

# Anticipating Signals of a Potential Fed Rate Cut

13 Jun 2024

Economist / Fikri C Permana

# US Economic Data

| US ECONOMIC INDICATORS | Unit   | Latest Period | Data   |          |
|------------------------|--------|---------------|--------|----------|
|                        |        |               | Latest | Previous |
| Fed Rate               | %      | May '24       | 5.5    | 5.5      |
| Economic Growth        | %, yoy | 1Q24          | 2.9    | 3.1      |
| Inflation Rate         | %, yoy | Apr'24        | 3.4    | 3.5      |
| Unemployment Rate      | %      | May'24        | 4.0    | 3.9      |

Sources : various sources, KBVS Research (2024)

Last week's focus was on the US jobs report data, which generally showed mixed results, including:

- Weekly initial jobless claims for the week ending Jun 1<sup>st</sup> increased to 229K (Cons: 220K, Prev: 221K).
- The unemployment rate in May '24 rose to 4.0% (Cons: 3.9%, Prev: 3.9%).
- The participation rate in May '24 fell to 62.5% (Prev: 62.7%).

On the other hand:

- Non-Farm Payrolls in May '24 added 272K jobs (Cons: 185K, Prev: 165K). Led by Health Care (68K), Government (43K), Leisure & Hospitality (42K), and Professional, Scientific & Technical Services (32K).
- Average hourly earnings for all employees in May '24 increased by 14 cents, or 0.4% MoM (Cons: 0.3% MoM, Prev: 0.2% MoM).
- US-based employers in May '24 announced plans to cut 63,816 jobs, -1.5% lower than in Apr '24 or -20.3% YoY.

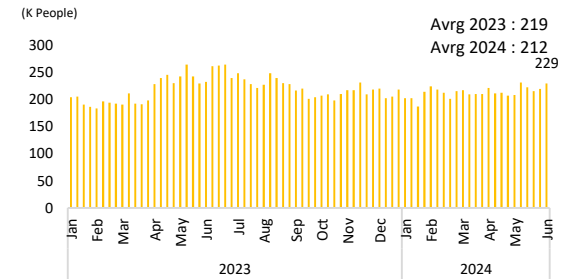
## ECONOMIC CALENDAR

(6-12 JUN '24)

| Event  | Actual  | Forecast | Previous |
|--|---------|----------|----------|
|  |         |          |          |
| <b>Thursday, 6 Jun '24</b>                       |         |          |          |
| US Continuing Jobless Claims                     | 1.792K  | 1,790K   | 1,790K   |
| US Exports                                       | 263.70B |          | 257.60B  |
| US Imports                                       | 338.20B |          | 327.00B  |
| US Initial Jobless Claims                        | 229K    | 220K     | 221K     |
| US Nonfarm Productivity (QoQ) (Q1)               | 0.20%   | 0.30%    | 3.20%    |
| US Trade Balance (Apr)                           | -74.60B | -76.20B  | -68.60B  |
| US Unit Labor Costs (QoQ) (Q1)                   | 4.00%   | 4.70%    | 0.40%    |
| US Atlanta Fed GDP Now (Q2)                      | 2.60%   | 1.80%    | 1.80%    |
| <b>Friday, 7 Jun '24</b>                         |         |          |          |
| US Fed's Balance Sheet                           | 7,256B  |          | 7,284B   |
| US Average Hourly Earnings (YoY) (May)           | 4.10%   | 3.90%    | 4.00%    |
| US Average Hourly Earnings (MoM) (May)           | 0.40%   | 0.30%    | 0.20%    |
| US Nonfarm Payrolls (May)                        | 272K    | 182K     | 165K     |
| US Participation Rate (May)                      | 62.50%  |          | 62.70%   |
| US Private Nonfarm Payrolls (May)                | 229K    | 170K     | 158K     |
| US U6 Unemployment Rate (May)                    | 7.40%   |          | 7.40%    |
| US Unemployment Rate (May)                       | 4.00%   | 3.90%    | 3.90%    |
| <b>Monday, 10 Jun '24</b>                        |         |          |          |
| US NY Fed 1-Year Consumer Inflation Expectations | 3.20%   |          | 3.30%    |
| <b>Tuesday, 11 Jun '24</b>                       |         |          |          |
| US 3-Year Note Auction                           | 4.66%   |          | 4.61%    |
| US OPEC Monthly Report                           |         |          |          |
| US IEA Short-Term Energy Outlook                 |         |          |          |
| <b>Wednesday, 12 Jun '24</b>                     |         |          |          |
| US 10-Year Note Auction                          | 4.44%   |          | 4.48%    |
| US API Weekly Crude Oil Stock                    | -2.428M | -1.750M  | 4.052M   |
| US IEA Monthly Report                            |         |          |          |
| US Core CPI (MoM) (May)                          |         | 0.30%    | 0.30%    |
| US Core CPI (YoY) (May)                          |         | 3.50%    | 3.60%    |
| US CPI (YoY) (May)                               |         | 3.40%    | 3.40%    |
| US CPI (MoM) (May)                               |         | 0.10%    | 0.30%    |
| US Crude Oil Inventories                         | -1.750M |          | 1.233M   |
| US Cushing Crude Oil Inventories                 |         |          | 0.854M   |
| US WASDE Report                                  |         |          |          |

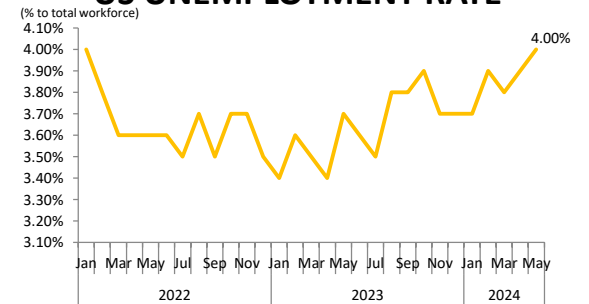
Sources : investing, KBVS Research (2024)

## WEEKLY INITIAL JOBLESS CLAIMS



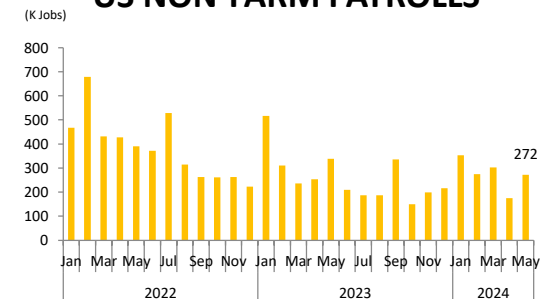
Sources : US DoL, KBVS Research (2024)

## US UNEMPLOYMENT RATE



Sources : US BLS, KBVS Research (2024)

## US NON-FARM PAYROLLS



Sources : US Bureau of Labor Statistics, KBVS Research (2024)

# The Movement of UST Yields

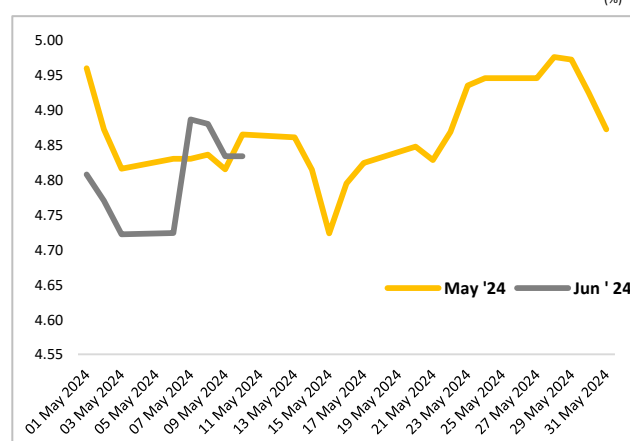
| US FISCAL INDICATORS | Unit   | Latest Period | Data   |          |
|----------------------|--------|---------------|--------|----------|
|                      |        |               | Latest | Previous |
| Govt Debt            | USD Tn | Mar '24       | 34.67  | 34.47    |
| Govt Debt to GDP     | %      | 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 decline, where:

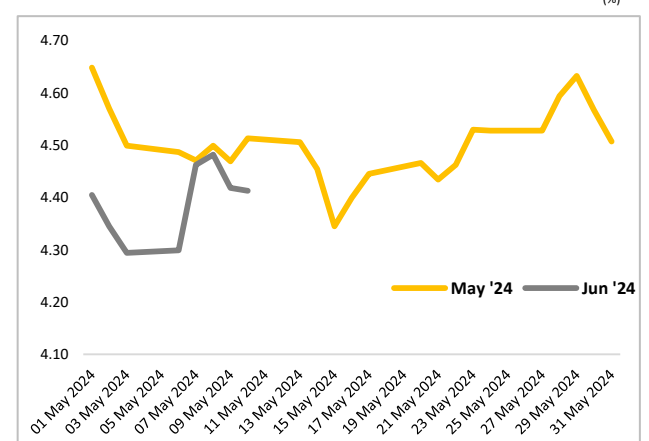
- Yield UST2Y
  - -3.51 bps (WoW)
  - +58.40 bps (YtD, as of 12 Jun '24)
- Yield UST5Y
  - -4.94 bps (WoW)
  - +56.58 bps (YtD, as of 12 Jun '24)
- Yield UST10Y
  - -2.17 bps (WoW)
  - +52.10 bps (YtD, as of 12 Jun '24)
- Yield UST30Y
  - -0.21 bps (WoW)
  - +50.74 bps (YtD, as of 12 Jun '24)

## YIELD UST2Y



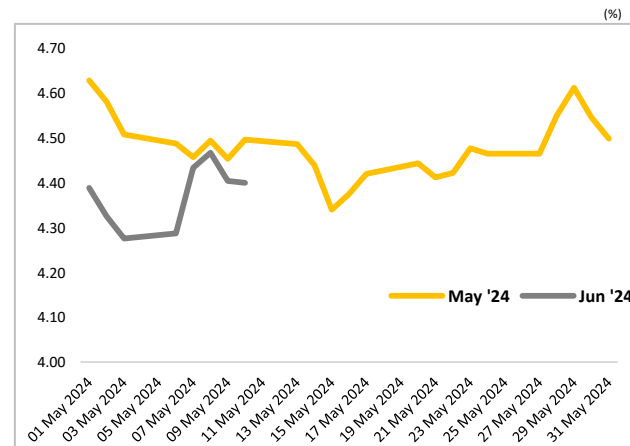
Sources : Bloomberg, KBVS Research (2024)

## YIELD UST5Y



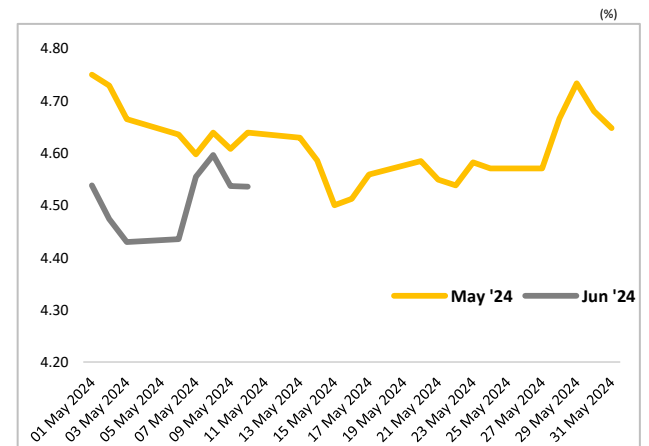
Sources : Bloomberg, KBVS Research (2024)

## YIELD UST10Y



Sources : US Treasury, KBVS Research (2024)

## YIELD UST30Y



Sources : US Treasury, KBVS Research (2024)

# UST Auction Results

The lower normalization of the Fed Balance sheet in Jun '24, amid the possibility of a targeted normalization reduction of only USD25 bn each month, has driven positive sentiment in the primary UST market, particularly for medium to long-term tenors.

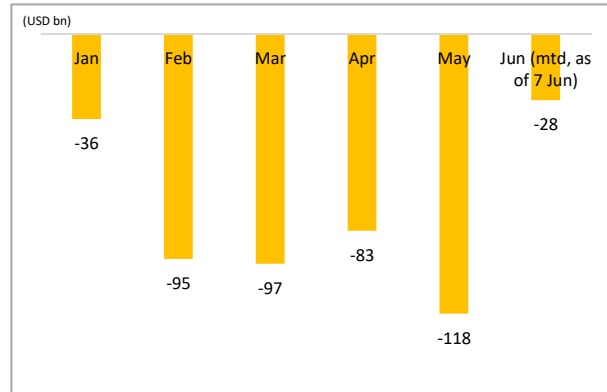
This is reflected in the increase in incoming bids for UST10Y, rising to USD104.29 bn (Prev: USD104.11 bn) and a high yield awarded that decreased by -45 bps.

Conversely, short to medium-term tenors still experienced a decline in incoming bids, namely:

- UST52W fell to USD131.88 bn (Prev: USD137.95 bn),
- UST3Y fell to USD141.11 bn (Prev: USD152.64 bn),

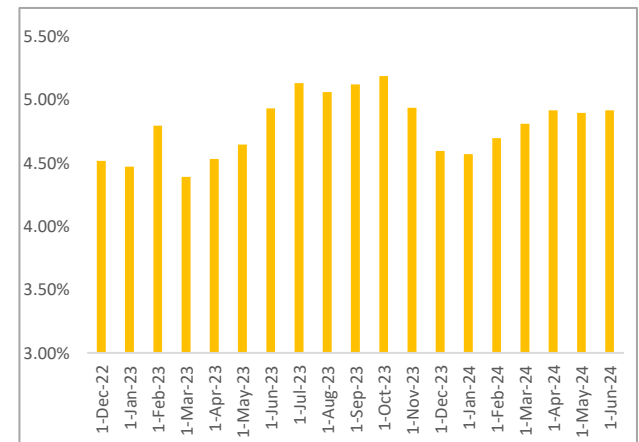
As a result, the high yield awarded increased by approximately +20 bps (UST52W) and +54 bps (UST3Y).

## FED BALANCE SHEET CHANGES IN 2024



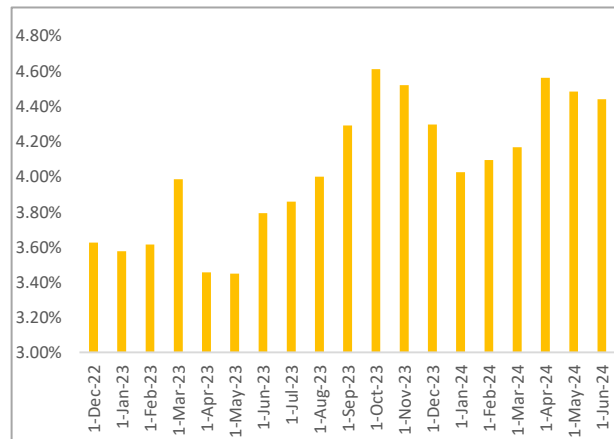
Sources : Bloomberg, KBVS Research (2024)

## HIGH YIELD AWARDED UST52W



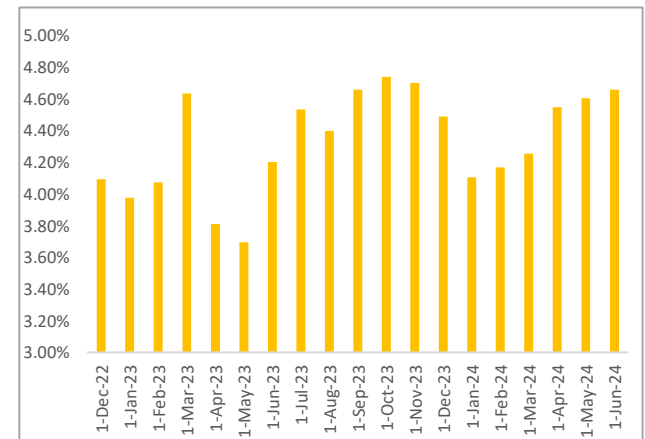
Sources : Bloomberg, KBVS Research (2024)

## HIGH YIELD AWARDED UST10Y



Sources : US Treasury, KBVS Research (2024)

## HIGH YIELD AWARDED UST3Y



# Fed Probabilities and Their Impact

## FED PROBABILITIES, as of 13 JUN '24

| MEETING DATE | FED PROBABILITIES |         |         |         |         |         |         |
|--------------|-------------------|---------|---------|---------|---------|---------|---------|
|              | 375-400           | 400-425 | 425-450 | 450-475 | 475-500 | 500-525 | 525-550 |
| 31-Jul-24    | 0.0%              | 0.0%    | 0.0%    | 0.0%    | 0.1%    | 8.8%    | 91.1%   |
| 18-Sep-24    | 0.0%              | 0.0%    | 0.0%    | 0.0%    | 4.3%    | 48.3%   | 47.4%   |
| 7-Nov-24     | 0.0%              | 0.0%    | 0.0%    | 1.3%    | 17.4%   | 48.0%   | 33.2%   |
| 18-Dec-24    | 0.0%              | 0.0%    | 0.9%    | 12.0%   | 37.9%   | 38.2%   | 11.1%   |
| 29-Jan-25    | 0.0%              | 0.4%    | 5.9%    | 23.8%   | 38.0%   | 25.9%   | 6.0%    |
| 19-Mar-25    | 0.2%              | 3.4%    | 15.7%   | 31.6%   | 31.4%   | 15.0%   | 2.7%    |
| 30-Apr-25    | 1.5%              | 8.2%    | 21.9%   | 31.5%   | 24.9%   | 10.2%   | 1.7%    |

Sources : CME Group, and KBVS Research (2024)

- The mixed results of the US jobs report also affected the spread of the Fed Rate odds ratio.
- At the same time, the DXY increased by +0.90%, coinciding with the depreciation of the USD's peer currencies, namely:
  - GBP : 0.29% WoW,
  - CAD : 0.42% WoW,
  - CHF : 0.43% WoW,
  - SEK : 0.71% WoW,
  - JPY : 0.89% WoW,
  - EUR : 1.13% WoW.

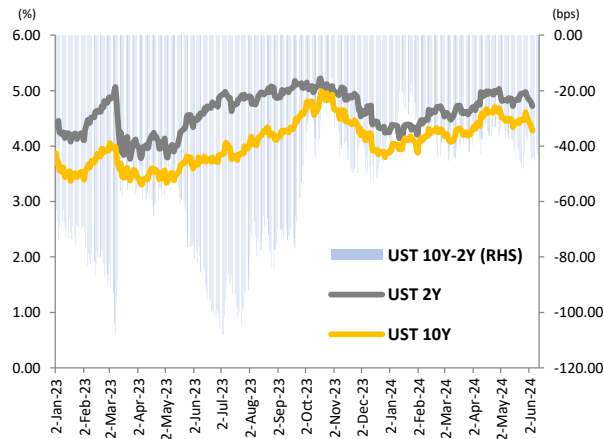
This movement was driven by political instability in EU countries, as well as the Bank of Canada lowering its benchmark interest rate by 25 bps to 4.75% on Jun 6<sup>th</sup>, followed by the ECB reducing its interest rate by 25 bps to 3.75% a day later.

### DXY



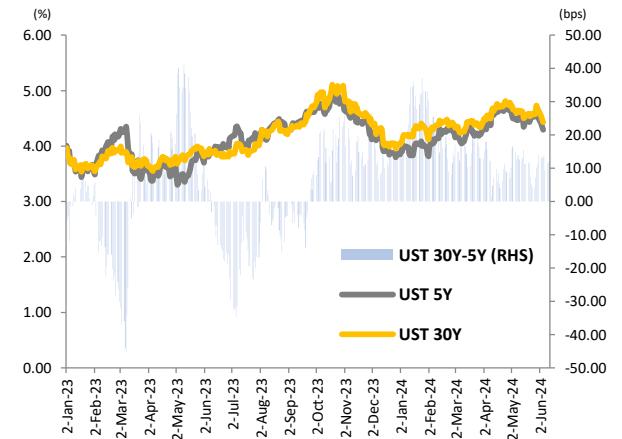
Sources : Bloomberg, and KBVS Research (2024)

### YIELD UST5Y VS UST30Y



Sources : Bloomberg, and KBVS Research (2024)

### YIELD UST2Y VS UST10Y



Sources : Bloomberg, KBVS Research (2024)

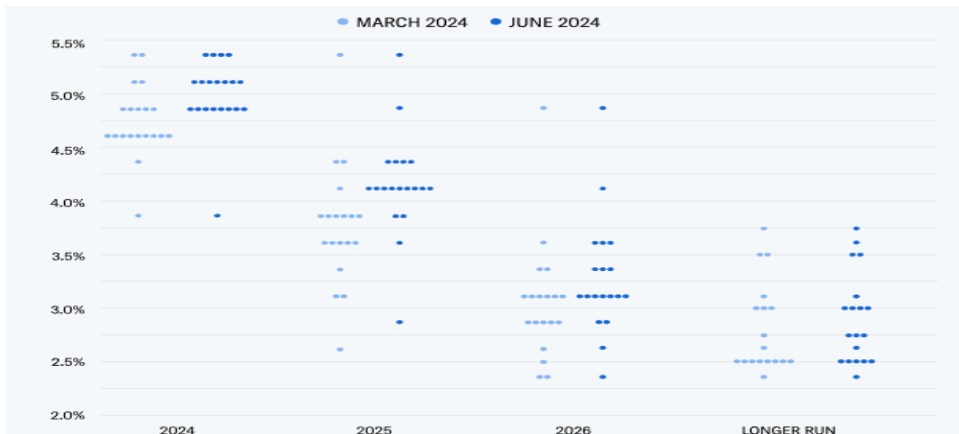
# Fed Economic Projection

## FED ECONOMIC PROJECTION

| Variable                                | Median <sup>1</sup> |      |      |            | Central Tendency <sup>2</sup> |         |         |            | Range <sup>3</sup> |         |         |            |
|---|---------------------|------|------|------------|-------------------------------|---------|---------|------------|--------------------|---------|---------|------------|
|   | 2024                | 2025 | 2026 | Longer run | 2024                          | 2025    | 2026    | Longer run | 2024               | 2025    | 2026    | Longer run |
| Change in real GDP                      | 2.1                 | 2.0  | 2.0  | 1.8        | 1.9–2.3                       | 1.8–2.2 | 1.8–2.1 | 1.7–2.0    | 1.4–2.7            | 1.5–2.5 | 1.7–2.5 | 1.6–2.5    |
| March projection                        | 2.1                 | 2.0  | 2.0  | 1.8        | 2.0–2.4                       | 1.9–2.3 | 1.8–2.1 | 1.7–2.0    | 1.3–2.7            | 1.7–2.5 | 1.7–2.5 | 1.6–2.5    |
| Unemployment rate                       | 4.0                 | 4.2  | 4.1  | 4.2        | 4.0–4.1                       | 3.9–4.2 | 3.9–4.3 | 3.9–4.3    | 3.8–4.4            | 3.8–4.3 | 3.8–4.3 | 3.5–4.5    |
| March projection                        | 4.0                 | 4.1  | 4.0  | 4.1        | 3.9–4.1                       | 3.9–4.2 | 3.9–4.3 | 3.8–4.3    | 3.8–4.5            | 3.7–4.3 | 3.7–4.3 | 3.5–4.3    |
| PCE inflation                           | 2.6                 | 2.3  | 2.0  | 2.0        | 2.5–2.9                       | 2.2–2.4 | 2.0–2.1 | 2.0        | 2.5–3.0            | 2.2–2.5 | 2.0–2.3 | 2.0        |
| March projection                        | 2.4                 | 2.2  | 2.0  | 2.0        | 2.3–2.7                       | 2.1–2.2 | 2.0–2.1 | 2.0        | 2.2–2.9            | 2.0–2.5 | 2.0–2.3 | 2.0        |
| Core PCE inflation <sup>4</sup>         | 2.8                 | 2.3  | 2.0  |            | 2.8–3.0                       | 2.3–2.4 | 2.0–2.1 |            | 2.7–3.2            | 2.2–2.6 | 2.0–2.3 |            |
| March projection                        | 2.6                 | 2.2  | 2.0  |            | 2.5–2.8                       | 2.1–2.3 | 2.0–2.1 |            | 2.4–3.0            | 2.0–2.6 | 2.0–2.3 |            |
| Memo: Projected appropriate policy path |                     |      |      |            |                               |         |         |            |                    |         |         |            |
| Federal funds rate                      | 5.1                 | 4.1  | 3.1  | 2.8        | 4.9–5.4                       | 3.9–4.4 | 2.9–3.6 | 2.5–3.5    | 4.9–5.4            | 2.9–5.4 | 2.4–4.9 | 2.4–3.8    |
| March projection                        | 4.6                 | 3.9  | 3.1  | 2.6        | 4.6–5.1                       | 3.4–4.1 | 2.6–3.4 | 2.5–3.1    | 4.4–5.4            | 2.6–5.4 | 2.4–4.9 | 2.4–3.8    |

Source : The Fed (2024)

## FED DOT PLOT



Source : The Fed(2024)

The FOMC meeting last night indicated the following:

- The possibility of a slower US economic growth compared to the projections in March 2024. This is reflected by:
  - Expected decline in Real GDP
  - Expected rise in the Unemployment Rate
- Additionally, inflation, as indicated by PCE Inflation and Core PCE, is anticipated to remain stable at levels between 2.5% YoY and 3.0% YoY.
- Consequently, expectations for a Fed Rate cut are lower than previously projected, with only one rate cut anticipated in 2024 and four additional cuts in 2025.

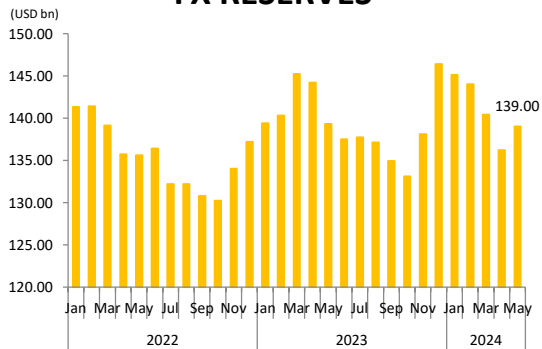
# Indonesia Economic Data

## INDICATORS OVERVIEW

| Economic Indicators  | Unit   | Latest Period | Data     |          |
|----------------------|--------|---------------|----------|----------|
|                      |        |               | Latest   | Previous |
| Policy Interest Rate | %      | 22 May '24    | 6.25     | 6.25     |
| Economic Growth      | %, yoy | 1Q24          | 5.11     | 5.04     |
| Inflation Rate       | %, yoy | May '24       | 2.84     | 3.00     |
| Unemployment Rate    | %      | Feb '24       | 4.82     | 5.32     |
| S&P Credit Rating    | Rating | Rating        | 4-Jul-23 | BBB      |

Sources : various sources, KBVS Research (2024)

## FX RESERVES



Sources : BI, KBVS Research (2024)

- Last week began on a positive note with an increase in FX Reserves by USD2.8 bn in May '24, reaching USD139.0 bn (Prev: USD 136.2 bn).
- This rise was driven by tax and service revenues, as well as the issuance of an Indonesian global bond worth JPY200 bn on May 27<sup>th</sup>.

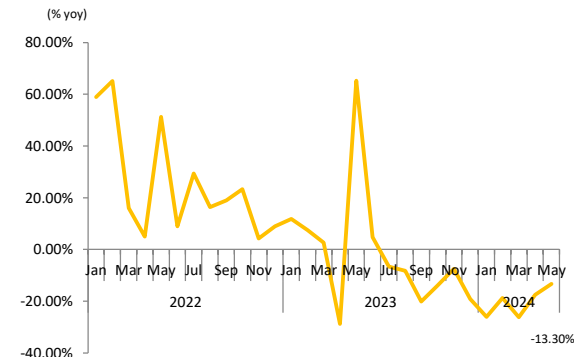
## ECONOMIC CALENDAR

(6-12 JUN '24)

| Event                        | Actual  | Forecast | Previous |
|------------------------------|---------|----------|----------|
| <b>Thursday, 6 Jun '24</b>   |         |          |          |
| <b>Friday, 7 Jun '24</b>     |         |          |          |
| ID FX Reserves (USD) (May)   | 139.00B |          | 136.20B  |
| <b>Monday, 10 Jun '24</b>    |         |          |          |
| ID Consumer Confidence (May) | 125.20  |          | 127.70   |
| <b>Tuesday, 11 Jun '24</b>   |         |          |          |
| ID Retail Sales (YoY) (Apr)  | -2.70%  |          | 9.30%    |
| ID Car Sales (YoY) (May)     | -13.30% |          | -17.50%  |
| <b>Wednesday, 12 Jun '24</b> |         |          |          |

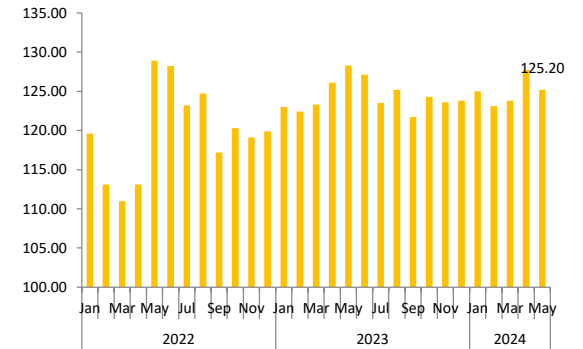
Sources : investing, KBVS Research (2024)

## CAR SALES



Sources : Gaikindo, KBVS Research (2024)

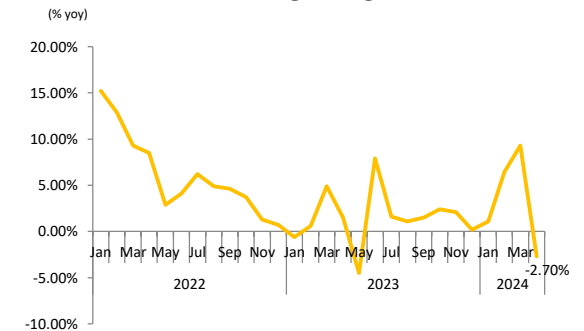
## CONSUMER CONFIDENCE



Sources : BI, KBVS Research (2024)

However, a decline in Consumer Confidence across all index components was followed by a reversal in Retail Sales for Apr '24 to -2.70% YoY (Prev: 9.30% YoY), marking the first decline in the past 11 months. Additionally, Automobile Sales continued to drop in May '24, recording a -13.3% YoY decrease.

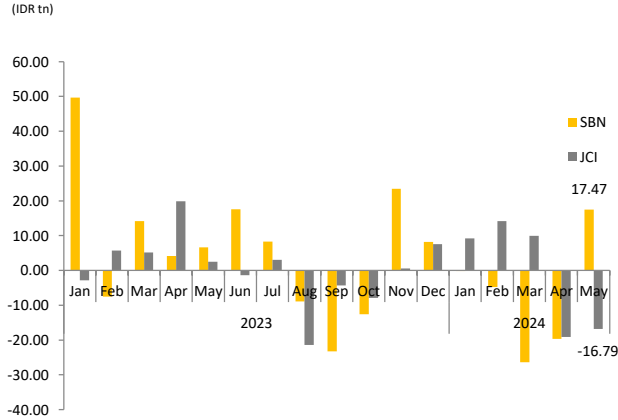
## RETAIL SALES



Sources : BI, KBVS Research (2024)

# Development of Tradable SBN

## CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2024)

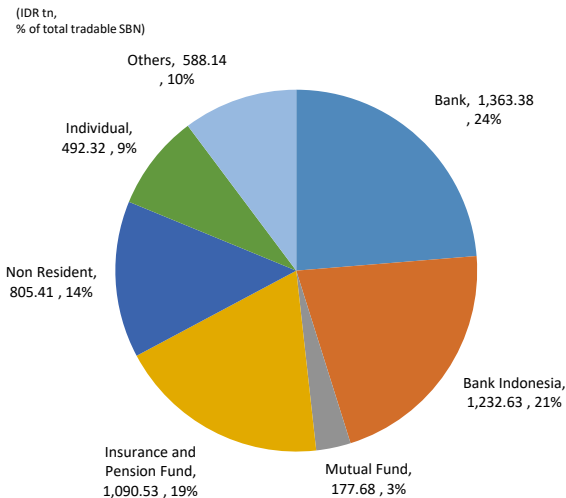
During Jun '24 (as of Jun 10<sup>th</sup>), Non-Residents conducted net sell of tradable SBN amounting to USD0.10 bn (or IDR1.57 tn), after net foreign sell of USD1.06 bn (or IDR17.11 tn).

## SUN LATEST AUCTION

| 11 Jun '24                      |             |             |        |          |        |        |        |        |       |
|---------------------------------|-------------|-------------|--------|----------|--------|--------|--------|--------|-------|
| Instruments                     | SPN03240911 | SPN12250612 | FR0101 | FR0100   | FR0098 | FR0097 | FR0102 | Total  |       |
| Incoming Bids (IDR tn)          | 2.40        | 4.09        | 13.26  | 12.45    | 4.36   | 3.92   | 2.49   | 42.96  |       |
| Bid to Cover Ratio              | 11.98       | 4.09        | 1.72   | 1.60     | 2.03   | 3.14   | 1.31   | 1.95   |       |
| Weighted Average Yields Awarded | 6.590%      | 6.819%      | 6.950% | 7.020%   | 7.040% | 7.060% | 7.060% |        |       |
| 28 May '24                      |             |             |        |          |        |        |        |        |       |
| Instruments                     | SPN03240828 | SPN12250529 | FR0101 | FRSDG001 | FR0100 | FR0098 | FR0097 | FR0102 | Total |
| Incoming Bids (IDR tn)          | 2.46        | 4.19        | 14.73  | 1.63     | 14.08  | 3.30   | 3.98   | 2.74   | 47.11 |
| Bid to Cover Ratio              | 9.84        | 10.48       | 2.12   | 1.92     | 1.50   | 4.40   | 1.94   | 2.03   | 2.14  |
| Weighted Average Yields Awarded | 6.600%      | 6.820%      | 6.890% | 6.859%   | 6.920% | 6.980% | 7.020% | 7.029% |       |

Sources : DJPPR, KBVS Research (2024)

## OWNERSHIP of IDR TRADABLE SBN



Sources : DJPPR, and KBVS Research (2024)

- As of Jun 10<sup>th</sup>, Non-resident ownership in IDR Tradable SBN reaching IDR805.41 tn, accounting for 14.04% of the total tradable SBN.
- Meanwhile, BI reduced its holdings of tradable SBN by IDR44.88 tn mtd (as of Jun 10<sup>th</sup>).

## SBSN LATEST AUCTION

| 4 June '24                      |              |              |        |        |         |        |        |       |
|---------------------------------|--------------|--------------|--------|--------|---------|--------|--------|-------|
| Instruments                     | SPNS02122024 | SPNS03032025 | PBS032 | PBS030 | PBSG001 | PBS004 | PBS038 | Total |
| Incoming Bids (IDR tn)          | 2.20         | 3.73         | 9.12   | 1.36   | 3.27    | 0.77   | 5.75   | 26.21 |
| Bid to Cover Ratio              | 2.76         | 1.59         | 3.80   | 9.05   | 1.26    | 2.57   | 4.11   | 2.62  |
| Weighted Average Yields Awarded | 6.589%       | 6.786%       | 6.853% | 6.808% | 6.790%  | 6.880% | 7.110% |       |
| 20 May '24                      |              |              |        |        |         |        |        |       |
| Instruments                     | SPNS18112024 | SPNS02022025 | PBS032 | PBS030 | PBS004  | PBS039 | PBS038 | Total |
| Incoming Bids (IDR tn)          | 2.10         | 3.31         | 3.79   | 0.86   | 0.72    | 0.19   | 5.52   | 16.50 |
| Bid to Cover Ratio              | 8.39         | 5.10         | 1.76   | 3.44   | -       | -      | 1.15   | 2.04  |
| Weighted Average Yields Awarded | 6.530%       | 6.779%       | 6.879% | 6.820% | -       | -      | 7.086% |       |

Sources : DJPPR, KBVS Research (2024)

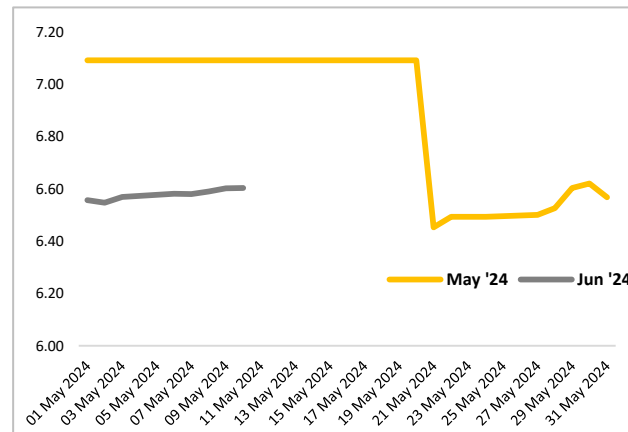


# The Movement of SUN Yields

Over the past week, there has been a tendency for SUN yields to decline, where:

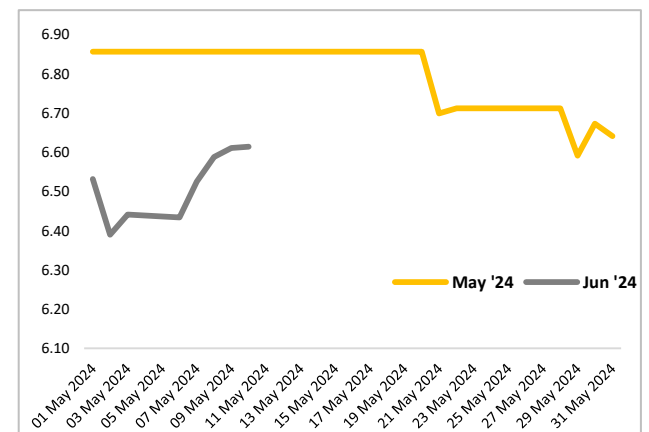
- Yield SUN2Y
  - -13.50 bps (WoW)
  - +19.40 bps (YtD, as of 12 Jun '24)
- Yield SUN5Y
  - +12.20 bps (WoW)
  - +53.80 bps (YtD, as of 12 Jun '24)
- Yield SUN10Y
  - +15.10 bps (WoW)
  - +55.50 bps (YtD, as of 12 Jun '24)
- Yield SUN30Y
  - +9.20 bps (WoW)
  - +21.70 bps (YtD, as of 12 Jun '24)

### YIELD SUN1Y (%)



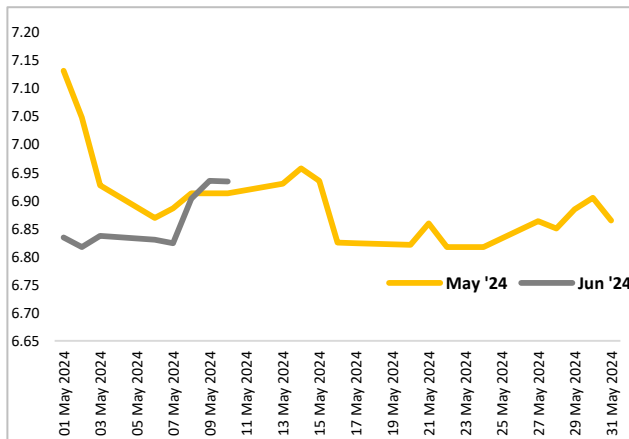
Sources : Bloomberg, KBVS Research (2024)

### YIELD SUN2Y (%)



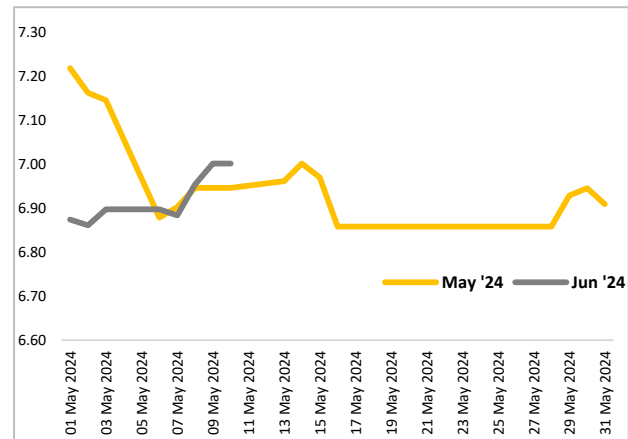
Sources : Bloomberg, KBVS Research (2024)

### YIELD SUN5Y



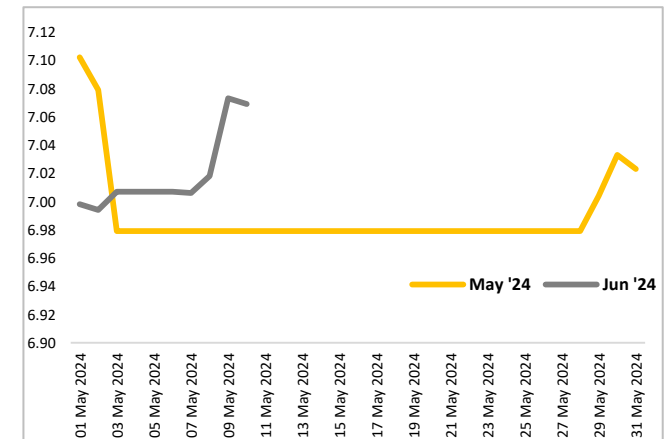
Sources : Bloomberg, KBVS Research (2024)

### YIELD SUN10Y



Sources : Bloomberg, KBVS Research (2024)

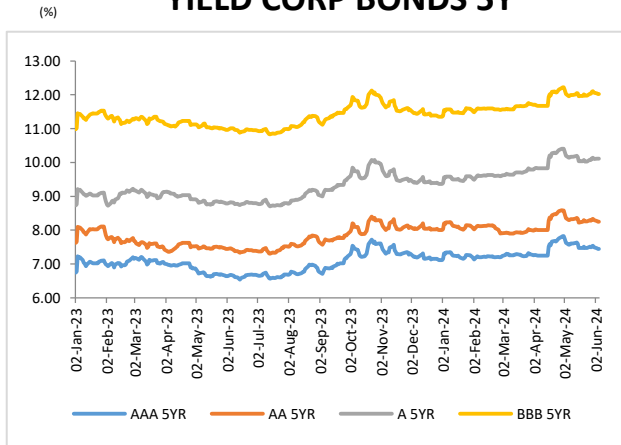
### YIELD SUN30Y



Sources : Bloomberg, KBVS Research (2024)

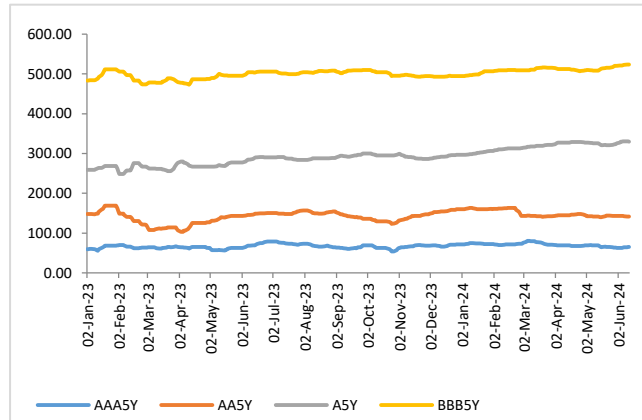
# The Movement of Corporate Bond Yields

## YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

## YIELD SPREAD 5Y TENOR

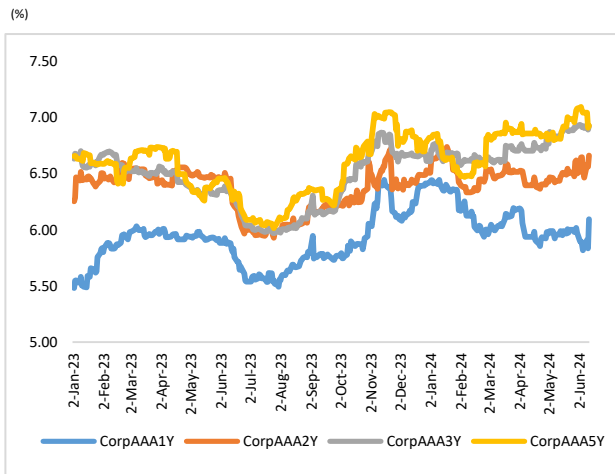


Sources : Bloomberg, KBVS Research (2024)

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

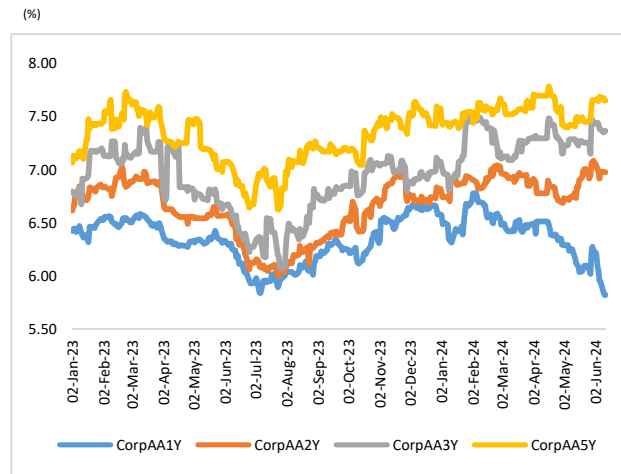
- AAA-rated
  - Tenor 1Y : +13.04 bps
  - Tenor 3Y : +10.90 bps
- AA-rated
  - Tenor 1Y : -3.61 bps
  - Tenor 3Y : -4.16 bps
- A-rated
  - Tenor 1Y : -72.73 bps
  - Tenor 3Y : -5.92 bps

## YIELD AAA-RATED



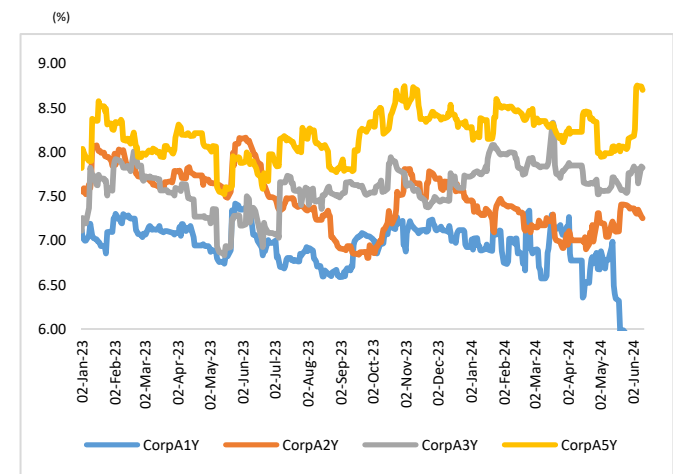
Sources : Bloomberg, KBVS Research (2024)

## 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               |

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               |

Sources : BI, KBVS Research (2024)

## SUVBI's DEVELOPMENT

| SUVBI     | Weighted Yield Average Winner (%) |          | Bidding Amount (USD mn) | Total Nominal Awarded (USD Mn) | Bid to Cover Ratio |
|-----------|-----------------------------------|----------|-------------------------|--------------------------------|--------------------|
|           | 1 Month                           | 3 Months |                         |                                |                    |
| 29-Nov-23 | 5.62                              | 5.63     | 64.00                   | 64.00                          | 1.00               |
| 13-Dec-23 | 5.71                              | 5.77     | 65.00                   | 65.00                          | 1.00               |
| 28-Dec-23 | 5.74                              | 5.75     | 25.00                   | 25.00                          | 1.00               |
| 10-Jan-24 | 5.71                              | 5.70     | 90.00                   | 90.00                          | 1.00               |
| 24-Jan-24 | 5.67                              | 5.70     | 65.00                   | 65.00                          | 1.00               |
| 7-Feb-24  | 5.66                              | 5.69     | 110.00                  | 110.00                         | 1.00               |
| 21-Feb-24 | 5.66                              | 5.67     | 85.00                   | 85.00                          | 1.00               |
| 6-Mar-24  | 5.66                              | 5.68     | 187.00                  | 187.00                         | 1.00               |
| 20-Mar-24 | 5.67                              | 5.68     | 124.00                  | 124.00                         | 1.00               |
| 3-Apr-24  | 5.67                              | 5.68     | 300.00                  | 300.00                         | 1.00               |
| 17-Apr-24 | 5.67                              | 5.72     | 193.00                  | 193.00                         | 1.00               |
| 2-May-24  | 5.68                              | 5.70     | 52.00                   | 52.00                          | 1.00               |
| 15-May-24 | 5.69                              | 5.70     | 70.00                   | 70.00                          | 1.00               |
| 29-May-24 | 5.69                              | 5.69     | 80.00                   | 80.00                          | 1.00               |

Sources : BI, KBVS Research (2024)

# This Week's Economic Calendar

## ECONOMIC CALENDAR

(13 – 19 JUN 2024)

| Country                       | Event  | Forecast | Previous |
|-------------------------------|--|----------|----------|
| <b>Thursday, Jun 13, 2024</b> |  |          |          |
| US                            | Federal Budget Balance (May)                 | -259.3B  | 210.0B   |
| US                            | Interest Rate Projection - 1st Yr (Q2)       |          | 3.90%    |
| US                            | Interest Rate Projection - 2nd Yr (Q2)       |          | 3.10%    |
| US                            | Interest Rate Projection - 3rd Yr (Q2)       |          | 2.90%    |
| US                            | Interest Rate Projection - Current (Q2)      |          | 4.60%    |
| US                            | Interest Rate Projection - Longer (Q2)       |          | 2.60%    |
| US                            | FOMC Economic Projections                    |          |          |
| US                            | FOMC Statement                               |          |          |
| US                            | FOMC Press Conference                        |          |          |
| US                            | Fed Interest Rate Decision                   | 5.50%    | 5.50%    |
| GE                            | Buba President Nagel Speaks                  |          |          |
| GB                            | RICS House Price Balance (May)               | -5.00%   | -5.00%   |
| JP                            | BSI Large Manufacturing Conditions (Q2)      | -5.20    | -6.70    |
| CN                            | New Loans                                    | 1,300.0B | 730.0B   |
| EU                            | ECB's De Guindos Speaks                      |          |          |
| EU                            | ECB's Lane Speaks                            |          |          |
| EU                            | Industrial Production (MoM) (Apr)            | 0.10%    | 0.60%    |
| EU                            | Eurogroup Meetings                           |          |          |
| US                            | Continuing Jobless Claims                    |          | 1,792K   |
| US                            | Core PPI (MoM) (May)                         | 0.30%    | 0.50%    |
| US                            | PPI (MoM) (May)                              | 0.10%    | 0.50%    |
| US                            | Initial Jobless Claims                       | 222K     | 229K     |
| EU                            | ECB's Schnabel Speaks                        |          |          |
| US                            | FOMC Member Williams Speaks                  |          |          |
| US                            | Treasury Secretary Yellen Speaks             |          |          |
| <b>Friday, Jun 14, 2024</b>   |  |          |          |
| US                            | 30-Year Bond Auction                         |          | 4.64%    |
| US                            | Fed's Balance Sheet                          |          | 7,256B   |
| JP                            | BoJ Monetary Policy Statement                |          |          |
| JP                            | BoJ Interest Rate Decision                   | 0.10%    | 0.10%    |
| JP                            | Industrial Production (MoM) (Apr)            | -0.10%   | 4.40%    |
| JP                            | BoJ Press Conference                         |          |          |
| EU                            | Trade Balance (Apr)                          | 15.70B   | 24.10B   |
| EU                            | Eurogroup Meetings                           |          |          |
| US                            | Export Price Index (MoM) (May)               | 0.20%    | 0.50%    |
| US                            | Import Price Index (MoM) (May)               | 0.10%    | 0.90%    |
| US                            | Michigan 1-Year Inflation Expectations (Jun) |          | 3.30%    |
| US                            | Michigan 5-Year Inflation Expectations (Jun) |          | 3.00%    |
| US                            | Michigan Consumer Expectations (Jun)         | 75.00    | 68.80    |
| US                            | Michigan Consumer Sentiment (Jun)            | 73.00    | 69.10    |
| US                            | Fed Monetary Policy Report                   |          |          |

| Country                        | Event                                     | Forecast | Previous |
|--------------------------------|---|----------|----------|
| <b>Monday, Jun 17, 2024</b>    |   |          |          |
| CN                             | Fixed Asset Investment (YoY) (May)        |          | 4.20%    |
| CN                             | Industrial Production (YoY) (May)         |          | 6.70%    |
| CN                             | Industrial Production YTD (YoY) (May)     |          | 6.30%    |
| CN                             | Unemployment Rate (May)                   |          | 5.00%    |
| EU                             | Wages In Eurozone (YoY) (Q1)              |          | 3.10%    |
| US                             | NY Empire State Manufacturing Index (Jun) |          | -15.60   |
| <b>Tuesday, Jun 18, 2024</b>   |   |          |          |
| GE                             | ZEW Current Conditions (Jun)              |          | -72.30   |
| GE                             | ZEW Economic Sentiment (Jun)              |          | 47.10    |
| EU                             | Core CPI (YoY) (May)                      |          | 2.90%    |
| EU                             | CPI (YoY) (May)                           |          | 2.60%    |
| EU                             | CPI (MoM) (May)                           |          | 0.60%    |
| EU                             | ZEW Economic Sentiment (Jun)              |          | 47.00    |
| US                             | Core Retail Sales (MoM) (May)             |          | 0.20%    |
| US                             | Retail Control (MoM) (May)                |          | -0.30%   |
| US                             | Retail Sales (MoM) (May)                  |          | 0.60%    |
| US                             | Industrial Production (YoY) (May)         |          | -0.38%   |
| US                             | Industrial Production (MoM) (May)         |          |          |
| US                             | Business Inventories (MoM) (Apr)          |          | -0.10%   |
| US                             | Retail Inventories Ex Auto (Apr)          |          | 0.30%    |
| <b>Wednesday, May 19, 2024</b> |   |          |          |
| US                             | TIC Net Long-Term Transaction (Apr)       |          | 100.50B  |
| JP                             | Exports (YoY) (May)                       |          | 8.30%    |
| JP                             | Imports (YoY) (May)                       |          | 8.30%    |
| JP                             | Trade Balance (May)                       |          | -465.6B  |
| ID                             | Export Growth (YoY) (May)                 |          | 1.72%    |
| ID                             | Import Growth (YoY) (May)                 |          | 4.62%    |
| ID                             | Trade Balance (May)                       |          | 3.56B    |
| GB                             | CPI (MoM) (May)                           |          | 0.30%    |
| GB                             | CPI (YoY) (May)                           |          | 2.30%    |
| GB                             | PPI Input (MoM) (May)                     |          | 0.60%    |

