

FX Reserves:

Scalpels over knives

07 August 2026

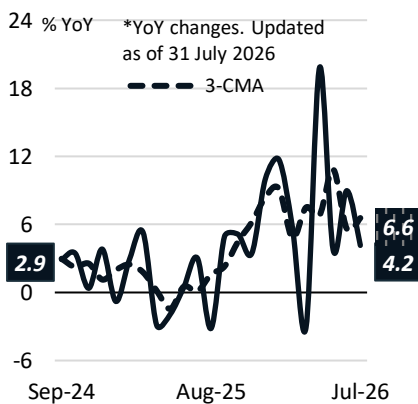
Samuel Theophilus Artha

samuel_artha@bca.co.id

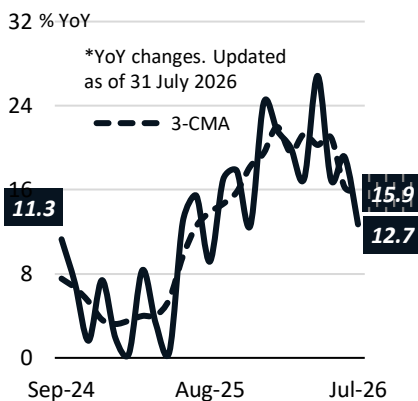
Victor George Petrus Matindas

victor_matindas@bca.co.id

BCA Consumer Spending Index*



BCA Business Transaction Index*



▪ **Indonesia's FX reserves marginally declined to USD 145.3 Bn in Jul-26**, from USD 145.6 Bn in June. FX reserves declined despite the government's recent issuance of panda bonds totaling USD 1 Bn, indicating either continued FX intervention by the Central Bank or continuing deficit in Indonesia's trade balance.

Compared to aggressive pro-stability measures present in June, the **month of July has been relatively more subdued**. BI has reduced SRBI outstanding amount in July, resulting in USD 0.3 Bn net outflow from the instrument. However, this reduction seems to indicate a shift towards a 'surgical approach' instead, with BI introducing deeper discounts on FX hedging instruments in its latest monthly meeting.

▪ This FX hedge approach by BI seems to manifest from a desire to **implement a more 'painless' way to enact its pro-stability measures**, as high SRBI issuance risks being absorbed by banks, thus lowering their lending appetite. This was further reinforced by the new liquidity incentive for banks to hold Rupiah SBN & SRBI below 19% of total third-party funds.

▪ This approach coincided with favorable global conditions (AI outflow rotation and post latest FOMC), and has yielded slight positive results, with USD 0.4 Bn inflow into bonds and USD 0.1 Bn into stocks. Unfortunately, these inflows have failed to halt Rupiah depreciation, whose value fell by 0.7% during July, **possibly signifying a weak Current Account performance**.

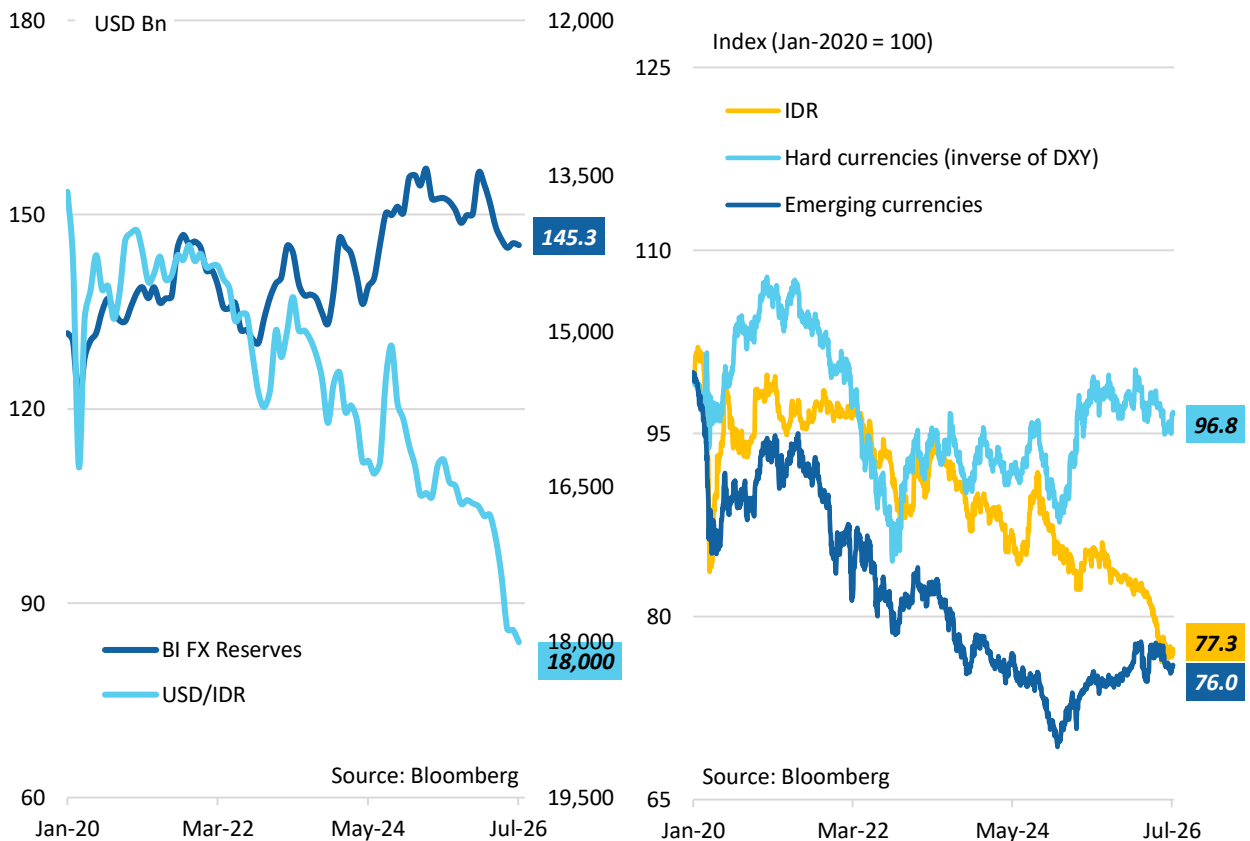
▪ This approach coincided with favorable global conditions (AI outflow rotation and post latest FOMC), and has yielded slight positive results, with USD 0.4 Bn inflow into bonds and USD 0.1 Bn into stocks. Unfortunately, these inflows have failed to halt Rupiah depreciation, whose value fell by 0.7% during July, **possibly signifying a weak Current Account performance**.

▪ Moving forward, **we still see considerable pressure facing the Rupiah from four fronts**. First, the hawkish expectation from The Fed. Second, ongoing uncertainty on MSCI's decision regarding Indonesia's investability. Third, the ongoing trade deficit due to higher

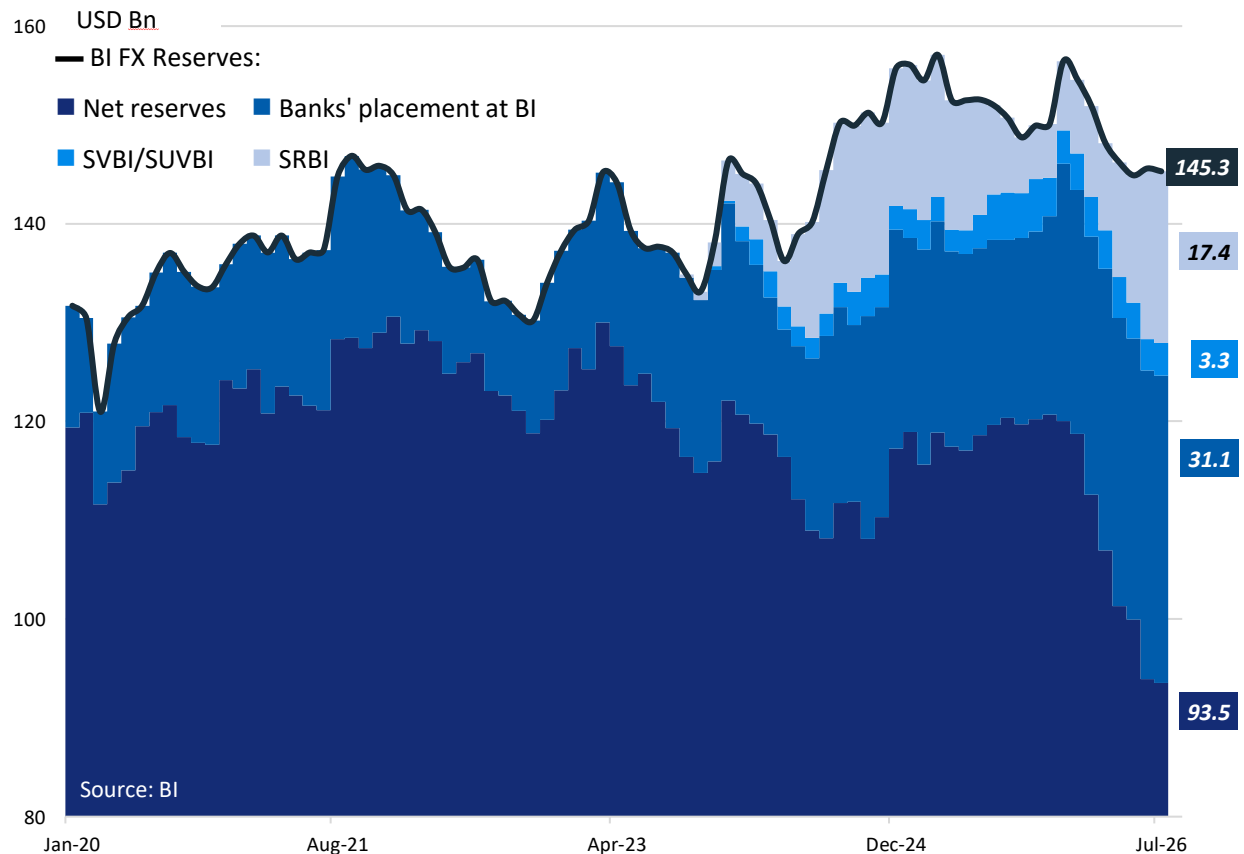
energy prices coupled with export growth slowdown. Fourth, additional SAL injection into SOE banks indicates faster loan growth is coming.

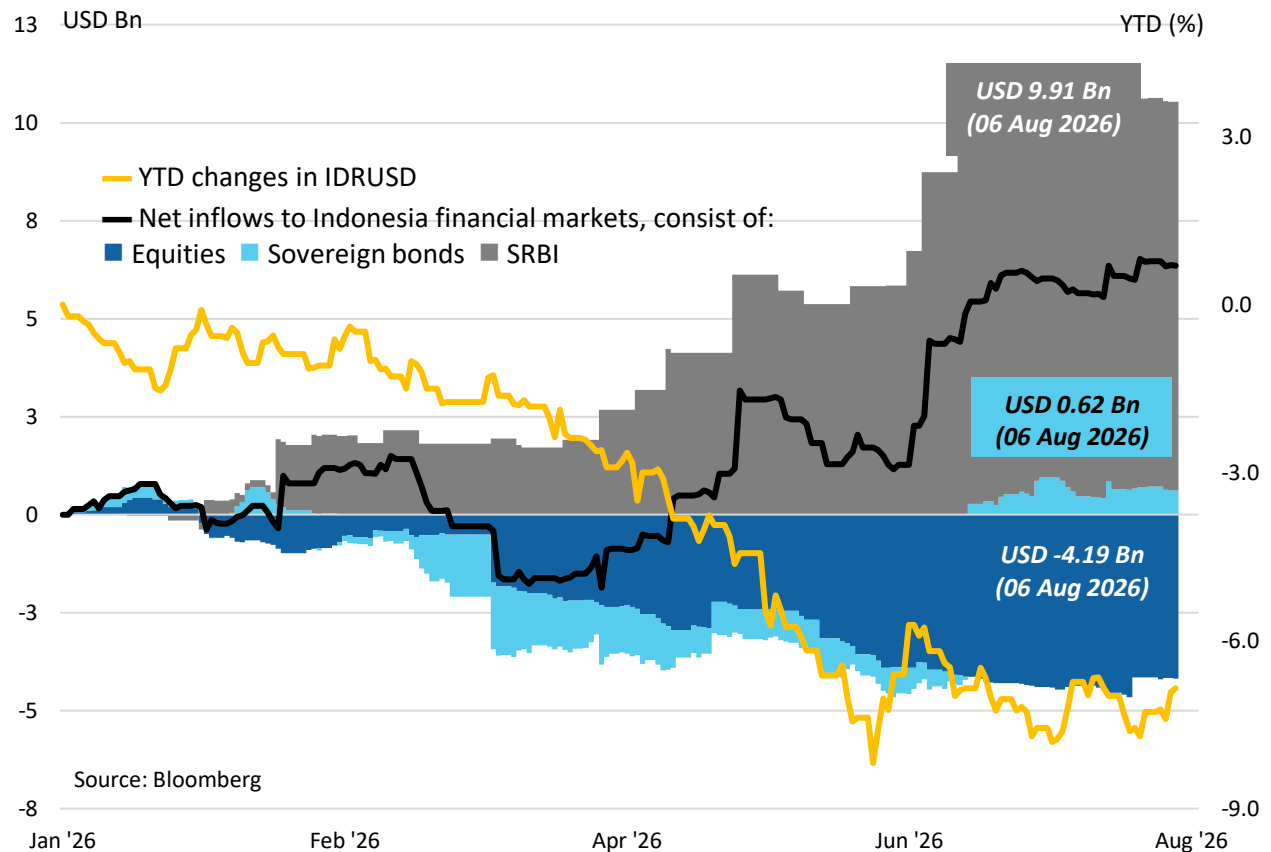
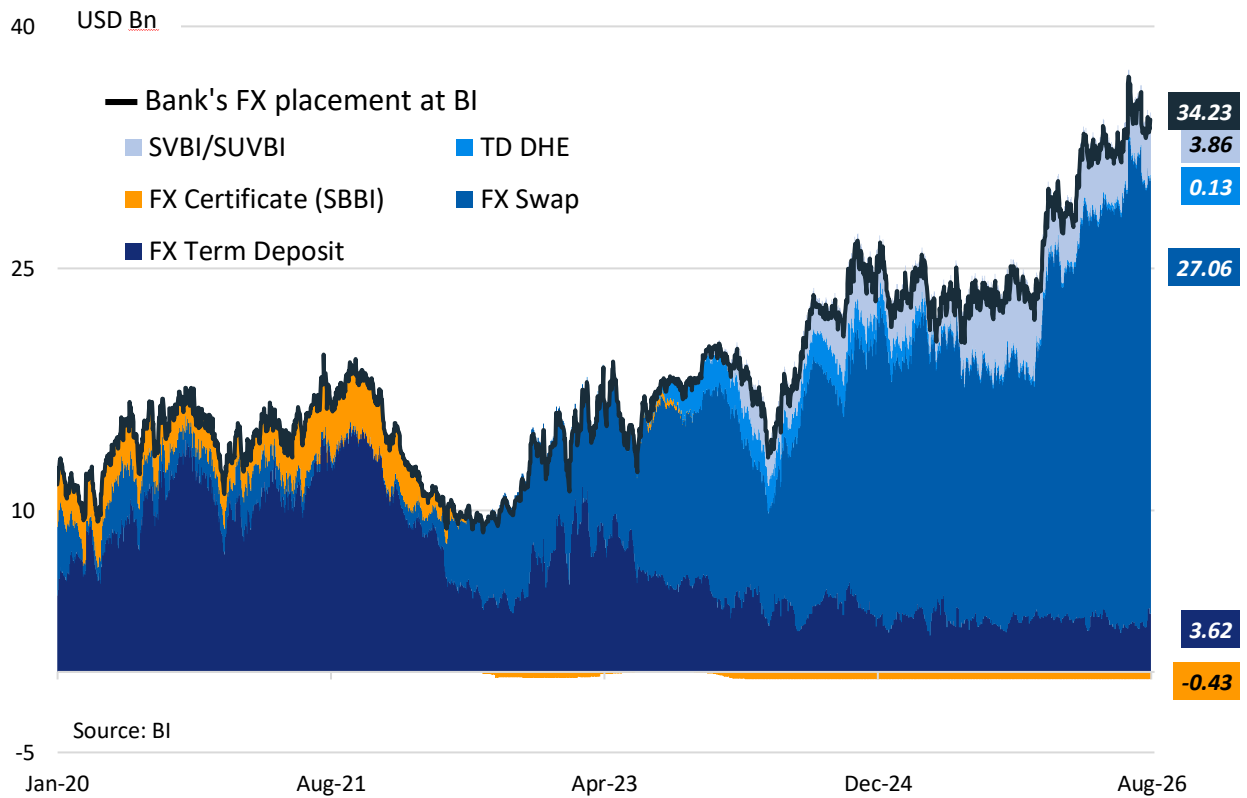
▪ Alongside these (largely external) risks, the recent resignation of BI's governor presented a new uncertainty. It is often said that 'personnel is policy', so the question is whether we will see a continuation of BI's 'surgical approach' or if there will be a more expansive policy direction. For now, **BI has reason to emphasize stability**, given that the robust Q2 GDP growth of 5.29% YoY should alleviate any concerns about growth. We still maintain our call for a 25-50 bps BI rate hike this year, but a downward revision remains possible if H2-26 growth proves to be slower than expected.

1 FX reserves declined slightly as portfolio inflows are countervailed by global uncertainty



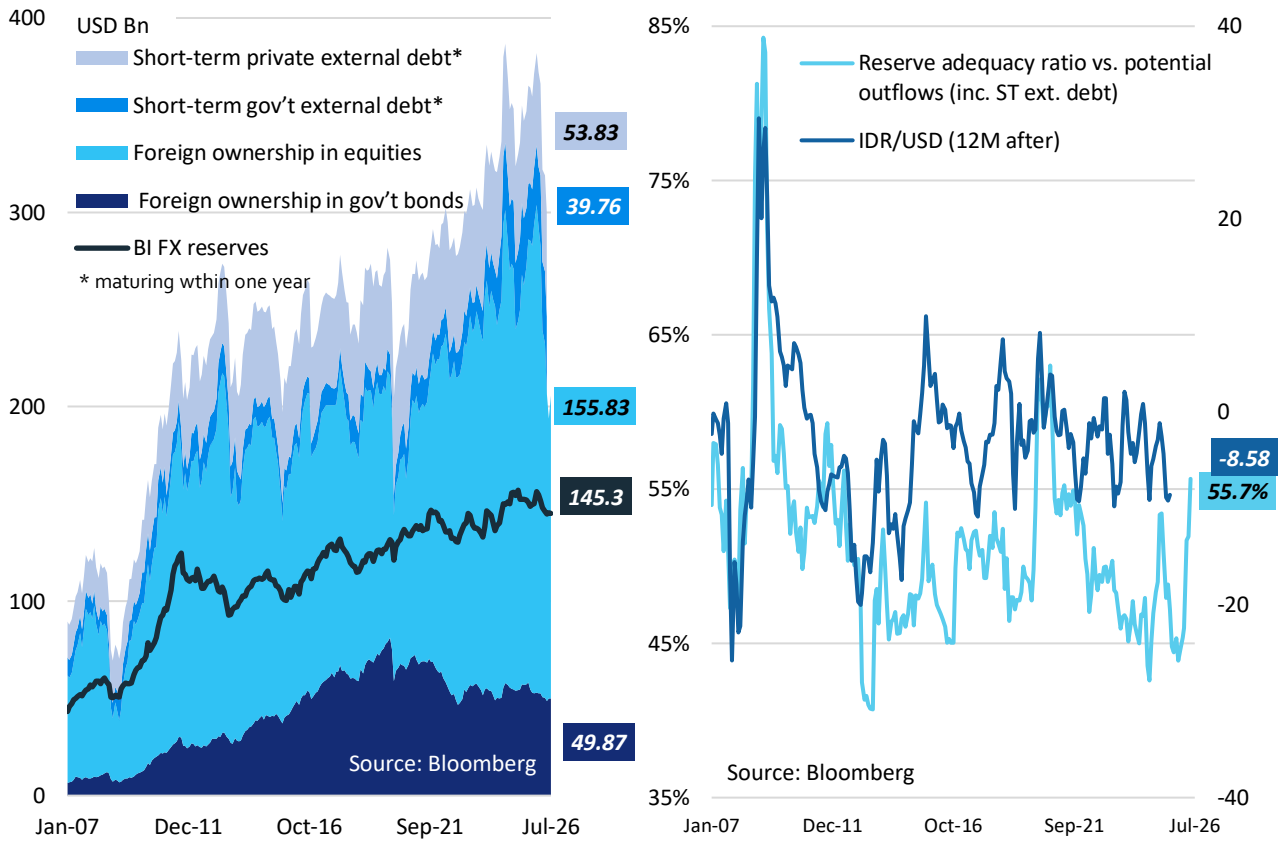
2 Net reserves remain little changed, possibly indicating fewer FX interventions





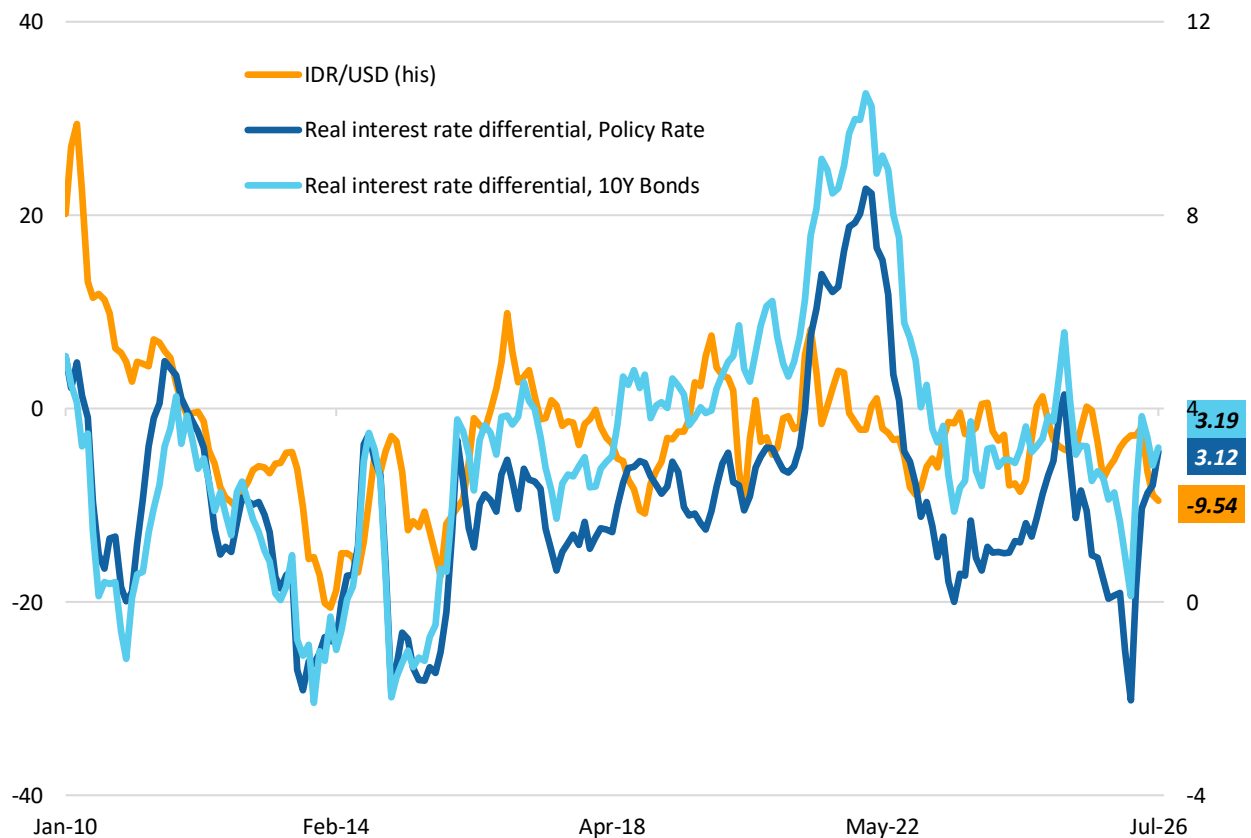
5

Higher SRBI maturities in the second half will be costly for Indonesia



6

Recent market pressures are keeping interest rates high



Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	06-Aug	-1 mth	Chg (%)
US	3.75	Dec-25	0.25	Baltic Dry Index	3,057.0	2,797.0	9.3
UK	3.75	Dec-25	1.15	S&P GSCI Index	662.2	626.8	5.7
EU	2.40	Jun-26	-0.50	Oil (Brent, \$/bbl)	82.5	72.0	14.6
Japan	1.00	Jun-26	-0.70	Coal (\$/MT)	129.8	128.7	0.8
China (lending)	2.00	Sep-24	3.35	Gas (\$/MMBtu)	2.51	3.22	-21.9
Korea	2.75	Jul-26	-0.05	Gold (\$/oz.)	4,239.4	4,165.2	1.8
India	5.25	Dec-25	0.87	Copper (\$/MT)	14,226.6	13,348.4	6.6
Indonesia	5.75	Jun-26	2.87	Nickel (\$/MT)	16,564.4	16,208.3	2.2
Money Mkt Rates	06-Aug	-1 mth	Chg (bps)	CPO (\$/MT)	1,104.2	1,094.7	0.9
SPN (1Y)	6.94	6.89	4.9	Rubber (\$/kg)	2.21	2.17	1.8
SUN (10Y)	7.25	7.10	14.8	External Sector	Jun	May	Chg (%)
INDONIA (O/N, Rp)	6.16	6.02	14.0	Export (\$ bn)	25.46	23.20	9.72
JIBOR 1M (Rp)	5.03	5.03	0.0	Import (\$ bn)	25.91	24.81	4.41
Bank Rates (Rp)	May	Apr	Chg (bps)	Trade bal. (\$ bn)	-0.45	-1.61	-72.02
Lending (WC)	7.95	7.96	-1.00	Central bank reserves (\$ bn)*	145.6	144.9	0.48
Deposit 1M	4.52	4.48	4.00	Prompt Indicators	Jun	May	Apr
Savings	0.68	0.68	0.00	Consumer confidence index (CCI)	117.8	120.9	123.0
Currency/USD	06-Aug	-1 mth	Chg (%)	Car sales (%YoY)	32.9	14.0	55.0
UK Pound	0.743	0.747	0.47	Motorcycle sales (%YoY)	1.1	-5.1	28.1
Euro	0.868	0.874	0.73	Manufacturing PMI	Jul	Jun	Chg (bps)
Japanese Yen	158.4	162.1	2.31	USA	53.9	53.9	0
Chinese RMB	6.751	6.795	0.64	Eurozone	51.9	51.4	50
Indonesia Rupiah	17,918	17,995	0.43	Japan	54.5	54.8	-30
Capital Mkt	06-Aug	-1 mth	Chg (%)	China	50.9	51.7	-80
JCI	6,343.7	5,916.1	7.23	Korea	53.1	52.1	100
DJIA	53,885.1	53,055.9	1.56	Indonesia	50.2	46.9	330
FTSE	10,867.9	10,651.8	2.03				
Nikkei 225	65,683.3	69,737.7	-5.81				
Hang Seng	25,530.3	23,616.3	8.10				
Foreign portfolio ownership (Rp Tn)	Jul	Jun	Chg (Rp Tn)				
Stock	2,805.0	2,573.5	231.50				
Govt. Bond	892.0	885.7	6.39				
Corp. Bond	5.6	5.7	-0.08				

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



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

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 Hardjodinto

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

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