CPI:
Shielding domestic prices

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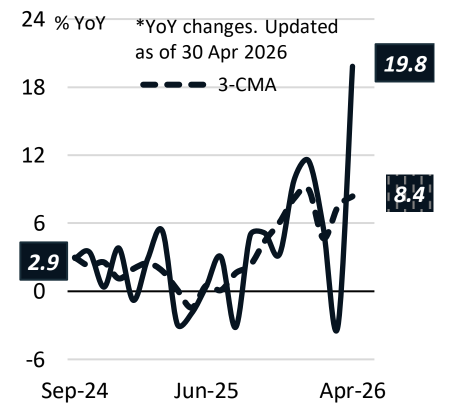
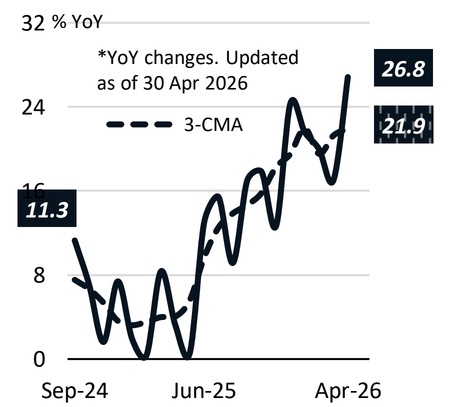
BCA Consumer Spending Index*

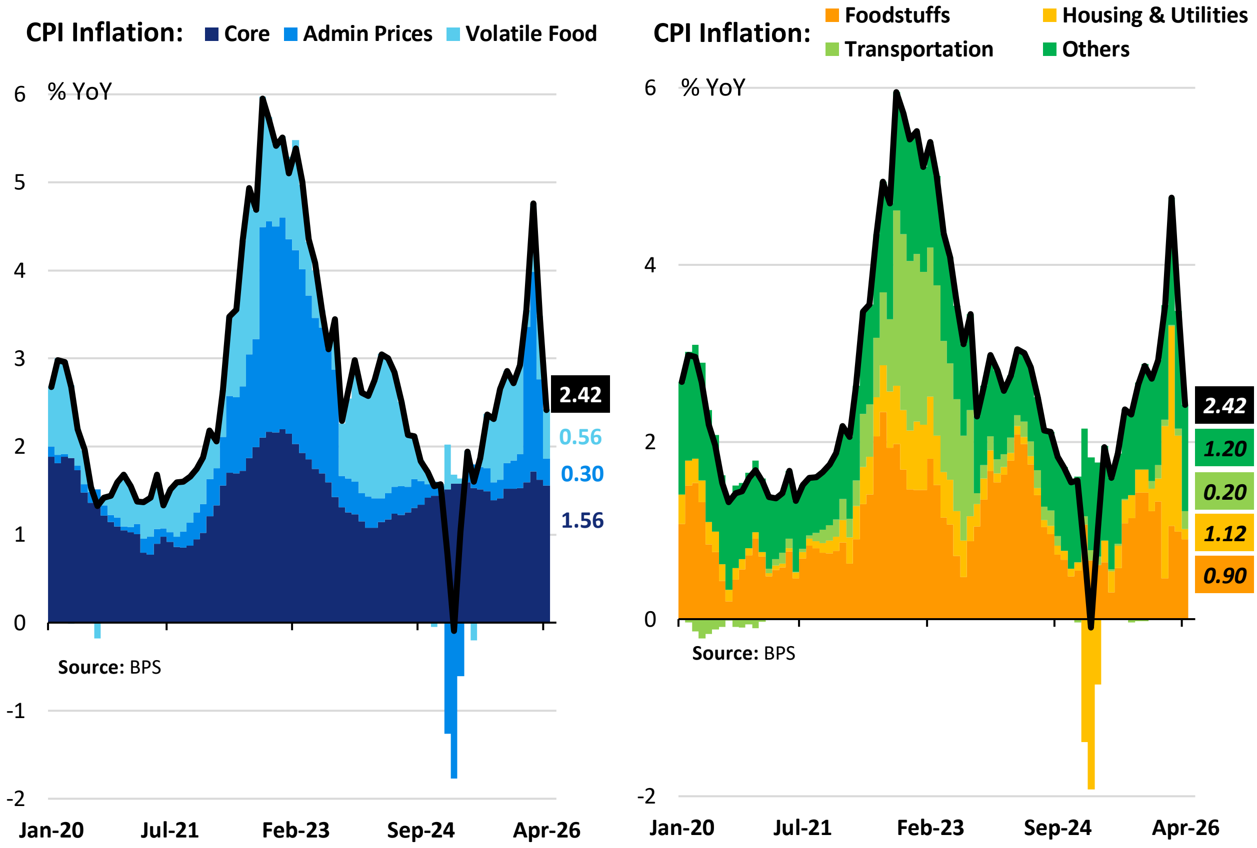


BCA Business Transaction Index*

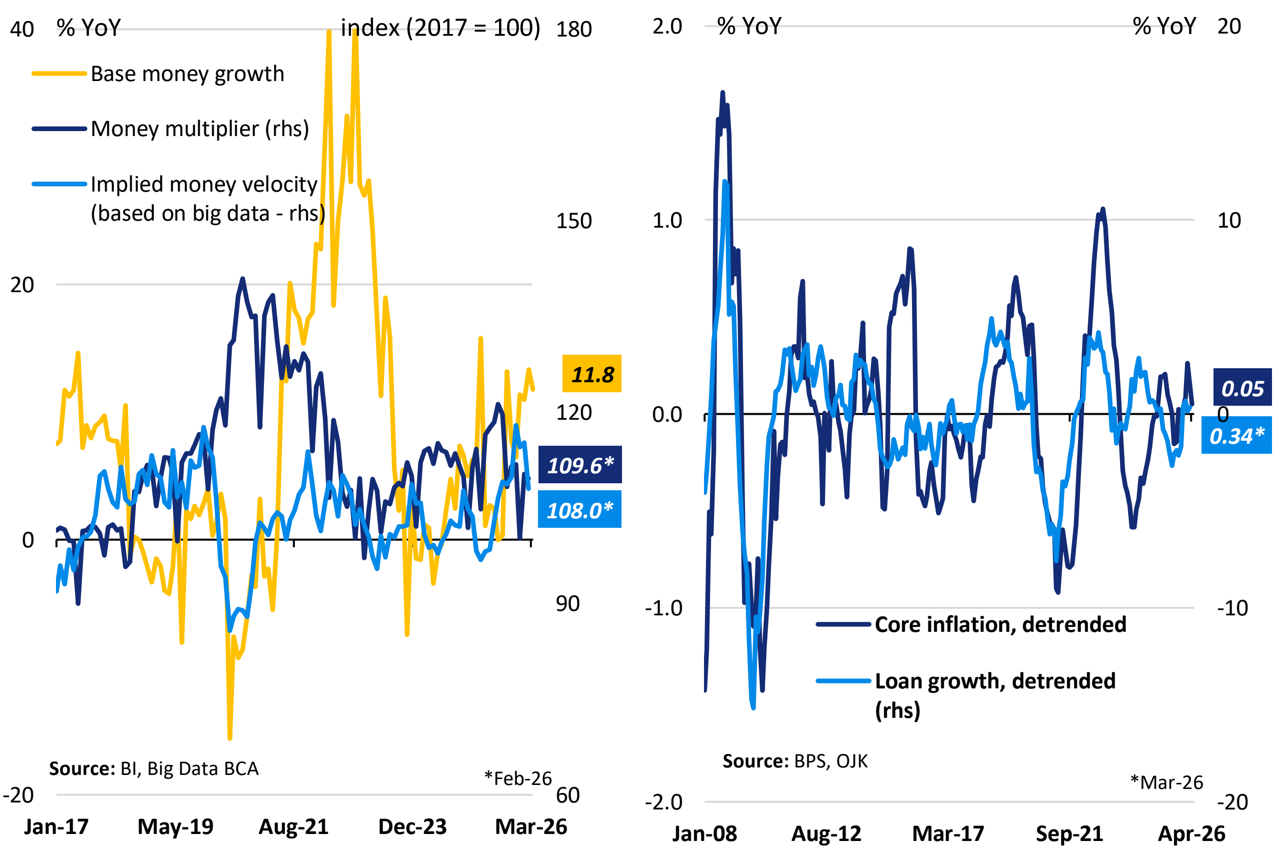


- **Indonesia's CPI inflation eased to 2.42%YoY (from 3.48% YoY in Mar-26)**, driven by fading electricity subsidy-related base effects. Despite rising global energy prices, inflation only slightly accelerates on the monthly basis (0.13% MoM), as demand soften post-Ramadhan while government spending keeps domestic prices stable.
- **April's MoM inflation was primarily driven by adjustments in airline ticket and non-subsidized fuel prices**, **in line with rising global oil prices**. Apart from that, foodstuffs is the other component which recorded a sizable increase in prices, perhaps driven by increased demand from the government's many flagship programs.
- Meanwhile, **all components decelerate in annual terms**, with the adminstered prices component recording the sharpest deceleration (from 6.08% YoY on Mar-26 to 1.53% YoY in Apr-26), despite recent adjustments in non-subsidized fuel prices. However, this trend may not continue in upcoming months, given the sharp increase in fiscal spending on fuel subsidies and compensation (266,5% YoY as of Q1-26).
- While all components decelerated, **core inflation (ex-gold) showed a slight acceleration** (from 0.66% YoY in Mar-26 to 0.86% YoY in Apr-26), which **often signal a robust demand for credit**. This reading is consistent with Bank Indonesia optimistic loan growth target (8% - 12%), as further expansion of government programs may push the demand for funding.
- Looking ahead**,** assuming no significant changes from the current global situation, **there are more drivers that could lead to an increase in inflation than otherwise**. These include persistently high energy prices, currency depreciation, and El-Niño disruptions in the second half of the year. In response, the government is trying to build a fortress to protect domestic prices, via the exemption of import duties on LPG and plastic raw materials, maintaining Rupiah stability, and holding subsidized fuel prices – despite the additional burden on the fiscal posture.
- However, the correlations among all these objectives are not independent of one another, as every ammunition used to maintain fuel subsidies has a correlation with the level of the fiscal deficit, which in turn affects foreign capital flows that ultimately correlate with the exchange rate. **With limited room to defend the Rupiah, we see Bank Indonesia still holding its policy interest rate until the end of the year.**

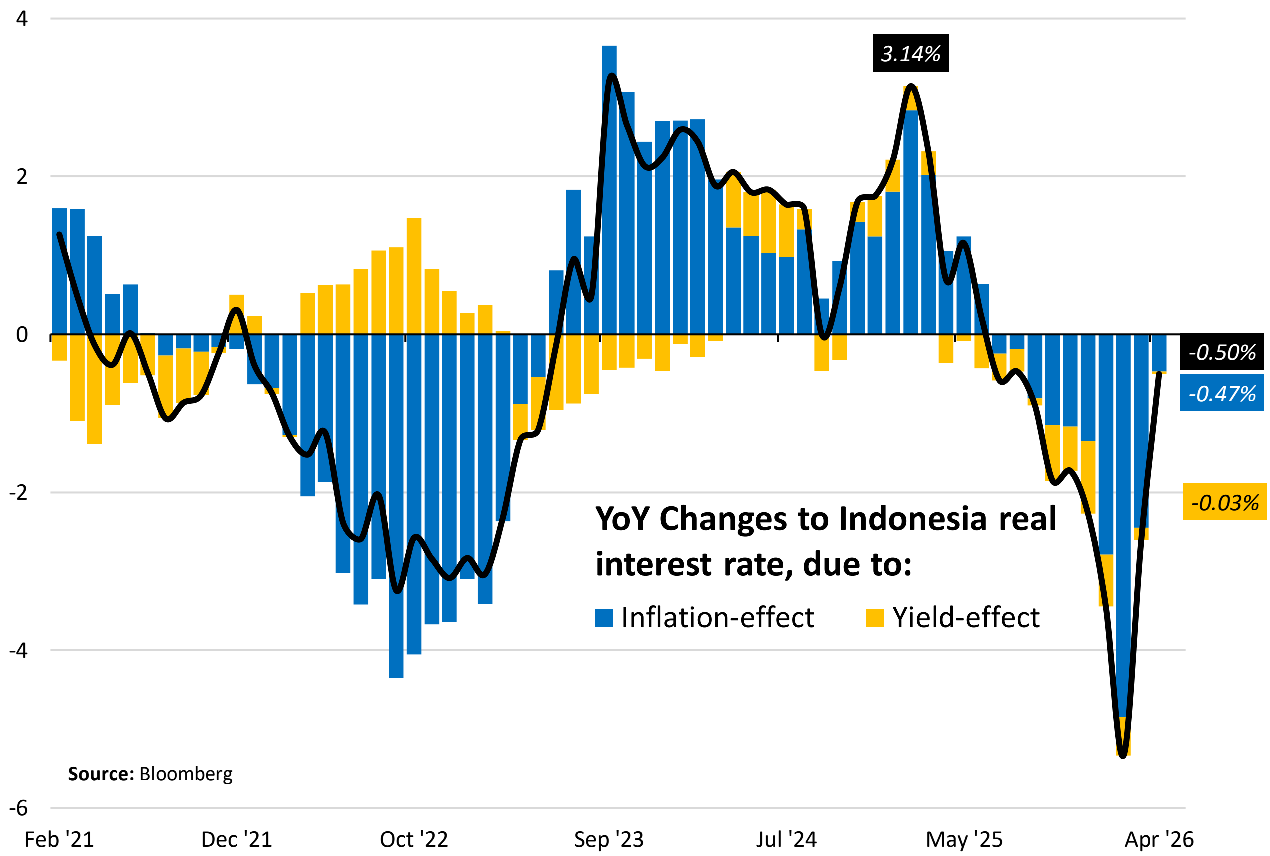
1 Stable food prices and fading base effects help to guide inflation lower in Apr-26



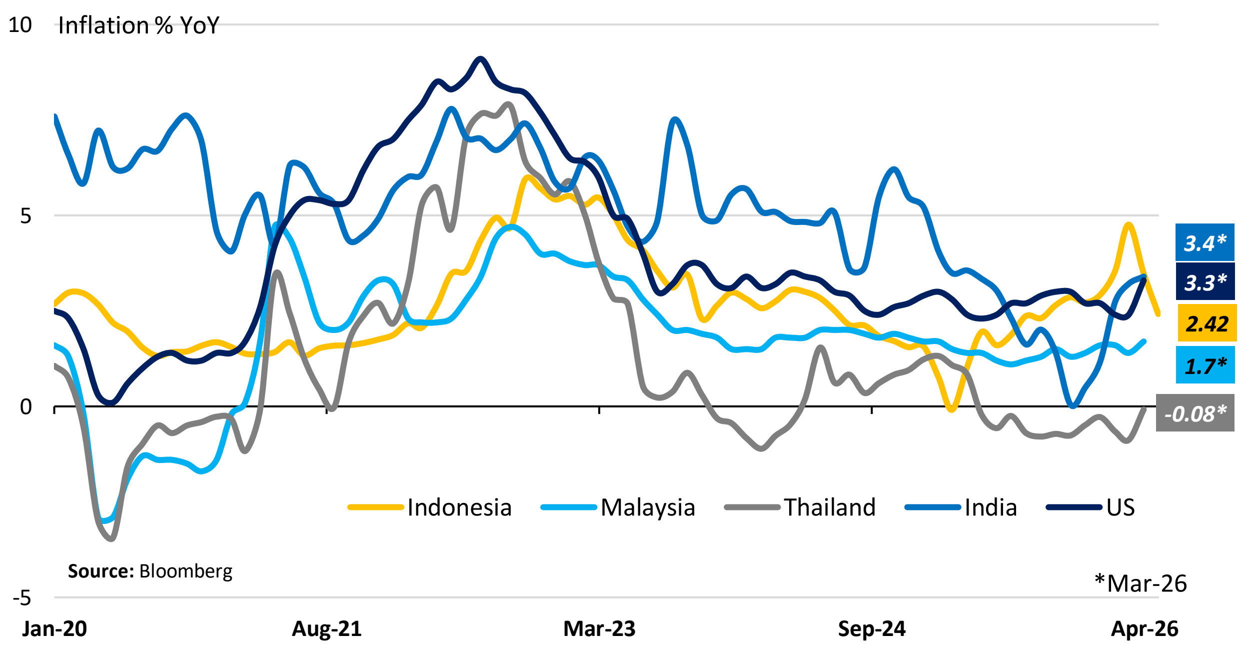
2 Core inflation softened, but core inflation (ex. gold) increased, indicating that credit demand may rise alongside higher input costs



3 Lower inflation and stable prices help to push Indonesia's real interest rate upward



4 Policies to maintain subsidized fuel and LPG prices help preserve Indonesia's inflation stability relative to its peers.



Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)
US	3.75	Dec-25	0.45
UK	3.75	Dec-25	0.45
EU	2.15	Jun-25	-0.85
Japan	0.75	Dec-25	-0.75
China (lending)	2.00	Sep-24	3.35
Korea	2.50	May-25	0.30
India	5.25	Dec-25	1.85
Indonesia	4.75	Sep-25	1.27

Money Mkt Rates	30-Apr	-1 mth	Chg (bps)
SPN (1Y)	4.23	4.60	-37.0
SUN (10Y)	6.83	6.84	-1.0
INDONIA (O/N, Rp)	4.86	3.92	94.0
JIBOR 1M (Rp)	5.03	5.03	0.0

Bank Rates (Rp)	Feb	Jan	Chg (bps)
Lending (WC)	8.05	8.06	-1.00
Deposit 1M	4.47	4.46	1.00
Savings	0.68	0.69	-1.00

Currency/USD	30-Apr	-1 mth	Chg (%)
UK Pound	0.735	0.758	3.17
Euro	0.852	0.872	2.32
Japanese Yen	156.6	159.7	1.99
Chinese RMB	6.828	6.913	1.24
Indonesia Rupiah	17,353	16,992	-2.08

Capital Mkt	30-Apr	-1 mth	Chg (%)
JCI	6,956.8	7,091.7	-1.90
DJIA	49,652.1	45,216.1	9.81
FTSE	10,378.8	10,128.0	2.48
Nikkei 225	59,284.9	51,885.9	14.26
Hang Seng	25,776.5	24,750.8	4.14

Foreign portfolio ownership (Rp Tn)	Apr	Mar	Chg (Rp Tn)
Stock	3,158.9	3,208.6	-49.72
Govt. Bond	862.4	853.6	8.80
Corp. Bond	5.8	6.2	-0.41

Trade & Commodities	30-Apr	-1 mth	Chg (%)
Baltic Dry Index	2,686.0	2,017.0	33.2
S&P GSCI Index	768.4	749.2	2.6
Oil (Brent, $/brl)	114.0	112.8	1.1
Coal ($/MT)	139.1	152.7	-8.9
Gas ($/MMBtu)	2.64	2.88	-8.3
Gold ($/oz.)	4,617.9	4,510.9	2.4
Copper ($/MT)	12,910.8	12,141.0	6.3
Nickel ($/MT)	19,284.0	17,061.4	13.0
CPO ($/MT)	1,141.0	1,140.9	0.0
Rubber ($/kg)	2.16	2.02	6.9

External Sector	Mar	Feb	Chg (%)
Export ($ bn)	22.53	22.17	1.62
Import ($ bn)	19.21	20.89	-8.08
Trade bal. ($ bn)	3.32	1.27	160.82
Central bank reserves ($ bn)*	148.2	151.9	-2.47

Prompt Indicators	Mar	Feb	Jan
Consumer confidence index (CCI)	122.9	125.2	127.0
Car sales (%YoY)	-13.8	12.3	7.1
Motorcycle sales (%YoY)	-17.1	1.0	3.1

Manufacturing PMI	Apr	Mar	Chg (bps)
USA	54.5	52.3	220
Eurozone	52.2	51.6	60
Japan	55.1	51.6	350
China	52.2	50.8	140
Korea	53.6	52.6	100
Indonesia	49.1	50.1	-100

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	17,216
USD/IDR exchange rate (end of year)	14,050	14,262	15,568	15,397	16,102	16,690	17,430
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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