

# Next Fed Rate Cut, 25 bps or 50 bps?

22 August 2024

Economist / Fikri C Permana

# Executive Summary

- The likelihood of a Fed Rate cut has increased following remarks by Minneapolis Fed President Neel Kashkari on Monday (Aug 19), stating that it would be appropriate to consider a rate cut in September due to rising risks in the labor market.
- This sentiment was echoed by San Francisco Fed President Mary Daly and Chicago Fed President Austan Goolsbee in separate statements, signaling a possible move next month.
- Meanwhile, the global trend of central banks lowering their benchmark interest rates continues, as evidenced by last week's rate cut by the Reserve Bank of New Zealand (RBNZ), followed by similar actions from Sweden's Riksbank and the Bank of Jamaica this week.
- On the domestic front, the increase in incoming bids during the government bond auction on August 20, 2024, which reached IDR104 trillion, has been a positive development for the local fixed-income market.
- This was accompanied by a significant decline in yields and a growing appetite among investors for the FR0103 and FR0104 series in the primary auction, which serve as the benchmark for 10-year and 5-year tenors in the upcoming fiscal year.

## Sweden's Riksbank cuts interest rate and says policy easing could speed up



Copyright: Stefan Jerrems/TITAP

Source: euronews, Aug 20, 2024, link:

<https://www.euronews.com/business/2024/08/20/swedens-riksbank-cuts-interest-rate-and-says-policy-easing-could-speed-up>

## Interest Rate Change – 20 August 2024

Home / Notices / Money Market / Interest Rate Change – 20 August 2024

### Bank of Jamaica decreases Benchmark Interest Rate

Bank of Jamaica announces that, effective 21 August 2024, the rate offered on overnight balances on the current accounts of deposit-taking institutions, the policy rate, will be decreased to 6.75 per cent per annum from 7.00 per cent per annum.

Consequent on the adjustment in this rate, effective Wednesday, 21 August 2024, the rate on the Bank's overnight Standing Liquidity Facility (SLF) will be decreased to 9.75 per cent per annum from 10.00 per cent per annum. The rates on the Bank's weekly 30-day Certificate of Deposit (CD) will continue to be determined by auction.

Source: Bank of Jamaica, Aug 20, 2024, link:

<https://boj.org.jm/interest-rate-change-20-august-2024/>



## TABLE OF CONTENTS :

**3 Global Economy**

7 Domestic Economy

14 Economic Calendar

# US Economic Data

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Aug '24	5.5	5.5
Economic Growth	%, yoy	2Q24	3.1	2.9
Inflation Rate	%, yoy	Jul'24	2.9	3.0
Unemployment Rate	%	Jul'24	4.3	4.1

Sources : various sources, KBVS Research (2024)

The data releases that influenced yield movements in the week of 15 – 21 Aug '24 are as follows:

- The number of people claiming unemployment benefits in the US on the week ending Aug 10<sup>th</sup> fell by 7K to 227K (Cons: 236K, Prev 234K).
- The Philadelphia Fed Manufacturing Index in the US for aug '24 plummeted to -7.00 (Cons: 5.40, Prev: 13.90), marking the first contraction since Jan '24.
- Retail sales in the US for Jul '24 soared 1.0% MoM (Cons: 0.4% MoM, Prev: -0.20% MoM), it is the biggest increase since Jan '23.
- Building permits in the US for Jul '24 fell by -4.0% YoY to a seasonally adjusted annual rate of 1,396 mn (Cons: 1,430 mn, Prev: 1,454 mn), the lowest in four years.
- The University of Michigan consumer sentiment for the US in Aug '24 rose to 67.8 (Cons: 66.7, Prev: 66.4).
- The average rate on a 30-year fixed mortgage as of Aug 15<sup>th</sup> was broadly stable at 6.49%, 2bps above the one-year low in the prior week.

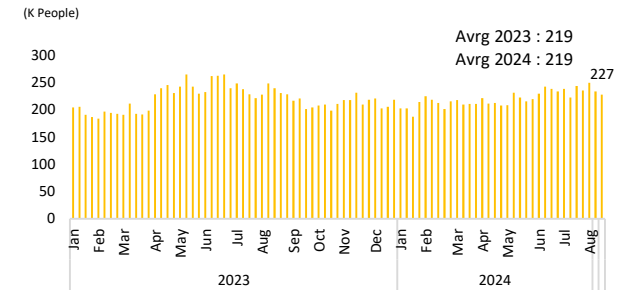
## ECONOMIC CALENDAR

(15 -21 AUG '24)

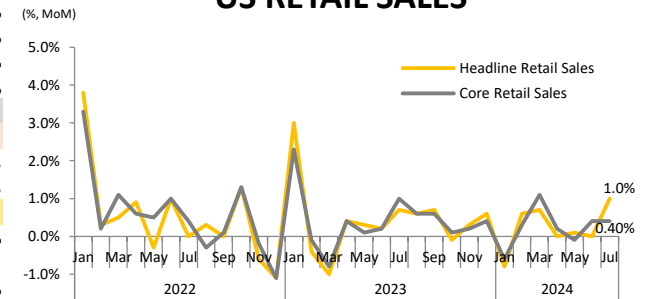
Event	Actual	Forecast	Previous
<b>Thursday, 15 Aug '24</b>			
US Continuing Jobless Claims	1,864K	1,880K	1,871K
US Core Retail Sales (MoM) (Jul)	0.40%	0.10%	0.50%
US Export Price Index (MoM) (Jul)	0.70%	0.00%	-0.30%
US Import Price Index (MoM) (Jul)	0.10%	-0.10%	0.00%
<b>US Initial Jobless Claims</b>	<b>227K</b>	<b>236K</b>	<b>234K</b>
US NY Empire State Manufacturing Index (Aug)	-4.70	-5.90	-6.60
<b>US Philly Fed Manufacturing Index (Aug)</b>	<b>-7.00</b>	<b>5.40</b>	<b>13.90</b>
US Philly Fed Employment (Aug)	-5.70		15.20
US Retail Control (MoM) (Jul)	0.30%		0.90%
<b>US Retail Sales (MoM) (Jul)</b>	<b>1.00%</b>	<b>0.40%</b>	<b>-0.20%</b>
US Industrial Production (YoY) (Jul)	-0.18%		1.14%
US Industrial Production (MoM) (Jul)	-0.60%	-0.30%	0.30%
US Business Inventories (MoM) (Jun)	0.30%	0.30%	0.50%
US Retail Inventories Ex Auto (Jun)	0.20%	0.20%	0.00%
US Atlanta Fed GDP Now (Q3)	2.40%	2.90%	2.90%
<b>Friday, 16 Aug '24</b>			
US FOMC Member Harker Speaks			
US TIC Net Long-Term Transactions (Jun)	96.1B	56.3B	-54.2B
US Fed's Balance Sheet	7.178B		7,175B
<b>US Building Permits (Jul)</b>	<b>1.396M</b>	<b>1.430M</b>	<b>1.454M</b>
US Housing Starts (MoM) (Jul)	-6.80%		1.10%
US Housing Starts (Jul)	1.238M	1.340M	1.329M
US Michigan 1-Year Inflation Expectations (Aug)	2.90%	2.80%	2.90%
US Michigan 5-Year Inflation Expectations (Aug)	3.00%	2.90%	3.00%
US Michigan Consumer Expectations (Aug)	72.10	68.50	68.80
<b>US Michigan Consumer Sentiment (Aug)</b>	<b>67.80</b>	<b>66.70</b>	<b>66.40</b>
<b>Monday, 19 Aug '24</b>			
US Fed Waller Speaks			
US Leading Index (MoM) (Jul)	-0.60%	-0.40%	-0.20%
<b>Tuesday, 20 Aug '24</b>			
<b>Wednesday, 21 Aug '24</b>			
US FOMC Member Bostic Speaks			
US Fed Vice Chair for Supervision Barr Speaks			
US API Weekly Crude Oil Stock	0.347M	-2.800M	-5.205M
US Crude Oil Inventories		-2.800M	1.357M
US Cushing Crude Oil Inventories			-1.665M
US 20-Year Bond Auction			4.47%
US FOMC Meeting Minutes			

Sources : investing, KBVS Research (2024)

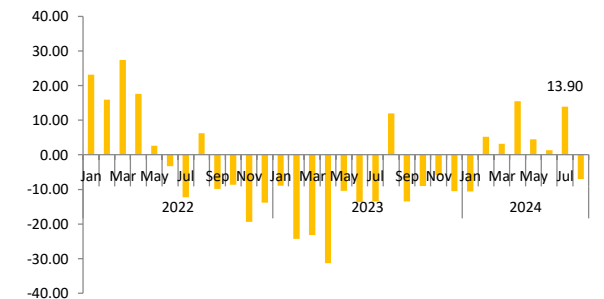
## WEEKLY INITIAL JOBLESS CLAIMS



## US RETAIL SALES



## US PHILLY FED MANUFACTURING INDEX



# Fed Probabilities and Their Impact

## FED PROBABILITIES, as of 21 AUG '24

MEETING DATE	FED PROBABILITIES										
	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525
18-Sep-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.5%	67.5%
7-Nov-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.7%	41.8%	49.5%	0.0%
18-Dec-24	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	20.8%	44.6%	31.3%	0.0%	0.0%
29-Jan-25	0.0%	0.0%	0.0%	0.1%	3.6%	21.5%	44.3%	30.5%	0.0%	0.0%	0.0%
19-Mar-25	0.0%	0.0%	0.5%	5.8%	24.2%	42.6%	26.8%	0.0%	0.0%	0.0%	0.0%
30-Apr-25	0.0%	0.3%	3.4%	15.9%	34.3%	34.0%	12.1%	0.0%	0.0%	0.0%	0.0%
18-Jun-24	0.2%	2.7%	13.0%	30.0%	34.0%	17.2%	2.8%	0.0%	0.0%	0.0%	0.0%
30-Jul-24	1.2%	6.9%	20.0%	31.7%	27.1%	11.2%	1.7%	0.0%	0.0%	0.0%	0.0%

Sources : CME Group, and KBVS Research (2024)

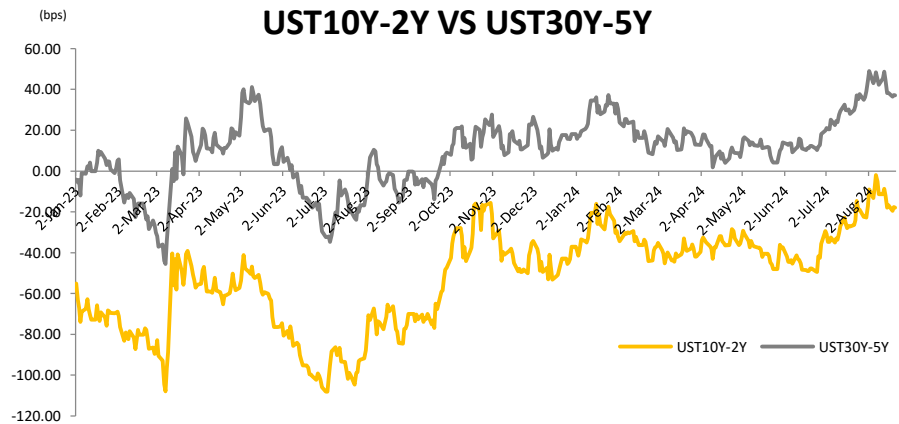
- Investors anticipate that the Fed Rate cut on Sep 18, '24, will be reduced to just 25 bps.
- However, at the same time, the median Fed Rate reduction by the end of 2024 is expected to reach 100 bps.
- This has led to the DXY sinking to its lowest levels this year, declining by -1.01% last week, as the following USD peer currencies appreciated:
  - CAD 0.74%
  - JPY 0.83%
  - EUR 0.92%
  - CHF 1.11%
  - GBP 1.48%
  - SEK 2.16%
- At the same time, the inverted yield curve remains at a lower level compared to the average throughout 2024.

## DXY



Sources : Bloomberg, and KBVS Research (2024)

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



Sources : Bloomberg, and KBVS Research (2024)

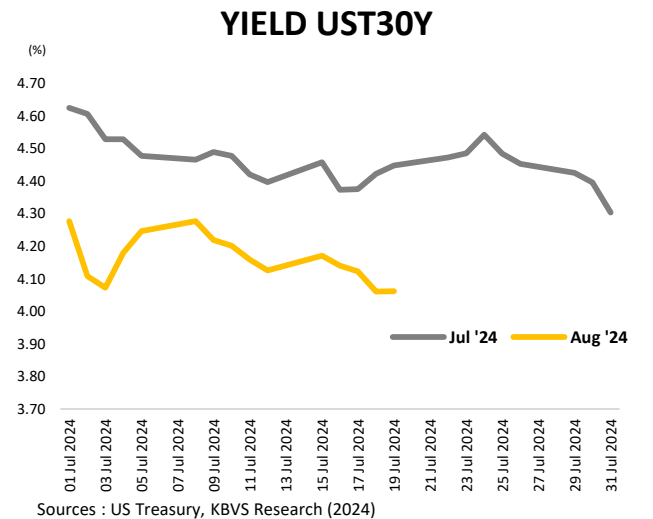
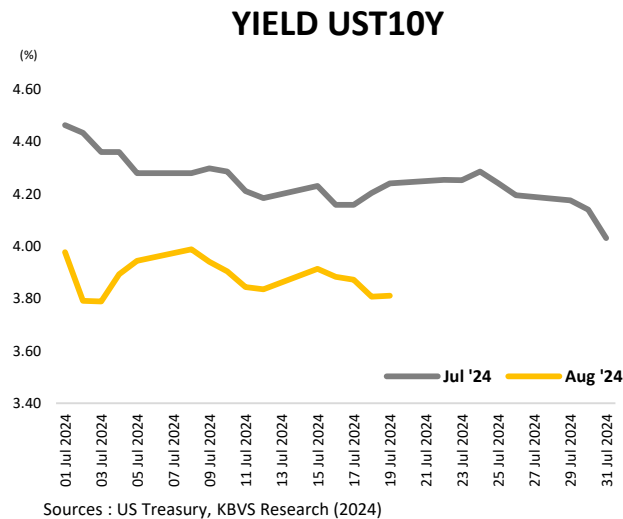
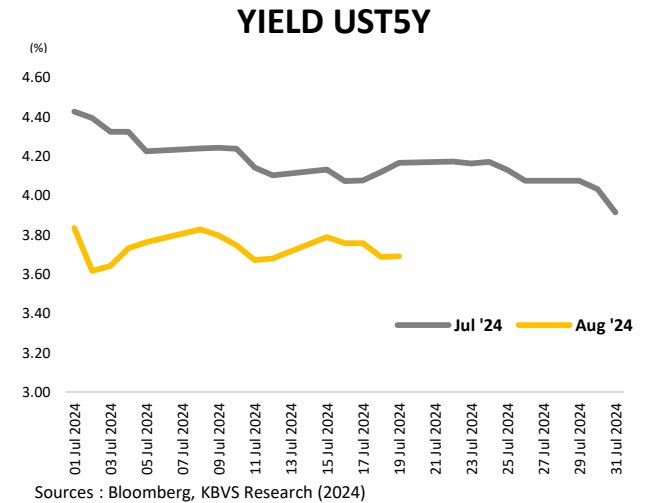
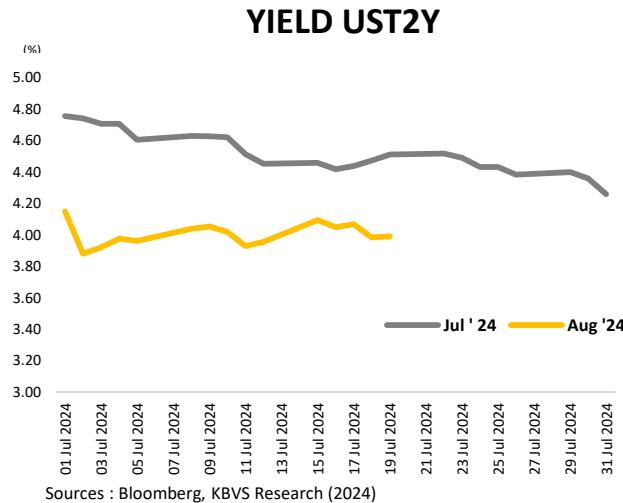
# The Movement of UST Yields

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 increase, where:

- UST6M
  - +1.06 bps (WoW)
  - -29.58 bps (YtD, as of Aug 21 , '24)
- UST52W (1Y)
  - +0.26 bps (WoW)
  - -33.90 bps (YtD, as of Aug 21 , '24)
- UST2Y
  - -0.63 bps (WoW)
  - -29.41 bps (YtD, as of Aug 21 , '24)
- UST5Y
  - +1.61 bps (WoW)
  - -15.11 bps (YtD, as of Aug 21 , '24)
- UST10Y
  - -1.91 bps (WoW)
  - -6.30 bps (YtD, as of Aug 21 , '24)
- UST30Y
  - -5.37 bps (WoW)
  - +4.31 bps (YtD, as of Aug 21 , '24)



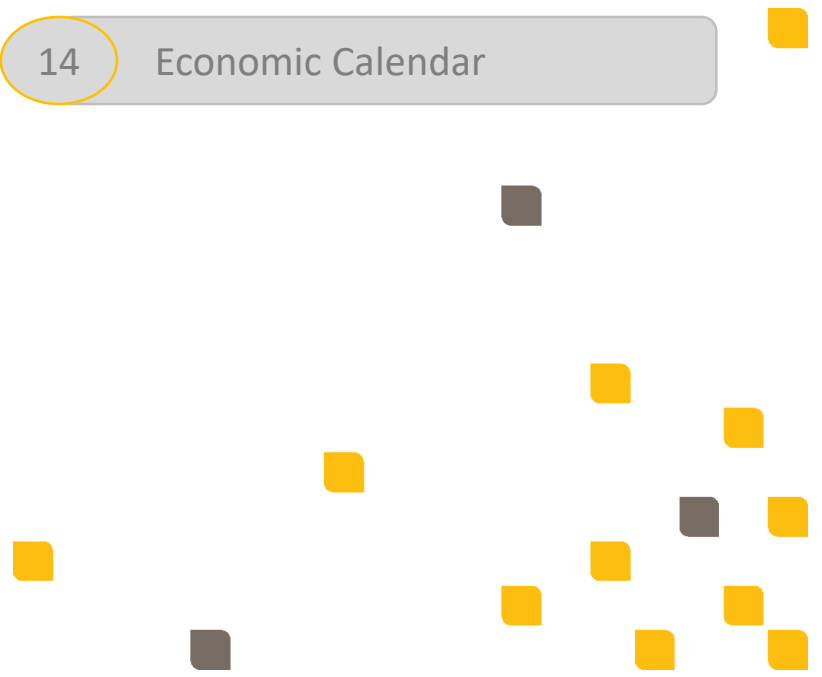


## TABLE OF CONTENTS :

3 Global Economy

**7 Domestic Economy**

14 Economic Calendar



# 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	2Q24	5.05	5.11
Inflation Rate	%, yoy	Jul '24	2.13	2.51
Unemployment Rate	%	Feb '24	4.82	5.32
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2024)

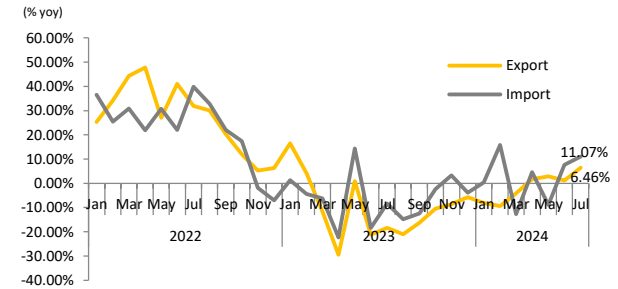
## ECONOMIC CALENDAR

(15-21 AUG '24)

Event	Actual	Forecast	Previous
<b>Thursday, 15 Aug '24</b>			
ID Export Growth (YoY) (Jul)	6.46%	3.85%	1.19%
ID Import Growth (YoY) (Jul)	11.07%	0.04%	7.58%
ID Trade Balance (Jul)	0.47B	2.45B	2.39B
<b>Friday, 16 Aug '24</b>			
<b>Monday, 19 Aug '24</b>			
<b>Tuesday, 20 Aug '24</b>			
<b>Wednesday, 21 Aug '24</b>			
ID Loans (YoY) (Jul)	12.40%		12.36%
ID Interest Rate Decision	6.25%	6.25%	6.25%
ID Deposit Facility Rate (Aug)	5.50%	5.50%	5.50%
ID Lending Facility Rate (Aug)	7.00%	7.00%	7.00%

Sources : investing, KBVS Research (2024)

## EXPORT IMPORT



Sources : BPS, KBVS Research (2024)

## TRADE BALANCE

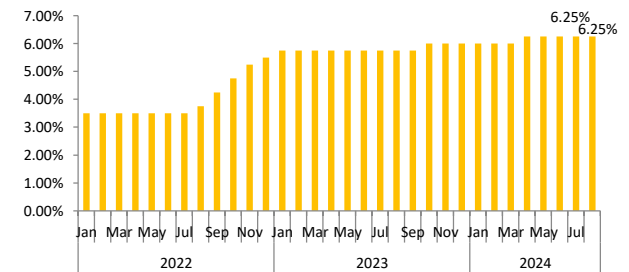


Sources : BPS, KBVS Research (2024)

The data releases that influenced yield movements in the week of 15 – 21 Aug '24 are as follows:

- Unexpectedly, Indonesia's trade surplus in Jul '24 dropped to USD0.47 bn (Cons: USD2.47 bn, KBVS: USD3.21 bn, Prev: USD2.39 bn), marking its lowest value since May '23 amid higher-than-expected intermediary goods import.
- This occurred despite Indonesia's FX Reserves rising by USD5.2 bn during Jul '24 and an 11.0% YoY increase in China's imports from ASEAN.
- Given the narrowing trade surplus, in the short term, we anticipate this will lead to a depreciation of the Rupiah to IDR 15,800–IDR 16,000 per USD by the end of Aug '24, despite the weakening DXY and the rising prospects of a Fed Rate Cut.
- Concurrently, we also expect that the decline in the SUN10Y yield will likely be smaller compared to other government bonds, even though the SUN10Y-UST10Y yield spread continues to widen to 273.60 bps in Jul '24, its highest level since May '23.

## BI RATE

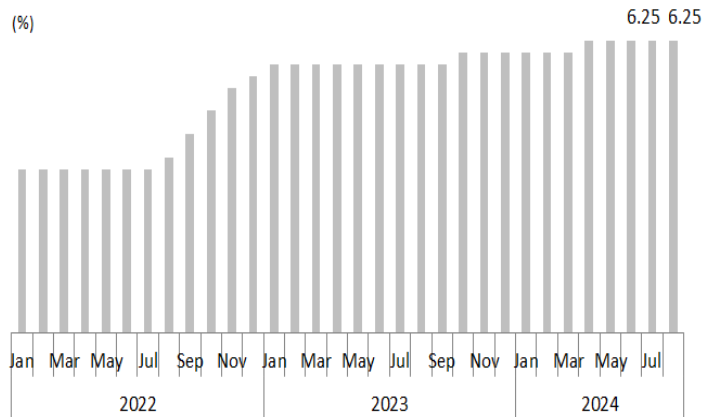


Sources : BI, KBVS Research (2024)



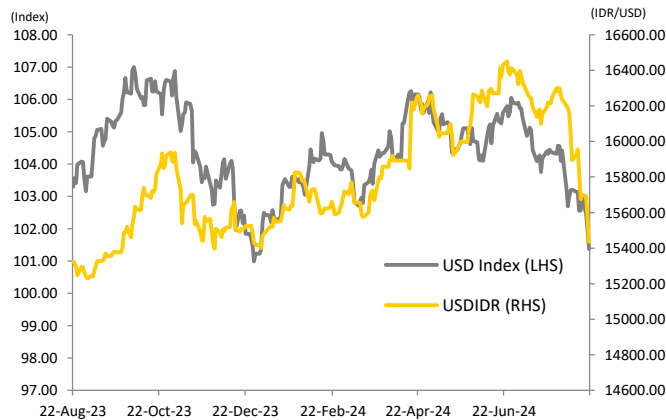
# BI Rate – 21 Aug ‘24

## BI RATE



Sources : Bloomberg KBVS Research (2024)

## DXY AND USDIDR

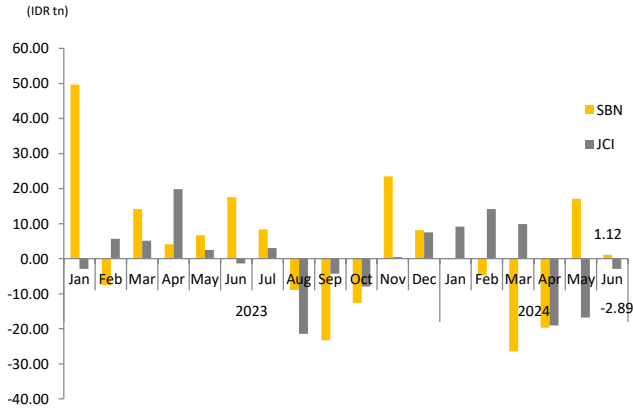


Sources : bloomberg and KBVS Research (2024)

- During the BI Board of Governors Meeting on Aug 20-21, '24, the BI Rate was maintained at 6.25%, the Deposit Facility rate at 5.50%, and the Lending Facility rate at 7.00%.
- BI stated that this decision aligns with its pro-stability monetary policy focus, particularly in maintaining the stability of the Rupiah exchange rate.
- This is consistent with BI's pre-emptive and forward-looking measures to keep inflation within the target range of 2.5±1% for 2024 and 2025.
- Bank Indonesia continues to strengthen its mix of monetary, macroprudential, and payment system policies to preserve stability and support sustainable economic growth amidst persistent high risks of global financial market uncertainty, through:
  1. Strengthening pro-market monetary operations strategies to enhance the effectiveness of monetary policy in stabilizing the Rupiah exchange rate by:
    1. Maintaining the structure of interest rates in the Rupiah money market to attract returns for foreign portfolio inflows into domestic financial assets;
    2. Optimizing Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Exchange Securities (SVBI), and Bank Indonesia Foreign Exchange Sukuk (SUVBI);
  2. Enhancing Rupiah exchange rate stabilization strategies through interventions in the foreign exchange market, including spot transactions, Domestic Non-Deliverable Forwards (DNDF), and Government Securities (SBN) in the secondary market;
  3. Strengthening competitive term-repo and foreign exchange swap transaction strategies to ensure adequate banking liquidity;
  4. Improving transparency in the publication of Prime Lending Rate (SBDK) assessments, with a focus on deepening sector-specific credit rates covered by the Macroprudential Liquidity Incentive Policy;
  5. Implementing the Indonesian Payment System Blueprint (BSPI) 2030, focusing on infrastructure development and industry structure consolidation;
  6. Increasing digital acceptance by expanding QRIS and Indonesian Government Credit Card (KKI) usage in the government segment;
  7. Expanding international financial cooperation and central banking collaboration, including through structured bilateral cooperation frameworks, and facilitating investment and trade promotion in priority sectors in cooperation with relevant agencies.

# Development of Tradable SBN

## CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2024)

Between 15 Aug and 21 Aug '24, non-residents conducted:

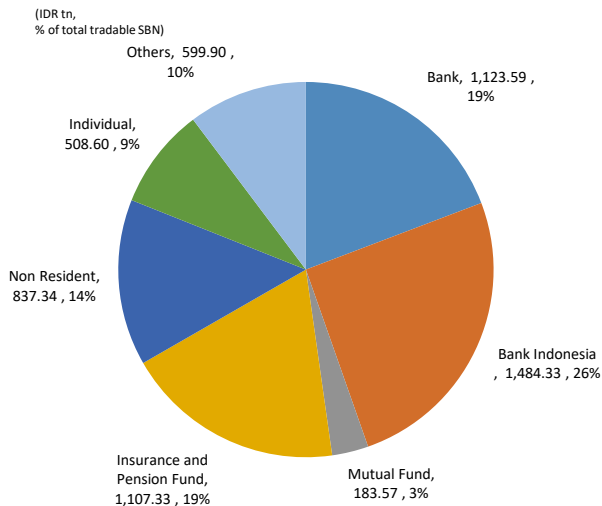
- a net buy of tradable SBN amounting to IDR7.91 tn, and
- A net buy of JCI, amounting IDR5.32 tn.

## SUN LATEST AUCTION

20 Aug '24									
Instruments	SPN03241120	SPN12250807	FR0104	FR0103	FR0098	FR0097	FR0102	FR0102	Total
Incoming Bids (IDR tn)	2.03	5.66	50.59	30.62	4.98	6.21	3.99		104.07
Bid to Cover Ratio	-	4.72	4.60	2.62	8.30	2.70	19.96		3.85
Weighted Average Yields Awarded	-	6.430%	6.501%	6.660%	6.740%	6.860%	6.888%		
6 Aug '24									
Instruments	SPN03241106	SPN12250807	FR0101	FRSDG001	FR0103	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	2.03	4.84	10.63	1.04	37.10	5.53	3.63	2.20	66.99
Bid to Cover Ratio	-	2.42	2.76	1.89	3.48	2.13	1.96	1.47	2.91
Weighted Average Yields Awarded	-	6.548%	6.660%	6.700%	6.812%	6.960%	7.009%	7.040%	

Sources : DJPPR, KBVS Research (2024)

## OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2024)

As of 20 Aug '24, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,484.33 tn (+IDR27.52 tn, WoW),
- Banks : IDR1,123.59 tn (-IDR31.99 tn, WoW), and
- Insurance & Pension Funds: IDR1,107.33 tn (-IDR0.23 tn, WoW)

## SBSN LATEST AUCTION

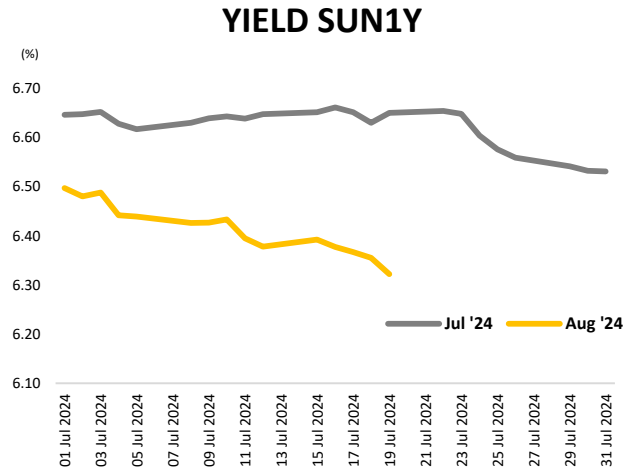
13 Aug '24								
Instruments	SPNS02022025	SPNS29052025	PBS032	PBS030	PBS004	PBS039	PBS038	Total
Incoming Bids (IDR tn)	2.26	3.46	5.01	2.85	1.11	0.16	3.11	17.97
Bid to Cover Ratio	2.82	6.29	5.01	1.08	1.24	1.07	1.60	2.25
Weighted Average Yields Awarded	6.450%	6.560%	6.670%	6.668%	6.866%	6.917%	7.040%	
30 Jul '24								
Instruments	SPNS02022025	SPNS29052025	PBS032	PBS030	PBSG001	PBS004	PBS038	Total
Incoming Bids (IDR tn)	2.05	3.76	6.38	2.31	4.09	0.80	5.30	24.69
Bid to Cover Ratio	-	3.76	3.04	1.18	3.27	1.23	5.05	3.09
Weighted Average Yields Awarded	-	6.700%	6.724%	6.731%	6.749%	6.958%	7.100%	

Sources : DJPPR, KBVS Research (2024)

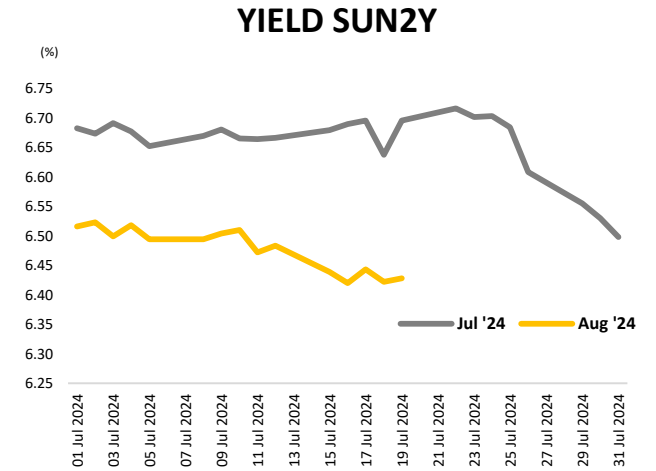
# The Movement of SUN Yields

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

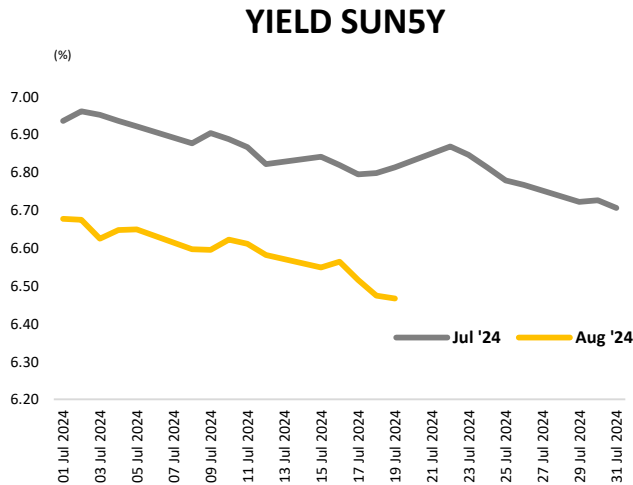
- Yield SUN1Y
  - -6.20 bps (WoW)
  - +4.90 bps (YtD, as of Aug 21,'24)
- Yield SUN2Y
  - -5.60 bps (WoW)
  - +4.40 bps (YtD, as of Aug 21,'24)
- Yield SUN5Y
  - -11.40 bps (WoW)
  - +6.70 bps (YtD, as of Aug 21,'24)
- Yield SUN10Y
  - -14.60 bps (WoW)
  - +14.00 bps (YtD, as of Aug 21,'24)
- Yield SUN30Y
  - -9.20 bps (WoW)
  - +0.90 bps (YtD, as of Aug 21,'24)



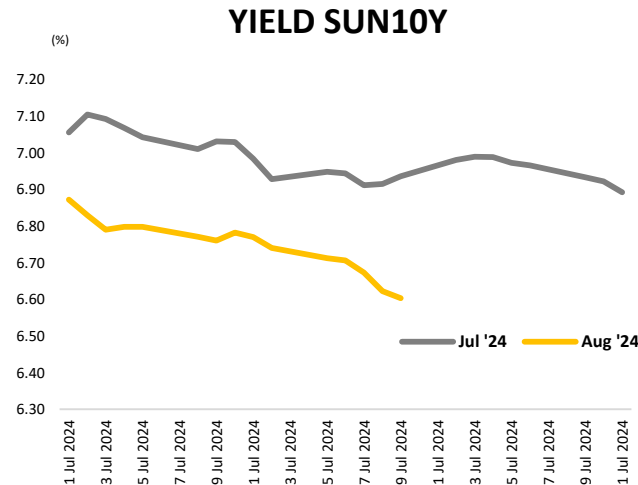
Sources : Bloomberg, KBVS Research (2024)



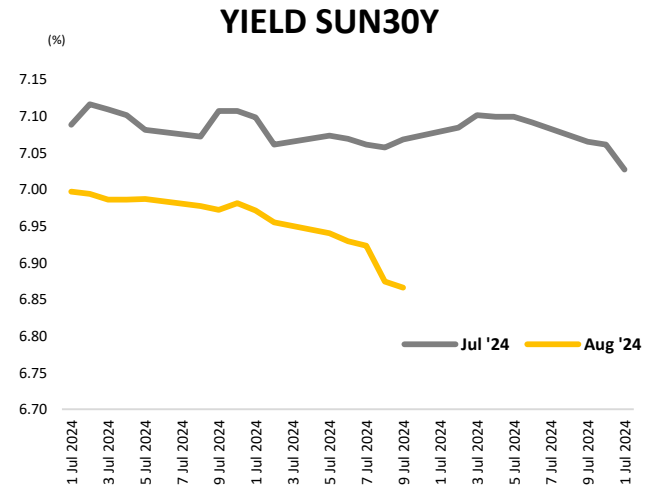
Sources : Bloomberg, KBVS Research (2024)



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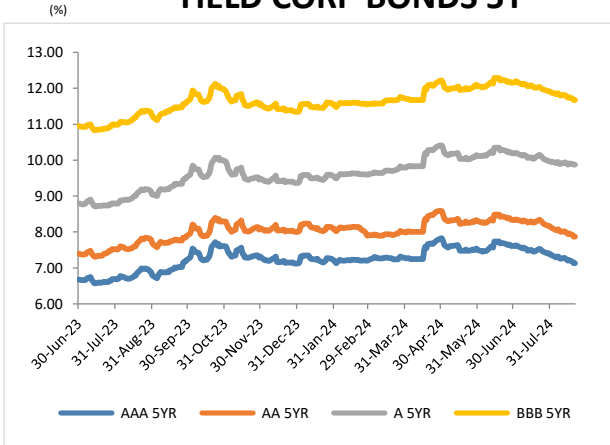
Sources : Bloomberg, KBVS Research (2024)



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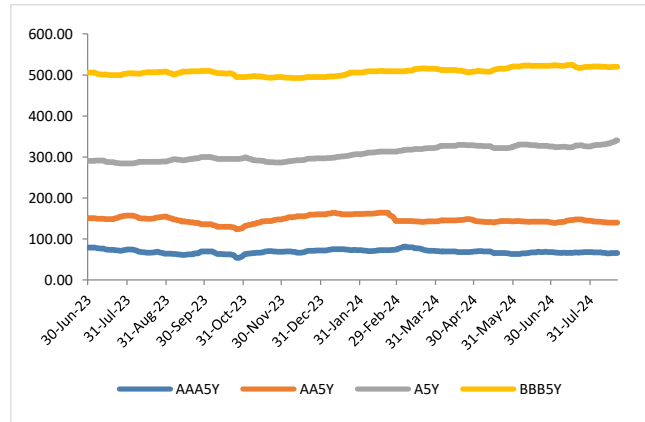
# The Movement of Corporate Bond Yields

## YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

## YIELD SPREAD 5Y TENOR

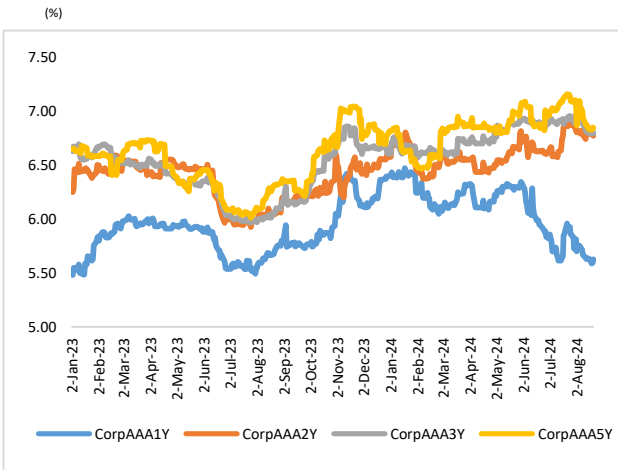


Sources : Bloomberg, KBVS Research (2024)

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

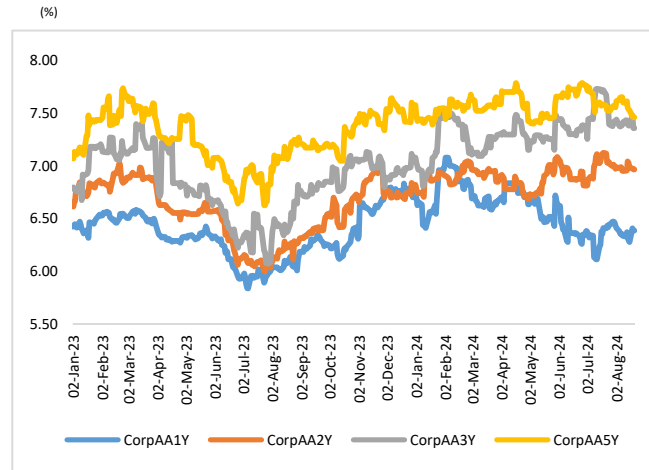
- AAA-rated
  - Tenor 1Y : -2.56 bps (WoW)
  - Tenor 2Y : -9.05 bps (WoW)
  - Tenor 5Y : +6.67 bps (WoW)
- AA-rated
  - Tenor 1Y : +19.75 bps (WoW)
  - Tenor 2Y : -8.86 bps (WoW)
  - Tenor 5Y : -14.04 bps (WoW)
- A-rated
  - Tenor 1Y : +52.04 bps (WoW)
  - Tenor 2Y : +25.89 bps (WoW), and
  - Tenor 5Y : -4.38 bps (WoW)

## YIELD AAA-RATED



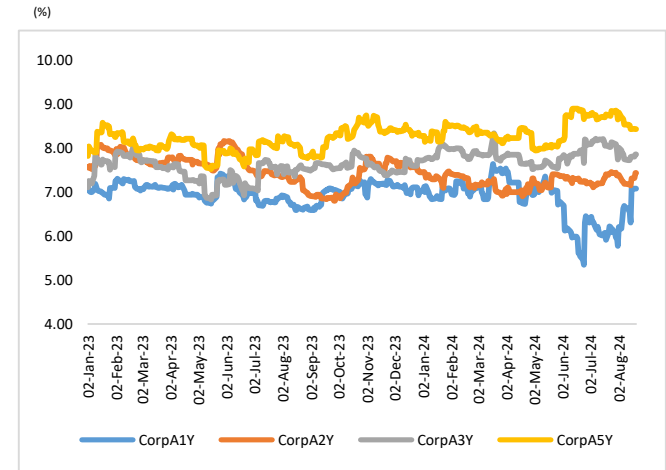
Sources : Bloomberg, KBVS Research (2024)

## YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

## YIELD A-RATED



Sources : Bloomberg, KBVS Research (2024)

# BI's Monetary Operation

## SRBI's DEVELOPMENT

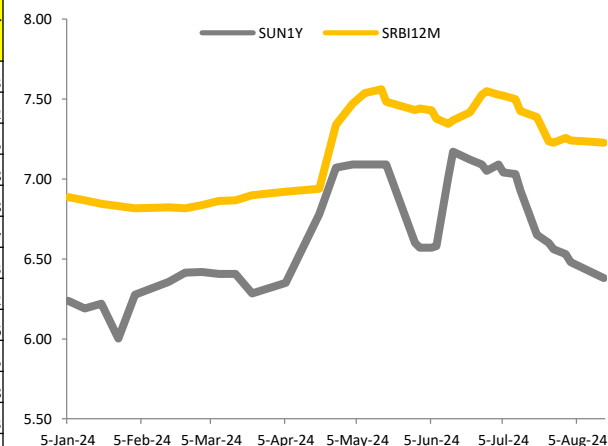
SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24	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	7.18	7.23	41,454.70	34,000.00	1.22
31-Jul-24	7.10	7.19	7.26	25,086.00	13,041.00	1.92
2-Aug-24	7.09	7.18	7.24	29,918.00	22,061.00	1.36
9-Aug-24	7.09	7.17	7.24	19,656.40	15,000.00	1.31
16-Aug-24	7.07	7.16	7.23	15,650.00	15,650.00	1.00

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
30-Jul-24	5.61		299.00	150.00	1.99
6-Aug-24	5.55	5.45	864.00	190.00	4.55
13-Aug-24	5.53	5.42	977.00	587.00	1.66
20-Aug-24	5.48	5.40	1,079.00	612.00	1.76

Sources : BI, KBVS Research (2024)



### USD Libor Rates in 21 Aug '24:

- 1 month : 5.42465% (Prev: 5.45225%)
- 3 months : 5.38773% (Prev: 5.37763%)
- 6 months : 5.26958% (Prev: 5.23257%)

### Euribor Rates in 21 Aug '24:

- 1 month : 3.584% (Prev: 3.625%)
- 3 months : 3.551% (Prev: 3.548%)
- 6 months : 3.408% (Prev: 3.445%)

Sources : Global Rates, KBVS Research (2024)

The yield on SRBI has continued to decline.

The most recent auction results on Aug 16, '24, recorded a weighted average yield for the 12-month SRBI tenor at 7.23%, the lowest level since Apr 19, '24.

## TABLE OF CONTENTS :

3 Global Economy

7 Domestic Economy

**14 Economic Calendar**



# Next Week's Economic Calendar

## ECONOMIC CALENDAR

(22-28 AUG 2024)

Country	Event	Forecast	Previous
<b>Thursday, Aug 22, 2024</b>			
JP	Au Jibun Bank Japan Services PMI (Aug)		53.70
ID	Balance of Payments (EUR) (Q2)		-6.0B
ID	Current Account % of GDP (Q2)		-0.60%
GE	HCOB Manufacturing PMI (Aug)	43.40	43.20
GE	HCOB Services PMI (Aug)	52.30	52.50
EU	HCOB Manufacturing PMI (Aug)	45.70	45.80
EU	HCOB Composite PMI (Aug)		50.20
EU	HCOB Services PMI (Aug)	51.70	51.90
GB	S&P Global/CIPS Composite PMI (Aug)		52.80
GB	S&P Global/CIPS Services PMI (Aug)	52.70	52.50
GB	S&P Global/CIPS Manufacturing PMI (Aug)	52.10	52.10
EU	ECB Publishes Account of Monetary Policy Meeting		
US	Jackson Hole Symposium		
US	Continuing Jobless Claims		1,864K
US	Initial Jobless Claims	233K	227K
US	S&P Global Manufacturing PMI (Aug)	49.80	49.60
US	S&P Global Composite PMI (Aug)		54.30
US	S&P Global Services PMI (Aug)	54.00	55.00
US	Existing Home Sales (MoM) (Jul)		-5.40%
US	Existing Home Sales (Jul)	3.92M	3.89M
US	30-Year TIPS Auction		2.20%
US	Fed's Balance Sheet		7,178B

Country	Event	Forecast	Previous
<b>Friday, Aug 23, 2024</b>			
JP	National Core CPI (YoY) (Jul)	2.70%	2.60%
ID	M2 Money Supply (YoY) (Jul)		7.80%
US	Jackson Hole Symposium		
US	Building Permits (Jul)	1.396M	1.454M
US	Fed Chair Powell Speaks		
US	New Home Sales (MoM) (Jul)		-0.60%
US	New Home Sales (Jul)	628K	617K
GB	BoE Gov Bailey Speaks		

Country	Event	Forecast	Previous
<b>Monday, Aug 26, 2024</b>			
GE	Business Expectations (Aug)		86.90
GE	Current Assessment (Aug)		87.10
GE	Ifo Business Climate Index (Aug)		87.00
US	Core Durable Goods Orders (MoM) (Jul)		0.40%
US	Durable Goods Orders (MoM) (Jul)		-6.70%
<b>Tuesday, Aug 27, 2024</b>			
GE	GDP (YoY) (Q2)		-0.10%
GE	GDP (QoQ) (Q2)		-0.10%
GE	Gfk Consumer Climate (Sep)		-18.40
US	S&P/CS HPI Composite - 20 n.s.a. (MoM) (Jun)		1.00%
US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Jun)		6.80%
US	CB Consumer Confidence (Aug)		100.30

In the coming week, the data to be anticipated are as follows:

- **Global Data:**
  - UK's S&P Global/CIPS Manufacturing PMI and speech from BoE governors's Bailey.
  - Germany's GDP.
  - US weekly initial jobless claims, existing home sales, building permits, new home sales, durable goods order, and speech from BoE governors's Bailey
- **Regional Data:**
  - Japan's GDP
  - China's Industrial Production and China's Loan 5Y Prime Rate
- **Indonesia Data:**
  - Indonesia's trade balance (including export and import data).
  - BI rate interest rate decision.

