

FX Reserves:

Efforts and luck

07 October 2025

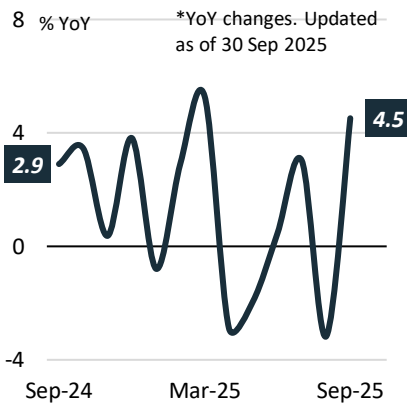
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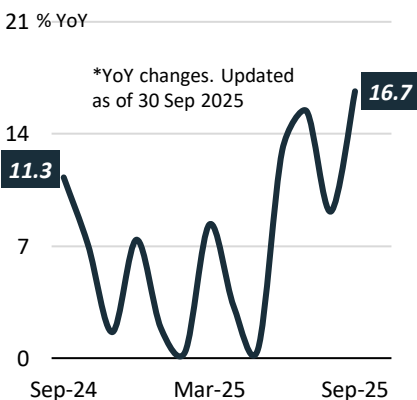
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BCA Consumer Spending Index*



BCA Business Transaction Index*



- **Indonesia's FX reserves continued their decline, falling to USD 148.7 Bn in Sep-25** (from USD 150.7 Bn in Aug-25).

This decline was primarily attributed to portfolio outflows during September, combined with BI's constant intervention in the FX market to support the Rupiah.

- **Investors largely divested from the Indonesian market during September.** While equities experienced a relatively mild outflow (-USD 234 Mn), both government bonds (-USD 2.5 Bn) and SRBI (-USD 1.6 Bn) recorded significantly larger outflows.

- There is a saying in quantum physics that 'at the deepest levels of reality, there are no actual causes for events.' September was characterized by **a confluence of significant events**. These included leadership changes within the Ministry of Finance, accompanied by shifts in policy direction; BI's rate cut and its continued triple interventions; the announcement of the government's budget realization; and the widening of next year's deficit target, among other factors.

- While the precise influence of these factors on investor sentiment remains debatable, the clear outcome was **significant pressure on IDR**. This resulted in a 1.1% MoM depreciation in September, despite BI's sustained intervention. Compounding this, we observed a steeper decline in the offshore 12-month NDF (-1.6% MoM).

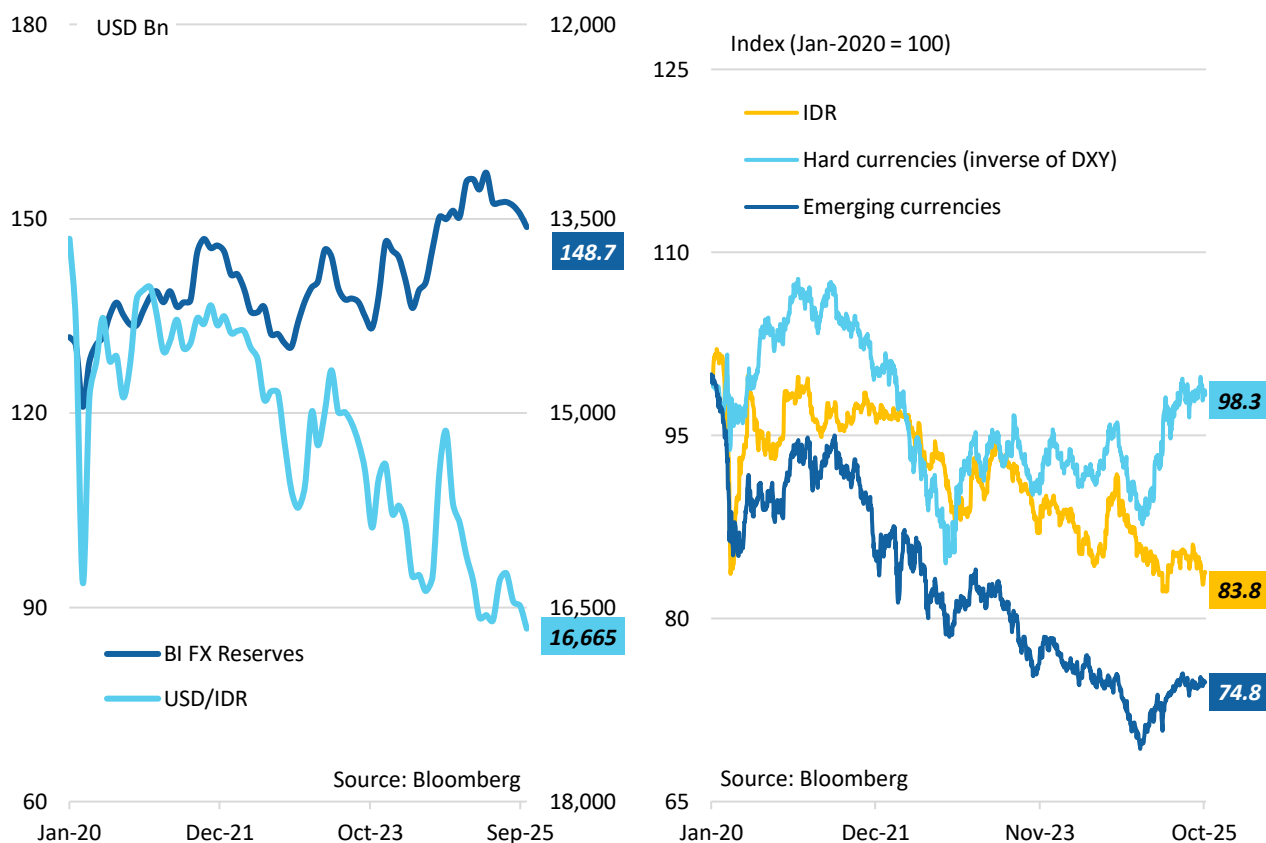
- Interestingly, the USD 2 Bn reduction in FX reserves was relatively smaller compared to the magnitude of foreign outflows. A deeper look reveals that these portfolio outflows were partially offset by a **USD 0.7 Bn increase in outstanding FX swaps** (indicating better CA performance) and **increased gold value (+USD 1.1 Bn)** due to the September rally.

- Fortunately, this 'luck streak' may continue in the short term.

Market expectations for a more dovish Fed have strengthened following the US government shutdown, easing pressure on IDR. Conversely, the medium-term outlook is clouded by heightened uncertainty regarding the transmission speed of tariffs to US CPI & PPI. A potential surge in US inflation could compel the Fed to interrupt its anticipated rate-cutting trajectory, thereby intensifying pressure on BI to prioritize its pro-stability mandate.

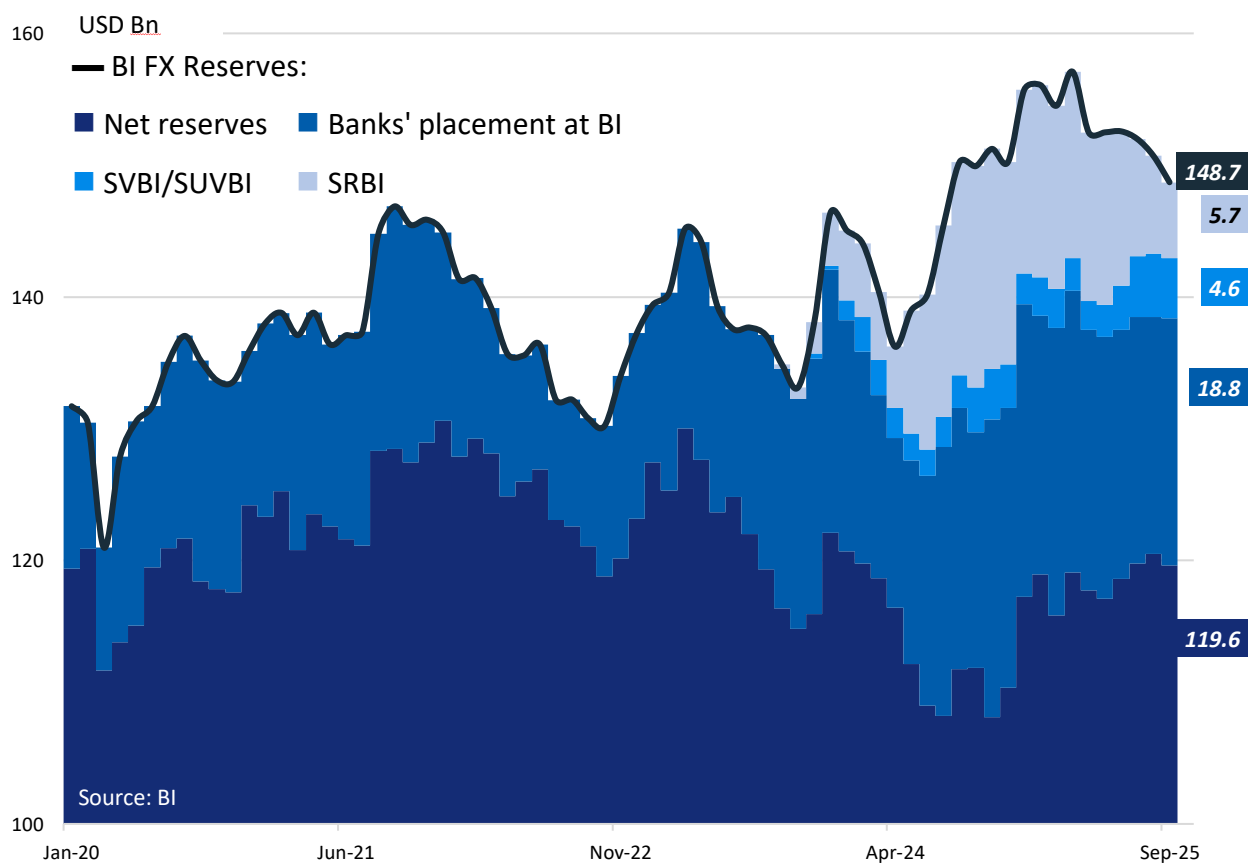
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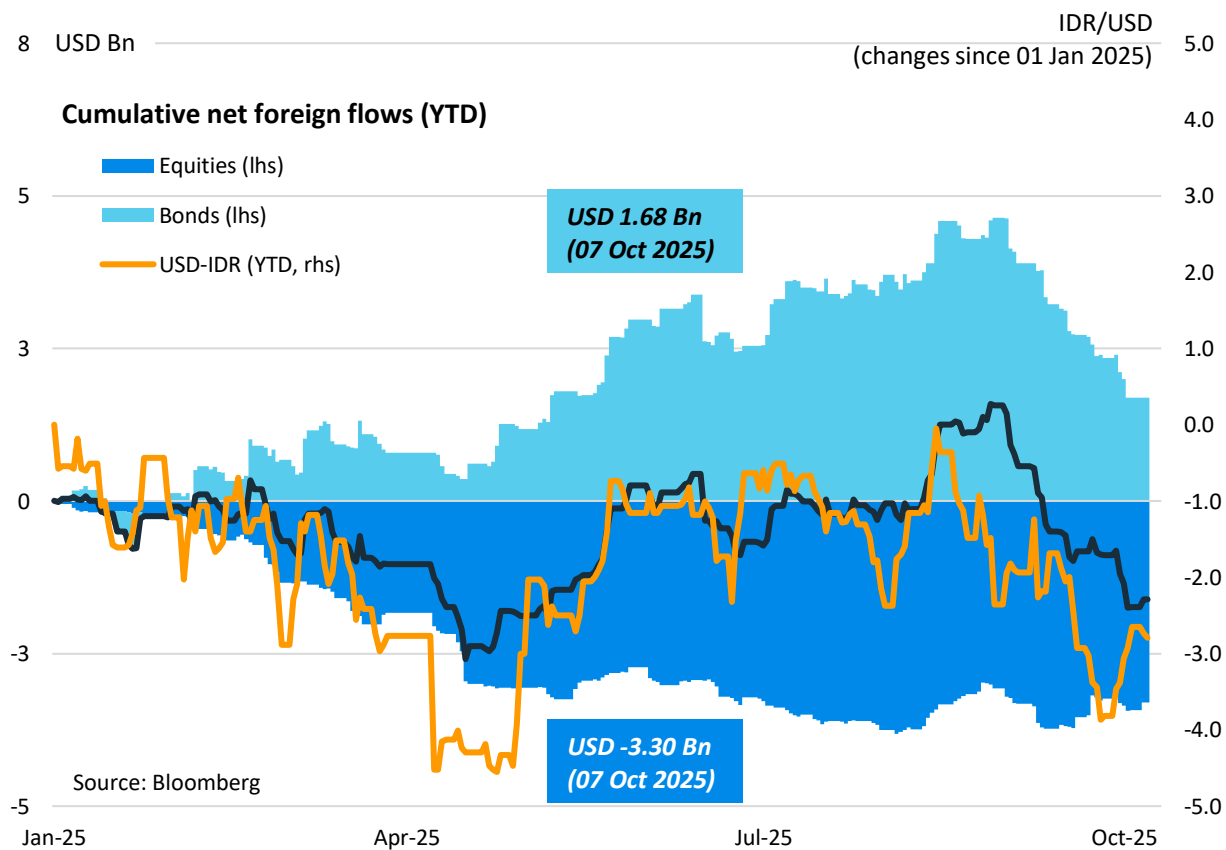
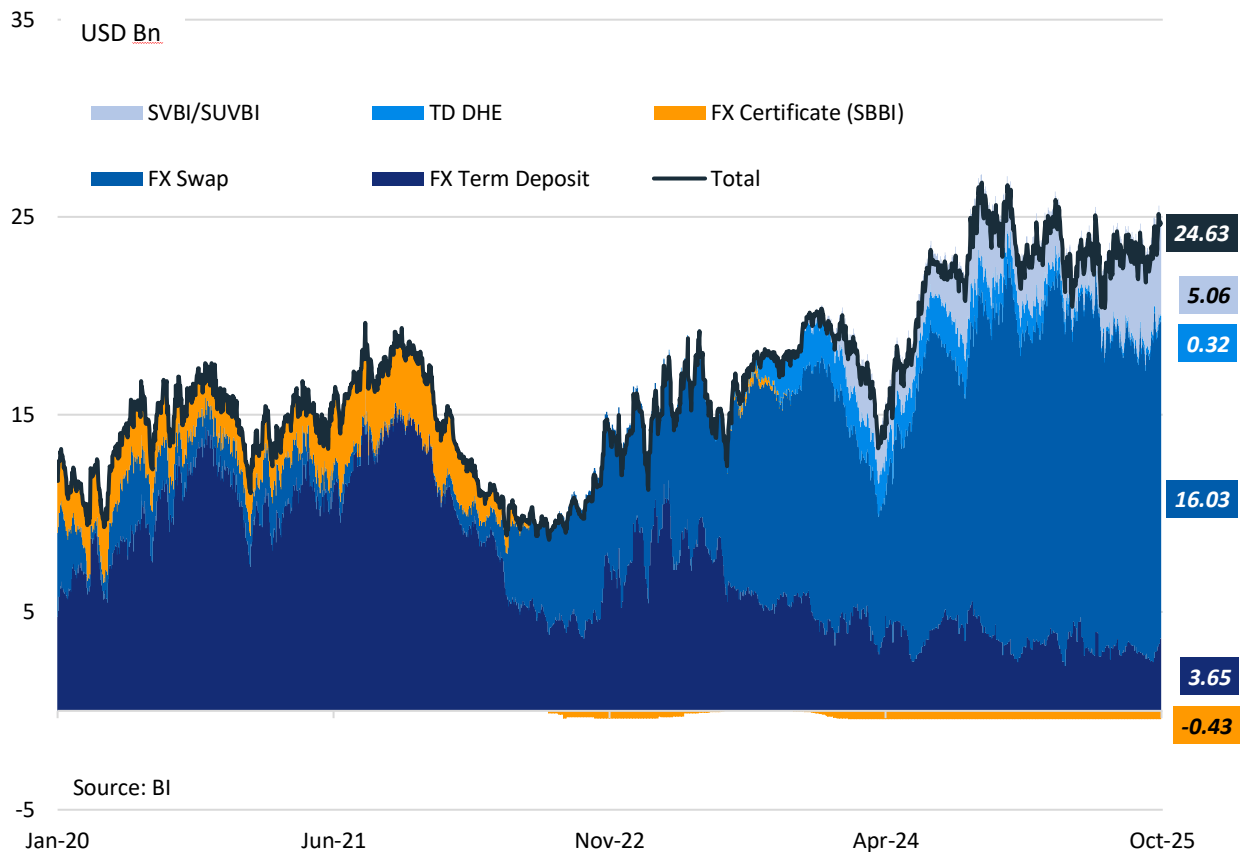
Rupiah depreciated in September even as global currency market remains stable

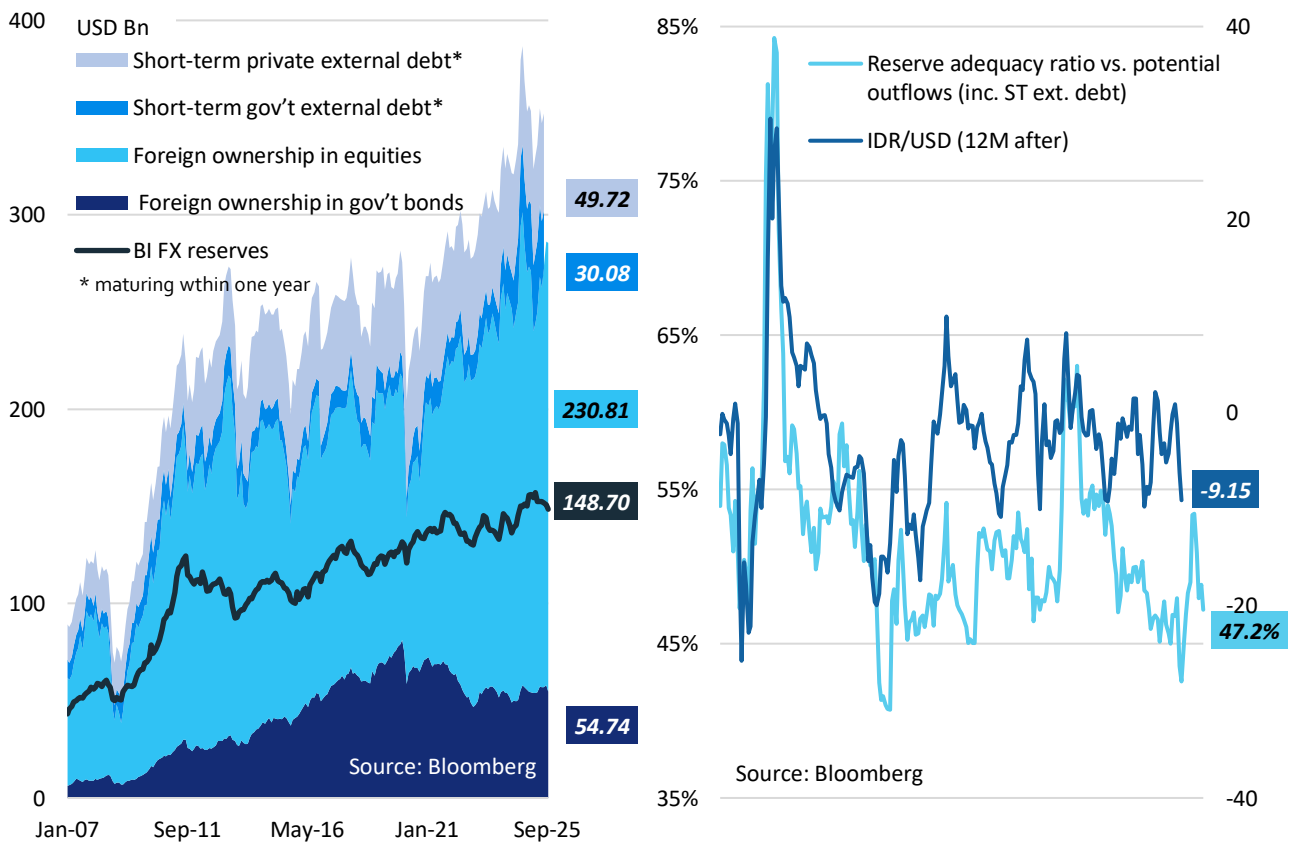
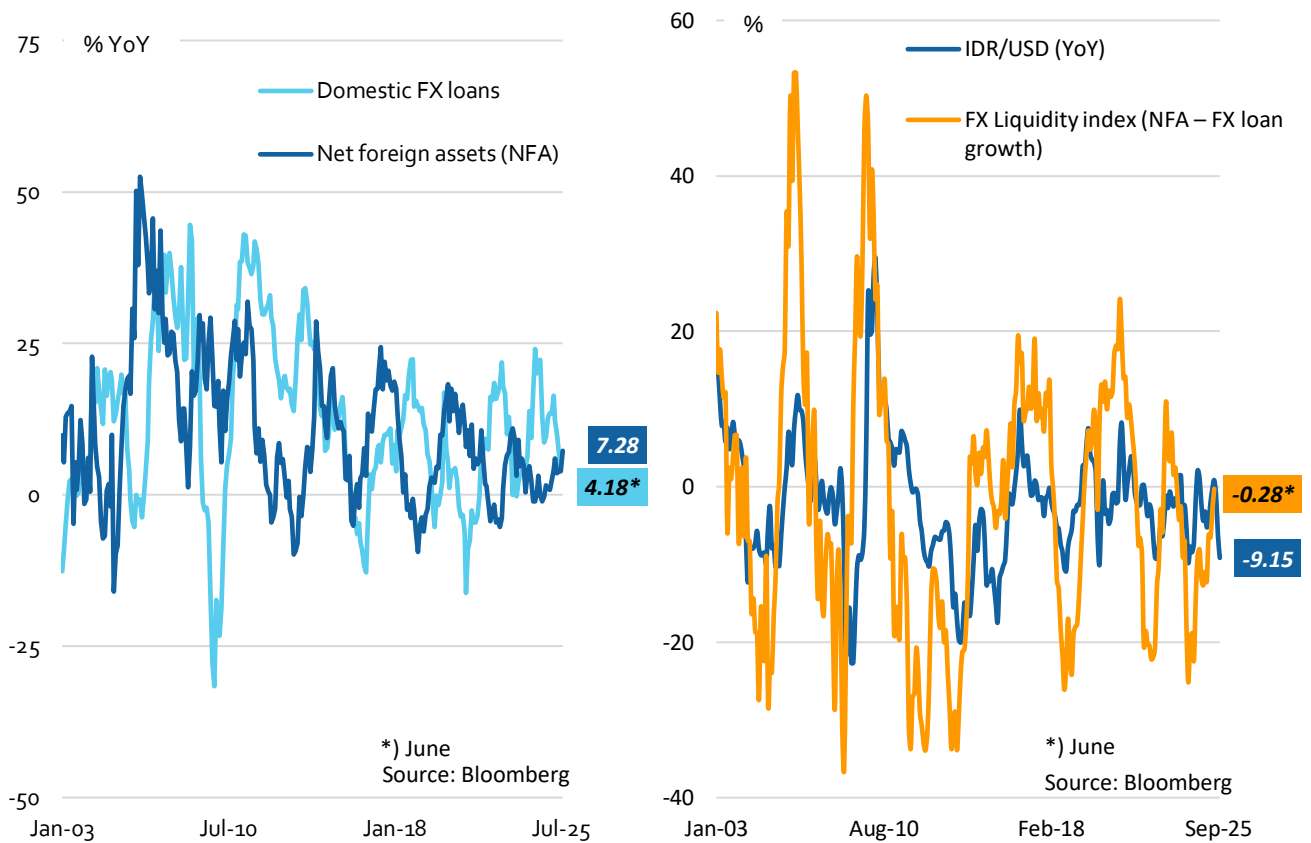


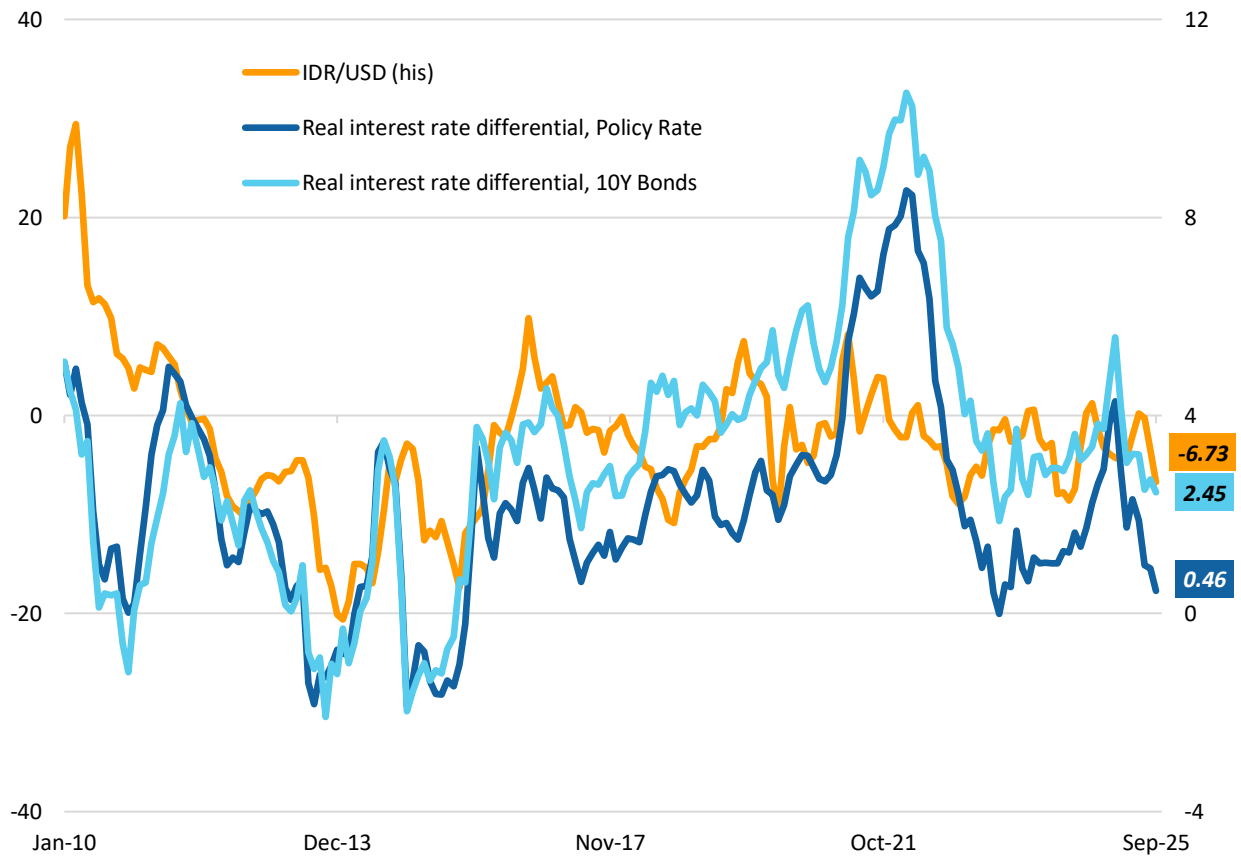
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Continued outflow from SRBI contributes to reserves decline









Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	6-Oct	-1 mth	Chg (%)
US	4.25	Sep-25	1.35	Baltic Dry Index	1,932.0	1,979.0	-2.4
UK	4.00	Aug-25	0.20	S&P GSCI Index	550.8	543.3	1.4
EU	2.15	Jun-25	-0.05	Oil (Brent, \$/bbl)	65.5	65.5	-0.0
Japan	0.50	Jan-25	-2.20	Coal (\$/MT)	107.2	110.1	-2.7
China (lending)	2.00	Sep-24	4.75	Gas (\$/MMBtu)	3.32	3.05	8.9
Korea	2.50	May-25	0.40	Gold (\$/oz.)	3,961.0	3,586.7	10.4
India	5.50	Jun-25	3.43	Copper (\$/MT)	10,613.1	9,829.5	8.0
Indonesia	4.75	Sep-25	2.10	Nickel (\$/MT)	15,302.6	15,054.1	1.7
Money Mkt Rates	6-Oct	-1 mth	Chg (bps)	CPO (\$/MT)	1,039.7	1,037.3	0.2
SPN (1Y)	4.99	5.10	-10.9	Rubber (\$/kg)	1.75	1.78	-1.7
SUN (10Y)	6.28	6.37	-9.6	External Sector	Aug	Jul	Chg (%)
INDONIA (O/N, Rp)	4.04	4.53	-48.6	Export (\$ bn)	24.96	24.75	0.87
JIBOR 1M (Rp)	5.16	5.53	-37.5	Import (\$ bn)	19.48	20.58	-5.35
Bank Rates (Rp)	Jun	May	Chg (bps)	Trade bal. (\$ bn)	5.49	4.17	31.50
Lending (WC)	8.62	8.64	-1.78	Central bank reserves (\$ bn)*	150.7	152.0	-0.84
Deposit 1M	4.89	4.86	2.28	Prompt Indicators	Aug	Jul	Jun
Savings	0.71	0.70	0.82	Consumer confidence index (CCI)	117.2	118.1	117.8
Currency/USD	6-Oct	-1 mth	Chg (%)	Car sales (%YoY)	-19.0	-18.4	-22.5
UK Pound	0.742	0.740	-0.18	Motorcycle sales (%YoY)	0.7	-0.5	-0.3
Euro	0.854	0.853	-0.05	Manufacturing PMI	Sep	Aug	Chg (bps)
Japanese Yen	150.4	147.4	-1.94	USA	52.0	53.0	-100
Chinese RMB	7.122	7.133	0.15	Eurozone	49.8	50.7	-90
Indonesia Rupiah	16,554	16,420	-0.81	Japan	48.5	49.7	-120
Capital Mkt	6-Oct	-1 mth	Chg (%)	China	51.2	50.5	70
JCI	8,139.9	7,867.3	3.46	Korea	50.7	48.3	240
DJIA	46,695.0	45,400.9	2.85	Indonesia	50.4	51.5	-110
FTSE	9,479.1	9,208.2	2.94				
Nikkei 225	47,944.8	43,018.8	11.45				
Hang Seng	26,957.8	25,418.0	6.06				
Foreign portfolio ownership (Rp Tn)	Sep	Aug	Chg (Rp Tn)				
Stock	3,846.5	3,760.3	86.20				
Govt. Bond	912.8	1,213.4	-300.66				
Corp. Bond	4.1	4.5	-0.40				

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

	2019	2020	2021	2022	2023	2024	2025E
Real GDP growth (% YoY)	5.0	-2.1	3.7	5.3	5.0	5.0	5.0
Nominal GDP growth (% YoY)	6.7	-2.5	9.9	15.4	6.7	6.0	7.2
GDP per capita (USD)	4175	3912	4350	4784	4920	4960	5100
CPI inflation (% YoY)	2.7	1.7	1.9	5.5	2.6	1.6	2.2
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	4.50
SBN 10Y yield (%)	7.04	5.86	6.36	6.92	6.45	6.97	6.57
USD/IDR exchange rate (average)	14,141	14,529	14,297	14,874	15,248	15,841	16,461
USD/IDR exchange rate (end of year)	13,866	14,050	14,262	15,568	15,397	16,102	16,625
Trade balance (USD Bn)	-3.2	21.7	35.3	54.5	37.0	31.0	26.0
Current account balance (% of GDP)	-2.7	-0.4	0.3	1.0	-0.1	-0.6	-0.75

Notes:

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

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