

No! BI is Not Ahead The Curve, But...

19 September 2024

Economist / Fikri C Permana

Executive Summary

- As expected, the Fed Rate was cut during this Sep's FOMC meeting.
- However, the 50 bps cut was only predicted a few days before the FOMC, driven by deteriorating labor market data and inflation expectations that were relatively lower than before.
- Looking ahead, the Fed Rate outlook remains highly dynamic.
- Currently, we assess the likelihood of a 25 bps reduction at each FOMC meeting until the end of 2024. However, several factors will play a crucial role in shaping the Fed Rate trajectory. These include political developments in the US, particularly in terms of fiscal policy; global geopolitical conditions, especially regarding energy prices; and the labor market and inflation situation (including PCE) in the US.
- In line with our expectations, Bank Indonesia (BI) implemented a 25 bps rate cut, marking the first cut since Mar '21.
- Looking ahead, the dynamic global economic landscape, coupled with potential Rupiah volatility, will remain key factors to monitor in assessing future BI rate developments.
- In addition, domestic inflation will continue to be a critical consideration.

US Fed Cuts Interest Rate By 50 bps, Jerome Powell Says Upside Inflation Risks Have Diminished

• Reported By: [Mohammad Haris](#) • [News18.com](#) • Last Updated: SEPTEMBER 18, 2024, 23:36 IST • [New Delhi, India](#)



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Source: News18, Sep 18th '24, link: <https://www.news18.com/business/us-fed-meeting-september-2024-live-updates-fomc-interest-rate-cut-decision-outcome-stock-market-905595.html>



Source: CNBC, Sep 17th, '24, link: <https://www.youtube.com/watch?v=LkkfBE0E2ck>



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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	Aug'24	2.5	2.9
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 12 Sep – 18 Sep '24 are as follows:

- The number of people claiming unemployment benefits on the period ending Sep 7th in the US rose by 2K to 230K (Cons: 227K, Prev: 228K).
- Factory gate prices (PPI) in the US for Aug '24 increased by 0.2% MoM (Cons: 0.1% MoM, Prev: 0.0% MoM).
- The US government in Aug '24 posted a USD-380 bn (Cons: USD-350 bn, Prev: USD89 bn).
- The University of Michigan consumer sentiment for the US in Sep '24 increased for a second consecutive month to 69.0 (Cons: 68.0, Prev: 67.9), the highest since May '24.
- US Retail Sales in Aug '24 edged up 0.1% MoM (Cons: -0.2% MoM, Prev: 1.1% MoM), signalling consumer spending remains relatively strong.
- Industrial production in the US in Aug '24 rose 0.8% MoM (Cons: 0.2% MoM, Prev: -0.9% MoM), the most in six months.
- The NAHB/Wells Fargo Housing Market Index in the US for Sep '24 rose to 41 (Cons: 40, Prev: 39).

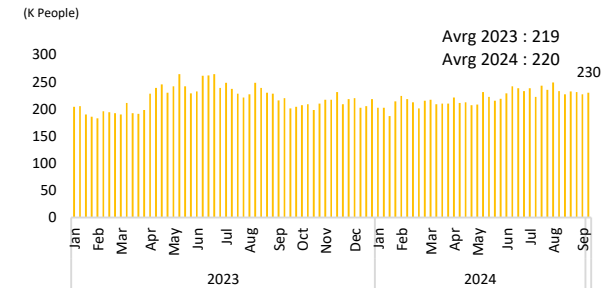
ECONOMIC CALENDAR

(12-18 SEP '24)

Event	Actual	Forecast	Previous
Thursday, 12 Sep '24			
US 10-Year Note Auction	3.65%		3.96%
US IEA Monthly Report			
US Continuing Jobless Claims	1,850K	1,850K	1,845K
US Initial Jobless Claims	230.75K		230.25K
US Core PPI (MoM) (Aug)	0.30%	0.20%	-0.20%
US PPI (MoM) (Aug)	0.20%	0.10%	0.00%
US Federal Budget Balance (Aug)	-380.0B	-285.7B	-244.0B
US WASDE Report			
Friday, 13 Sep '24			
US 30-Year Bond Auction	4.02%		4.31%
US Fed's Balance Sheet	7,115B		7,113B
US Export Price Index (MoM) (Aug)	-0.70%	-0.10%	0.50%
US Import Price Index (MoM) (Aug)	-0.30%	-0.20%	0.10%
US Michigan 1-Year Inflation Expectations (Sep)	2.70%	2.80%	2.80%
US Michigan 5-Year Inflation Expectations (Sep)	3.10%	3.00%	3.00%
US Michigan Consumer Expectations (Sep)	73.00	71.00	72.10
US Michigan Consumer Sentiment (Sep)	69.00	68.30	67.90
Monday, 16 Sep '24			
US NY Empire State Manufacturing Index (Sep)	11.50	-4.10	-4.70
Tuesday, 17 Sep '24			
US Core Retail Sales (MoM) (Aug)	0.10%	0.20%	0.40%
US Retail Control (MoM) (Aug)	0.30%	0.30%	0.40%
US Retail Sales (MoM) (Aug)	0.10%	-0.02%	1.10%
US Industrial Production (YoY) (Aug)	0.04%		-0.74%
US Industrial Production (MoM) (Aug)	0.80%	0.20%	-0.90%
US Business Inventories (MoM) (Jul)	0.40%	0.30%	0.30%
US Retail Inventories Ex Auto (Jul)	0.50%	0.50%	0.30%
US Atlanta Fed GDP Now (Q3)	3.00%	2.50%	2.50%
Wednesday, 18 Sep '24			
US 20-Year Bond Auction	4.04%		4.16%
US API Weekly Crude Oil Stock	1.960M	-0.100M	-2.790M
US Building Permits (Aug)		1.410M	1.406M
US Housing Starts (MoM) (Aug)			-6.80%
US Housing Starts (Aug)		1.310M	1.238M
US Crude Oil Inventories		-0.100M	0.833M
US Cushing Crude Oil Inventories			-1.704M
US Fed Interest Rate Decision		5.25%	5.50%

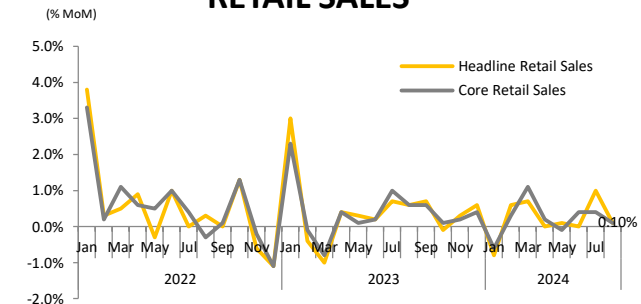
Sources : investing, KBVS Research (2024)

WEEKLY INITIAL JOBLESS CLAIMS



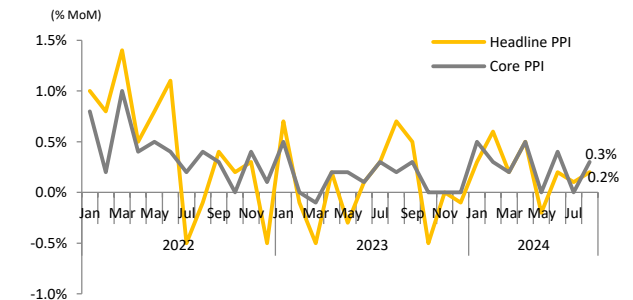
Sources : US DoL, KBVS Research (2024)

RETAIL SALES



Sources : US Census Bureau, KBVS Research (2024)

PPI

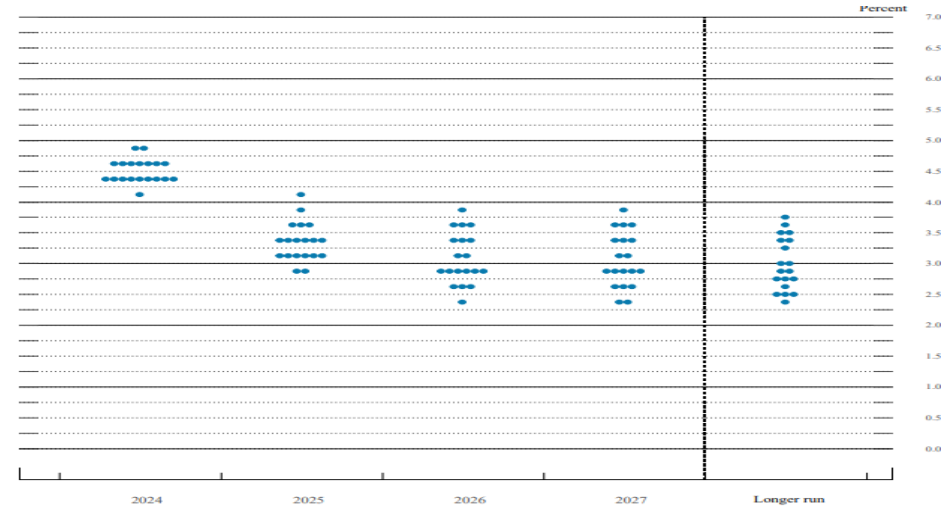


Sources : US Bureau of Labor Statistics, KBVS Research (2024)

FOMC MEETINGS

- As anticipated, the Federal Reserve made a pivotal move in Sep '24 meeting.
- The 50 basis points reduction in the Fed Rate this month marks the first rate cut since March 2020.
- The Fed are penciling in 100 bps of easing by year-end, suggesting two more 25 bps cuts this year. For 2025, an additional percentage point of cuts are expected, followed by a final 50bps reduction in 2026.
- The Fed also released new economic forecasts :
 - PCE inflation was revised lower for 2024 to 2.3% (vs 2.6% in the Jun '24 projection) and 2025 to 2.1% (vs 2.3%).
 - The core inflation is also seen lower at 2.6% for 2024 (vs 2.8%) and 2.2% for 2025 (vs 2.3%).
 - GDP growth is seen slightly down at 2.0% (vs 2.1%) but the forecast for 2025 was kept at 2.0%.
 - Meanwhile, the unemployment rate is seen higher this year (4.4% vs 4.0%) and next (4.4% vs 4.2%).

FED'S SEP'24 DOT PLOT



Source : Fed Reserve (2024)

FED'S SEP '24 ECONOMIC PROJECTION

Percent

Variable	Median ¹					Central Tendency ²					Range ³				
	2024	2025	2026	2027	Longer run	2024	2025	2026	2027	Longer run	2024	2025	2026	2027	Longer run
Change in real GDP	2.0	2.0	2.0	2.0	1.8	1.9–2.1	1.8–2.2	1.9–2.3	1.8–2.1	1.7–2.0	1.8–2.6	1.3–2.5	1.7–2.5	1.7–2.5	1.7–2.5
	2.1	2.0	2.0	2.0	1.8	1.9–2.3	1.8–2.2	1.8–2.1	1.7–2.0	1.7–2.0	1.4–2.7	1.5–2.5	1.7–2.5	1.7–2.5	1.6–2.5
Unemployment rate	4.4	4.4	4.3	4.2	4.2	4.3–4.4	4.2–4.5	4.0–4.4	4.0–4.4	3.9–4.3	4.2–4.5	4.2–4.7	3.9–4.5	3.8–4.5	3.5–4.5
	4.0	4.2	4.1	4.2	4.2	4.0–4.1	3.9–4.2	3.9–4.3	3.9–4.3	3.9–4.3	3.8–4.4	3.8–4.3	3.8–4.3	3.8–4.3	3.5–4.5
PCE inflation	2.3	2.1	2.0	2.0	2.0	2.2–2.4	2.1–2.2	2.0	2.0	2.0	2.1–2.7	2.1–2.4	2.0–2.2	2.0–2.1	2.0
	2.6	2.3	2.0	2.0	2.0	2.5–2.9	2.2–2.4	2.0–2.1	2.0	2.0	2.5–3.0	2.2–2.5	2.0–2.3	2.0–2.3	2.0
Core PCE inflation ⁴	2.6	2.2	2.0	2.0	2.0	2.6–2.7	2.1–2.3	2.0	2.0	2.0	2.4–2.9	2.1–2.5	2.0–2.2	2.0–2.2	2.0
	2.8	2.3	2.0	2.0	2.0	2.8–3.0	2.3–2.4	2.0–2.1	2.0	2.0	2.7–3.2	2.2–2.6	2.0–2.3	2.0–2.3	2.0
Memo: Projected appropriate policy path															
Federal funds rate	4.4	3.4	2.9	2.9	2.9	4.4–4.6	3.1–3.6	2.6–3.6	2.6–3.6	2.5–3.5	4.1–4.9	2.9–4.1	2.4–3.9	2.4–3.9	2.4–3.8
	5.1	4.1	3.1	2.8	2.8	4.9–5.4	3.9–4.4	2.9–3.6	2.5–3.5	2.5–3.5	4.9–5.4	2.9–5.4	2.4–4.9	2.4–4.9	2.4–3.8

Source: Fed Reserve (2024)

FED PROBABILITIES AND THEIR IMPACT

FED PROBABILITIES, as of 18 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%	63.0%	37.0%
7-Nov-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.2%	51.8%	21.1%	0.0%
18-Dec-24	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.2%	41.8%	33.5%	8.5%	0.0%	0.0%
29-Jan-25	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	27.8%	38.0%	22.2%	4.7%	0.0%	0.0%	0.0%
19-Mar-25	0.0%	0.0%	0.0%	2.6%	14.5%	31.4%	32.5%	16.0%	3.0%	0.0%	0.0%	0.0%	0.0%
30-Apr-25	0.0%	0.0%	2.3%	13.4%	29.9%	32.4%	17.5%	4.2%	0.3%	0.0%	0.0%	0.0%	0.0%
18-Jun-24	0.0%	1.6%	10.1%	24.9%	31.6%	22.0%	8.2%	1.5%	0.1%	0.0%	0.0%	0.0%	0.0%
30-Jul-24	0.6%	4.9%	15.7%	27.5%	28.0%	16.7%	5.6%	0.9%	0.1%	0.0%	0.0%	0.0%	0.0%

Sources : CME Group, and KBVS Research (2024)

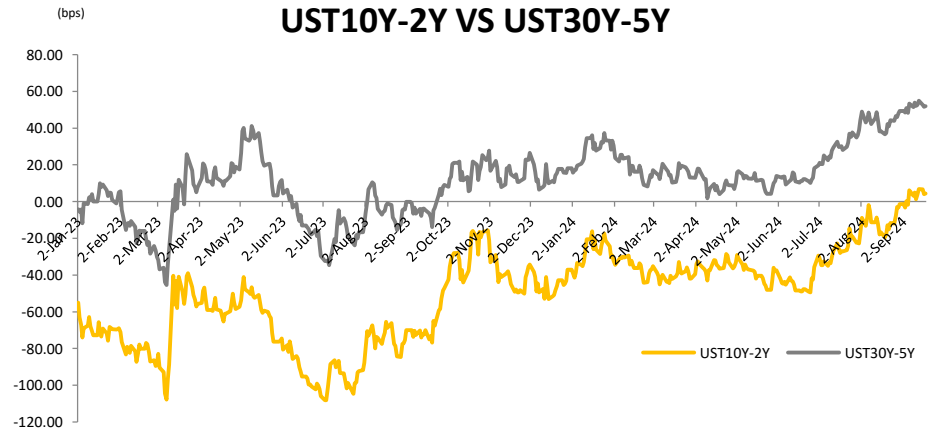
- As the Sep 18th, '24 FOMC meeting draws closer, accompanied by expectations of a larger rate cut (50 bps), the DXY faced renewed pressure throughout last week.
- Consequently, the DXY declined by -1.20% WoW, driven by the appreciation of several currencies against the USD:
 - CAD 0.06%
 - JPY 0.71%
 - CHF 1.12%
 - EUR 1.14%
 - GBP 1.37%
 - SEK 2.10%
- At the same time, the inverted yield curve between the US2Y and US10Y yields ended on Sep 9th, '24, and has since returned to a normal curve this week.

DXY



Sources : Bloomberg, and KBVS Research (2024)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2024)

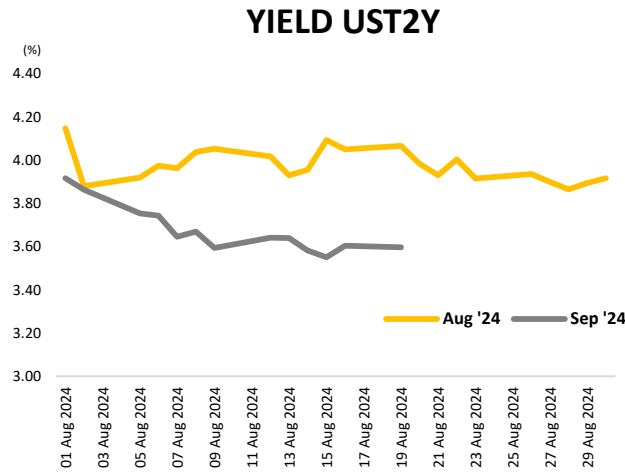
THE MOVEMENT OF UST YIELDS

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+

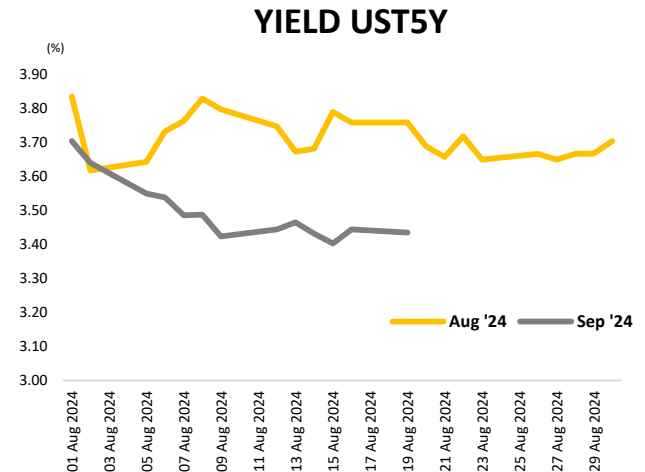
Sources : US Treasury, KBVS Research (2024)

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

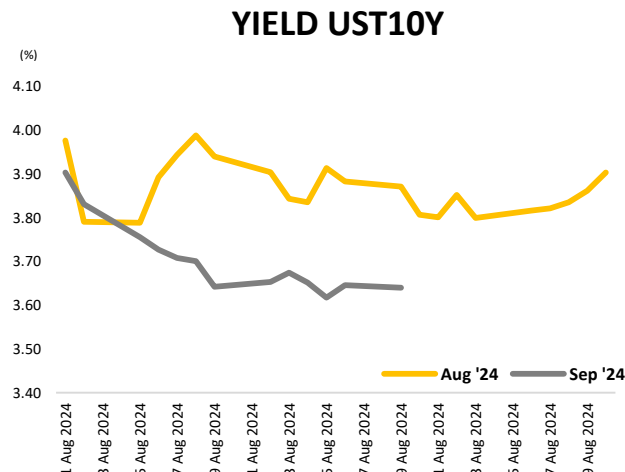
- UST6M
 - -1.59 bps (WoW)
 - -72.87 bps (YtD, as of Sep 18, '24)
- UST52W (1Y)
 - -9.41 bps (WoW)
 - -77.51 bps (YtD, as of Sep 18, '24)
- UST2Y
 - -11.24 bps (WoW)
 - -63.48 bps (YtD, as of Sep 18, '24)
- UST5Y
 - +1.47 bps (WoW)
 - -38.87 bps (YtD, as of Sep 18, '24)
- UST10Y
 - +1.28 bps (WoW)
 - -21.29 bps (YtD, as of Sep 18, '24)
- UST30Y
 - +1.20 bps (WoW)
 - -5.05 bps (YtD, as of Sep 18, '24)



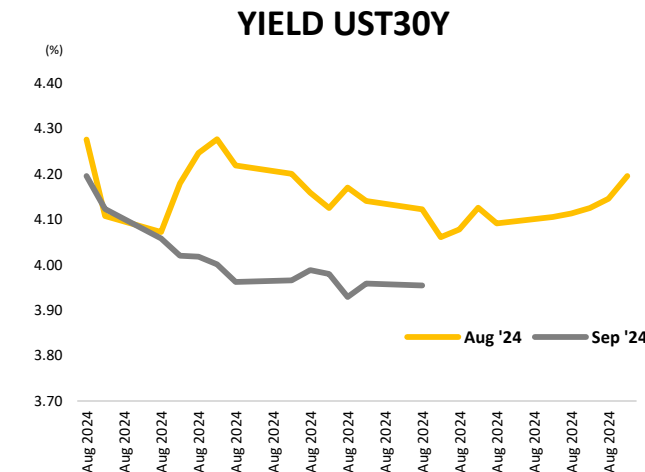
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)



Sources : US Treasury, KBVS Research (2024)

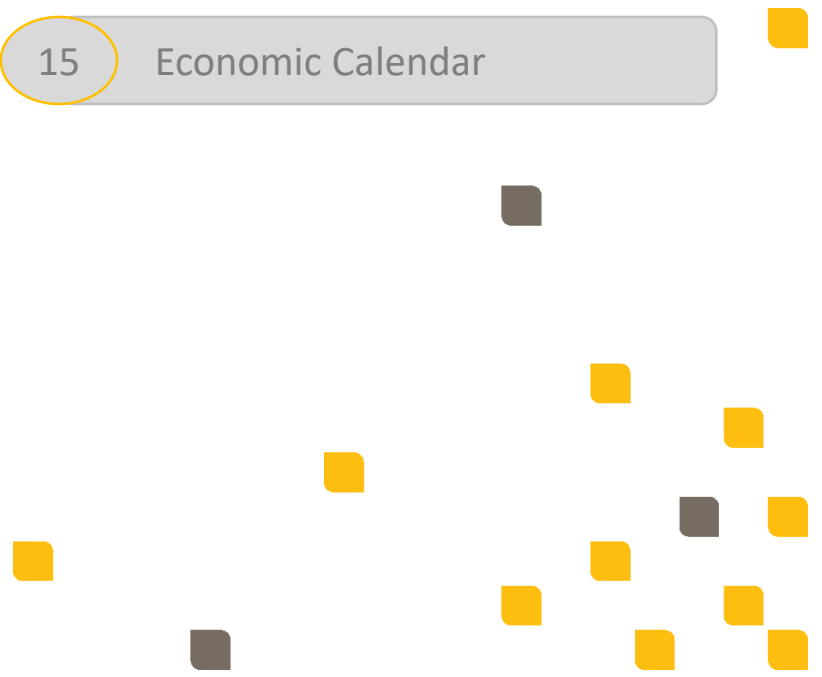


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INDONESIA ECONOMIC DATA

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)

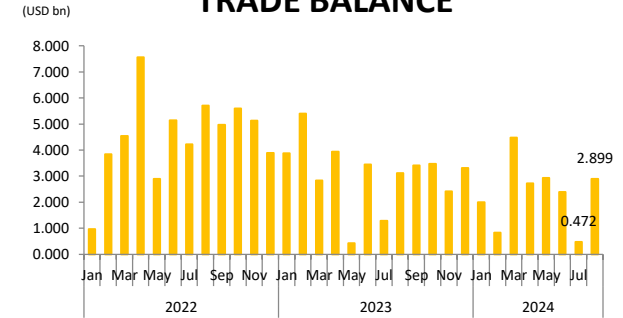
ECONOMIC CALENDAR

(12-18 SEP '24)

Event	Actual	Forecast	Previous
Thursday, 12 Sep '24			
Friday, 13 Sep '24			
Monday, 16 Sep '24			
Tuesday, 17 Sep '24			
ID Export Growth (YoY) (Aug)	7.13%	3.83%	6.60%
ID Import Growth (YoY) (Aug)	9.46%	8.15%	11.07%
ID Trade Balance (Aug)	2.89B	1.96B	0.50B
Wednesday, 18 Sep '24			
ID Loans (YoY) (Aug)	11.40%		12.40%
ID Deposit Facility Rate (Sep)	5.25%	5.50%	5.50%
ID Lending Facility Rate (Sep)	6.75%	7.00%	7.00%
ID Interest Rate Decision	6.25%	6.25%	6.25%

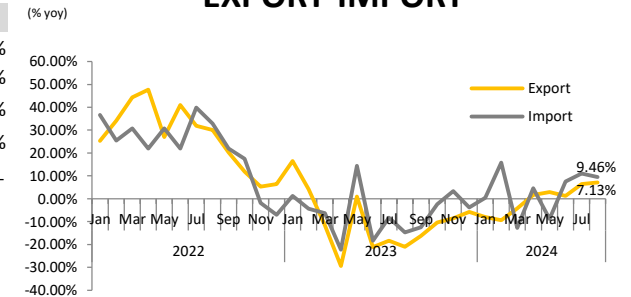
Sources : Investing, KBVS Research (2024)

TRADE BALANCE



Sources : BPS, KBVS Research (2024)

EXPORT-IMPORT

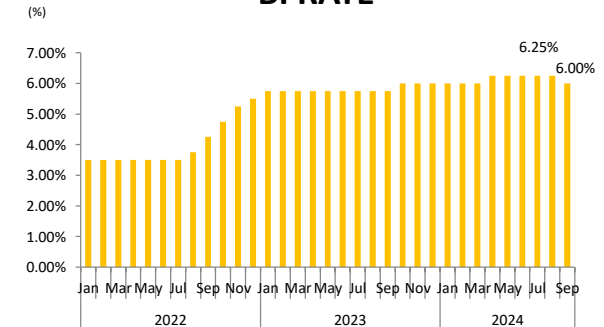


Sources : BPS, KBVS Research (2024)

The data releases that influenced yield movements in the week of 12 – 18 Sep '24 are as follows:

- Indonesia's trade surplus in Aug '24 increased to USD2.89 bn (Cons: USD1.96 bn, Prev: USD0.50 bn).
 - The decline in imports (-4.93% MoM) - primarily driven by a -7.16% MoM drop in the Raw Materials group.
 - Contrasted with a significant rise in exports (+5.97% MoM) - notably, commodities like CPO and its derivatives surged by 27.86% MoM.
- As anticipated, BI has adopted a dovish, pro-growth stance by cutting the BI Rate by 25 bps this RDG at Sep '24 to 6.00% (Cons: 6.25%, KBVS: 6.00%, Prev: 6.25%).
 - This decision also led BI to lower the Deposit Facility rate by 25 bps to 5.25%, and
 - Te Lending Facility rate by 25 bps to 6.75%.

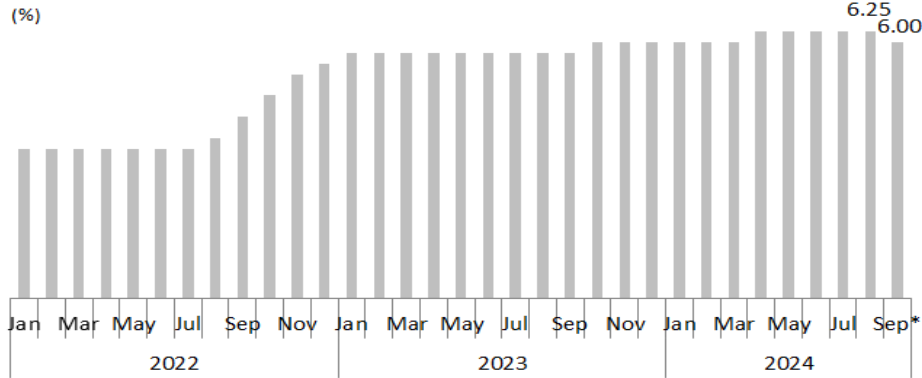
BI RATE



Sources : BI, KBVS Research (2024)

RDG BI

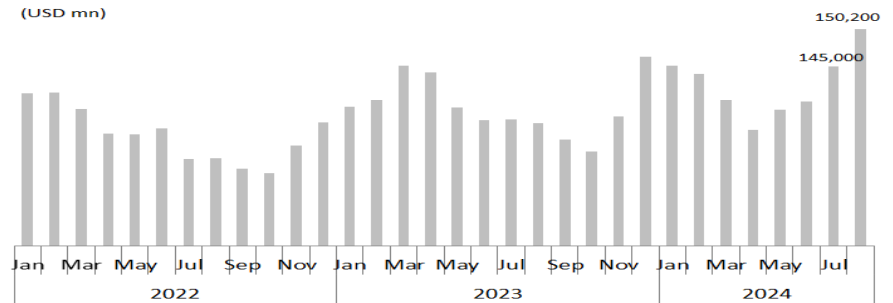
BI RATE



Sources : BI, KBVS Research (2024)

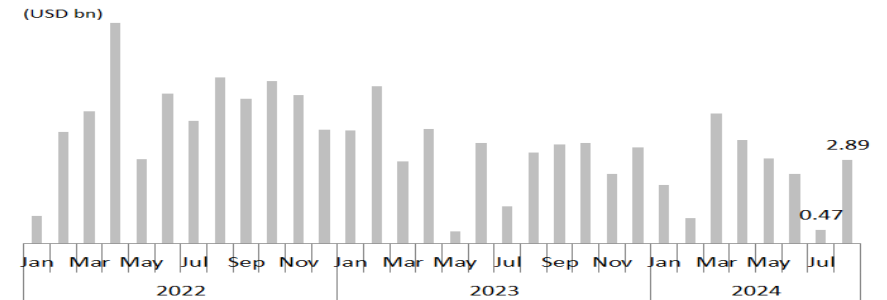
- As anticipated, BI has adopted a dovish, pro-growth stance by cutting the BI Rate by 25 bps this RDG at Sep '24 to 6.00%. This decision also led BI to lower the Deposit Facility rate by 25 bps to 5.25%, and the Lending Facility rate by 25 bps to 6.75%.
- We see this move as being driven by global economic developments, including (a) expectations of declining global inflation, (b) a global trend of interest rate cuts, and (c) a reduction in global volatility risks.
- Therefore, we do not view BI's decision to cut the BI Rate ahead of the Federal Reserve's rate reduction, which occurred several hours later, as an 'ahead of the curve' action.
- Looking ahead, we anticipate further BI Rate cuts.
- We believe that other key indicators BI may consider in future BI Rate decisions include: a) the level of FX reserves b) developments in the domestic trade balance, c) the yield spread between SUN10Y and US10Y, and d) the volume of foreign capital inflows into domestic portfolios

FX RESERVES



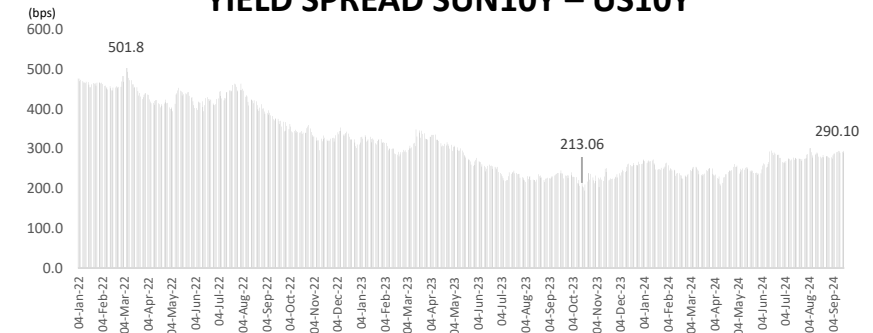
Sources : BI, KBVS Research (2024)

TRADE BALANCE



Sources : BPS, KBVS Research (2024)

YIELD SPREAD SUN10Y – US10Y



Sources : Bloomberg, KBVS Research (2024)

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2024)

Between 12 Sep and 18 Sep '24, non-residents conducted:

- a net buy of tradable SBN amounting to IDR0.0 tn, and
- A net buy of JCI, amounting IDR38.78 tn.

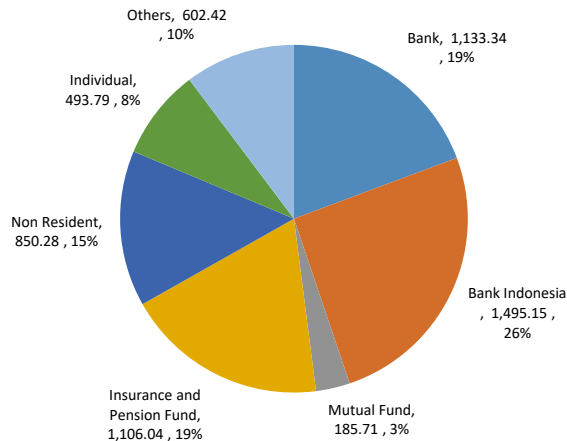
SUN LATEST AUCTION

17 Sep '24								
Instruments	SPN03241218	SPN12250918	FR0104	FR0103	FR0098	FR0097	FR0102	Total
Incoming Bids (IDR tn)	3.56	4.27	16.02	26.19	5.44	5.09	3.14	63.70
Bid to Cover Ratio	-	-	2.18	3.52	2.31	2.21	1.23	2.90
Weighted Average Yields Awarded	-	-	6.406%	6.529%	6.670%	6.769%	6.840%	
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%	

Sources : DJPPR, KBVS Research (2024)

OWNERSHIP of IDR TRADABLE SBN

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2024)

As of 17 Sep '24, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,495.15 tn (+IDR14.84 tn, WoW),
- Banks : IDR1,133.34 tn (-IDR15.18 tn, WoW), and
- Insurance & Pension Funds: IDR1,106.04 tn (-IDR5.67 tn, WoW)

SBSN LATEST AUCTION

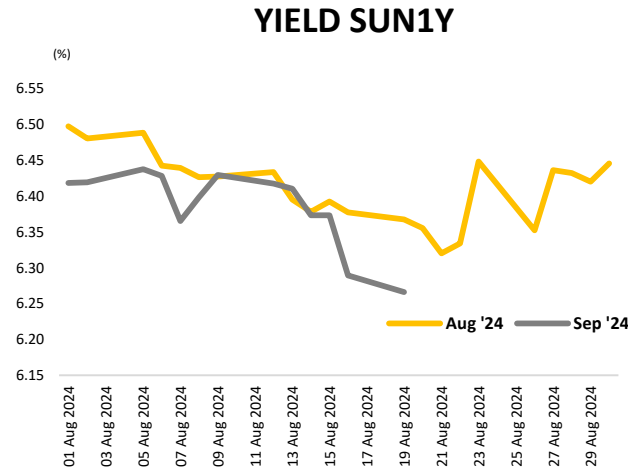
10 Sep '24								
Instruments	SPNS01042025	SPNS09062025	PBS032	PBS030	PBS004	PBS039	PBS038	Total
Incoming Bids (IDR tn)	2.07	4.02	6.21	2.26	1.55	0.34	4.83	21.27
Bid to Cover Ratio	8.26	2.87	5.18	1.96	1.15	1.38	2.01	2.66
Weighted Average Yields Awarded	6.424%	6.499%	6.570%	6.584%	6.705%	6.829%	6.960%	
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)

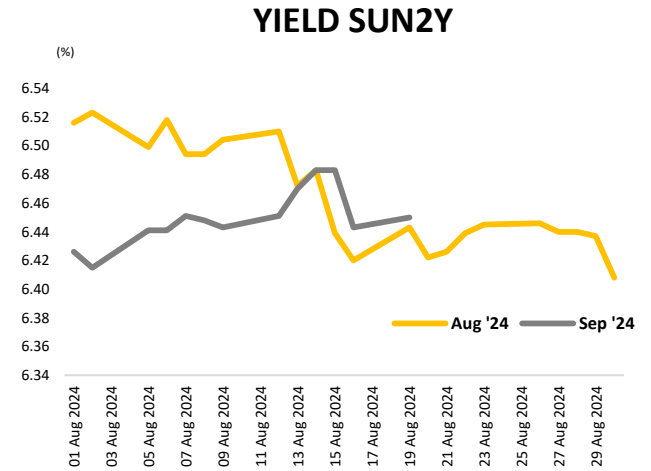
The Movement of SUN Yields

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

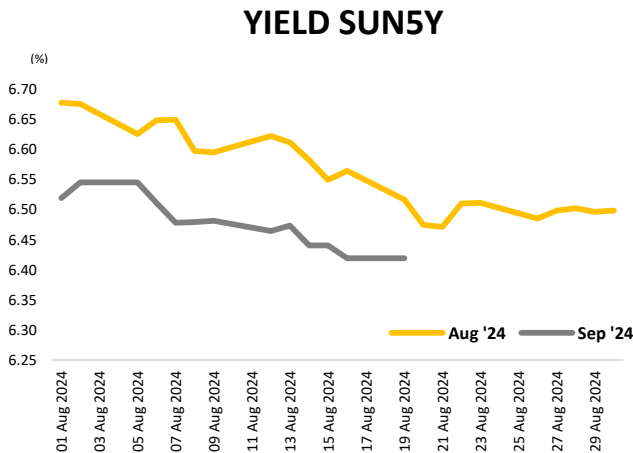
- Yield SUN1Y
 - -11.40 bps (WoW)
 - -6.20 bps (YtD, as of Sep 18, '24)
- Yield SUN2Y
 - -2.60 bps (WoW)
 - +4.20 bps (YtD, as of Sep 18, '24)
- Yield SUN5Y
 - -7.70 bps (WoW)
 - -1.40 bps (YtD, as of Sep 18, '24)
- Yield SUN10Y
 - -3.80 bps (WoW)
 - +8.80 bps (YtD, as of Sep 18, '24)
- Yield SUN30Y
 - +0.60 bps (WoW)
 - -2.20 bps (YtD, as of Sep 18, '24)



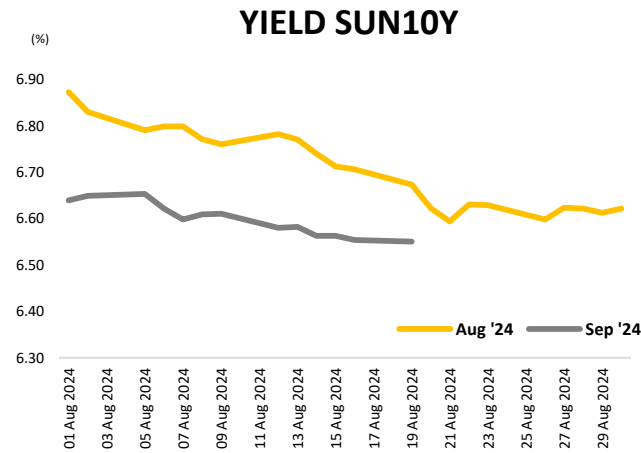
Sources : Bloomberg, KBVS Research (2024)



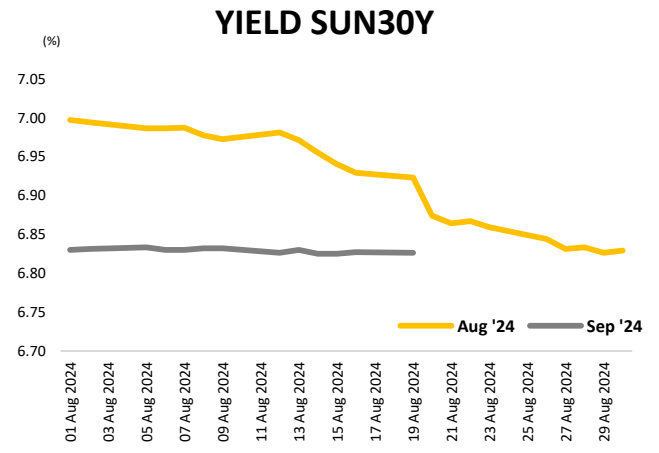
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)



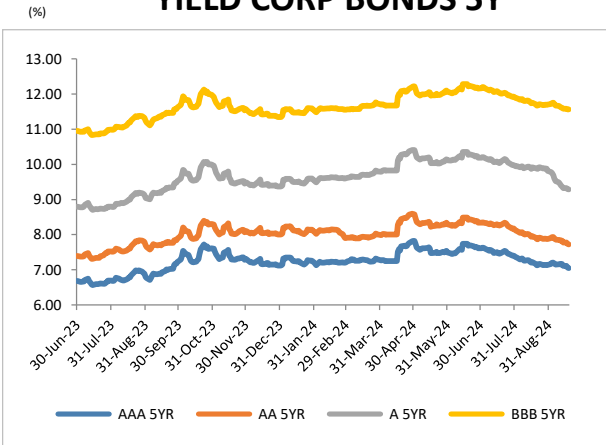
Sources : Bloomberg, KBVS Research (2024)



Sources : Bloomberg, KBVS Research (2024)

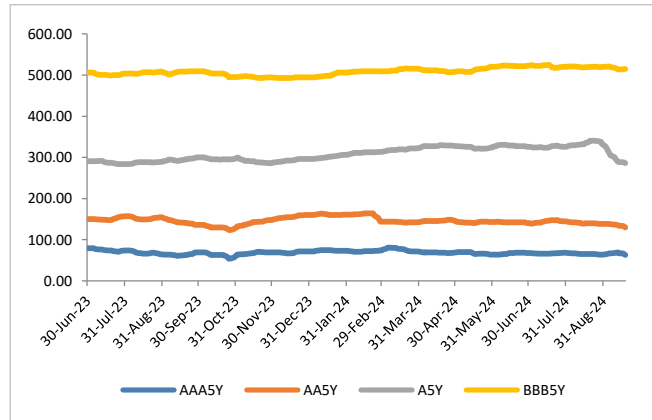
The Movement of Corporate Bond Yields

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2024)

YIELD SPREAD 5Y TENOR

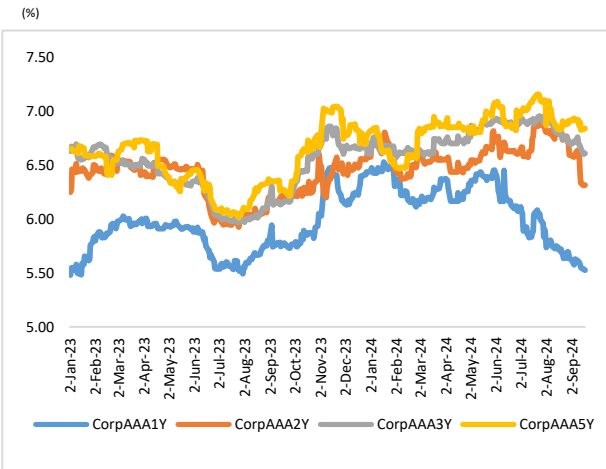


Sources : Bloomberg, KBVS Research (2024)

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

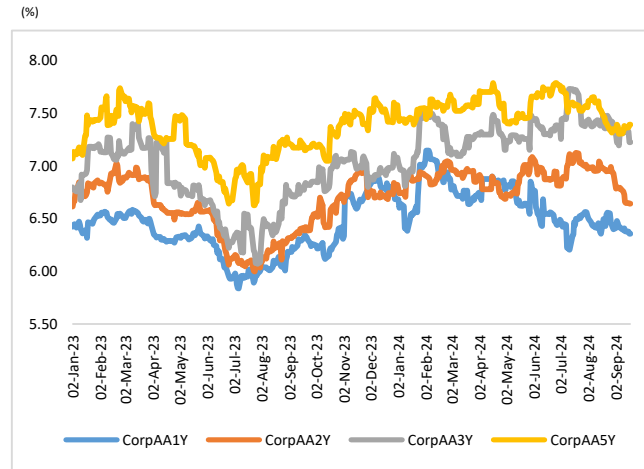
- AAA-rated
 - Tenor 1Y : -6.61 bps (WoW)
 - Tenor 2Y : -9.23 bps (WoW)
 - Tenor 5Y : -5.18 bps (WoW)
- AA-rated
 - Tenor 1Y : -5.1 bps (WoW)
 - Tenor 2Y : -6.55 bps (WoW)
 - Tenor 5Y : +1.11 bps (WoW)
- A-rated
 - Tenor 1Y : -18.13 bps (WoW)
 - Tenor 2Y : +2.62 bps (WoW), and
 - Tenor 5Y : -6.78 bps (WoW)

YIELD AAA-RATED



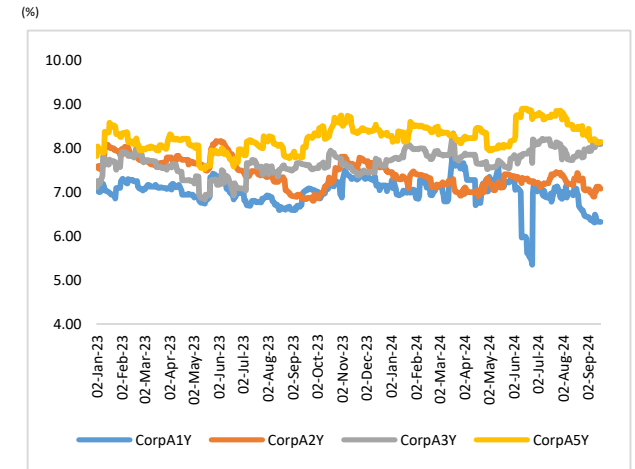
Sources : Bloomberg, KBVS Research (2024)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2024)

YIELD A-RATED



Sources : Bloomberg, KBVS Research (2024)

BI'S MONETARY OPERATION

SRBI's DEVELOPMENT

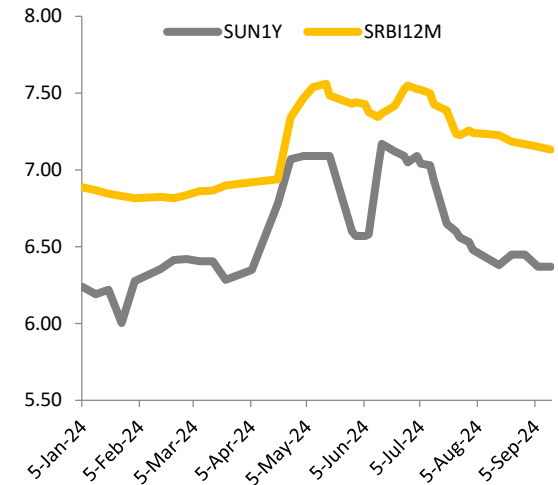
SRBI	Weighted Yield Average Winner (%)			Bidding Amount (IDR bn)	Total Nominal Awarded (IDR bn)	Bid to Cover Ratio
	6 Months	9 Months	12 Months			
5-Jan-24	6.70	6.80	6.89	31,667.00	22,050.00	1.44
12-Jan-24	6.68	6.78	6.87	33,833.00	19,520.00	1.73
19-Jan-24	6.67	6.75	6.85	39,987.00	25,000.00	1.60
26-Jan-24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

Sources : BI, KBVS Research (2024)

SVBI's DEVELOPMENT

SVBI	Weighted Yield Average Winner (%)			Bidding Amount (USD mn)	Total Nominal Awarded (USD Mn)	Bid to Cover Ratio
	1 Month	3 Months	6 Months			
2-Jan-24	5.74	-	-	66.00	31.00	2.13
9-Jan-24	5.71	-	-	268.00	147.00	1.82
16-Jan-24	5.70	-	-	382.00	284.00	1.35
23-Jan-24	5.67	5.70	-	397.00	251.00	1.58
30-Jan-24	5.67	5.69	-	512.00	472.00	1.08
6-Feb-24	5.66	5.69	-	472.00	442.00	1.07
13-Feb-24	5.66	5.68	-	808.00	607.00	1.33
20-Feb-24	5.66	5.67	-	662.00	652.00	1.02
27-Feb-24	5.66	5.67	-	518.00	488.00	1.06
5-Mar-24	5.66	5.68	-	312.00	272.00	1.15
14-Mar-24	5.67	5.68	-	577.00	532.00	1.08
19-Mar-24	5.67	5.68	-	367.00	357.00	1.03
26-Mar-24	5.66	-	-	375.00	358.00	1.05
2-Apr-24	5.67	5.68	-	264.50	264.50	1.00
16-Apr-24	5.67	-	-	210.00	160.00	1.31
23-Apr-24	5.67	5.68	-	514.00	489.00	1.05
30-Apr-24	5.68	5.70	-	305.00	303.00	1.01
7-May-24	5.68	-	-	253.00	228.00	1.11
14-May-24	5.69	5.70	-	431.00	366.00	1.18
21-May-24	5.69	5.69	-	375.00	350.00	1.07
28-May-24	5.69	5.69	-	209.00	204.00	1.02
4-Jun-24	5.69	5.69	-	606.00	591.00	1.03
11-Jun-24	5.69	5.70	-	430.50	420.50	1.02
19-Jun-24	5.69	5.70	-	152.00	137.00	1.11
25-Jun-24	5.70	5.70	-	282.00	242.00	1.17
2-Jul-24	5.70	5.70	-	342.00	340.00	1.01
9-Jul-24	5.69	5.70	-	644.00	639.00	1.01
16-Jul-24	5.68	5.68	-	552.00	264.00	2.09
23-Jul-24	5.66	5.68	-	687.00	267.00	2.57
30-Jul-24	5.61	-	-	299.00	150.00	1.99
6-Aug-24	5.55	5.45	-	864.00	190.00	4.55
13-Aug-24	5.53	5.42	-	977.00	587.00	1.66
20-Aug-24	5.48	5.40	-	1,079.00	612.00	1.76
27-Aug-24	5.41	5.33	5.02	935.50	306.00	3.06
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

Sources : BI, KBVS Research (2024)



USD Libor Rates in 17 Sep '24:

- 1 month : 5.07930% (Prev: 5.21841%)
- 3 months : 5.08124% (Prev: 5.18713%)
- 6 months : 4.86453% (Prev: 4.98647%)

Euribor Rates in 17 Sep '24:

- 1 month : 3.414% (Prev:3.510%)
- 3 months : 3.480% (Prev: 3.462%)
- 6 months : 3.268% (Prev: 3.307%)

Sources : Global Rates, KBVS Research (2024)

The yield on SRBI has continued to decline.

The most recent auction results on Sep 13th, '24, recorded a weighted average yield for the 12-month SRBI tenor at 7.13% (Prev: 7.15%), the lowest level since Apr 19, '24.

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Next Week's Economic Calendar

ECONOMIC CALENDAR

(19-25 SEP 2024)

Country	Event	Forecast	Previous
Thursday, Sep 19, 2024			
GE	Buba Balz Speaks		
EU	ECB's Schnabel Speaks		
GB	BoE MPC Vote Cut (Sep)	2.00	5.00
GB	BoE MPC Vote Hike (Sep)	0.00	0.00
GB	BoE MPC Vote Unchanged (Sep)	7.00	4.00
GB	BoE Interest Rate Decision (Sep)	5.00%	5.00%
GB	BoE MPC Meeting Minutes		
GB	BoE Inflation Letter		
GE	Buba President Nagel Speaks		
US	Continuing Jobless Claims		1,850K
US	Initial Jobless Claims	232K	230K
US	Current Account (Q2)	-260.00B	-237.60B
US	Philadelphia Fed Manufacturing Index (Sep)	-0.60	-7.00
US	Philadelphia Fed Employment (Sep)		-5.70
US	Existing Home Sales (Aug)	3.89M	3.95M
US	Existing Home Sales (MoM) (Aug)		1.30%
US	Leading Index (MoM) (Aug)	-0.30%	-0.60%

Country	Event	Forecast	Previous
Friday, Sep 20, 2024			
US	Fed's Balance Sheet		7,115B
JP	National Core CPI (YoY) (Aug)	2.80%	2.70%
JP	National CPI (MoM) (Aug)		0.20%
CN	Loan Prime Rate 5Y (Sep)	3.85%	3.85%
CN	PBoC Loan Prime Rate	3.35%	3.35%
JP	BoJ Monetary Policy Statement		
JP	BoJ Interest Rate Decision	0.25%	0.25%
GB	Core Retail Sales (MoM) (Aug)		0.70%
GB	Core Retail Sales (YoY) (Aug)	1.30%	1.40%
GB	Retail Sales (YoY) (Aug)		1.40%
GB	Retail Sales (MoM) (Aug)	0.40%	0.50%
GE	PPI (MoM) (Aug)	0.00%	0.20%
JP	BoJ Press Conference		
GB	BoE MPC Member Mann Speaks		
EU	ECB President Lagarde Speaks		

Country	Event	Forecast	Previous
Monday, Sep 23, 2024			
ID	M2 Money Supply (YoY) (Aug)		7.40%
GE	HCOB Manufacturing PMI (Sep)		42.40
GE	HCOB Services PMI (Sep)		51.20
EU	HCOB Manufacturing PMI (Sep)		45.80
EU	HCOB Composite PMI (Sep)		51.00
EU	HCOB Services PMI (Sep)		52.90
US	S&P Global Manufacturing PMI (Sep)		47.90
US	S&P Global Composite PMI (Sep)		54.60
US	S&P Global Services PMI (Sep)		55.70
Tuesday, Sep 24, 2024			
GE	Business Expectations (Sep)		86.80
GE	Current Assessment (Sep)		86.50
GE	Ifo Business Climate Index (Sep)		86.60
US	S&P/CS HPI Composite - 20 n.s.a. (MoM) (Jul)		0.60%
US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Jul)		6.50%
US	CB Consumer Confidence (Sep)		103.30
Wednesday, Sep 25, 2024			
US	New Home Sales (MoM) (Aug)		10.60%
US	New Home Sales (Aug)		739K

