

CPI:

Swayed by the thunderstorm

02 October 2026

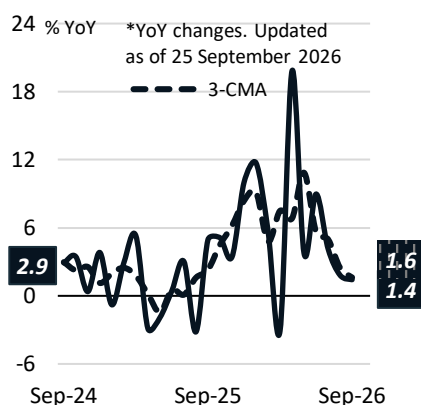
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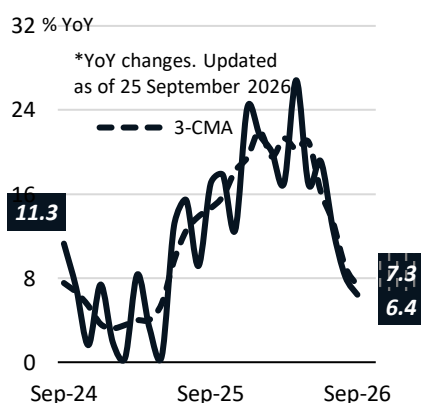
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BCA Consumer Spending Index*



BCA Business Transaction Index*



- **Indonesia's CPI inflation rose to 3.28% YoY (0.30% MoM) in Sep-26**, from 3.19% YoY (0.21% MoM) in Aug-26. The MoM increase was mainly fueled by high food costs (0.88% MoM) stemming from external disruptions.

- Volatile food prices have become the main driver for monthly inflation, caused by worsening El Niño conditions, with chilies, chicken, and rice being the major contributors. Unfortunately, **the current dry spell is currently forecasted to last until early 2027**, providing significant inflationary pressures for the next few months.

- In terms of annual growth, core inflation has moderated slightly to 2.84% YoY, from 2.92% YoY in Aug-26. This slight decline was mainly caused by a slowdown in gold prices. **However, ex-gold core inflation has trended up slightly (from 2.12% to 2.17% YoY)**, pointing to a sustained increase in underlying inflation trends and indicating that credit growth is likely to remain elevated.

- Another upcoming factor in this inflation creep-up is the **recent depreciation of the Rupiah**, fueled by more hawkish market over the past month. So far, we have seen relatively limited effect, as most imports are composed of various industrial inputs. However, rising wholesale price inflation (reaching 6.76% YoY in Sep vs 6.18% in Aug) indicates continued input price pressures amongst producers, potentially spilling over to consumer prices over the next few months.

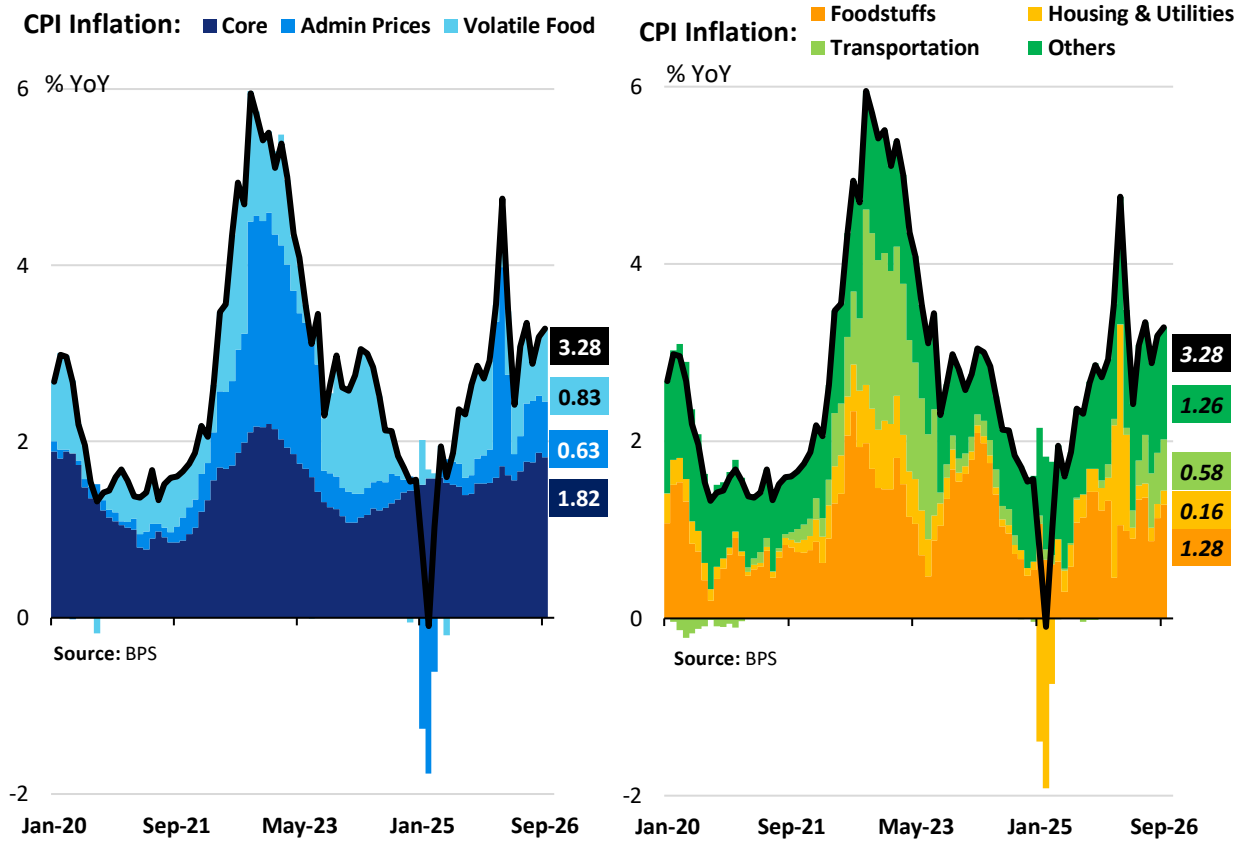
- In addition, we have also seen a broader pick-up in many commodity prices in recent months, resulting in a **corresponding pick-up for US and Chinese inflation** (even outside of oil-related products). These higher prices, combined with rapid depreciation this year, would provide a double whammy for importers.

- **On one hand, global rate hikes could provide (some) remedy to these pressures.** The cost-push inflation requires a short-term slowdown in demand, which is usually better served by a tighter monetary policy. But on the other hand, the recent depreciation of the Rupiah mainly stems from net portfolio outflows, as foreign investors

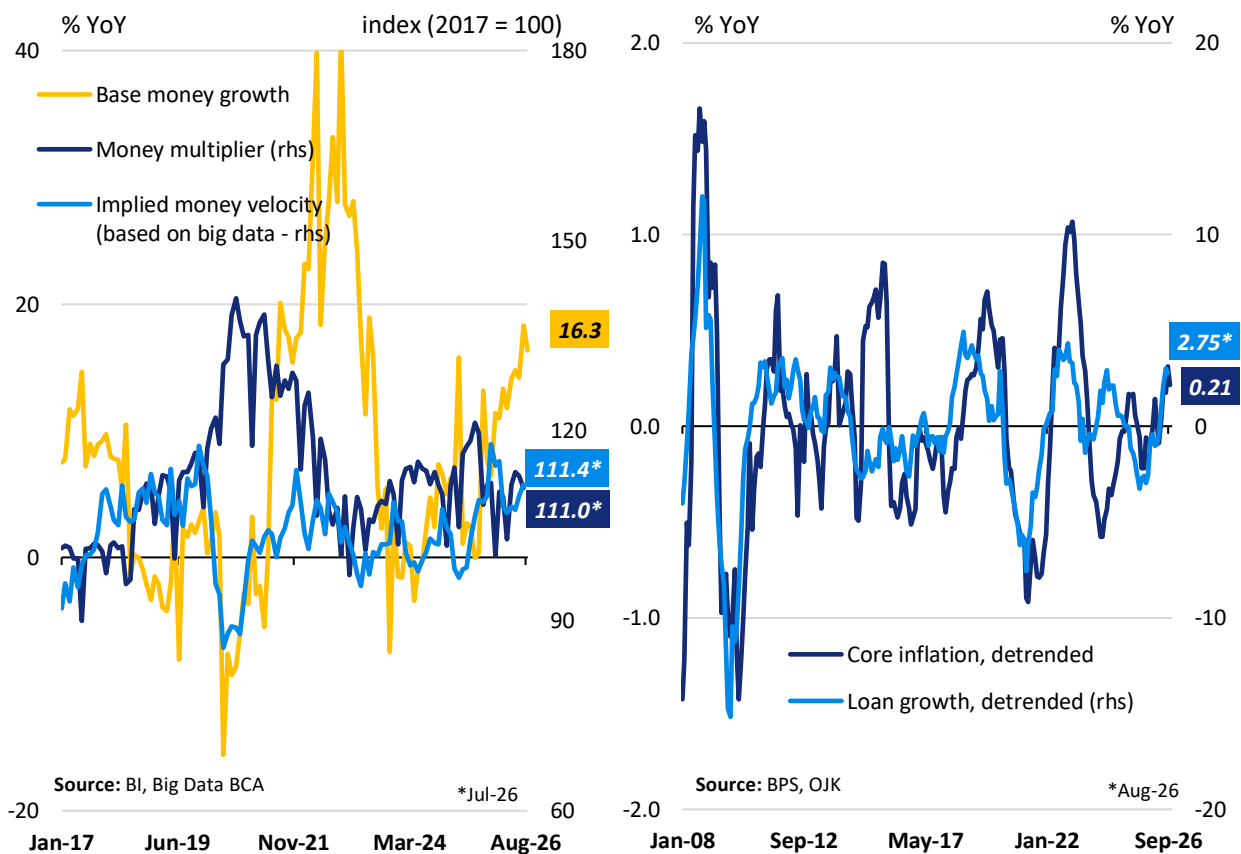
receive higher returns from both DM stocks and bonds.

- **For that last remark, it remains to be seen how Bank Indonesia (BI) will balance its gameplay.** So far, BI seems to show affinity towards its alternate instruments, increasing discount for longer-term FX hedging tools, while keeping policy rates steady. Thus, further pro-stability policies would hinge upon the success of these tools on sustaining investor inflows, or if more drastic measures are needed.

1 Accelerating inflation driven by higher food prices

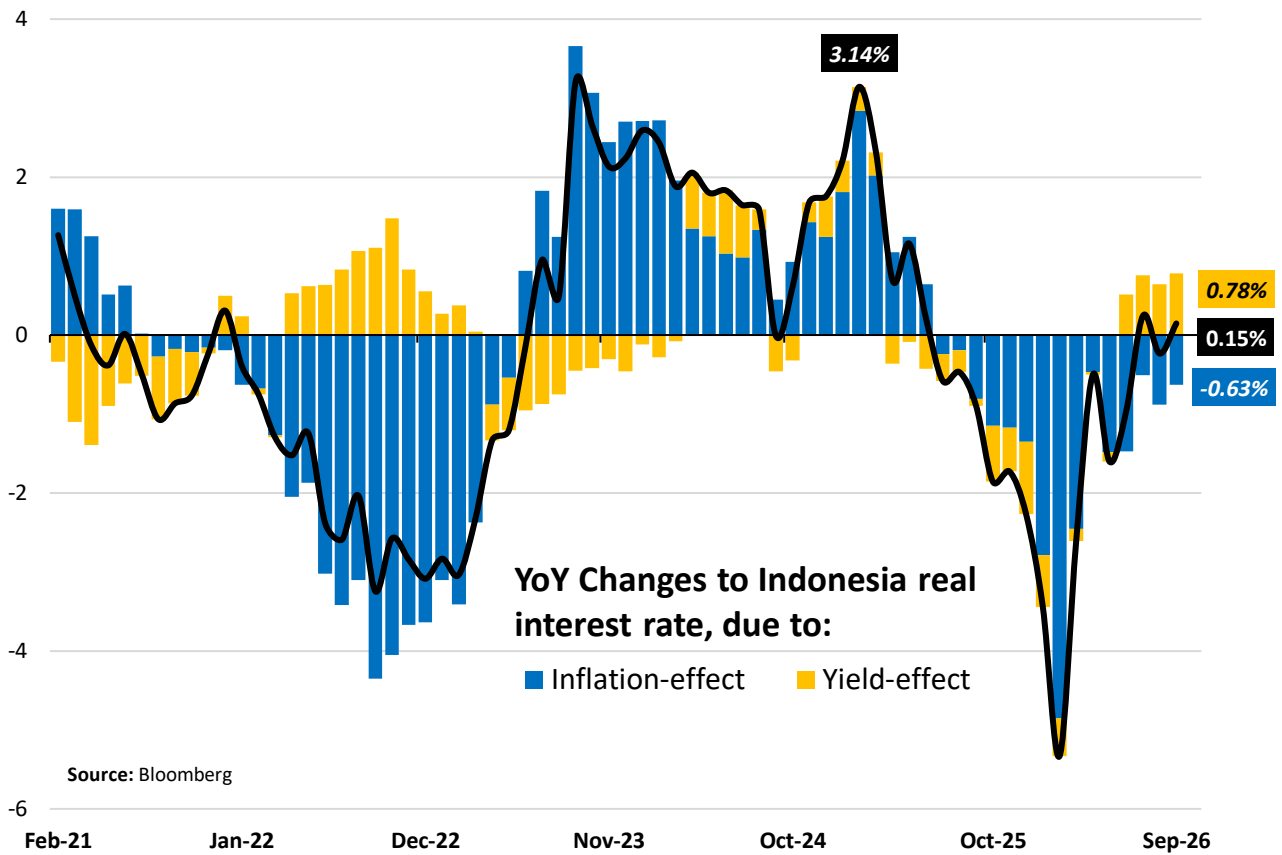


2 Loan growth is rising concurrent with ex-gold core inflation



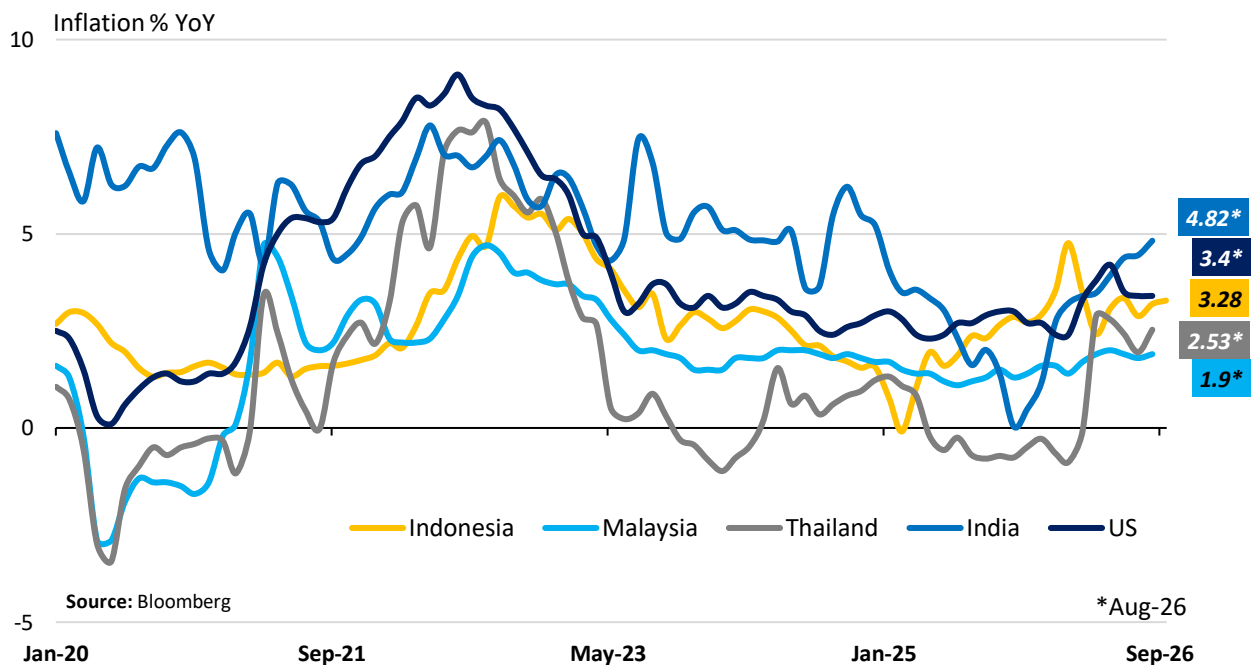
3

Indonesia's real interest rates lowered as yield picks up



4

Indonesia's inflation is rising though remained controlled



Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	01-Oct	-1 mth	Chg (%)
US	4.00	Sep-26	0.60	Baltic Dry Index	3,140.0	3,186.0	-1.4
UK	3.75	Dec-25	0.65	S&P GSCI Index	738.9	716.7	3.1
EU	2.65	Sep-26	-0.55	Oil (Brent, \$/bbl)	102.3	90.5	13.1
Japan	1.25	Jun-26	-0.65	Coal (\$/MT)	149.4	144.9	3.1
China (lending)	2.00	Sep-24	3.55	Gas (\$/MMBtu)	3.02	2.90	4.4
Korea	3.00	Aug-26	0.10	Gold (\$/oz.)	4,177.7	4,437.4	-5.9
India	5.25	Dec-25	0.43	Copper (\$/MT)	14,281.5	14,445.6	-1.1
Indonesia	5.75	Jun-26	2.47	Nickel (\$/MT)	15,441.2	16,700.7	-7.5
Money Mkt Rates	01-Oct	-1 mth	Chg (bps)	CPO (\$/MT)	1,074.3	1,144.8	-6.2
SPN (1Y)	6.40	6.75	-35.1	Rubber (\$/kg)	2.54	2.39	6.3
SUN (10Y)	7.13	6.99	14.4	External Sector	Aug	Jul	Chg (%)
INDONIA (O/N, Rp)	6.05	6.07	-1.9	Export (\$ bn)	26.61	26.22	1.51
JIBOR 1M (Rp)	5.03	5.03	0.0	Import (\$ bn)	23.06	26.09	-11.63
Bank Rates (Rp)	Jul	Jun	Chg (bps)	Trade bal. (\$ bn)	3.55	0.12	2,814.03
Lending (WC)	8.14	8.07	7.00	Central bank reserves (\$ bn)*	146.5	145.3	0.80
Deposit 1M	5.35	4.96	39.00	Prompt Indicators	Aug	Jul	Jun
Savings	0.68	0.68	0.00	Consumer confidence index (CCI)	118.5	116.8	117.8
Currency/USD	01-Oct	-1 mth	Chg (%)	Car sales (%YoY)	32.4	33.3	33.0
UK Pound	0.758	0.738	-2.60	Motorcycle sales (%YoY)	3.2	8.3	1.1
Euro	0.889	0.861	-3.22	Manufacturing PMI	Sep	Aug	Chg (bps)
Japanese Yen	158.1	159.7	1.04	USA	55.9	53.9	200
Chinese RMB	6.706	6.720	0.20	Eurozone	52.9	52.7	20
Indonesia Rupiah	17,950	17,720	-1.28	Japan	54.1	54.9	-80
Capital Mkt	01-Oct	-1 mth	Chg (%)	China	52.1	51.5	60
JCI	6,009.5	6,525.5	-7.91	Korea	53.9	52.3	160
DJIA	50,926.6	53,185.9	-4.25	Indonesia	52.4	49.8	260
FTSE	10,428.3	10,824.3	-3.66				
Nikkei 225	68,956.7	66,311.9	3.99				
Hang Seng	24,613.3	25,567.0	-3.73				
Foreign portfolio ownership (Rp Tn)	Aug	Jul	Chg (Rp Tn)				
Stock	2,949.5	2,805.0	144.49				
Govt. Bond	907.8	892.4	15.35				
Corp. Bond	4.8	5.6	-0.74				

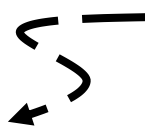
Source: Bloomberg, BI, BPS

Notes:

*Data from earlier period

For changes in currency: **Black indicates appreciation against USD, **Red** otherwise

***For PMI, **>50** indicates economic expansion, **<50** otherwise



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Indonesia – Economic Indicators Projection

	2020	2021	2022	2023	2024	2025	2026E
Real GDP growth (% YoY)	-2.1	3.7	5.3	5.0	5.0	5.1	5.3
Nominal GDP growth (% YoY)	-2.5	9.9	15.4	6.7	6.0	7.6	9.1
GDP per capita (USD)	3912	4350	4784	4920	4960	5083	5126
CPI inflation (% YoY)	1.7	1.9	5.5	2.6	1.6	2.9	3.2
BI Rate (%)	3.75	3.50	5.50	6.00	6.00	4.75	6.00
SBN 10Y yield (%)	5.86	6.36	6.92	6.45	6.97	6.05	7.31
USD/IDR exchange rate (average)	14,529	14,297	14,874	15,248	15,841	16,468	17,621
USD/IDR exchange rate (end of year)	14,050	14,262	15,568	15,397	16,102	16,690	18,238
Trade balance (USD Bn)	21.7	35.3	54.5	37.0	31.0	41.1	19.2
Current account balance (% of GDP)	-0.4	0.3	1.0	-0.1	-0.6	-0.1	-1.3

Notes:

- USD/IDR exchange rate projections are for fundamental values; market values may diverge significantly at any moment in time

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