

Central Banks Closely Monitor Trump's Tariff Policy

20 March 2025

Economist / Fikri C Permana

EXECUTIVE SUMMARY

- Inflation trends and economic conditions have driven differing monetary policy decisions and forward expectations in Mar '25.
- Yesterday, the Central Bank of Iceland lowered its key interest rate by 25 bps, while the Fed kept its benchmark rate steady at 4.50%—with expectations of rate cuts later this year. Meanwhile, the Central Bank of Brazil raised its Selic rate by 100 bps to 14.25%.
- At the same time, concerns over inflation and economic growth have resurfaced as former U.S. President Donald Trump pushes for sweeping tariffs aimed at reshaping global trade.
- In response, the European Union is taking preventive measures, with EU Commissioner Stéphane Séjourné announcing a 15% reduction in EU steel imports starting in Apr '25, to mitigate the impact of Trump's proposed 25% tariffs on steel and aluminum, which could disrupt European markets.
- The BI Rate stayed at 5.75%, maintaining a balanced approach between pro-growth and pro-stability policies.
- However, concerns over a weakening domestic economy—highlighted in reports from several global research houses—have triggered a sell-off in the stock market governance concerns, including speculation over the resignation of the Finance Minister, issues surrounding the "Koperasi Merah-Putih," recent corruption cases, ongoing legislative revisions, and delays in key government programs such as Danantara and Makan Bergizi Gratis. These uncertainties culminated in a trading halt in the stock market on Mar 18.
- Despite these pressures, the Rupiah and government bond (SUN) yields have remained relatively more stable compared to the stock market. While yields have risen, the impact has been mitigated by Indonesia's still-solid economic fundamentals.

Table 1. Interest Rate Data

Indicators	19-Mar-25		Monthly Changes (in bps)	Ytd Changes (in bps)
	Latest	M-1		
Policy Rate (in %)				
United States	4.50	4.50	0.0	(100.0)
European Union	2.65	2.90	(25.0)	(185.0)
United Kingdom	4.50	4.75	(25.0)	(75.0)
Japan	0.50	0.50	0.0	60.0
China	3.10	3.10	0.0	(35.0)
India	6.25	6.50	(25.0)	(25.0)
Thailand	2.00	2.25	(25.0)	(50.0)
Philippines	5.75	5.75	0.0	(75.0)
Indonesia	5.75	5.75	0.0	(25.0)
Global Monetary Policy Change (in number of countries)				
Easing	2	3		
Unchanged	22	15		
Tightening	7	6		
Average International Interest Rate (in %)				
USD LIBOR -1 Month	4.96	4.96	0.0	(45.0)
USD LIBOR -3 Months	4.85	4.85	0.0	(75.6)
USD LIBOR -6 Months	4.68	4.68	0.0	(117.8)
Domestic Interbank Money Market (in %)				
INDONESIA	5.73	5.93	(20.2)	(27.4)
JIBOR - 1 Month	6.39	6.51	(12.6)	(0.4)
JIBOR - 3 Months	6.69	6.81	(12.3)	(6.0)
JIBOR - 6 Months	6.79	6.94	(15.3)	(7.9)
JIBOR - 12 Months	6.98	7.12	(13.5)	(7.0)

Sources: Each Central Bank and GlobalRates – treated (2025)



TABLE OF CONTENTS :

3 Global Economy

8 Domestic Economy

16 Economic Calendar

US ECONOMIC DATA

US ECONOMIC INDICATORS	Unit	Latest Period	Data	
			Latest	Previous
Fed Rate	%	Feb '25	4.50	4.50
Economic Growth	%, yoy	4Q24	2.5	2.7
Inflation Rate	%, yoy	Feb'25	2.8	3.0
Unemployment Rate	%	Feb'25	4.1	4.0

Sources : various sources, KBVS Research (2025)

The data releases that influenced yield movements in the week of 13-19 Mar '25 are as follows:

- The number of people claiming unemployment benefits on the period ending Feb 28th, '25 in the US decreased by 2K to 220K (Cons: 226K, Prev: 222K).
- 10-Year Note Auction decreased to 4.31% (Prev: 4.63%).
- PPI in Feb '25 decreased to 0.00% MoM (Cons: 0.30% MoM, Prev: 0.60% MoM).
- 30-Year Bond Auction decreased to 4.62% (Prev: 4.75%).
- Core Retail Sales in Feb '25 increased to 0.30% MoM (Cons : 0.30% MoM, Prev: -0.60% MoM).
- Retail Sales in Feb'25 increased to 0.20% MoM (Cons : 0.60% MoM, Prev: -1.20% MoM).

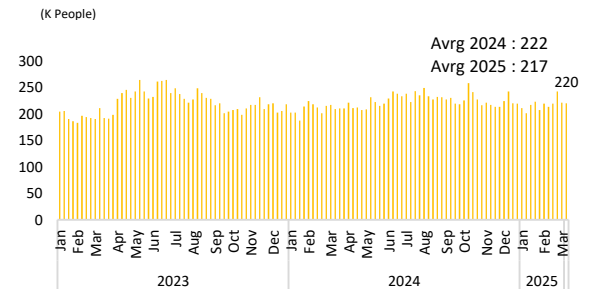
ECONOMIC CALENDAR

(13-19 MAR '25)

Event	Actual	Forecast	Previous
Thursday, 13 Mar '25			
US 10-Year Note Auction	4.31%		4.63%
US Fed Budget Balance (Feb)	-307.00B	-302.50B	-129.00B
US IEA Monthly Report			
US Continuing Jobless Claims	1,870K	1,900K	1,897K
US Initial Jobless Claims	220K	226K	222K
US Core PPI (MoM) (Feb)	-0.10%	0.30%	0.50%
US PPI (MoM) (Feb)	0.00%	0.30%	0.60%
Friday, 14 Mar '25			
US 30-Year Bond Auction	4.63%		4.75%
US Fed's Balance Sheet	6,760B		6,757B
US Michigan 1-Year Inflation Expectations (Mar)	4.90%		4.30%
US Michigan 5-Year Inflation Expectations (Mar)	3.90%		3.50%
US Michigan Consumer Expectations (Mar)	54.20	64.30	64.00
US Michigan Consumer Sentiment (Mar)	57.90	63.10	64.70
Monday, 17 Mar '25			
US Core Retail Sales (MoM) (Feb)	0.30%	0.30%	-0.60%
US NY Empire State Manufacturing Index (Mar)	-20.00	-1.90	5.70
US Retail Control (MoM) (Feb)	1.00%	0.20%	-1.00%
US Retail Sales (MoM) (Feb)	0.20%	0.60%	-1.20%
US Business Inventories (MoM) (Jan)	0.30%	0.30%	-0.20%
US Retail Inventories Ex Auto (Jan)	0.50%	0.40%	-0.10%
Tuesday, 18 Mar '25			
US Building Permits (Feb)	1.456M	1.450M	1.473M
US Export Price Index (MoM) (Feb)	0.10%	-0.20%	1.30%
US Housing Starts (MoM) (Feb)	11.20%		-11.50%
US Housing Starts (Feb)	1.501M	1.380M	1.350M
US Import Price Index (MoM) (Feb)	0.40%	-0.10%	0.40%
US Industrial Production (YoY) (Feb)	1.44%		1.92%
US Industrial Production (MoM) (Feb)	0.70%	0.20%	0.30%
US Atlanta Fed GDP Now (Q1)	-1.80%	-2.10%	-2.10%
Wednesday, 19 Mar '25			
US 20-Year Bond Auction	4.63%		4.83%
US API Weekly Crude Oil Stock	4.539M	1.170M	4.247M
US Crude Oil Inventories	1.745M	0.800M	1.448M
US Cushing Crude Oil Inventories	-1.009M		-1.228M

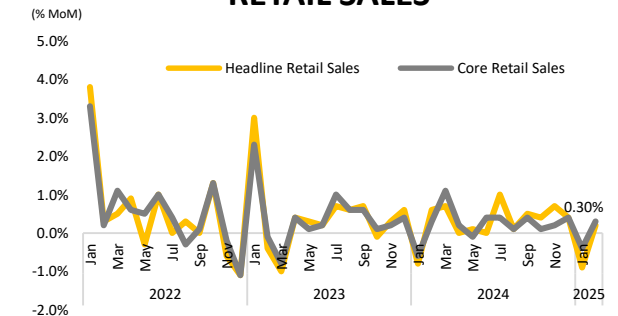
Sources : investing, KBVS Research (2025)

WEEKLY INITIAL JOBLESS CLAIMS



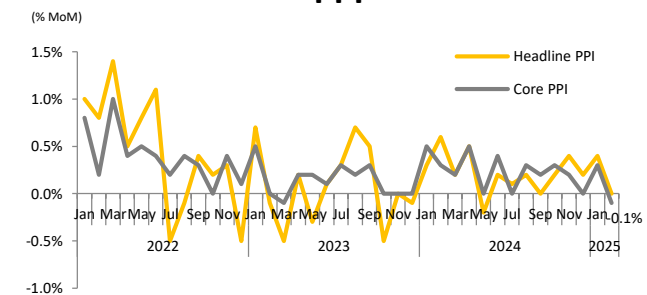
Sources : US DoL, KBVS Research (2025)

RETAIL SALES



Sources : US Census Bureau, KBVS Research (2025)

PPI



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

FOMC MEETING : MAR 19 '25

Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, March 2025

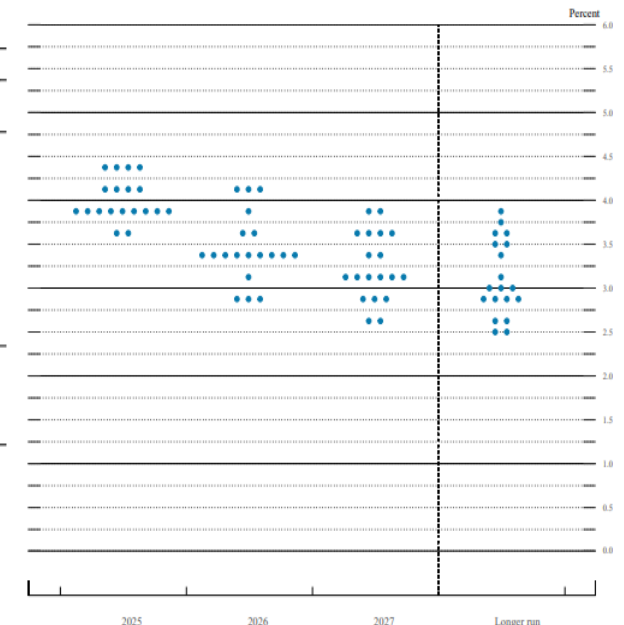
Variable	Median ¹				Central Tendency ²				Range ³			
	2025	2026	2027	Longer run	2025	2026	2027	Longer run	2025	2026	2027	Longer run
Change in real GDP	1.7	1.8	1.8	1.8	1.5-1.9	1.6-1.9	1.6-2.0	1.7-2.0	1.0-2.4	0.6-2.5	0.6-2.5	1.5-2.5
December projection	2.1	2.0	1.9	1.8	1.8-2.2	1.9-2.1	1.8-2.0	1.7-2.0	1.6-2.5	1.4-2.5	1.5-2.5	1.7-2.5
Unemployment rate	4.4	4.3	4.3	4.2	4.3-4.4	4.2-4.5	4.1-4.4	3.9-4.3	4.1-4.6	4.1-4.7	3.9-4.7	3.5-4.5
December projection	4.3	4.3	4.3	4.2	4.2-4.5	4.1-4.4	4.0-4.4	3.9-4.3	4.2-4.5	3.9-4.6	3.8-4.5	3.5-4.5
PCE inflation	2.7	2.2	2.0	2.0	2.6-2.9	2.1-2.3	2.0-2.1	2.0	2.5-3.4	2.0-3.1	1.9-2.8	2.0
December projection	2.5	2.1	2.0	2.0	2.3-2.6	2.0-2.2	2.0	2.0	2.1-2.9	2.0-2.6	2.0-2.4	2.0
Core PCE inflation ⁴	2.8	2.2	2.0		2.7-3.0	2.1-2.4	2.0-2.1		2.5-3.5	2.1-3.2	2.0-2.9	
December projection	2.5	2.2	2.0		2.5-2.7	2.0-2.3	2.0		2.1-3.2	2.0-2.7	2.0-2.6	
Memo: Projected appropriate policy path												
Federal funds rate	3.9	3.4	3.1	3.0	3.9-4.4	3.1-3.9	2.9-3.6	2.6-3.6	3.6-4.4	2.9-4.1	2.6-3.9	2.5-3.9
December projection	3.9	3.4	3.1	3.0	3.6-4.1	3.1-3.6	2.9-3.6	2.8-3.6	3.1-4.4	2.4-3.9	2.4-3.9	2.4-3.9

NOTE: Projections of change in real gross domestic product (GDP) and projections for both measures of inflation are percent changes from the fourth quarter of the previous year to the fourth quarter of the year indicated. PCE inflation and core PCE inflation are the percentage rates of change in, respectively, the price index for personal consumption expenditures (PCE) and the price index for PCE excluding food and energy. Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated. Each participant's projections are based on his or her assessment of appropriate monetary policy. Longer-run projections represent each participant's assessment of the rate to which each variable would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy. The projections for the federal funds rate are the value of the midpoint of the projected appropriate target range for the federal funds rate or the projected appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. The December projections were made in conjunction with the meeting of the Federal Open Market Committee on December 17-18, 2024.

1. For each period, the median is the middle projection when the projections are arranged from lowest to highest. When the number of projections is even, the median is the average of the two middle projections.
2. The central tendency excludes the three highest and three lowest projections for each variable in each year.
3. The range for a variable in a given year includes all participants' projections, from lowest to highest, for that variable in that year.
4. Longer-run projections for core PCE inflation are not collected.

- As expected, the FOMC decided to keep the Fed Rate unchanged at 4.25%–4.50% during its Mar 19, '25 meeting.
- In its statement, the Committee noted that economic activity has continued to expand at a solid pace. The unemployment rate has remained stable at a low level in recent months, and labor market conditions remain strong. Inflation remains somewhat elevated. The Committee reaffirmed its commitment to achieving maximum employment and bringing inflation to its 2% target over the long run. However, uncertainty surrounding the economic outlook has increased, and the Committee remains vigilant about risks to both sides of its dual mandate.
- Looking ahead, the Federal Reserve maintained its policy rate while reaffirming its expectation of two rate cuts this year. However, the central bank revised its GDP growth projections downward and raised its inflation forecast, reflecting concerns about the economic outlook. During the post-meeting press conference, Chair Jerome Powell highlighted the impact of trade policy, immigration, fiscal measures, and regulations on economic conditions. Markets are now aligning with the Fed's projections, anticipating two rate cuts this year, with the first likely to occur in Jun or Jul '25.

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



FED PROBABILITIES

FED PROBABILITIES, as of 19 Mar '25

MEETING DATE	FED PROBABILITIES (in bps)							
	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
7-May-25	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	18.6%	81.2%
18-Jun-25	0.0%	0.0%	0.0%	0.0%	0.1%	10.3%	53.0%	36.5%
30-Jul-25	0.0%	0.0%	0.0%	0.0%	3.3%	23.6%	47.9%	25.2%
17-Sep-25	0.0%	0.0%	0.0%	2.0%	15.5%	38.2%	34.2%	10.0%
29-Oct-25	0.0%	0.0%	0.6%	5.7%	21.8%	37.1%	27.5%	7.2%
10-Dec-25	0.0%	0.2%	2.8%	12.6%	28.4%	33.0%	18.9%	4.1%
28-Jan-26	0.2%	0.6%	4.1%	14.7%	29.0%	31.1%	16.9%	3.6%
18-Mar-26	0.2%	1.5%	6.9%	18.5%	29.5%	27.3%	13.4%	2.6%

Sources : CME Group, and KBVS Research (2025)

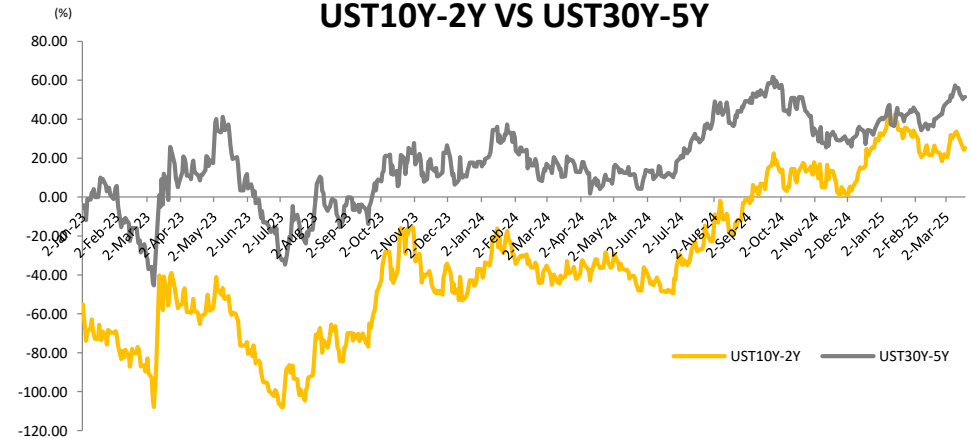
- Markets now anticipate two Fed rate cuts this year.
- Bonds also received support from the Fed's decision to slow the pace of quantitative tightening. The Fed will reduce the runoff of its Treasury holdings by USD20 bn per month to USD5bn, while mortgage-backed securities (MBS) will remain unchanged.
- Yesterday, bond yields declined across tenor (2Y -5.5 bps, 5Y -5.0 bps, 10Y -5.3 bps, and 30Y : -3.4 bps)
- This trend also helped keep the DXY stable at the 103–104 range, where it has remained since Mar 7, '25.

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 decrease:

- Yield UST6M
 - +0.53 bps (WoW)
 - -2.91 bps (YtD, as of Mar 19, '25)
- Yield UST1Y
 - +2.58 bps (WoW)
 - -6.52 bps (YtD, as of Mar 19, '25)
- Yield UST2Y
 - -1.43 bps (WoW)
 - -26.93 bps (YtD, as of Mar 19, '25)
- Yield UST5Y
 - -4.92 bps (WoW)
 - -36.13 bps (YtD, as of Mar 19, '25)
- Yield SUN10Y
 - -6.96 bps (WoW)
 - -32.62 bps (YtD, as of Mar 19, '25)
- Yield SUN10Y
 - -7.99 bps (WoW)
 - -23.05 bps (YtD, as of Mar 19, '25)

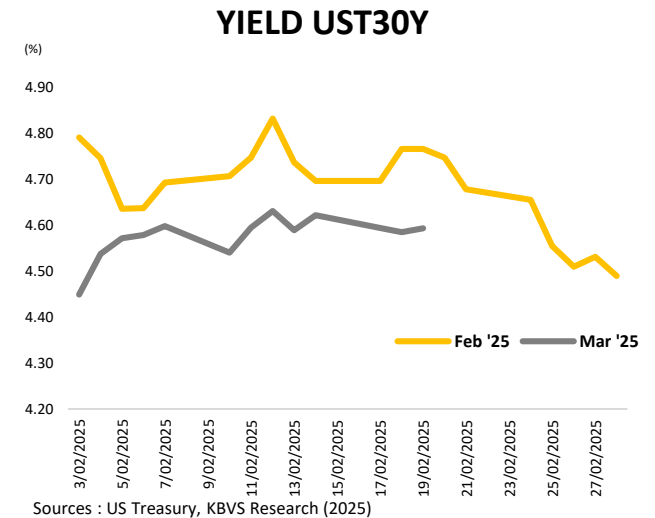
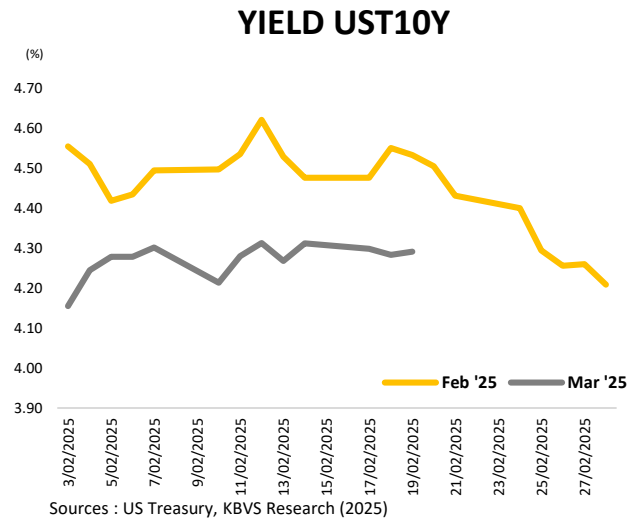
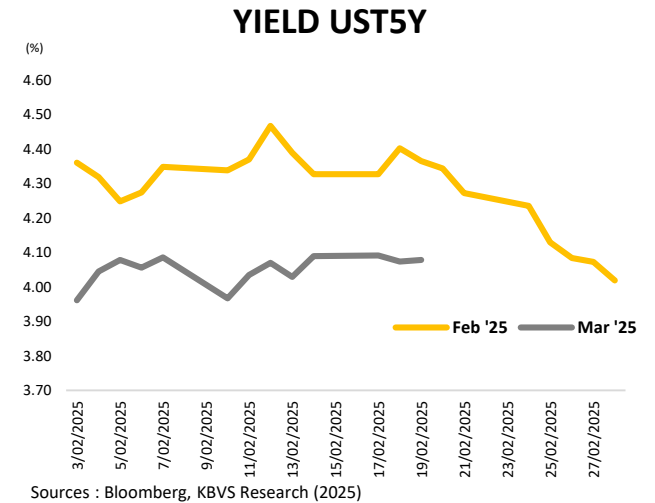
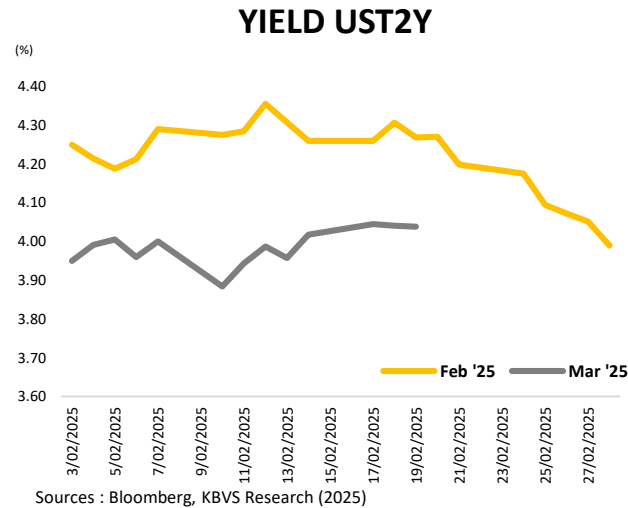


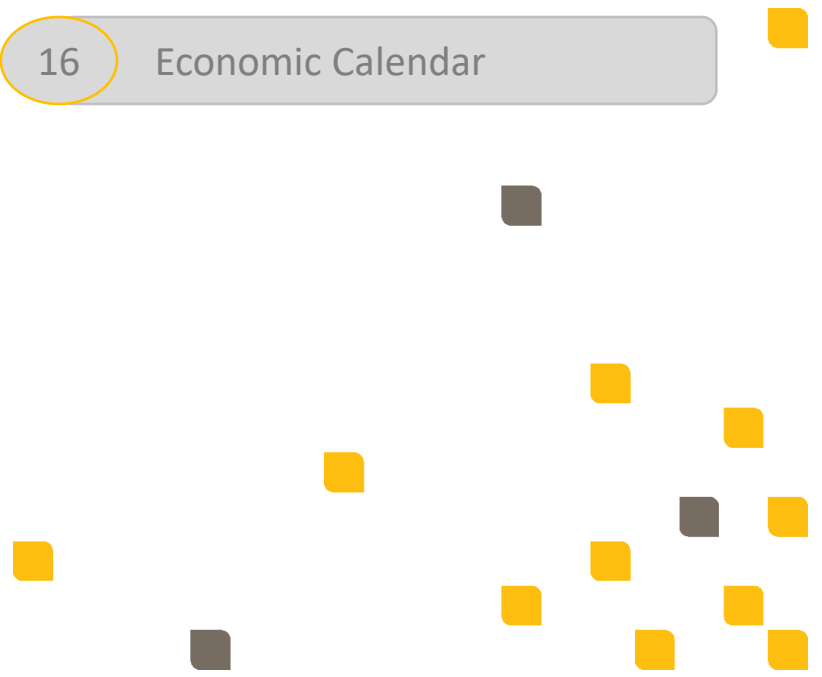


TABLE OF CONTENTS :

3 Global Economy

8 Domestic Economy

16 Economic Calendar



INDONESIA ECONOMIC DATA

INDICATORS OVERVIEW

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Policy Interest Rate	%	19 Mar '25	5.75	5.75
Economic Growth	%, yoy	4Q24	5.02	4.95
Inflation Rate	%, yoy	Feb '25	-0.09	0.76
Unemployment Rate	%	Sep '24	4.91	4.82
S&P Credit Rating	Rating	17 July '24	BBB	BBB

Sources : various sources, KBVS Research (2025)

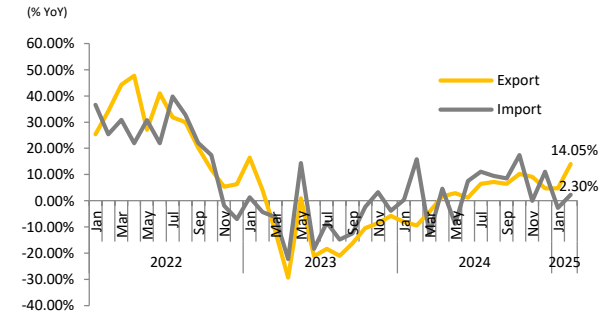
ECONOMIC CALENDAR

(13-19 MAR '25)

Event	Actual	Forecast	Previous
Thursday, 13 Mar '25			
ID Export Growth (YoY) (Feb)	14.05%	9.10%	4.68%
ID Import Growth (YoY) (Feb)	2.30%	0.60%	-2.67%
ID Trade Balance (Feb)	3.12B	2.45B	3.49B
Friday, 14 Mar '25			
Monday, 17 Mar '25			
Tuesday, 18 Mar '25			
Wednesday, 19 Mar '25			
ID Deposit Facility Rate (Mar)	5.00%	5.00%	5.00%
ID Lending Facility Rate (Mar)	6.00%	6.00%	6.50%
ID Interest Rate Decision	5.75%	5.75%	5.75%

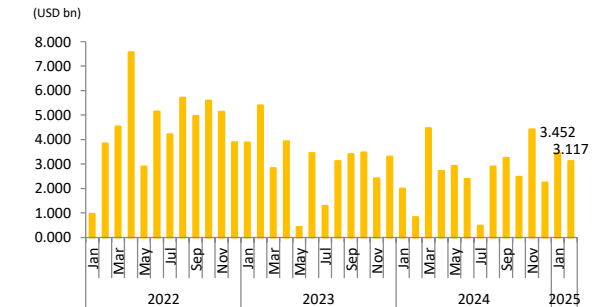
Sources : Investing, KBVS Research (2025)

EXPORT-IMPORT



Sources : BPS, KBVS Research (2025)

TRADE BALANCE

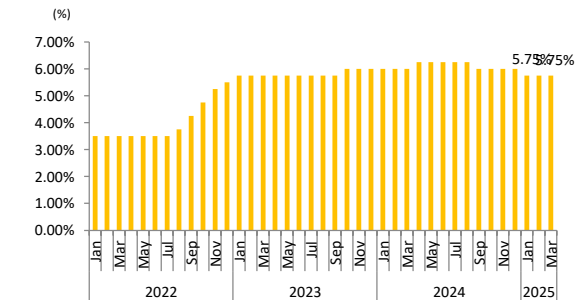


Sources : BPS, KBVS Research (2025)

The data releases in the week of 13-19 Mar '25 are as follows:

- Indonesia's trade surplus continued for the 58th consecutive month in Feb '25, reaching USD3.12 bn. This was in line with export growth during the same month, which recorded a 14.05% YoY increase. On the other hand, imports grew by 2.30% YoY.
- Bank Indonesia (BI) maintained the BI Rate at 5.75% to balance growth and stability amid a cautious global outlook.

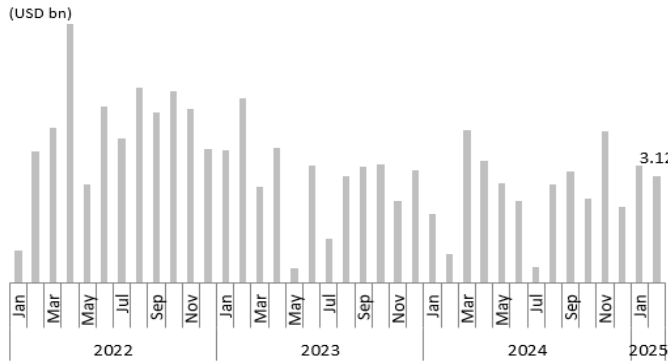
BI RATE



Sources : BI, KBVS Research (2025)

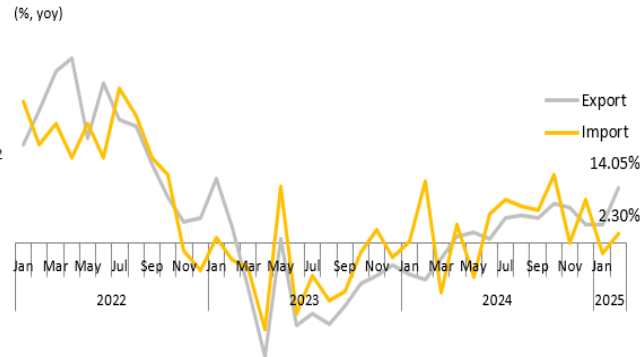
TRADE BALANCE

TRADE BALANCE



Sources : BPS, KBVS Research (2025)

EXPORT-IMPORT



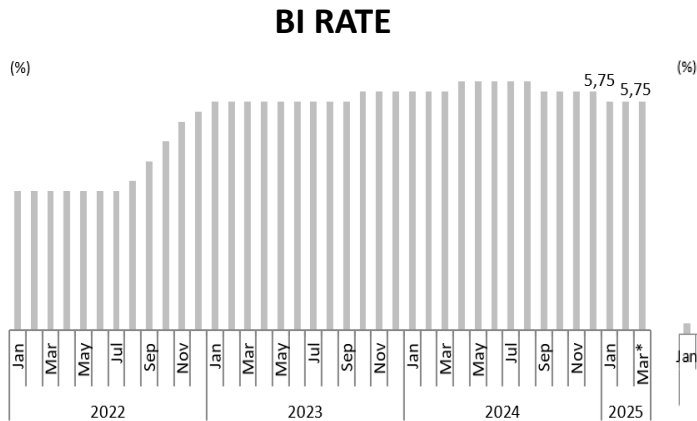
Sources : BPS, KBVS Research (2025)

Indicators	Value (USD bn)		Growth (%)	
	Latest	M-1	MoM	YoY
Total Export (FOB)	21.98	21.43	2.58	14.05
Oil and Gas	1.14	1.06	8.25	-5.98
- Crude Oil	0.19	0.07	169.49	-3.01
- Processed Oil	0.33	0.40	-16.98	-35.81
- Gas	0.59	0.62	-5.61	23.33
Non-Oil and Gas	20.84	20.37	2.29	15.40
- Agriculture, Forestry, and Fisheries	0.56	0.55	3.05	52.01
- Manufacturing	17.65	17.11	3.17	29.56
- Mining & Others	2.63	2.72	-3.40	-35.38
Total Import (CIF)	18.86	17.94	5.18	2.30
Oil and Gas	2.87	2.48	15.50	-3.76
- Crude Oil	0.82	0.55	49.46	-2.21
- Processing Oil	2.04	1.93	5.81	-4.38
- Gas	0.00	0.00	0.00	0.00
Non-Oil and Gas	16.00	15.45	3.52	3.47
Import Based on the Goods Usage Classification				
- Consumption Goods	1.47	1.64	-10.61	-21.05
- Raw/Auxiliary Materials	13.94	12.97	7.45	4.78
- Capital Goods	3.45	3.32	4.13	5.48
Trade Balance	3.12	3.49	-10.75%	258.26%
Oil and Gas Trade Balance	-1.72	-1.43	20.87%	-2.09%
Non-Oil and Gas Trade Balance	4.84	4.92	-1.59%	84.04%

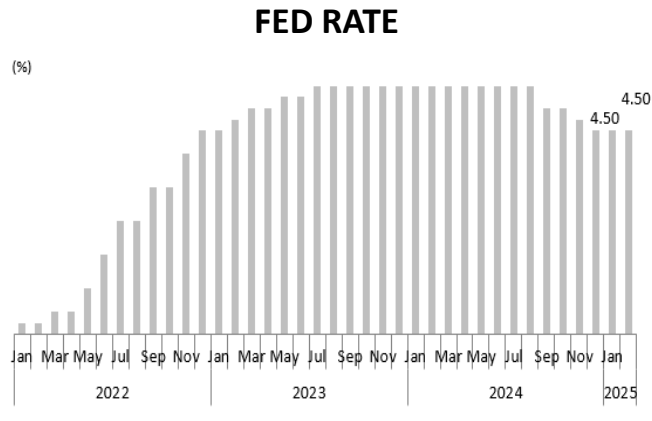
Sources: BPS, KBVS Research – treated (2025).

- Indonesia's trade surplus extended its streak for the 58th consecutive month in Feb '25, reaching USD3.12 bn (Cons: USD2.40 bn, KBVS: USD2.08 bn, Prev: USD3.45 bn). From a sectoral perspective, the largest monthly increase in exports in Feb '25 came from Animal and Vegetable Fats&Oils (HS15), which surged 37.04% to USD2.94 bn (Prev: USD2.14 bn).
- On the import side, the Ramadan and Eid holiday cycle typically drives increased mobility, which was reflected in a sharp rise in crude oil and refined oil product imports. Despite solid trade performance in Feb '25, concerns over the potential impact of Trump's tariffs on Indonesia's exports is still looming.
- Looking ahead, the Rupiah's depreciation in Mar '25 is likely to constrain consumer goods imports. Moreover, the extended Eid holiday period (shorter working days) is expected to weigh on export performance in the same month, despite the recent uptick in commodity prices since mid-March.

BI RATE



Sources : BI, KBVS Research (2025)



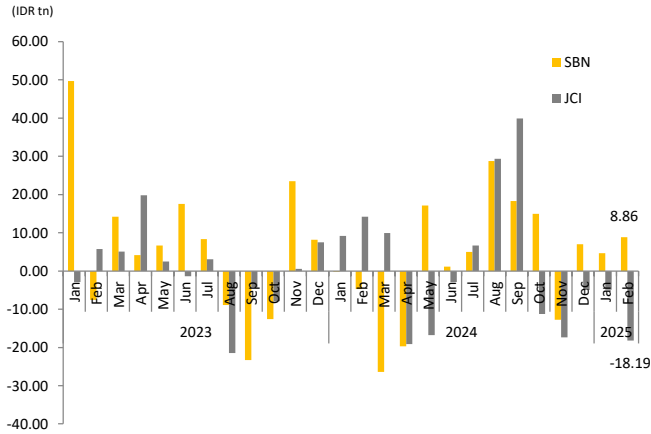
Sources : Fed, KBVS Research (2025)

Indicators	19-Mar-25		Monthly Changes (in bps)	Ytd Changes (in bps)
	Latest	M-1		
Policy Rate (in %)				
United States	4.50	4.50	0.0	(100.0)
European Union	2.65	2.90	(25.0)	(185.0)
United Kingdom	4.50	4.75	(25.0)	(75.0)
Japan	0.50	0.50	0.0	60.0
China	3.10	3.10	0.0	(35.0)
India	6.25	6.50	(25.0)	(25.0)
Thailand	2.00	2.25	(25.0)	(50.0)
Philippines	5.75	5.75	0.0	(75.0)
Indonesia	5.75	5.75	0.0	(25.0)
Global Monetary Policy Change (in number of countries)				
Easing	2	3		
Unchanged	22	15		
Tightening	7	6		
Average International Interest Rate (in %)				
USD LIBOR -1 Month	4.96	4.96	0.0	(45.0)
USD LIBOR -3 Months	4.85	4.85	0.0	(75.6)
USD LIBOR -6 Months	4.68	4.68	0.0	(117.8)
Domestic Interbank Money Market (in %)				
INDONESIA	5.73	5.93	(20.2)	(27.4)
JIBOR - 1 Month	6.39	6.51	(12.6)	(0.4)
JIBOR - 3 Months	6.69	6.81	(12.3)	(6.0)
JIBOR - 6 Months	6.79	6.94	(15.3)	(7.9)
JIBOR - 12 Months	6.98	7.12	(13.5)	(7.0)

- As anticipated, the BI Rate unchanged at 5.75%. Bank Indonesia continues to optimize macroprudential policies and the payment system to support sustainable economic growth, particularly through macroprudential liquidity incentives (KLM) that encourage credit allocation to priority sectors and digitalization of the payment system.
- Despite these developments, we concur with Bank Indonesia's assessment that Indonesia's economic fundamentals remain intact.
- Globally, markets are awaiting the Federal Open Market Committee (FOMC) decision later tonight, with expectations that the Federal Reserve will maintain its policy rate.
- Looking ahead, we expect the Rupiah to remain undervalued while awaiting the materialization of ongoing structural economic adjustments.
- Consequently, we believe BI will maintain the BI Rate until these structural changes take effect, which we anticipate will become more evident by the end of the 1H25. In the meantime, domestic purchasing power may remain under pressure, although this could be partially offset by the government's expanded free nutritious meal program in the coming quarters. As a result, we expect core inflation to remain stable, with Indonesia's economic growth projected at 4.9% YoY in the 1Q25.

DEVELOPMENT OF TRADABLE SBN

CAPITAL FLOW IN SBN&JCI



Sources : Bloomberg, KBVS Research (2025)

Between 13-19 Mar '25, non-residents conducted:

- A net sell of tradeable SBN, amounting IDR22.61 tn.
- A net sell of JCI, amounting IDR6.95 tn.

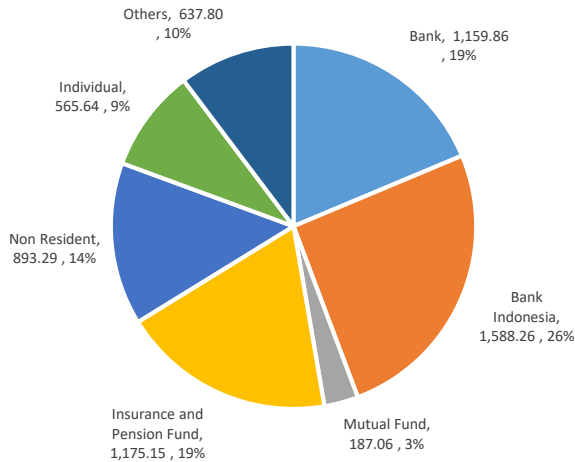
SUN LATEST AUCTION

18 Mar '25									
Instruments	SPN03250618	SPN12260305	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	2.00	5.15	34.66	12.73	1.93	4.28	0.25	0.76	61.76
Bid to Cover Ratio	-	2.58	2.73	1.78	1.10	1.04	-	2.52	2.21
Weighted Average Yields Awarded	-	6.250%	6.700%	7.020%	7.037%	7.078%	-	7.109%	
4 Mar '25									
Instruments	SPN03250604	SPN12260305	FR0104	FR0103	FR0106	FR0107	FR0102	FR0105	Total
Incoming Bids (IDR tn)	1.00	4.96	42.01	17.39	4.33	2.59	0.92	2.58	75.78
Bid to Cover Ratio	-	2.48	4.26	1.55	1.40	1.15	3.67	1.99	2.53
Weighted Average Yields Awarded	-	6.250%	6.660%	6.870%	7.010%	7.017%	7.019%	7.130%	

Sources : DJPPR, KBVS Research (2025)

OWNERSHIP of IDR TRADABLE SBN

(IDR tn, % of total tradable SBN)



Sources : DJPPR, and KBVS Research (2025)

As of 18 Mar '25, the largest ownership of tradable SBN is as follows:

- Bank Indonesia : IDR1,588.26 tn (+IDR54.31 tn, WoW),
- Banks : IDR1,159.86 tn (-IDR44.87 tn, WoW), and
- Insurance & Pension Funds: IDR1,175.15 tn (+IDR1.32 tn, WoW)

SBSN LATEST AUCTION

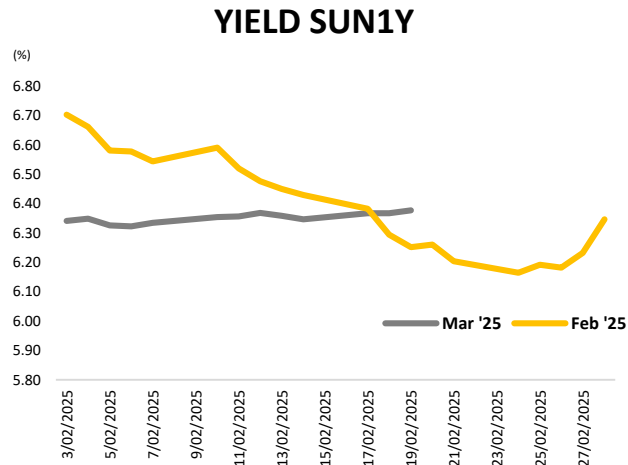
11 Mar '25								
Instruments	SPNS01092025	SPNS08122025	PBS003	PBS030	PBS034	PBS039	PBS038	Total
Incoming Bids (IDR tn)	2.06	4.72	7.25	2.46	0.35	0.11	4.75	21.69
Bid to Cover Ratio	1.03	2.62	1.45	1.41	-	-	3.28	1.81
Weighted Average Yields Awarded	5.980%	6.090%	6.610%	6.615%	-	-	7.077%	
25 Feb '25								
Instruments	SPNS04082025	SPNS10112025	PBS003	PBS030	PBSG001	PBS034	PBS038	Total
Incoming Bids (IDR tn)	1.04	5.93	4.52	2.33	2.63	0.52	2.95	30.26
Bid to Cover Ratio	1.30	2.37	1.96	1.29	1.60	1.73	1.11	3.03
Weighted Average Yields Awarded	6.050%	6.150%	6.389%	6.449%	6.519%	6.798%	7.070%	

Sources : DJPPR, KBVS Research (2025)

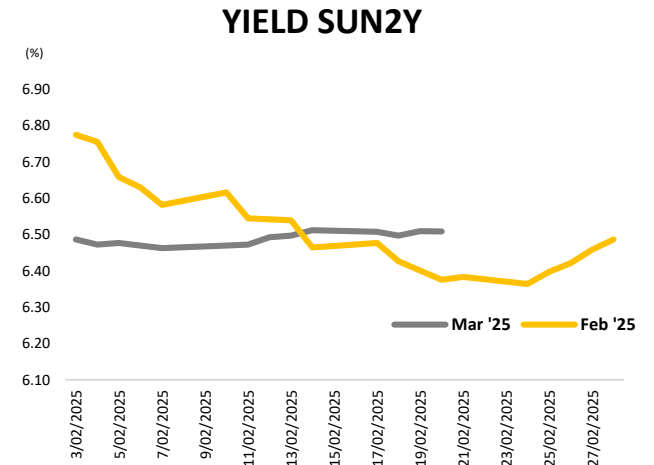
THE MOVEMENT OF SUN YIELDS

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

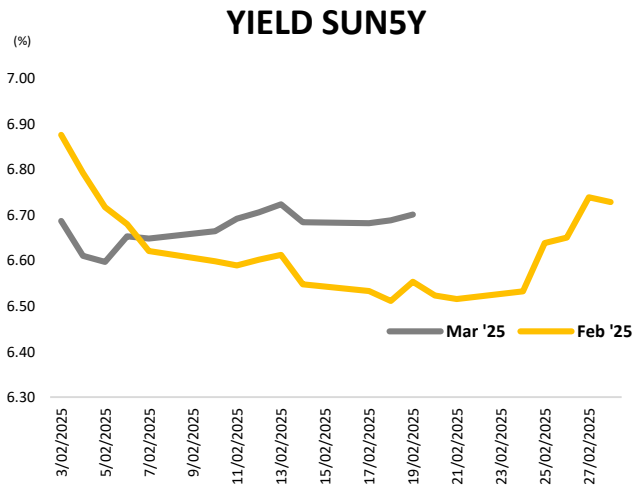
- Yield SUN1Y
 - +0.30 bps (WoW)
 - -31.70 bps (YtD, as of Mar 19, '25)
- Yield SUN2Y
 - +1.40 bps (WoW)
 - -39.30 bps (YtD, as of Mar 19, '25)
- Yield SUN5Y
 - +6.10 bps (WoW)
 - -21.10 bps (YtD, as of Mar 19, '25)
- Yield SUN10Y
 - +16.80 bps (WoW)
 - +10.80 bps (YtD, as of Mar 19, '25)
- Yield SUN30Y
 - +0.50 bps (WoW)
 - -4.80 bps (YtD, as of Mar 19, '25)



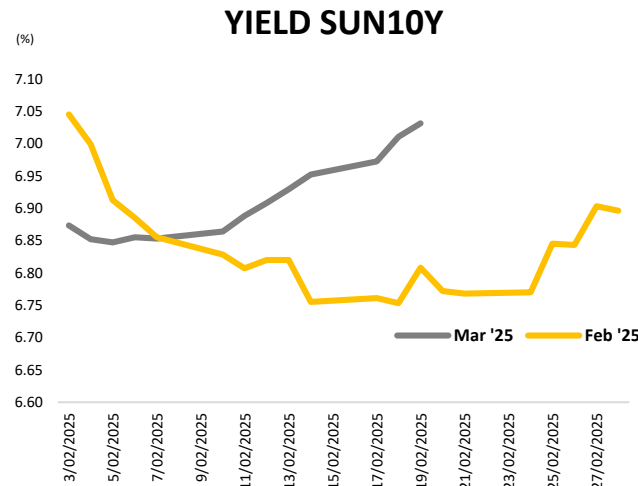
Sources : Bloomberg, KBVS Research (2025)



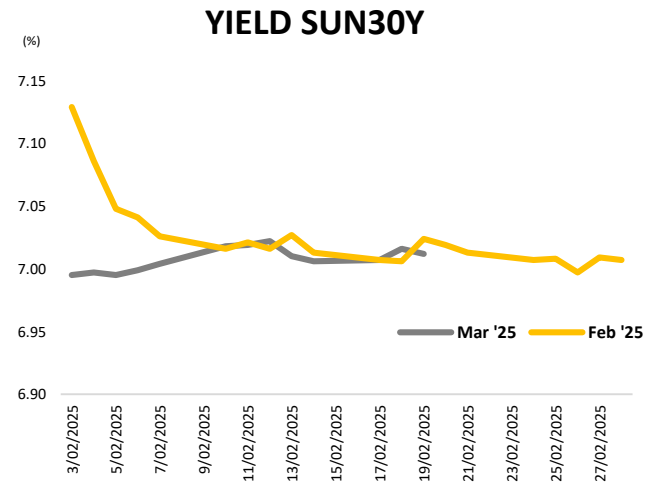
Sources : Bloomberg, KBVS Research (2025)



Sources : Bloomberg, KBVS Research (2025)

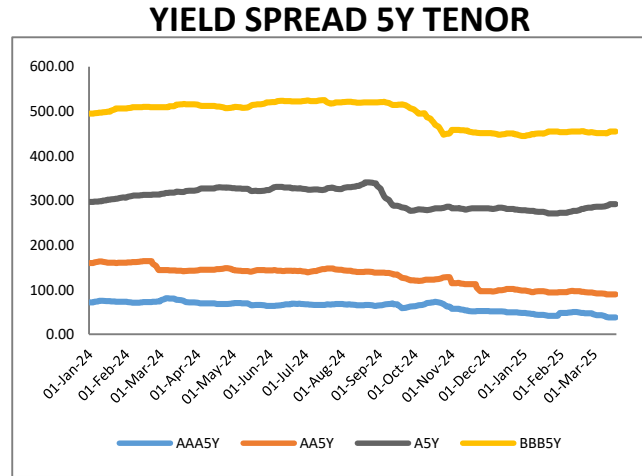
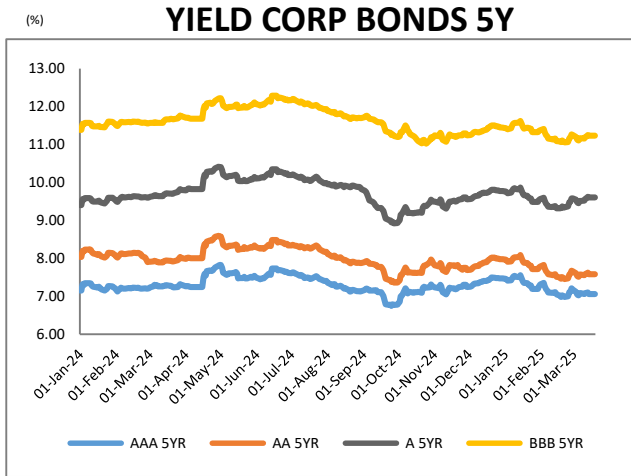


Sources : Bloomberg, KBVS Research (2025)



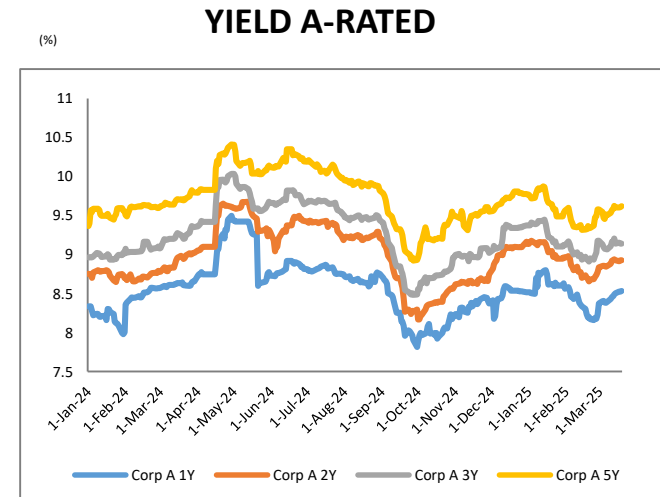
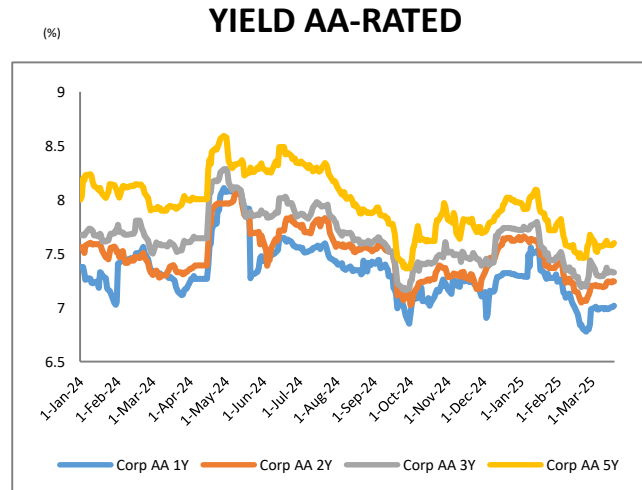
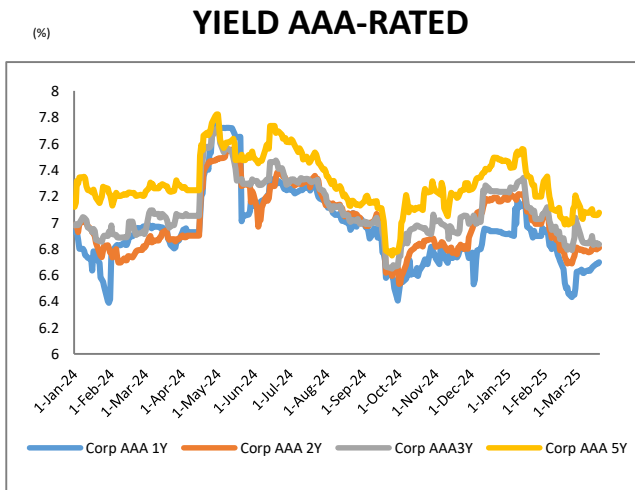
Sources : Bloomberg, KBVS Research (2025)

THE MOVEMENT OF CORPORATE BOND YIELD



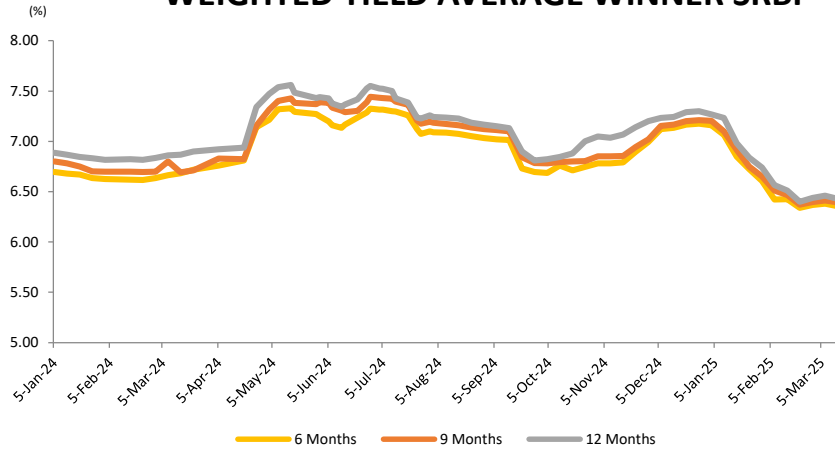
Corporate bonds showed a trend of increasing yields last week, as follows:

- AAA-rated
 - Tenor 1Y : +4.68 bps (WoW)
 - Tenor 2Y : +2.82 bps (WoW)
 - Tenor 5Y : +4.72 bps (WoW)
- AA-rated
 - Tenor 1Y : +1.35 bps (WoW)
 - Tenor 2Y : +4.78 bps (WoW)
 - Tenor 5Y : +6.23 bps (WoW)
- A-rated
 - Tenor 1Y : +6.26 bps (WoW)
 - Tenor 2Y : +0.13 bps (WoW), and
 - Tenor 5Y : +10.18 bps (WoW)



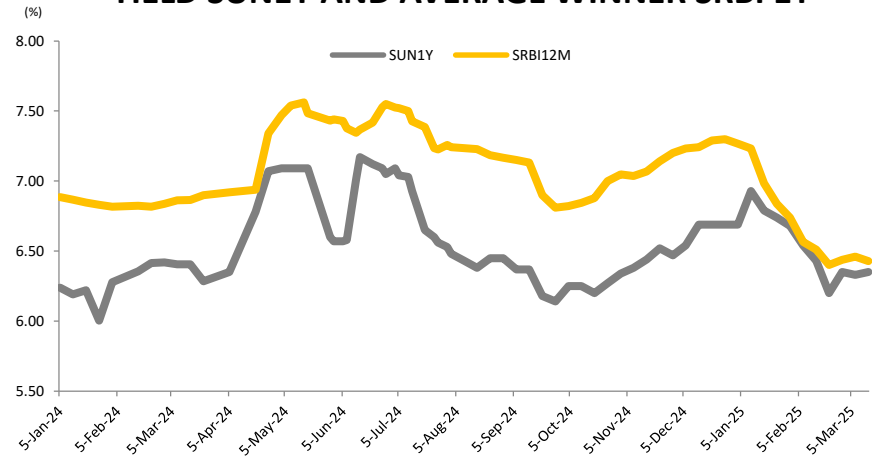
BI'S MONETARY OPERATION

WEIGHTED YIELD AVERAGE WINNER SRBI



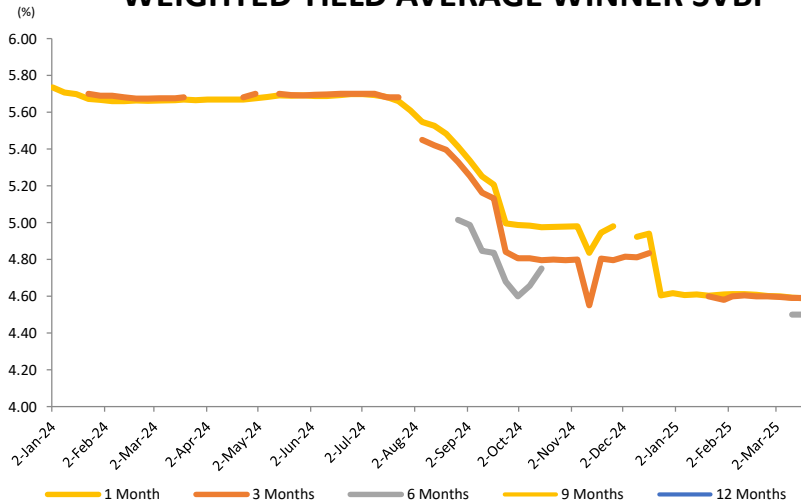
Sources : BI, KBVS Research (2025)

YIELD SUN1Y AND AVERAGE WINNER SRBI 1Y



Sources : BI, KBVS Research (2025)

WEIGHTED YIELD AVERAGE WINNER SVBI



Sources : BI, KBVS Research (2025)

- The upward trend in SUN yields does not seem to apply to the latest SRBI auction results, which showed a decrease in the weighted average yield won compared to the previous auction.
- The 6-month yield fell to 6.32467% (Prev: 6.34790%), the 9-month yield fell to 6.37000% (Prev: 6.39578%), and the 12-month yield fell to 6.40059% (Prev: 6.43754%).
- This is expected to be one of BI's commitments to reduce concerns of a crowding out effect or decrease in domestic liquidity, along with the increase in the KLM ratio to 5% which is planned to be carried out in Apr '25.

TABLE OF CONTENTS :

3 Global Economy

8 Domestic Economy

16 Economic Calendar



NEXT WEEK ECONOMIC CALENDAR

ECONOMIC CALENDAR

(20-26 MAR 2025)

Country	Event	Forecast	Previous
Thursday, Mar 20, 2025			
US	Interest Rate Projection - 1st Year (Q1)		3.90%
US	Interest Rate Projection - 2nd Year (Q1)		3.40%
US	Interest Rate Projection - Current (Q1)		4.40%
US	Interest Rate Projection - Longer (Q1)		3.00%
US	FOMC Economic Projections		
US	FOMC Statement		
US	Fed Interest Rate Decision	4.50%	4.50%
US	FOMC Press Conference		
US	TIC Net Long-Term Transactions (Jan)	101.10B	72.00B
CN	Loan Prime Rate 5Y (Mar)	3.60%	3.60%
CN	PBoC Loan Prime Rate	3.10%	3.10%
ID	M2 Money Supply (YoY) (Feb)		5.90%
GB	Average Earnings Index + Bonus (Jan)	5.80%	6.00%
GB	Claimant Count Change (Feb)	7.90K	22.00K
GB	Employment Change 3M/3M (MoM) (Jan)		107K
GB	Unemployment Rate (Jan)	4.40%	4.40%
GE	PPI (MoM) (Feb)	0.20%	-0.10%
EU	ECB President Lagarde Speaks		
EU	ECB Economic Bulletin		
EU	Leader Summit		
GB	BoE Inflation Letter		
GB	BoE MPC Vote Cut (Mar)	2.00	9.00
GB	BoE MPC Vote Hike (Mar)	0.00	0.00
GB	BoE MPC Vote Unchanged (Mar)	7.00	0.00
GB	BoE Interest Rate Decision (Mar)	4.50%	4.50%
GB	BoE MPC Meeting Minutes		
EU	ECB's Lane Speaks		
GB	BoE Gov Bailey Speaks		
US	Continuing Jobless Claims		1,870K
US	Initial Jobless Claims	222K	220K
US	Current Account (Q4)	-331.00B	-310.90B
US	Philly Fed Manufacturing Index (Mar)	9.40	18.10
US	Philly Fed Employment (Mar)		5.30
US	Existing Home Sales (MoM) (Feb)		-4.90%
US	Existing Home Sales (Feb)	3.94M	4.08M
US	Leading Index (MoM) (Feb)	-0.20%	-0.30%

Country	Event	Forecast	Previous
Friday, Mar 21, 2025			
US	10-Year TIPS Auction		2.24%
US	Fed's Balance Sheet		6,760B
JP	National Core CPI (YoY) (Feb)	2.90%	3.20%
JP	National CPI (MoM) (Feb)		0.50%
GE	Buba Mauderer Speaks		
EU	Leader Summit		
US	FOMC Member Williams Speaks		

Country	Event	Forecast	Previous
Monday, Mar 24, 2025			
JP	Au Jibun Bank Services PMI (Mar)		53.70
GE	HCOB Manufacturing PMI (Mar)		46.50
GE	HCOB Services PMI (Mar)		51.10
EU	HCOB Manufacturing PMI (Mar)		47.60
EU	HCOB Composite PMI (Mar)		50.20
EU	HCOB Services PMI (Mar)		50.60
GB	S&P Global Composite PMI (Mar)		50.50
GB	S&P Global Manufacturing PMI (Mar)		46.90
GB	S&P Global Services PMI (Mar)		51.00
US	S&P Global Manufacturing PMI (Mar)		52.70
US	S&P Global Composite PMI (Mar)		51.60
US	S&P Global Services PMI (Mar)		51.00
Tuesday, Mar 25, 2025			
GE	Business Expectations (Mar)		85.40
GE	Current Assessment (Mar)		85.00
GE	Ifo Business Climate Index (Mar)		85.20
US	S&P/CS HPI Composite - 20 n.s.a. (MoM) (Jan)		-0.10%
US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Jan)		4.50%
US	CB Consumer Confidence (Mar)		98.30
US	New Home Sales (MoM) (Feb)		-10.50%
US	New Home Sales (Feb)		657K
Wednesday, Mar 26, 2025			
GB	CPI (MoM) (Feb)		-0.10%
GB	CPI (YoY) (Feb)		3.00%
GB	PPI Input (MoM) (Feb)		0.80%
US	Core Durable Goods Orders (MoM) (Feb)		0.00%
US	Durable Goods Orders (MoM) (Feb)		3.20%

