

CPI:

Going out of trend

01 December 2025

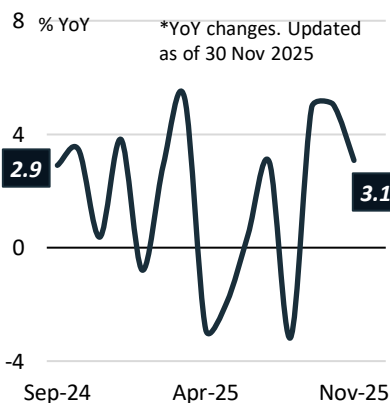
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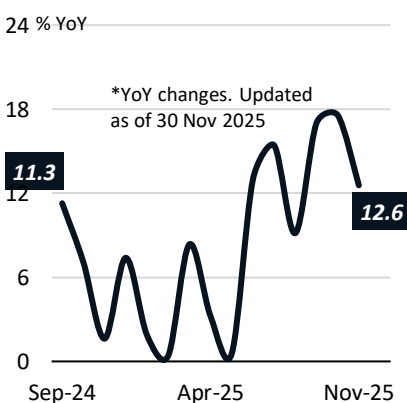
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BCA Consumer Spending Index*



BCA Business Transaction Index*



- Indonesia's inflation decelerated to 2.72% YoY in Nov-25, following a period of acceleration (2.86% YoY in October 2025). **On a monthly basis, the 0.17% MoM headline figure is unusually subdued for November**, given that the year-end season typically sees an uplift in prices for foodstuffs and other goods.

- The downward trend in rice prices is contributing to stable food inflation. **The government's efforts to bolster its rice reserves appear to be effective in price control.** Furthermore, a surge in rice imports since mid-year may also be contributing to price stabilization, particularly amidst a global decline in rice prices.

- At first glance, this weak inflation might signal a more concerning underlying trend. This weakness is not confined to foodstuffs but is broad-based, evident across various other product categories. Core inflation, both on an overall YoY basis and when excluding gold price appreciation, remained relatively flat in November compared to the previous month. **This suggests that loan growth likely also remained subdued in November**, despite some real sector indicators showing a fairly positive growth for Q4.

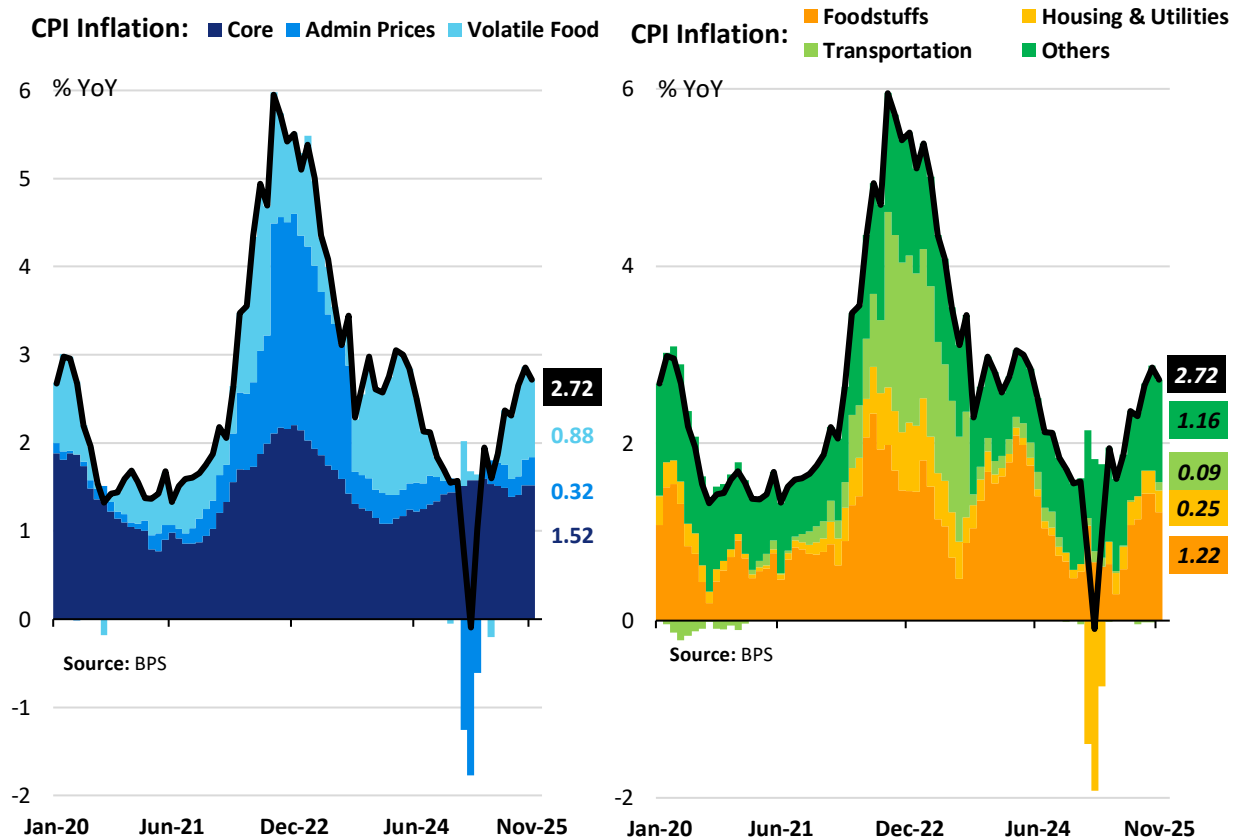
- In fact, **other indicators suggest consumption still shows some strength.** Airfare, for instance, increased by 0.04% MoM, partly due to the end of discounts in October, but also to an increase in demand. Meanwhile, the government's accelerated stimulus and social assistance in the final two months of this year will be highly instrumental.

- Ignoring other variables, this inflation rate creates room for Bank Indonesia (BI) to take an accommodative policy stance, aligned with market expectations for a December Fed rate cut.

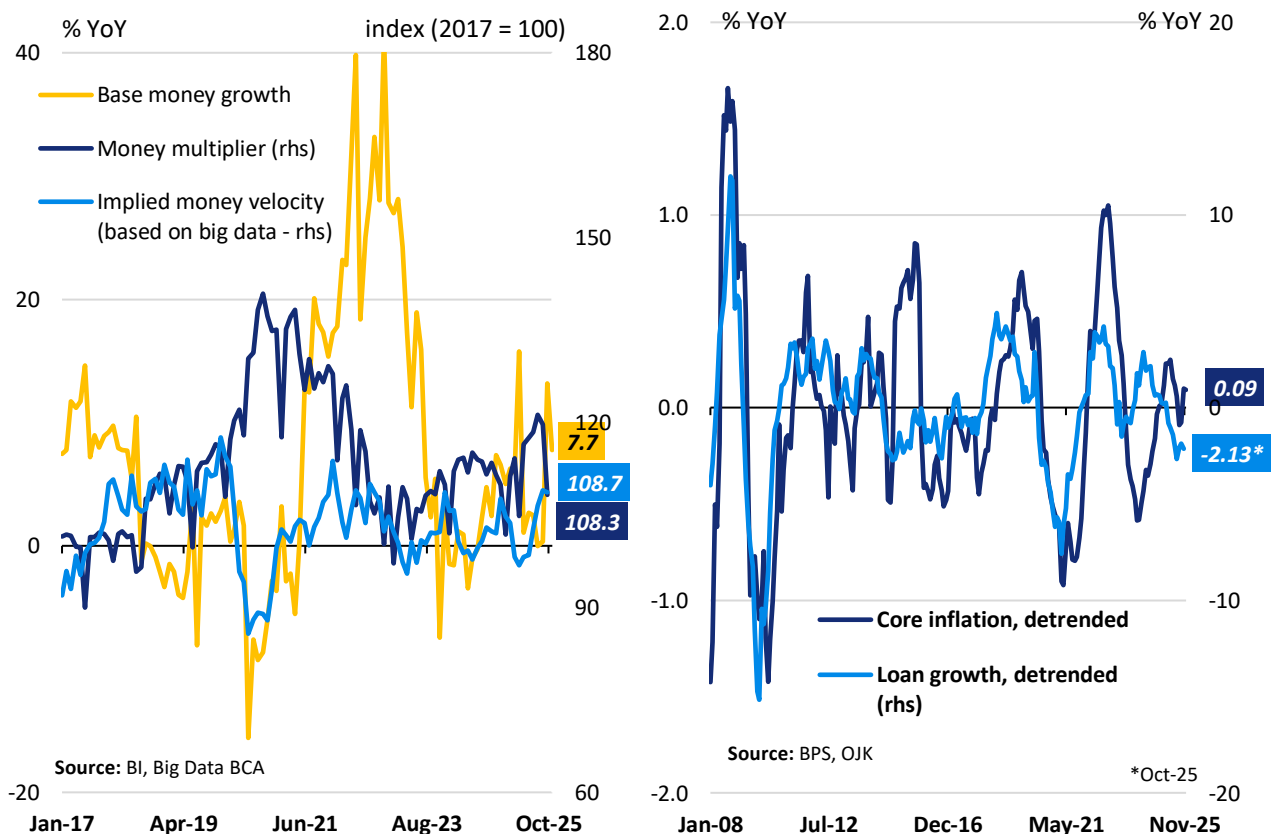
Nevertheless, **several other factors, including exchange rates and the trade balance, suggest that the likelihood remains evenly split.**

- Key risks to monitor include the upcoming La Niña phenomenon**, exemplified by the recent cyclone in Sumatra. At least in the short term, inflation at the beginning of 2026 is almost certainly projected to exceed 3% due to the low base effect stemming from the January-February 2025 electricity discount.

1 Inflation slowed due to controlled food prices

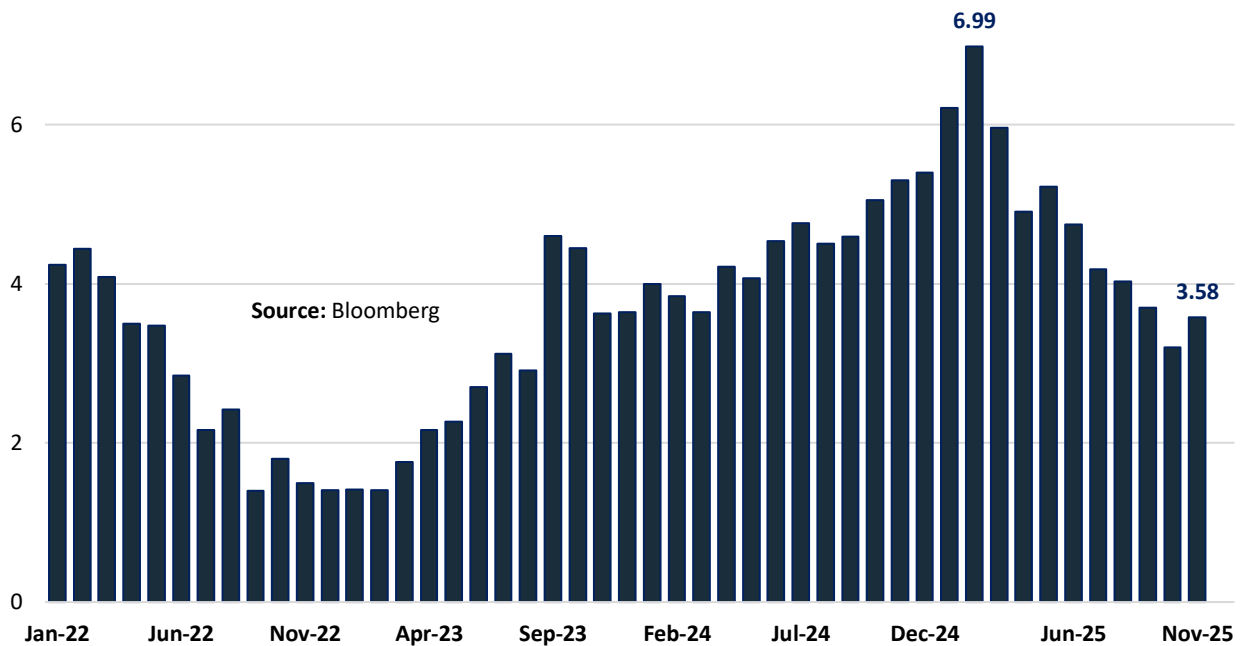


2 Weak core inflation (ex-gold) is an early warning sign of sluggish loan demand



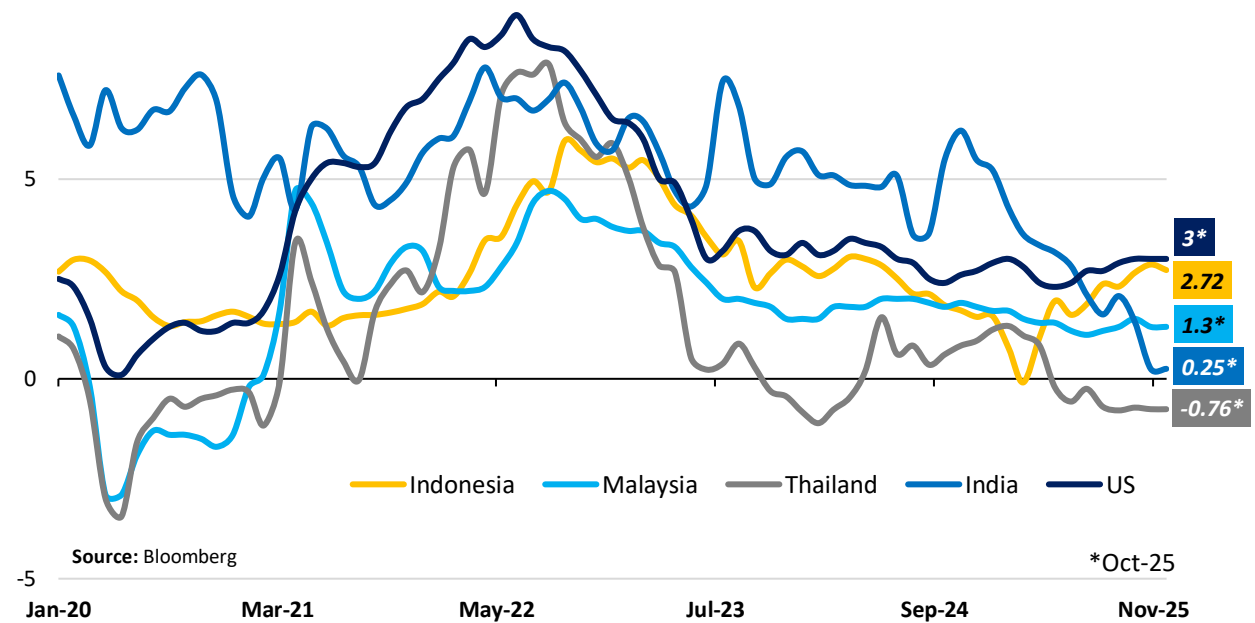
3 A decline in real rates, driven by BI's next rate cut, is expected to stimulate loan growth

8 Real interest rate (%)



4 While global inflation remains stagnant, Indonesia's inflation has begun to slow

10 Inflation % YoY



Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	28-Nov	-1 mth	Chg (%)
US	4.00	Sep-25	1.00	Baltic Dry Index	2,560.0	1,950.0	31.3
UK	4.00	Aug-25	0.40	S&P GSCI Index	555.2	550.7	0.8
EU	2.15	Jun-25	0.05	Oil (Brent, \$/bbl)	63.2	64.4	-1.9
Japan	0.50	Jan-25	-2.50	Coal (\$/MT)	110.9	112.4	-1.4
China (lending)	2.00	Sep-24	4.15	Gas (\$/MMBtu)	4.59	3.44	33.4
Korea	2.50	May-25	0.10	Gold (\$/oz.)	4,239.4	3,952.1	7.3
India	5.50	Jun-25	5.25	Copper (\$/MT)	11,233.7	11,019.0	1.9
Indonesia	4.75	Sep-25	2.03	Nickel (\$/MT)	14,632.2	15,088.9	-3.0
Money Mkt Rates	28-Nov	-1 mth	Chg (bps)	CPO (\$/MT)	989.4	1,025.9	-3.6
SPN (1Y)	4.62	4.65	-2.3	Rubber (\$/kg)	1.76	1.78	-1.1
SUN (10Y)	6.30	5.98	31.7	External Sector	Sep	Aug	Chg (%)
INDONIA (O/N, Rp)	4.16	3.99	16.3	Export (\$ bn)	24.68	24.96	-1.14
JIBOR 1M (Rp)	5.04	5.10	-6.0	Import (\$ bn)	20.34	19.48	4.42
Bank Rates (Rp)	Jun	May	Chg (bps)	Trade bal. (\$ bn)	4.34	5.49	-20.85
Lending (WC)	8.62	8.64	-1.78	Central bank reserves (\$ bn)*	148.7	150.7	-1.31
Deposit 1M	4.89	4.86	2.28	Prompt Indicators	Oct	Sep	Aug
Savings	0.71	0.70	0.82	Consumer confidence index (CCI)	121.2	115.0	117.2
Currency/USD	28-Nov	-1 mth	Chg (%)	Car sales (%YoY)	-4.4	-15.1	-19.0
UK Pound	0.756	0.753	-0.28	Motorcycle sales (%YoY)	8.4	7.3	0.7
Euro	0.862	0.858	-0.45	Manufacturing PMI	Nov	Oct	Chg (bps)
Japanese Yen	156.2	152.1	-2.61	USA	51.9	52.5	-60
Chinese RMB	7.075	7.099	0.35	Eurozone	49.7	50.0	-30
Indonesia Rupiah	16,660	16,605	-0.33	Japan	48.7	48.2	50
Capital Mkt	28-Nov	-1 mth	Chg (%)	China	49.9	50.6	-70
JCI	8,508.7	8,092.6	5.14	Korea	49.4	49.4	0
DJIA	47,716.4	47,706.4	0.02	Indonesia	53.3	51.2	210
FTSE	9,720.5	9,696.7	0.25				
Nikkei 225	50,253.9	50,219.2	0.07				
Hang Seng	25,858.9	26,346.1	-1.85				
Foreign portfolio ownership (Rp Tn)	Oct	Sep	Chg (Rp Tn)				
Stock	3,823.5	3,846.5	-23.05				
Govt. Bond	880.5	1,213.4	-332.89				
Corp. Bond	4.1	4.1	-0.02				

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	2.8
BI Rate (%)	5.00	3.75	3.50	5.50	6.00	6.00	4.75
SBN 10Y yield (%)	7.04	5.86	6.36	6.92	6.45	6.97	6.32
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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