

International Trade: Combo breakers

02 July 2026

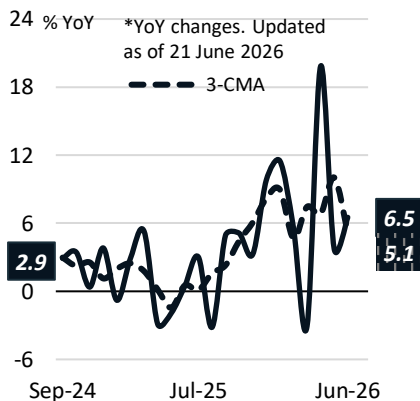
Jennifer Calysta Farrell

Jennifer.farrell@bca.co.id

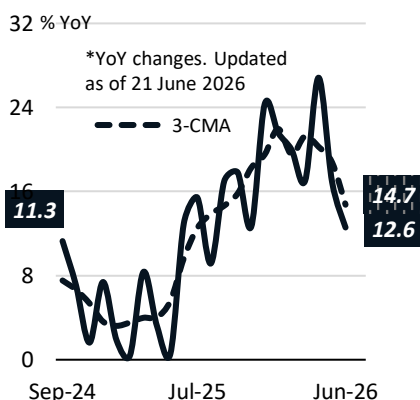
Victor George Petrus Matindas

Victor.matindas@bca.co.id

BCA Consumer Spending Index*



BCA Business Transaction Index*



- **Indonesia's trade balance recorded a USD 1.61 Bn deficit in May-26** (vs USD 89 Mn surplus in Apr-26), **marking the end of a 72-month long trade surplus streak**. This reversal was driven by the contraction in exports (-8.30% MoM, -5.73% YoY) that significantly outpaced the decline in imports (-1.59% MoM, +22.16% YoY).

- **The export decline was partly driven by CPO**, which saw a 26.85% MoM decrease. This is caused by several factors like weather impacts, increase in fertilizer prices (usage is reduced, which affects productivity) and a **slowdown in demand from major countries** like India, China, and the US. Other commodities that also saw declines include iron and steel (-4.54% MoM) and mechanical machinery (-24.85% MoM), while coal exports performed positively (+10.49% MoM).

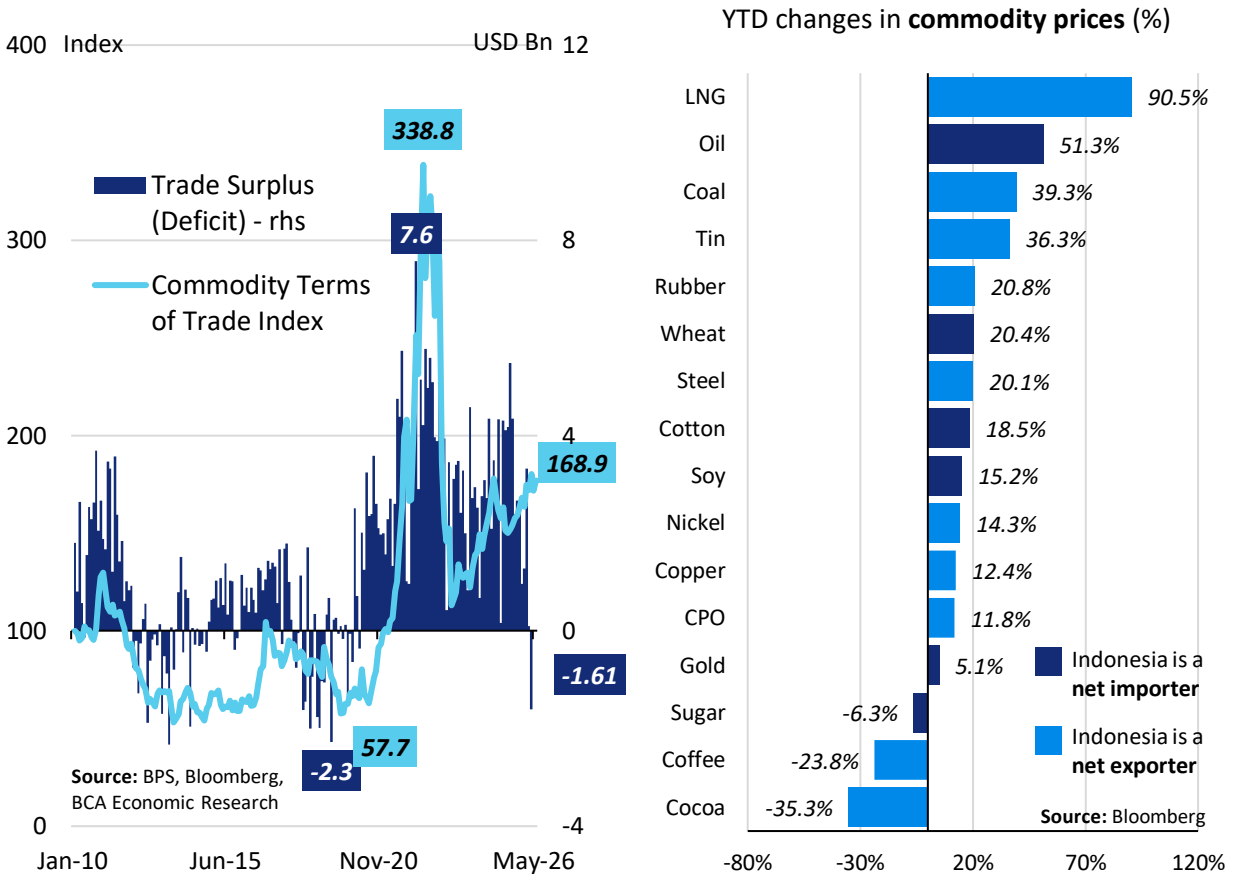
- **On the import side, the oil & gas category remains substantial** despite a slight normalization (-1.82% MoM), maintaining a large oil and gas balance deficit. Other factors contributing to the monthly decline in imports include fewer working days, currency depreciation (a disincentive to increase imports), and the seasonality of precious metal demand (-45.87% MoM) after its peak around the Eid al-Fitr period (March-April).

- On an annual basis, import growth accelerated in capital goods (12.7% YoY) and raw materials (25.2% YoY), whereas consumer goods slowed down (22.0% YoY) compared to the growth in April. This is in line with the surging credit growth that month, particularly driven by productive credit.

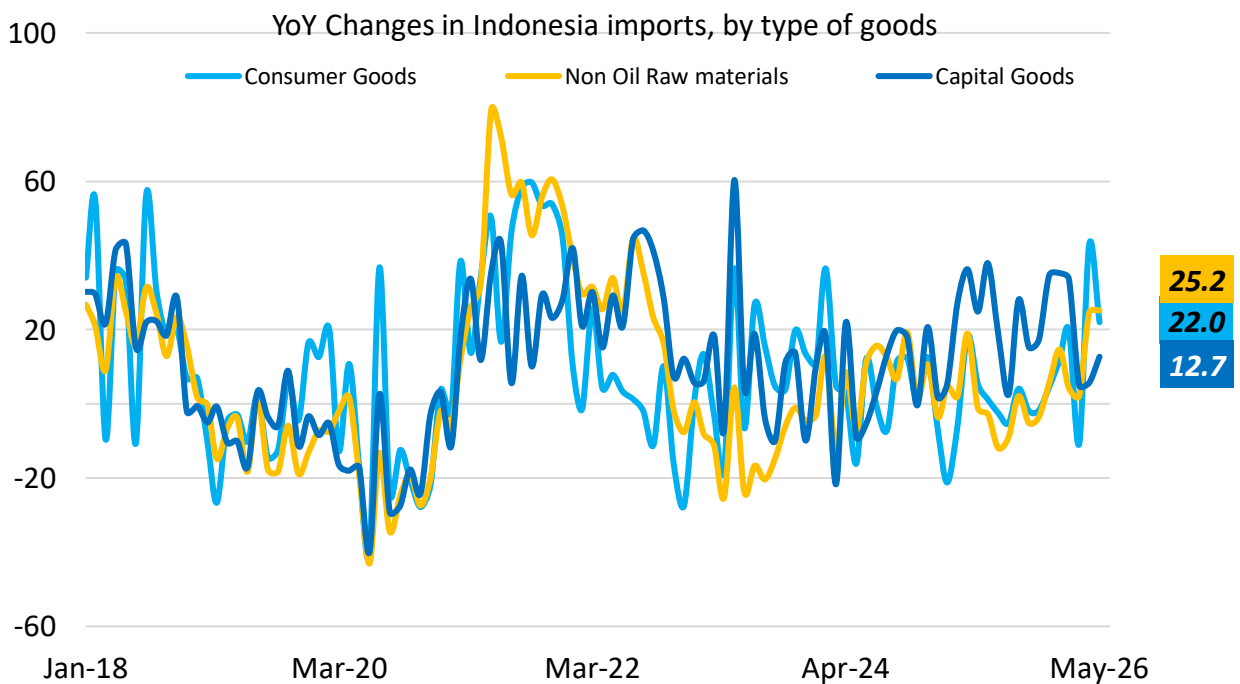
- Looking ahead, exports face several headwinds. Firstly, with a more hawkish Fed, and similarly other central banks, **global demand could decelerate**. Secondly, **the mandatory B50 biodiesel program** may impact the allocation of CPO for export (in addition to ongoing weather factors). Thirdly, the certainty of **policies regarding production (and export) restrictions** for commodities like coal and

nickel. Fourthly, the **"PT DSI effect"** may come into play for the Jun-26 trade reading, although for the medium term there are still too many uncertainties on when or how it will actually be implemented. Imports, on the other hand, could continue, with **robust government spending** more or less offsetting the impact of currency depreciation on demand. This combination of factors creates a feedback loop leading back to a weakening Rupiah, which we predict will be addressed by an **additional 50 bps increase in BI's policy rate this year**.

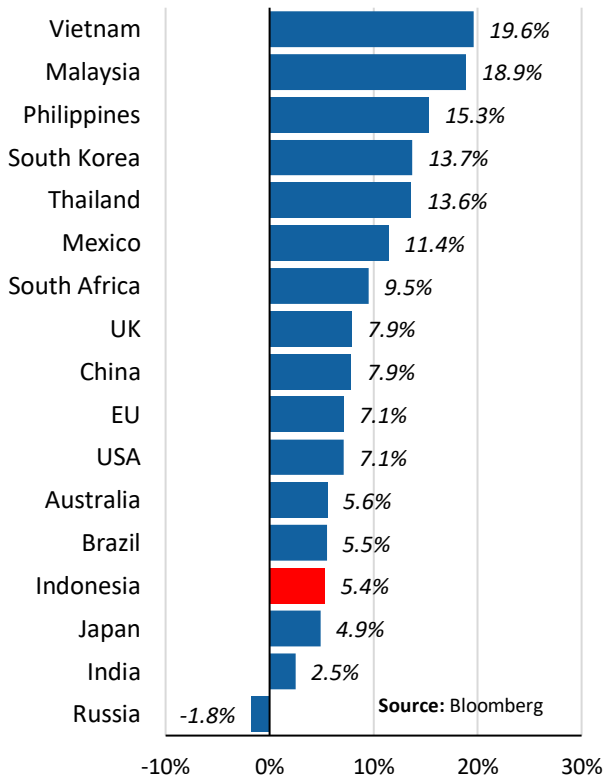
1 The trade balance recorded the first deficit in 6 years, terms of trade continued to climb



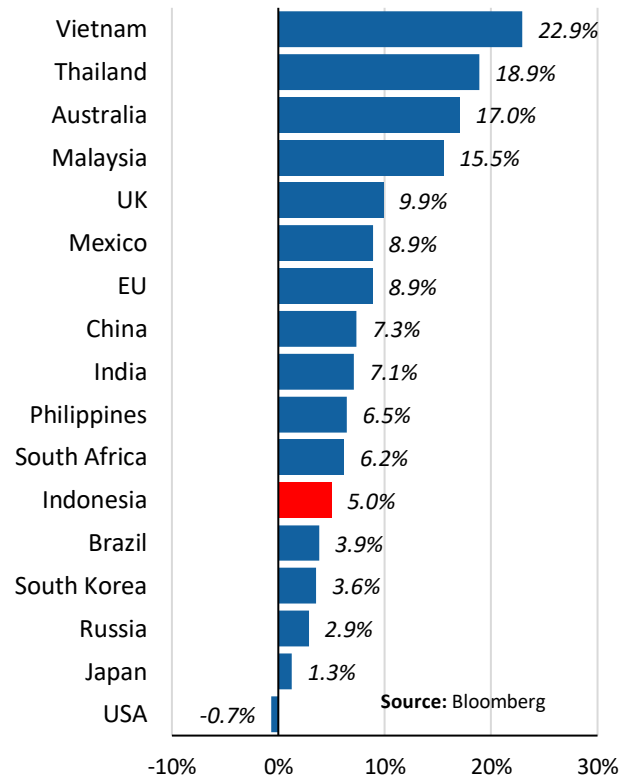
2 Imports across product categories increased annually in May-26



Exports, C-to-C changes (%)



Imports, C-to-C changes (%)



Manufacturing PMI	2025							2026					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Indonesia	46.9	49.2	51.5	50.4	51.2	53.3	51.2	52.6	53.8	50.1	49.1	50.0	46.9
Malaysia	49.3	49.7	49.9	49.8	49.5	50.1	50.1	50.2	49.3	50.7	51.6	49.9	50.7
Thailand	51.7	51.9	52.7	54.6	56.6	56.8	57.4	52.7	53.5	54.1	52.7	52.6	53.6
Philippines	50.7	50.9	50.8	49.9	50.1	47.4	50.2	52.9	54.6	51.3	48.3	50.8	50.9
Vietnam	48.9	52.4	50.4	50.4	54.5	53.8	53.0	52.5	54.3	51.2	50.5	52.8	51.8
India	58.4	59.1	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2
Australia	50.6	51.3	53.0	51.4	49.7	51.6	51.6	52.3	51.0	49.8	51.3	50.7	51.5
China	49.7	49.3	49.4	49.8	49.0	49.2	50.1	49.3	49.0	50.4	50.3	50.0	50.3
South Korea	48.7	48.0	48.3	50.7	49.4	49.4	50.1	51.2	51.1	52.6	53.6	54.8	52.1
Japan	50.1	49.0	49.7	48.5	48.2	48.7	50.0	51.5	53.0	51.6	55.1	54.5	54.8
Euro Area	49.5	49.8	50.7	49.8	50.0	49.6	48.8	49.5	50.8	51.6	52.2	51.6	51.3
US	49.0	48.4	48.9	48.9	48.8	48.0	47.9	52.6	52.4	52.7	52.7	54.0	54.0
Mexico	46.3	49.1	50.2	49.6	49.5	47.3	46.1	46.3	47.1	48.9	47.7	49.6	49.6

Source: S&P, BCA Economic Research

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)	1,093.6	1,131.1	-3.3
				Rubber (\$/kg)	2.12	2.33	-9.0
Bank Rates (Rp)	Apr	Mar	Chg (bps)	External Sector	May	Apr	Chg (%)
SPN (1Y)	7.74	6.25	148.6	Export (\$ bn)	23.20	25.30	-8.30
SUN (10Y)	7.14	6.70	43.8	Import (\$ bn)	24.81	25.21	-1.59
INDONIA (O/N, Rp)	6.01	5.59	42.5	Trade bal. (\$ bn)	-1.61	0.09	-1,907.18
JIBOR 1M (Rp)	5.03	5.03	0.0	Central bank reserves (\$ bn)*	144.9	146.2	-0.89
Bank Rates (Rp)	Apr	Mar	Chg (bps)	Prompt Indicators	May	Apr	Mar
Lending (WC)	7.96	8.00	-4.00	Consumer confidence index (CCI)	120.9	123.0	122.9
Deposit 1M	4.48	4.47	1.00	Car sales (%YoY)	14.0	55.0	-13.8
Savings	0.68	0.67	1.00	Motorcycle sales (%YoY)	-5.1	28.1	-17.1
Currency/USD	01-Jul	-1 mth	Chg (%)	Manufacturing PMI	Jun	May	Chg (bps)
UK Pound	0.753	0.743	-1.35	USA	53.9	55.1	-120
Euro	0.879	0.858	-2.42	Eurozone	51.4	51.6	-20
Japanese Yen	162.6	159.3	-2.04	Japan	54.8	54.5	30
Chinese RMB	6.791	6.766	-0.36	China	51.7	51.8	-10
Indonesia Rupiah	17,948	17,874	-0.41	Korea	52.1	54.8	-270
Capital Mkt	01-Jul	-1 mth	Chg (%)	Indonesia	46.9	50.0	-310
JCI	5,695.1	6,127.4	-7.05				
DJIA	52,305.2	51,032.5	2.49				
FTSE	10,478.3	10,409.3	0.66				
Nikkei 225	70,475.0	66,329.5	6.25				
Hang Seng	22,881.0	25,182.4	-9.14				
Foreign portfolio ownership (Rp Tn)	Jun	May	Chg (Rp Tn)				
Stock	2,573.5	2,820.6	-247.08				
Govt. Bond	885.7	863.2	22.43				
Corp. Bond	5.7	5.8	-0.09				

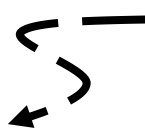
Source: Bloomberg, BI, BPS

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

BCA Economic & Industry Research

David E. Sumual

Chief Economist

david_sumual@bca.co.id

+6221 2358 8000 Ext: 1051352

Agus Salim Hardjodino

Head of Industry and Regional Research

agus_lim@bca.co.id

+6221 2358 8000 Ext: 1005314

Victor George Petrus Matindas

Head of Banking Research and Analytics

victor_matindas@bca.co.id

+6221 2358 8000 Ext: 1058408

Thierris Nora Kusuma

Economist / Analyst

thierris_kusuma@bca.co.id

+6221 2358 8000 Ext: 1071930

Gabriella Yolivia

Industry Analyst

gabriella_yolivia@bca.co.id

+6221 2358 8000 Ext: 1063933

Lazuardin Thariq Hamzah

Economist / Analyst

lazuardin_hamzah@bca.co.id

+6221 2358 8000 Ext: 1071724

Arif Agung Wibowo

Economist / Analyst

arif_agung@bca.co.id

+6221 2358 8000 Ext: -

Elbert Timothy Lasiman

Economist / Analyst

Elbert_lasiman@bca.co.id

+6221 2358 8000 Ext: 1007431

Nicholas Husni

Economist / Analyst

nicholas_husni@bca.co.id

+6221 2358 8000 Ext: 1079839

Samuel Theophilus Artha

Economist / Analyst

samuel_artha@bca.co.id

+6221 2358 8000 Ext: 1080373

Jennifer Calysta Farrell

Economist / Analyst

jennifer_farrell@bca.co.id

+6221 2358 8000 Ext: 1082423

PT Bank Central Asia Tbk

BCA Economic & 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