

International Trade: 'Check engine' light on

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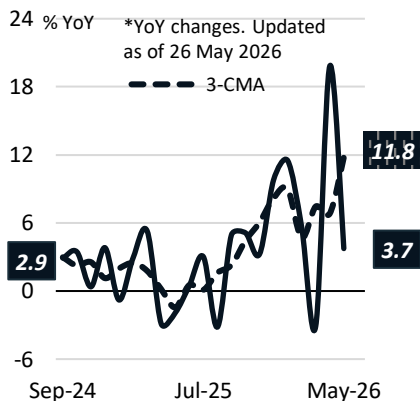
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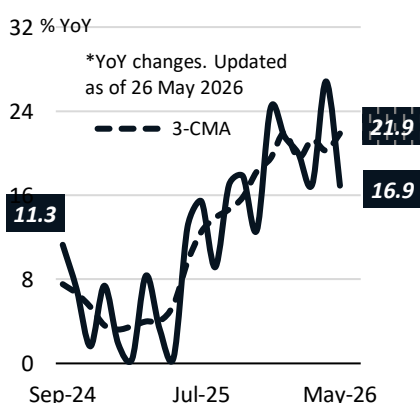
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BCA Consumer Spending Index*



BCA Business Transaction Index*



- **Indonesia's trade surplus contracted to USD 89 Mn in Apr-26** (vs USD 3.32 Bn in Mar-26), as imports growth (31.28% MoM) outpaced exports growth (12.32% MoM). However, a portion of this growth is driven by variations in working days, due to shifting Eid Al-Fitr holidays.

- **The growth in exports was primarily driven by CPO and machinery**, which rose by 38.7% MoM and 27.8% MoM respectively, while precious metals exports declined by 41.8% MoM. **On the imports side, energy becomes the main engine of growth.** O&G imports grew by 45.09% MoM, further propelled by continued Middle East tension.

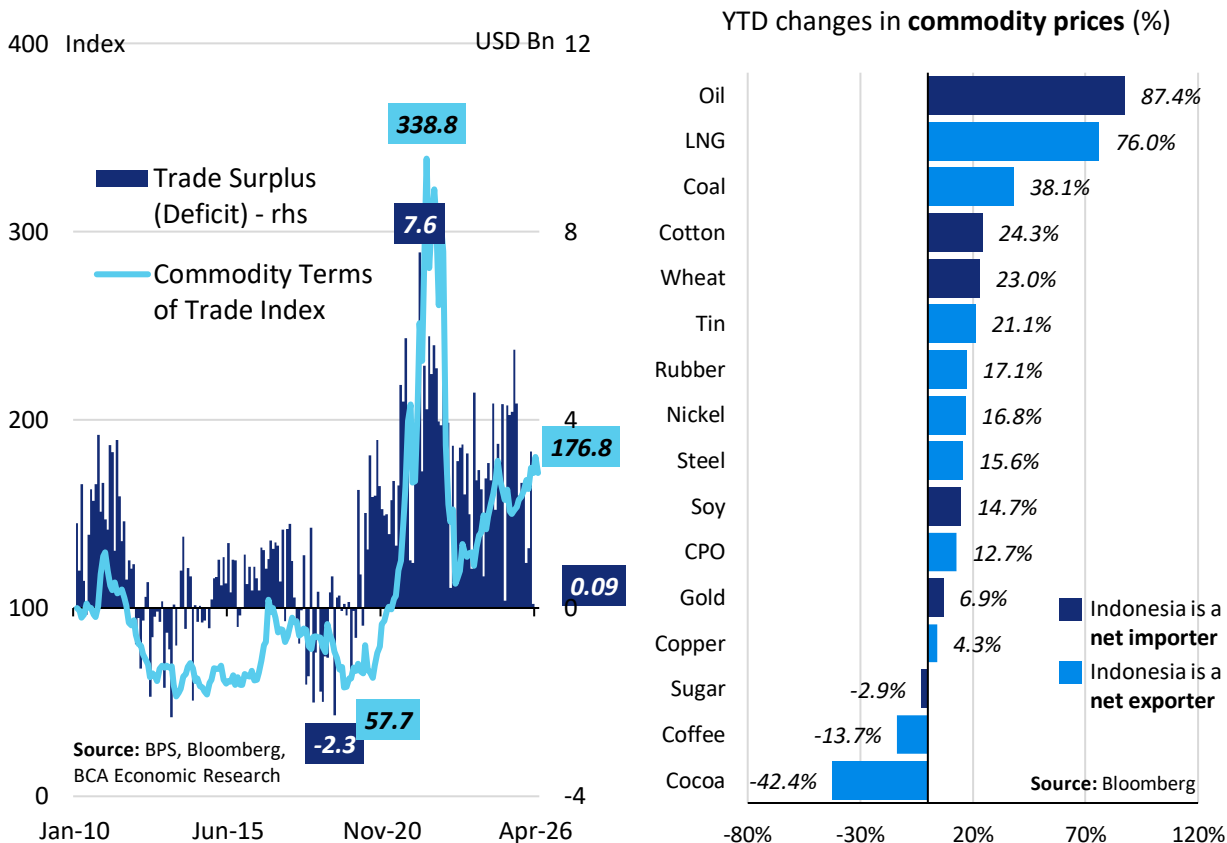
- In terms of annual growth, all three import categories accelerated compared to previous month, partially supported by the difference in effective workdays. This was particularly notable in raw materials (24.56% YoY) and capital goods (5.64% YoY), which expanded despite a contraction in the Apr-26 PMI (49.1). Beyond the energy price factor (where rising input prices drive imports but weigh negatively on expansion sentiment), **this divergence may indicate a split between the government engine and the private engine**, where the former remains strong and continues to drive imports, while the latter is relatively stagnant.

- **Looking ahead, several factors suggest that the downward trend in the trade balance may continue.** True that, in theory, currency depreciation implies an incentive to export and a disincentive to import. However, imports are likely to remain strong, driven by government programs. Meanwhile, on the export side, global factors point to a less favorable environment.

- We anticipate the Fed will maintain a 'hawkish hold' stance through 2026-2027, directly implying tighter liquidity. Coupled with rising global bond yields, this will likely limit export prospects. Speaking of which, PT DSI remains a wild card. In the worst-case scenario, exports could decline if the operations prove less efficient than those of current exporters, but the opposite holds if they can prove otherwise. This may be the reason why the market is currently in a wait-and-see mode, a factor that must be weighed as a potential loss should it prevent the exchange rate from recovering from current levels.

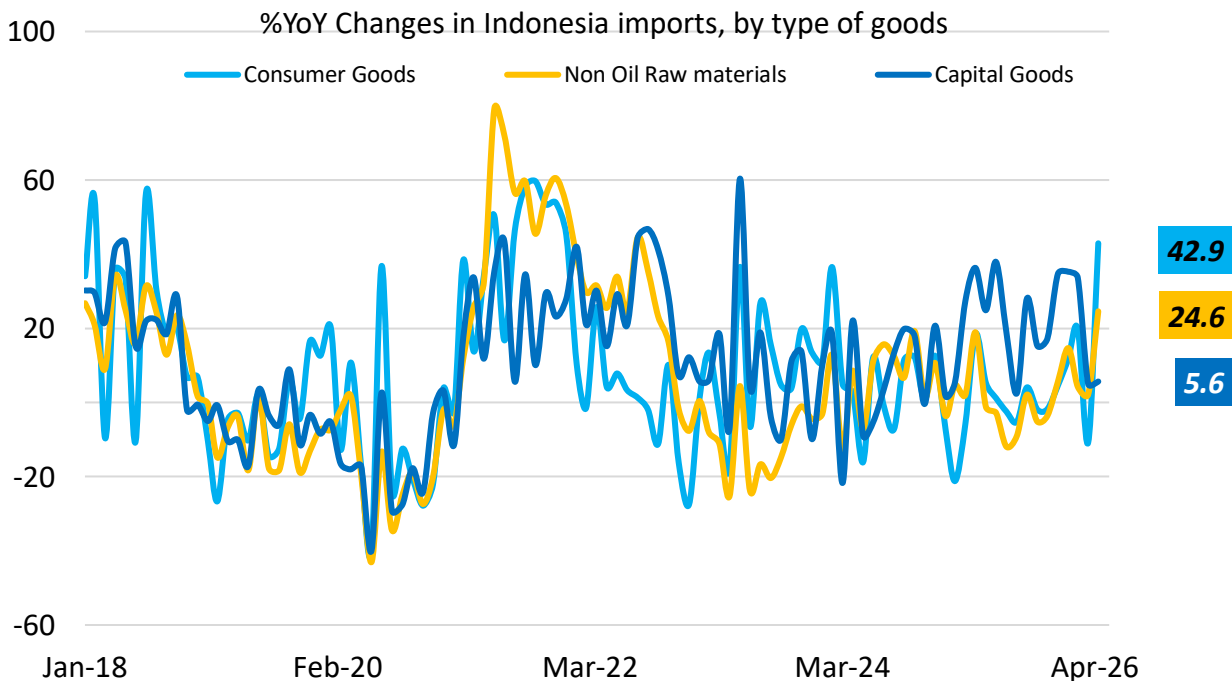
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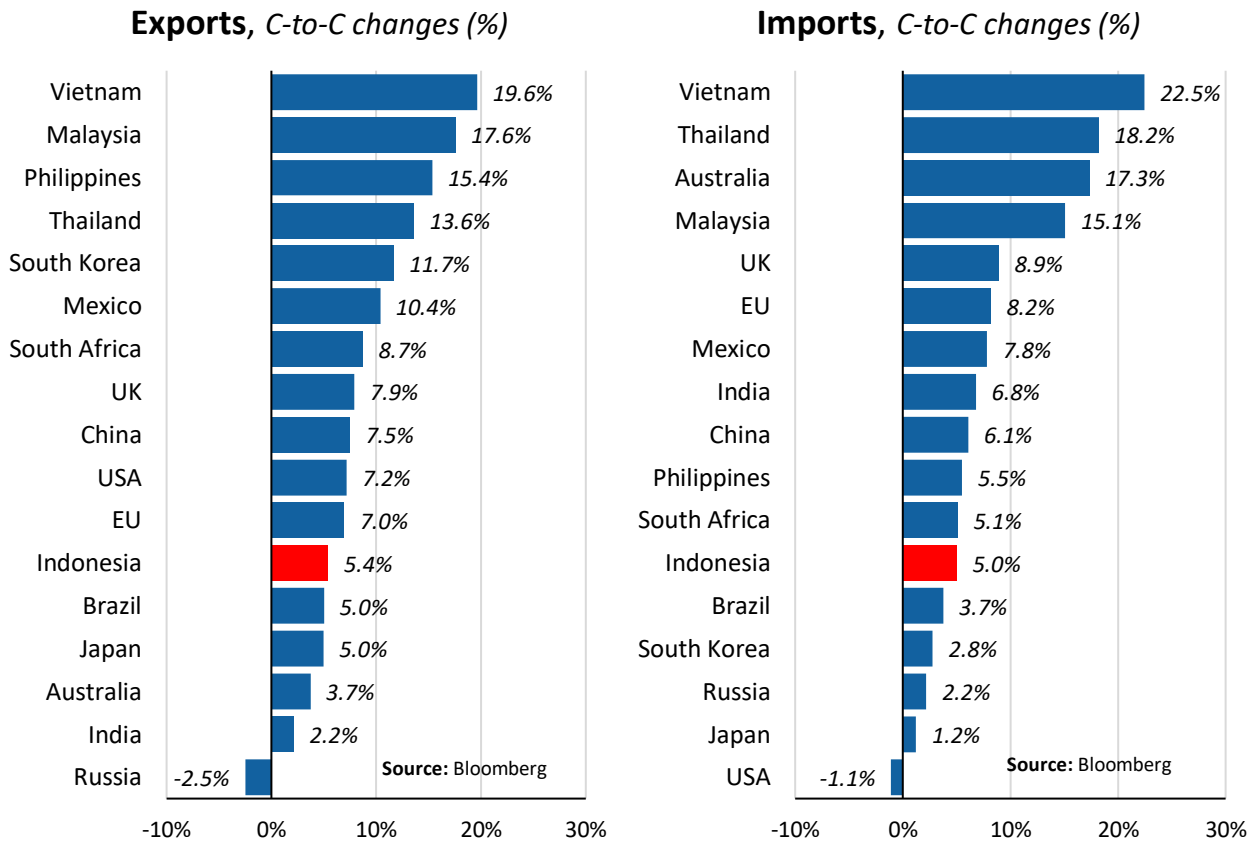
The trade surplus narrowed immensely, terms of trade continued to climb



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Imports across product categories increased in Apr-26





Manufacturing PMI	2025								2026				
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Indonesia	47.4	46.9	49.2	51.5	50.4	51.2	53.3	51.2	52.6	53.8	50.1	49.1	50.0
Malaysia	48.8	49.3	49.7	49.9	49.8	49.5	50.1	50.1	50.2	49.3	50.7	51.6	49.9
Thailand	51.2	51.7	51.9	52.7	54.6	56.6	56.8	57.4	52.7	53.5	54.1	52.7	52.6
Philippines	50.1	50.7	50.9	50.8	49.9	50.1	47.4	50.2	52.9	54.6	51.3	48.3	50.8
Vietnam	49.8	48.9	52.4	50.4	50.4	54.5	53.8	53.0	52.5	54.3	51.2	50.5	52.8
India	57.6	58.4	59.1	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0
Australia	51.0	50.6	51.3	53.0	51.4	49.7	51.6	51.6	52.3	51.0	49.8	51.3	50.7
China	49.5	49.7	49.3	49.4	49.8	49.0	49.2	50.1	49.3	49.0	50.4	50.3	50.0
South Korea	47.7	48.7	48.0	48.3	50.7	49.4	49.4	50.1	51.2	51.1	52.6	53.6	54.8
Japan	49.4	50.1	49.0	49.7	48.5	48.2	48.7	50.0	51.5	53.0	51.6	55.1	54.5
Euro Area	49.4	49.5	49.8	50.7	49.8	50.0	49.6	48.8	49.5	50.8	51.6	52.2	51.6
US	48.6	49.0	48.4	48.9	48.9	48.8	48.0	47.9	52.6	52.4	52.7	52.7	54.0
Mexico	46.7	46.3	49.1	50.2	49.6	49.5	47.3	46.1	46.3	47.1	48.9	47.7	49.6

Source: S&P, BCA Economic Research

Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	04-Jun	-1 mth	Chg (%)
US	3.75	Dec-25	-0.05	Baltic Dry Index	3,037.0	2,730.0	11.2
UK	3.75	Dec-25	0.95	S&P GSCI Index	709.5	777.8	-8.8
EU	2.15	Jun-25	-1.05	Oil (Brent, \$/bbl)	95.0	114.4	-17.0
Japan	0.75	Dec-25	-0.65	Coal (\$/MT)	147.1	140.5	4.7
China (lending)	2.00	Sep-24	3.15	Gas (\$/MMBtu)	3.08	2.67	15.4
Korea	2.50	May-25	-0.60	Gold (\$/oz.)	4,474.8	4,521.9	-1.0
India	5.25	Dec-25	1.77	Copper (\$/MT)	13,920.5	12,916.4	7.8
Indonesia	5.25	May-26	2.17	Nickel (\$/MT)	18,465.9	19,182.1	-3.7
Money Mkt Rates	04-Jun	-1 mth	Chg (bps)	CPO (\$/MT)	1,133.7	1,154.2	-1.8
				Rubber (\$/kg)	2.32	2.19	5.9
Bank Rates (Rp)	Mar	Feb	Chg (bps)	External Sector	Apr	Mar	Chg (%)
SPN (1Y)	6.38	5.79	58.9	Export (\$ bn)	25.30	22.53	12.32
SUN (10Y)	6.78	6.77	0.8	Import (\$ bn)	25.21	19.21	31.28
INDONIA (O/N, Rp)	5.25	4.71	53.9	Trade bal. (\$ bn)	0.09	3.32	-97.32
JIBOR 1M (Rp)	5.03	5.03	0.0	Central bank reserves (\$ bn)*	146.2	148.2	-1.32
Bank Rates (Rp)	Mar	Feb	Chg (bps)	Prompt Indicators	Apr	Mar	Feb
Lending (WC)	8.00	8.05	-5.00	Consumer confidence index (CCI)	123.0	122.9	125.2
Deposit 1M	4.47	4.47	0.00	UK Pound	0.745	0.739	-0.80
Savings	0.67	0.68	-1.00	Euro	0.861	0.855	-0.68
Currency/USD	04-Jun	-1 mth	Chg (%)	Manufacturing PMI	May	Apr	Chg (bps)
				USA	55.1	54.5	60
UK Pound	0.745	0.739	-0.80	Eurozone	51.6	52.2	-60
Euro	0.861	0.855	-0.68	Japan	54.5	55.1	-60
Japanese Yen	160.0	157.2	-1.74	China	51.8	52.2	-40
Chinese RMB	6.775	6.828	0.79	Korea	54.8	53.6	120
Indonesia Rupiah	18,033	17,380	-3.62	Indonesia	50.0	49.1	90
Capital Mkt	04-Jun	-1 mth	Chg (%)				
JCI	5,839.8	6,972.0	-16.24				
DJIA	51,561.9	48,941.9	5.35				
FTSE	10,360.3	10,363.9	-0.03				
Nikkei 225	67,470.7	59,513.1	13.37				
Hang Seng	25,253.4	26,095.9	-3.23				
Foreign portfolio ownership (Rp Tn)	May	Apr	Chg (Rp Tn)				
Stock	2,820.6	3,158.9	-338.29				
Govt. Bond	865.2	866.9	-1.77				
Corp. Bond	5.8	5.8	-0.01				

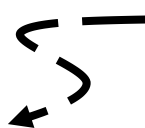
Source: Bloomberg, BI, BPS

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	5.1
Nominal GDP growth (% YoY)	-2.5	9.9	15.4	6.7	6.0	7.6	8.0
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	5.75
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	17,600
USD/IDR exchange rate (end of year)	14,050	14,262	15,568	15,397	16,102	16,690	18,171
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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