

# WHERE DO WE STAND?

## - Navigating the Intersection of Politics & Economics

24 October 2024

Economist / Fikri C Permana

# Executive Summary

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- In the last 1 year, the fluctuations in global geopolitical tensions in the Middle East and the Russia-Ukraine conflict have abruptly influenced sentiment in the global economy.
- Additionally, the increasing likelihood of Trump's victory in the past week has also shifted expectations regarding the Federal Reserve's interest rates.
- The inauguration of a new president (Pak Prabowo and Pak Gibran) and the formation of the cabinet have generated a sense of euphoria, while also prompting a wait-and-see approach among domestic market participants.
- On one hand, the names of well-known figures are highly anticipated, and changes in nomenclature, particularly in the economic sector and the effectiveness of the cabinet, will certainly be keenly awaited by the public, especially given the current large number of “Kabinet Merah Putih” members.



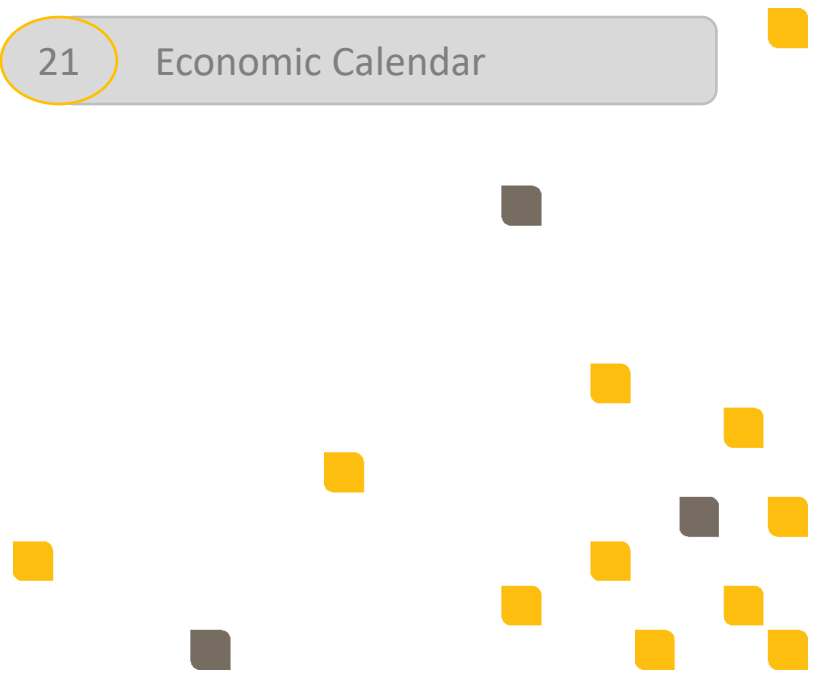


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# US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Sep '24	5.0	5.5
Economic Growth	%, yoy	2Q24	3.0	2.9
Inflation Rate	%, yoy	Sep'24	2.4	2.5
Unemployment Rate	%	Sep'24	4.1	4.2

Sources : various sources, KBVS Research (2024)

The data releases that influenced yield movements in the week of 17 – 23 Oct '24 are as follows:

- The number of people claiming unemployment benefits on the period ending Oct 12<sup>th</sup> in the US increase to 241K (Cons: 241K, Prev: 260K).
- Core Retail Sales for Sep '24 increased by 0.50% MoM (Cons: 0.10% MoM, Prev: 0.20% MoM).
- Retail Sales in Sep '24 increased by 0.40% MoM (Cons: 0.30% MoM, Prev: 0.10% MoM).
- Philadelphia Fed Manufacturing Index in Oct '24 up to 10.30 (Cons: 4.20, Prev: 1.70).
- Weekly Crude Oil Inventories decrease to -2.191M (Cons : 1.800M, Prev: 5.810M).

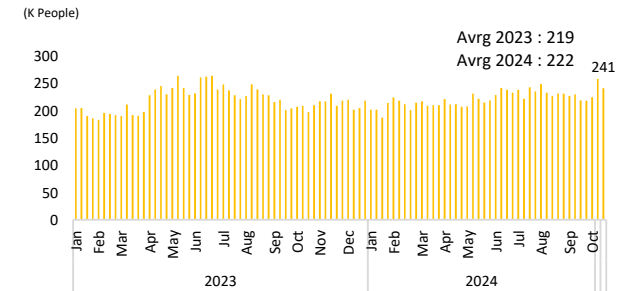
## ECONOMIC CALENDAR

(17-23 OCT '24)

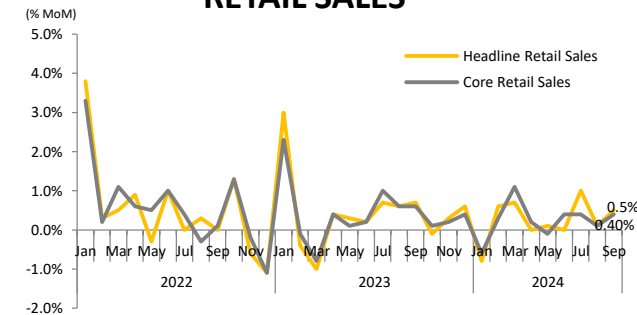
Event	Actual	Forecast	Previous
<b>Thursday, 17 Oct '24</b>			
US API Weekly Crude Oil Stock	-1.580M	3.200M	10.900M
US Continuing Jobless Claims	1,867K	1,870K	1,858K
US Initial Jobless Claims	241K	241K	160K
US Core Retail Sales (MoM) (Sep)	0.50%	0.10%	0.20%
US Philadelphia Fed Manufacturing Index (Oct)	10.30	4.20	1.70
US Philadelphia Fed Employment (Oct)	-2.20		10.70
US Retail Control (MoM) (Sep)	0.70%		0.30%
US Retail Sales (MoM) (Sep)	0.40%	0.30%	0.10%
US Industrial Production (YoY) (Sep)	-0.64%		0.16%
US Industrial Production (MoM) (Sep)	-0.30%	-0.10%	0.30%
US Business Inventories (MoM) (Aug)	0.30%	0.30%	0.30%
US Retail Inventories Ex Auto (Aug)	0.50%	0.40%	0.40%
US Crude Oil Inventories	-2.191M	1.800M	5.810M
US Cushing Crude Oil Inventories	0.108M		1.247M
<b>Friday, 18 Oct '24</b>			
US TIC Net Long-Term Transactions (Aug)	111.4B		137.9B
US Fed's Balance Sheet	7,039B		7,047B
US Building Permits (Sep)	1.428M	1.450M	1.470M
US Housing Starts (MoM) (Sep)	-0.50%	-0.40%	7.80%
US Housing Starts (Sep)	1.354M	1.350M	1.361M
US FOMC Member Bostic Speaks			
US FOMC Member Kashkari Speaks			
US Fed Waller Speaks			
US FOMC Member Bostic Speaks			
<b>Monday, 21 Oct '24</b>			
US Leading Index (MoM) (Sep)	-0.50%	-0.30%	-0.30%
<b>Tuesday, 22 Oct '24</b>			
US FOMC Member Kashkari Speaks			
US FOMC Member Daly Speaks			
US FOMC Member Harker Speaks			
<b>Wednesday, 23 Oct '24</b>			
US API Weekly Crude Oil Stock	1.643M	0.700M	-1.580M
US FOMC Member Bowman Speaks			
US Existing Home Sales (Sep)		3.88M	3.86M
US Existing Home Sales (MoM) (Sep)			-2.50%
US Crude Oil Inventories		0.700M	-2.191M
US Cushing Crude Oil Inventories			0.108M

Sources : investing, KBVS Research (2024)

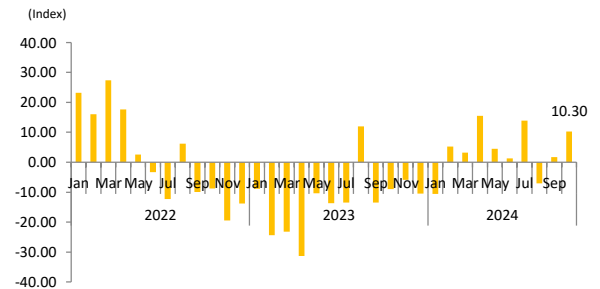
## WEEKLY INITIAL JOBLESS CLAIMS



## RETAIL SALES



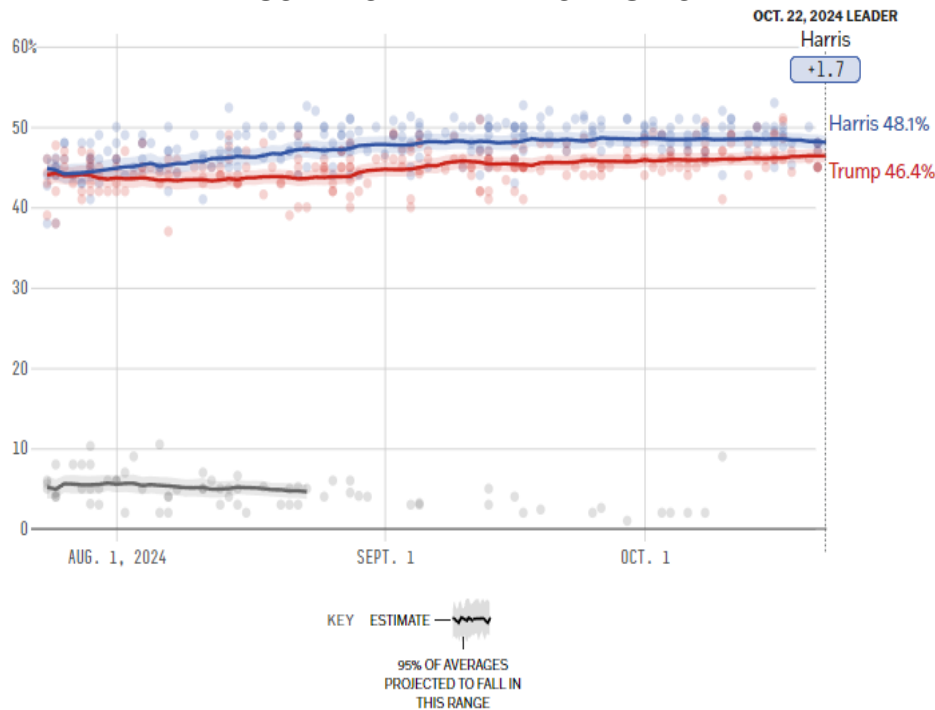
## PHILY FED MANUFACTURING INDEX



# US ELECTION

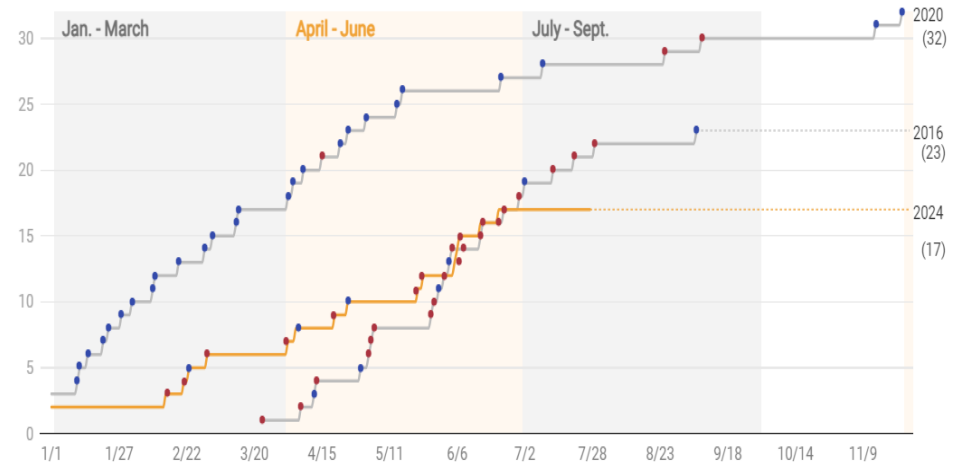
- The upcoming US presidential election is scheduled to occur on 5 Nov '24, and various possibilities remain open for consideration.
- Currently, several prominent issues are expected to play a significant role in shaping the narrative and focus of the presidential campaign, including Education, Immigration, Foreign Policy (such as support for Ukraine and Israel), as well as Social concerns that involve Crime, Abortion, Culture War topics, and LGBTQ-related.
- Recent polling results over the past month indicate a narrowing gap between Harris and Trump. This raises concerns about persistent inflation, suggesting that the Federal Reserve's policy response, particularly rate cuts, could be more limited than previously anticipated..

## US PRESIDENT LATEST POLLS



Source : projects.fivethirtyeight.com (2024)

## US PRESIDENTIAL CAMPAIGN TIMELINE



Source : ballotpedia.org (2024)

## US PRESIDENT LATEST POLLS

DATES	SAMPLE	POLLSTER	SPONSOR	RESULT	NET RESULT
President: general election, 2024 ↕ AVG.					
Oct. 21	1,273 LV	Redfield & Wilton Strategies		Harris 45% 47% Trump	Trump +2
Oct. 19-21	1,268 LV	TIPP Insights		Harris 48% 48% Trump	EVEN
Oct. 18-21	1,189 LV	YouGov	The Times of London, SAY24	Harris 48% 45% Trump	More ▼ Harris +3
Oct. 18-21	1,266 RV	YouGov	The Times of London, SAY24	Harris 47% 45% Trump	More ▼ Harris +2
Oct. 16-21	3,307 LV	Ipsos	Reuters	Harris 47% 45% Trump	More ▼ Harris +2
Oct. 16-21	3,481 RV	Ipsos	Reuters	Harris 45% 43% Trump	More ▼ Harris +2
Oct. 16-21	4,129 A	Ipsos	Reuters	Harris 41% 39% Trump	More ▼ Harris +2

Source : projects.fivethirtyeight.com (2024)

# FED PROBABILITIES AND THEIR IMPACT

## FED PROBABILITIES, as of 23 OCT '24

MEETING DATE	FED PROBABILITIES								
	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500
7-Nov-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	87.5%	12.5%
18-Dec-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	68.9%	28.5%	2.7%
29-Jan-25	0.0%	0.0%	0.0%	0.0%	0.0%	45.7%	42.1%	11.4%	0.9%
19-Mar-25	0.0%	0.0%	0.0%	0.0%	36.1%	42.8%	17.8%	3.1%	0.2%
30-Apr-25	0.0%	0.0%	0.0%	21.0%	40.0%	28.3%	9.3%	1.4%	0.1%
18-Jun-25	0.0%	0.0%	13.6%	33.3%	32.4%	16.0%	4.2%	0.5%	0.0%
30-Jul-25	0.0%	4.8%	20.5%	33.0%	26.6%	11.8%	2.9%	0.4%	0.0%
17-Sep-25	1.8%	10.7%	25.2%	30.6%	21.1%	8.5%	1.9%	0.2%	0.0%

Sources : CME Group, and KBVS Research (2024)

- In addition to fueling limited expectations for a Fed Rate cut, the potential victory of Trump has contributed to a 0.69% increase in the DXY over the past week, pushing it above the 104 level

- At the same time, various currencies have depreciated against USD last week, including:

- GBP 0.16%
- CHF 0.26%
- CAD 0.49%
- SEK 0.55%
- EUR 0.61%
- JPY 1.82%

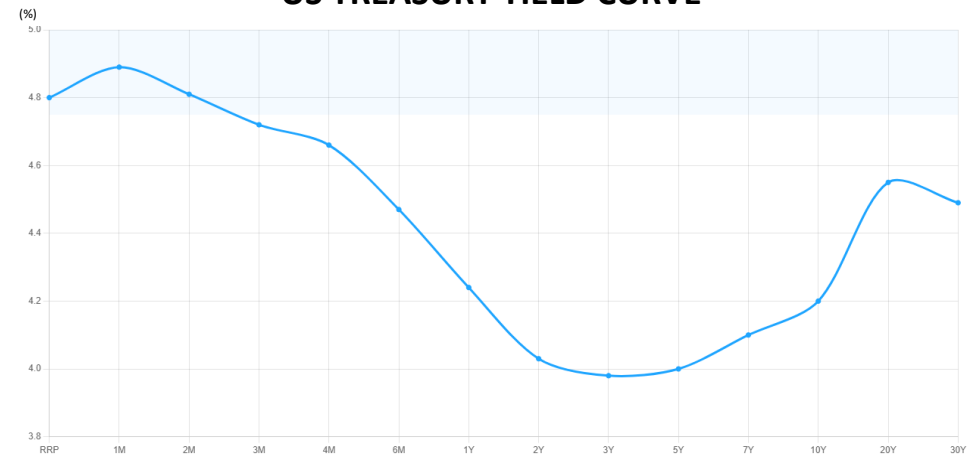
- At the same time, this condition has driven an increase in US Treasury yields across all maturities, although an inversion (between 10Y and 2Y) has yet to occur.

## DXY



Sources : Bloomberg, and KBVS Research (2024)

## US TREASURY YIELD CURVE



Sources : Bloomberg, and KBVS Research (2024)

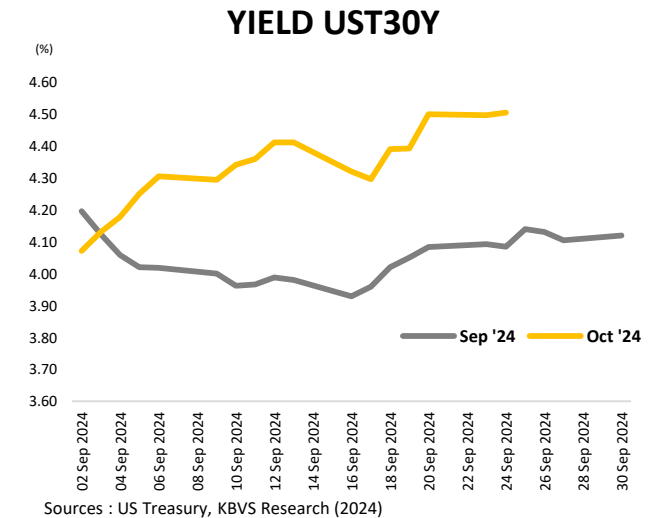
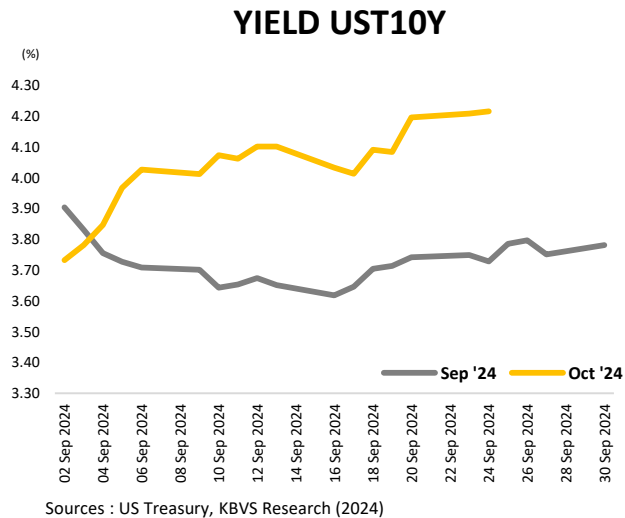
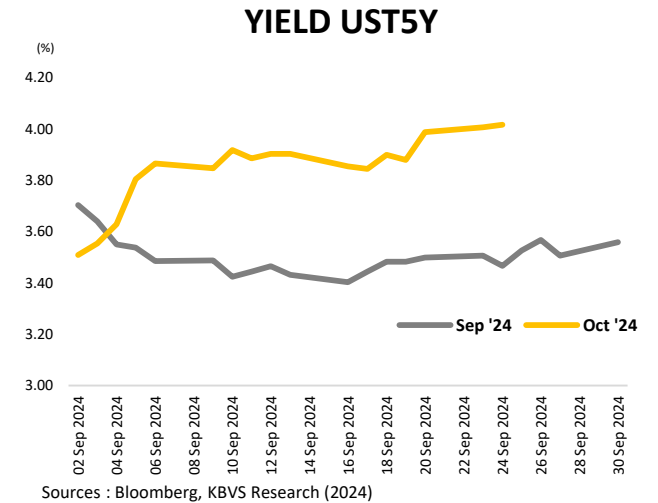
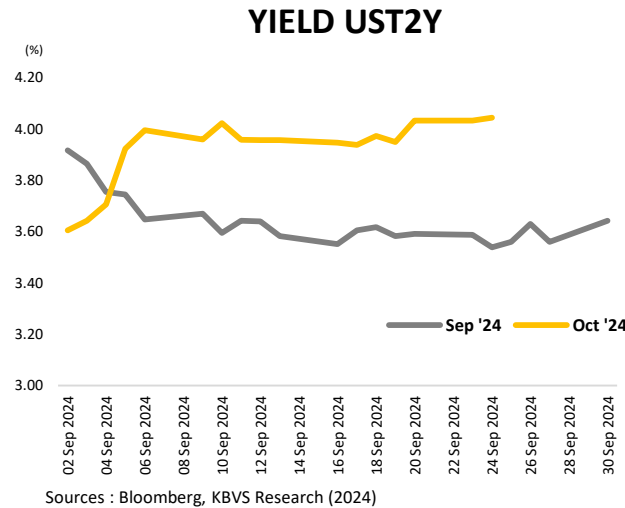
# THE MOVEMENT OF UST YIELDS

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
  - +3.45 bps (WoW)
  - -78.69 bps (YtD, as of Oct 23,'24)
- UST52W (1Y)
  - +7.55 bps (WoW)
  - -51.42 bps (YtD, as of Oct 23,'24)
- UST2Y
  - +11.68 bps (WoW)
  - -19.55 bps (YtD, as of Oct 23,'24)
- UST5Y
  - +18.78 bps (WoW)
  - +18.46 bps (YtD, as of Oct 23,'24)
- UST10Y
  - +21.74 bps (WoW)
  - +35.05 bps (YtD, as of Oct 23,'24)
- UST30Y
  - +22.07 bps (WoW)
  - +48.80 bps (YtD, as of Oct 23,'24)



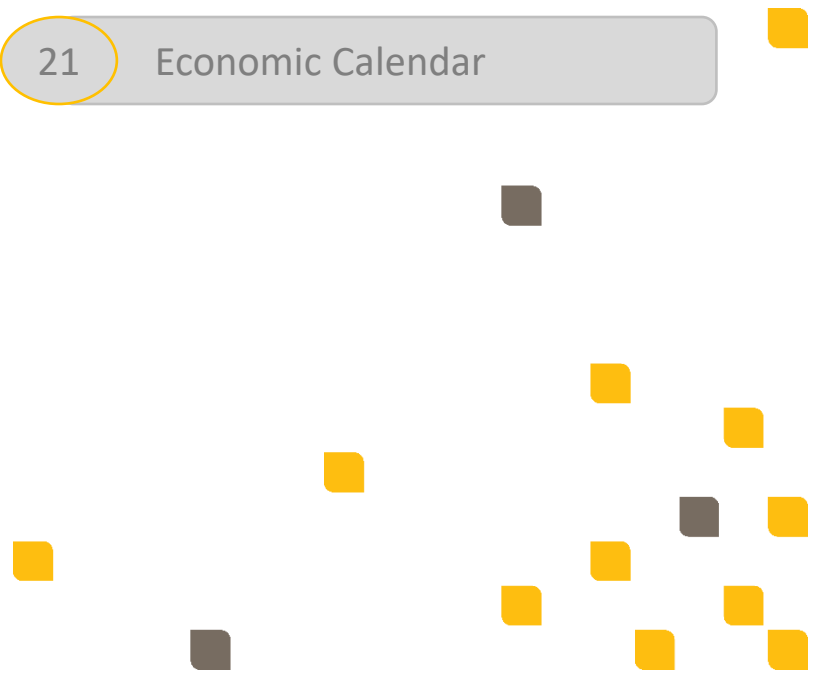


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# INDONESIA ECONOMIC DATA

## INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	16 Oct '24	6.00	6.00
Economic Growth	%, yoy	2Q24	5.05	5.11
Inflation Rate	%, yoy	Sep' 24	1.84	2.12
Unemployment Rate	%	Feb '24	4.82	5.32
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2024)

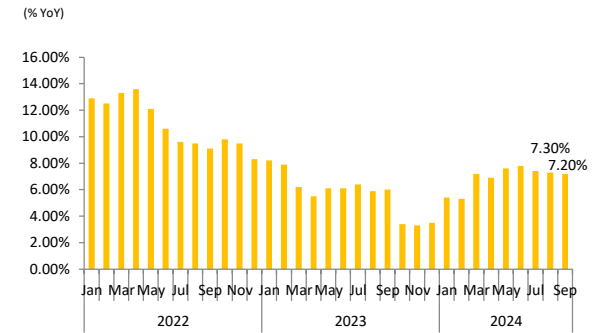
## ECONOMIC CALENDAR

(17-23 OCT '24)

Event	Actual	Forecast	Previous
<b>Thursday, 17 Oct '24</b>			
<b>Friday, 18 Oct '24</b>			
<b>Monday, 19 Oct '24</b>			
<b>Tuesday, 22 Oct '24</b>			
ID M2 Money Supply (YoY) (Sep)	7.20%		7.30%
<b>Wednesday, 23 Oct '24</b>			

Sources : Investing, KBVS Research (2024)

## M2 MONEY SUPPLY



Sources : BI, KBVS Research (2024)

The data releases that influenced yield movements in the week of 17–23 Oct '24 is:

- M2 Money Supply for Sep '24 decreased by 7.20% YoY (Prev: 7.30% YoY).

# FUNDAMENTAL ECONOMIC PERFORMANCE

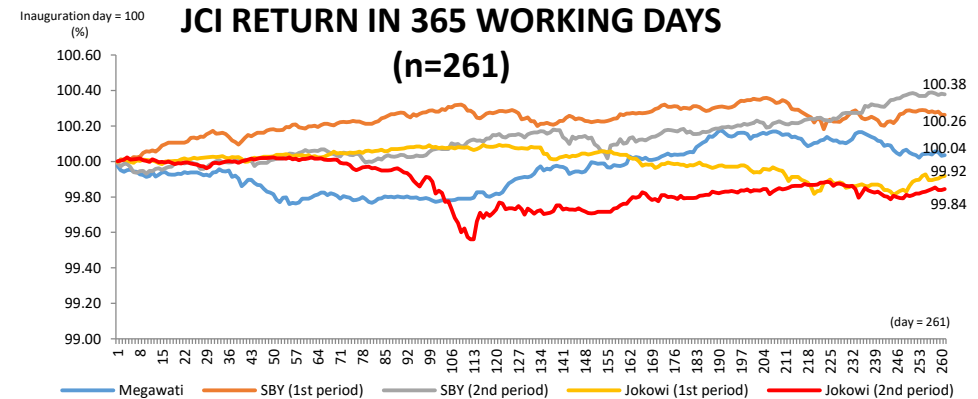
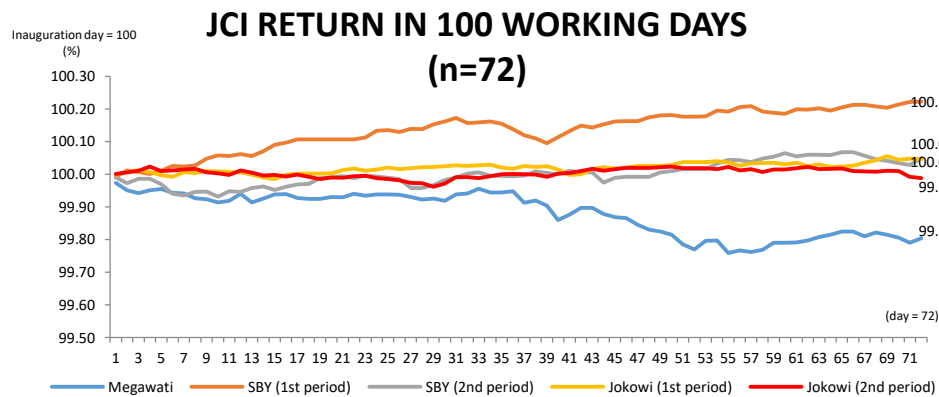
President	Vice President	Start of administration	End of administration
Megawati Soekarnoputri	Hamzah Haz	23 July 2001	20 October 2004
Susilo Bambang Yudhoyono	Jusuf Kalla	20 October 2004	19 October 2009
Susilo Bambang Yudhoyono	Boediono	20 October 2009	19 October 2014
Joko Widodo	Jusuf Kalla	20 October 2014	19 October 2019
Joko Widodo	Ma'ruf Amin	20 October 2019	19 October 2024

President	Megawati Soekarnoputri		Susilo Bambang Y (1 <sup>st</sup> period)		Susilo Bambang Y (2 <sup>nd</sup> period)		Joko Widodo (1 <sup>st</sup> period)		Joko Widodo (2 <sup>nd</sup> period)	
	4Q01	4Q02	4Q04	4Q05	4Q09	4Q10	4Q14	4Q15	4Q19	4Q20
<b>GDP Growth (YoY)</b>	1.56%	4.68%	7.16%	5.11%	5.43%	6.90%	5.05%	5.15%	4.97%	-2.19%
<b>Inflation</b>	12.55%	10.03%	6.40%	17.11%	2.78%	6.96%	8.36%	3.35%	2.72%	1.68%
<b>Debt to GDP</b>	73.70%	62.33%	51.32%	42.61%	26.48%	24.52%	24.70%	27.00%	30.60%	39.70%
<b>Fiscal Deficit</b>	-2.46%	-1.52%	-1.04%	-0.52%	-1.60%	-0.70%	-2.25%	-2.58%	-2.20%	-6.50%
<b>Total Expenditure</b>	IDR342 mn	IDR322 mn	IDR427 mn	IDR510 mn	IDR937 mn	IDR1.04 tn	IDR1.78 tn	IDR1.81 tn	IDR2.31 tn	IDR2.60 tn
<b>Number of Ministers</b>	30		34		34		34		35	
<b>Number of Deputy Ministers</b>	-		-		17		3		18	
<b>Number of Heads of Agencies</b>	3		4		7		9		8	

Sources : US BLS, KBVS Research (2024)

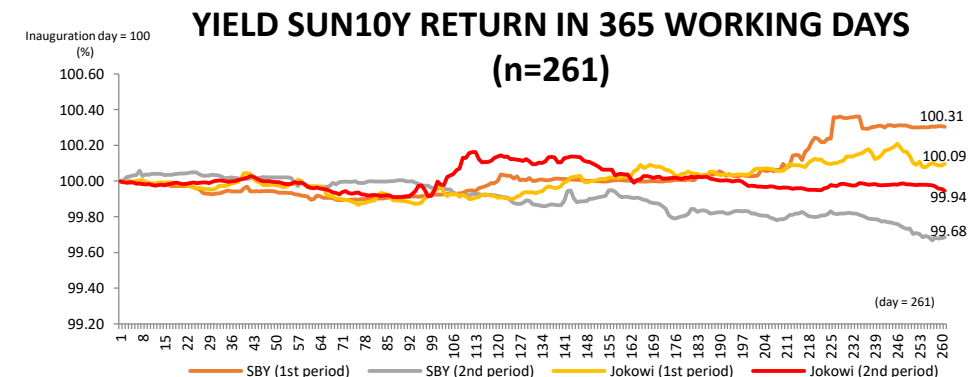
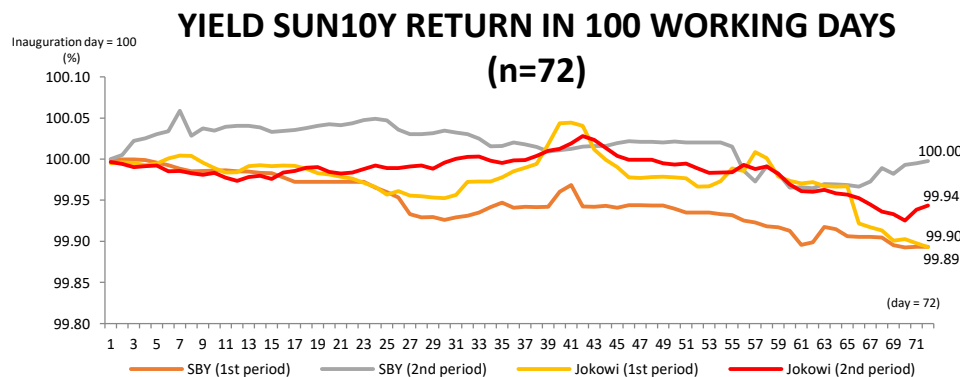
# JCI & SUN's YIELD PERFORMANCE

President	VP	Start of ADM	End of ADM	JCI (n=0)	JCI (n=72)	JCI (n=261)	% SUN 10Y (n=0)	% SUN 10Y (n=72)	% SUN10Y (n=261)
Megawati Soekarnoputri	Hamzah Haz	23 July 2001	20 October 2004	470.23	383.74	477.08	-	-	-
Susilo Bambang Y	Jusuf Kalla	20 October 2004	19 October 2009	840.79	1,046.48	1,075.40	11.13	9.99	14.79
Susilo Bambang Y	Boediono	20 October 2009	19 October 2014	2,502.22	2,619.57	3,578.95	9.85	9.81	7.10
Joko Widodo	Jusuf Kalla	20 October 2014	19 October 2019	5,040.53	5,268.85	4,585.82	8.03	7.19	8.69
Joko Widodo	Ma'ruf Amin	20 October 2019	19 October 2024	6,191.95	6,111.18	5,099.84	7.12	6.72	6.62



Sources : Bloomberg, KBVS Research (2024)

Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)

Sources : Bloomberg, KBVS Research (2024)

# KEY POINTS FROM PRABOWO'S SPEECH (1)

## 1. Bakal berbakti sesuai UUD

"Saya, Prabowo Subianto dan saudara Gibran Rakabuming Raka telah mengucapkan sumpah untuk mempertahankan Undang-Undang Dasar (UUD) kita, untuk menjalankan semua undang-undang yang berlaku untuk berbakti kepada negara dan bangsa."

## 2. Mengutamakan kepentingan seluruh rakyat

"Kami akan menjalankan kepemimpinan pemerintahan Indonesia, kepemimpinan negara dan bangsa Indonesia, dengan tulus, dengan mengutamakan kepentingan seluruh rakyat Indonesia, termasuk mereka yang tidak memilih kami. Kami akan mengutamakan kepentingan bangsa dan rakyat Indonesia di atas segala golongan, apalagi kepentingan pribadi kami."

## 3. Kemerdekaan RI hasil pengorbanan rakyat

"Kemerdekaan kita, kita dapat dengan pengorbanan yang sangat besar. Dan kita harus paham dan ingat selalu pengorbanan yang paling besar adalah pengorbanan dari rakyat kita yang paling miskin, wong cilik, yang berjuang memberi makan kepada pejuang-pejuang. Janganlah kita lupa waktu perang kemerdekaan, kita tidak punya anggaran APBN, pasukan kita tidak digaji. Siapa yang memberi makan? Yang memberi makan adalah para petani di desa-desa, para nelayan, para pekerja. Terus-menerus mereka yang mendirikan Republik Indonesia."

## 4. Korupsi membahayakan negara

"Kita harus menghadapi kenyataan bahwa masih terlalu banyak kebocoran penyelewengan korupsi di negara kita. Ini adalah yang membahayakan masa depan kita dan masa depan anak-anak kita, cucu-cucu kita."

## 5. Banyak pengusaha tidak nasionalis karena korupsi

"Kita harus berani mengakui terlalu banyak kebocoran-kebocoran dari anggaran kita, penyimpangan-penyimpangan, kolusi di antara para pejabat politik, pejabat pemerintah di semua tingkatan, dengan pengusaha-pengusaha yang nakal, pengusaha-pengusaha yang tidak patriotik."

## 6. Masih ada rakyat yang belum menikmati hasil kemerdekaan

"Terlalu banyak saudara-saudara kita yang berada di bawah garis kemiskinan. Terlalu banyak anak-anak yang berangkat sekolah tidak makan pagi. Terlalu banyak anak-anak kita yang tidak punya pakaian untuk berangkat sekolah."

## 7. Pemimpin politik tak boleh merasa cukup dengan angka statistik

"Kita sebagai pemimpin politik, jangan kita terlalu senang melihat angka-angka statistik yang membuat kita terlalu cepat gembira, terlalu cepat puas. Padahal kita belum melihat gambaran sepenuhnya. Kita merasa bangga bahwa kita bisa diterima di kalangan G20, kita merasa bangga bahwa kita disebut ekonomi ke-16 terbesar di dunia. Tapi, apakah kita sungguh-sungguh paham dan melihat gambaran utuh dari keadaan kita?"

## 8. Berani menghadapi dan mengatasi tantangan Indonesia

"Kita tidak boleh memiliki sikap seperti burung unta, kalau melihat sesuatu yang tidak enak memasukkan kepalanya ke dalam tanah. Mari kita menatap ancaman dan bahaya dengan gagah. Marilah kita menghadapi kesulitan dengan berani. Marilah kita berhimpun, bersatu untuk mencari solusi-solusi, jalan keluar dari ancaman dan bahaya tersebut."

## 9. Mencapai swasembada pangan dalam 5 tahun

"Saya sudah mempelajari bersama pakar-pakar yang membantu saya. Saya yakin, paling lambat 4-5 tahun kita akan swasembada pangan. Bahkan kita siap menjadi lumbung pangan dunia."

## 10. Mewujudkan swasembada energi

"Kita juga harus swasembada energi. Dalam keadaan ketegangan, dalam keadaan kemungkinan terjadi perang di mana-mana, kita harus siap dengan kemungkinan yang paling jelek. Negara-negara lain harus memikirkan kepentingan mereka sendiri, kalau terjadi hal yang tidak diinginkan sulit kita mendapat sumber energi dari negara lain."

## 11. Menjadikan sumber nabati, air, dan geothermal sebagai sumber energi

"Tanaman-tanaman seperti kelapa sawit bisa menghasilkan solar dan bensin. Kita juga punya singkong, tebu, sagu, jagung, dan lain-lain. Kita juga punya energi bawah tanah, geothermal yang cukup. Kita punya batu bara yang sangat banyak. [...] Kita juga harus mengelola air dengan baik. Alhamdulillah kita punya sumber air yang cukup dan kita sudah punya teknologi menghasilkan air yang murah dan yang bisa memenuhi kebutuhan kita."

## 12. Subsidi harus langsung sampai ke kepala keluarga

"Juga, semua subsidi bantuan kepada rakyat kita yang masih dalam keadaan susah harus kita yakin subsidi-subsidi itu sampai kepada mereka yang membutuhkan. Kita harus berani meneliti dan kalau perlu kita ubah subsidi itu harus kepada langsung keluarga-keluarga yang membutuhkan."

## 13. Anak-anak harus bisa mengonsumsi makanan bergizi

"Anak-anak kita semua harus bisa makan bergizi minimal 1 kali sehari. Dan itu akan kita lakukan, dan itu bisa kita lakukan."

## 14. Hilirisasi ke semua komoditas

"Kita harus melakukan hilirisasi kepada semua komoditas yang kita miliki. Nilai tambah dari semua komoditas itu harus menambah kekuatan ekonomi kita sehingga rakyat kita bisa mencapai tingkat hidup yang sejahtera. Seluruh komoditas kita harus bisa dinikmati oleh seluruh rakyat Indonesia."

## 15. Tegas melawan korupsi

"Saya sudah katakan, kita harus berani menghadapi dan memberantas korupsi dengan perbaikan sistem, dengan penegakan hukum yang tegas, dengan digitalisasi. Insya Allah kita akan kurangi korupsi secara signifikan."

## 16. Pemimpin harus beri contoh menjadi pejabat bersih

"Pimpinan harus memberi contoh, ing ngarso sung tulodo. Ada pepatah yang mengatakan kalau ikan menjadi busuk, busuknya mulai dari kepala. Semua pejabat dari semua eselon dari semua tingkatan harus memberi contoh untuk menjalankan kepemimpinan pemerintahan yang sebersih-bersihnya. Mulai contoh dari atas dan sesudah itu penegakan hukum yang tegas dan keras."

## 17. Tegakkan kebersamaan, tinggalkan cekcok berkepanjangan

"Di tengah cita-cita yang begitu besar dan idam-idamkan, kita perlu suasana kebersamaan, persatuan, kolaborasi kerja sama, bukan cekcok yang berkepanjangan. Kita perlu pemimpin-pemimpin yang tidak cacik maki, yang arif, bijaksana, mengerti, dan cinta budaya dan sejarah bangsa sendiri yang bangga dengan adat tradisi dan adat bangsa kita sendiri."

## 18. Mewujudkan demokrasi yang santun dan sesuai dengan budaya Indonesia

"Kita menghendaki kehidupan demokrasi. Tapi marilah kita sadar bahwa demokrasi kita harus demokrasi yang khas untuk Indonesia, yang cocok untuk bangsa kita, demokrasi yang berasal dari sejarah dan budaya kita. Demokrasi kita harus demokrasi yang santun, demokrasi di mana berbeda pendapat harus tanpa permusuhan. Demokrasi di mana mengoreksi harus tanpa cacik maki, bertarung tanpa membenci, bertanding tanpa berbuat curang. Demokrasi kita harus demokrasi yang menghindari kekerasan, adu domba, hasut menghasut. Harus yang sejuk, demokrasi yang damai, demokrasi yang menghindari kemunafikan."

## 19. Persatuan dan kerja sama kunci mewujudkan cita-cita leluhur

"Hanya dengan persatuan dan kerja sama kita akan mencapai cita-cita para leluhur bangsa yang gemah ripah lah jinawi tata tentrem kerta raharjo, bangsa yang baldatun tayyibatun warabbun ghofur."

## 20. Kedaulatan adalah milik rakyat

"Kita harus ingat bahwa kekuasaan itu adalah milik rakyat. Kedaulatan itu adalah kedaulatan rakyat. Kita berkuasa seizin rakyat."

## 21. Pemimpin tiap tingkatan menjalankan tugas demi kepentingan rakyat

"Kita menjalankan kekuasaan harus untuk kepentingan rakyat. Kita harus selalu ingat setiap pemimpin dalam setiap tingkatan harus selalu ingat, pekerjaan kita harus untuk rakyat."

# KEY POINTS FROM PRABOWO'S SPEECH (2)

## 21. Pemimpin tiap tingkatan menjalankan tugas demi kepentingan rakyat

"Kita menjalankan kekuasaan harus untuk kepentingan rakyat. Kita harus selalu ingat setiap pemimpin dalam setiap tingkatan harus selalu ingat, pekerjaan kita harus untuk rakyat."

## 22. Bangsa merdeka adalah yang rakyatnya bebas dari kemiskinan dan kelaparan

"Kita harus mengerti selalu sadar selalu bahwa bangsa yang merdeka adalah bangsa di mana rakyatnya merdeka. Rakyat harus bebas dari ketakutan, bebas dari kemiskinan, bebas dari kelaparan, bebas dari kebodohan, bebas dari penindasan, bebas dari penderitaan."

## 23. Masih ada rakyat berusia 70 tahun menarik becak, bukan ciri bangsa merdeka

"Masih ada saudara-saudara kita usianya di atas 70 tahun masih menarik becak. Ini bukan ciri-ciri bangsa yang merdeka. Hanya kalau kita bisa wujudkan keadaan di mana rakyat sungguh merasa dan menikmati kemerdekaan, baru kita boleh sungguh-sungguh puas dan bangga dengan prestasi Indonesia merdeka."

## 24. Menjaga kekayaan alam agar tidak diambil murah oleh negara lain "Mari kita menghimpun dan menjaga semua kekayaan kita. Jangan mau kekayaan kita diambil murah oleh pihak-pihak lain."

## 25. Bekerja sama mencapai kepentingan dan kemakmuran rakyat "Semua kekayaan kita harus sebesar-besarnya untuk kepentingan dan kemakmuran rakyat kita. Dalam sejarah politik, hal ini mudah untuk kita ucapkan, tidak mudah untuk kita capai. Tapi kita bisa capai kalau kita bersatu dan bekerja sama. Marilah kita bangun masa depan bersama. Marilah menganggap rekan-rekan kita walaupun berbeda suku, partai, agama, golongan, kita adalah sama-sama anak Indonesia. Bertanding semangat. Sesudah bertanding, mari kita berhimpun kembali."

## 26. Ajakan untuk bersatu "Presiden Joko Widodo mengalahkan saya, berapa kali ya saya lupa, tapi begitu beliau menang, beliau mengajak saya bersatu, dan saya menerima ajakan itu. Sekarang saya yang menang, dan saya mengajak semua pihak ayo bersatu."

## 27. Politik luar negeri tetap bebas aktif

"Dalam menghadapi dunia internasional, Indonesia memilih jalan bebas aktif nonblok. Kita tidak mau ikut pakta-pakta militer manapun. Kita memilih jalan bersahabat dengan semua negara. Sudah berkali-kali saya canangkan Indonesia akan menjalankan politik luar negeri sebagai negara yang ingin menjadi tetangga yang baik, we want to be a good neighbor. Kita ingin menganut filosofi kuno: seribu kawan terlalu sedikit, satu lawan terlalu banyak."

## 28. Tetap mendukung kemerdekaan Palestina

"Tapi kita punya prinsip, yakni anti penjajahan. Karena kita pernah mengalami penjajahan. Kita anti penindasan, karena kita pernah ditindas. [...] Karena itu kita punya prinsip kita harus solidier membela rakyat yang tertindas di dunia ini. Karena itu kita mendukung kemerdekaan rakyat Palestina."

## 29. Siap kirim bantuan ke Palestina

"Pemerintah Presiden Joko Widodo sudah mengirimkan banyak bantuan. Hari ini kita punya tim medis yang bekerja di Gaza, Raffah, dengan risiko sangat tinggi. Dokter-dokter kita, perawat-perawat kita, sudah bekerja sama dengan saudara dari Uni Emirat Arab (UEA). Dan kita pun siap untuk mengirim bantuan yang lebih banyak, dan siap evakuasi mereka yang luka dan anak-anak yang trauma. Dan korban kita siapkan semua rumah sakit, dan tentara, dan nanti rumah sakit-rumah sakit lain untuk membantu saudara-saudara kita yang menjadi korban perang yang tidak adil."

## 30. Berterima kasih kepada pendahulu bangsa

"Kita bersyukur pada Presiden pertama Bung Karno telah memberi kita ideologi negara, Pancasila. Yang keluar masuk penjara, dibuang di mana-mana dari sejak muda karena memperjuangkan Indonesia merdeka. Indonesia tidak mau menjadi darah bagi bangsa-bangsa lain. Soekarno-Hatta, Syahrir, semua pendiri bangsa berkorban dan memimpin dengan baik."

## 31. Soekarno dengan ideologi Pancasila

"Kita bersyukur pada Presiden pertama Bung Karno telah memberi kita ideologi negara, Pancasila."

## 32. Soeharto memberi dasar bagi Indonesia modern

"Kita juga bersyukur kepada Presiden Soeharto yang banyak jasanya dalam menyelamatkan dan mengamankan ideologi Pancasila itu sendiri. Yang telah meletakkan dasar bagi Indonesia yang modern."

## 33. B.J. Habibie dan pengetahuan teknologi

"Kita berterima kasih kepada Presiden B.J. Habibie yang telah membuat dasar untuk kita meraih dan menguasai ilmu pengetahuan dan teknologi."

## 34. Gus Dur, toleransi, dan inklusivitas

"Kita berterima kasih kepada Presiden Abdurrahman Wahid yang telah memberi contoh toleransi antaragama, antarsuku, yang menjunjung tinggi Indonesia yang inklusif dan toleran."

## 35. Megawati dan krisis ekonomi 98

"Kita berterima kasih kepada Presiden Megawati yang menyelesaikan masalah-masalah ekonomi akibat crash tahun 98. Harus diakui di bawah pemerintahan Megawati, masalah perusahaan-perusahaan yang hancur dapat diperbaiki dan diselamatkan."

## 36. SBY menyelesaikan berbagai krisis

"Kita harus berterima kasih kepada Presiden Susilo Bambang Yudhoyono, yang memimpin Indonesia di saat krisis yang sangat berat, menghadapi tsunami, menyelesaikan bersama Wakil Presiden Jusuf Kalla, menyelesaikan pertikaian di Aceh yang sudah berjalan begitu lama. Ini prestasi yang harus diakui."

## 37. Jokowi sebagai negarawan

"Sekarang, kita ucapkan terima kasih juga kepada Presiden RI ke-7, Presiden Joko Widodo dengan Wakil Presiden Ma'ruf Amin. Terima kasih atas kepemimpinan Bapak, terima kasih atas kenegarawanan Bapak. Bapak telah menakhodai bangsa ini melalui krisis-krisis yang sungguh sangat berat."

## 38. Bangun Indonesia yang dirintis pendahulu, berdasarkan kepribadian bangsa

"Mari kita bangun Indonesia di atas landasan yang sudah dirintis oleh pendahulu-pendahulu kita. Mari kita belajar semua kekurangan. Kita akui dan kita perbaiki. Hentikan dendam, hilangkan kebencian, bangun kerukunan, bangun gotong royong. Itu kepribadian bangsa Indonesia, itu ajaran Bung Karno."

## 39. Misi mencapai Indonesia Emas dan menolak intervensi bangsa lain

"Kami siap melanjutkan estafet kepemimpinan. Kita siap bekerja keras menuju Indonesia Emas, menjadi bangsa yang kuat, merdeka, berdaulat, adil, dan makmur. Kita tidak mau mengganggu siapapun. Kita tidak mau mengganggu bangsa lain, tapi kita juga tidak mengizinkan bangsa manapun mengganggu kita."

# MINISTER OF FINANCE & DEPUTY MINISTER

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**Minister of Finance  
Sri Mulyani**

The specialist in public finance, fiscal policy, and labor economics research and has been elected as Executive Director of the International Monetary Fund (IMF) representing 12 countries in Southeast Asia (SEA Group) since November 1, 2002. On 20 November 2024, she has been re-elected to serve as Minister of Finance. This position is the fifth time for Sri Mulyani to serve in a different cabinet.



**Deputy Minister of Finance  
Thomas A. M. Djwandono**

In 2004, Thomas joined Comexindo International and held the positions of Director of Business Development (2004–2008), Deputy CEO (2008–2009), and CEO in 2010–2024. He also served as Deputy CEO of Arsari Group from 2011 to 2024. Since 2008, Thomas has served as Gerindra's General Treasurer. On 20 November 2024, he has been re-elected to serve as Deputy Minister of Finance.



**Deputy Minister of Finance  
Suahasil Nazara**

Since February 6, 2015, he has carried out his duties as Head of the Fiscal Policy Agency, and on October 31, 2016 was inaugurated by the Minister of Finance as the definitive official of the Head of the Fiscal Policy Agency, Ministry of Finance of the Republic of Indonesia. On 20 November 2024, he has been re-elected to serve as Deputy Minister of Finance.



**Deputy Minister of Finance  
Anggito Abimanyu**

He held the position of Head of the Hajj Financial Management Agency (BPKH) of the Republic of Indonesia from 2017 to 2022, Commissioner of Bank BRI Syariah for the 2015-2017 period, and Chief Economist of Bank BRI in 2014-2017. On 20 November 2024, he has been elected to serve as Deputy Minister of Finance.

# COORDINATING MINISTER FOR ECONOMIC AFFAIRS



**Coordinating Ministry for  
Economic Affairs  
Airlangga Hartarto**

Airlangga was appointed as the Coordinating Minister for Economic Affairs from 2019-2024. Then it continues in Prabowo's Cabinet.



**Minister of Manpower  
Yassierli**

Yassierli is a professor from the Bandung Institute of Technology (ITB). Yassierli is also active in various professional organizations, including being the Chairman of the Expert Council of the Indonesian Ergonomics Association (PEI) for the period 2015-2017.



**Minister of Industry  
Agus Gumiwang Kartasasmita**

Agus Gumiwang previously served as Minister of Industry in the second period of the 7th President of the Republic of Indonesia Joko Widodo (2019-2024). Previously, he was also trusted to be the Minister of Social Affairs by Jokowi towards the end of 2018.



**Minister of Trade  
Budi Santoso**

Budi Santoso served as Secretary General of the Ministry of Trade on August 14, 2024. Prior to this assignment, Budi Santoso was a career official and held several positions within the Ministry of Trade.



**Minister of Energy and Mineral  
Resources  
Bahlil Lahadalia**

Previously, Bahlil served as Minister of Energy and Mineral Resources since August 2024 during the Joko Widodo administration. Previously, he also served as Minister of Investment/Head of the Investment Coordinating Board (BKPM).



**Minister of State-Owned Enterprises  
Erick Thohir**

Previously, Erick Thohir was appointed as Minister of State-Owned Enterprises (SOEs) in the 2019-2024 period. As the founder of Mahaka Group, Erick also served as President Director of ANTV from 2013-2019.



**Minister of Investment and  
Downstreaming/Head of the  
Investment Coordinating Board  
Rosan Perkasa Roeslani**

Previously, Rosan served as deputy minister of SOEs on July 17, 2023. In August 2024, he was appointed by Jokowi as the minister of investment.



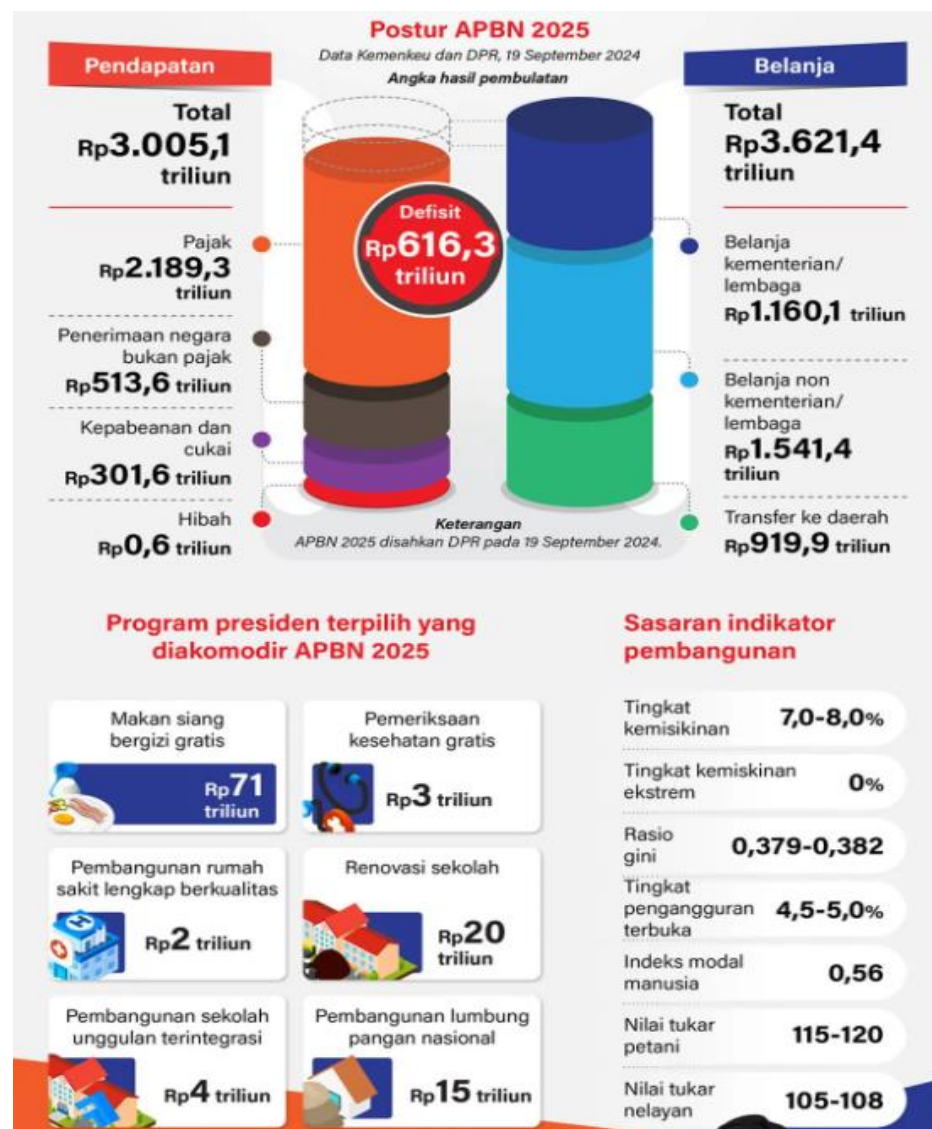
**Minister of Tourism  
Widiyanti Putri Wardhana**

Since 2021, Widiyanti has served as Commissioner at PT Teladan Prima Agro. Widiyanti holds a Bachelor of Science degree in Business Administration from Pepperdine University, Malibu, California in 1993.

# APBN REALIZATION & APBN 2025

	2023	2022	2021	2020	2019
<b>A. Pendapatan Negara</b>	2,774.30	2,635.84	2,011.30	1,633.60	1,957.20
I. Pendapatan Dalam Negeri	2,761.31	2,630.15	2,006.30	1,621.30	1,950.40
1. Penerimaan Perpajakan	2,155.42	2,034.55	1,547.80	1,282.80	1,545.30
a. Pajak	1,869.23	1,716.77	1,278.60	1,070.00	
b. Kepabeanan dan Cukai	286.19	317.78	269.20	212.80	
2. PNBPN	605.89	595.59	458.50	338.50	405.00
II. Penerimaan Hibah	12.99	5.70	5.00	12.30	6.80
<b>B. Belanja Negara</b>	3,121.94	3,096.26	2,786.40	2,589.90	2,310.20
I. Belanja Pemerintah Pusat	2,240.65	2,280.03	2,000.70	1,827.40	1,489.90
1. Belanja K/L	1,153.46	1,084.67		1,055.00	876.40
2. Belanja Non K/L	1,087.18	1,195.35		772.30	622.60
II. Transfer ke Daerah	881.30	816.23	785.70	762.50	811.30
<b>C. Keseimbangan Primer</b>	92.24	74.08	(431.60)		(77.50)
<b>D. Surplus/(Defisit) Anggaran</b>	(347.64)	(460.42)	(775.10)	(956.30)	(353.00)
% Surplus/(Defisit) thd PDB	(1.65)	(2.35)	(4.39)		(2.20)
<b>E. Pembiayaan Anggaran</b>	359.51	590.98	871.70		
SILPA/SiKPA	11.86	130.56			
Net Issuance SBN	308.73	658.82	877.50		446.30
Outstanding SBN	7180.71	6846.89	6090.31		4778.00
Pinjaman	98.23	29.72	-10.10		-17.19
Outstanding Pinjaman	963.98	887.10	818.56		763.79
Debt to GDP	38.59	39.70	40.74		29.80

Source : APBN KITA, MOF-RI, KBVS Research (2024).

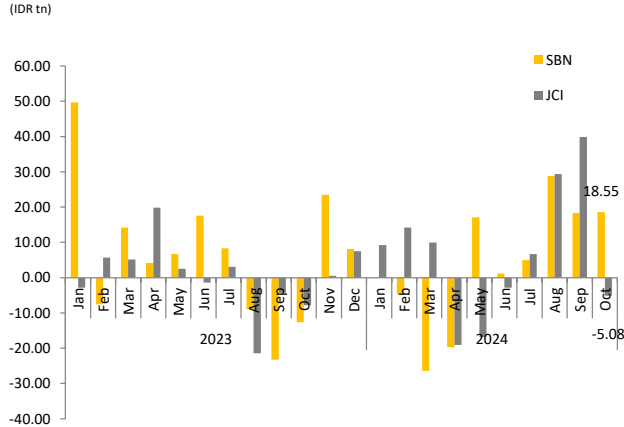


Source : Antaranews (2024), link: <https://www.antaranews.com/infografik/4348163/apbn-2025-siap-dukung-program-presiden-terpilih>



# DEVELOPMENT OF TRADABLE SBN

## CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2024)

Between 17 and 23 Oct '24, non-residents conducted:

- a net buy of tradable SBN amounting to IDR4.21 tn, and
- A net buy of JCI, amounting IDR1.55 tn.

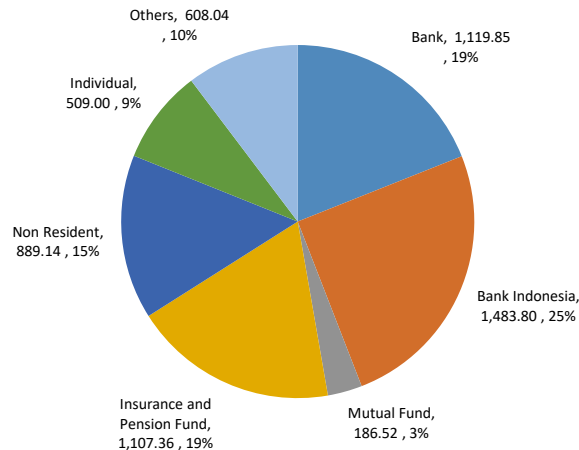
## SUN LATEST AUCTION

15 Oct '24								
Instruments	SPN12250116	SPN12251002	FR0104	FR0103	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	2.11	5.02	12.08	15.21	3.42	2.83	3.60	44.27
Bid to Cover Ratio	-	2.51	1.64	1.36	1.63	3.54	2.32	1.77
Weighted Average Yields Awarded	-	6.100%	6.420%	6.710%	6.810%	6.880%	6.939%	
1 Oct '24								
Instruments	SPN03250101	SPN12251002	FR0104	FR0103	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	2.02	5.89	14.13	14.96	4.82	3.26	1.57	46.65
Bid to Cover Ratio	-	2.95	1.64	2.03	1.18	5.02	1.21	1.94
Weighted Average Yields Awarded	-	5.945%	6.240%	6.530%	6.679%	6.829%	6.889%	

Sources : DJPPR, KBVS Research (2024)

## OWNERSHIP of IDR TRADABLE SBN

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2024)

As of 21 Oct '24, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,483.80 tn (-IDR44.56 tn, WoW),
- Banks : IDR1,119.85 tn (+IDR6.13 tn, WoW), and
- Insurance & Pension Funds: IDR1,107.36 tn (-IDR1.35 tn, WoW)

## SBSN LATEST AUCTION

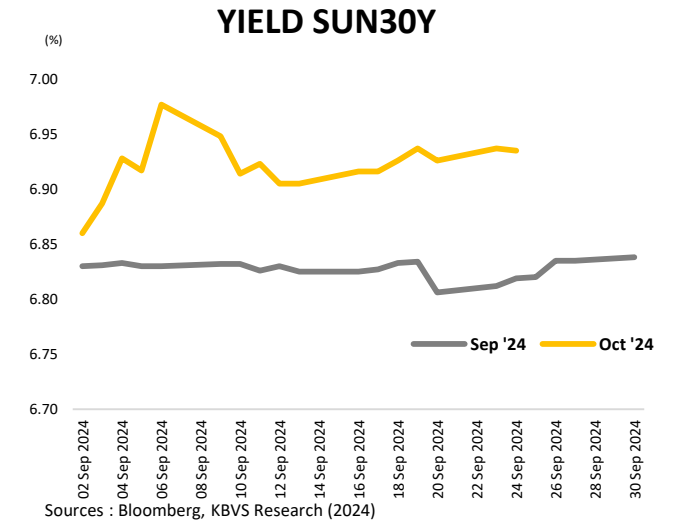
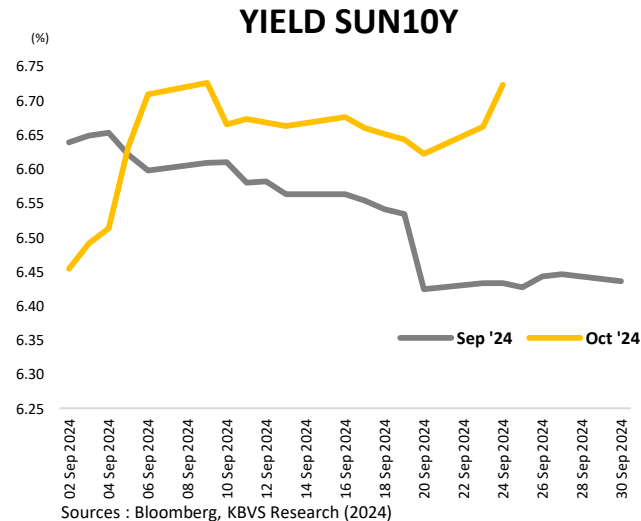
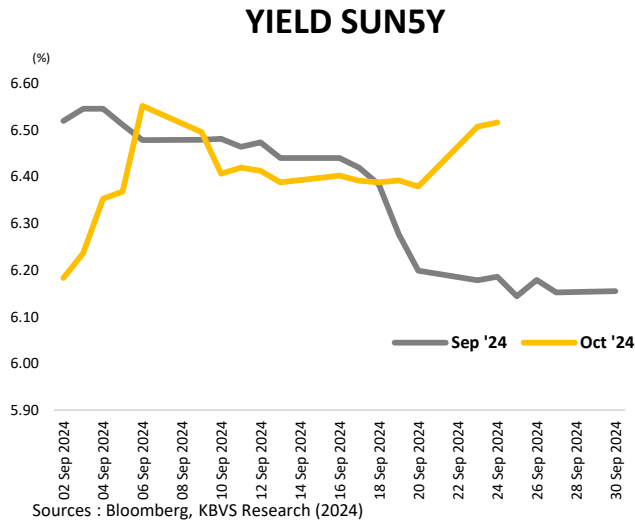
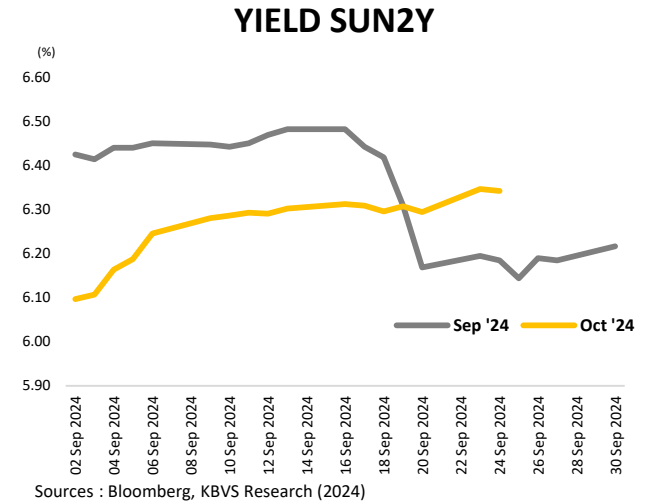
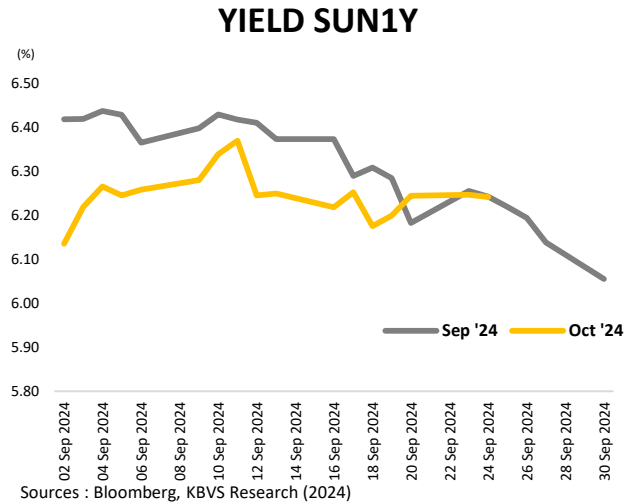
22 Oct '24								
Instruments	SPNS01042025	SPNS07072025	PBS032	PBS030	PBS029	PBS004	PBS038	Total
Incoming Bids (IDR tn)	2.72	3.40	1.72	2.68	1.14	0.86	4.95	17.47
Bid to Cover Ratio	1.21	1.11	2.46	2.68	1.27	5.76	2.54	1.75
Weighted Average Yields Awarded	6.210%	6.250%	6.449%	6.462%	6.680%	6.827%	6.980%	
8 Oct '24								
Instruments	SPNS01042025	SPNS07072025	PBS032	PBS030	PBS004	PBS039	PBS038	Total
Incoming Bids (IDR tn)	2.16	4.37	2.01	2.26	0.26	0.17	3.62	14.85
Bid to Cover Ratio	3.59	1.56	1.15	3.02	2.60	1.71	2.20	1.92
Weighted Average Yields Awarded	6.230%	6.214%	6.399%	6.490%	7.992%	6.896%	7.050%	

Sources : DJPPR, KBVS Research (2024)

# The Movement of SUN Yields

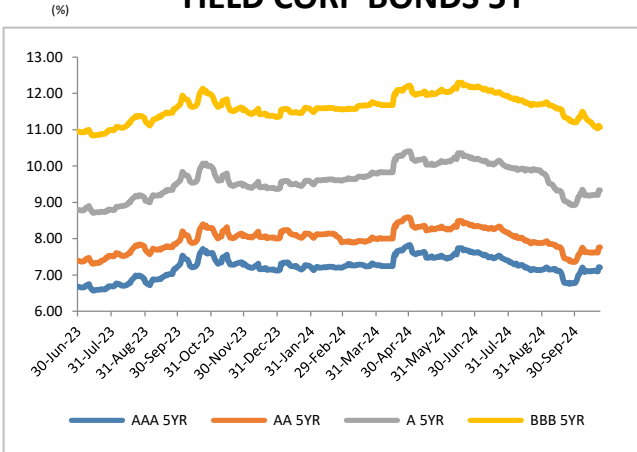
Over the past week, SUN yields moved tends to increased:

- Yield SUN1Y
  - +2.40 bps (WoW)
  - -8.90 bps (YtD, as of Oct 23, '24)
- Yield SUN2Y
  - +2.30 bps (WoW)
  - -5.10 bps (YtD, as of Oct 23, '24)
- Yield SUN5Y
  - +16.40 bps (WoW)
  - +15.40 bps (YtD, as of Oct 23, '24)
- Yield SUN10Y
  - +6.30 bps (WoW)
  - +26.90 bps (YtD, as of Oct 23, '24)
- Yield SUN30Y
  - +5.00 bps (WoW)
  - +11.20 bps (YtD, as of Oct 23, '24)



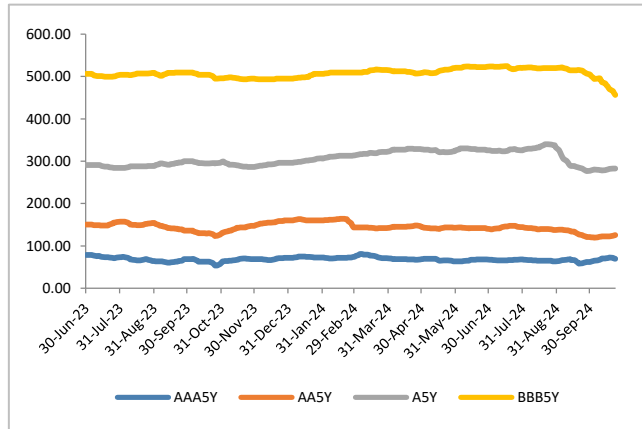
# The Movement of Corporate Bond Yields

## YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

## YIELD SPREAD 5Y TENOR

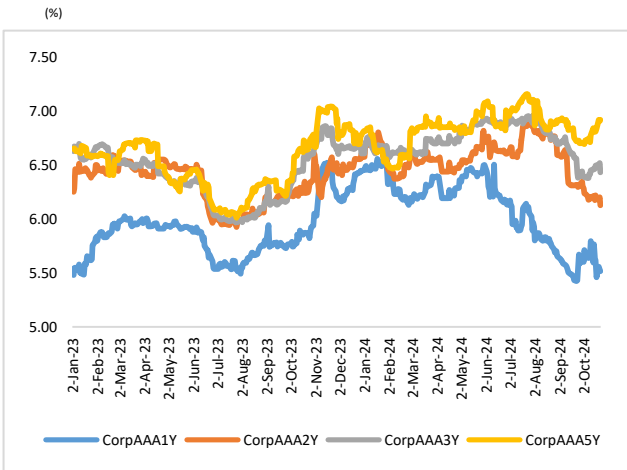


Sources : Bloomberg, KBVS Research (2024)

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

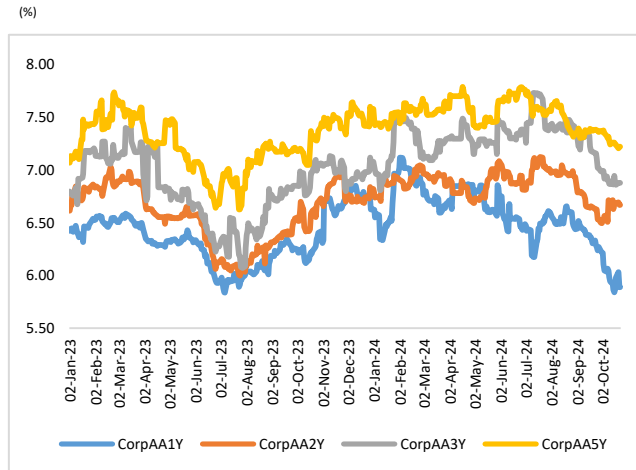
- AAA-rated
  - Tenor 1Y : -12.65 bps (WoW)
  - Tenor 2Y : -10.70 bps (WoW)
  - Tenor 5Y : +9.58 bps (WoW)
- AA-rated
  - Tenor 1Y : -0.95 bps (WoW)
  - Tenor 2Y : -1.12 bps (WoW)
  - Tenor 5Y : -3.93 bps (WoW)
- A-rated
  - Tenor 1Y : -24.32 bps (WoW)
  - Tenor 2Y : +0.98 bps (WoW), and
  - Tenor 5Y : +14.30 bps (WoW)

## YIELD AAA-RATED



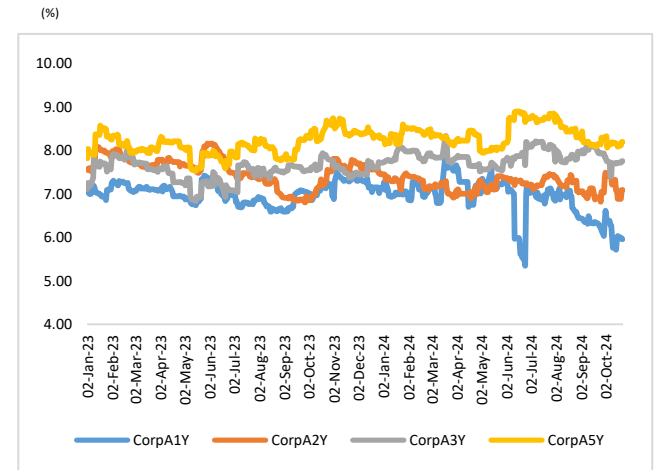
Sources : Bloomberg, KBVS Research (2024)

## YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

## YIELD A-RATED



Sources : Bloomberg, KBVS Research (2024)

# BI'S MONETARY OPERATION

## SRBI's DEVELOPMENT

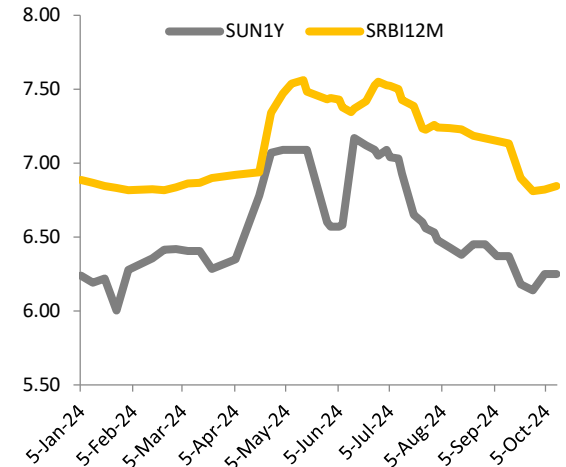
SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24	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
30-Aug-24	7.03	7.12	7.17	16,602.40	12,000.00	1.38
6-Sep-24	7.02	7.11	7.15	18,074.00	10,000.00	1.81
13-Sep-24	7.01	7.10	7.13	33,863.10	10,000.00	3.39
20-Sep-24	6.73	6.84	6.90	46,048.50	19,000.00	2.42
27-Sep-24	6.69	6.78	6.81	22,076.90	19,000.00	1.16
4-Oct-24	6.69	6.78	6.82	18,030.00	15,000.00	1.20
11-Oct-24	6.76	6.79	6.84	21,174.00	18,000.00	1.18

Sources : BI, KBVS Research (2024)

## SVBI's DEVELOPMENT

SVBI	Weighted Yield Average Winner (%)			Bidding Amount (USD mn)	Total Nominal Awarded (US D 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
3-Sep-24	5.34	5.25	4.99	1,019.00	884.00	1.15
10-Sep-24	5.25	5.16	4.85	710.50	644.50	1.10
17-Sep-24	5.21	5.13	4.84	652.00	627.00	1.04
24-Sep-24	5.00	4.84	4.68	311.00	301.00	1.03
1-Oct-24	4.99	4.81	4.60	283.00	283.00	1.00
8-Oct-24	4.98	4.81	4.66	398.00	374.00	1.06
15-Oct-24	4.97	4.80	4.75	435.00	430.00	1.01

Sources : BI, KBVS Research (2024)



Euribor Rates in 21 Oct '24:

- 1 month : 3.145% (Prev: 3.235%)
- 3 months : 3.138% (Prev: 3.215%)
- 6 months : 2.972% (Prev: 3.057%)

Sources : Euribor Rates, KBVS Research (2024)



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# Next Week's Economic Calendar

## ECONOMIC CALENDAR

(24-30 OCT 2024)

Country	Event	Forecast	Previous	Country	Event	Forecast	Previous	Country	Event	Forecast	Previous
<b>Thursday, Oct 24, 2024</b>				<b>Friday, Oct 25, 2024</b>				<b>Monday, Oct 28, 2024</b>			
US	20-Year Bond Auction		4.04%	EU	ECB Lane Speaks						
US	Beige Book			GB	BoE Gov Bailey Speaks						
GB	BoE Gov Bailey Speaks			US	Fed's Balance Sheet		7,039B				
JP	Au Jibun Bank Services PMI (Oct)		53.10	JP	Tokyo Core CPI (YoY) (Oct)	1.70%	2.00%	<b>Tuesday, Oct 29, 2024</b>			
GE	HCOB Manufacturing PMI (Oct)	40.70	40.60	EU	ECB McCaul Speaks			GE	Gfk Consumer Climate (Nov)		-21.20
GE	HCOB Services PMI (Oct)	50.60	50.60	GE	Business Expectations (Oct)	86.60	86.30	US	Goods Trade Balance (Sep)		-94.22B
<b>EU</b>	<b>HCOB Manufacturing PMI (Oct)</b>	<b>45.10</b>	<b>45.00</b>	GE	Current Assessment (Oct)	84.10	84.40	US	Retail Inventories Ex Auto (Sep)		0.50%
EU	HCOB Composite PMI (Oct)	49.70	49.60	GE	Ifo Business Climate Index (Oct)	85.60	85.40	US	S&P/CS HPI Composite - 20 n.s.a. (MoM) (Aug)		0.00%
EU	HCOB Services PMI (Oct)	51.50	51.40	US	Core Durable Goods Orders (MoM) (Sep)	-0.10%	0.50%	US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Aug)		5.90%
GB	S&P Global/CIPS Composite PMI (Oct)		52.60	US	Durable Goods Orders (MoM) (Sep)	-1.10%	0.00%	US	CB Consumer Confidence (Oct)		98.70
GB	Labour Productivity		0.10%	<b>US</b>	<b>Michigan 1-Year Inflation Expectations (Oct)</b>	<b>2.90%</b>	<b>2.70%</b>	<b>US</b>	<b>JOLTS Job Openings (Sep)</b>		<b>8.040M</b>
<b>GB</b>	<b>S&amp;P Global/CIPS Manufacturing PMI (Oct)</b>	<b>51.50</b>	<b>51.50</b>	<b>US</b>	<b>Michigan 5-Year Inflation Expectations (Oct)</b>	<b>3.00%</b>	<b>3.10%</b>	<b>Tuesday, Oct 30, 2024</b>			
GB	S&P Global/CIPS Services PMI (Oct)	52.30	52.40	US	Michigan Consumer Expectations (Oct)	72.90	72.90	GE	Unemployment Change (Oct)		17K
US	Building Permits (Sep)		1,470M	US	Michigan Consumer Sentiment (Oct)	68.90	70.10	GE	Unemployment Rate (Oct)		6.00%
US	Continuing Jobless Claims		1,867K					<b>GE</b>	<b>GDP (QoQ) (Q3)</b>		<b>-0.10%</b>
<b>US</b>	<b>Initial Jobless Claims</b>	<b>243K</b>	<b>241K</b>					<b>GE</b>	<b>GDP (YoY) (Q3)</b>		<b>0.00%</b>
GB	BoE Deputy Governor Woods Speaks							EU	GDP (QoQ) (Q3)		0.20%
GB	BoE MPC Member Mann Speaks							EU	GDP (YoY) (Q3)		0.60%
GE	Buba Vice President Buch Speaks							US	ADP Nonfarm Employment Change (Oct)		143K
<b>US</b>	<b>S&amp;P Global Manufacturing PMI (Oct)</b>	<b>47.50</b>	<b>47.30</b>					US	Core PCE Prices (Q3)		2.80%
US	S&P Global Composite PMI (Oct)		54.00					<b>US</b>	<b>GDP (QoQ) (Q3)</b>		<b>3.00%</b>
US	S&P Global Services PMI (Oct)	55.00	55.20					US	GDP Price Index (QoQ) (Q3)		2.50%
US	New Home Sales (MoM) (Sep)		-4.70%					<b>GE</b>	<b>CPI (MoM) (Oct)</b>		<b>0.00%</b>
<b>US</b>	<b>New Home Sales (Sep)</b>	<b>717K</b>	<b>716K</b>					<b>GE</b>	<b>CPI (YoY) (Oct)</b>		<b>1.60%</b>
EU	ECB McCaul Speaks							US	Pending Home Sales (MoM) (Sep)		0.60%



# KBVS ECONOMIC ASSUMPTIONS

## KBVS ECONOMIC ASSUMPTIONS

Year			Fed Rate (%)			YIELD UST10Y (%)			BI Rate (%)			GDP Growth (% yoy)			Inflation (% YoY)			Rupiah ER (Rp per USD)			Yield SUN10Y (%)		
			Worst	Base	Best	Worst	Base	Best	Worst	Base	Best	Worst	Base	Best	Worst	Base	Best	Worst	Base	Best	Worst	Base	Best
2024	End of Year	3QF	4.75	4.50	4.25	4.04	3.69	3.34	5.75	5.50	5.25	4.61	5.11	5.61	2.90	2.40	1.90	16,266	15,491	14,716	6.63	6.18	5.73
		Dif to 1QF	-1.00	-0.75	-0.75	-0.51	-0.51	-0.51	-0.50	-0.25	0.00	-0.37	-0.37	-0.37	-0.40	-0.40	-0.40	-73	-70	-67	-0.14	-0.14	-0.14
	Average	3QF	5.38	5.13	4.88	4.35	4.00	3.65	6.19	5.94	5.69	4.58	5.08	5.58	3.21	2.71	2.21	16,634	15,842	15,050	7.04	6.59	6.14
		Dif to 1QF	-0.18	-0.18	-0.18	-0.40	-0.40	-0.40	0.09	0.09	0.09	-0.27	-0.27	-0.27	-0.19	-0.19	-0.19	53	51	48	0.15	0.15	0.15
2025	End of Year	3QF	3.75	3.50	3.25	3.85	3.40	2.95	4.75	4.50	4.25	4.52	5.17	5.82	3.15	2.50	1.85	16,970	15,935	14,899	6.40	5.90	5.40
		Dif to 1QF	-1.25	-1.25	-1.25	-0.20	-0.20	-0.20	-0.50	-0.50	-0.50	0.10	0.10	0.10	-0.10	-0.10	-0.10	337	317	296	0.24	0.24	0.24
	Average	3QF	4.13	3.88	3.63	3.96	3.51	3.06	5.19	4.94	4.69	4.39	5.04	5.69	3.10	2.45	1.80	16,954	15,919	14,884	6.54	6.04	5.54
		Dif to 1QF	-0.93	-0.93	-0.93	-0.29	-0.29	-0.29	-0.16	-0.16	-0.16	0.09	0.09	0.09	-0.25	-0.25	-0.25	323	303	283	0.28	0.28	0.28
2026	End of Year	3QF	2.75	2.50	2.25	3.08	2.53	1.98	3.75	3.50	3.25	4.71	5.48	6.25	3.07	2.30	1.53	17,686	16,422	15,157	5.67	5.12	4.57
		Dif to 1QF	-0.75	-0.75	-0.75	0.33	0.33	0.33	0.00	0.00	0.00	-0.04	-0.04	-0.04	-0.10	-0.10	-0.10	897	833	768	-0.13	-0.13	-0.13
	Average	3QF	3.13	2.88	2.63	3.30	2.75	2.20	4.13	3.88	3.63	4.36	5.13	5.90	3.10	2.33	1.56	17,623	16,363	15,103	5.93	5.38	4.83
		Dif to 1QF	-0.53	-0.53	-0.53	0.35	0.35	0.35	0.18	0.18	0.18	0.40	0.40	0.40	-0.07	-0.07	-0.07	1,184	1,099	1,015	-0.04	-0.04	-0.04

Note: 1QF : KBVS forecast at the end of 1Q24,  
3QF : KBVS forecast at the end of 3Q24.

### The assumption regarding the global economic:

- Best Scenario: The gradual decrease of US inflation to a range between 2.4% YoY and 2.9% YoY into the end of 2024. This, in turn, could serve as the basis for a potential decrease in the Fed Rate by another 75 bps in the respective period. Additionally, geopolitical risk are easing, potentially acting as a catalyst for a decline in global oil prices. Both of these conditions are expected to act as catalysts for further reduction in UST yield.
- Base Scenario: The US inflation is expected to decrease to 2.7% - 3.2% YoY, thus the Fed Rate is anticipated to decrease by 100 bps in 2024, resulting in the UST yield approaching the 3.34% to 3.69% level by the end of 2024.
- Worst Scenario: However, if US inflation continues to persist above 3.2%, we are concerned that the Fed will maintain the Fed Rate at 4.75% till the end of 2024 (max 1 x 25 bps decreasing).

Meanwhile, the basic foundational assumption regarding the domestic economic involves:

- Best Scenario: If the Fed Rate could decrease and the USD remains stable, the hope is that BI will be able to lower the BI Rate to 5.25%. Furthermore, this scenario is expected to be supported by domestic political stability during the elections. Then, the financial market, particularly the SUN could be reduced to approach the level of 5.7% in the end of 2024.
- Base Scenario: We anticipate a scenario of 2 x 25 bps decrease in the Fed Rate, leading BI Rate to 5.50% at the end of 2024, with the Rupiah expected to around IDR15,491 per USD. Hopefully, the yield of SUN10Y is expected to decrease to 6.18% by the end of 2024.
- Worst Scenario: If the risk-off market sentiment persists, we are concerned that BI rate may only reduce by another 25 bps to 5.75% until the end of 2024. This is also concerning at a time when the Rupiah and domestic inflation are at the upper bounds of the BI's and gov't target. This could result in the possibility of SUN10Y yield reaching the 6.6% level at the respective period.