

CPI:

The alarm stays on

02 July 2026

Arif Agung Wibowo

arif_agung@bca.co.id

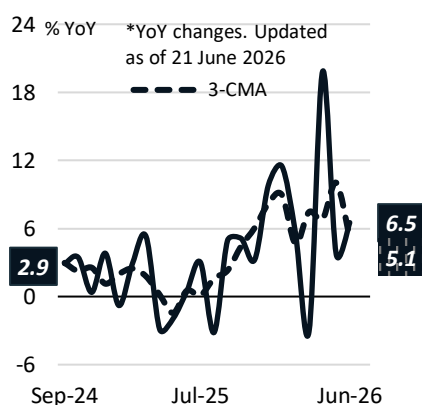
Lazuardin Thariq Hamzah

lazuardin_hamzah@bca.co.id

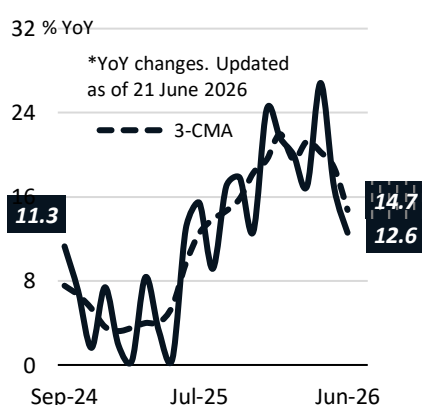
Victor George Petrus Matindas

victor_matindas@bca.co.id

BCA Consumer Spending Index*



BCA Business Transaction Index*



- **Indonesia's CPI inflation reached 3.34% YoY (0.44% MoM) in Jun-26, accelerating from 3.08% YoY (0.28% MoM) in May 2026.** The accelerating inflation figure is unsurprising, given the Rupiah's continued weakening, which pushed up imported goods prices, and still-elevated global oil prices last month.

- Administered prices saw their sharpest increase (1.41% MoM, 3.42% YoY), driven by **anticipated non-subsidized fuel price hikes amid narrow fiscal space** and seasonal demand for airfare. The second largest contributor to monthly inflation was the food group (0.20% MoM, 4.67% YoY), especially red onions and garlic, **with garlic's price also exacerbated by currency depreciation.**

- Meanwhile, **core inflation continued its upward trend**, accelerating to 2.76% YoY (from 2.59% YoY in May). This occurred alongside a slowdown in gold price growth, reflecting a general increase in non-commodity consumer goods, which was also broadly correlated with the sharp acceleration in credit growth in May (11.51% YoY).

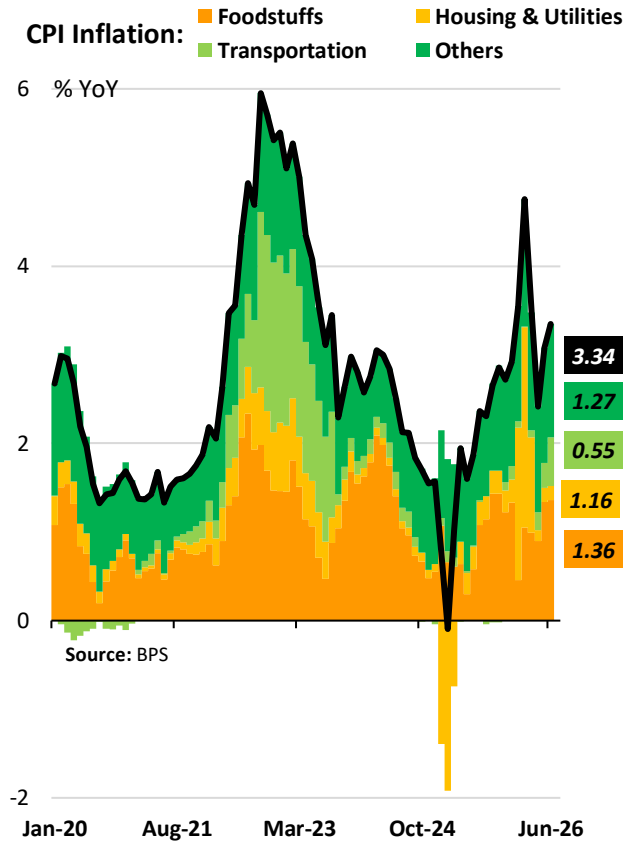
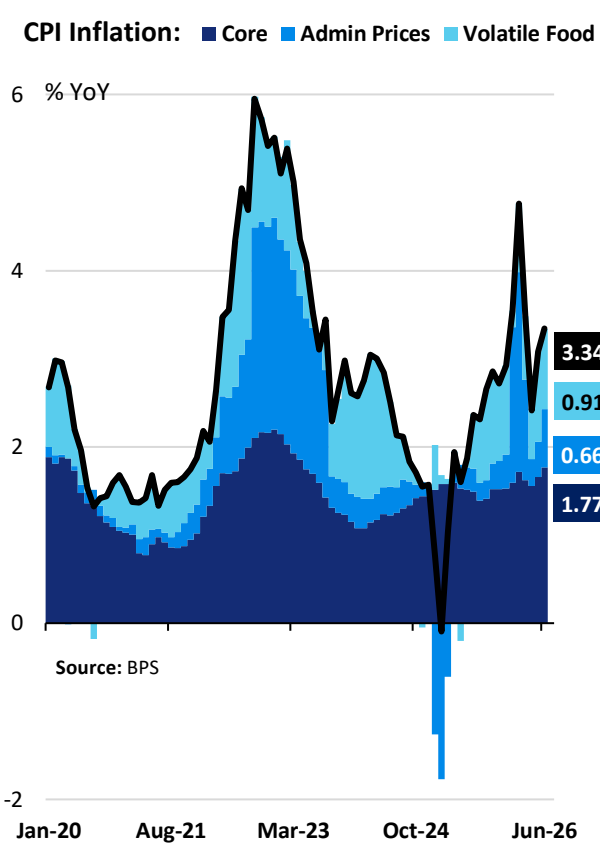
- Given the government's commitment to leveraging SAL funds to boost credit growth, we can assume that **core inflation will maintain a stable or upward trend for the next six months.** Despite global energy prices having fallen sharply from their wartime highs, two other factors could still push inflation higher going forward. The weakening Rupiah may further pass through to higher domestic goods prices, and **the expected emergence of El Niño may push food prices higher**, putting the government's claim of ample grain supplies to the test.

- The biggest wild card is whether the government will readjust non-subsidized fuel prices following the decline in global energy prices. We believe **the narrow fiscal space and current exchange rate levels mean that the government may not be in a position to return the prices to the status quo ante bellum.** We can assume, however, that the government will make good on its promise to maintain subsidized fuel prices.

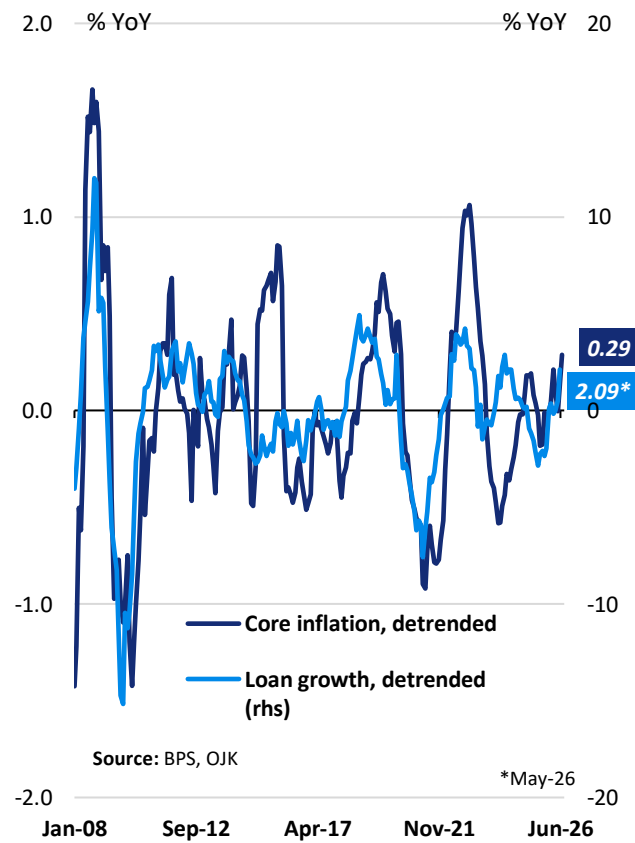
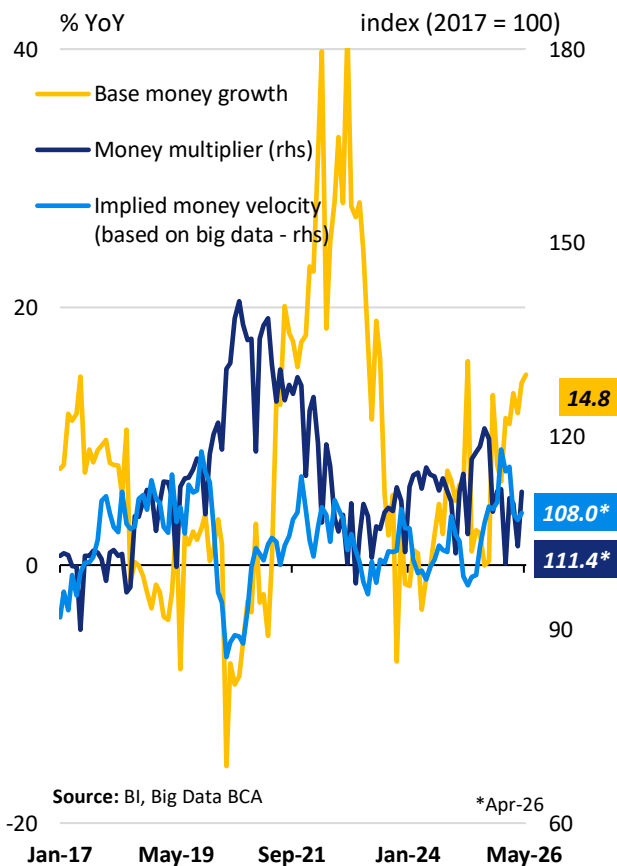
- Against this backdrop, **persistent inflation risks and continued pressure on the Rupiah** are likely to keep **Bank Indonesia** on a

hawkish stance. This stance was reflected in two consecutive 25 bps policy rate hikes in Jun-26, while SRBI yields climbed to 7.7% to support the Rupiah. As such, we continue to expect a cumulative 50 bps policy rate increase from current levels during 2026.

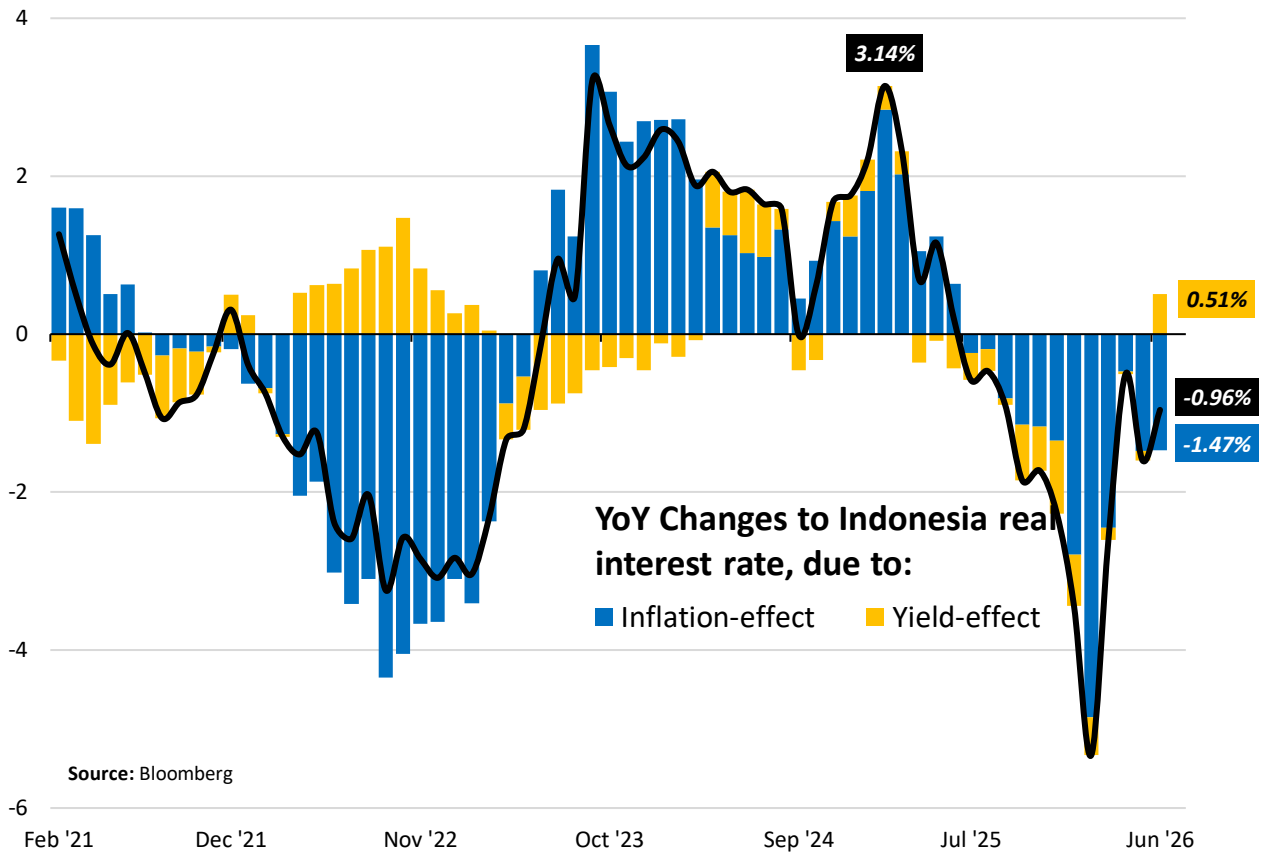
1 Administered prices drove inflation through fuel price adjustment



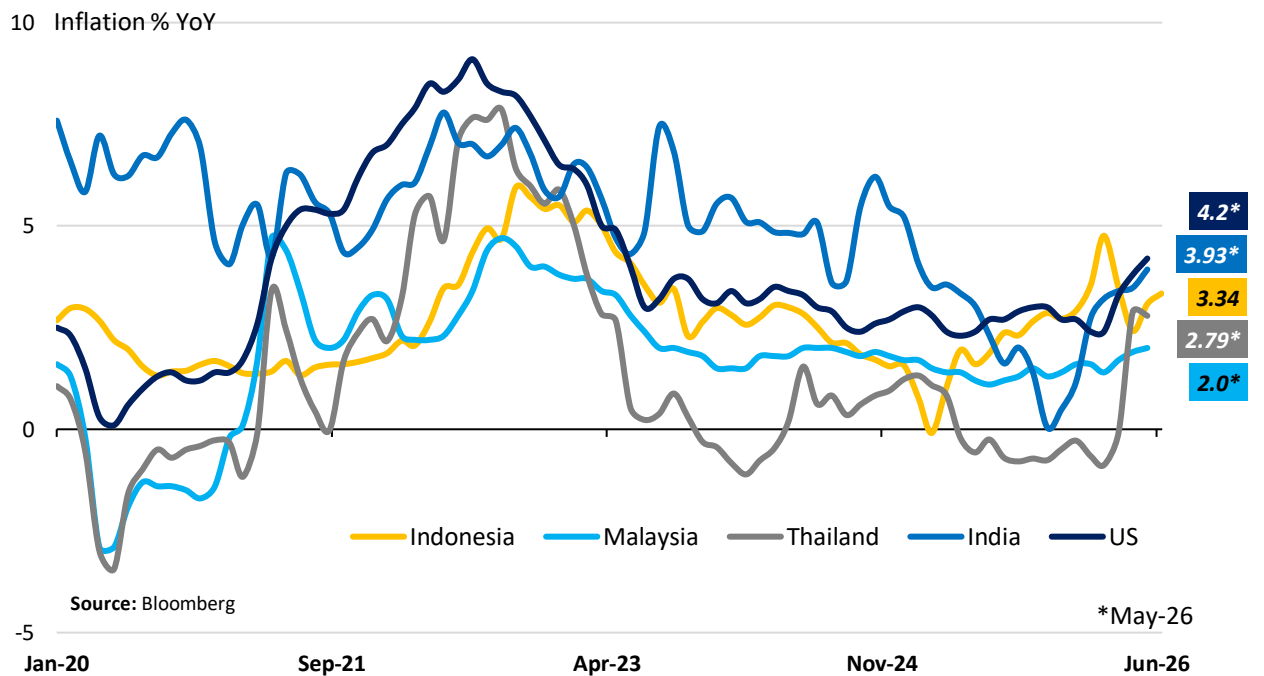
2 Rising ex-gold core inflation opens up potential for rising credit demand (value-wise)



3 Rising inflation remains the prime factor behind Indonesia's declining real interest rate



4 Inflation reaccelerated, driven by administered prices, alongside core and volatile food inflation.



Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	01-Jul	-1 mth	Chg (%)
US	3.75	Dec-25	-0.45	Baltic Dry Index	2,562.0	3,224.0	-20.5
UK	3.75	Dec-25	0.95	S&P GSCI Index	617.4	694.6	-11.1
EU	2.40	Jun-26	-0.40	Oil (Brent, \$/brl)	71.6	92.1	-22.2
Japan	1.00	Jun-26	-0.50	Coal (\$/MT)	129.4	140.6	-8.0
China (lending)	2.00	Sep-24	3.15	Gas (\$/MMBtu)	3.34	3.30	1.3
Korea	2.50	May-25	-0.70	Gold (\$/oz.)	4,030.7	4,540.3	-11.2
India	5.25	Dec-25	1.32	Copper (\$/MT)	13,249.2	13,599.7	-2.6
Indonesia	5.75	Jun-26	2.41	Nickel (\$/MT)	16,152.7	18,867.2	-14.4
Money Mkt Rates	01-Jul	-1 mth	Chg (bps)	CPO (\$/MT)	1,093.4	1,131.1	-3.3
SPN (1Y)	7.74	6.25	148.6	Rubber (\$/kg)	2.12	2.33	-9.0
SUN (10Y)	7.14	6.70	43.8	External Sector	May	Apr	Chg (%)
INDONIA (O/N, Rp)	6.01	5.59	42.5	Export (\$ bn)	23.20	25.30	-8.30
JIBOR 1M (Rp)	5.03	5.03	0.0	Import (\$ bn)	24.81	25.21	-1.59
Bank Rates (Rp)	Apr	Mar	Chg (bps)	Trade bal. (\$ bn)	-1.61	0.09	-1,907.18
Lending (WC)	7.96	8.00	-4.00	Central bank reserves (\$ bn)*	144.9	146.2	-0.89
Deposit 1M	4.48	4.47	1.00	Prompt Indicators	May	Apr	Mar
Savings	0.68	0.67	1.00	Consumer confidence index (CCI)	120.9	123.0	122.9
Currency/USD	01-Jul	-1 mth	Chg (%)	Car sales (%YoY)	14.0	55.0	-13.8
UK Pound	0.753	0.743	-1.35	Motorcycle sales (%YoY)	-5.1	28.1	-17.1
Euro	0.879	0.858	-2.42	Manufacturing PMI	Jun	May	Chg (bps)
Japanese Yen	162.6	159.3	-2.04	USA	53.9	55.1	-120
Chinese RMB	6.791	6.766	-0.36	Eurozone	51.4	51.6	-20
Indonesia Rupiah	17,948	17,874	-0.41	Japan	54.8	54.5	30
Capital Mkt	01-Jul	-1 mth	Chg (%)	China	51.7	51.8	-10
JCI	5,695.1	6,127.4	-7.05	Korea	52.1	54.8	-270
DJIA	52,305.2	51,032.5	2.49	Indonesia	46.9	50.0	-310
FTSE	10,478.3	10,409.3	0.66	Foreign portfolio ownership (Rp Tn)	Jun	May	Chg (Rp Tn)
Nikkei 225	70,475.0	66,329.5	6.25	Stock	2,573.5	2,820.6	-247.08
Hang Seng	22,881.0	25,182.4	-9.14	Govt. Bond	885.7	863.2	22.43
				Corp. Bond	5.7	5.8	-0.09

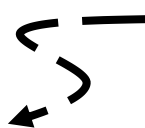
Source: Bloomberg, BI, BPS

Notes:

*Data from earlier period

For changes in currency: **Black indicates appreciation against USD, **Red** otherwise

***For PMI, **>50** indicates economic expansion, **<50** otherwise



Scan for the link to our report depository or **click**:

https://s.id/BCA_REI

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	9.0
GDP per capita (USD)	3912	4350	4784	4920	4960	5083	5128
CPI inflation (% YoY)	1.7	1.9	5.5	2.6	1.6	2.9	4.5
BI Rate (%)	3.75	3.50	5.50	6.00	6.00	4.75	6.25
SBN 10Y yield (%)	5.86	6.36	6.92	6.45	6.97	6.05	8.01
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

Economic and Industry Research Team

David E. Sumual

Chief Economist

david_sumual@bca.co.id

+6221 2358 8000 Ext: 1051352

Thierris Nora Kusuma

Economist / Analyst

thierris_kusuma@bca.co.id

+6221 2358 8000 Ext: 1071930

Arif Agung Wibowo

Economist / Analyst

arif_agung@bca.co.id

+6221 2358 8000 Ext: -

Samuel Theophilus Artha

Economist / Analyst

samuel_artha@bca.co.id

+6221 2358 8000 Ext: 1080373

Agus Salim Hardjodinoto

Head of Industry and Regional Research

agus_lim@bca.co.id

+6221 2358 8000 Ext: 1005314

Gabriella Yolivia

Industry Analyst

gabriella_yolivia@bca.co.id

+6221 2358 8000 Ext: 1063933

Elbert Timothy Lasiman

Economist / Analyst

Elbert_lasiman@bca.co.id

+6221 2358 8000 Ext: 1007431

Jennifer Calysta Farrell

Economist / Analyst

jennifer_farrell@bca.co.id

+6221 2358 8000 Ext: 1082423

Victor George Petrus Matindas

Head of Banking Research and Analytics

victor_matindas@bca.co.id

+6221 2358 8000 Ext: 1058408

Lazuardin Thariq Hamzah

Economist / Analyst

lazuardin_hamzah@bca.co.id

+6221 2358 8000 Ext: 1071724

Nicholas Husni

Economist / Analyst

nicholas_husni@bca.co.id

+6221 2358 8000 Ext: 1079839

PT Bank Central Asia Tbk

Economic and Industry Research

20th Grand Indonesia, Menara BCA

Jl. M.H Thamrin No. 1, Jakarta 10310, Indonesia

Ph : (62-21) 2358-8000 Fax : (62-21) 2358-8343

DISCLAIMER

This report is for information only, and is not intended as an offer or solicitation with respect to the purchase or sale of a security. We deem that the information contained in this report has been taken from sources which we deem reliable. However, we do not guarantee their accuracy, and any such information may be incomplete or condensed. None of PT. Bank Central Asia Tbk, and/or its affiliated companies and/or their respective employees and/or agents makes any representation or warranty (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof. The Company, or any of its related companies or any individuals connected with the group accepts no liability for any direct, special, indirect, consequential, incidental damages or any other loss or damages of any kind arising from any use of the information herein (including any error, omission or misstatement herein, negligent or otherwise) or further communication thereof, even if the Company or any other person has been advised of the possibility thereof. Opinion expressed is the analysts' current personal views as of the date appearing on this material only, and subject to change without notice. It is intended for the use by recipient only and may not be reproduced or copied/photocopied or duplicated or made available in any form, by any means, or redistributed to others without written permission of PT Bank Central Asia Tbk.

All opinions and estimates included in this report are based on certain assumptions. Actual results may differ materially. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice. For further information please contact: (62-21) 2358 8000, Ext: 1020451 or fax to: (62-21) 2358 8343 or email: eri.tristanto@bca.co.id