

BI Policy:

Balancing act in uncertain times

23 April 2026

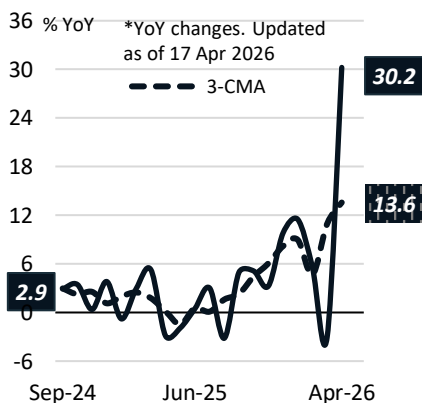
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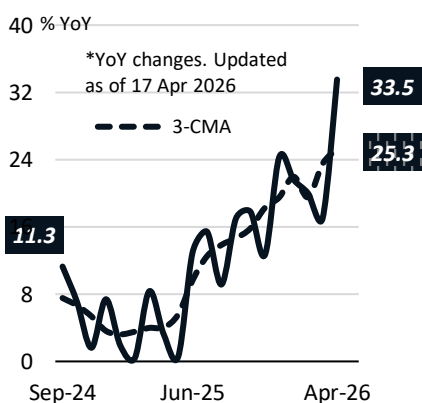
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BCA Consumer Spending Index*



BCA Business Transaction Index*



- **Bank Indonesia (BI) kept the BI Rate at 4.75% at the Apr-26 meeting**, in line with the persisting uncertainty surrounding the US-Iran war and rising global inflation.

- **Current domestic conditions**, compared to the previous BI meeting in Mar-26, **justify BI's decision to hold policy rates**. Although the SBN 10Y yield has fallen by 27 bps, the Rupiah weakened by 0.9%, FX reserves declined by USD 3.7 Bn, and SRBI rates increased by 44 bps. Furthermore, credit growth in Mar-26 remained solid (9.49% YoY) compared to Feb-26 (9.37% YoY).

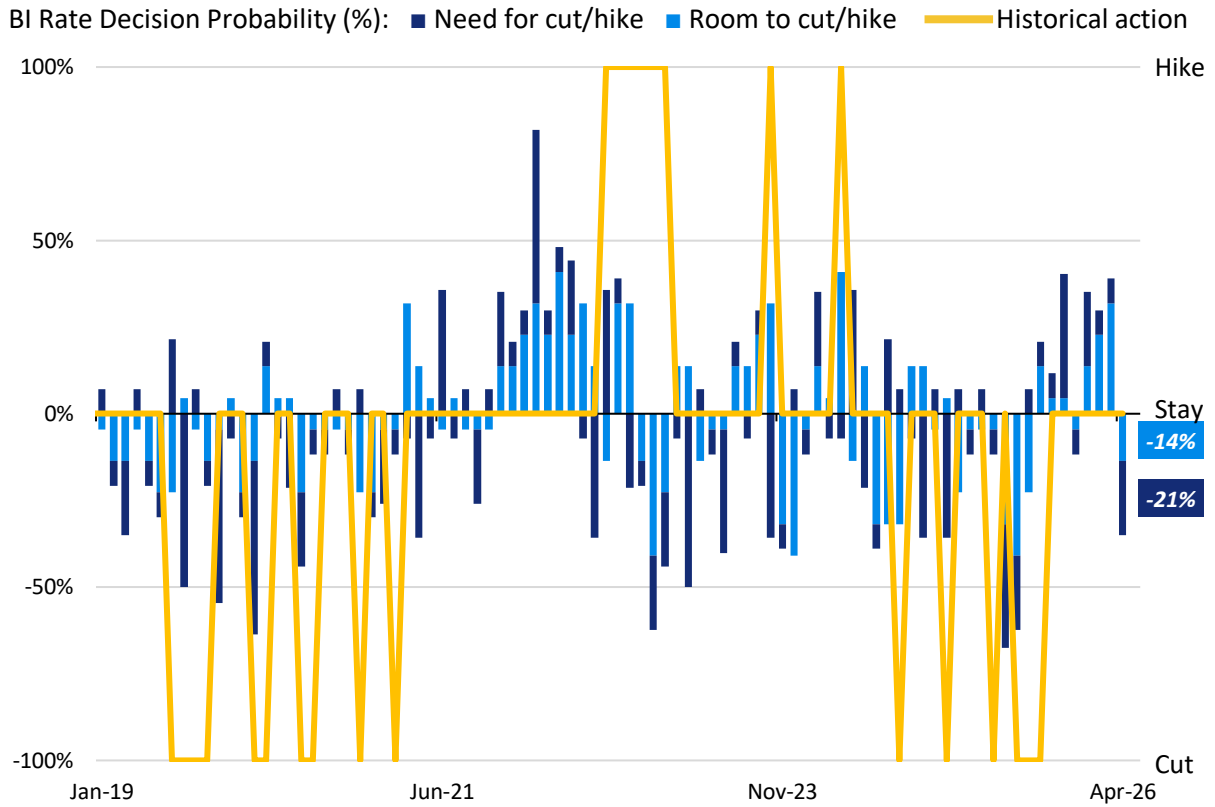
- **However, inflation outlook remains the key factor**. Over the past month, price increases have been observed in some non-subsidized fuel, plastics, LPG, and imported goods (via currency depreciation), **which typically tend to spill over into other products as well, and some prices can sometimes remain relatively sticky even as global headwinds ease**.

- **This is why BI remains fully committed to defending the Rupiah**. Beyond increasing SRBI issuance, BI has also granted an exemption on offshore NDF foreign currency sell transactions against the Rupiah for eligible PUVA primary dealers and expanded its FX monetary operation instruments to include spot and swap in Offshore Chinese Renminbi (CNH). How effective these measures will prove in supporting the Rupiah remains to be seen.

- **The pro-growth side did not go home empty-handed** either. BI signaled that it will continue to maintain Primary Money growth at above 10% YoY. **This means** limiting the placement of excess liquidity in BI instruments other than excess reserves, in order to keep INDONIA, the benchmark for banks' lending rates, low.

- How effectively will this pricing transmit into loan growth? Well, macro-101, additional liquidity without economic growth has its own downsides (depreciation, inflation). On the other hand, it could provide additional capacity to absorb government bonds. **So the question now becomes: How effective** will additional **government bond issuance** be in **translating** into **government spending**, and **how effective** will **government spending** be in **also triggering private sector spending**? This is the key if the government wants to achieve its growth target in 2026.

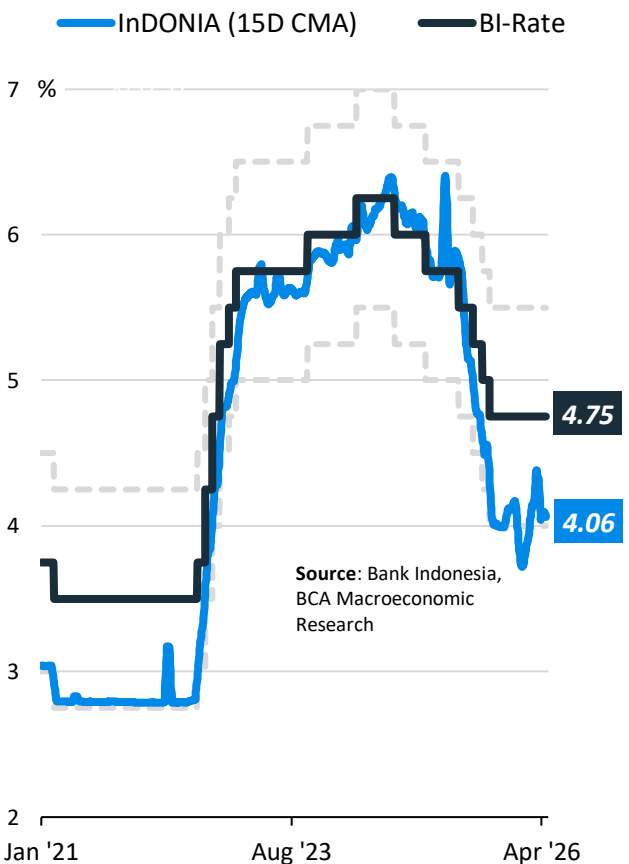
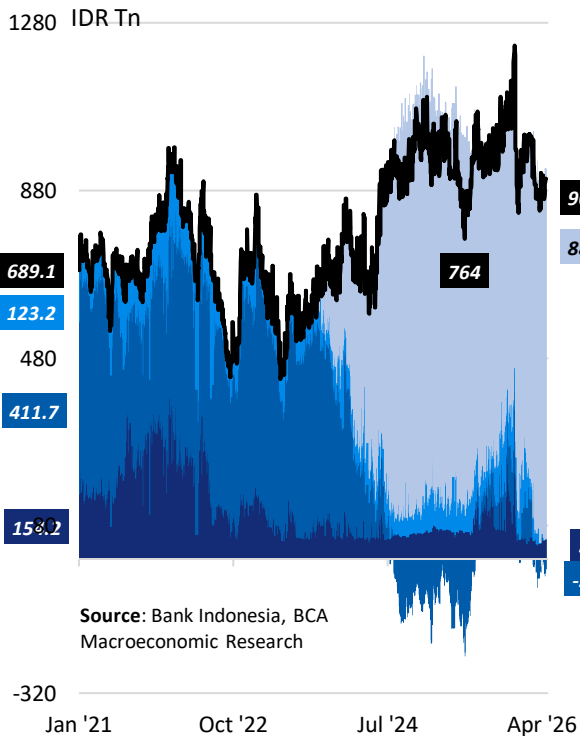
1 FX pressures amid global uncertainty point our model to a no-cut scenario



2 Relatively ample liquidity conditions have pushed indONIA lower

Banks' Rupiah placement at BI:

- Market instruments
- Repo facility (nett)
- Standing facility
- SRBI



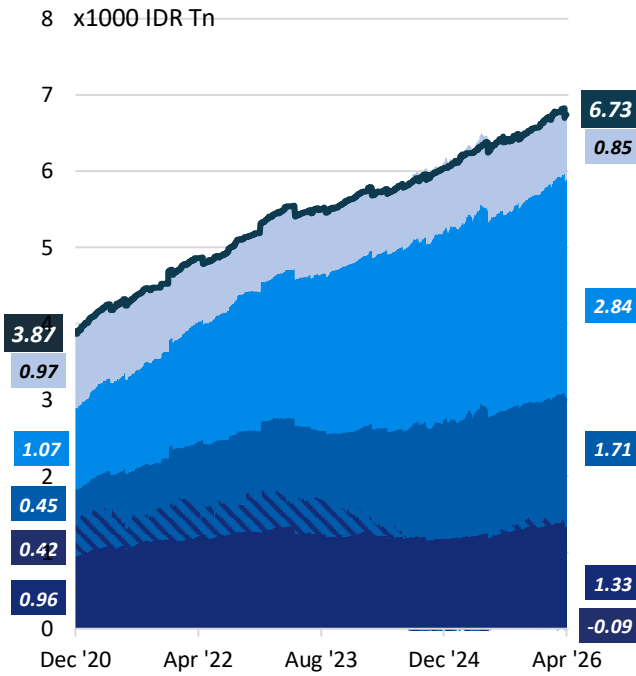
Higher domestic ownership of Gov-bonds, especially by banks and NBFIs, could help stabilize bond yields

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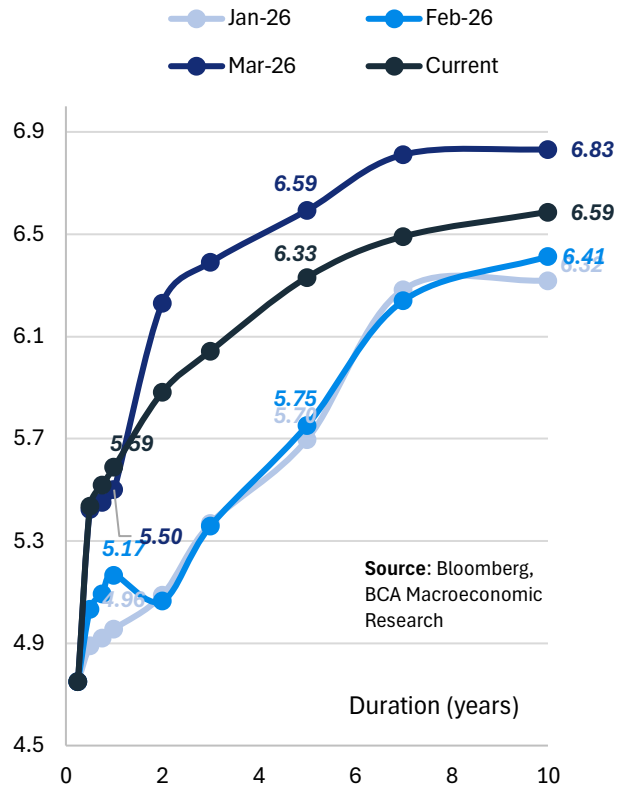
Ownership of marketable SBNs:

- Foreign
- Domestic non-banks
- BI
- SBN in monetary operations
- Banks

Source: DJPPR

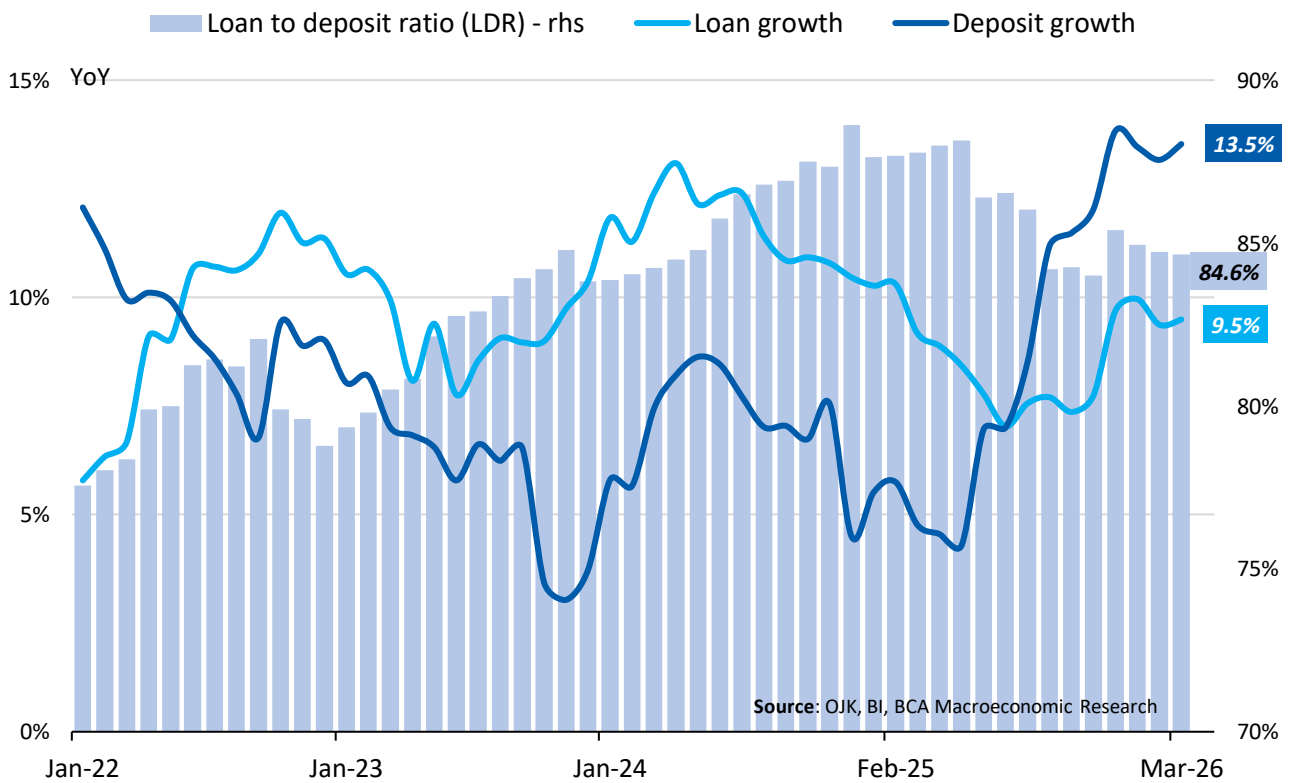


Indonesia yield curve:

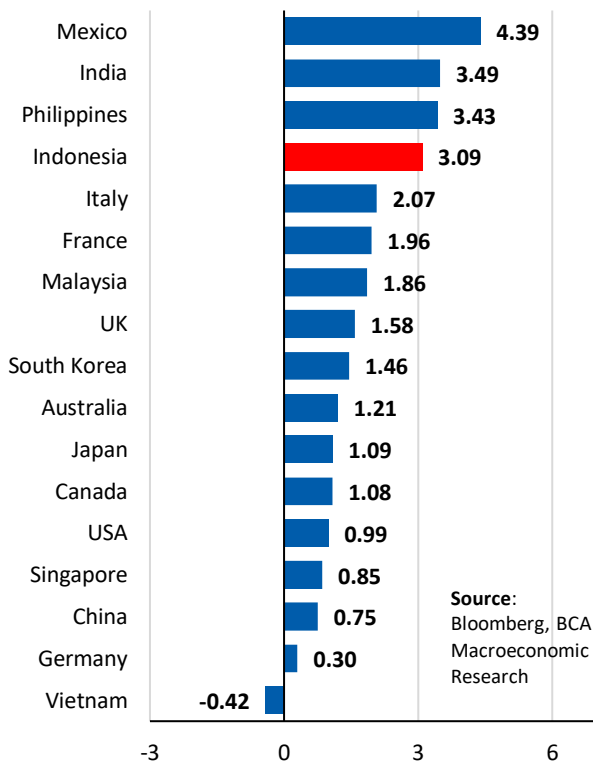


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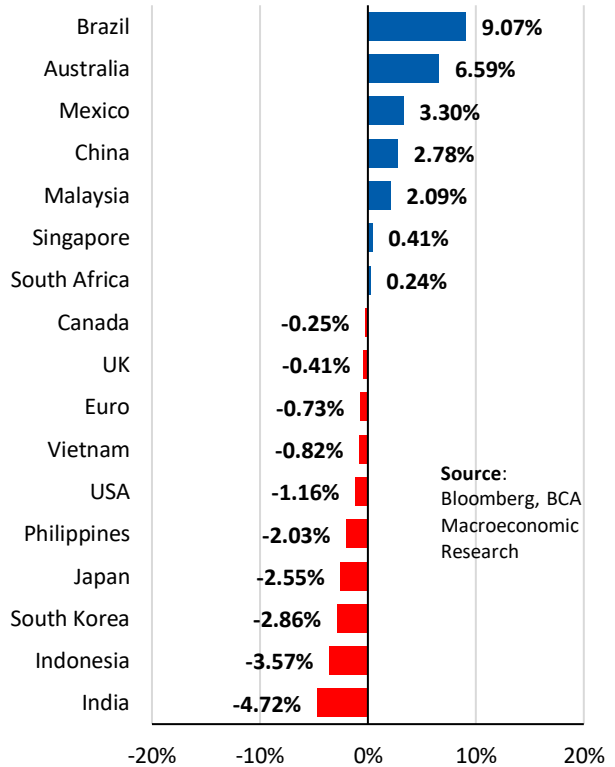
BI's Pro-Growth Policy Mix Helps Preserve Credit Growth Momentum



Real interest rates (10Y Sovereign bond yield - CPI inflation, %), per country:



Nominal effective exchange rate (NEER), YTD % changes per country:



Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	22-Apr	-1 mth	Chg (%)
US	3.75	Dec-25	0.45	Baltic Dry Index	2,675.0	2,056.0	30.1
UK	3.75	Dec-25	0.45	S&P GSCI Index	720.9	736.1	-2.1
EU	2.15	Jun-25	-0.45	Oil (Brent, \$/bbl)	101.9	112.2	-9.2
Japan	0.75	Dec-25	-0.55	Coal (\$/MT)	129.0	149.9	-13.9
China (lending)	2.00	Sep-24	3.35	Gas (\$/MMBtu)	2.76	3.04	-9.2
Korea	2.50	May-25	0.30	Gold (\$/oz.)	4,739.9	4,492.4	5.5
India	5.25	Dec-25	1.85	Copper (\$/MT)	13,374.2	11,834.7	13.0
Indonesia	4.75	Sep-25	1.27	Nickel (\$/MT)	18,257.8	16,827.2	8.5
Money Mkt Rates	22-Apr	-1 mth	Chg (bps)	CPO (\$/MT)	1,149.3	1,147.9	0.1
SPN (1Y)	4.06	4.55	-48.8	Rubber (\$/kg)	2.11	1.93	9.3
SUN (10Y)	6.60	6.84	-24.4	External Sector	Feb	Jan	Chg (%)
INDONIA (O/N, Rp)	4.09	4.73	-63.6	Export (\$ bn)	22.17	22.16	0.05
JIBOR 1M (Rp)	5.03	5.03	0.0	Import (\$ bn)	20.89	21.20	-1.45
Bank Rates (Rp)	Feb	Jan	Chg (bps)	Trade bal. (\$ bn)	1.27	0.95	33.43
Lending (WC)	8.05	8.06	-1.00	Central bank reserves (\$ bn)*	151.9	154.6	-1.73
Deposit 1M	4.47	4.46	1.00	Prompt Indicators	Mar	Feb	Jan
Savings	0.68	0.69	-1.00	Consumer confidence index (CCI)	122.9	125.2	127.0
Currency/USD	22-Apr	-1 mth	Chg (%)	Car sales (%YoY)	-13.8	12.3	7.1
UK Pound	0.741	0.750	1.21	Motorcycle sales (%YoY)	-17.1	1.0	3.1
Euro	0.854	0.864	1.15	Manufacturing PMI	Mar	Feb	Chg (bps)
Japanese Yen	159.5	159.2	-0.16	USA	52.3	51.6	70
Chinese RMB	6.829	6.904	1.09	Eurozone	51.6	50.8	80
Indonesia Rupiah	17,175	16,985	-1.11	Japan	51.6	53.0	-140
Capital Mkt	22-Apr	-1 mth	Chg (%)	China	50.8	52.1	-130
JCI	7,541.6	7,106.8	6.12	Korea	52.6	51.1	150
DJIA	49,490.0	45,577.5	8.58	Indonesia	50.1	53.8	-370
FTSE	10,476.5	9,918.3	5.63				
Nikkei 225	59,585.9	53,372.5	11.64				
Hang Seng	26,163.2	25,277.3	3.50				
Foreign portfolio ownership (Rp Tn)	Mar	Feb	Chg (Rp Tn)				
Stock	3,208.6	3,864.0	-655.43				
Govt. Bond	848.9	875.4	-26.42				
Corp. Bond	6.2	5.1	1.08				

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	5.0
Nominal GDP growth (% YoY)	-2.5	9.9	15.4	6.7	6.0	7.6	7.9
GDP per capita (USD)	3912	4350	4784	4920	4960	5083	5457
CPI inflation (% YoY)	1.7	1.9	5.5	2.6	1.6	2.9	3.3
BI Rate (%)	3.75	3.50	5.50	6.00	6.00	4.75	4.75
SBN 10Y yield (%)	5.86	6.36	6.92	6.45	6.97	6.05	6.76
USD/IDR exchange rate (average)	14,529	14,297	14,874	15,248	15,841	16,468	17,014
USD/IDR exchange rate (end of year)	14,050	14,262	15,568	15,397	16,102	16,690	17,124
Trade balance (USD Bn)	21.7	35.3	54.5	37.0	31.0	41.1	33.8
Current account balance (% of GDP)	-0.4	0.3	1.0	-0.1	-0.6	-0.1	-0.4

Notes:

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

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