

FOMC Sep 2025 Salient Points

The Start of Easing Cycle



FFR Maintained

The **Fed finally delivered a widely expected 25-bp rate cut and signaled that two additional reductions are likely before year-end**, reflecting growing concern over a cooling US labor market even as inflation remains elevated.

The decision passed with an 11-to-1 vote, showing **limited dissent**. Newly appointed Governor Stephen Miran cast the only dissenting vote, favoring a more aggressive 50-bp cut to counter softening employment trends.



3 Key Takeaways

- 1. Rising downside risk to employment.** Jerome Powell mentioned that the Committee is attentive to the risks on both sides of its dual mandate and judges that downside risks to employment have risen.
- 2. Risk management rate cut.** He added that the rate cut is intended more as “risk management,” as cooling labor conditions now pose greater risks than inflation - a statement perceived as less dovish.
- 3. Inflation risk persists.** Powell continue to warned that Trump tariffs could drive prices higher, noting that while firms have been slow to pass on costs, the impact should build through year-end and into next year.



New S&P and Dot Plot

The Sep-25 SEP summary (vs. Jun SEP):

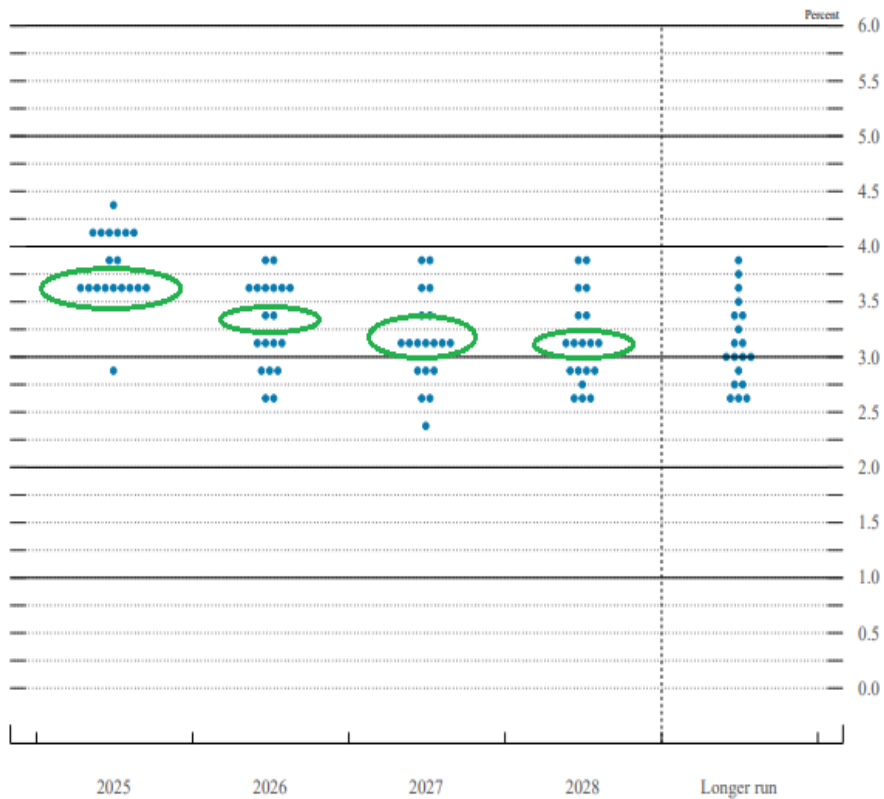
- **GDP** to grow at 1.6% (vs. Jun’s forecast of 1.4%) in 2025 and 1.8% (vs. 1.6%) in 2026. 2027 will see higher growth of 1.9% (vs. 1.8%) before slightly moderate to 1.8% in 2028
- **Unemployment rate** to reach 4.5% (unchanged) in 2025 and will moderate to 4.4% (vs. 4.5%) in 2026
- **Core PCE** to reach 3.0% (unchanged) in 2025 and 2.6% (vs. 2.4%) in 2026. Long term inflation forecast remain at 2.0%.
- **FFR** to end at 3.6% in 2025 (bs. 3.9%), 3.4% in 2026 (vs. 3.6%), and 3.1% in 2027 (vs. 3.4%). **Long-run FFR median at 3.0%** (with the highest projection at 3.9%), no change from the Jun’s position.

FOMC Still Expects 50 bps rate cut toward end 2025

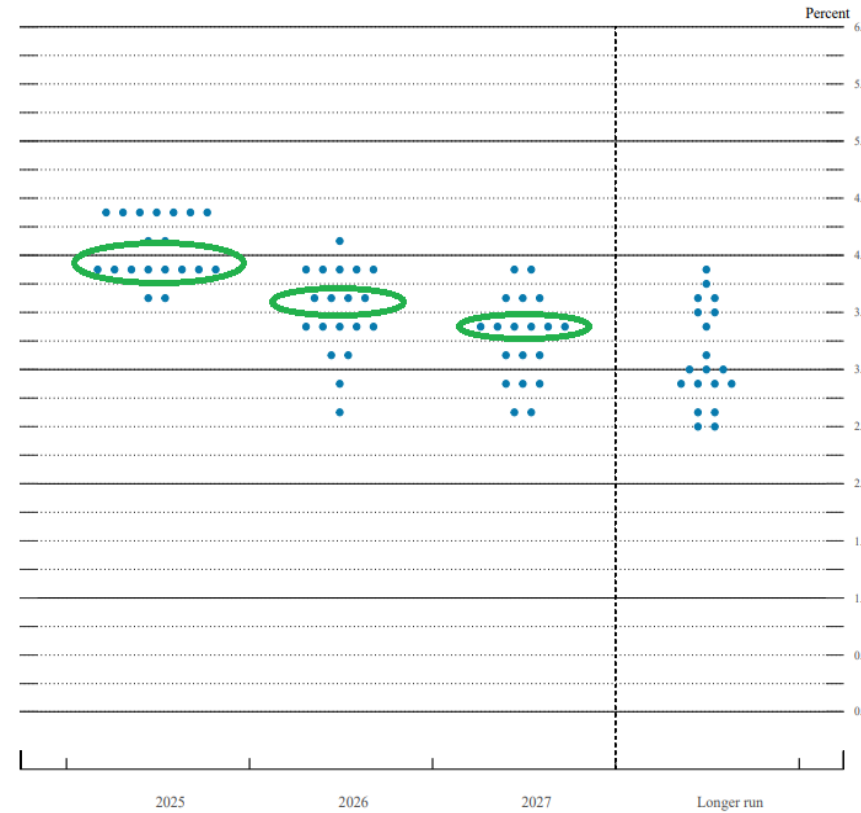
Easing cycle will continue through 2027 with the FFR at 3.1%

Dot plot Sep 25 vs Jun 25

Sep 2025 Dot Plot



Jun 2025 Dot Plot



The Key Points from the latest Dot Plot:

- The Fed now projects the FFR to end at 3.6% by end of 2025, lower than 3.9% forecast on its June outlook.
- In 2026, the FFR will go down further to 3.4% (lower from Jun's forecast of 3.6%) and to 3.1% by end of 2027, a level which will be maintain toward end of 2027.
- The long-run median FFR remains at 3.0%, with the upper bound of projections still reaching as high as 3.9%, indicating no shift from the Jun SEP.

Improving Outlook Across the Board

Inflation and unemployment continue to decline

Economic Projection in Sep 25 FOMC

Percent

Variable	Median ¹					Central Tendency ²					Range ³				
	2025	2026	2027	2028	Longer run	2025	2026	2027	2028	Longer run	2025	2026	2027	2028	Longer run
Change in real GDP	1.6	1.8	1.9	1.8	1.8	1.4–1.7	1.7–2.1	1.8–2.0	1.7–2.0	1.7–2.0	1.3–2.0	1.5–2.6	1.7–2.7	1.6–2.6	1.7–2.5
June projection	1.4	1.6	1.8		1.8	1.2–1.5	1.5–1.8	1.7–2.0		1.7–2.0	1.1–2.1	0.6–2.5	0.6–2.5		1.5–2.5
Unemployment rate	4.5	4.4	4.3	4.2	4.2	4.4–4.5	4.4–4.5	4.2–4.4	4.0–4.3	4.0–4.3	4.2–4.6	4.0–4.6	4.0–4.5	4.0–4.5	3.8–4.5
June projection	4.5	4.5	4.4		4.2	4.4–4.5	4.3–4.6	4.2–4.6		4.0–4.3	4.3–4.6	4.3–4.7	4.0–4.7		3.5–4.5
PCE inflation	3.0	2.6	2.1	2.0	2.0	2.9–3.0	2.4–2.7	2.0–2.2	2.0	2.0	2.5–3.2	2.2–2.8	2.0–2.4	2.0	2.0
June projection	3.0	2.4	2.1		2.0	2.8–3.2	2.3–2.6	2.0–2.2		2.0	2.5–3.3	2.1–3.1	2.0–2.8		2.0
Core PCE inflation ⁴	3.1	2.6	2.1	2.0		3.0–3.2	2.5–2.7	2.0–2.2	2.0		2.7–3.4	2.2–2.9	2.0–2.4	2.0–2.2	
June projection	3.1	2.4	2.1			2.9–3.4	2.3–2.7	2.0–2.2			2.5–3.5	2.1–3.2	2.0–2.9		
Memo: Projected appropriate policy path															
Federal funds rate	3.6	3.4	3.1	3.1	3.0	3.6–4.1	2.9–3.6	2.9–3.6	2.8–3.6	2.8–3.5	2.9–4.4	2.6–3.9	2.4–3.9	2.6–3.9	2.6–3.9
June projection	3.9	3.6	3.4		3.0	3.9–4.4	3.1–3.9	2.9–3.6		2.6–3.6	3.6–4.4	2.6–4.1	2.6–3.9		2.5–3.9

The new SEP summary for median expectations (vs. Jun SEP):

- GDP** to grow at 1.6% (vs. 1.4%) in 2025 and 1.8% (vs. 1.6%) in 2026. 2027 will see higher growth of 1.9% (vs. 1.8%) before slightly moderate to 1.8% in 2028
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- FFR** to end at 3.6% in 2025 (bs. 3.9%), 3.4% in 2026 (vs. 3.6%), and 3.1% in 2027 (vs. 3.4%). Long-run FFR median of 3.0% (with the highest projection at 3.9%), no change from the Jun's position.

Aug 25 Beige Book: Mixed Bags on the Outlook (published 3 Sep 25)

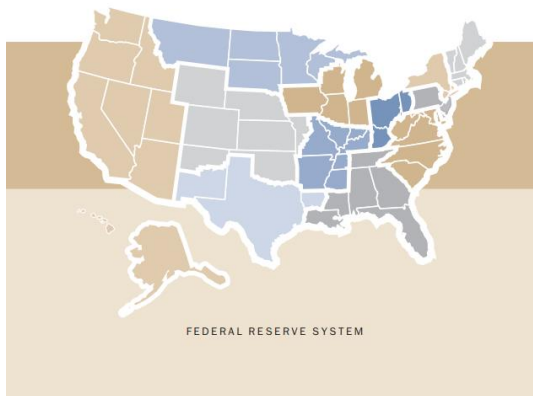
Stagflation Signal Is Rising



The Beige Book

Summary of Commentary on
Current Economic Conditions by
Federal Reserve District

August 2025



Economic Conditions: Most of the twelve Federal Reserve Districts reported little or no change in economic activity since the prior Beige Book period—the four Districts that differed reported modest growth. Across Districts, contacts reported **flat to declining consumer spending** because, for many households, wages were failing to keep up with rising prices. Contacts frequently cited **economic uncertainty and tariffs as negative factors**. Overall, sentiment was mixed among the Districts. Most firms either reported **little to no change in optimism** or expressed differing expectations about the direction of change from their contacts.



Business Activity: Retail and hospitality sectors offered deals and promotions to help price-sensitive consumers stretch their dollars, supporting steady **demand from domestic leisure tourists but not offsetting falling demand from international visitors**. The auto sector noted flat to slightly higher sales, while consumer demand increased for parts and services to repair older vehicles. Manufacturing firms reported shifting to local supply chains where feasible and often **using automation to cut costs**.



Employment: Eleven Districts described little or no net change in overall employment levels, while one District described a modest decline. Seven Districts noted that firms were **hesitant to hire workers because of weaker demand or uncertainty**. Moreover, contacts in two Districts reported an increase in layoffs, while contacts in multiple Districts reported **reducing headcounts through attrition**—encouraged, at times, by return-to-office policies and facilitated, at times, by greater automation, including new AI tools. In turn, most Districts mentioned an increase in the number of people looking for jobs. However, half of the Districts noted that contacts reported a **reduction in the availability of immigrant labor**.



Inflation: Ten Districts characterized **price growth as moderate or modest**. The other two Districts described strong input price growth that outpaced moderate or modest selling price growth. Nearly all Districts noted **tariff-related price increases**, with contacts from many Districts reporting that tariffs were especially impactful on the prices of inputs. While some firms reported passing through their entire cost increases to customers, some firms in nearly all Districts described at least **some hesitancy in raising prices**, citing customer price sensitivity, lack of pricing power, and fear of losing business. Most Districts reported that their firms were **expecting price increases to continue in the months ahead**.

Pre-Sep 25 FOMC Fed Member Comments

A Change in Tone Following Weak Job Data

Raphael Bostic

Atlanta Federal Reserve Bank President



"At this point, I **still expect one policy rate cut this year**. My stance may be adjusted depending on the flow of future indicators."

"The employment indicators released this week **likely did not affect** the Federal Open Market Committee (FOMC) decision"

Christopher Waller

Federal Reserve Governor



"I believe that the **wait and see approach is overly cautious**, and, in my opinion, does not properly balance the risks to the outlook and **could lead to policy falling behind the curve.**"

Michelle Bowman

Federal Reserve Governor



"I see the **risk that a delay in taking action could result in a deterioration in the labor market** and a further slowing in economic growth."

Neel Kashkari

Minneapolis Fed President



"That tells me, as one policymaker, I need to start leaning more on the data that I've got confidence in (the economy is slowing) and that means, **in the near term, it may become appropriate to start adjusting the federal-funds rate.**"

Jerome Powell on Jackson Hole

Chair of The Federal Reserve



"**Risks to inflation are tilted to the upside and risks to employment to the downside**, a challenging situation when our goals, our intention like this, our framework calls for us to balance both sides of our dual mandate".

"With policy and restrictive territory, the baseline outlook and the **shifting balance of risks may warrant adjusting our policy stance.**"

"While the labor market appears to be in balance, it is a curious kind of balance that results from a market slowing in both the supply of and demand for workers. This unusual situation suggests that **downside risk to employment are rising.**"

"It will **continue to take time for tariff increases to work their way through supply chains and distribution networks.** Moreover, tariff rates continue to evolve, potentially prolonging the adjustment process."

"We continue to believe that **monetary policy must be forward looking** and consider the lags its effect on the economy"

The FOMC 12 Voting Members - 2025

More Dovish Composition on the Board of Governors

Federal Reserve Governor

07



Jerome Powell



Michelle Bowman



Chris Waller



Philip Jefferson



Michael Barr



Adriana Kugler



Stephen Miran



Lisa Cook

Regional Fed President

05

Permanent



John Williams
New York Fed

Rotating Members



Susan Collins
Boston Fed



Austan Goolsbee
Chicago Fed



Jeff Schmid
Kansas Fed

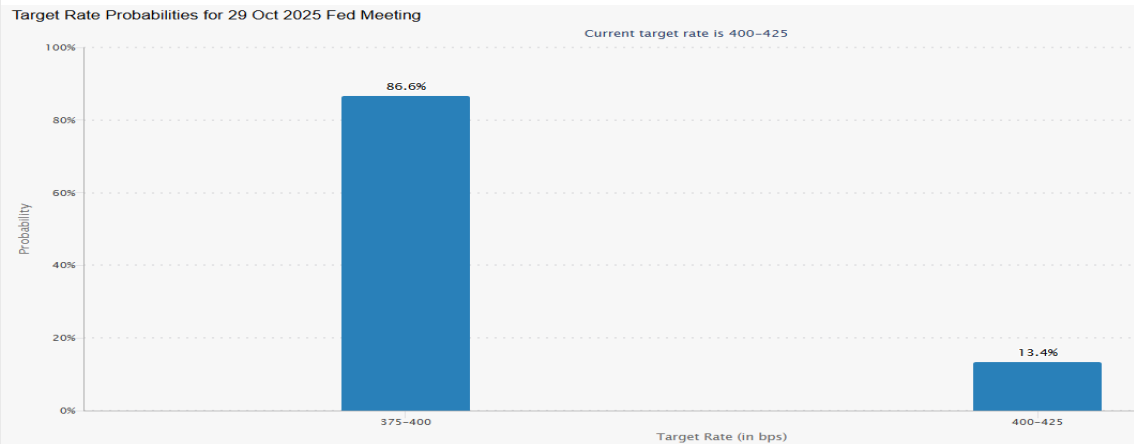


Alberto Musalem
St. Louis Fed

Rate Cut Expectation Is Rising

Moderation in DXY in Recent Weeks

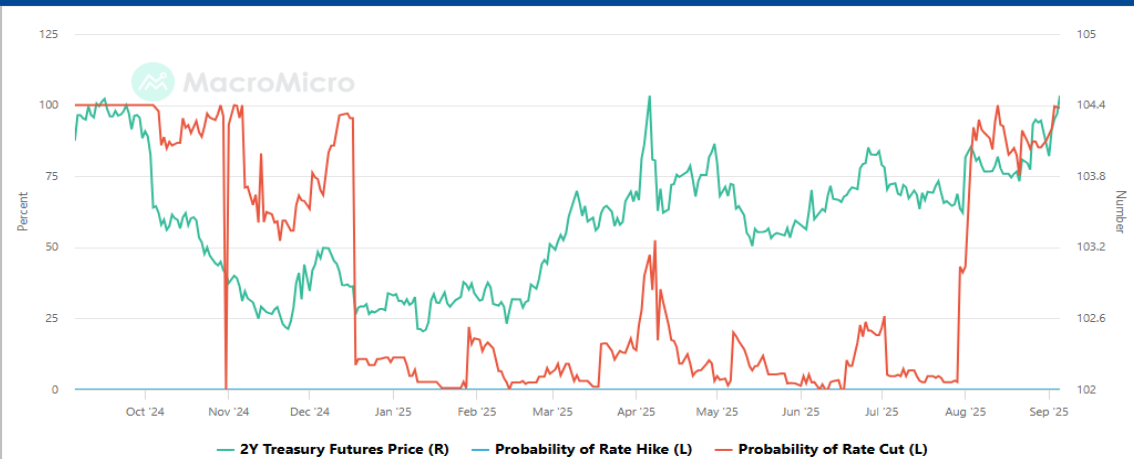
Rate Cut Probability Trend



Rate Cut Probabilities

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425
10/29/2025					0.0%	0.0%	0.0%	0.0%	86.6%	13.4%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	79.0%	19.8%	1.2%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.5%	50.2%	10.7%	0.6%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.0%	21.2%	44.9%	28.5%	5.1%	0.3%
4/29/2026	0.0%	0.0%	0.0%	0.0%	6.1%	28.1%	40.2%	21.7%	3.7%	0.2%
6/17/2026	0.0%	0.0%	0.0%	3.8%	19.5%	35.5%	28.9%	10.7%	1.6%	0.1%
7/29/2026	0.0%	0.0%	1.1%	8.3%	24.1%	33.6%	23.6%	8.1%	1.1%	0.1%
9/16/2026	0.0%	0.4%	3.6%	13.8%	27.4%	30.1%	18.2%	5.7%	0.8%	0.0%
10/28/2026	0.0%	0.8%	4.8%	15.5%	27.7%	28.7%	16.7%	5.1%	0.7%	0.0%
12/9/2026	0.1%	1.3%	6.3%	17.2%	27.9%	27.0%	15.1%	4.4%	0.6%	0.0%

Total Probabilities

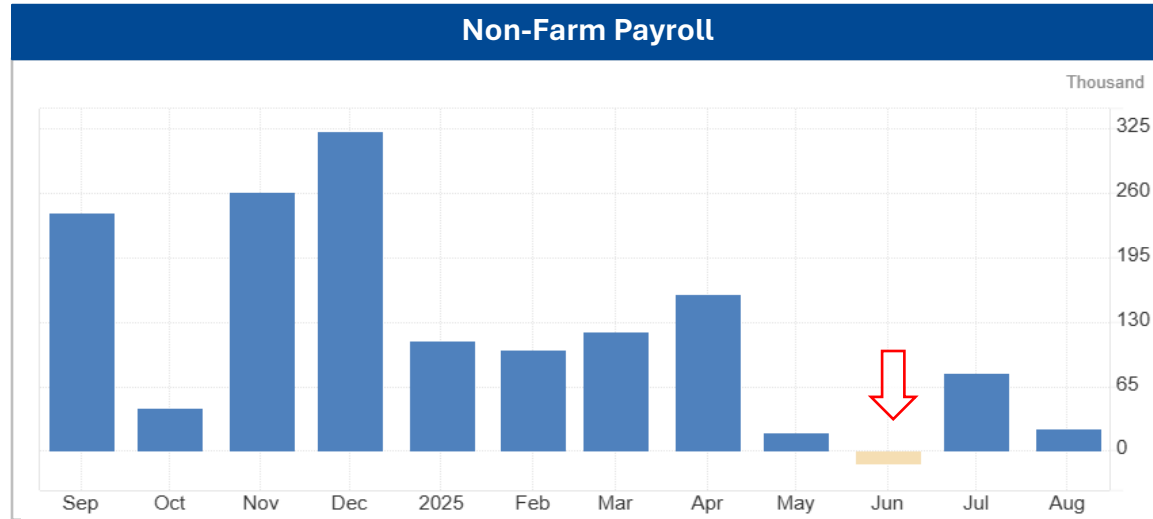


USD Dollar against Six Major Currencies (DXY)



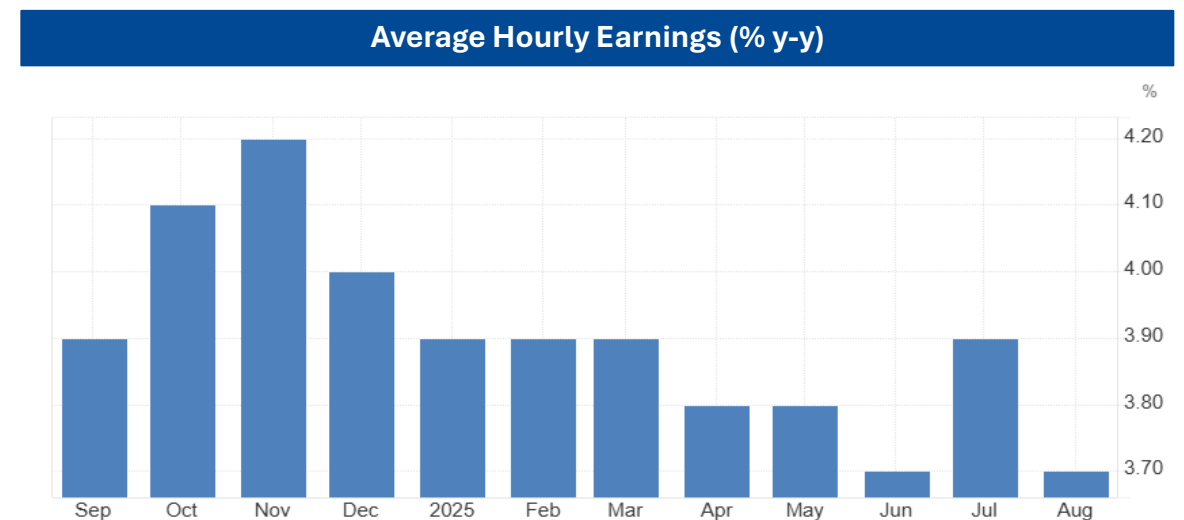
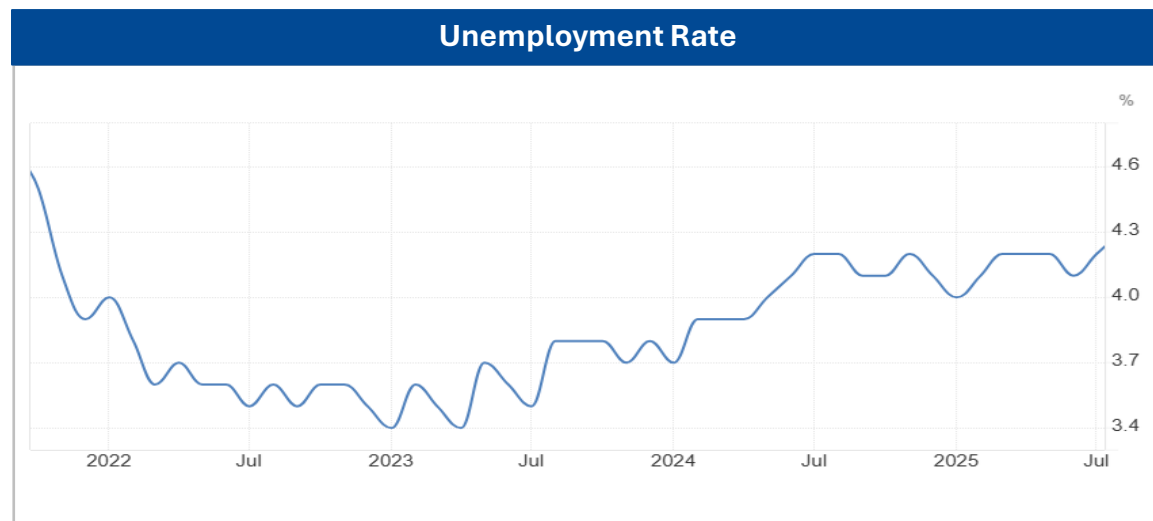
Job Data: Further Weakness in Aug 25

June final readings points to negative figures, the first time since Dec 2020



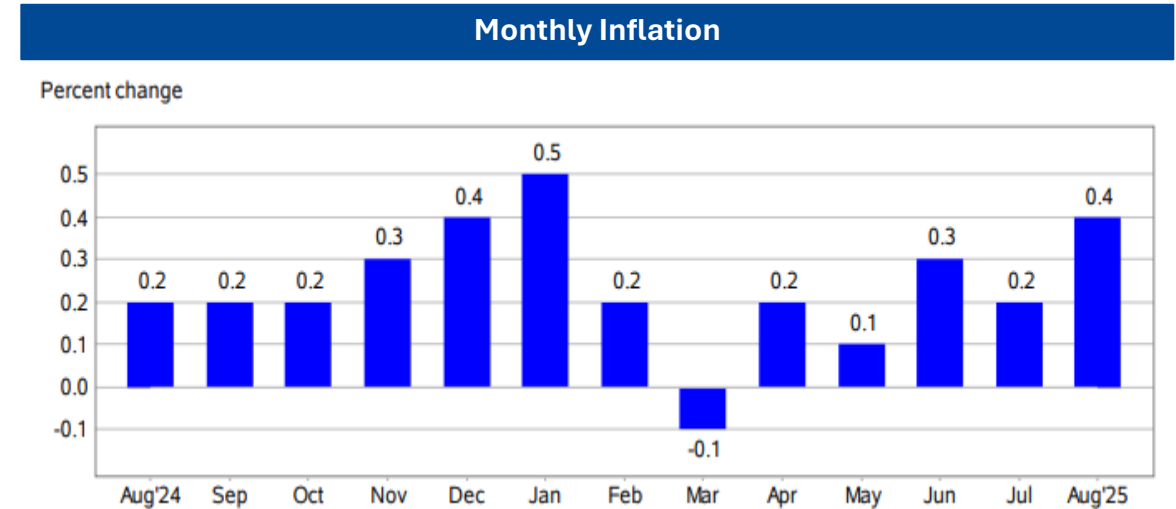
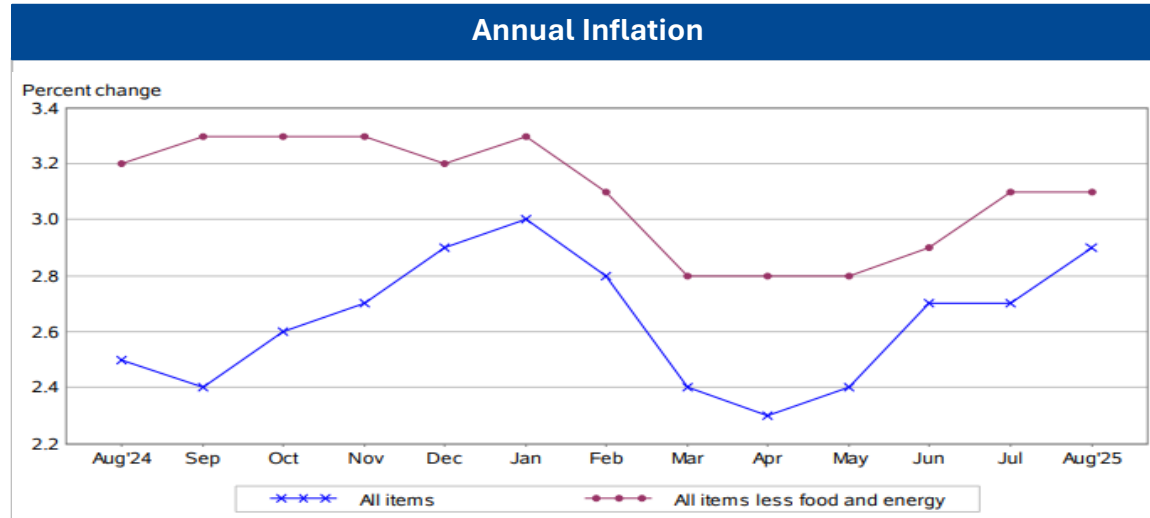
We note 4 main points in last Friday US labour data:

1. Job creation was weak in August, with payrolls rising by just 22k, well below the 75k consensus forecast and a sharp slowdown from July's revised gain of 79k;
2. Revisions also revealed a net loss of 13,000 jobs in June, marking the first negative NFP print since Pandemic era back in December 2020;
3. The unemployment rate climbed to 4.3%, its highest level in nearly four years, though still shy of triggering the Sahm Rule recession indicator and
4. While hiring cooled, wages remained resilient, with average hourly earnings up 0.3% on the month, matching expectations, though the 3.7% annual pace fell slightly short of forecasts.



US Aug CPI: 0.4% Monthly Inflation Print

Acceleration in Inflation print



% Changes in CPI

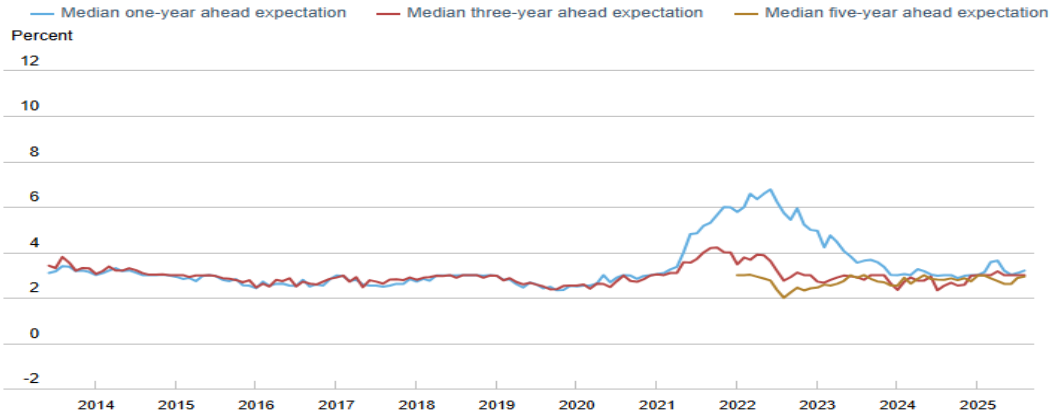
	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Aug. 2025
	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	
All items.....	0.2	-0.1	0.2	0.1	0.3	0.2	0.4	2.9
Food.....	0.2	0.4	-0.1	0.3	0.3	0.0	0.5	3.2
Food at home.....	0.0	0.5	-0.4	0.3	0.3	-0.1	0.6	2.7
Food away from home¹.....	0.4	0.4	0.4	0.3	0.4	0.3	0.3	3.9
Energy.....	0.2	-2.4	0.7	-1.0	0.9	-1.1	0.7	0.2
Energy commodities.....	-0.9	-6.1	-0.2	-2.4	1.0	-1.9	1.7	-6.2
Gasoline (all types).....	-1.0	-6.3	-0.1	-2.6	1.0	-2.2	1.9	-6.6
Fuel oil.....	0.8	-4.2	-1.3	0.9	1.3	1.8	-0.3	-0.5
Energy services.....	1.4	1.6	1.5	0.4	0.9	-0.3	-0.2	7.7
Electricity.....	1.0	0.9	0.8	0.9	1.0	-0.1	0.2	6.2
Utility (piped) gas service.....	2.5	3.6	3.7	-1.0	0.5	-0.9	-1.6	13.8
All items less food and energy.....	0.2	0.1	0.2	0.1	0.2	0.3	0.3	3.1
Commodities less food and energy.....	0.2	-0.1	0.1	0.0	0.2	0.2	0.3	1.5
New vehicles.....	-0.1	0.1	0.0	-0.3	-0.3	0.0	0.3	0.7
Used cars and trucks.....	0.9	-0.7	-0.5	-0.5	-0.7	0.5	1.0	6.0
Apparel.....	0.6	0.4	-0.2	-0.4	0.4	0.1	0.5	0.2
Medical care commodities¹.....	0.1	-1.1	0.4	0.6	0.1	0.1	-0.3	0.0
Services less energy services.....	0.3	0.1	0.3	0.2	0.3	0.4	0.3	3.6
Shelter.....	0.3	0.2	0.3	0.3	0.2	0.2	0.4	3.6
Transportation services.....	-0.8	-1.4	0.1	-0.2	0.2	0.8	1.0	3.5
Medical care services.....	0.3	0.5	0.5	0.2	0.6	0.8	-0.1	4.2

- The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4% in August, up from 0.2% in July, according to the U.S. Bureau of Labor Statistics. Over the past 12 months, the overall index increased 2.9%, compared with a 2.7% annual rise in July.
- Shelter costs were the largest contributor, climbing 0.4% in August. Food prices also added pressure, increasing 0.5%, with food at home up 0.6% and food away from home up 0.3%. Energy prices advanced 0.7% during the month, led by a 1.9% jump in gasoline.
- Excluding food and energy, core CPI rose 0.3% for the second month in a row. Within the core, airline fares, used cars and trucks, apparel, and new vehicles posted gains, while medical care, recreation, and communication recorded small declines.
- For the 12 months ending in August, the all-items index was up 2.9%, core inflation (less food and energy) rose 3.1%, the food index gained 3.2%, and the energy index edged up 0.2%, showing that overall price pressures remain broad even as some categories ease.

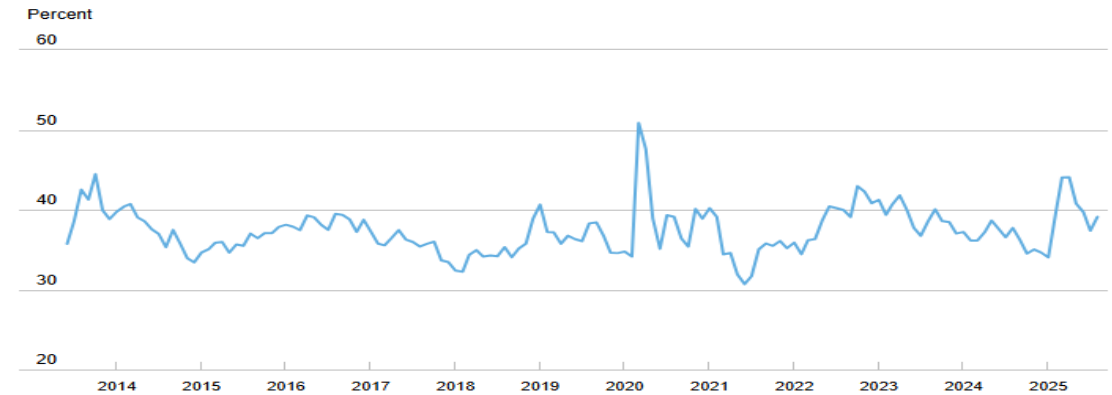
Inflation Expectation Trends – Aug 25 Survey

Inflation Expectations Continue To Remain Elevated at Short Term Horizons

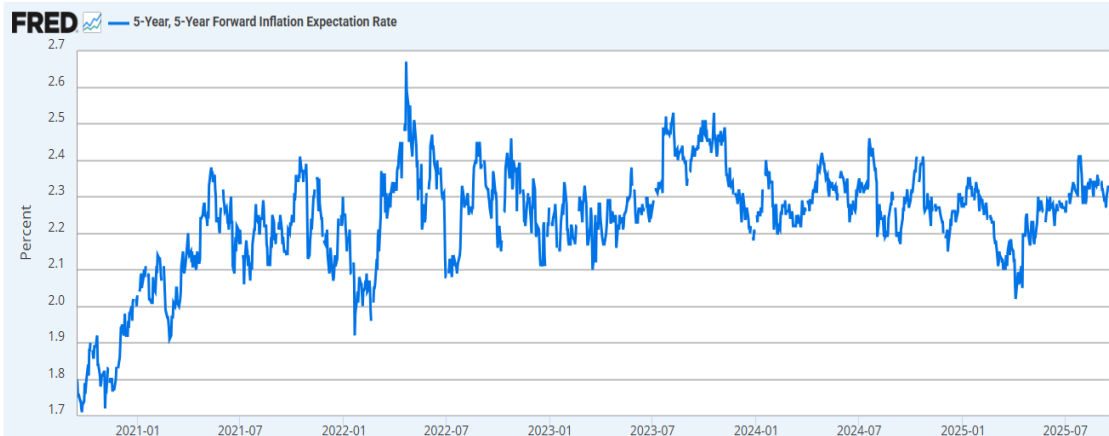
Inflation Expectation – NY Fed Survey



Expectations of Higher Unemployment – NY Fed Survey



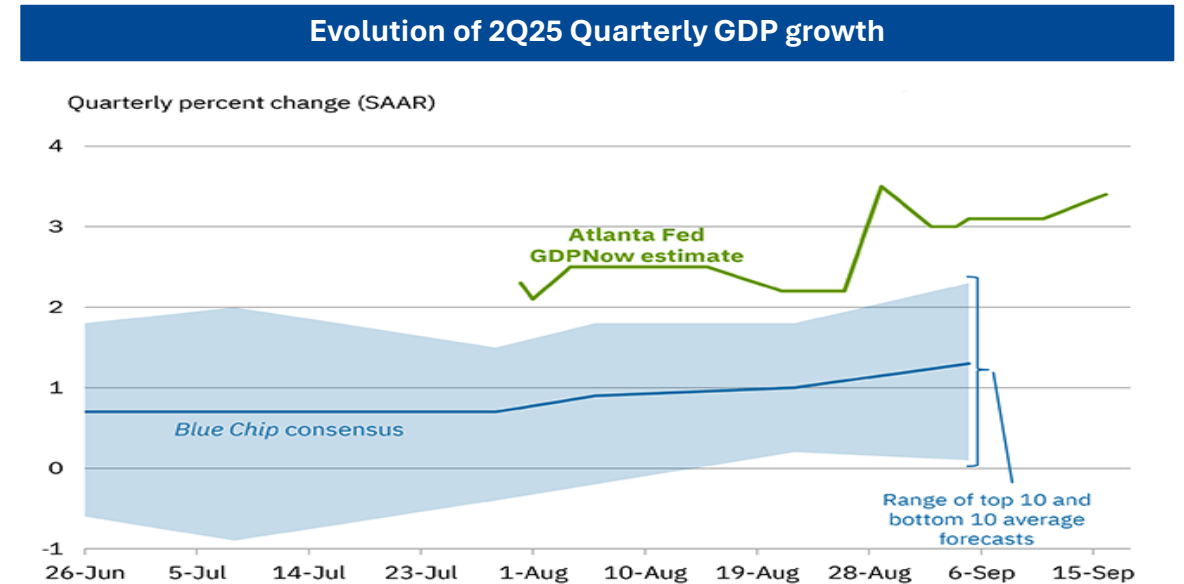
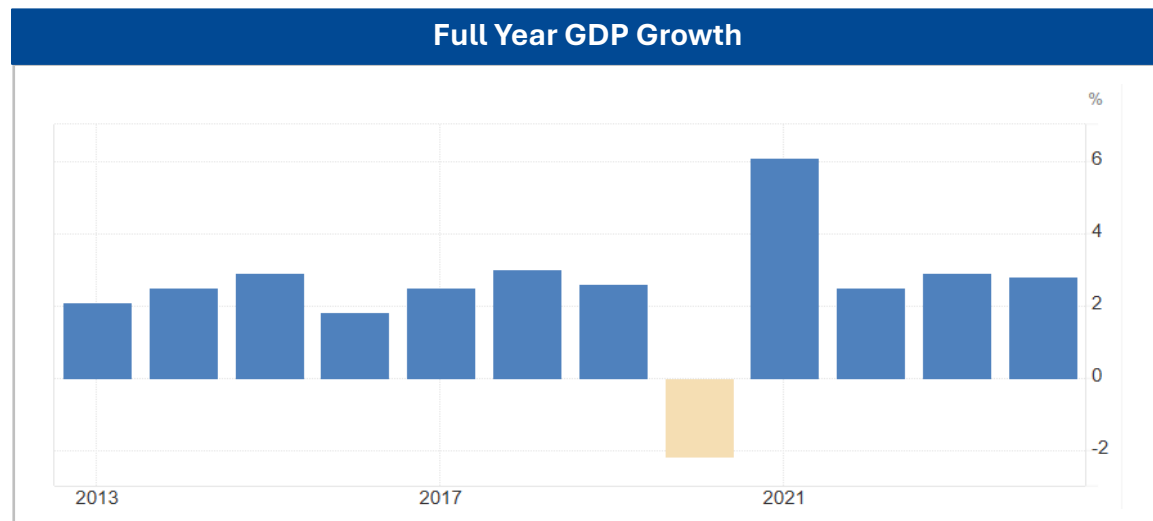
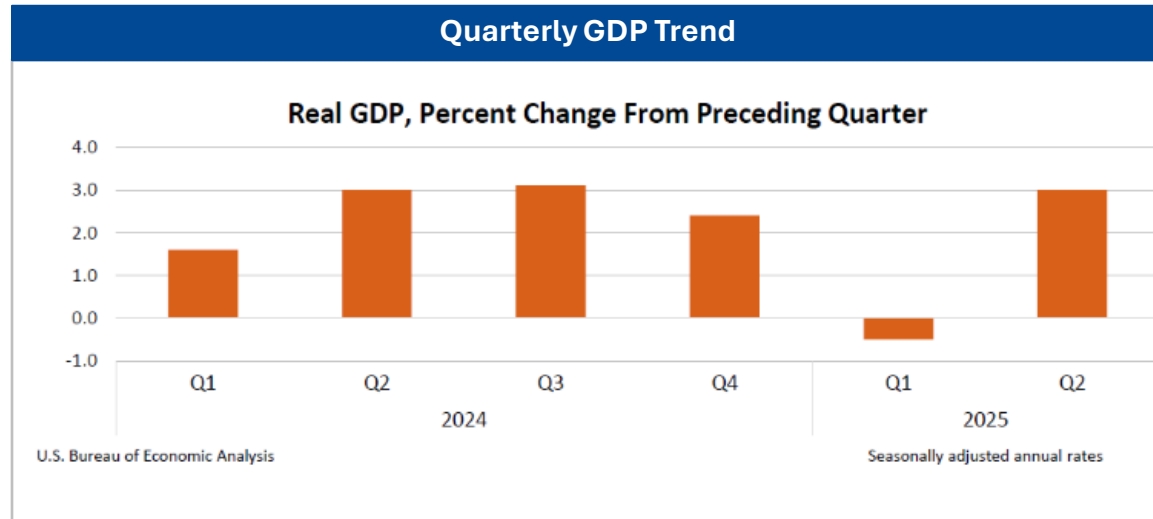
The 5 Year, 5 Year Forward Inflation Expectation Rate



- Median inflation expectations edged up 0.1 ppt to 3.2% for the one-year outlook, while remaining at 3.0% for the three-year horizon and 2.9% for the five-year horizon.
- The mean perceived chance of finding a new job after losing one's current job dropped 5.8 ppt to 44.9%, the lowest since the series began in June 2013. Mean unemployment expectations—probability that the U.S. jobless rate will be higher a year from now—rose 1.7 ppt to 39.1%. The mean perceived risk of losing a job in the next 12 months inched up 0.1 ppt to 14.5%.
- Median expected household income growth held steady at 2.9% for a second month, while median household spending growth expectations increased 0.1 ppt to 5.0%.

US Economy State: Growth of 3.4% in 3Q25

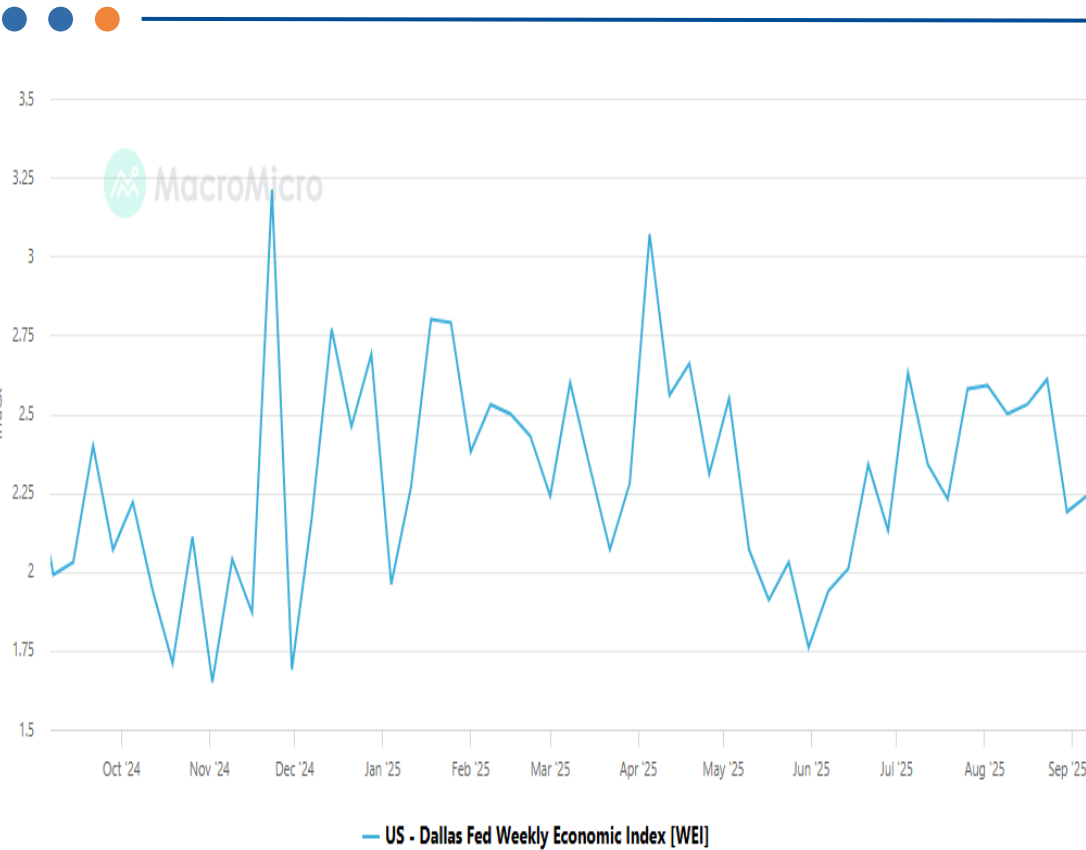
Stronger than expected growth of 3.0% in 2Q25



- The **3Q25 forecast** is now at +3.4%, much higher than previous 2.5% (15th Aug), up from initial forecast of 2.3% release on 31st July. In the previous two quarter, the actual GDP growth figures have surpassed the GDPNow forecast.
- The **US economy grew 3% annualized in 2Q25, rebounding from a 0.5% contraction in 1Q25 and beating the 2.4% estimate.** Growth was driven by a 30.3% plunge in imports after a prior surge from tariff-driven stockpiling, faster consumer spending (1.4% vs 0.5%), and a rebound in government spending (0.4% vs -0.6%). Fixed investment slowed sharply (0.4% vs 7.6%) with declines in structures and housing, while exports fell 1.8%, the steepest drop since Q2 2023. Private inventories subtracted 3.17 percentage points from growth..

High Freq Data: Weekly Economic Indicator

Recent Moderation in Trends



Series	Description
Consumer Behavior	
Redbook Research: Same-store retail sales average	Measures year-over-year same-store sales growth for around 9,000 general merchandise stores in the United States
Rasmussen Consumer Index	Constructed with a daily survey of 1,500 American adults, using questions about personal finances and the economy more broadly
Labor Market Conditions	
Unemployment insurance: Initial claims	Reports the number of people making new unemployment insurance claims from state unemployment offices
Unemployment insurance: Continuing claims	Reports the number of people making unemployment insurance claims for a continuing spell of unemployment from state unemployment offices
American Staffing Association Staffing Index	Tracks temporary and contract employment with data coming from a large pane of staffing companies
Federal withholding tax collections (Booth Financial Consulting)	Measures Treasury receipts of income and payroll taxes withheld from paychecks, filtered and adjusted for policy changes
Production	
Raw steel production (from American Iron and Steel Institute)	Estimates the weekly production of raw steel from domestic producers
Electric utility output: United States ex. Alaska and Hawaii (from Edison Electric Institute)	Measures electricity output for the United Sates, excluding Alaska and Hawaii
U.S. fuel sales to end users (our calculations based on underlying data from the U.S. Energy Information Administration)	Estimates gasoline, diesel and jet fuel sales to retailers and end users
U.S. railroad traffic	Tracks total freight transported, as reported by railroad companies to the Association of American Railroads

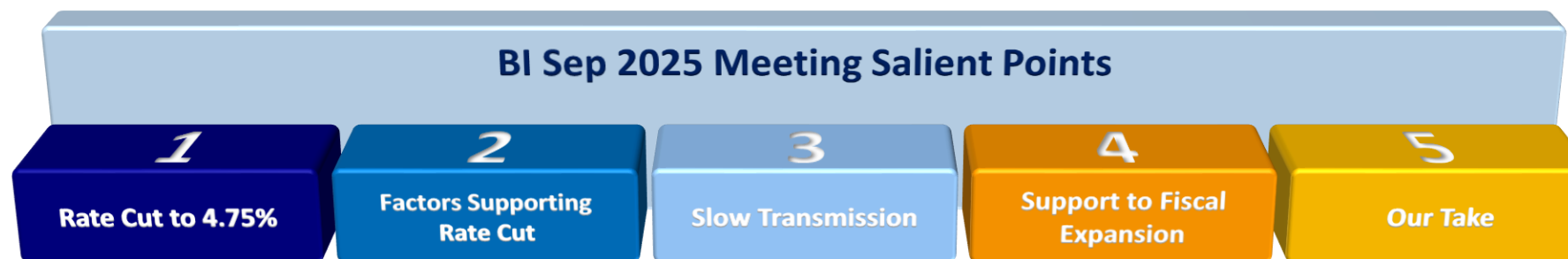
September 11, 2025: Update

- The WEI is currently 2.24 percent, scaled to four-quarter GDP growth, for the week ended September 6 and 2.19 percent for August 30. The 13-week moving average is 2.38 percent. This is compared with 2.07 percent four-quarter GDP growth through second quarter 2025.

Source: Federal Reserve Bank of Dallas

Bank Indonesia : The Third Stright Surprised Rate Cut

The need to accelerate the transmission of lower policy rates to the system



Bank Indonesia cuts its policy rate by 25 bps to 4.75% in Sep-25, marking the **sixth cut since Sep-24 (a total of 150 bps)** and the lowest level since 2022. Similar to the Jul and Aug moves, **Sep's rate cut was also a surprise**, as consensus had expected BI to maintain the rate given recent pressure on the IDR.

In our view, this **further reinforces BI's pro-growth stance**, aligning with the government's renewed fiscal expansion led by the new Finance Minister.

- **Global slowdown** with softer demand in the US, China, Japan, and the EU with weaker confidence, easing inflation, and slower job gains
- **Stable USD** – A softer DXY supports Rupiah stability.
- **Low Inflation** – August CPI held at 2.31 % y-y with core and administered prices easing
- **Weak Credit** – Credit grew 7.03 % y/y in August, only slightly above July.

Corporates remain in a “**wait-and-see**” mode, with undisbursed loans totaling IDR 2,372 tn (22.7 % of available credit), mostly in working-capital facilities.

The **transmission of BI's rate cuts to the banking system has also been slow**: average bank deposit rates have dropped only 16 bps compared with BI's 125-bp reduction, while lending rates have eased just 7 bps.

BI reaffirmed **support for fiscal expansion**, including government fund placements in banks.

Aside from rate cuts, BI is also injecting liquidity through: **Lowering SRBI outstanding** by IDR 200tn, **triple intervention** (including IDR 217.1tn additional SBN holdings as of Sept 16), **Bank liquidity incentives** totaling IDR 384tn.

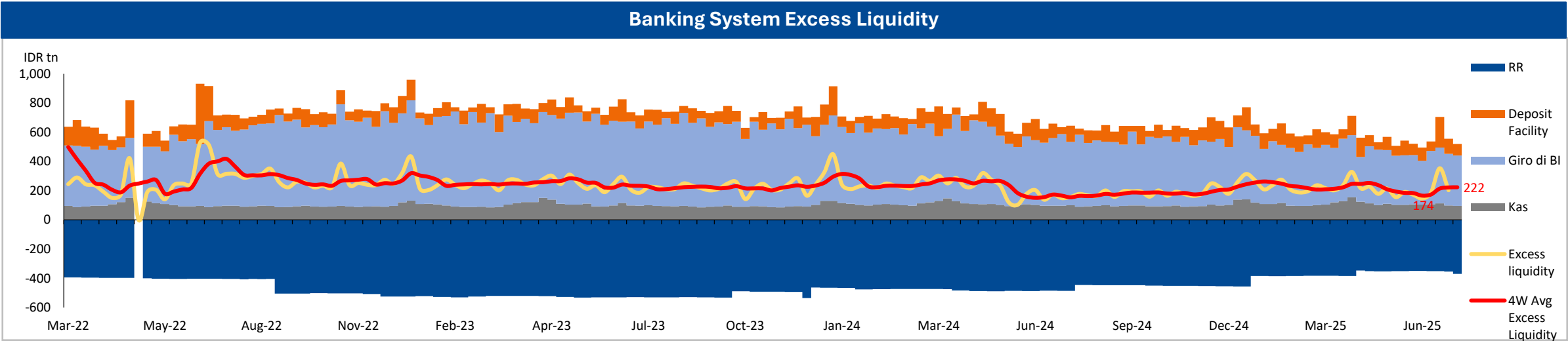
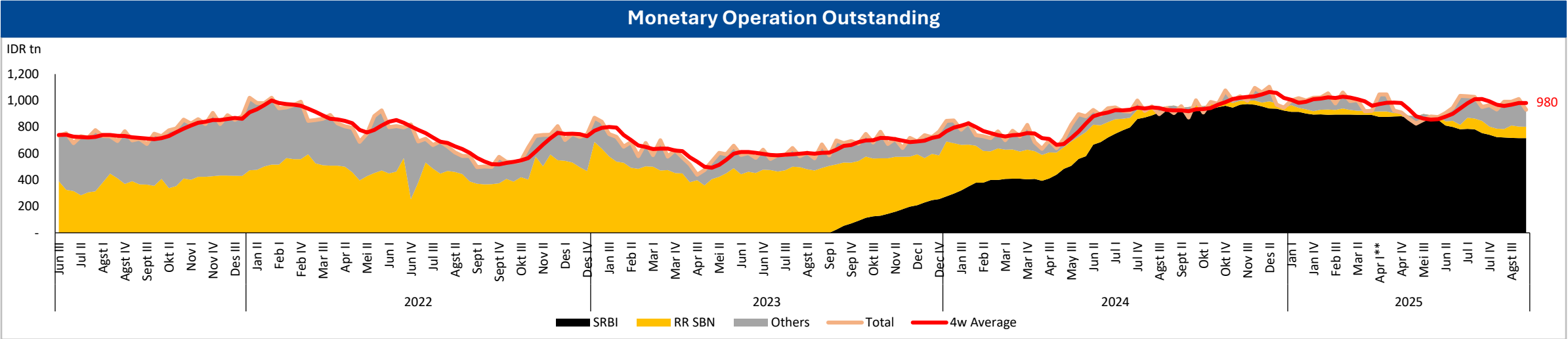
Our Take: With BI's surprise rate cut, the benchmark rate has reached our optimistic 2025 case, likely pulling government bond yields toward 6.2 %.

While aggressive easing poses some IDR risk, the Fed's confirmed cut offers currency support. BI must manage triple interventions carefully to avoid draining liquidity.

BI's easing measures, combined with the Ministry of Finance's fiscal drive, could support stronger demand growth, improve risk perception, and foster credit expansion.

Monetary Operation & Excess Liquidity

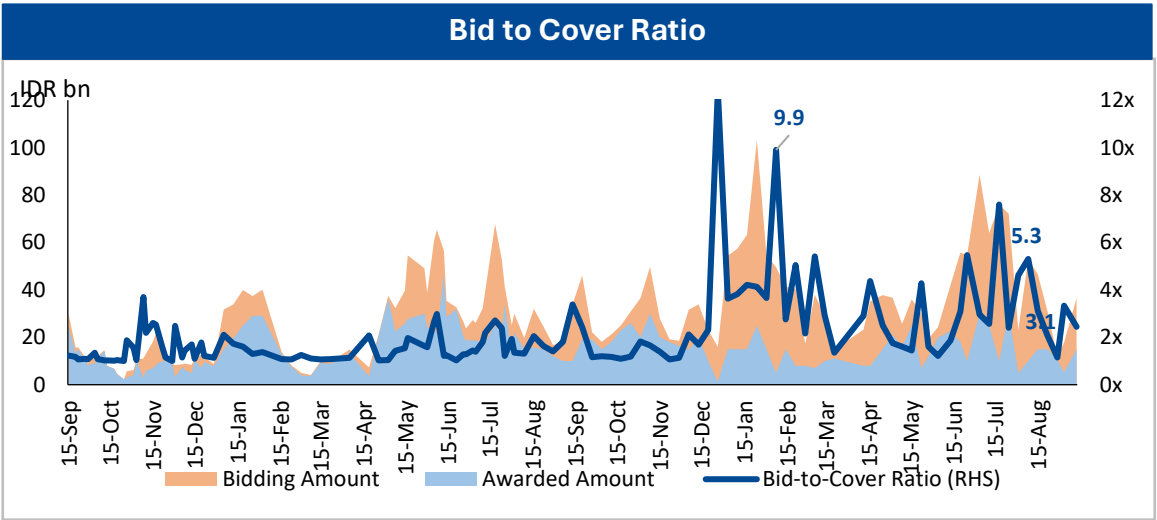
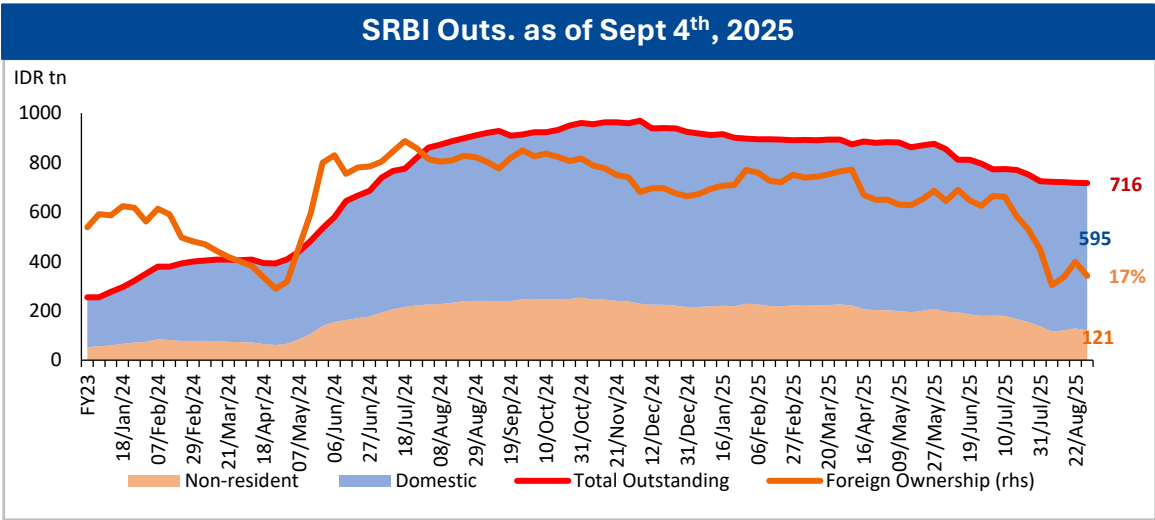
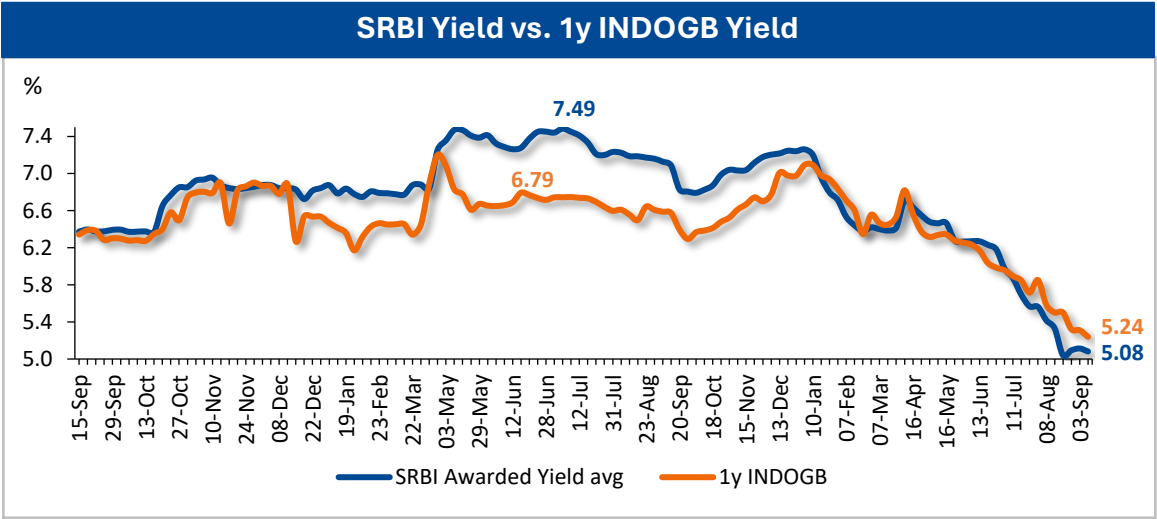
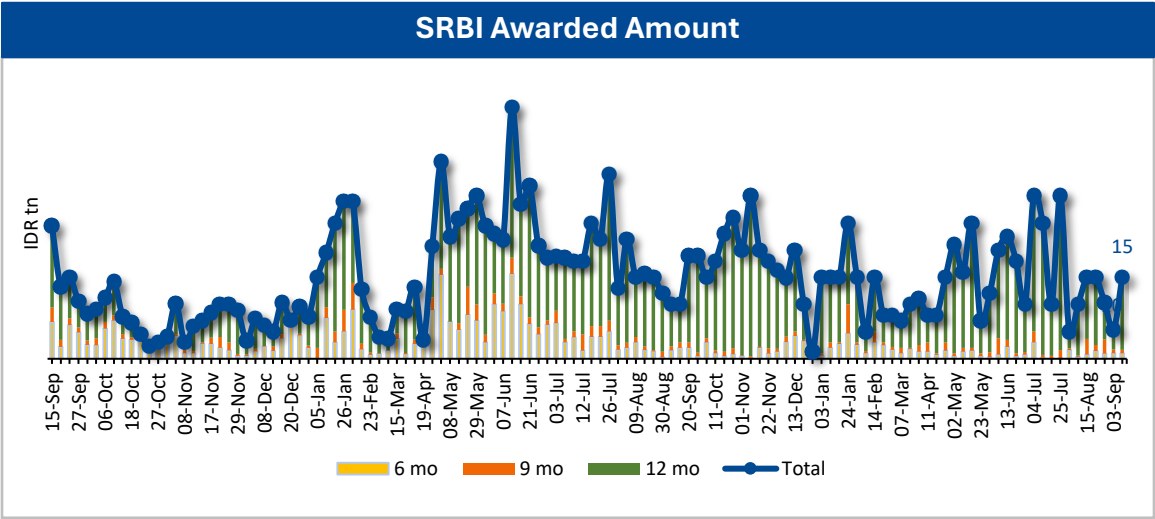
The increasing SRBI issuance and higher placement in deposit facility raise OMO in the last two weeks



Source: Bank Indonesia

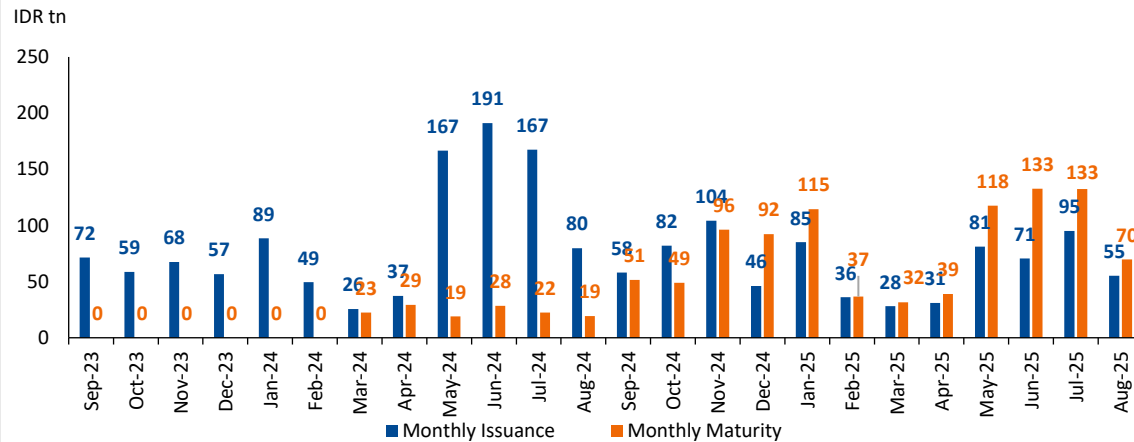
SRBI overall outs. remain on a downtrend

Last week issuance slightly flattened the downtrend

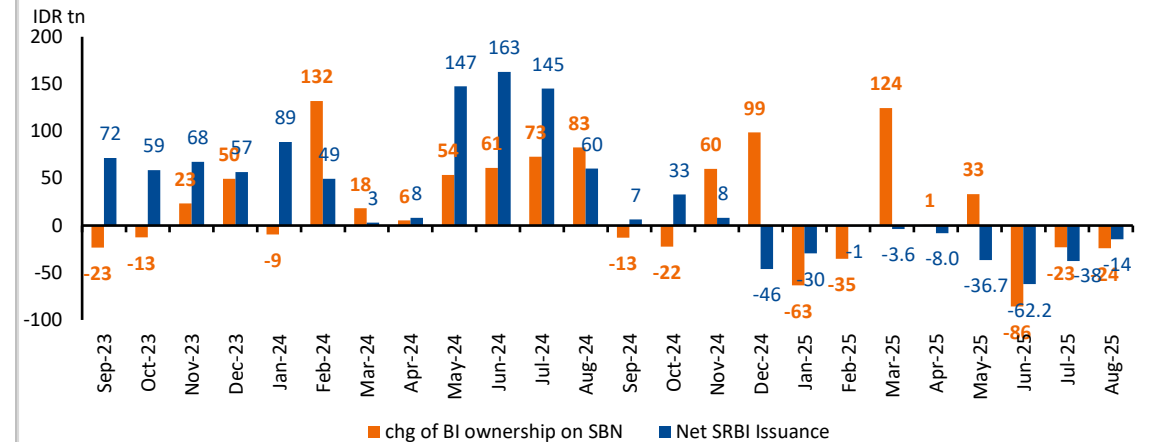


BI Monetary Stance

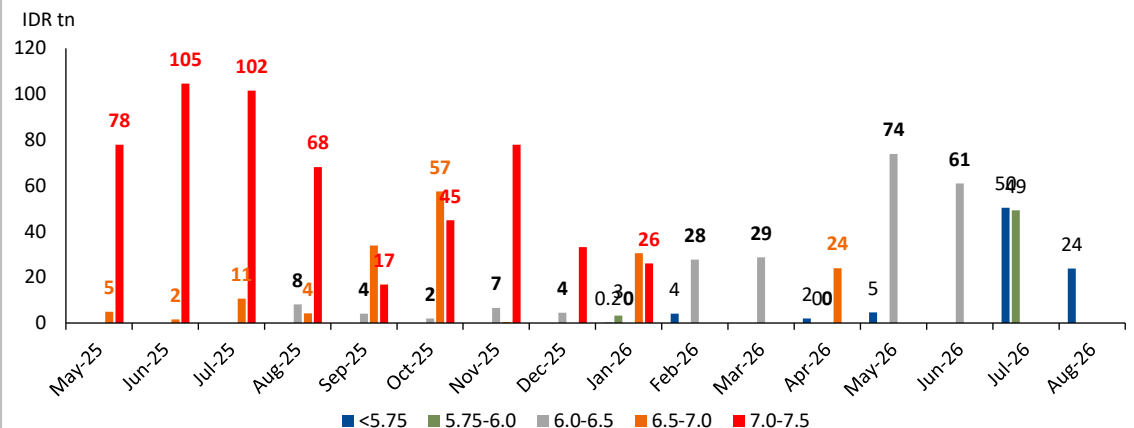
SRBI Net Issuance as Sept 4th, 2025



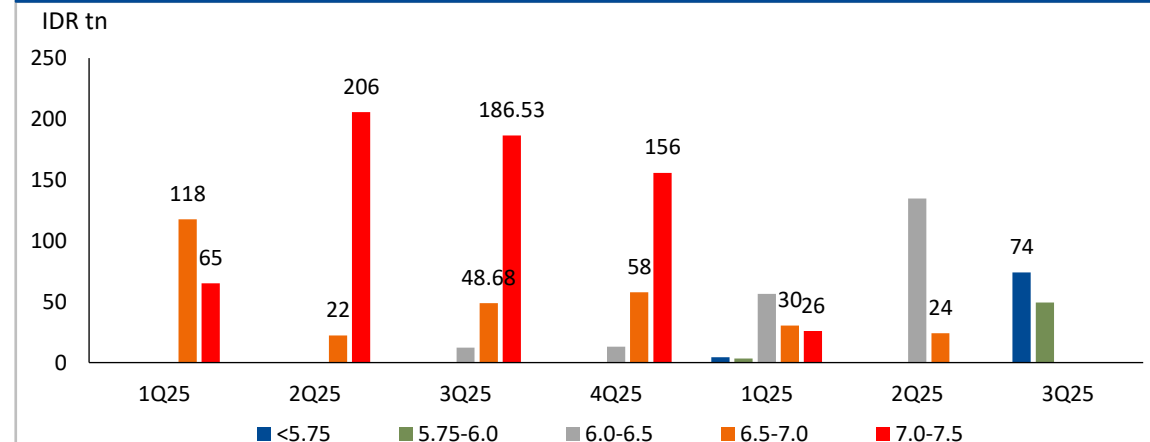
Net SRBI Issuance vs. BI Ownership in SBN as of Aug 29th, 2025



Monthly SRBI Maturity Yield Range

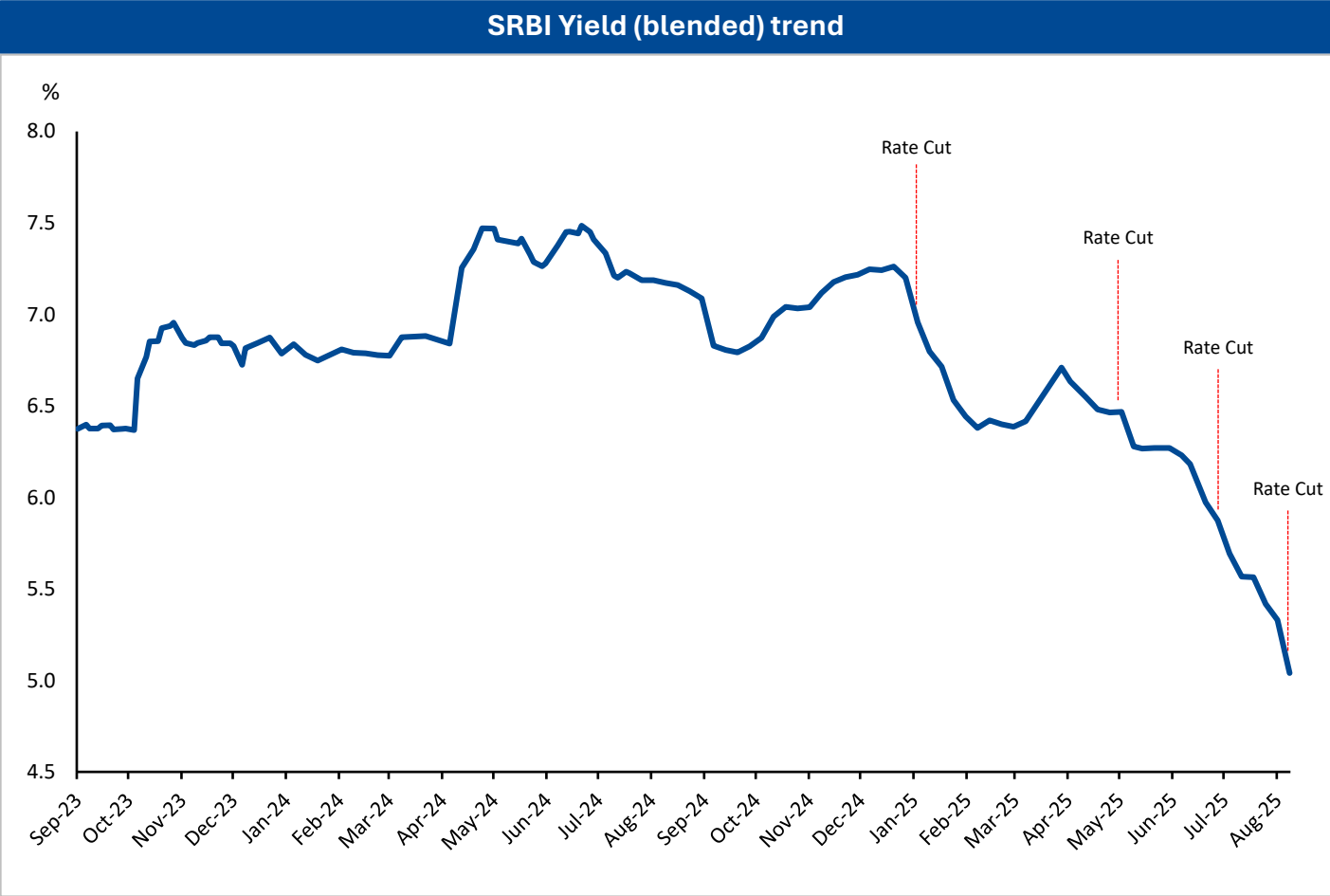


Quarterly SRBI Maturity Yield Range



SRBI Yield pre-BI Rate Cut

From Lagging to Leading Indicator?



Rate Cut	Pre-Rate Cut Yield Trend (bps)	
	2 Auctions	4 Auctions
Sep-24	-7	-10
Jan-25	-4	-2
May-25	-1	-17
Jul-25	-31	-40
Aug-25	-23	-36
Sep-25	-1	-25



- SRBI yields have fallen by around 50 bps from their peak prior to the first rate cut back in Sep 2024. Since then, SRIBY yield has decline further by 200 bps.
- We do not view SRBI yields as a formal leading indicator for BI’s 7DRR, yet recent patterns are notable, as SRBI yield declines became more pronounced ahead of the last two rate cuts.
- In Jul and Aug 2025, the BI Rate cut were preceded by 23-31bps yield decline in the previous 2 auctions and ~40bps yield decline in the previous 4 auctions. In Sep 2025, the rate cut preceded by 25 bps lower SRBI yield.

Key Macro Assumptions

Our 3 Scenarios on INDOGB Yields

Indicator	2020	2021	2022	2023	2024	2025F
Real GDP Growth YoY (%)	-2.19	3.70	5.31	5.05	5.03	4.72 – 5.03
Inflation YoY (%)	1.59	1.75	5.51	2.61	1.57	2.08 – 2.38
BI Rate(%)	3.75	3.5	5.50	6.00	6.00	4.75 – 5.25
USDIDR (avg)	14,050	14,296	14,848	15,231	15,843	16,100 – 16,500
US Treasury 10Y (%)	0.93	1.52	3.88	3.88	4.58	4.10 – 4.50
CDS 5Y (bps)	68	75	104	70	78	65 – 85
IDR SUN 10Y (%) [BTMM ID]	5.89	6.37	6.94	6.48	7.00	6.20 – 6.75

The 3 Scenarios



	Scenario	CDS 5Yr	UST 10yr (%)	USDIDR	BI Rate %	% Foreign	% BI	Forecast
2025	Optimistic	0.70	4.00	16,180	5.00	15.00	26.00	6.49
	Base	0.80	4.20	16,450	5.25	14.50	25.00	6.75
	Pesimistic	0.90	4.40	16,700	5.50	14.25	24.00	6.94

Year	Scenario	CDS 5 Yr	UST 10yr (%)	USDIDR	BI Rate %	% Foreign	% BI	Forecast
2025F	Optimistic	0.65	4.10	16,100	4.75	15.40	23.50	6.20
	Base	0.75	4.30	16,250	5.00	14.75	24.50	6.42
	Pesimistic	0.85	4.50	16,500	5.25	14.30	25.50	6.75

Historical Ownership Trend

Rising Issuance During Covid Period Led To Surge in Domestic Ownership (BI+Banks)

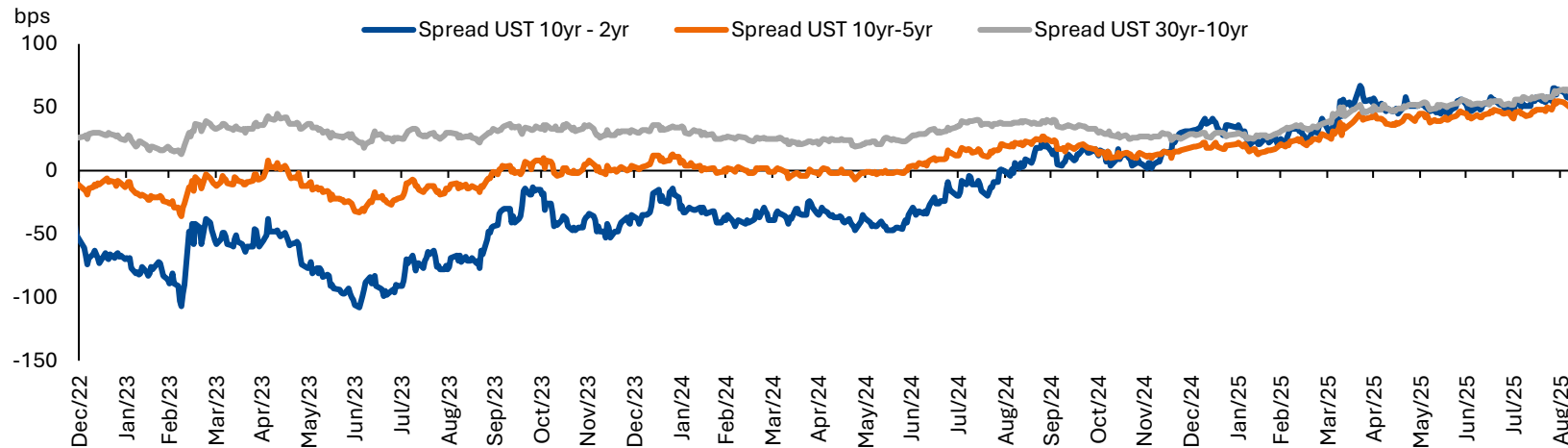
Ownership Outstanding (IDR tn, %)															
Investors Type	Dec-18		Dec-19		Dec-20		Dec-21		Dec-22		Dec-23		Dec-24		11-Sep-25
Banking	481	20%	581	21%	1,376	36%	1,591	34%	1,697	32%	1,495	26%	1,051	17%	1,357 21%
Bank Indonesia	253	10%	262	10%	454	12%	801	17%	1,020	19%	1,096	19%	1,618	27%	1,551 24%
Foreign Investor	893	37%	1,062	39%	974	25%	891	19%	762	14%	842	15%	877	15%	928 14%
Insurance & Pension Fund	414	17%	472	17%	543	14%	655	14%	873	16%	1,041	18%	1,145	19%	1,204 19%
Mutual Fund	119	5%	131	5%	161	4%	158	3%	146	3%	178	3%	187	3%	197 3%
Individual	73	3%	81	3%	131	3%	221	5%	344	6%	435	8%	543	9%	544 8%
Others	207	8%	163	6%	232	6%	360	8%	467	9%	619	11%	619	10%	632 10%
Total	2,442	100%	2,753	100%	3,871	100%	4,679	100%	5,309	100%	5,706	100%	6,040	100%	6,413 100%

Ownership Outstanding (IDR tn, %)															
Investors Type	Jan-25		Feb-25		Mar-25		Apr-25		May-25		Jun-25		Jul-25		11-Sep-25
Banking	1,129	19%	1,207	19%	1,122	18%	1,132	18%	1,135	18%	1,200	19%	1,294	20%	1,357 21%
Bank Indonesia	1,555	26%	1,520	25%	1,643	26%	1,645	26%	1,678	26%	1,592	25%	1,569	24%	1,551 24%
Foreign Investor	881	14%	890	14%	892	14%	900	14%	926	15%	919	15%	936	15%	928 14%
Insurance & Pension Fund	1,161	19%	1,172	19%	1,183	19%	1,190	19%	1,196	19%	1,199	19%	1,211	19%	1,204 19%
Mutual Fund	187	3%	186	3%	186	3%	190	3%	193	3%	183	3%	189	3%	197 3%
Individual	552	9%	577	9%	568	9%	568	9%	568	9%	587	9%	583	9%	544 8%
Others	630	10%	639	10%	641	10%	642	10%	647	10%	629	10%	637	10%	632 10%
Total	6,095	100%	6,190	100%	6,235	100%	6,267	100%	6,344	100%	6,309	100%	6,419	100%	6,413 100%

UST and INDOGB Yield Curve Spreads

Historical and Recent Movements Across Tenors

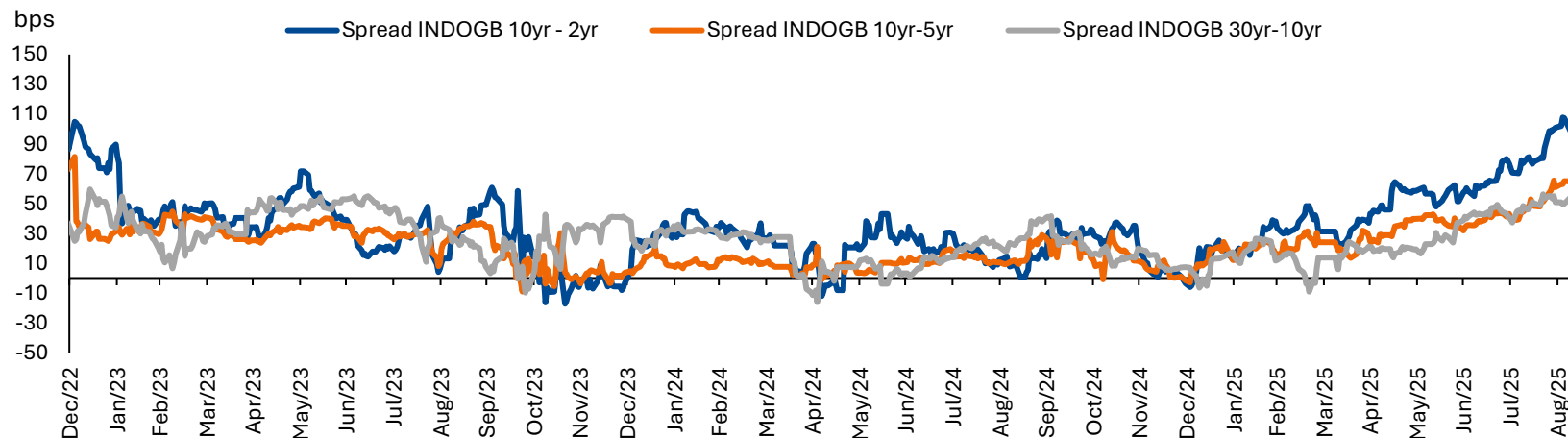
U.S. Treasury Yield Curve Spreads



UST Yield Curve Spread (bps)

Date	10yr - 2yr	10yr-5yr	30yr-10yr
2021	226	128	44
2022	-53	-11	26
2023	-35	4	32
2024	31	18	29
12-Sep-25	50	43	59
YTD Avg	44	35	45
YTD Changes	19	25	30
MTD Changes	-14	-12	-4
Weekly Changes	-6	-5	-1

Indonesia Government Bond Yield Curve Spreads



INDOGB Yield Curve Spread (bps)

Date	10yr - 2yr	10yr-5yr	30yr-10yr
2021	79	26	42
2022	86	74	36
2023	-3	4	40
2024	-4	-1	7
12-Sep-25	102	70	57
YTD Avg	50	32	25
YTD Changes	105	72	50
MTD Changes	1	9	6
Weekly Changes	3	5	3

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