

The Time Has Come!

29 August 2024

Economist / Fikri C Permana

Executive Summary

- Jerome Powell statement “*the time has come for policy to adjust,*” in Jackson Hole, Wyoming, reinforcing expectations for a rate cut at the central bank’s next meeting.
- Simultaneously, the yield curve inversion between the 2Y and 10Y notes narrowed, signaling market anticipation of an impending Fed easing cycle.
- However, heightened geopolitical risks in the Middle East, particularly as Israel and Hezbollah exchanged missile strikes over the weekend, have fueled fears of a broader regional conflict potentially involving Iran.
- This has limited the further decline of the dollar index, which stabilized around 100.0 – 101.0, supported by increased safe-haven demand.
- On the domestic front, the ongoing trend of Fed Rate cut expectations, declining UST yields, and a weakening DXY continues to positively influence the domestic financial markets.
- However, the noise surrounding the demonstrations related to the Regional Election Law (UU Pilkada) that occurred last week has contributed to negative sentiment in the domestic financial markets.
- Therefore, we remain cautious in monitoring the developments of the regional elections (Pilkada) and their impact on central-local government policy coordination, particularly in key regions.

ETPrime Powell at Jackson Hole: 'The time has come' for the Fed to begin reducing interest rates soon

By Akash Podishetti, ETMarkets.com • Last Updated: Aug 23, 2024, 08:46:00 PM IST

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Synopsis

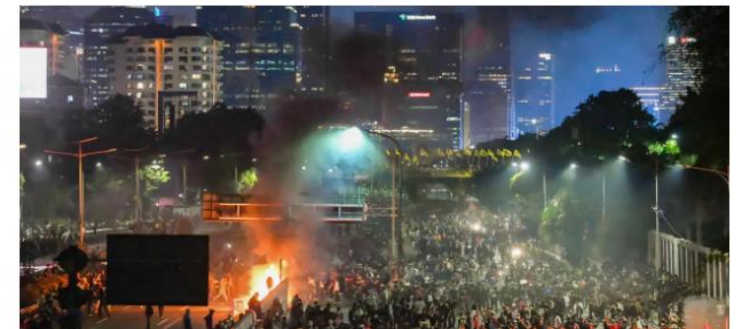
Federal Reserve Chair Jerome Powell's recent remarks signal upcoming interest rate cuts, with diminished inflation risks and a cooling labour market. Powell emphasized that future rate cuts would depend on economic data, aligning with the Fed's previous indications. Markets and analysts are now anticipating policy easing at upcoming meetings. Despite signalling that rate cuts may be on the horizon, Powell stressed in his Jackson Hole address that the pace and timing of these cuts will be entirely guided by the incoming data.



US Federal Reserve Chair on Friday said the time has come for the central bank policy to adjust, indicating rate cuts anytime in the near future.

"The upside risks to inflation have come down," Powell said while addressing the Jackson Hole Symposium.

Source: Economic Times, Aug 23th, 2024, link: <https://economictimes.indiatimes.com/markets/stocks/news/powell-at-jackson-hole-the-time-has-come-for-the-fed-to-soon-begin-reducing-interest-rates/articleshow/112737808.cms?from=mdr>



Indonesia delays ratification of election law changes as protesters try to storm parliament

Source: CNBC, Aug 22, 2024, link: <https://www.cnbc.com/2024/08/23/indonesia-delays-ratification-of-election-law-changes-as-protesters-try-to-storm-parliament.html>



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 22 – 28 Aug '24 are as follows:

- The number of people claiming unemployment benefits in the US on the period ending Aug 17th, '24 rose by 4K to 232K (Cons: 232 K, Prev: 228 K), mark a three-week high.
- The S&P Global US Manufacturing PMI in Aug '24 fell to 48.00 (Cons: 49.50, Prev: 49.60).
- US Building permits in Jul '24 fell by 3.3% MoM to a seasonally adjusted annual rate of 1.406 mn unit (Cons: 1.396 mn unit, Prev: 1.454 mn unit).
- Sales of new single-family houses in the US for Jul '24 soared by 10.6% MoM to a seasonally adjusted 739K (Cons: 624K, Prev: 668K).
- New orders for manufactured durable goods in the US for Jul '24 surged by 9.90% MoM (Cons: 4.00% MoM, Prev: -6.90% MoM), the most since May '20.
- US CB Consumer confidence in Aug '24 increased to 103.30 (Cons: 100.90, Prev: 101.90).

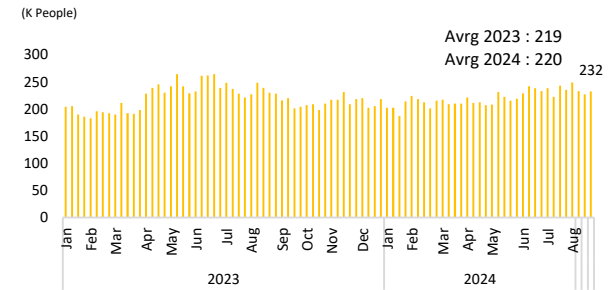
ECONOMIC CALENDAR

(22 -28 AUG '24)

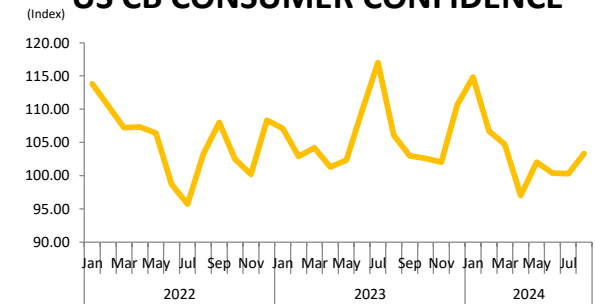
Event	Actual	Forecast	Previous
Thursday, 22 Aug '24			
US 20-Year Bond Auction	4.16%		4.47%
US FOMC Meeting Minutes			
US Jackson Hole Symposium			
US Continuing Jobless Claims	1,863K	1,870K	1,859K
US Initial Jobless Claims	232K	232K	228K
US S&P Global Manufacturing PMI (Aug)	48.00	49.50	49.60
US S&P Global Composite PMI (Aug)	54.10	53.20	54.30
US S&P Global Services PMI (Aug)	55.20	54.00	55.00
US Existing Home Sales (MoM) (Jul)	1.30%	1.30%	-5.10%
US Existing Home Sales (Jul)	3.95M	3.94M	3.90M
Friday, 23 Aug '24			
US 30-Year TIPS Auction	2.06%		2.20%
US Fed's Balance Sheet	7,194B		7,178B
US Jackson Hole Symposium			
US Building Permits (Jul)	1.406M	1.396M	1.454M
US FOMC Member Bostic Speaks			
US Fed Chair Powell Speaks			
US New Home Sales (MoM) (Jul)	10.60%	1.00%	0.30%
US New Home Sales (Jul)	739K	624K	668K
Monday, 26 Aug '24			
US Core Durable Goods Orders (MoM) (Jul)	-0.20%	0.00%	0.10%
US Durable Goods Orders (MoM) (Jul)	9.90%	4.00%	-6.90%
US Atlanta Fed GDP Now (Q3)	2.00%	2.00%	2.00%
Tuesday, 27 Aug '24			
US S&P/CS HPI Composite - 20 n.s.a. (MoM) (Jun)	0.60%		1.00%
US S&P/CS HPI Composite - 20 n.s.a. (YoY) (Jun)	6.50%	6.20%	6.90%
US CB Consumer Confidence (Aug)	103.30	100.90	101.90
Wednesday, 28 Aug '24			
US 2-Year Note Auction	3.87%		4.43%
US API Weekly Crude Oil Stock	-3.400M	-3.000M	0.347M
US Fed Waller Speaks			
US Crude Oil Inventories			-4.649M
US Cushing Crude Oil Inventories			-0.560M

Sources : investing, KBVS Research (2024)

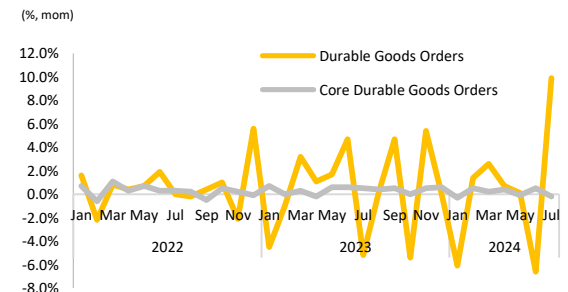
WEEKLY INITIAL JOBLESS CLAIMS



US CB CONSUMER CONFIDENCE



US DURABLE GOODS ORDERS



Fed Probabilities and Their Impact

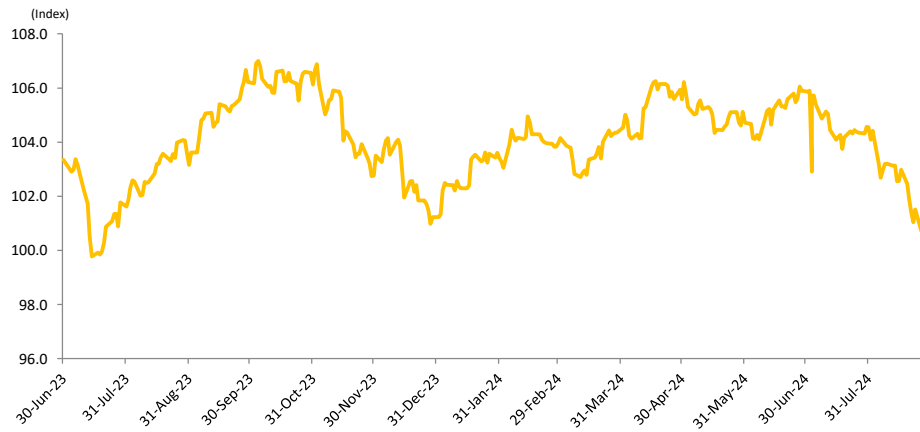
FED PROBABILITIES, as of 28 AUG '24

MEETING DATE	FED PROBABILITIES											
	225-250	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%	0.0%	32.5%	67.5%
7-Nov-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.4%	44.8%	43.9%	0.0%
18-Dec-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	26.5%	44.3%	24.0%	0.0%	0.0%
29-Jan-25	0.0%	0.0%	0.0%	0.0%	0.9%	8.9%	29.7%	40.8%	19.7%	0.0%	0.0%	0.0%
19-Mar-25	0.0%	0.0%	0.1%	1.9%	11.4%	31.0%	38.2%	17.4%	0.0%	0.0%	0.0%	0.0%
30-Apr-25	0.0%	0.1%	1.4%	8.8%	25.6%	36.2%	23.2%	4.8%	0.0%	0.0%	0.0%	0.0%
18-Jun-24	0.1%	0.9%	6.1%	19.6%	32.4%	27.8%	11.4%	1.7%	0.0%	0.0%	0.0%	0.0%
30-Jul-24	0.4%	3.1%	11.8%	25.0%	30.5%	20.8%	7.3%	1.0%	0.0%	0.0%	0.0%	0.0%

Sources : CME Group, and KBVS Research (2024)

- The clear signals of a Fed Rate cut, following Federal Reserve Chairman Jerome Powell's statement during his speech at the Jackson Hole Economic Symposium, have driven expectations of a rate reduction at the FOMC meeting on Sep 18th, with probabilities split between 25 bps (67.5%) and 50 bps (32.5%).
- At the same time, the median Fed Rate at the end of 2024 has declined further to 4.50%.
- This has led to the DXY sinking to its lowest levels since Jul '23, even experiencing a -0.30% drop last week as the following USD peer currencies appreciated:
 - EUR 0.01%
 - SEK 0.14%
 - JPY 0.43%
 - CHF 0.94%
 - CAD 0.97%
 - GBP 1.07%
- At the same time, the inverted yield curve between US2Y and US10Y narrowed to -8.7 bps (Prev: -12.4 bps).

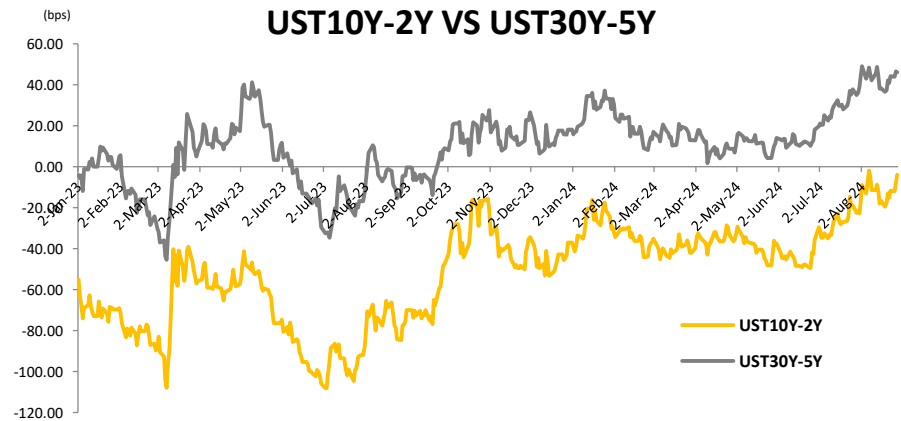
DXY



Sources : Bloomberg, and KBVS Research (2024)

YIELD SPREAD

UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2024)

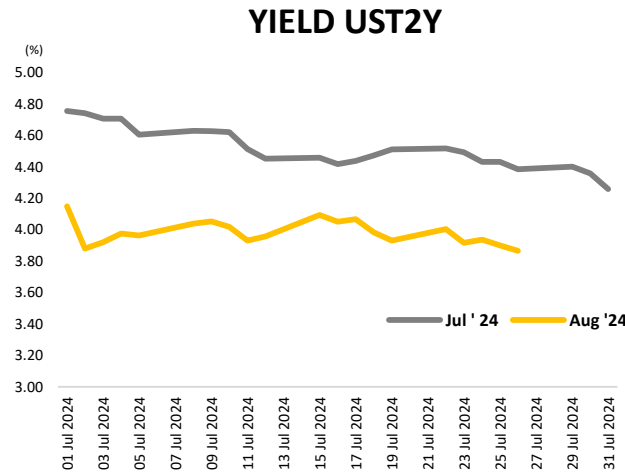
The Movement of UST Yields

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+

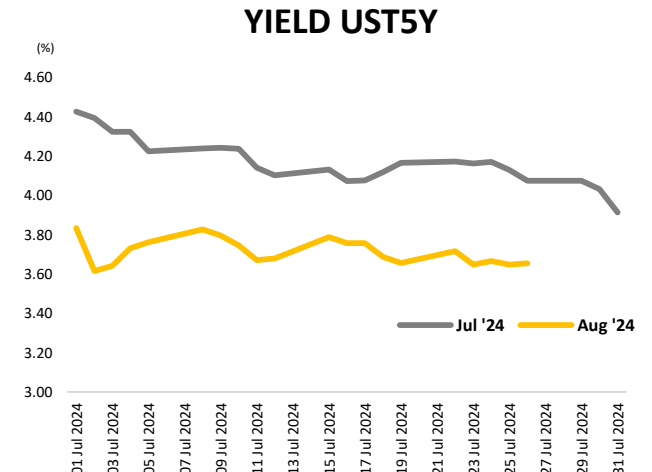
Sources : US Treasury, KBVS Research (2024)

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

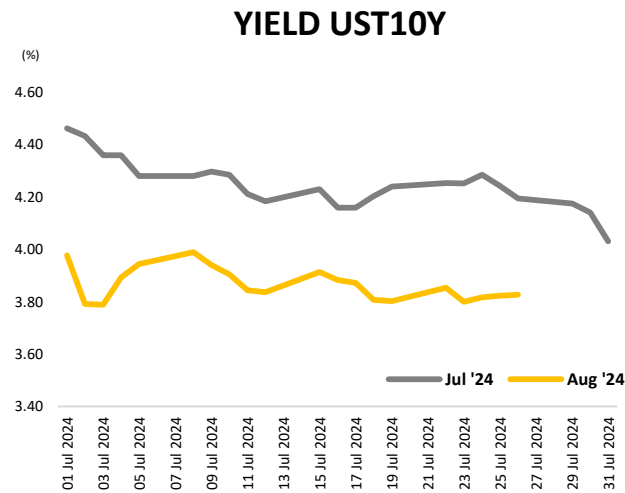
- UST6M
 - -6.38 bps (WoW)
 - -42.34 bps (YtD, as of Aug 28 , '24)
- UST52W (1Y)
 - -3.50 bps (WoW)
 - -40.92 bps (YtD, as of Aug 28 , '24)
- UST2Y
 - -7.78 bps (WoW)
 - -39.72 bps (YtD, as of Aug 28 , '24)
- UST5Y
 - -1.17 bps (WoW)
 - -20.26 bps (YtD, as of Aug 28 , '24)
- UST10Y
 - +1.68 bps (WoW)
 - -6.13 bps (YtD, as of Aug 28 , '24)
- UST30Y
 - +3.29 bps (WoW)
 - +8.22 bps (YtD, as of Aug 28 , '24)



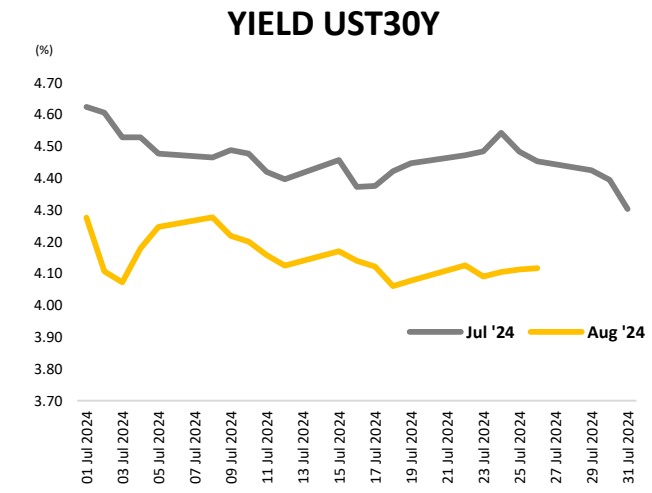
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)

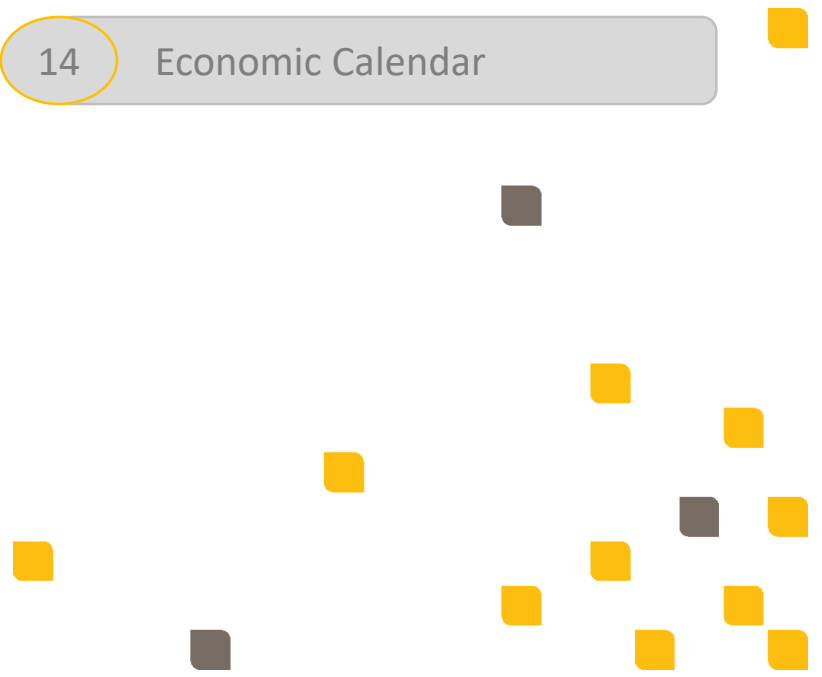


TABLE OF CONTENTS :

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)

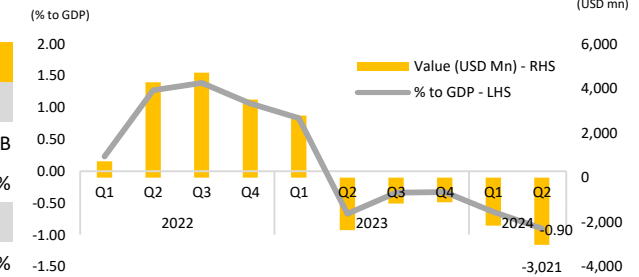
ECONOMIC CALENDAR

(22-28 AUG '24)

Event	Actual	Forecast	Previous
Thursday, 22 Aug '24			
ID Balance of Payments (EUR) (Q2)	-0.6B		-6.0B
ID Current Account % of GDP (Q2)	-0.90%		-0.60%
Friday, 23 Aug '24			
ID M2 Money Supply (YoY) (Jul)	7.40%		7.70%
Monday, 26 Aug '24			
Tuesday, 27 Aug '24			
Wednesday, 28 Aug '24			

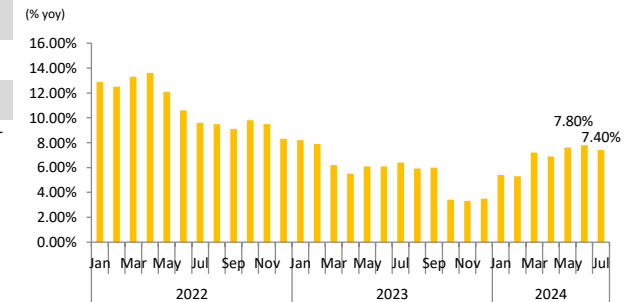
Sources : investing, KBVS Research (2024)

CURRENT ACCOUNT



Sources : BI, KBVS Research (2024)

M2 MONEY SUPPLY



Sources : BI, KBVS Research (2024)

The data releases that influenced yield movements in the week of 22 – 28 Aug '24 are as follows:

- Indonesia's Balance of Payments (BoP) in 2Q24 showed a significant reduction in the deficit, narrowing to just USD -0.6 bn (Prev: USD-6.0 bn).
- Meanwhile, the current account in 2Q24 continued to record a deficit of USD-3.0 bn, equivalent to -0.9% of GDP (Prev: USD-2.4 bn or -0.7% of GDP). This was largely due to the widening services account deficit, which increased to USD-5.15 bn (Prev: USD-4.18 bn), influenced by the travel services deficit associated with the 2024 Hajj pilgrimage. Additionally, the primary income account deficit also rose to USD 9.29 bn (Prev: USD-8.83 bn), driven by dividend payments and interest/coupon payments, following the usual quarterly pattern.
- As of Jul '24, the M2 money supply stood at IDR8,970.8 tn, reflecting a growth of 7.4% YoY (Prev: 7.7% YoY). At the same time, narrow money (M1) growth in the same month slowed to 6.3% YoY (Prev: 7.0% YoY), and quasi-money growth also decelerated to 7.2% YoY (Prev: 7.7% YoY).
- Based on transaction data from August 19–22, 2024, Bank Indonesia recorded a net purchase of IDR15.91 tn by non-residents. This includes net purchases of IDR11.45 tn in the SBN market, IDR4.13 tn in the equity (JCI) market, and IDR0.33 tn in the Bank Indonesia Rupiah Securities (SRBI).

Regional Election – Pilkada 2024

PILKADA 2024

SEBARAN

Pemilihan Gubernur :

37 provinsi

Pemilihan Bupati :

415 kabupaten

Pemilihan walikota :

93 kota

Source : radarsukabumi (2024), link: <https://radarsukabumi.com/politik/tahapan-pilkada-2024-serentak/>



Source : antara (2024), link: <https://www.antaranews.com/infografik/3990072/jadwal-dan-tahapan-pilkada-2024>

- Although its impact is relatively limited compared to the presidential election earlier this year, the regional elections (Pilkada) are also worth noting, particularly in several key provinces, including DKI Jakarta, West Java, Central Java, East Java, Banten, North Sumatra, and South Sulawesi.
- Moreover, attention towards the Pilkada has been increasing following protests against the Pilkada Bill on Thursday (Aug 22th, '24), which exerted pressure on the domestic financial markets on the same day.
- This development will also likely influence future policy coordination between the central and regional governments.

Kronologi | Pilkada Serentak Polemik Syarat Pencalonan Kepala Daerah pada Pilkada 2024

Polemik terkait syarat pencalonan kepala daerah pada Pilkada 2024 memicu unjuk rasa besar-besaran di sejumlah daerah di Indonesia. Komisi Pemilihan Umum akhirnya menetapkan Peraturan KPU Nomor 10 Tahun 2024 tentang Perubahan atas Peraturan Komisi Pemilihan Umum Nomor 8 Tahun 2024 tentang Pencalonan Gubernur dan Wakil Gubernur, Bupati dan Wakil Bupati, serta Walikota dan Wakil Walikota.

Oleh Topan Yuniarto
Rabu, 28 Agustus 2024 05:00:54 WIB

Bagikan   

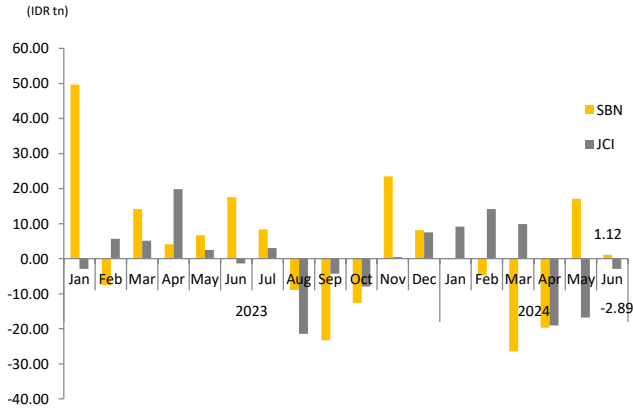


KOMPAS/FAKHRI FADLURROHMAN
Komika Arie Kriting berorasi di depan Kompleks Parlemen, Jakarta, Kamis (22/8/2024). Demo ini menolak pengesahan Revisi UU Pilkada. Aksi ini sebagai bagian gerakan "Peringatan Darurat Indonesia" yang ramai menjadi perbincangan warganet pada Rabu (21/8/2024).

Source : Kompas (2024), link: <https://kompaspedia.kompas.id/baca/infografik/kronologi/polemik-syarat-pencalonan-kepala-daerah-pada-pilkada-2024>

Development of Tradable SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2024)

Between 22 Aug and 28 Aug '24, non-residents conducted:

- a net buy of tradable SBN amounting to IDR9.30 tn, and
- A net buy of JCI, amounting IDR4.04 tn.

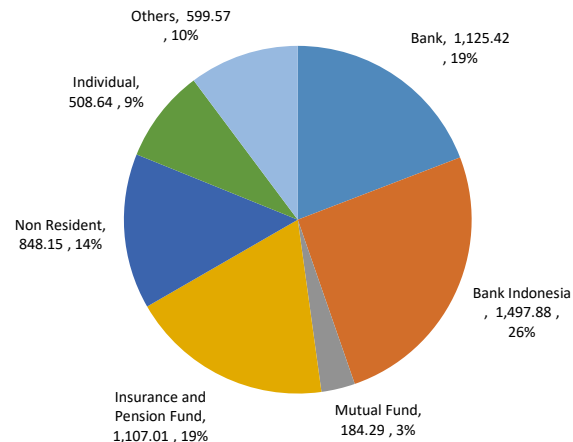
SUN LATEST AUCTION

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

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2024)

As of 26 Aug '24, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,497.88 tn (+IDR32.05 tn, WoW),
- Banks : IDR1,125.42 tn (-IDR17.90 tn, WoW), and
- Insurance & Pension Funds: IDR1,107.01 tn (-IDR0.47 tn, WoW)

SBSN LATEST AUCTION

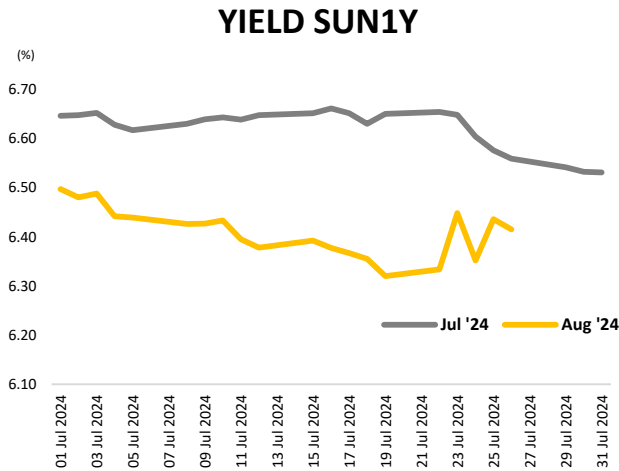
27 Aug '24								
Instruments	SPNS03032025	SPNS29052025	PBS032	PBS030	PBSG001	PBS004	PBS038	Total
Incoming Bids (IDR tn)	2.03	3.25	5.84	4.69	2.94	0.91	4.22	23.89
Bid to Cover Ratio	20.30	32.48	3.44	1.29	3.46	9.13	2.81	2.99
Weighted Average Yields Awarded	6.320%	6.450%	6.563%	6.544%	6.522%	6.785%	6.977%	
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%	

Sources : DJPPR, KBVS Research (2024)

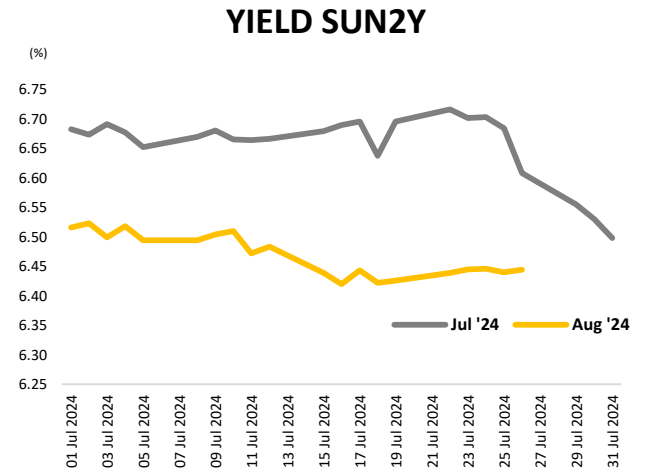
The Movement of SUN Yields

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

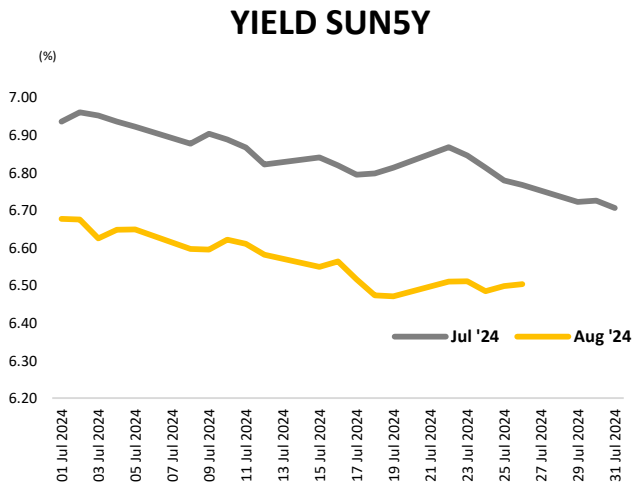
- Yield SUN1Y
 - +10.60 bps (WoW)
 - +6.10 bps (YtD, as of Aug 28,'24)
- Yield SUN2Y
 - +1.30 bps (WoW)
 - +5.60 bps (YtD, as of Aug 28,'24)
- Yield SUN5Y
 - +3.30 bps (WoW)
 - +10.30 bps (YtD, as of Aug 28,'24)
- Yield SUN10Y
 - +2.90 bps (WoW)
 - +16.90 bps (YtD, as of Aug 28,'24)
- Yield SUN30Y
 - -3.00 bps (WoW)
 - -2.00 bps (YtD, as of Aug 28,'24)



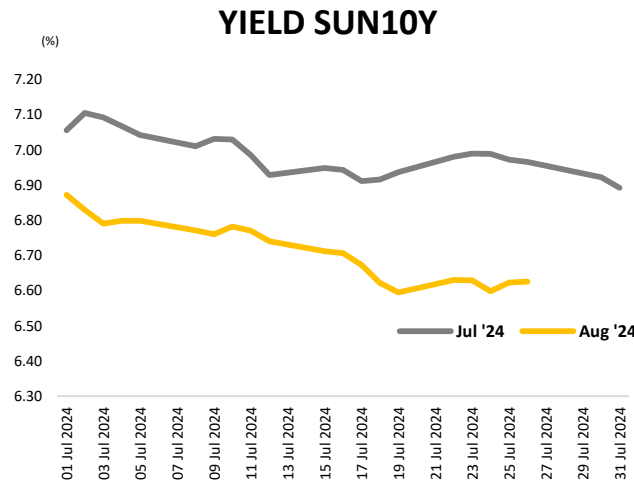
Sources : Bloomberg, KBVS Research (2024)



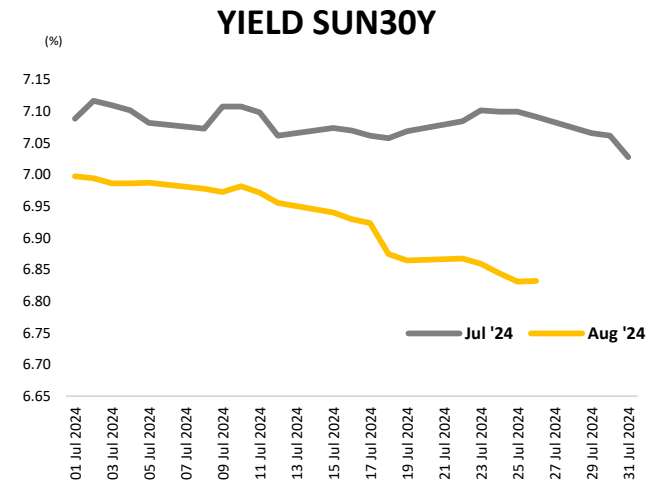
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



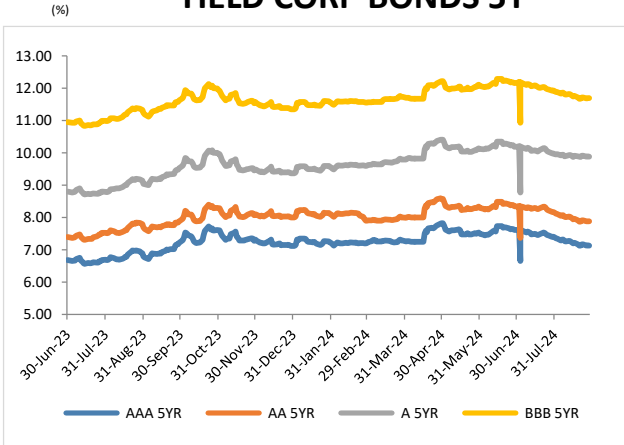
Sources : Bloomberg, KBVS Research (2024)



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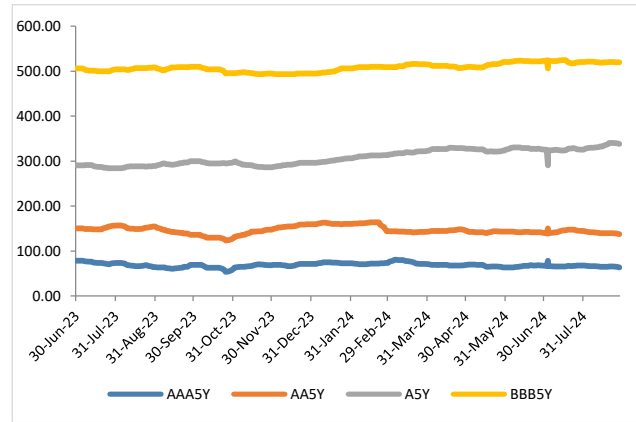
The Movement of Corporate Bond Yields

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

YIELD SPREAD 5Y TENOR

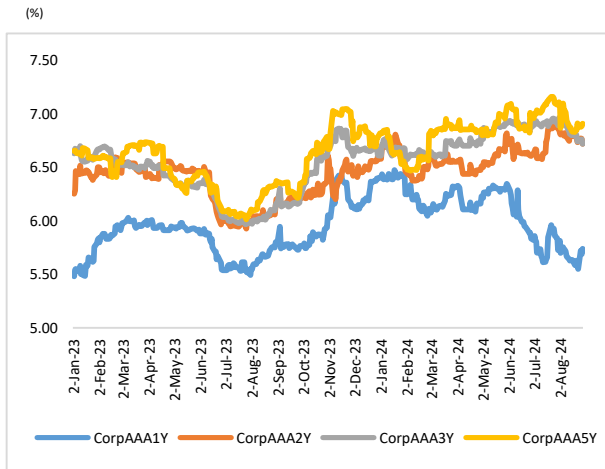


Sources : Bloomberg, KBVS Research (2024)

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

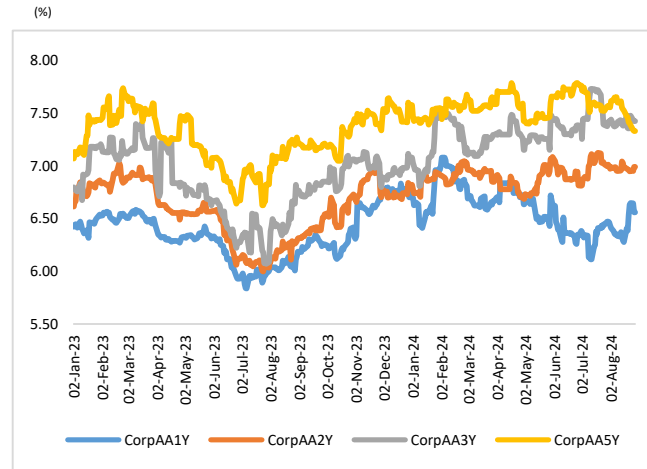
- AAA-rated
 - Tenor 1Y : -15.33 bps (WoW)
 - Tenor 2Y : -1.83 bps (WoW)
 - Tenor 5Y : -0.76 bps (WoW)
- AA-rated
 - Tenor 1Y : +1.85 bps (WoW)
 - Tenor 2Y : +4.12 bps (WoW)
 - Tenor 5Y : -8.18 bps (WoW)
- A-rated
 - Tenor 1Y : +18.85 bps (WoW)
 - Tenor 2Y : -33.96 bps (WoW), and
 - Tenor 5Y : -15.43 bps (WoW)

YIELD AAA-RATED



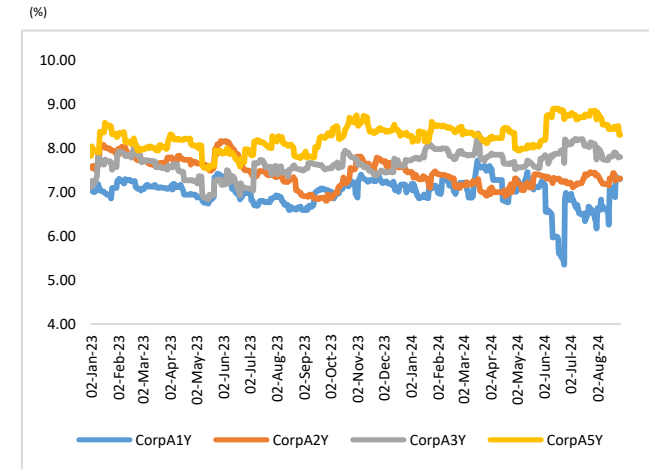
Sources : Bloomberg, KBVS Research (2024)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

YIELD A-RATED



Sources : Bloomberg, KBVS Research (2024)

BI's Monetary Operation

SRBI's DEVELOPMENT

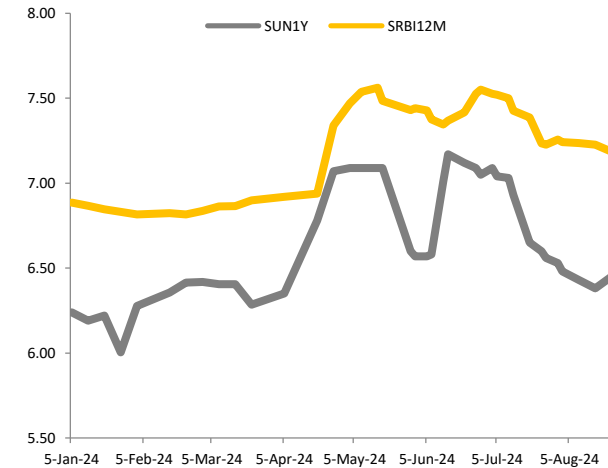
SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24	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
23-Aug-24	7.05	7.14	7.18	24,505.10	15,000.00	1.63

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	6 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
27-Aug-24	5.41	5.33	5.02	935.50	306.00	3.06

Sources : BI, KBVS Research (2024)



USD Libor Rates in 28 Aug '24:

- 1 month : 5.39049% (Prev: 5.42465%)
- 3 months : 5.34225% (Prev: 5.38773%)
- 6 months : 5.20196% (Prev: 5.26958%)

Euribor Rates in 28 Aug '24:

- 1 month : 3.583% (Prev: 3.584%)
- 3 months : 3.523% (Prev: 3.551%)
- 6 months : 3.401% (Prev: 3.408%)

Sources : Global Rates, KBVS Research (2024)

The yield on SRBI has continued to decline.

The most recent auction results on Aug 23, '24, recorded a weighted average yield for the 12-month SRBI tenor at 7.18% (Prev: 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

(29 AUG-4 SEP 2024)

Country	Event	Forecast	Previous
Thursday, Aug 29, 2024			
US	5-Year Note Auction		4.12%
US	FOMC Member Bostic Speaks		
EU	ECB's Schnabel Speaks		
EU	ECB's Lane Speaks		
EU	Eurogroup Meetings		
GE	CPI (MoM) (Aug)	0.00%	0.30%
GE	CPI (YoY) (Aug)	2.10%	2.30%
US	Continuing Jobless Claims		1,863K
US	Initial Jobless Claims	234K	232K
US	Core PCE Prices (Q2)	2.90%	3.70%
US	GDP (QoQ) (Q2)	2.80%	1.40%
US	GDP Price Index (QoQ) (Q2)	2.30%	3.10%
US	Goods Trade Balance (Jul)	-97.10B	-96.56B
US	Retail Inventories Ex Auto (Jul)		0.20%
US	Pending Home Sales (MoM) (Jul)	0.20%	4.80%

Country	Event	Forecast	Previous
Friday, Aug 30, 2024			
US	7-Year Note Auction		4.16%
GE	Buba President Nagel Speaks		
US	FOMC Member Bostic Speaks		
US	Fed's Balance Sheet		7,194B
JP	Tokyo Core CPI (YoY) (Aug)	2.20%	2.20%
JP	Industrial Production (MoM) (Jul)	3.70%	-4.20%
GB	Nationwide HPI (MoM) (Aug)	0.20%	0.30%
GB	Nationwide HPI (YoY) (Aug)		2.10%
GE	Retail Sales (MoM) (May)	0.40%	-1.20%
EU	ECB's Schnabel Speaks		
GE	Unemployment Change (Aug)	16K	18K
GE	Unemployment Rate (Aug)	6.00%	6.00%
EU	CPI (YoY) (Aug)	2.20%	2.60%
EU	CPI (MoM) (Aug)		0.00%
EU	Core CPI (YoY) (Aug)	2.80%	2.90%
EU	Unemployment Rate (Jul)	6.50%	6.50%
EU	Eurogroup Meetings		
US	Core PCE Price Index (MoM) (Jul)	0.20%	0.20%
US	Core PCE Price Index (YoY) (Jul)	2.70%	2.60%
US	PCE Price Index (MoM) (Jul)	0.20%	0.10%
US	PCE Price Index (YoY) (Jul)	2.50%	2.50%
US	Personal Spending (MoM) (Jul)	0.50%	0.30%
US	Chicago PMI (Aug)	44.40	45.30
US	Michigan 1-Year Inflation Expectations (Aug)	2.90%	2.90%
US	Michigan 5-Year Inflation Expectations (Aug)	3.00%	3.00%
US	Michigan Consumer Expectations (Aug)	72.10	68.80
US	Michigan Consumer Sentiment (Aug)	67.80	66.40
EU	ECB's Supervisory Board Member Jochnick Speaks		

Country	Event	Forecast	Previous
Monday, Sep 2, 2024			
JP	Capital Spending (YoY) (Q2)		6.80%
ID	Nikkei Manufacturing PMI (Aug)		49.30
CN	Caixin Manufacturing PMI (Aug)		49.80
ID	Core Inflation (YoY) (Aug)		1.95%
ID	Inflation (YoY) (Aug)		2.13%
ID	Inflation (MoM) (Aug)		-0.18%
GE	HCOB Manufacturing PMI (Aug)		42.10
EU	HCOB Manufacturing PMI (Aug)		45.60
GB	S&P Global/CIPS Manufacturing PMI (Aug)		52.50
Tuesday, Sep 3, 2024			
GB	BRC Retail Sales Monitor (YoY) (Aug)		0.30%
US	S&P Global Manufacturing PMI (Aug)		48.00
US	Construction Spending (MoM) (Jul)		-0.30%
US	ISM Manufacturing Employment (Aug)		43.40
US	ISM Manufacturing PMI (Aug)		46.80
US	ISM Manufacturing Prices (Aug)		52.90
Wednesday, Sep 4, 2024			
JP	Au Jibun Bank Japan Services PMI (Aug)		54.00
CN	Caixin Services PMI (Aug)		52.10
GE	HCOB Services PMI (Aug)		51.40
EU	HCOB Composite PMI (Aug)		51.20
EU	HCOB Services PMI (Aug)		53.30
GB	S&P Global/CIPS Composite PMI (Aug)		53.40
GB	S&P Global/CIPS Services PMI (Aug)		53.30
US	Trade Balance (Jul)		-73.10B
US	Factory Orders (MoM) (Jul)		-3.30%
US	JOLTs Job Openings (Jul)		8.184M

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

- **Global Data:**

- US weekly initial jobless claims, GDP, pending home sales, PCE Prices (core and headline), inflation expectation, ISM Manufacturing PMI, and JOLT's Job Opening.
- Germany's retail sales and EU's CPI.

- **Regional Data:**

- Japan's Tokyo Core CPI and industrial production.
- China's Caixin Manufacturing PMI.

- **Indonesia Data:**

- Nikkei Manufacturing PMI.
- CPI Inflation (core and headline).

