

Local News

- Indonesia's central bank may raise its benchmark interest rate for a third straight month to slow inflation, which is forecast to reach a 21-month high in June. Governor Boediono and his seven colleagues will increase the key rate to 8.75% from 8.50%, according to 14 of 18 economists in a Bloomberg News survey.
- The Jakarta Composite Index dropped 1.7% last week to 2,332.11, its sixth straight weekly loss. PT Bank Internasional Indonesia rose 21 percent on speculation the central bank will approve Malayan Banking Bhd.'s \$2.7 billion acquisition of the Indonesian lender this week.
- The rupiah rose 0.5% last week, making it the best performing among 10 Asia-Pacific currencies on speculation the central bank will raise rates.

International News

- Australia's central bank will probably leave its benchmark interest rate at a 12-year high as it assesses whether the economy is slowing enough to cool the fastest inflation in almost two decades. Governor Glenn Stevens will keep the overnight cash rate target at 7.25% tomorrow in Sydney, according to all 25 economists surveyed by Bloomberg News.
- The dollar traded near a three-week low against the yen before government data this week that may show U.S. employers cut jobs for a sixth consecutive month, damping expectations for an increase in interest rates. The U.S. currency was also near a three-week low against the euro before a report tomorrow that may show U.S. manufacturing contracted at a faster pace this month. The euro may rebound from two days of losses against the yen before a European Central Bank meeting this week where policy makers will raise rates a quarter point to 4.25%, according to economists surveyed by Bloomberg News.
- "Sentiment is for the dollar to weaken further," said Tsutomu Soma, a bond and currency dealer at Okasan Securities Co. in Tokyo. "U.S. economic data simply don't support the case for a rate hike. With the ECB likely to rise rates that make the euro seem more attractive."
- Some traders are buying "double-no-touch" options to bet the dollar will be little changed against the yen, Ishida said. Another strategy is to sell "straddles" with strike prices near the current level in the spot market as they would benefit from a further decline in volatility, he said.
- Declines in the dollar and political tension in the Middle East may push oil to \$170 a barrel by the end of the year, OPEC President Chakib Khelil said June 28.

USD/IDR: Current spot level 9,225

Trading Range for today might be in level 9,210 – 9,240

USD/JPY: Current spot level 106.38

Trading Range: 106.00 – 106.60

EUR/USD: Current spot level 1.5788

Trading Range: 1.5700 – 1.5825

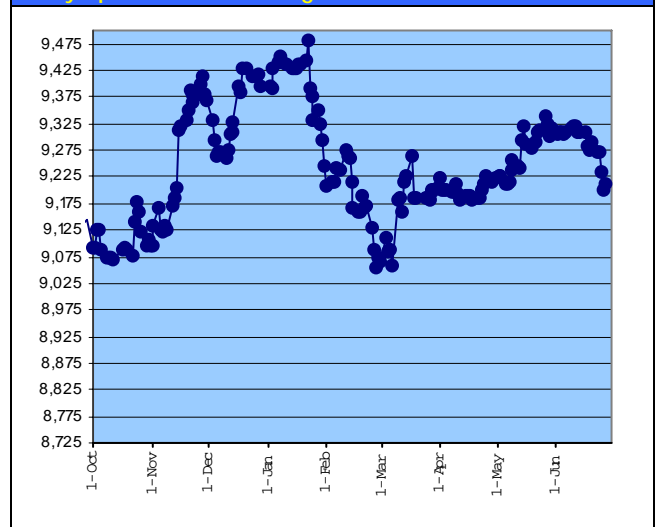
Inter-bank Foreign Exchange Market Closing Rate

Ccy	New York		Ccy	Jakarta	
	June 26	June 27		June 26	June 27
EUR/USD	1.5756	1.5793	USD/IDR	9,201	9,210
AUD/USD	0.9558	0.9610	EUR/IDR	14,497.55	14,545.35
USD/JPY	106.82	106.14	AUD/IDR	8,794.32	8,849.98
USD/SGD	1.3654	1.3629	JPY/IDR	86.14	86.77
GBP/USD	1.9890	1.9950	SGD/IDR	6,738.93	6,757.16
USD/HKD	7.8033	7.8030	HKD/IDR	1,179.12	1,180.32

Indonesia's Foreign Reserve (billion US Dollar)

Dec 28	Jan 26	Feb 29	Mar 31	Apr 30	May 31
56,92	55,99	57,13	58,98	58.77	57.46

Daily Spot USD/IDR Closing Rate Chart



Indonesia's Inflation (%)

	Dec	Jan	Feb	Mar	Apr	May
Year on Year	6.59	7.36	7.40	8.17	8.96	10.38
Month on Month	1.10	1.77	0.65	0.95	0.57	1.41

Interest (% pa)

	Current	Prev.	Change	Date of Chg
IDR (BI Rate)	8.50	8.25	+0.25	June 5, 2008
USD (Fed Funds Rate)	2.00	2.25	-0.25	Apr 30, 2008
JPY (Overnight Rate)	0.50	0.25	+0.25	Feb 21, 2006
EUR (Refinancing Rate)	4.00	3.75	+0.25	Jun 6, 2007
AUD (Cash Rate)	7.25	7.00	+0.25	Mar 4, 2008
HKD (Base Rate)	3.50	3.75	-0.25	Apr 30, 2008
SGD (Overnight Rate)	0.25	0.25	-	June 6, 2008

World's Stock Market Closing Index

	June 24	June 25	June 26	June 27
Composite Index (Jkt)	2,365.38	2,341.36	2,350.89	2,332.12
Straits Times (S'pore)	2,962.16	2,986.62	2,980.95	2,955.91
Hang Seng (Hkg)	22,456.02	22,635.16	22,455.67	22,042.35
Kospi (Seoul)	1,710.84	1,717.79	1,717.66	1,684.45
Nikkei 225 (Tokyo)	13,849.56	13,829.92	13,822.32	13,544.36
DJIA (New York)	11,807.4	11,811.8	11,453.4	11,346.5

Should you need any further information, please contact one of our branches or our Treasury Marketing at (021) 7900860. Email: henny.yuniastri@bankmega.com, uny.murni@bankmega.com or rika-iskandar@bankmega.com

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