

Will the BI Rate Follow the Fed Rate Cut?

12 September 2024

Economist / Fikri C Permana

Executive Summary

- The decline in the U.S. unemployment rate to 4.2% is seen as a positive signal amidst growing concerns over a potential hard landing in the U.S. economy.
- At the same time, the second and final U.S. presidential debate between Harris and Trump is expected to shift the support of swing states more favorably toward Harris.
- The upcoming release of the U.S. CPI will be a key determinant of whether the Fed Rate will be cut in the upcoming FOMC meeting on September 18.

- Meanwhile, Indonesia's foreign exchange reserves have surged to an all-time high of USD 150.20 billion, providing a cushion for Rupiah stability.
- On top of that, the issuance of a global bond worth USD1.8 bn and EUR750 mn on September 4, 2024, further bolsters Indonesia's financial position.
- With inflation in August 2024 maintained at 2.12% YoY and global oil prices declining, we anticipate that Bank Indonesia (BI) will follow the Fed's expected rate cut, with at least a 25 bps reduction during BI's Board of Governors meeting on September 18.

Macro Matters

Unemployment falls, suggests orderly US labor-market slowdown

By Lucia Mutikani

September 7, 2024 3:12 AM GMT+7 · Updated 4 days ago



Source: Reuters Sep 7th, '24, 2024, link:

<https://www.reuters.com/markets/us/us-job-growth-misses-expectations-august-unemployment-rate-slips-42-2024-09-06/>

Cadangan Devisa RI US\$150,2 Miliar per Agustus 2024, Naik 4 Bulan Beruntun

Posisi caddev Indonesia Agustus 2024 dipengaruhi oleh penerimaan pajak dan jasa, penerimaan devisa migas, hingga penarikan pinjaman luar negeri pemerintah.

Surya Dua Artha Simanjuntak - Bisnis.com
Jumat, 6 September 2024 | 10:55

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Ilustrasi cadangan devisa Indonesia dalam mata uang dolar AS. JIBI/Bisnis/Abdurachman

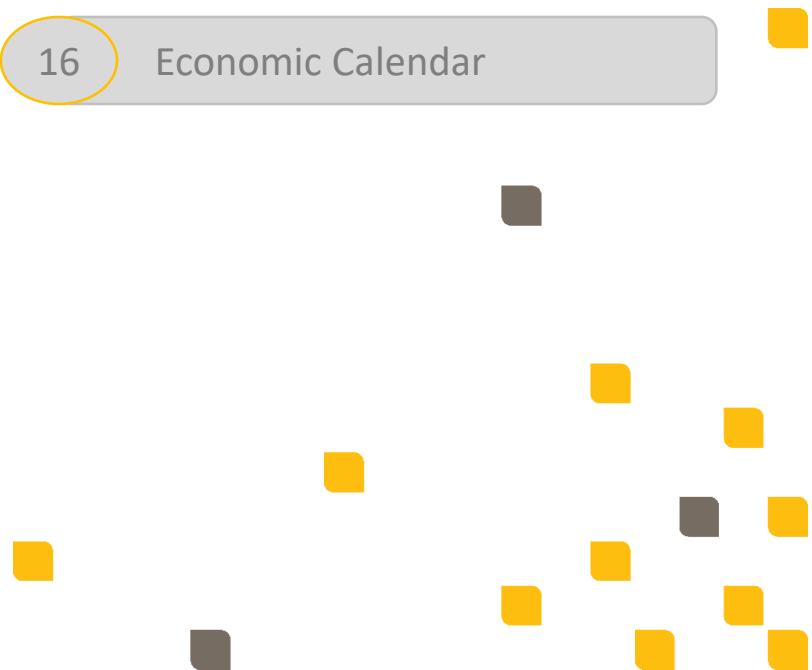
Source: Bisnis Indonesia, Sep 6th, 2024, link:

<https://finansial.bisnis.com/read/20240906/11/1797476/cadangan-devisa-ri-us1502-miliar-per-agustus-2024-naik-4-bulan-beruntun>



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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Aug '24	5.5	5.5
Economic Growth	%, yoy	2Q24	3.1	2.9
Inflation Rate	%, yoy	Jul'24	2.9	3.0
Unemployment Rate	%	Aug'24	4.2	4.3

Sources : various sources, KBVS Research (2024)

The data releases that influenced yield movements in the week of 5 Sep – 11 Sep '24 are as follows:

- The number of people claiming unemployment benefits on the period ending Aug 24th in the US fell by 2K to 231K (Cons: 232K, Prev: 233K).
- The US economy in Aug '24 added 142K jobs (Cons: 160K, Prev: 89K).
- Average hourly earnings for all employees on US private nonfarm payrolls for Aug '24 increased by 14 cents, or 0.4% MoM (Cons: 0.3% MoM, Prev: -0.1% MoM) to USD35.21.
- US unemployment rate in Aug '24 eased to 4.2% (Cons: 4.2%, Prev: 4.3%).
- The Manheim Used Vehicle Value Index for the US in Aug '24 increased 1.2% MoM (Prev: 2.8% MoM).
- The NFIB Small Business Optimism Index in the US for Aug '24 decreased to 91.2 (Cons: 93.6, Prev: 93.7), the lowest in three months.

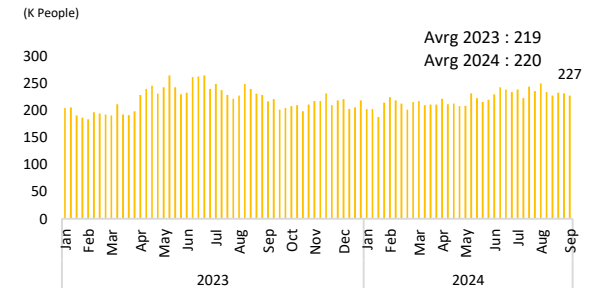
ECONOMIC CALENDAR

(5-11 SEP '24)

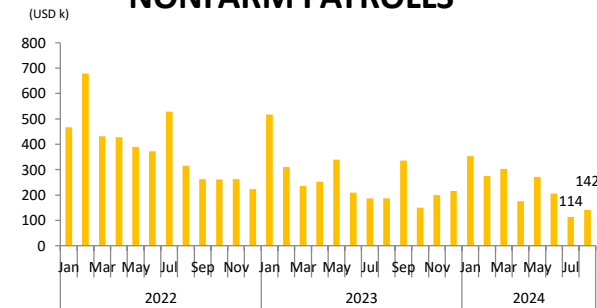
Event	Actual	Forecast	Previous
Thursday, 5 Sep '24			
US Beige Book			
US API Weekly Crude Oil Stock	-7.400M	-0.900M	-3.400M
US ADP Nonfarm Employment Change (Aug)	99K	144K	111K
US Continuing Jobless Claims	1,838K	1,870K	1,860K
US Initial Jobless Claims	227K	231K	232K
US Nonfarm Productivity (QoQ) (Q2)	2.50%	2.30%	0.20%
US Unit Labor Costs (QoQ) (Q2)	0.40%	0.90%	4.00%
US S&P Global Composite PMI (Aug)	54.60	54.10	54.30
US S&P Global Services PMI (Aug)	55.70	55.20	55.00
US ISM Non-Manufacturing Employment (Aug)	50.20	50.50	51.10
US ISM Non-Manufacturing PMI (Aug)	51.50	51.30	51.40
US ISM Non-Manufacturing Prices (Aug)	57.30	56.00	57.00
US Crude Oil Inventories	6.873M	-0.600M	-0.846M
US Cushing Crude Oil Inventories	-1.142M		-0.668M
Friday, 6 Sep '24			
US Fed's Balance Sheet	7.113B		7.123B
US Average Hourly Earnings (YoY) (Aug)	3.80%	3.70%	3.60%
US Average Hourly Earnings (MoM) (Aug)	0.40%	0.30%	-0.10%
US Nonfarm Payrolls (Aug)	142K	164K	89K
US Participation Rate (Aug)	62.70%		62.70%
US Private Nonfarm Payrolls (Aug)	118K	139K	74K
US U6 Unemployment Rate (Aug)	7.90%		7.80%
US Unemployment Rate (Aug)	4.20%	4.20%	4.30%
US FOMC Member Williams Speaks			
US Fed Waller Speaks			
Monday, 9 Sep '24			
US NY Fed 1-Year Consumer Inflation Expectations (Aug)	3.00%		3.00%
US Atlanta Fed GDP Now (Q3)	2.50%	2.10%	2.10%
Tuesday, 10 Sep '24			
US Consumer Credit (Jul)	25.45B	12.30B	5.23B
US OPEC Monthly Report			
US Fed Vice Chair for Supervision Barr Speaks			
US EIA Short-Term Energy Outlook			
US FOMC Member Bowman Speaks			
Wednesday, 11 Sep '24			
US 3-Year Note Auction	3.44%		3.81%
US API Weekly Crude Oil Stock	-2.790M	0.700M	-7.400M
US Core CPI (MoM) (Aug)		0.20%	0.20%
US Core CPI (YoY) (Aug)		3.20%	3.20%
US CPI (YoY) (Aug)		2.60%	2.90%
US CPI (MoM) (Aug)		0.20%	0.20%
GE Buba Vice President Buch Speaks			
US Crude Oil Inventories			-6.873M
US Cushing Crude Oil Inventories			-1.142M

Sources : investing, KBVS Research (2024)

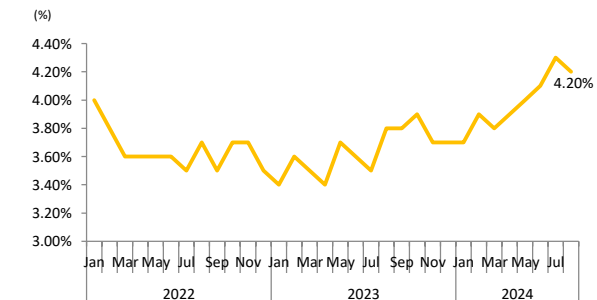
WEEKLY INITIAL JOBLESS CLAIMS



NONFARM PAYROLLS

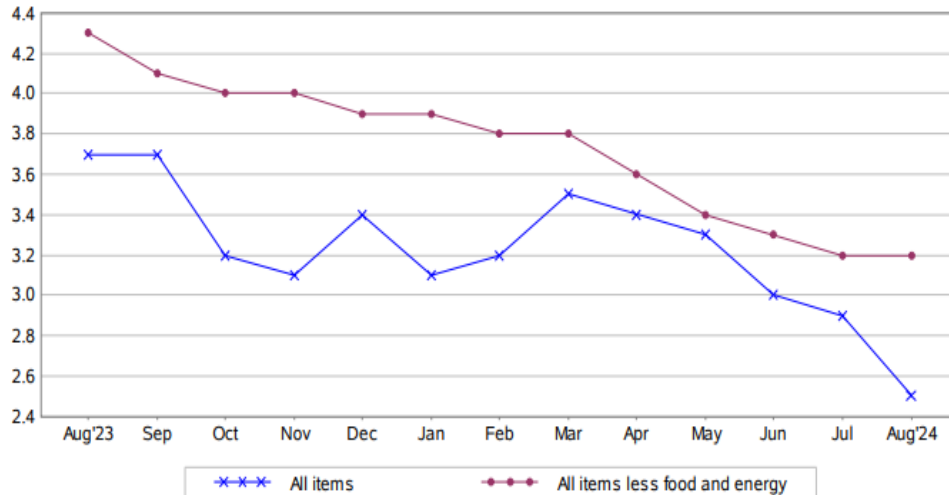


UNEMPLOYMENT RATE



US CPI

CPI INFLATION



Source : US BLS (2024)

- The release of the core Consumer Price Inflation (CPI) rate in the United States for Aug '24, which excludes volatile items such as food and energy, showed a higher-than-expected monthly increase of 0.3% MoM or 3.2% YoY (Cons: 0.2% MoM or 3.2% YoY; Prev: 0.2% MoM or 3.2% YoY).
- Meanwhile, the headline CPI for Aug '24 was in line with expectations, standing at 0.2% MoM or 2.5% YoY (Cons: 0.2% MoM or 2.5% YoY; Prev: 0.2% MoM or 2.5% YoY).
- Inflationary pressures in the US remain driven by the services sector, particularly Motor Vehicle Insurance, which rose by 16.5% YoY, followed by Tobacco & Smoking Products, which increased by 8.4% YoY.
- On the other hand, the decline in global energy prices has had a positive effect, helping to ease inflationary pressures, particularly in fuel oil (-12.1% YoY) and Used Cars & Trucks (-10.4% YoY).

US CPI BY EXPENDITURE CATEGORY

[1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Jul. 2024	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Aug. 2023	Jul. 2024	Aug. 2024	Aug. 2024	Jul. 2024	May 2024-Jun. 2024	Jun. 2024-Jul. 2024	Jul. 2024-Aug. 2024
All items.....	100.000	307.026	314.540	314.796	2.5	0.1	-0.1	0.2	0.2
Food.....	13.429	324.100	330.561	330.750	2.1	0.1	0.2	0.2	0.1
Food at home.....	8.060	303.716	306.643	306.402	0.9	-0.1	0.1	0.1	0.0
Cereals and bakery products.....	1.047	356.563	356.525	355.652	-0.3	-0.2	-0.1	-0.5	-0.1
Meats, poultry, fish, and eggs.....	1.716	318.944	327.013	329.108	3.2	0.6	0.2	0.7	0.8
Dairy and related products.....	0.731	268.281	268.653	269.468	0.4	0.3	0.6	-0.2	0.5
Fruits and vegetables.....	1.378	350.428	350.962	349.599	-0.2	-0.4	-0.5	0.8	-0.2
Nonalcoholic beverages and beverage materials.....	1.022	216.642	220.129	219.381	1.3	-0.3	0.1	0.5	-0.7
Other food at home.....	2.166	271.648	273.643	272.612	0.4	-0.4	0.5	-0.5	-0.3
Food away from home ¹	5.369	356.083	369.383	370.348	4.0	0.3	0.4	0.2	0.3
Energy.....	6.935	294.328	287.868	282.614	-4.0	-1.8	-2.0	0.0	-0.8
Energy commodities.....	3.784	342.996	316.799	308.297	-10.1	-2.7	-3.7	0.1	-0.6
Fuel oil.....	0.076	397.444	363.140	349.383	-12.1	-3.8	-2.4	0.9	-1.9
Motor fuel.....	3.630	338.207	311.534	303.089	-10.4	-2.7	-3.7	0.0	-0.6
Gasoline (all types).....	3.528	336.979	310.915	302.419	-10.3	-2.7	-3.8	0.0	-0.6
Energy services.....	3.151	260.448	270.573	268.419	3.1	-0.8	-0.1	-0.1	-0.9
Electricity.....	2.493	270.752	283.415	281.333	3.9	-0.7	-0.7	0.1	-0.7
Utility (piped) gas service.....	0.658	224.539	226.593	224.259	-0.1	-1.0	2.4	-0.7	-1.9
All items less food and energy.....	79.636	310.103	319.214	320.017	3.2	0.3	0.1	0.2	0.3
Commodities less food and energy commodities.....	18.450	168.029	164.836	164.912	-1.9	0.0	-0.1	-0.3	-0.2
Apparel.....	2.521	131.262	129.466	131.683	0.3	1.7	0.1	-0.4	0.3
New vehicles.....	3.584	179.691	177.840	177.534	-1.2	-0.2	-0.2	-0.2	0.0
Used cars and trucks.....	1.890	198.768	179.579	178.192	-10.4	-0.8	-1.5	-2.3	-1.0
Medical care commodities ¹	1.477	408.437	417.465	416.538	2.0	-0.2	0.2	0.2	-0.2
Alcoholic beverages.....	0.842	285.859	291.088	291.432	1.9	0.1	0.2	0.3	0.0
Tobacco and smoking products ¹	0.549	1,440.574	1,543.823	1,562.042	8.4	1.2	0.5	0.2	1.2
Services less energy services.....	61.185	399.219	417.592	418.903	4.9	0.3	0.1	0.3	0.4
Shelter.....	36.392	383.221	401.545	403.257	5.2	0.4	0.2	0.4	0.5
Rent of primary residence.....	7.662	402.247	420.577	422.223	5.0	0.4	0.3	0.5	0.4
Owners' equivalent rent of residences ²	26.825	392.794	411.880	413.924	5.4	0.5	0.3	0.4	0.5
Medical care services.....	6.478	592.913	611.137	611.935	3.2	0.1	0.2	-0.3	-0.1
Physicians' services ¹	1.797	413.877	416.312	416.370	0.6	0.0	0.1	0.1	0.0
Hospital services ^{1,3}		391.678	412.926				0.1	-1.1	
Transportation services.....	6.459	400.016	431.196	431.564	7.9	0.1	-0.5	0.4	0.9
Motor vehicle maintenance and repair ¹	1.240	391.395	405.109	407.374	4.1	0.6	0.2	-0.3	0.6
Motor vehicle insurance.....	2.972	733.141	851.007	854.307	16.5	0.4	0.9	1.2	0.6
Airline fares.....	0.741	246.185	246.222	243.011	-1.3	-1.3	-5.0	-1.6	3.9

¹ Not seasonally adjusted.

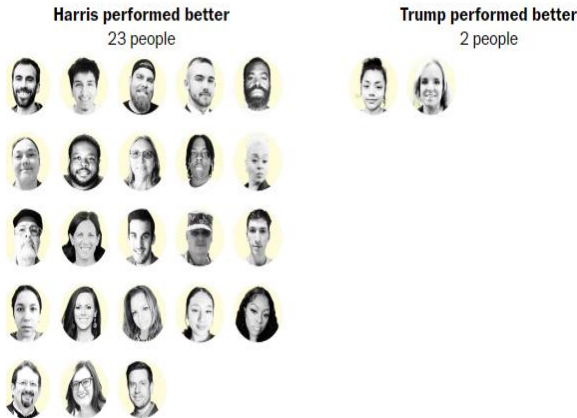
² Indexes on a December 1982=100 base.

³ Indexes on a December 1996=100 base.

Sources : US BLS (2024)

US 2nd PRESIDENTIAL DEBATE : TONIGHT, SHE WON

WHO WON THE DEBATE? (SWING-STATE VOTERS)



Sources : Washington Post (2024), link : <https://www.washingtonpost.com/elections/interactive/2024/presidential-debate-voter-poll/>

US CALENDAR FOR NOV '24 – Jan '25

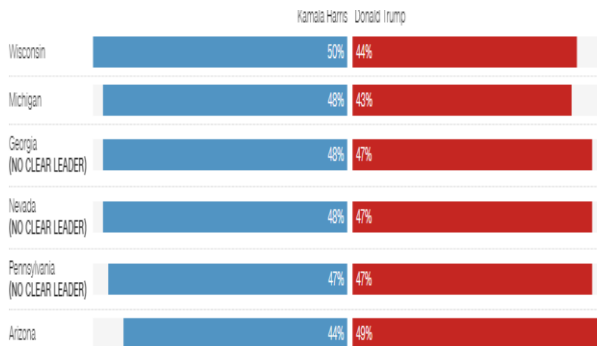
November 2024							December 2024							January 2025						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2	1	2	3	4	5	6	7				1	2	3	4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30	31	
1:●	9:●	15:○	22:●				1:●	8:○	15:○	22:●	30:●			6:●	13:○	21:●	29:●			

Holidays and Observances:

- Nov 5, 2024 Election Day
- Nov 11, 2024 Veterans Day
- Nov 28, 2024 Thanksgiving Day
- Nov 29, 2024 Black Friday
- Dec 24, 2024 Christmas Eve
- Dec 25, 2024 Christmas Day
- Dec 31, 2024 New Year's Eve
- Jan 1, 2025 New Year's Day
- Jan 20, 2025 Martin Luther King Jr. Day
- Jan 20, 2025 Inauguration Day (DC, MD*, VA*)

Sources : time&date, KBVS Research (2024), link : <https://www.timeanddate.com/calendar/custom.html?month=11&months=3&country=1&typ=2&display=3&df=1>

POLLINGS BEFORE 2ND DEBATE IN SEVERAL KEY SWING STATES



Sources : CNN (2024), link : <https://edition.cnn.com/2024/09/04/politics/cnn-polls-battleground-states/index.html>

Nov 5th, election day

Polls open on a Tuesday in early November, though early voting and mail-in ballot initiatives will mean many Americans will have already voted. Counting ballots will go on for weeks in some states.

Jan 6th 2025, results certification

Once all votes are counted, the results must be certified by Congress.

Jan 20th 2025, inauguration

The new president will be sworn into office on the steps of the Capitol building in Washington, DC.

FED PROBABILITIES AND THEIR IMPACT

FED PROBABILITIES, as of 12 SEP '24

MEETING DATE	FED PROBABILITIES												
	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525
18-Sep-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.0%	85.0%
7-Nov-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.5%	45.3%	48.2%	0.0%
18-Dec-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.8%	29.4%	47.0%	19.7%	0.0%	0.0%
29-Jan-25	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	16.5%	38.2%	33.5%	9.9%	0.0%	0.0%	0.0%
19-Mar-25	0.0%	0.0%	0.0%	0.7%	7.5%	24.8%	36.4%	24.5%	6.2%	0.0%	0.0%	0.0%	0.0%
30-Apr-25	0.0%	0.0%	0.7%	7.4%	24.7%	36.3%	24.6%	6.2%	0.0%	0.0%	0.0%	0.0%	0.0%
18-Jun-24	0.0%	0.5%	5.8%	20.5%	33.5%	27.4%	10.7%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
30-Jul-24	0.3%	3.2%	13.1%	27.0%	30.5%	19.1%	6.1%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%

Sources : CME Group, and KBVS Research (2024)

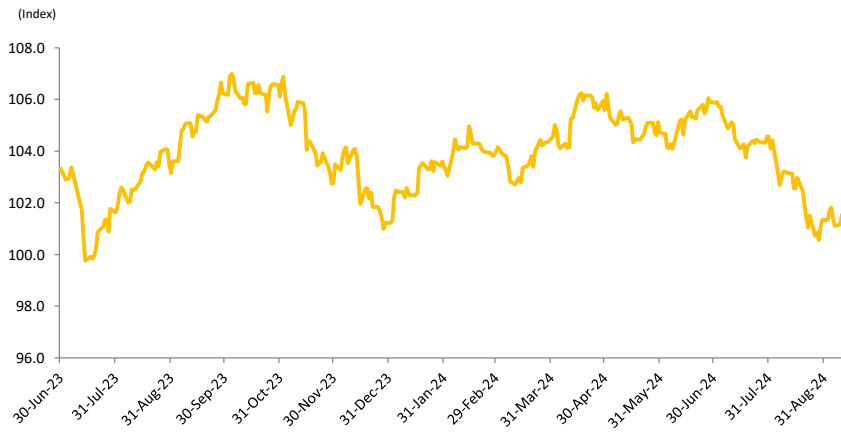
- On one hand, the higher core CPI has pushed the DXY to a higher level. At the same time, rising expectations of a Harris victory are opening the door to a more stable US economy and a declining DXY.

- The tug-of-war between these two key sentiments has caused the DXY to rise by 0.70% week-on-week since August 19, 2024. This is in line with the depreciation of its peers against the USD, namely:

- JPY 0.61%
- CAD 0.62%
- EUR 0.92%
- CHF 1.03%
- GBP 1.08%
- SEK 1.39%

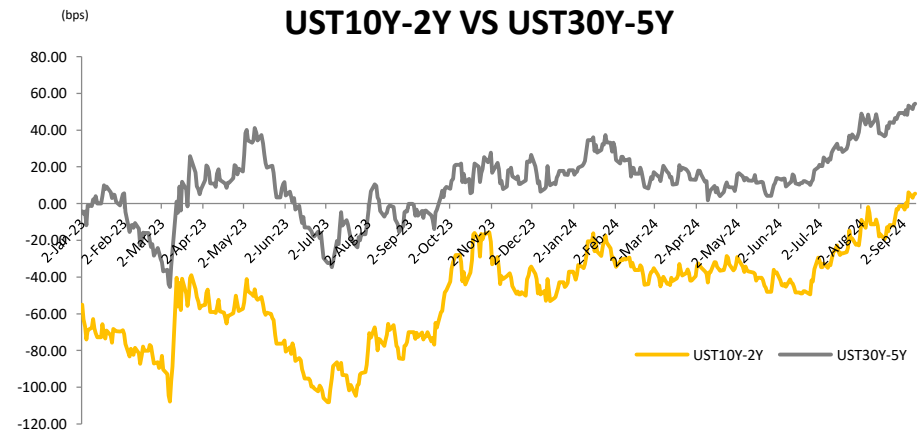
- At the same time, the inverted yield curve between the US 2-year and 10-year Treasury yields ended on Sep 9, '24..

DXY



Sources : Bloomberg, and KBVS Research (2024)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2024)

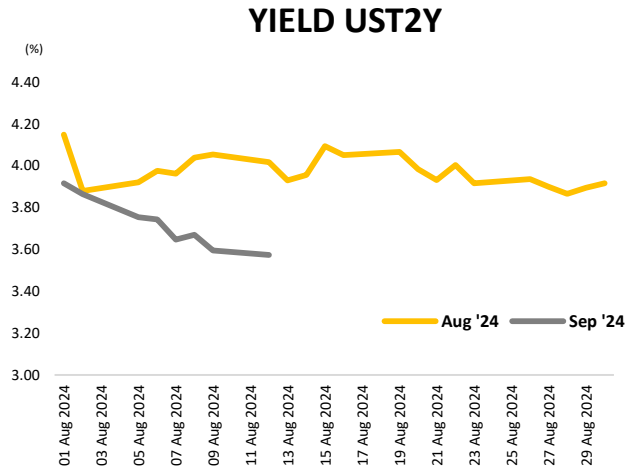
THE MOVEMENT OF UST YIELDS

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

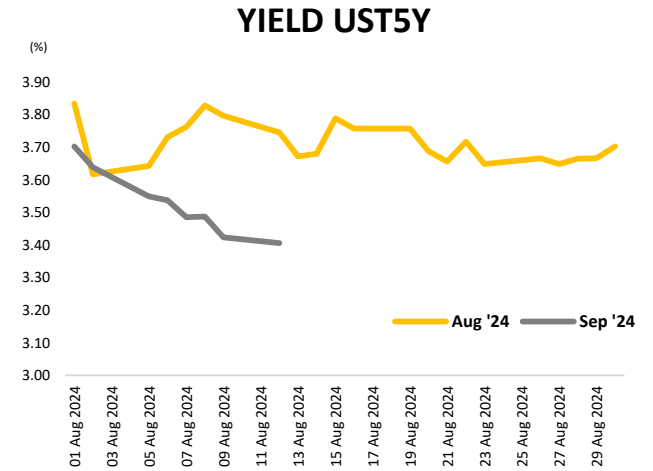
Sources : US Treasury, KBVS Research (2024)

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

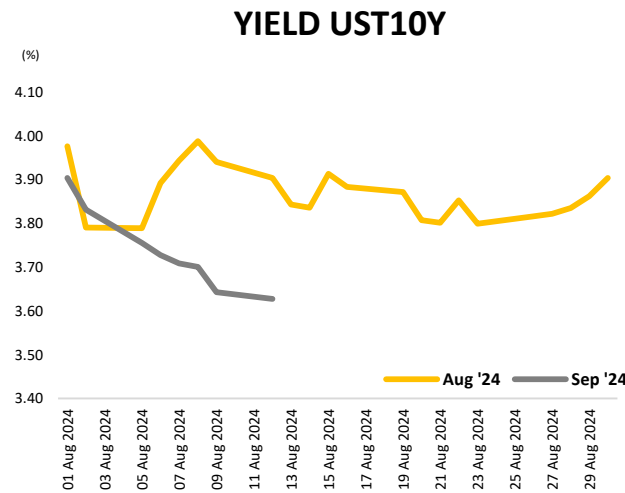
- UST6M
 - -11.15 bps (WoW)
 - -59.87 bps (YtD, as of Sep 11, '24)
- UST52W (1Y)
 - -20.16 bps (WoW)
 - -75.13 bps (YtD, as of Sep 11, '24)
- UST2Y
 - -18.90 bps (WoW)
 - -68.50 bps (YtD, as of Sep 11, '24)
- UST5Y
 - -15.51 bps (WoW)
 - -45.31 bps (YtD, as of Sep 11, '24)
- UST10Y
 - -13.91 bps (WoW)
 - -26.30 bps (YtD, as of Sep 11, '24)
- UST30Y
 - -12.24 bps (WoW)
 - -9.28 bps (YtD, as of Sep 11, '24)



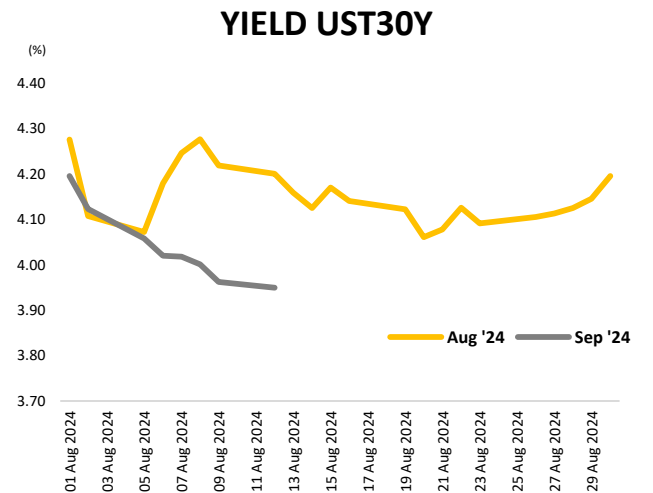
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)

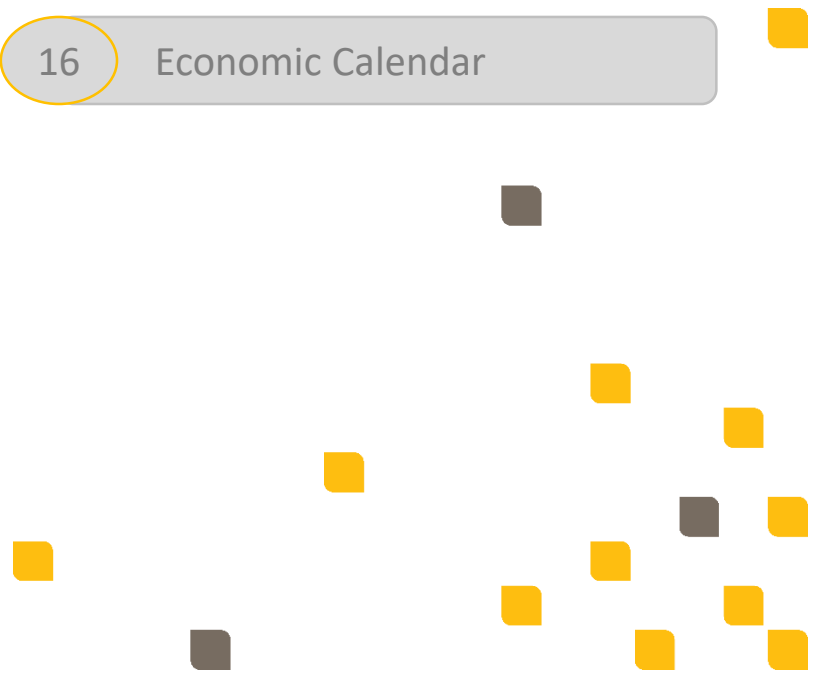


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INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	21 Aug '24	6.25	6.25
Economic Growth	%, yoy	2Q24	5.05	5.11
Inflation Rate	%, yoy	Aug '24	2.12	2.13
Unemployment Rate	%	Feb '24	4.82	5.32
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2024)

The data releases that influenced yield movements in the week of 5 – 11 Sep '24 are as follows:

- Foreign exchange reserves in Indonesia for Aug '24 surged to a record high of USD150.2 bn (Prev: USD 145.4 bn).
- Motorbike sales in Aug '24 increased 7.4% YoY (Prev: 26.0% YoY).
- Car sales for Aug '24 dropped -14.2% YoY (Prev: -7.8% YoY) to 76,304 units.
- Indonesia's consumer confidence in Aug '24 rose to a three-month high of 124.4 (Prev: 123.4).
- Retail sales in Jul '24 increased by 4.5 YoY (Prev: 2.7% YoY).

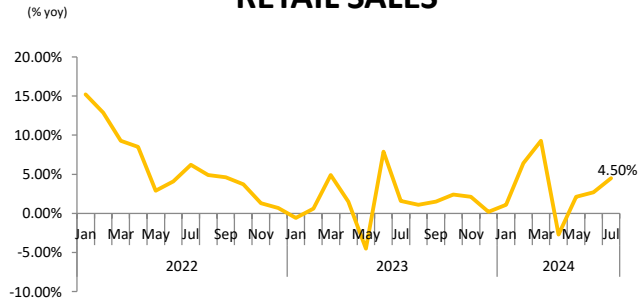
ECONOMIC CALENDAR

(5-11 SEP '24)

Event	Actual	Forecast	Previous
Thursday, 5 Sep '24			
Friday, 6 Sep '24			
ID Fx Reserves (USD) (Aug)	150.20B		145.40B
Monday, 9 Sep '24			
ID Motorbike Sales (YoY) (Aug)	7.40%		26.00%
ID Car Sales (YoY) (Aug)	-14.20%		-7.90%
ID Consumer Confidence (Aug)	124.40		123.40
Tuesday, 3 Sep '24			
ID Retail Sales (YoY) (Jul)	4.50%		2.70%
Wednesday, 4 Sep '24			

Sources : investing, KBVS Research (2024)

RETAIL SALES



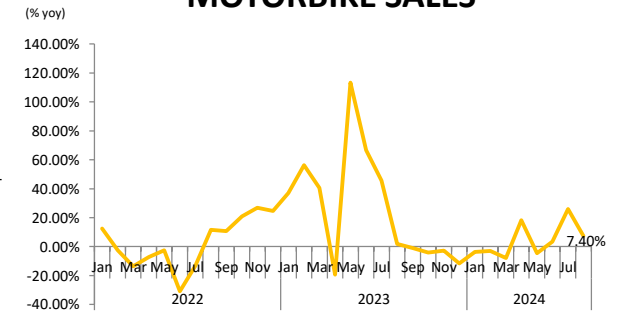
Sources : Gaikindo, KBVS Research (2024)

FX RESERVES



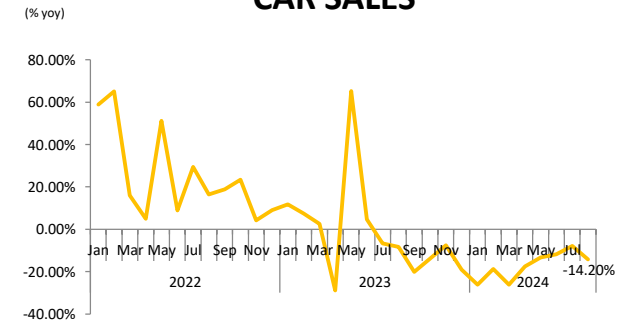
Sources : Markit, KBVS Research (2024)

MOTORBIKE SALES



Sources : Gaikindo, KBVS Research (2024)

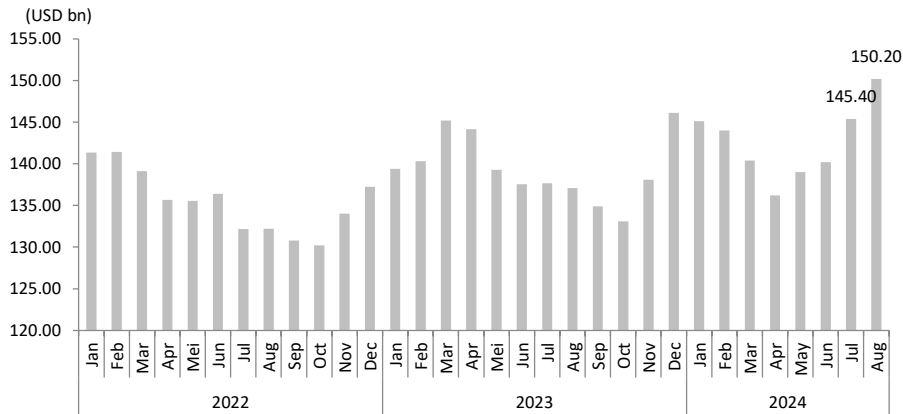
CAR SALES



Sources : Gaikindo, KBVS Research (2024)

FX RESERVES

INDONESIA'S FX RESERVES



Sources : BI, KBVS Research (2024)

- Indonesia's FX Reserves in Aug '24 increased by USD4.8 bn, reaching USD 150.20 bn, the highest level in history.
- In a press release, BI stated that this rise was driven by tax and service revenues, foreign exchange receipts from oil and gas, as well as the disbursement of government foreign loans.
- Additionally, we observed capital inflows into SBN and the JCI amounting to IDR58.10 tn (equal to USD3.68 bn), along with the total nominal awarded at the SVBI auction reaching USD1.69 bn in Aug '24.
- The position of foreign exchange reserves at the end of Aug '24 is equivalent to financing 6.7 months of imports or 6.5 months of imports and servicing the government's external debt.
- Bank Indonesia assesses that the FX reserves are able to support external sector resilience and maintain macroeconomic and financial system stability.

Agustus 2024

Cadangan Devisa Meningkat

Agustus 150,2
Juli 145,4
2024 miliar dolar AS

Peningkatan posisi cadangan devisa antara lain dipengaruhi oleh:

- Penerimaan pajak dan jasa
- Penerimaan devisa migas
- Penarikan pinjaman luar negeri pemerintah

Posisi cadangan devisa tersebut berada di atas standar kecukupan internasional sekitar 3 bulan impor atau setara dengan:

6,7 Bulan Pembiayaan Impor atau **6,5 Bulan** Impor + pembayaran utang luar negeri Pemerintah

Bank Indonesia menilai cadangan devisa tersebut mampu mendukung ketahanan sektor eksternal serta menjaga stabilitas makroekonomi dan sistem keuangan.

Ke depan, Bank Indonesia memandang cadangan devisa tetap memadai sehingga dapat terus mendukung ketahanan sektor eksternal. Prospek ekspor yang tetap positif serta neraca transaksi modal dan finansial yang diperkirakan tetap mencatatkan surplus sejalan persepsi positif investor terhadap prospek perekonomian nasional dan imbal hasil investasi yang menarik, mendukung tetap terjaganya ketahanan eksternal.

www.bi.go.id | BankIndonesiaChannel | BankIndonesiaOfficial | bank_indonesia | bank_indonesia | Bank Indonesia | BiCARA: 131
September 2024

Source : BI (2024)

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2024)

Between 4 Sep and 3 Sep '24, non-residents conducted:

- a net buy of tradable SBN amounting to IDR3.56 tn, and
- A net buy of JCI, amounting IDR2.67 tn.

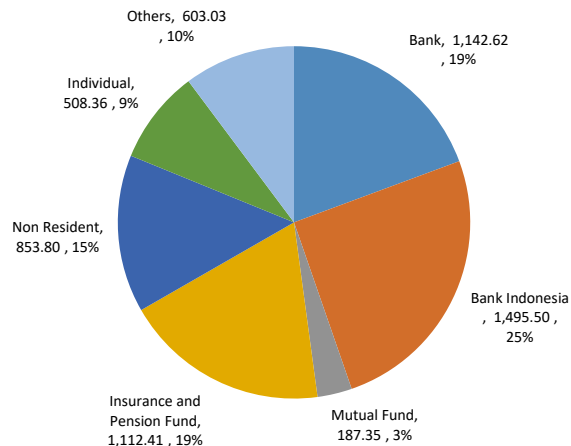
SUN LATEST AUCTION

3 Sep '24								
Instruments	SPN03241204	SPN12250904	FR0104	FR0103	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	2.04	3.53	15.16	14.31	3.19	4.22	3.04	45.49
Bid to Cover Ratio	-	-	1.74	1.55	4.56	3.30	2.10	2.07
Weighted Average Yields Awarded	-	-	6.465%	6.640%	6.740%	6.830%	6.847%	
20 Aug '24								
Instruments	SPN03241120	SPN12250807	FR0104	FR0103	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	2.03	5.66	50.59	30.62	4.98	6.21	3.99	104.07
Bid to Cover Ratio	-	4.72	4.60	2.62	8.30	2.70	19.96	3.85
Weighted Average Yields Awarded	-	6.430%	6.501%	6.660%	6.740%	6.860%	6.888%	

Sources : DJPPR, KBVS Research (2024)

OWNERSHIP of IDR TRADABLE SBN

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2024)

As of 9 Sep '24, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,495.50 tn (+IDR9.57 tn, WoW),
- Banks : IDR1,142.62 tn (+IDR4.70 tn, WoW), and
- Insurance & Pension Funds: IDR1,112.41 tn (+IDR1.13 tn, WoW)

SBSN LATEST AUCTION

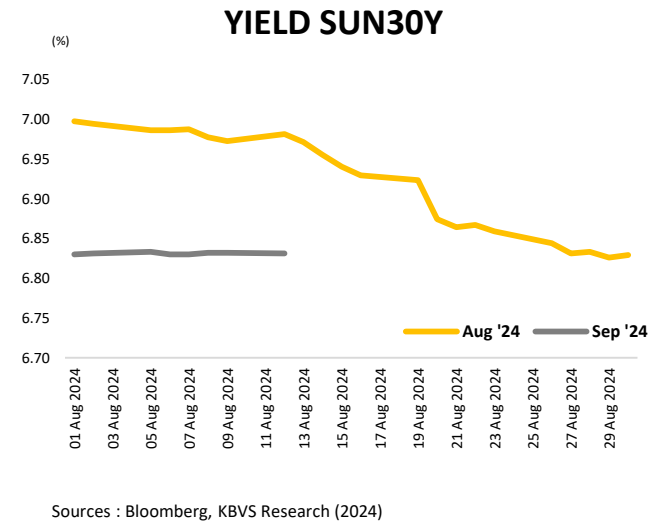
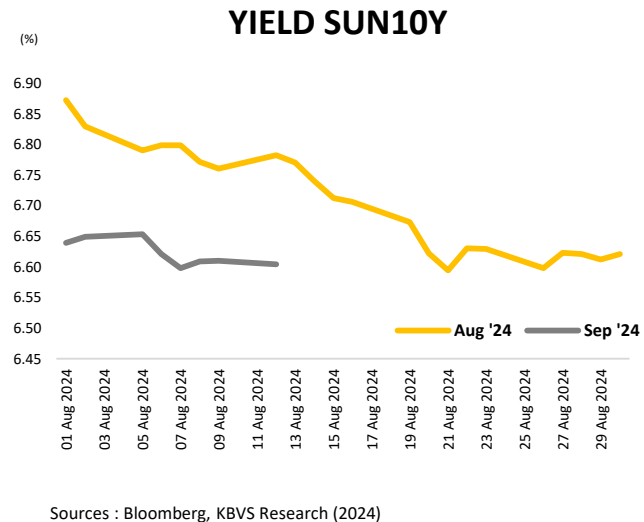
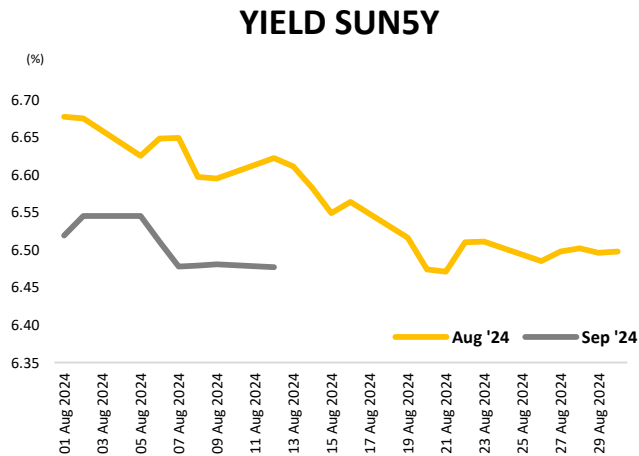
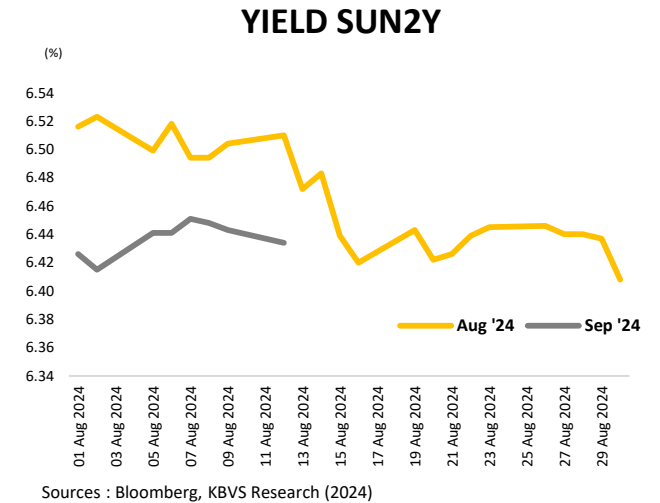
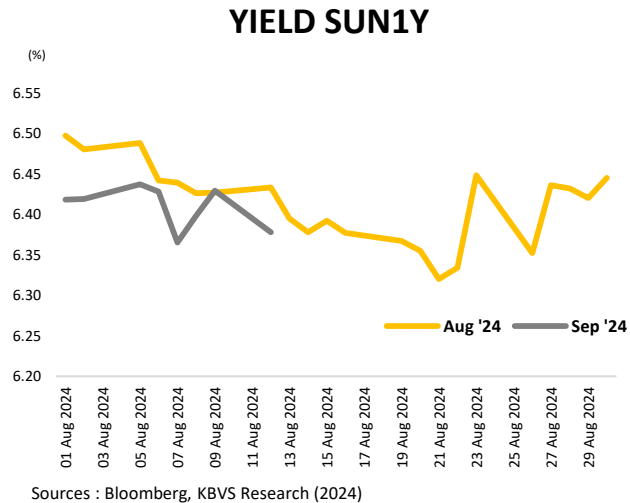
10 Sep '24								
Instruments	SPNS01042025	SPNS09062025	PBS032	PBS030	PBS004	PBS039	PBS038	Total
Incoming Bids (IDR tn)	2.07	4.02	6.21	2.26	1.55	0.34	4.83	21.27
Bid to Cover Ratio	8.26	2.87	5.18	1.96	1.15	1.38	2.01	2.66
Weighted Average Yields Awarded	6.424%	6.499%	6.570%	6.584%	6.705%	6.829%	6.960%	
27 Aug '24								
Instruments	SPNS03032025	SPNS29052025	PBS032	PBS030	PBSG001	PBS004	PBS038	Total
Incoming Bids (IDR tn)	2.03	3.25	5.84	4.69	2.94	0.91	4.22	23.89
Bid to Cover Ratio	20.30	32.48	3.44	1.29	3.46	9.13	2.81	2.99
Weighted Average Yields Awarded	6.320%	6.450%	6.563%	6.544%	6.522%	6.785%	6.977%	

Sources : DJPPR, KBVS Research (2024)

The Movement of SUN Yields

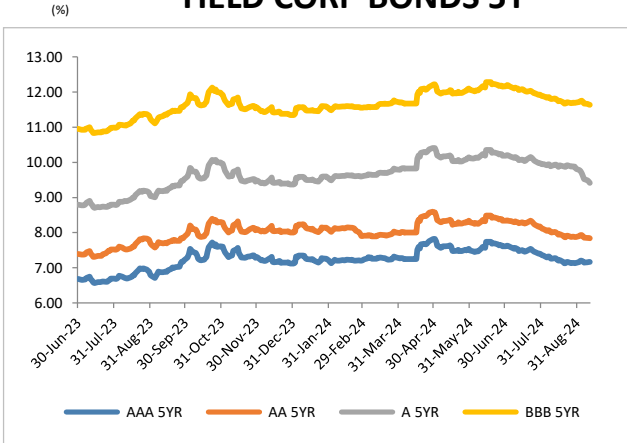
Over the past week, SUN yields moved tends to increased:

- Yield SUN1Y
 - -2.30 bps (WoW)
 - +4.90 bps (YtD, as of Sep 11,'24)
- Yield SUN2Y
 - +1.40 bps (WoW)
 - +7.20 bps (YtD, as of Sep 11,'24)
- Yield SUN5Y
 - -8.10 bps (WoW)
 - +6.30 bps (YtD, as of Sep 11,'24)
- Yield SUN10Y
 - -6.50 bps (WoW)
 - +13.40 bps (YtD, as of Sep 11,'24)
- Yield SUN30Y
 - -0.40 bps (WoW)
 - -2.50 bps (YtD, as of Sep 11,'24)



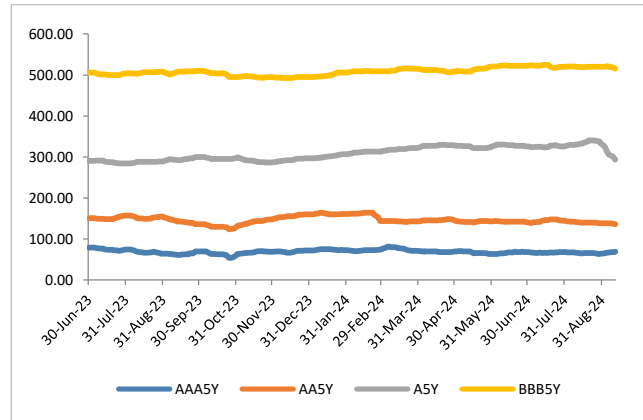
The Movement of Corporate Bond Yields

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

YIELD SPREAD 5Y TENOR

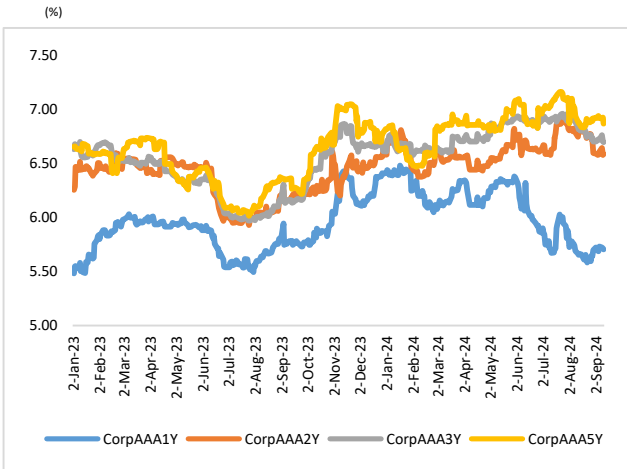


Sources : Bloomberg, KBVS Research (2024)

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

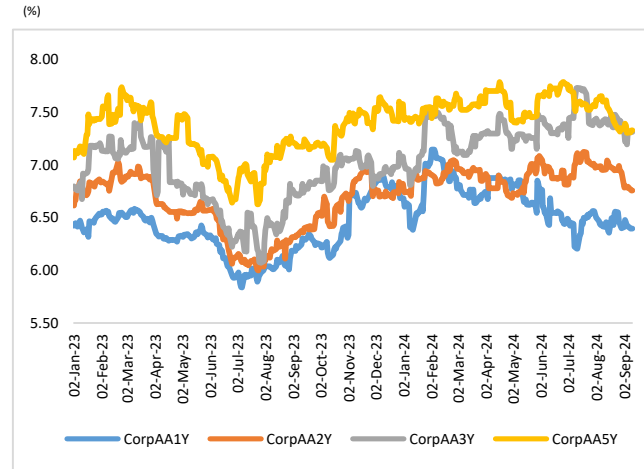
- AAA-rated
 - Tenor 1Y : +0.08 bps (WoW)
 - Tenor 2Y : -31.32 bps (WoW)
 - Tenor 5Y : -12.68 bps (WoW)
- AA-rated
 - Tenor 1Y : -4.13 bps (WoW)
 - Tenor 2Y : -6.17 bps (WoW)
 - Tenor 5Y : -5.15 bps (WoW)
- A-rated
 - Tenor 1Y : -12.46 bps (WoW)
 - Tenor 2Y : -17.13 bps (WoW), and
 - Tenor 5Y : -6.42 bps (WoW)

YIELD AAA-RATED



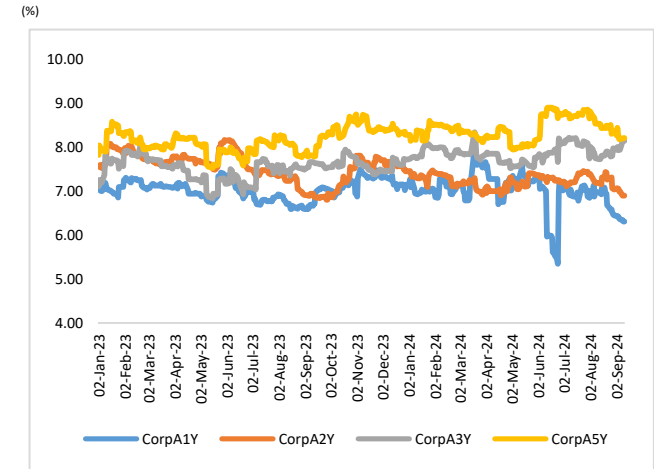
Sources : Bloomberg, KBVS Research (2024)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

YIELD A-RATED



Sources : Bloomberg, KBVS Research (2024)

BI'S MONETARY OPERATION

SRBI's DEVELOPMENT

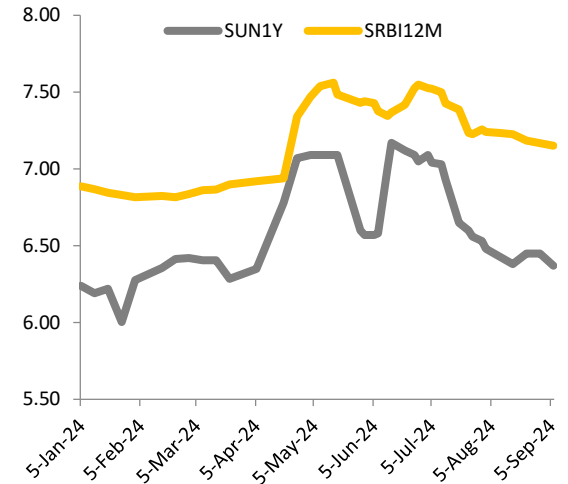
SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24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

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

Sources : BI, KBVS Research (2024)



USD Libor Rates in 9 Sep '24:

- 1 month : 5.21841% (Prev: 5.28843%)
- 3 months : 5.18713% (Prev: 5.27314%)
- 6 months : 4.98647% (Prev: 5.13644%)

Euribor Rates in 9 Sep '24:

- 1 month : 3.510% (Prev: 3.561%)
- 3 months : 3.462% (Prev: 3.458%)
- 6 months : 3.307% (Prev: 3.381%)

Sources : Global Rates, KBVS Research (2024)

The yield on SRBI has continued to decline.

The most recent auction results on Sep 6th, '24, recorded a weighted average yield for the 12-month SRBI tenor at 7.15% (Prev: 7.17%), the lowest level since Apr 19, '24.

TABLE OF CONTENTS :

3 Global Economy

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Next Week's Economic Calendar

ECONOMIC CALENDAR

(12-18 SEP 2024)

Country	Event	Forecast	Previous
Thursday, Sep 12, 2024			
JP	BSI Large Manufacturing Conditions (Q3)	-2.50	-1.00
EU	ECB McCaul Speaks		
EU	ECB's Supervisory Board Member Jochnick Speaks		
US	IEA Monthly Report		
EU	Deposit facility Rate (Sep)	3.50%	3.75%
EU	ECB Marginal Lending Facility (Sep)		4.50%
EU	ECB Interest Rate Decision (Sep)	3.65%	4.25%
EU	ECB Monetary Policy Statement		
US	Continuing Jobless Claims		1,838K
US	Initial Jobless Claims		230.00K
US	Core PPI (MoM) (Aug)	0.20%	0.00%
US	PPI (MoM) (Aug)	0.20%	0.10%
EU	ECB Press Conference		
EU	ECB President Lagarde Speaks		
GE	Buba Vice President Buch Speaks		
US	WASDE Report		
Friday, Sep 13, 2024			
US	30-Year Bond Auction		4.31%
US	Federal Budget Balance (Aug)	-338.3B	-244.0B
US	Fed's Balance Sheet		7,113B
JP	Industrial Production (MoM) (Jul)	2.80%	-4.20%
EU	Industrial Production (MoM) (Jul)	-0.30%	-0.10%
EU	Eurogroup Meetings		
US	Export Price Index (MoM) (Aug)		0.70%
US	Import Price Index (MoM) (Aug)	-0.20%	0.10%
US	Michigan 1-Year Inflation Expectations (Sep)		2.80%
US	Michigan 5-Year Inflation Expectations (Sep)		3.00%
US	Michigan Consumer Expectations (Sep)		72.10
US	Michigan Consumer Sentiment (Sep)	68.40	67.90

Country	Event	Forecast	Previous
Monday, Sep 16, 2024			
EU	Wages in Eurozone (YoY) (Q2)		5.30%
EU	Trade Balance (Jul)		22.30B
US	NY Empire State Manufacturing Index (Sep)		-4.70
Tuesday, Sep 17, 2024			
ID	Export Growth (YoY) (Aug)		6.46%
ID	Import Growth (YoY) (Aug)		11.07%
ID	Trade Balance (Aug)		0.47B
GE	ZEW Current Conditions (Sep)		-77.30
GE	ZEW Economic Sentiment (Sep)		19.20
EU	ZEW Economic Sentiment (Sep)		17.90
US	Core Retail Sales (MoM) (Aug)		0.40%
US	Retail Control (MoM) (Aug)		0.30%
US	Retail Sales (MoM) (Aug)		1.00%
US	Industrial Production (YoY) (Aug)		-0.18%
US	Industrial Production (MoM) (Aug)		-0.60%
US	Business Inventories (MoM) (Jul)		0.30%
US	Retail Inventories Ex Auto (Jul)		0.50%
Wednesday, Sep 18, 2024			
JP	Exports (YoY) (Aug)		10.20%
JP	Imports (YoY) (Aug)		16.60%
JP	Trade Balance (Aug)		-628.70B
GB	CPI (YoY) (Aug)		2.20%
GB	CPI (MoM) (Aug)		-0.20%
GB	PPI Input (MoM) (Aug)		-0.10%
ID	Interest Rate Decision (Sep)		6.25%
EU	Core CPI (YoY) (Aug)		2.80%
EU	CPI (YoY) (Aug)		2.20%
EU	CPI (MoM) (Aug)		0.20%
US	Building Permits (Aug)		1.406M
US	Housing Starts (MoM) (Aug)		-6.80%
US	Housing Starts (Aug)		1.238M
US	Fed Interest Rate Decision		5.50%

