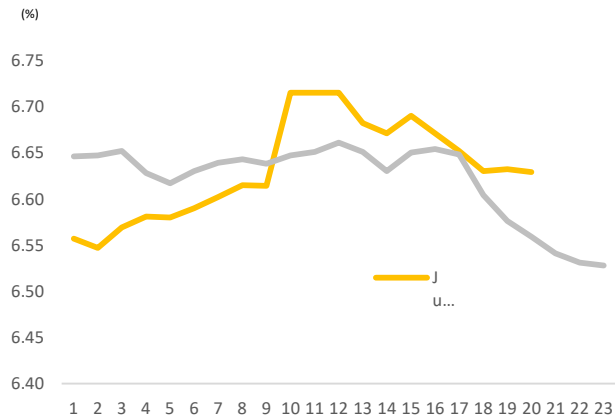
Sources : DJPPR, KBVS Research (2024)

# The Movement of SUN Yields

Over the past week, SUN yields moved decreased:

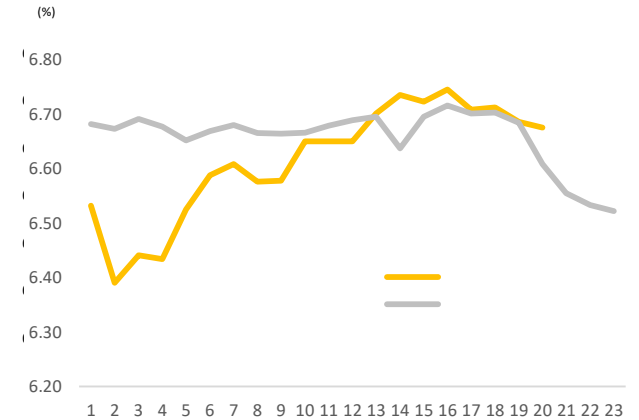
- Yield SUN1Y
  - -7.60 bps (WoW)
  - +16.30 bps (YtD, as of Jul 31 , '24)
- Yield SUN2Y
  - -18.10 bps (WoW)
  - +13.90 bps (YtD, as of Jul 31 , '24)
- Yield SUN5Y
  - -8.70 bps (WoW)
  - +32.50 bps (YtD, as of Jul 31 , '24)
- Yield SUN10Y
  - -6.70 bps (WoW)
  - +46.70 bps (YtD, as of Jul 31 , '24)
- Yield SUN30Y
  - -3.80 bps (WoW)
  - +20.70 bps (YtD, as of Jul 31 , '24)

### YIELD SUN1Y



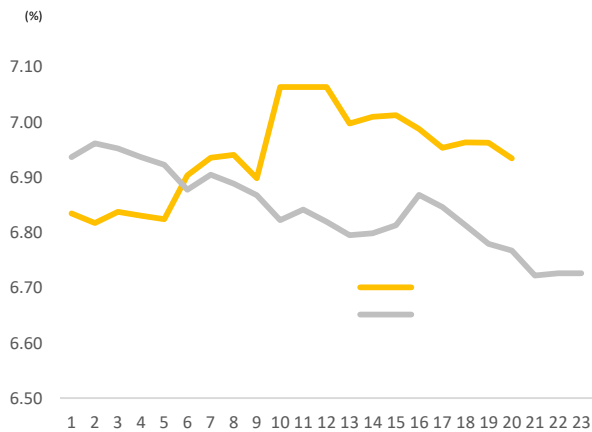
Sources : Bloomberg, KBVS Research (2024)

### YIELD SUN2Y



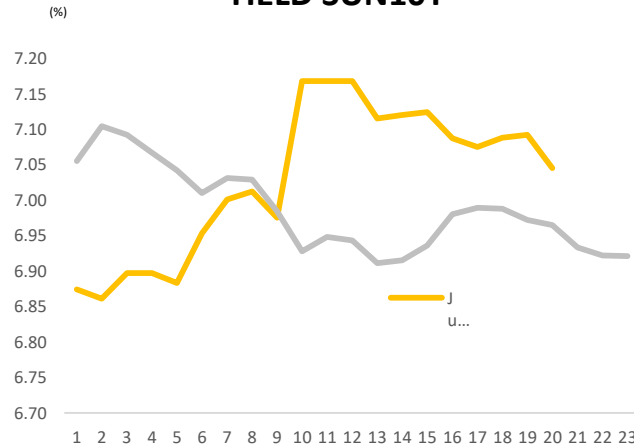
Sources : Bloomberg, KBVS Research (2024)

### YIELD SUN5Y



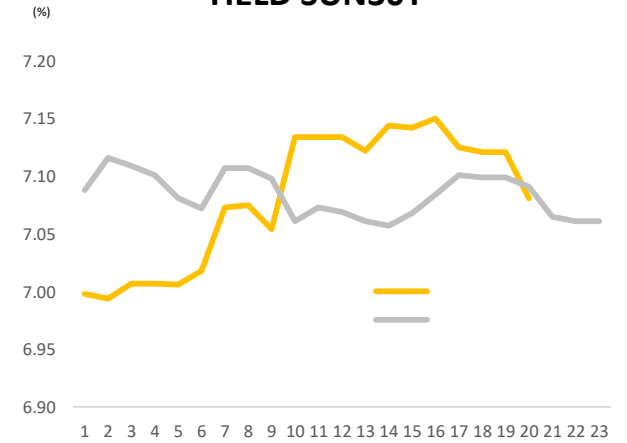
Sources : Bloomberg, KBVS Research (2024)

### YIELD SUN10Y



Sources : Bloomberg, KBVS Research (2024)

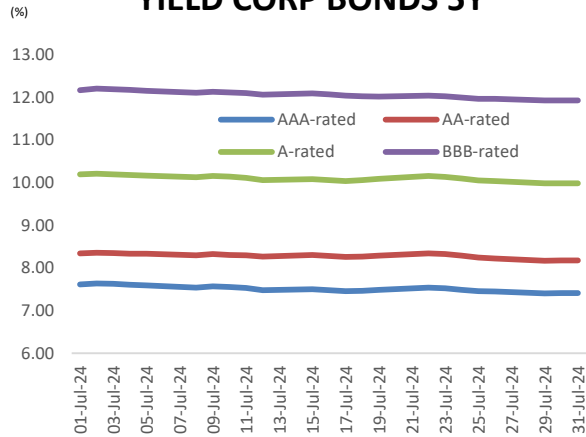
### YIELD SUN30Y



Sources : Bloomberg, KBVS Research (2024)

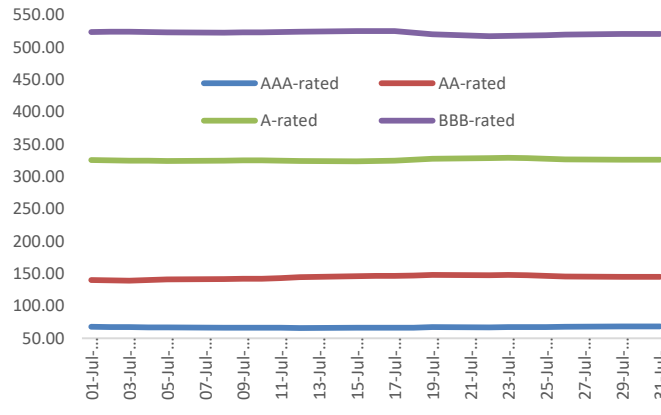
# The Movement of Corporate Bond Yields

## YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

## YIELD SPREAD 5Y TENOR

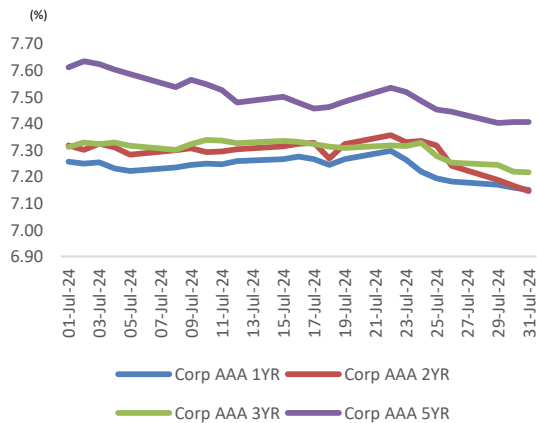


Sources : Bloomberg, KBVS Research (2024)

Corporate bonds showed a trend of decreasing yields last week, as follows:

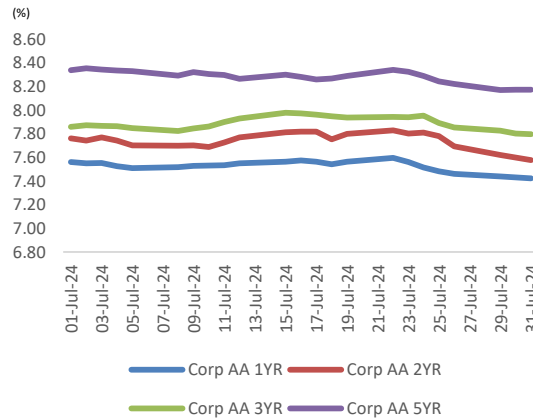
- AAA-rated
  - Tenor 1Y : -6.77 bps (WoW)
  - Tenor 2Y : -18.79 bps (WoW)
  - Tenor 5Y : -7.89 bps (WoW)
- AA-rated
  - Tenor 1Y : -9.29 bps (WoW)
  - Tenor 2Y : -23.37 bps (WoW)
  - Tenor 5Y : -11.53 bps (WoW)
- A-rated
  - Tenor 1Y : -1.84 bps (WoW)
  - Tenor 2Y : -18.97 bps (WoW), and
  - Tenor 5Y : -11.38 bps (WoW)

## YIELD AAA-RATED



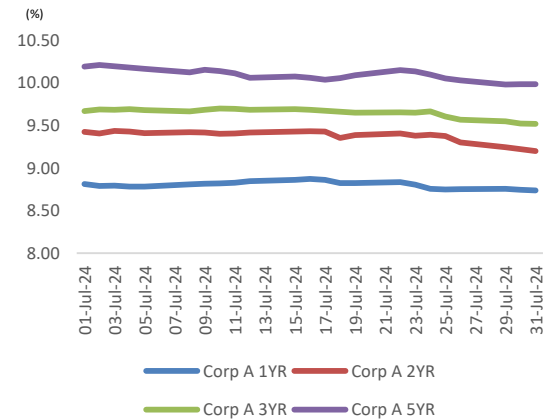
Sources : Bloomberg, KBVS Research (2024)

## YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

## YIELD A-RATED



Sources : Bloomberg, KBVS Research (2024)

# BI's Monetary Operation

## SRBI's DEVELOPMENT

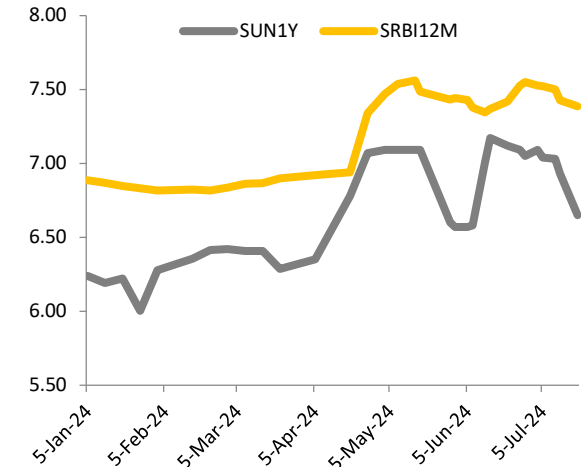
SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24	6.64	6.70	6.83	37,435.00	29,000.00	1.29
2-Feb-24	6.62	6.70	6.82	40,047.00	29,000.00	1.38
16-Feb-24	6.62	6.70	6.82	13,791.00	12,791.00	1.08
23-Feb-24	6.61	6.70	6.82	8,073.00	7,583.00	1.06
1-Mar-24	6.64	6.70	6.84	4,996.00	3,966.00	1.26
8-Mar-24	6.66	6.80	6.86	4,075.00	3,665.00	1.11
15-Mar-24	6.68	6.69	6.87	9,720.00	9,130.00	1.06
22-Mar-24	6.72	6.71	6.90	9,538.00	8,808.00	1.08
5-Apr-24	6.76	6.83	6.92	14,906.00	13,199.00	1.13
19-Apr-24	6.81	6.82	6.94	7,225.00	3,484.00	2.07
26-Apr-24	7.14	7.16	7.34	21,168.00	20,708.00	1.02
3-May-24	7.22	7.32	7.47	37,497.00	36,262.00	1.03
8-May-24	7.32	7.40	7.54	32,276.00	22,483.00	1.44
15-May-24	7.33	7.43	7.56	39,675.00	25,790.00	1.54
17-May-24	7.29	7.38	7.48	54,530.00	27,610.00	1.98
29-May-24	7.27	7.37	7.43	49,103.50	30,000.00	1.64
31-May-24	7.25	7.39	7.44	38,761.00	24,453.00	1.59
5-Jun-24	7.20	7.38	7.43	60,699.70	23,000.00	2.64
7-Jun-24	7.16	7.33	7.38	65,254.80	21,902.00	2.98
12-Jun-24	7.13	7.31	7.35	46,327.00	46,327.00	1.00
14-Jun-24	7.17	7.29	7.37	35,370.00	28,500.00	1.24
21-Jun-24	7.23	7.30	7.42	32,617.00	31,895.00	1.02
26-Jun-24	7.29	7.39	7.53	26,796.00	20,798.00	1.29
28-Jun-24	7.32	7.44	7.55	23,814.00	18,611.70	1.28
3-Jul-24	7.32	7.43	7.53	27,224.20	18,852.00	1.44
5-Jul-24	7.32	7.43	7.52	25,986.60	18,647.00	1.39
10-Jul-24	7.30	7.42	7.50	32,163.90	17,981.00	1.79
12-Jul-24	7.30	7.39	7.43	39,348.60	17,971.00	2.19
19-Jul-24	7.26	7.36	7.39	67,741.10	25,000.00	2.71
24-Jul-24	7.12	7.21	7.24	52,687.10	22,000.00	2.39
26-Jul-24	7.07	7.17	7.22	41,454.00	34,000.00	1.22
31-Jul-24	7.10	7.22	7.28	25,086.00	13,041.00	1.92

Sources : BI, KBVS Research (2024)

## SVBI's DEVELOPMENT

SVBI	Weighted Yield Average Winner (%)		Bidding Amount (USD mn)	Total Nominal Awarded (USD Mn)	Bid to Cover Ratio
	1 Month	3 Months			
2-Jan-24	5.74	-	66.00	31.00	2.13
9-Jan-24	5.71	-	268.00	147.00	1.82
16-Jan-24	5.70	-	382.00	284.00	1.35
23-Jan-24	5.67	5.70	397.00	251.00	1.58
30-Jan-24	5.67	5.69	512.00	472.00	1.08
6-Feb-24	5.66	5.69	472.00	442.00	1.07
13-Feb-24	5.66	5.68	808.00	607.00	1.33
20-Feb-24	5.66	5.67	662.00	652.00	1.02
27-Feb-24	5.66	5.67	518.00	488.00	1.06
5-Mar-24	5.66	5.68	312.00	272.00	1.15
14-Mar-24	5.67	5.68	577.00	532.00	1.08
19-Mar-24	5.67	5.68	367.00	357.00	1.03
26-Mar-24	5.66	-	375.00	358.00	1.05
2-Apr-24	5.67	5.68	264.50	264.50	1.00
16-Apr-24	5.67	-	210.00	160.00	1.31
23-Apr-24	5.67	5.68	514.00	489.00	1.05
30-Apr-24	5.68	5.70	305.00	303.00	1.01
7-May-24	5.68	-	253.00	228.00	1.11
14-May-24	5.69	5.70	431.00	366.00	1.18
21-May-24	5.69	5.69	375.00	350.00	1.07
28-May-24	5.69	5.69	209.00	204.00	1.02
4-Jun-24	5.69	5.69	606.00	591.00	1.03
11-Jun-24	5.69	5.70	430.50	420.50	1.02
19-Jun-24	5.69	5.70	152.00	137.00	1.11
25-Jun-24	5.70	5.70	282.00	242.00	1.17
2-Jul-24	5.70	5.70	342.00	340.00	1.01
9-Jul-24	5.69	5.70	644.00	639.00	1.01
16-Jul-24	5.68	5.68	552.00	264.00	2.09
23-Jul-24	5.66	5.68	687.00	267.00	2.57

Sources : BI, KBVS Research (2024)



USD Libor Rates in 30 Jul '24:

- 1 month : 5.45681%
- 3 months : 5.50929%
- 6 months : 5.50748%

Euribor Rates in 30 Jul '24:

- 1 month : 3.611%
- 3 months : 3.631%
- 6 months : 3.585%

Sources : Global Rates, KBVS Research (2024)

# This Week's Economic Calendar

## ECONOMIC CALENDAR

(1-7 Ags 2024)

Country	Event	Forecast	Previous
<b>Thursday, August 1, 2024</b>			
JPN	Foreign Bonds Buying		-730.7B
JPN	Foreign Investments in Japanese Stocks		-56.9B
JPN	au Jibun Bank Japan Manufacturing PMI (Jul)	49.2	50
INA	Nikkei Manufacturing PMI (Jul)		50.7
CHN	Caixin Manufacturing PMI (Jul)	51.4	51.8
INA	Core Inflation (YoY) (Jul)	1.90%	1.90%
INA	Inflation (MoM) (Jul)	0.10%	-0.08%
INA	Inflation (YoY) (Jul)	2.40%	2.51%
IND	HSBC India Manufacturing PMI (Jul)	58.5	58.3
UK	Nationwide HPI (MoM) (Jul)	0.10%	0.20%
UK	Nationwide HPI (YoY) (Jul)	1.80%	1.50%
EUR	HCOB Germany Manufacturing PMI (Jul)	42.6	43.5
EUR	ECB Economic Bulletin		
EUR	HCOB Eurozone Manufacturing PMI (Jul)	45.6	45.8
UK	S&P Global/CIPS UK Manufacturing PMI (Jul)	51.8	50.9
EUR	Unemployment Rate (Jun)	6.40%	6.40%
UK	BoE MPC vote cut (Aug)	6	2
UK	BoE MPC vote hike (Aug)	0	0
UK	BoE MPC vote unchanged (Aug)	3	7
UK	BoE Interest Rate Decision (Aug)	5.00%	5.25%
UK	BoE MPC Meeting Minutes		
UK	BoE Gov Bailey Speaks		
US	Challenger Job Cuts (Jul)		48.786K
US	Challenger Job Cuts (YoY)		19.80%
US	Continuing Jobless Claims	1,860K	1,851K
US	Initial Jobless Claims	236K	235K
US	Jobless Claims 4-Week Avg.		235.50K
US	Nonfarm Productivity (QoQ) (Q2)	1.70%	0.20%
US	Unit Labor Costs (QoQ) (Q2)	1.80%	4.00%
UK	BoE Gov Bailey Speaks		
CAD	S&P Global Canada Manufacturing PMI (Jul)		49.3
US	S&P Global US Manufacturing PMI (Jul)	49.5	51.6
US	Construction Spending (MoM) (Jun)	0.20%	-0.10%
US	ISM Manufacturing Employment (Jul)	49	49.3
US	ISM Manufacturing New Orders Index (Jul)		49.3
US	ISM Manufacturing PMI (Jul)	48.8	48.5
US	ISM Manufacturing Prices (Jul)	51.9	52.1
US	Natural Gas Storage		22B
US	4-Week Bill Auction		5.29%
US	8-Week Bill Auction		5.26%
US	Atlanta Fed GDPNow (Q3)	2.80%	2.80%
US	Fed's Balance Sheet		7,205B
US	Reserve Balances with Federal Reserve Banks		3.276T
UK	BoE MPC Member Pill Speaks		

Country	Event	Forecast	Previous
<b>Friday, August 2, 2024</b>			
JPN	Monetary Base (YoY) (Jul)	0.90%	0.60%
UK	BoE MPC Member Pill Speaks		
IND	FX Reserves, USD		670.86B
US	Average Hourly Earnings (YoY) (YoY) (Jul)		3.90%
US	Average Hourly Earnings (MoM) (Jul)	0.30%	0.30%
US	Average Weekly Hours (Jul)		34.3
US	Government Payrolls (Jul)		70.0K
US	Manufacturing Payrolls (Jul)		-8K
US	Nonfarm Payrolls (Jul)	177K	206K
US	Participation Rate (Jul)		62.60%
US	Private Nonfarm Payrolls (Jul)	155K	136K
US	U6 Unemployment Rate (Jul)		7.40%
US	Unemployment Rate (Jul)	4.10%	4.10%
US	Durables Excluding Defense (MoM) (Jun)		-7.00%
US	Durables Excluding Transport (MoM) (Jun)		0.50%
US	Factory Orders (MoM) (Jun)	0.50%	-0.50%
US	Factory orders ex transportation (MoM) (Jun)		-0.70%
US	Total Vehicle Sales (Jul)		15.30M
US	U.S. Baker Hughes Oil Rig Count		482
US	U.S. Baker Hughes Total Rig Count		589
<b>Monday, August 5, 2024</b>			
JPN	Monetary Policy Meeting Minutes		
JPN	au Jibun Bank Japan Services PMI (Jul)		53.9
CHN	Caixin Services PMI (Jul)		51.2
INA	GDP (YoY) (Q2)		5.11%
INA	GDP (QoQ) (Q2)		-0.83%
IND	HSBC India Services PMI (Jul)		61.1
EUR	HCOB Germany Composite PMI (Jul)		48.7
EUR	HCOB Germany Services PMI (Jul)		52
EUR	HCOB Eurozone Composite PMI (Jul)		50.1
EUR	HCOB Eurozone Services PMI (Jul)		51.9
UK	S&P Global/CIPS UK Composite PMI (Jul)		52.7
UK	S&P Global/CIPS UK Services PMI (Jul)		52.4
EUR	Sentix Investor Confidence (Aug)		-7.3
EUR	PPI (YoY) (Jun)		-4.20%
EUR	PPI (MoM) (Jun)		-0.20%
CAD	Leading Index (MoM) (Jul)		0.15%
US	S&P Global Composite PMI (Jul)		55
US	S&P Global Services PMI (Jul)		56
US	CB Employment Trends Index (Jul)		110.27
US	ISM Non-Manufacturing Business Activity (Jul)		49.6
US	ISM Non-Manufacturing Employment (Jul)		46.1
US	ISM Non-Manufacturing New Orders (Jul)		47.3
US	ISM Non-Manufacturing PMI (Jul)		48.8
US	ISM Non-Manufacturing Prices (Jul)		56.3
US	3-Month Bill Auction		5.15%
US	6-Month Bill Auction		4.93%

Country	Event	Forecast	Previous
<b>Tuesday, August 6, 2024</b>			
UK	BRC Retail Sales Monitor (YoY) (Jul)		-0.50%
JPN	Household Spending (MoM) (Jun)		-0.30%
JPN	Household Spending (YoY) (Jun)		-1.80%
JPN	Overall wage income of employees (Jun)		2.00%
JPN	Overtime Pay (YoY) (Jun)		0.90%
JPN	10-Year JGB Auction		1.09%
EUR	German Factory Orders (MoM) (Jun)		-1.60%
EUR	HCOB Germany Construction PMI (Jul)		39.7
EUR	HCOB Eurozone Construction PMI (MoM) (Jul)		41.8
UK	S&P Global / CIPS UK Construction PMI (Jul)		52.2
UK	20-Year Treasury Gilt Auction		4.52%
EUR	Retail Sales (YoY) (Jun)		0.30%
EUR	Retail Sales (MoM) (Jun)		0.10%
EUR	German 5-Year Bobl Auction		2.39%
CAD	Reserve Assets Total (Jul)		122.9B
US	Exports (Jun)		261.70B
US	Imports (Jun)		336.70B
US	Trade Balance (Jun)		-75.10B
CAD	Exports (Jun)		62.45B
CAD	Imports (Jun)		64.37B
CAD	Trade Balance (Jun)		-1.93B
US	Redbook (YoY)		4.50%
US	IBD/TIPP Economic Optimism (Aug)		44.2
US	Atlanta Fed GDPNow (Q3)		
US	API Weekly Crude Oil Stock		-4.495M
<b>Wednesday, August 7, 2024</b>			
JPN	Foreign Reserves (USD) (Jul)		1,231.5B
CHN	Exports (Jul)		10.70M
CHN	Imports (Jul)		-0.60M
CHN	Trade Balance (Jul)		703.73B
CHN	Exports (YoY) (Jul)		8.60%
CHN	Imports (YoY) (Jul)		-2.30%
CHN	Trade Balance (USD) (Jul)		99.05B
INA	FX Reserves (USD) (Jul)		140.20B
JPN	Coincident Indicator (MoM) (Jun)		1.90%
JPN	Leading Index (MoM) (Jun)		0.30%
UK	Halifax House Price Index (YoY) (Jul)		1.60%
UK	Halifax House Price Index (MoM) (Jul)		-0.20%
EUR	German Exports (MoM) (Jun)		-3.60%
EUR	German Imports (MoM) (Jun)		-6.60%
EUR	German Industrial Production (MoM) (Jun)		-2.50%
EUR	German Trade Balance (Jun)		24.9B
EUR	German Industrial Production (YoY) (Jun)		-6.67%
CHN	FX Reserves (USD) (Jul)		3,222T
UK	5-Year Treasury Gilt Auction		4.02%
US	MBA 30-Year Mortgage Rate		6.82%
US	MBA Mortgage Applications (WoW)		-3.90%
US	MBA Purchase Index		132.8
US	Mortgage Market Index		201.2
US	Mortgage Refinance Index		570.7
IND	M3 Money Supply		
CAD	Ivey PMI n.s.a (Jul)		62.4
CAD	Ivey PMI (Jul)		62.5
US	Consumer Credit (Jun)		11.35B



