

EFFICI-ENT (or END?)

13 February 2025

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- Trump's statements have once again fueled risk-off sentiment in global financial markets, particularly concerning the following issues:
 - The implementation of a 25% tariff on steel and aluminum imports,
 - His stance on the ownership of the Gaza Strip,
 - And Federal budget efficiency and at the same time, Trump's efficiency-driven policies have prompted a significant number of federal employees to resign.
- The risk-off sentiment in global markets, leading to a heightened demand for safe-haven assets, reflected in the continued rise in gold prices, which have increased by 0.88% WoW and 44.40% YoY.
- Concerns over budget efficiency and its economic impact are also crucial for Indonesia.
- While on one hand, the budget is expected to be allocated to the MBG program to stimulate consumer purchasing power, there are also significant negative consequences.
- One of the major concerns is layoffs, which could, in turn, lead to a decline in purchasing power and hinder economic growth in the longer-term.

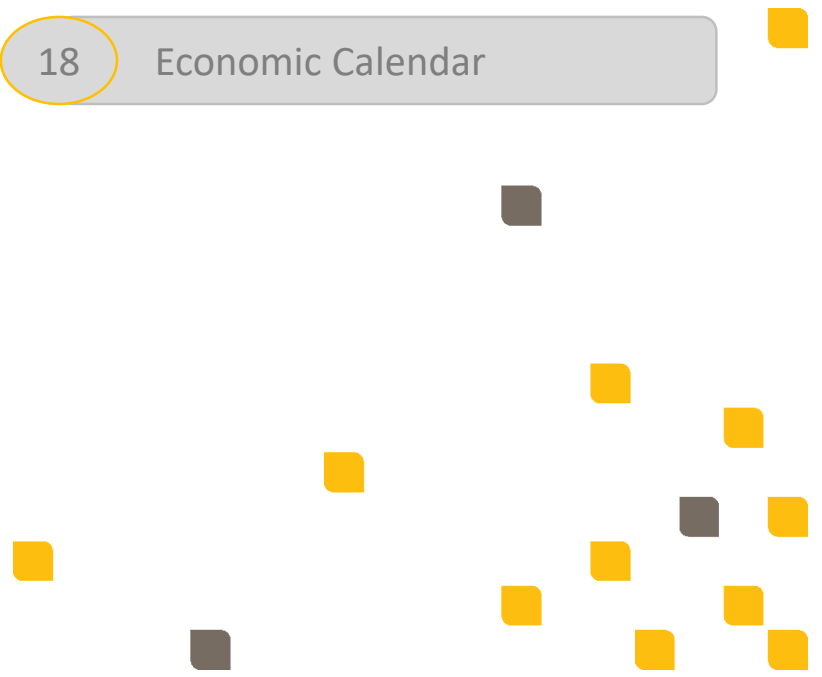


Source : tickthoseboxes.com, link: <https://tickthoseboxes.com.au/workplace-efficiency-being-efficient-at-work/>, accessed in Feb 13, '25.



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US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Jan '25	4.50	4.50
Economic Growth	%, yoy	4Q24	2.5	2.7
Inflation Rate	%, yoy	Dec'24	2.9	2.7
Unemployment Rate	%	Jan'25	4.0	4.1

Sources : various sources, KBVS Research (2025)

The data releases that influenced yield movements in the week of 6-12 Feb '25 are as follows:

- The number of people claiming unemployment benefits on the period ending Jan 31st, '25 in the US increased by 11K to 219K (Cons: 214K, Prev: 208K).
- Average Hourly Earnings in Jan '25 increased to 0.50% MoM (Cons: 0.30% MoM, Prev: 0.30% MoM).
- Nonfarm Payrolls in Jan'25 decreased to 143K (Cons: 169K, Prev: 307K).
- Unemployment Rate in Jan'25 decreased to 4.00% (Cons: 4.10%, Prev: 4.10%).

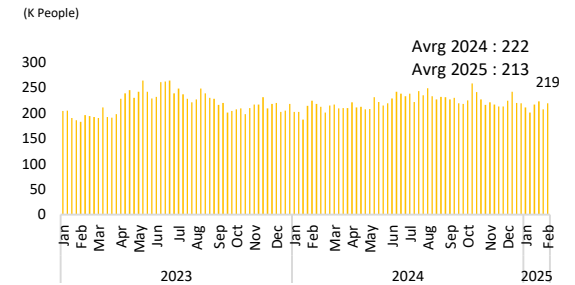
ECONOMIC CALENDAR

(6-12 FEB '25)

Event	Actual	Forecast	Previous
Thursday, 6 Feb '25			
US Atlanta Fed GDP Now (Q1)	2.90%	3.90%	3.90%
US FOMC Member Bowman Speaks			
US Continuing Jobless Claims	1,886K	1,870K	1,850K
US Initial Jobless Claims	219K	214K	208K
US Nonfarm Productivity (QoQ) (Q4)	1.20%	1.50%	2.30%
US Unit Labor Costs (QoQ) (Q4)	3.00%	3.40%	0.50%
Friday, 7 Feb '25			
US Fed Waller Speaks			
US FOMC Member Daly Speaks			
US Fed's Balance Sheet	6,811B		6,818B
US Average Hourly Earnings (YoY) (Jan)	4.10%	3.80%	4.10%
US Average Hourly Earnings (MoM) (Jan)	0.50%	0.30%	0.30%
US Nonfarm Payrolls (Jan)	143K	169K	307K
US Participation Rate (Jan)	62.60%		62.50%
US Payroll Benchmark n.s.a.	-598.00K		-818.00K
US Private Nonfarm Payrolls (Jan)	111K	141K	273K
US U6 Unemployment Rate (Jan)	7.50%		7.50%
US Unemployment Rate (Jan)	4.00%	4.10%	4.10%
US FOMC Member Bowman Speaks			
US Fed Monetary Policy Report			
US Michigan 1-Year Inflation Expectations (Feb)	4.30%	3.30%	3.30%
US Michigan 5-Year Inflation Expectations (Feb)	3.30%	3.20%	3.20%
US Michigan Consumer Expectations (Feb)	67.30	70.00	69.30
US Michigan Consumer Sentiment (Feb)	67.80	71.90	71.10
Monday, 10 Feb '25			
US NY Fed 1-Year Consumer Inflation Expectations (Jan)	3.00%	3.00%	3.00%
Tuesday, 11 Feb '25			
US Fed Chair Powell Testifies			
Wednesday, 12 Feb '25			
US EIA Short-Term Energy Outlook			
US WASDE Report			
US 3-Year Note Auction	4.30%		4.33%
US FOMC Member Bowman Speaks			
US FOMC Member Williams Speaks			
US API Weekly Crude Oil Stock	9.043M	2.800M	5.025M
US OPEC Monthly Report			
US Core CPI (MoM) (Jan)		0.30%	0.20%
US Core CPI (YoY) (Jan)		3.10%	3.20%
US CPI (MoM) (Jan)		0.30%	0.40%
US CPI (YoY) (Jan)		2.90%	2.90%
US Fed Chair Powell Testifies			
US Crude Oil Inventories			8.664M
US Cushing Crude Oil Inventories			-0.034M

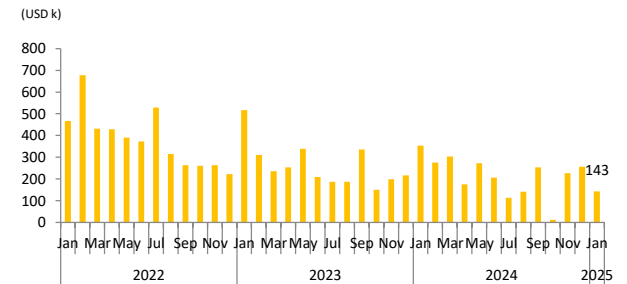
Sources : investing, KBVS Research (2025)

WEEKLY INITIAL JOBLESS CLAIMS



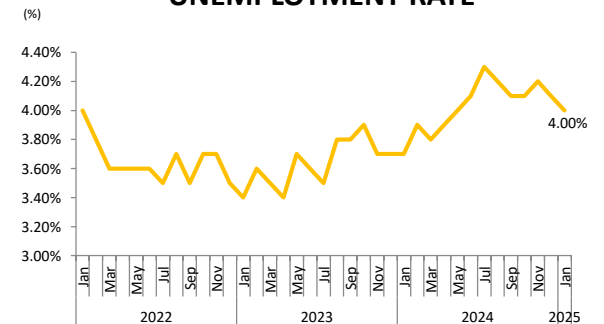
Sources : US DoL, KBVS Research (2025)

NONFARM PAYROLLS



Sources : Bureau of Labor Statistics, KBVS Research (2025)

UNEMPLOYMENT RATE



Sources : US Bureau of Labor Statistics, KBVS Research (2025)

ANOTHER TRUMP CONTROVERSY (1)

'No exemptions, no exceptions': Trump slaps 25% tariffs on steel, aluminium

US president says measures are a response to domestic industry being 'pummelled by both friend and foe alike'.



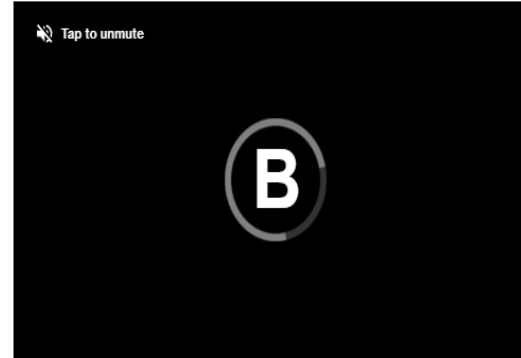
Workers monitor steel being melted at 3,000 degrees Fahrenheit (1,649 degrees Celsius) in an electric arc furnace (EAF) at the NLMK Indiana steel mill in Portage, Indiana, on March 15, 2018 [Scott Olson/Getty Images/AFP]

Source: Al Jazeera (2025), link:

<https://www.aljazeera.com/economy/2025/2/11/trump-slaps-25-tariffs-on-steel-aluminum-raising-new-trade-war-fears>

Trump Sets 25% Steel, Aluminum Tariffs, Widening Trade War

- EU says it'll retaliate and has 'the strength to do so'
- Trump warns that tariff rate on metals could be increased



Trump Orders 25% Tariff on Steel and Aluminum

Source: Bloomberg (2025), link:

<https://www.bloomberg.com/news/articles/2025-02-10/trump-sets-25-tariffs-on-steel-aluminum-heightening-trade-war>

Trump says no right of return for Palestinians under Gaza plan

2 days ago

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David Gritten
BBC News



Most of Gaza's population has been displaced multiple times during the war

Source: BBC (2025), link:

<https://www.bbc.com/news/articles/cn57neepx4vo>

- On Monday (Feb 10, '25), Trump announced an increase in tariffs on steel and aluminum imports to the U.S;
 - Trump signed proclamations raising the U.S. tariff rate on aluminum to 25% from the previous 10% and eliminating country-specific exemptions, quota agreements, and hundreds of thousands of product-specific tariff exclusions for both metals.
 - These measures would take effect on Mar 4, '25.
 - The tariffs will apply to steel and aluminum imports from Canada, Brazil, Mexico, South Korea, and other countries that had previously been entering the U.S. duty-free under various exemptions.
 - Trump later stated that he would give "great consideration" to Australia's request for an exemption from the steel tariffs due to the country's trade deficit with the U.S.
- Trump's ambition to assert control over Gaza and his stance that Palestinians have no right to return raise serious concerns.
 - This policy shift is not only expected to exacerbate tensions in Israel and Palestine but also risks triggering strong reactions from other Islamic nations, could further destabilize the region, fueling anti-American sentiment and prompting diplomatic and economic countermeasures from Muslim-majority countries.

ANOTHER TRUMP CONTROVERSY (2)

Tens of thousands of federal workers accept Trump resignation offer

6 days ago

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Holly Honderich
in Washington DC



Source: BBC News (2025), link:
<https://www.bbc.com/news/articles/c62644len10o>



Source: mirrornow.in (2025).

Trump wants to end birthright citizenship. Where do other countries stand?

3 days ago

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Luis Barrucho
BBC World Service

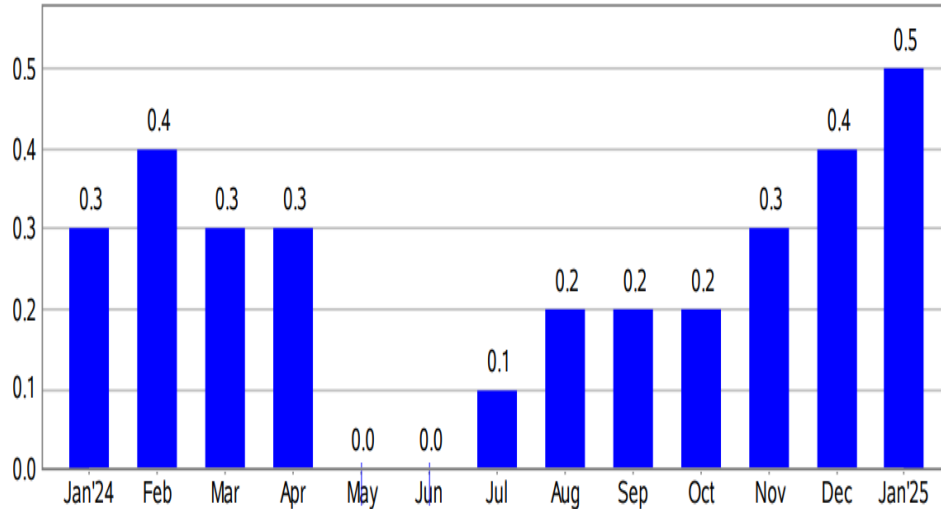


Source: BBC (2025), link:
<https://www.bbc.com/news/articles/c983g6zpz28o>

- Aside from the two previously mentioned measures, Trump also pushed for greater efficiency among federal workers, with approximately 1% of the workforce (around 2,000 to 40,000 employees) opting for resignation under the initiative.
- A federal judge in Massachusetts has temporarily blocked the Trump administration's attempt to encourage federal employees to leave their jobs through delayed resignation offers.
- The White House directed the CIA to send an unclassified email listing employees hired in the past two years as part of an effort—reportedly led by Elon Musk—to significantly reduce the federal workforce. Both the CIA and the National Security Agency (NSA) offered employees the option to stop working before officially resigning by September 30. In response, the country's largest federation of labor unions launched a campaign to oppose job cuts.
- President Trump signed an executive order aimed at barring transgender students from participating in women's sports. The order instructs federal agencies to withhold funding from schools that fail to comply. This action aligns with Trump's repeated criticism of transgender athletes during his presidential campaign.
- A federal judge in Maryland blocked President Trump's executive order seeking to unilaterally end automatic citizenship for children born on U.S. soil to undocumented or temporary immigrants. The nationwide preliminary injunction provides a more permanent legal barrier than the 14-day restraining order previously issued by a Seattle court.

US CPI

Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Jan. 2024 - Jan. 2025
Percent change



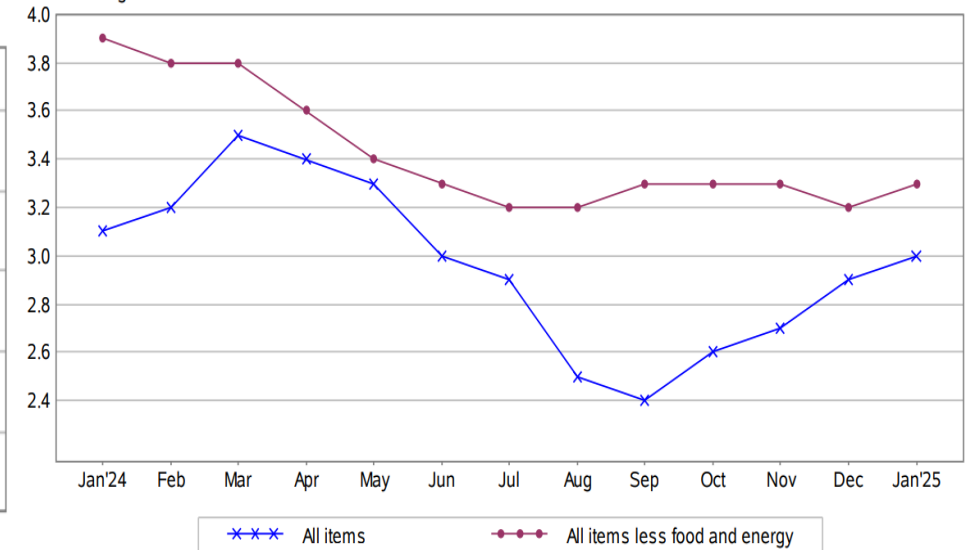
Source: US BLS (2025).

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Jan. 2025
	Jul. 2024	Aug. 2024	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	
All items.....	0.1	0.2	0.2	0.2	0.3	0.4	0.5	3.0
Food.....	0.1	0.2	0.3	0.2	0.3	0.3	0.4	2.5
Food at home.....	0.1	0.1	0.3	0.2	0.4	0.3	0.5	1.9
Food away from home ¹	0.2	0.3	0.3	0.2	0.3	0.3	0.2	3.4
Energy.....	-0.4	-1.0	-1.0	-0.2	0.1	2.4	1.1	1.0
Energy commodities.....	-0.8	-1.3	-2.3	-1.1	0.2	3.9	1.9	-0.5
Gasoline (all types).....	-0.9	-1.2	-2.3	-1.0	0.3	4.0	1.8	-0.2
Fuel oil.....	0.0	-2.8	-3.8	-2.3	-1.4	2.1	6.2	-5.3
Energy services.....	0.0	-0.7	0.6	0.7	-0.1	0.8	0.3	2.5
Electricity.....	0.2	-0.4	0.5	0.8	-0.2	0.2	0.0	1.9
Utility (piped) gas service.....	-0.5	-1.6	0.7	0.5	0.5	2.8	1.8	4.9
All items less food and energy.....	0.2	0.3	0.3	0.3	0.3	0.2	0.4	3.3
Commodities less food and energy commodities.....	-0.2	-0.1	0.2	0.0	0.2	0.0	0.3	-0.1
New vehicles.....	-0.1	0.0	0.1	0.0	0.5	0.4	0.0	-0.3
Used cars and trucks.....	-1.4	-0.2	0.5	1.2	1.3	0.8	2.2	1.0
Apparel.....	-0.3	0.1	1.0	-0.9	0.1	0.1	-1.4	0.4
Medical care commodities ¹	0.2	-0.2	-0.7	-0.2	-0.1	0.0	1.2	2.3
Services less energy services.....	0.3	0.4	0.4	0.3	0.3	0.3	0.5	4.3
Shelter.....	0.4	0.5	0.3	0.4	0.3	0.3	0.4	4.4
Transportation services.....	0.4	0.8	1.2	0.4	0.1	0.5	1.8	8.0
Medical care services.....	-0.1	-0.1	0.6	0.3	0.3	0.2	0.0	2.7

¹ Not seasonally adjusted.

Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Jan. 2024 - Jan. 2025
Percent change



Source: US BLS (2025).

- The headline annual inflation rate in the US for Jan '25 increased to 3.0% YoY (Cons: 2.9% YoY, Prev: 2.9% YoY).
- Energy costs rose by 1.0% YoY (Prev: -0.5% YoY). This rise was primarily driven by smaller declines in gasoline (-0.2% vs. -3.4%) and fuel oil (-5.3% vs. -13.1%), along with stable natural gas prices (4.9% vs. 4.9%). Additionally, prices for used cars and trucks rebounded (1.0% vs. -3.3%), while transportation costs accelerated (8.0% vs. 7.3%), and new vehicle prices declined at a slower pace (-0.3% vs. -0.4%).
- Conversely, food inflation remained steady at 2.5% YoY, while shelter inflation eased to 4.4% (Prev: 4.6%).
- Meanwhile, annual core inflation unexpectedly rose to 3.3% YoY (Cons: 3.1% YoY, Prev: 3.2% YoY).

FED PROBABILITIES

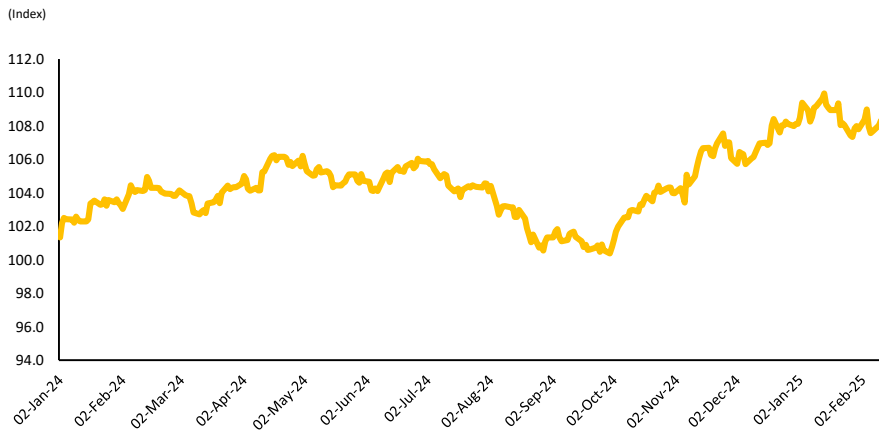
FED PROBABILITIES, as of 12 FEB '25

MEETING DATE	FED PROBABILITIES (in bps)					
	300-325	325-350	350-375	375-400	400-425	425-450
19-Mar-25	0.0%	0.0%	0.0%	0.0%	5.0%	95.0%
7-May-25	0.0%	0.0%	0.0%	0.8%	20.1%	79.1%
18-Jun-25	0.0%	0.0%	0.3%	7.7%	41.1%	50.9%
30-Jul-25	0.0%	0.1%	1.7%	13.9%	42.9%	41.4%
17-Sep-25	0.0%	0.5%	5.0%	21.7%	42.5%	30.3%
29-Oct-25	0.1%	1.3%	7.8%	25.3%	40.4%	25.1%
10-Dec-25	0.3%	2.7%	11.6%	28.5%	37.2%	19.7%
28-Jan-26	0.5%	3.3%	12.7%	29.1%	36.0%	18.4%

- Concerns over rising inflation following Trump's tariff measures have kept Michigan's 1-year inflation expectation at 3.0% YoY in Feb '25.
- This was further reinforced by Fed Chair Powell's statement that there is "no rush to cut rates," which dampened expectations for a Fed rate cut.
- As a result, the U.S. Dollar Index (DXY) strengthened over the past week as investors sought safe-haven assets.
- At the same time, the decline in U.S. Treasury yields observed last week has stalled.

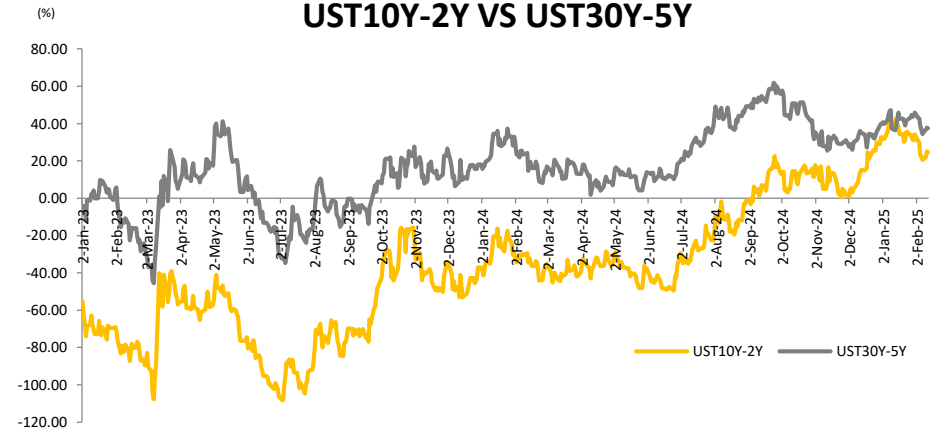
Sources : CME Group, and KBVS Research (2025)

DXY



Sources : Bloomberg, and KBVS Research (2025)

YIELD SPREAD UST10Y-2Y VS UST30Y-5Y



Sources : Bloomberg, and KBVS Research (2025)

THE MOVEMENT OF UST YIELDS

US FISCAL INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Govt Debt	USD Tn	Nov' 24	36.08	35.95
Govt Debt to GDP	%	4Q24	124.35	122.3
Govt Budget	USD Bn	Nov '24	-367.30	-257.00
S&P Credit Rating	Rating	27-Mar-24	AA+	AA+

Sources : US Treasury, KBVS Research (2025)

Over the past week, UST yields moved tends to increase:

- Yield UST6M
 - +2.90 bps (WoW)
 - +6.34 bps (YtD, as of Feb 12, '25)
- Yield UST1Y
 - +6.21 bps (WoW)
 - +8.35 bps (YtD, as of Feb 12, '25)
- Yield UST2Y
 - +10.92 bps (WoW)
 - +5.44 bps (YtD, as of Feb 12, '25)
- Yield UST5Y
 - +12.89 bps (WoW)
 - -0.50 bps (YtD, as of Feb 12, '25)
- Yield SUN10Y
 - +12.13 bps (WoW)
 - -2.96 bps (YtD, as of Feb 12, '25)
- Yield SUN10Y
 - +11.73 bps (WoW)
 - -2.81 bps (YtD, as of Feb 12, '25)

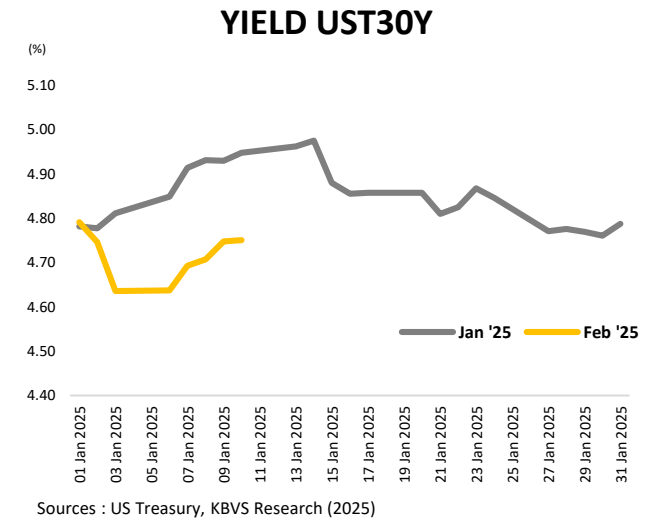
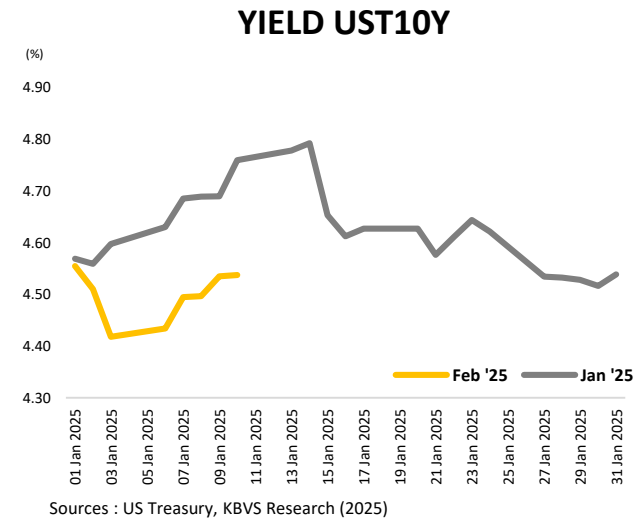
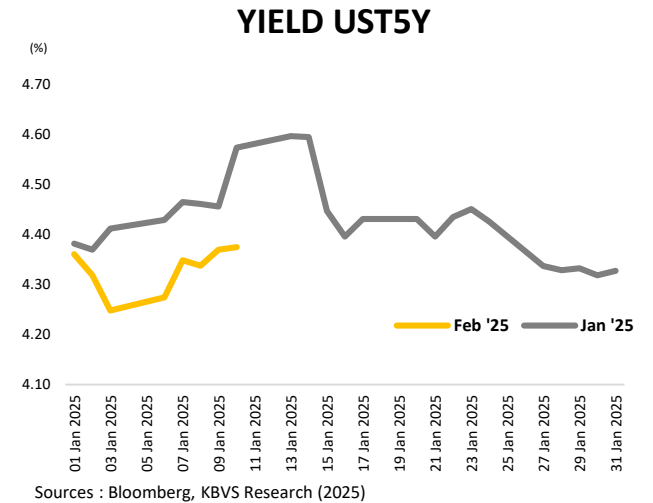
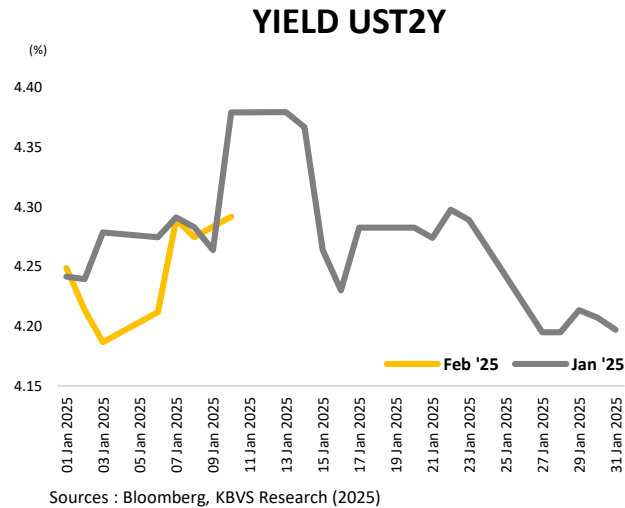


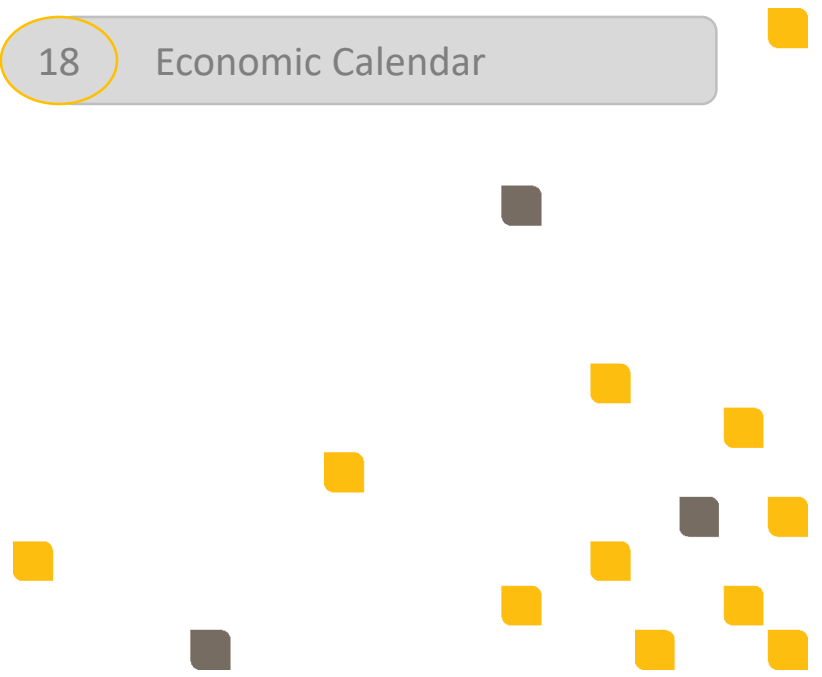


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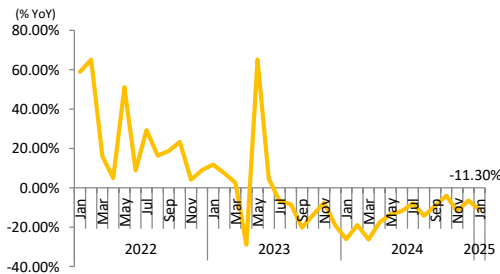
INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	18 Jan '25	5.75	6.00
Economic Growth	%, yoy	4Q24	5.02	4.95
Inflation Rate	%, yoy	Jan '25	0.76	1.57
Unemployment Rate	%	Sep '24	4.91	4.82
S&P Credit Rating	Rating	17 July '24	BBB	BBB

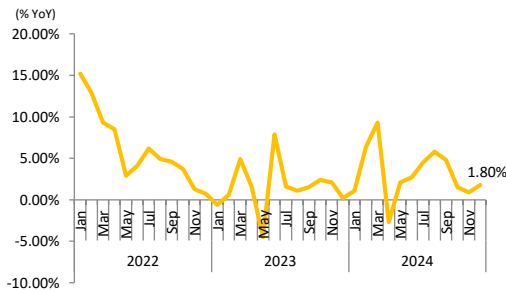
Sources : various sources, KBVS Research (2025)

CAR SALES



Sources : Gaikindo, KBVS Research (2025)

RETAIL SALES



Sources : BI, KBVS Research (2025)

ECONOMIC CALENDAR

(6-12 FEB '25)

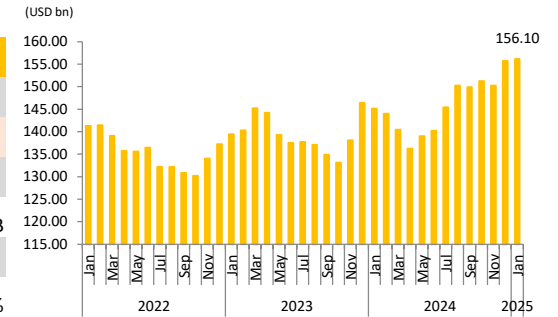
Event	Actual	Forecast	Previous
Thursday, 6 Feb '25			
ID Fx Reserves (USD) (Jan)	156.10B		155.70B
Monday, 10 Feb '25			
ID Motorbike Sales (YoY) (Jan)	-6.00%		-5.50%
Tuesday, 11 Feb '25			
ID Consumer Confidence (Jan)	127.20		127.70
ID Car Sales (YoY) (Jan)	-11.30%		-6.40%
Wednesday, 12 Feb '25			
ID Retail Sales (YoY) (Dec)	1.80%		0.90%

Sources : Investing, KBVS Research (2025)

The data releases in the week of 6-12 Feb '25 are as follows:

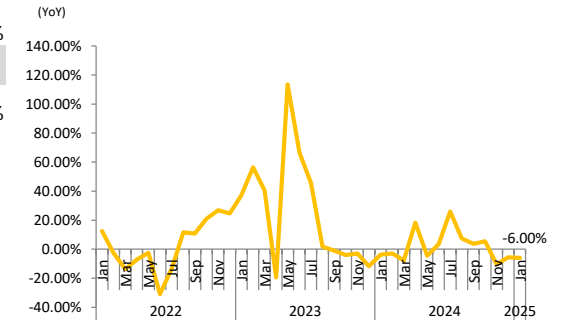
- Indonesia's FX reserves reached a new all-time high in Jan '25, rising by USD0.4 bn to USD156.1 bn.
- Motorbike Sales in Jan '25 decreased to -6.00% YoY (Prev: -5.50% YoY).
- Consumer Confidence in Jan '25 decreased to 127.20 (Prev: 127.70).
- Car Sales in Jan '25 decreased to -11.30% YoY (Prev: -6.40% YoY).
- Retail Sales in Dec '24 increased to 1.76% YoY (Prev: 0.86% YoY).

FX RESERVES



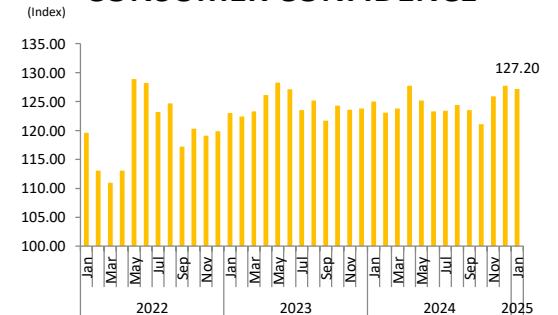
Sources : BI, KBVS Research (2025)

MOTORBIKE SALES



Sources : Gaikindo, KBVS Research (2025)

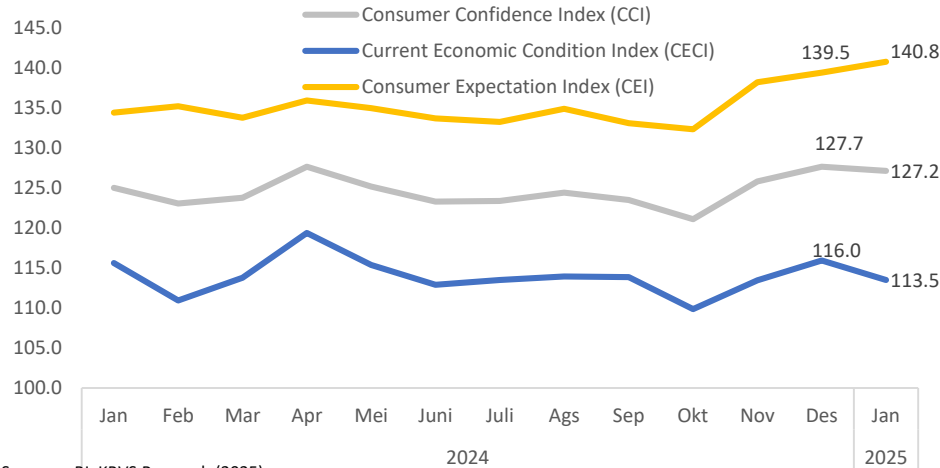
CONSUMER CONFIDENCE



Sources : BI, KBVS Research (2025)

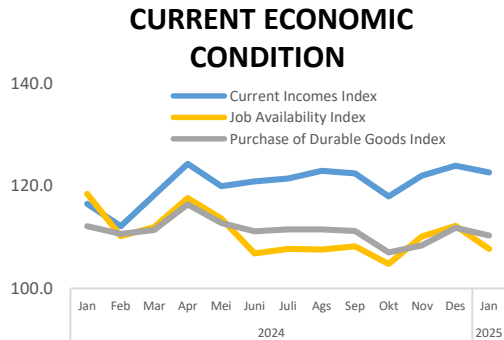
CONSUMER CONFIDENCE & RETAIL SALES

CONSUMER CONFIDENCE INDEX DEVELOPMENT

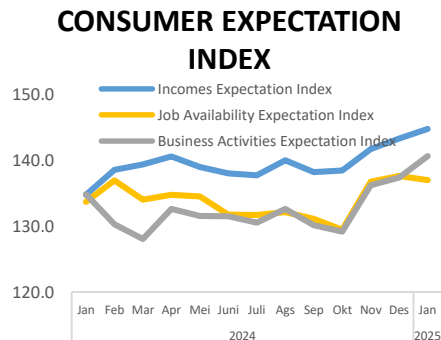


Sources : BI, KBVS Research (2025)

- Consumer Confidence in Jan '25 declined to 127.20 (Prev: 127.70).
- This decrease was driven by a downturn in the Current Economic Condition Index, as all of its contributing factors showed a decline.
- In contrast, the Consumer Expectations Index improved compared to the previous month, particularly in Income Expectations and Business Activity Expectations.

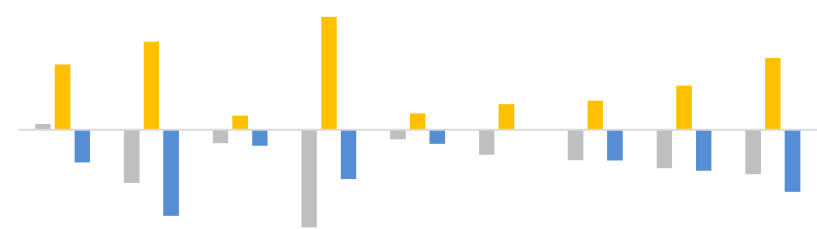


Sources : BI, KBVS Research (2025)



Sources : BI, KBVS Research (2025)

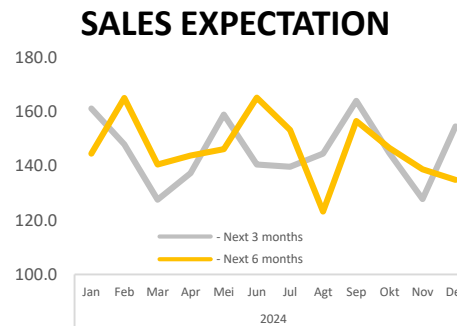
MONTHLY GROW OF REAL RETAIL SALES INDEX



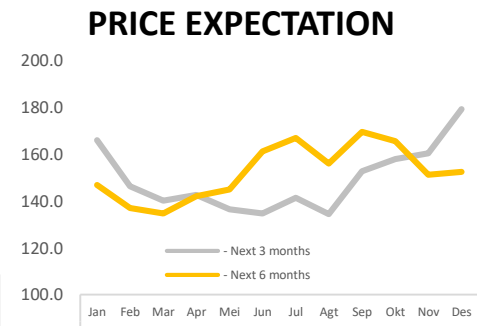
	Motor Vehicles Part and Accessories	Food, Beverages, and Tobacco	Automotive Fuels	Information & Communication Equipment	Other Household Equipment	Cultural and Recreation Goods	Other Goods	- o/w Clothing	TOTAL INDEX
Jan '24	1.0	-9.2	-2.3	-16.8	-1.7	-4.3	-5.3	-6.6	-7.7
Des '24	11.2	15.2	2.4	19.5	2.8	4.4	5.0	7.6	12.3
Jan '25	-5.7	-14.9	-2.8	-8.5	-2.4	0.1	-5.3	-7.1	-10.7

Sources : BI, KBVS Research (2025)

- Retail sales in Dec '24 grew by 1.76% YoY (Prev: 0.86% YoY).
- Growth is expected to remain at 0.38% YoY in Jan '25, although a -4.8% MoM decline is anticipated.
- The monthly decline in January is a recurring seasonal trend observed each year.
- However, concerns over a potential sales downturn in the next six months should be closely monitored and proactively addressed.



Sources : BI, KBVS Research (2025)



Sources : BI, KBVS Research (2025)

NEGATIVE EFFECTS OF APBN'S REALLOCATION (AND MBG)

'Anak Dikasih Makan Siang Gratis, tapi Ortu Menangis' – Curhatan Para Pekerja yang Kena PHK Akibat Efisiensi Anggaran Prabowo

oleh Ahmad Effendi — 12 Februari 2025



Source: mojak.co (2025), link: https://mojomok.co/liputan/ragam/efisiensi-anggaran-memakan-banyak-korban/#google_vignette

Bukan PHK, Menteri PU Sebut Pekerja yang Diberhentikan Habis Kontrak

Kurniasih Miftakul Jannah, Jurnalis-Kamis, 13 Februari 2025 10:58 WIB



Source: okezone.com (2025), link: <https://economy.okezone.com/read/2025/02/13/320/3113279/bukan-phk-menteri-pu-sebut-pekerja-yang-diberhentikan-habis-kontrak>

Soal PHK Massal Karyawan RRI dan TVRI, Menteri Yassierli: Belum Melihat secara Spesifik

Beredar kabar PHK karyawan RRI dan TVRI yang berstatus kontributor atau mitra kontrak imbas kebijakan pemangkasan anggaran.

10 Februari 2025 | 13:44 WIB



Source: tempo (2025), link: <https://www.tempo.co/ekonomi/soal-phk-massal-karyawan-rri-dan-tvri-menteri-yassierli-belum-melihat-secara-spesifik-1205084>

DPR Minta Kementerian Keuangan Pertimbangkan Efisiensi Anggaran di Kemenkes, Ada Alokasi untuk Obat dan Vaksin

Ketua Komisi IX DPR RI meminta agar efisiensi anggaran Kemenkes dikembalikan sebesar Rp 10 triliun.

7 Februari 2025 | 11:00 WIB



Source: tempo (2025), link: <https://www.tempo.co/ekonomi/dpr-minta-kementerian-keuangan-pertimbangkan-efisiensi-anggaran-di-kemenkes-ada-alokasi-untuk-obat-dan-vaksin-1203993>

Dampak Efisiensi Anggaran pada KIP Kuliah: 663 Ribu Mahasiswa Terancam Putus Kuliah

Admin1 - Jurnalis
Kamis, 13 Februari 2025 - 08:15 WIB



Source: 1tulah.com (2025), link: <https://1tulah.com/2025/02/13/dampak-efisiensi-anggaran-pada-kip-kuliah-663-ribu-mahasiswa-terancam-putus-kuliah/>

Pedagang Kantin Sekolah Keluhkan Program Makan Bergizi Gratis, Omzetnya Anjlok

Seputarfakta.com - Maulana - Seputar Kaltim

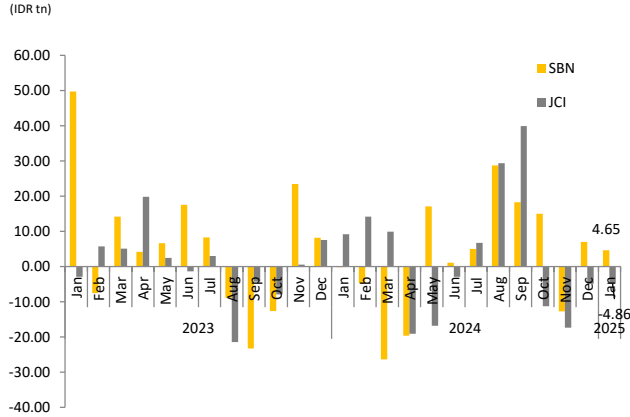
24 Januari 2025 01:08 WIB



Source: seputarfakta.com (2025), link: <https://seputarfakta.com/seputar-kaltim/pedagang-kantin-sekolah-keluhkan-program-makan-bergizi-gratis-omzetnya-anjlok-8159>

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2025)

Between 6-12 Feb '25, non-residents conducted:

- A net buy of tradeable SBN, amounting IDR9.67 tn.
- A net sell of JCI, amounting IDR4.71 tn.

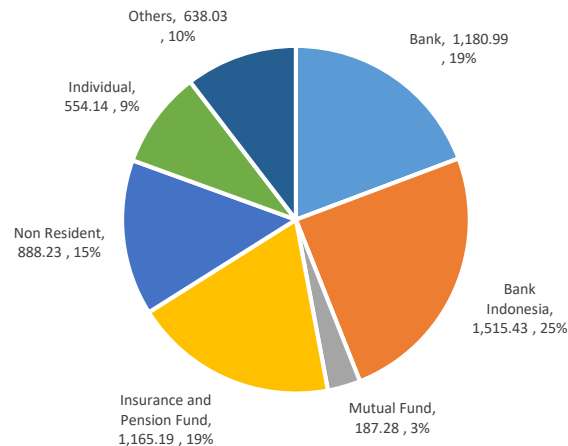
SUN LATEST AUCTION

4 Feb '25									
Instruments	SPN03250507	SPN12260205	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1.00	4.92	31.31	19.32	11.16	6.40	1.28	1.69	77.08
Bid to Cover Ratio	-	2.46	3.00	2.86	2.82	1.94	5.14	1.30	2.75
Weighted Average Yields Awarded	-	6.400%	6.860%	7.055%	7.270%	7.280%	7.156%	7.208%	
21 Jan '25									
Instruments	SPN03250423	SPN12260108	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.51	2.79	20.35	15.04	5.97	5.51	0.36	1.94	31.66
Bid to Cover Ratio	-	1.02	2.29	1.93	1.57	2.40	2.40	6.46	1.21
Weighted Average Yields Awarded	-	6.450%	6.912%	7.120%	7.300%	7.290%	7.232%	7.227%	

Sources : DJPPR, KBVS Research (2025)

OWNERSHIP of IDR TRADABLE SBN

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2025)

As of 11 Feb '25, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,515.43 tn (-IDR48.83 tn, WoW),
- Banks : IDR1,180.99 tn (+IDR56.94 tn, WoW), and
- Insurance & Pension Funds: IDR1,165.19 tn (+IDR3.83 tn, WoW)

SBSN LATEST AUCTION

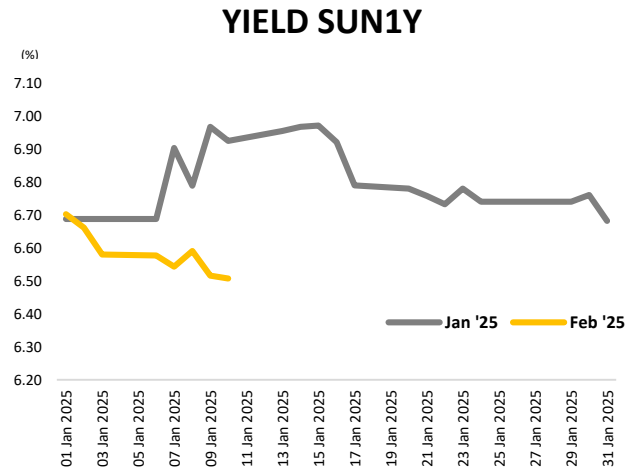
11 Feb '25								
Instruments	SPNS04082025	SPNS10112025	PBS003	PBS030	PBS034	PBS039	PBS038	Total
Incoming Bids (IDR tn)	1.26	4.87	9.92	8.11	0.57	0.30	5.23	30.26
Bid to Cover Ratio	-	9.75	3.89	2.32	-	-	1.51	3.03
Weighted Average Yields Awarded	-	6.300%	6.580%	6.640%	-	-	7.100%	
30 Jan '25								
Instruments	SPNS07072025	SPNS13102025	PBS003	PBS030	PBSG001	PBS034	PBS038	Total
Incoming Bids (IDR tn)	2.08	3.14	5.04	3.26	1.13	0.62	5.26	20.52
Bid to Cover Ratio	1.01	1.26	3.15	1.05	3.75	6.20	15.02	2.05
Weighted Average Yields Awarded	6.330%	6.350%	6.850%	6.890%	6.798%	6.983%	7.207%	

Sources : DJPPR, KBVS Research (2025)

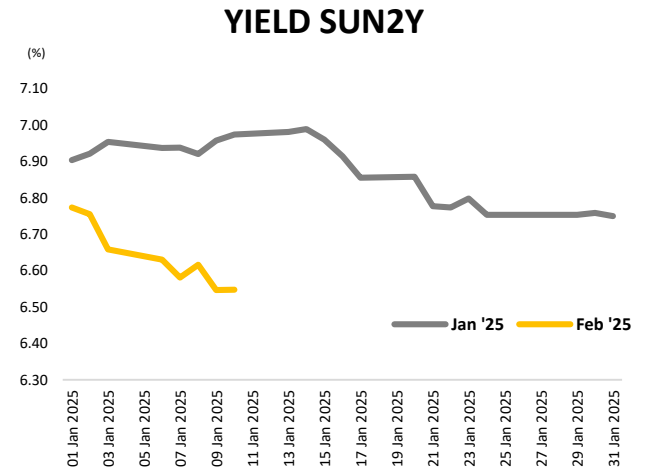
THE MOVEMENT OF SUN YIELDS

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

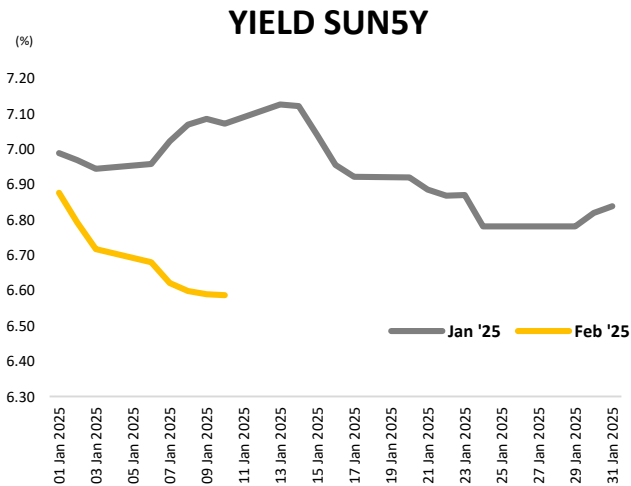
- Yield SUN1Y
 - -10.20 bps (WoW)
 - -20.90 bps (YtD, as of Feb 12, '25)
- Yield SUN2Y
 - -11.20 bps (WoW)
 - -35.80 bps (YtD, as of Feb 12, '25)
- Yield SUN5Y
 - -10.30 bps (WoW)
 - -37.40 bps (YtD, as of Feb 12, '25)
- Yield SUN10Y
 - -9.20 bps (WoW)
 - -14.80 bps (YtD, as of Feb 12, '25)
- Yield SUN30Y
 - -3.20 bps (WoW)
 - -5.90 bps (YtD, as of Feb 12, '25)



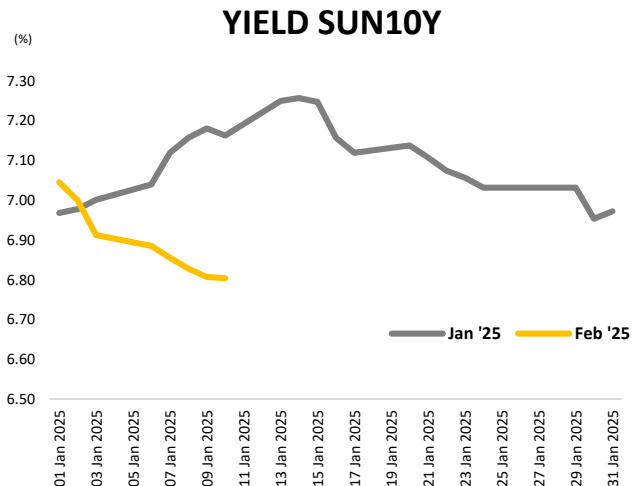
Sources : Bloomberg, KBVS Research (2025)



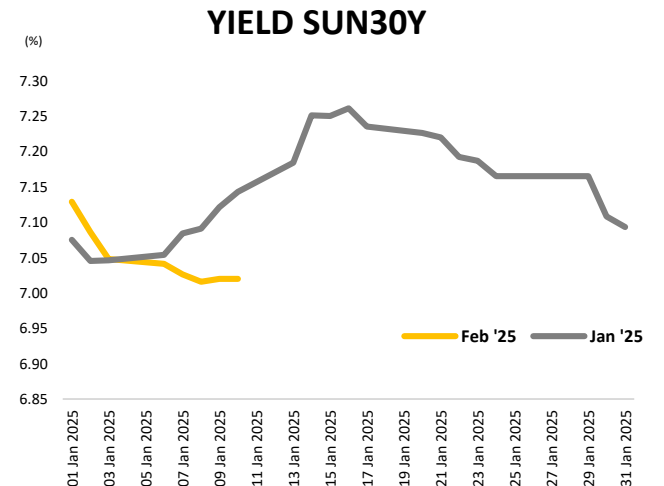
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)



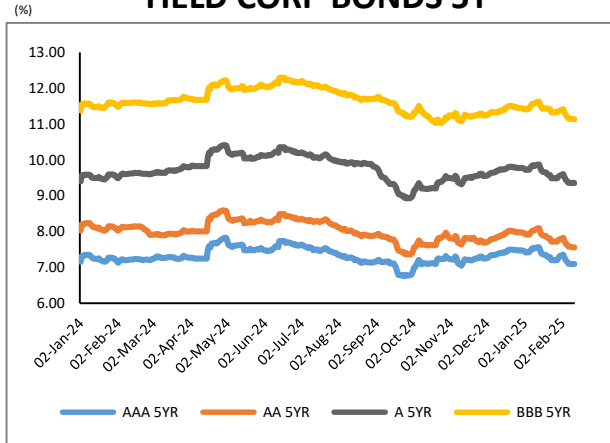
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)

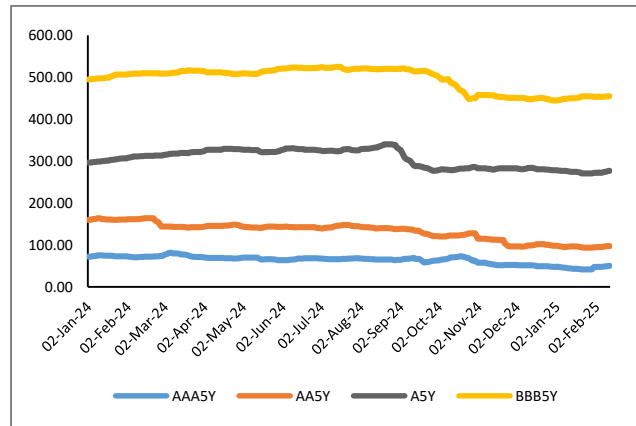
THE MOVEMENT OF CORPORATE BOND YIELD

YIELD CORP BONDS 5Y



Sources : Bloomberg, KBVS Research (2025)

YIELD SPREAD 5Y TENOR

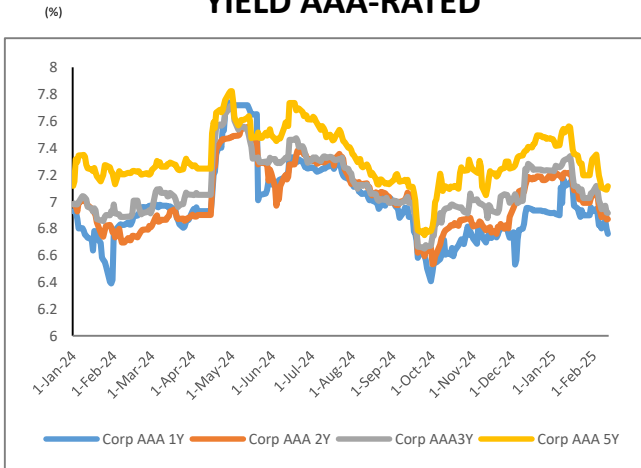


Sources : Bloomberg, KBVS Research (2025)

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

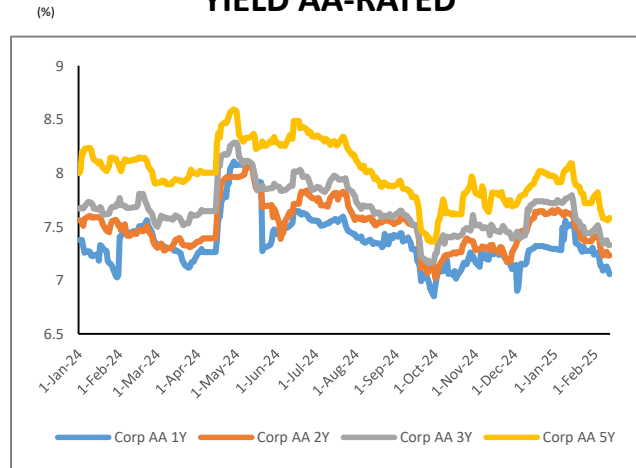
- AAA-rated
 - Tenor 1Y : -6.25 bps (WoW)
 - Tenor 2Y : -5.53 bps (WoW)
 - Tenor 5Y : -4.10 bps (WoW)
- AA-rated
 - Tenor 1Y : -7.77 bps (WoW)
 - Tenor 2Y : -4.23 bps (WoW)
 - Tenor 5Y : -4.24 bps (WoW)
- A-rated
 - Tenor 1Y : -7.17 bps (WoW)
 - Tenor 2Y : -5.64 bps (WoW), and
 - Tenor 5Y : -2.19 bps (WoW)

YIELD AAA-RATED



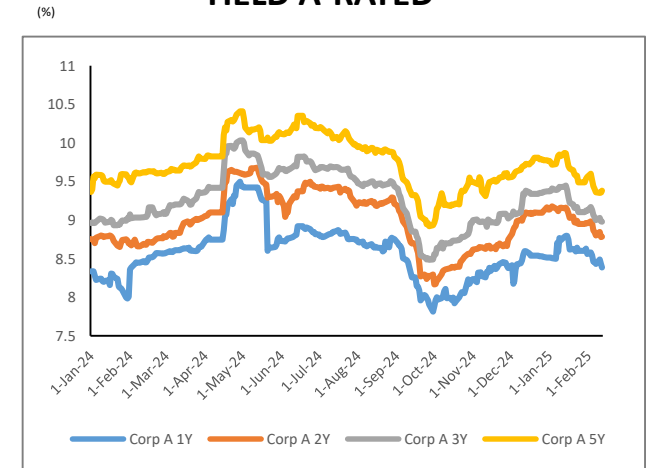
Sources : Bloomberg, KBVS Research (2025)

YIELD AA-RATED



Sources : Bloomberg, KBVS Research (2025)

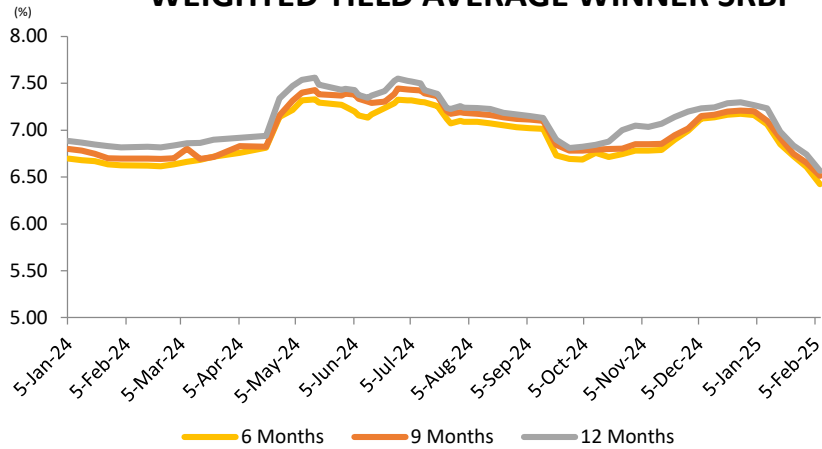
YIELD A-RATED



Sources : Bloomberg, KBVS Research (2025)

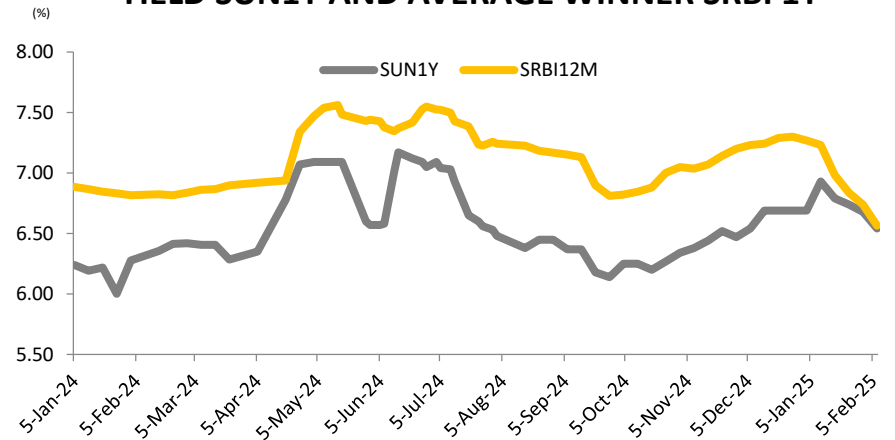
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



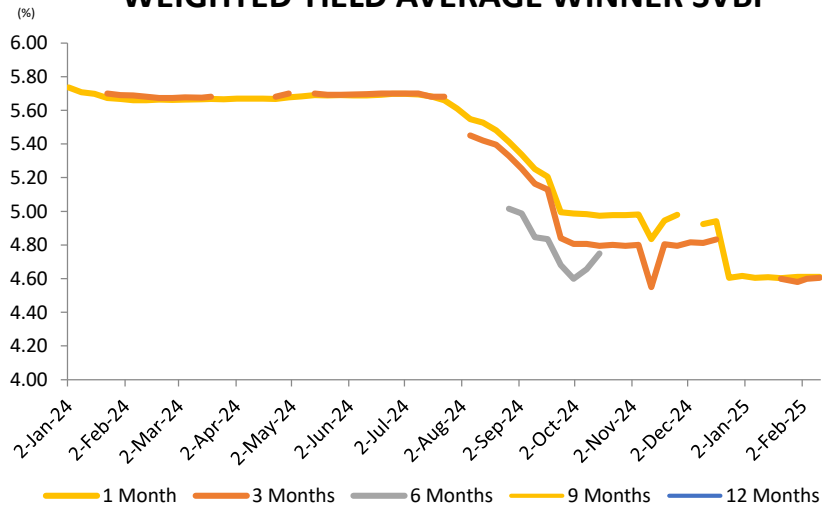
Sources : BI, KBVS Research (2025)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2025)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2025)

- The BI Rate cut aimed at stimulating economic growth appears to have been well received by the market.
- This is reflected in the decline of the average winner yield in the SRBI auction following the rate cut announcement, persisting through last week's final auction.
- We hope this will also help alleviate concerns regarding the crowding-out effect and the concentration of investments in SRBI, which offers higher yields compared to other investment instruments with even longer tenors.
- However, we remain concerned about Bank Indonesia's ability to intervene in the Rupiah through open market operations (OMO), as the currency has yet to return to a level below IDR 16,000 per USD, which we consider to be the Rupiah's real effective equilibrium level.



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NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(13-19 FEB 2025)

Country	Event	Forecast	Previous
Thursday, Feb 13, 2025			
US	FOMC Member Bostic Speaks		
GE	Buba President Nagel Speaks		
US	10-Year Note Auction		4.68%
US	Fed Budget Balance (Jan)	-79.8B	-87.0B
US	Fed Waller Speaks		
GB	RICS House Price Balance (Jan)	27.00%	28.00%
ID	Car Sales (YoY) (Jan)		-6.40%
GB	Business Investment (QoQ) (Q4)	-0.50%	1.90%
GB	GDP (QoQ) (Q4)	-0.10%	0.00%
GB	GDP (MoM) (Dec)	0.10%	0.10%
GB	GDP (YoY) (Q4)		0.90%
GB	Industrial Production (MoM) (Dec)	0.30%	-0.40%
GB	Manufacturing Production (MoM) (Dec)	0.10%	-0.30%
GB	Monthly GDP 3M/3M Change (Dec)		0.00%
GB	Trade Balance (Dec)	-18.30B	-19.31B
GB	Trade Balance Non-EU (Dec)		-7.72B
GE	CPI (MoM) (Jan)	-0.20%	0.50%
GE	CPI (YoY) (Jan)	2.30%	2.60%
GE	Buba Balz Speaks		
US	IEA Monthly Report		
EU	Economic Bulletin		
EU	Economic Forecasts		
EU	Industrial Production (MoM) (Dec)	-0.60%	0.20%
GB	NIESR Monthly GDP Tracker (Jan)		0.00%
US	Continuing Jobless Claims		1,886K
US	Initial Jobless Claims	221K	219K
US	Core PPI (MoM) (Jan)	0.30%	0.00%
US	PPI (MoM) (Jan)	0.20%	0.20%
Friday, Feb 14, 2025			
GE	Buba President Nagel Speaks		
US	30-Year Bond Auction		4.91%
US	Fed's Balance Sheet		6,811K
EU	GDP (YoY) (Q4)	0.90%	0.90%
EU	GDP (QoQ) (Q4)	0.00%	0.40%
US	Core Retail Sales (MoM) (Jan)	0.30%	0.40%
US	Export Price Index (MoM) (Jan)		0.30%
US	Import Price Index (MoM) (Jan)	0.50%	0.10%
US	Retail Control (MoM) (Jan)		0.70%
US	Retail Sales (MoM) (Jan)	0.00%	0.40%
US	Industrial Production (YoY) (Jan)		0.55%
US	Industrial Production (MoM) (Jan)	0.30%	0.90%
US	Business Inventories (MoM) (Dec)	0.10%	0.10%
US	Retail Inventories Ex-Auto (Dec)	0.20%	0.50%

Country	Event	Forecast	Previous
Monday, Feb 17, 2025			
JP	GDP (YoY) (Q4)		1.20%
JP	GDP (QoQ) (Q4)		0.30%
JP	GDP Price Index (YoY) (Q4)		2.40%
ID	Export Growth (YoY) (Jan)		4.78%
ID	Import Growth (YoY) (Jan)		11.07%
ID	Trade Balance (Jan)		2.24B
JP	Industrial Production (MoM) (Dec)		0.30%
EU	Trade Balance (Dec)		16.4B
Tuesday, Feb 18, 2025			
GB	Average Earnings Index + Bonus (Dec)		5.60%
GB	Claimant Count Change (Jan)		0.7K
GB	Employment Change 3M/3M (MoM) (Dec)		35K
GB	Unemployment Rate (Dec)		4.40%
GB	Labour Productivity (Q3)		-0.30%
GE	ZEW Current Conditions (Feb)		-90.40
GE	ZEW Economic Sentiment (Feb)		10.30
EU	ZEW Economic Sentiment (Feb)		18.00
US	NY Empire State Manufacturing Index (Feb)		-12.60
Wednesday, Feb 18, 2025			
US	TIC Net Long-Term Transactions (Dec)		79.0B
JP	Exports (YoY) (Jan)		2.80%
JP	Imports (YoY) (Jan)		1.70%
JP	Trade Balance (Jan)		132.50B
GB	CPI (MoM) (Jan)		0.30%
GB	CPI (YoY) (Jan)		2.50%
GB	PPI Input (MoM) (Jan)		0.10%
ID	Deposit Facility Rate (Feb)		5.00%
ID	Lending Facility Rate (Feb)		6.50%
US	Building Permits (Jan)		1.482M
US	Housing Starts (MoM) (Jan)		15.80%
US	Housing Starts (Jan)		1.499M

