Monthly Economic Briefing

BCA Economic and Industry Research

CPI:

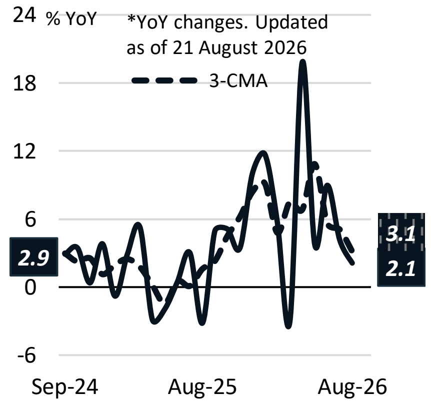
An upcoming test

02 September 2026

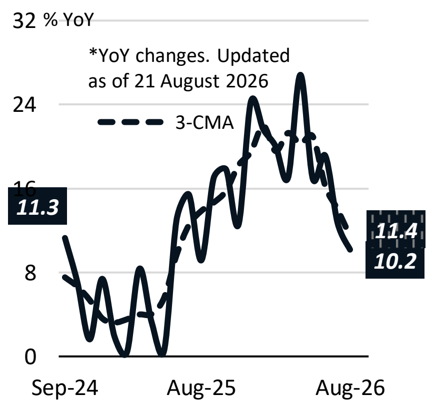
Nicholas Husni
nicholas_husni@bca.co.id

Victor George Petrus Matindas
victor_matindas@bca.co.id

BCA Consumer Spending Index*

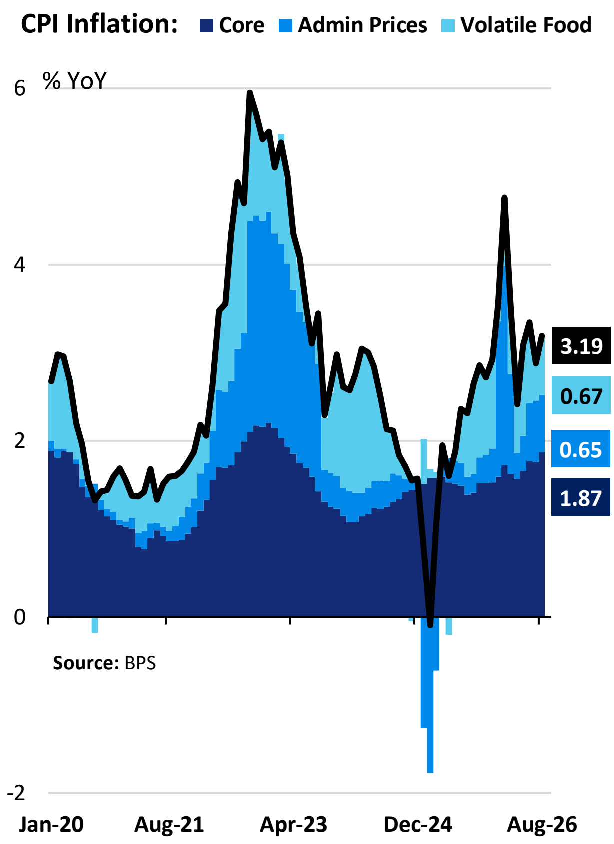


BCA Business Transaction Index*

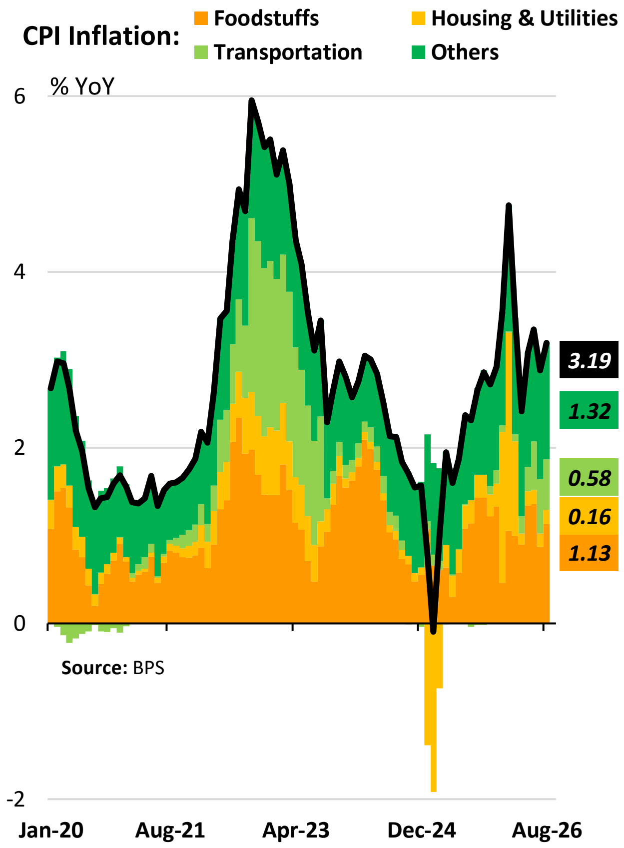


- **Indonesia's CPI inflation rose to 3.19% YoY (+0.21% MoM) in Aug-26**, compared to 2.88% in Jul-26. The rebound was broadly expected, driven by an increase in food prices, gold prices and lingering transportation costs.
- **Volatile food remained the primary driver, accelerating to 4.06% YoY** (0.88% MoM) in Aug-26. While El Niño conditions have begun to set in, it would be premature to attribute the full effect to the weather as the event has only just started and has yet to reach its peak.
- The more immediate cause is the resumption of the school season, which brought with it the return of the Free Meal Program rollout. This is most visibly seen in chicken meat prices, which began rising precisely as the school season resumed in mid-July and have continued to climb since.
- Core inflation also picked up, reaching 2.92% YoY (0.21% MoM) in Aug-26. However, **this uptick was not a reflection of strengthening consumer demand**, and more a product of gold prices rising once again (+31.0% YoY) during the month. Stripping out gold, underlying demand-side pressures remained, consistent with the slowdown in several real sector indicators (including our Big Data).
- **Elevated inflation is likely to persist through year-end**, driven by several structural forces. The ongoing Middle East conflict continues to exert upward pressure on global oil prices. El Niño is still in its early stages, its full impact on the next planting season and food supply has yet to materialize. Meanwhile, the Rupiah remains under pressure, keeping imported inflation a live concern.
- The newly instated BI Governor, Destry Damayanti, has reaffirmed the commitment to keep inflation within the 1.5-3.5% target, pointing out food inflation as a primary concern. **Yet beyond food, Indonesia faces a more structural challenge: imported inflation**, driven by Rupiah depreciation and imported commodity prices, with the latter remains largely outside the direct reach of domestic policy tools, leaving exchange rate stability as the stabilization lever.
- On that front, Governor Damayanti has explicitly pledged to defend the Rupiah, while also signaling that the BI rate is not the sole instrument at BI's disposal – indicating she might try to hold interest rates this year. With the Dollar now regaining strength as markets price in a more hawkish Fed and nearly all global long-term yields are rising sharply – **both the Rupiah and the new BI Governor's vision may soon be put to the test.**

1 Accelerating inflation driven by higher food prices

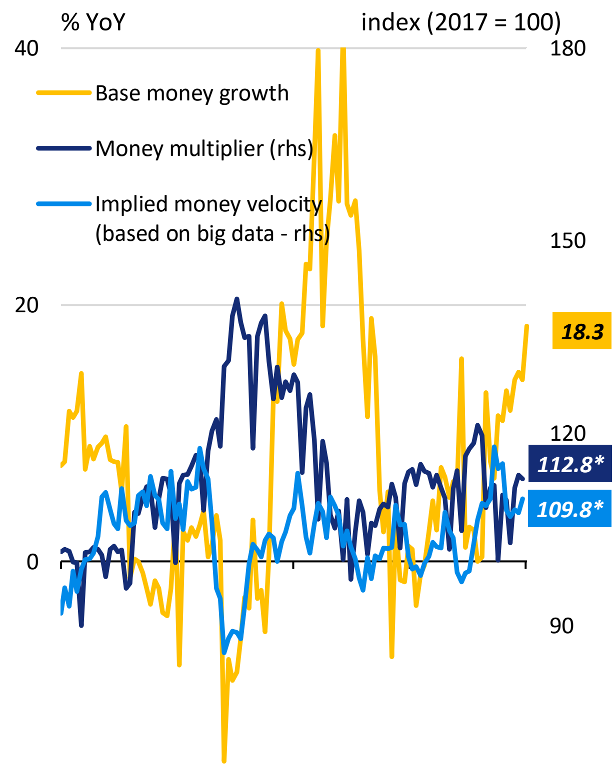


Source: BPS

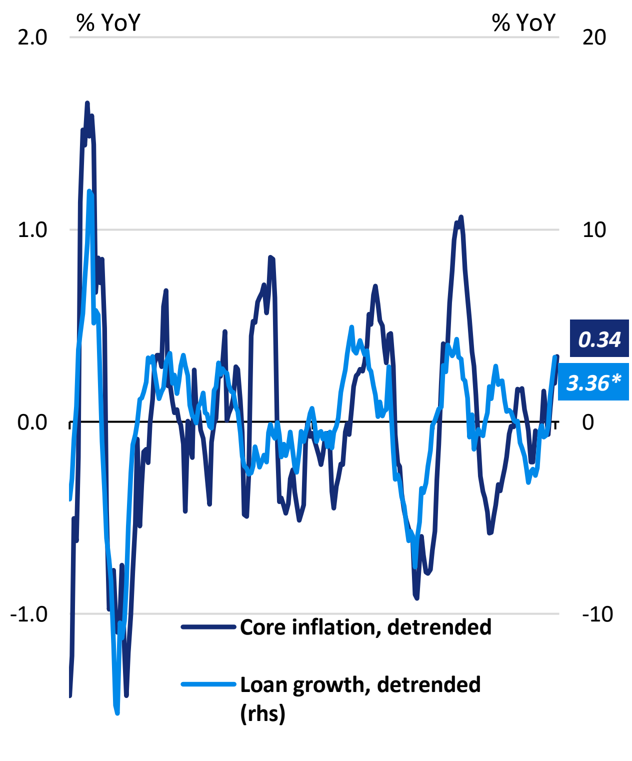


Source: BPS

2 Loan growth is rising however consumer loans remain weak

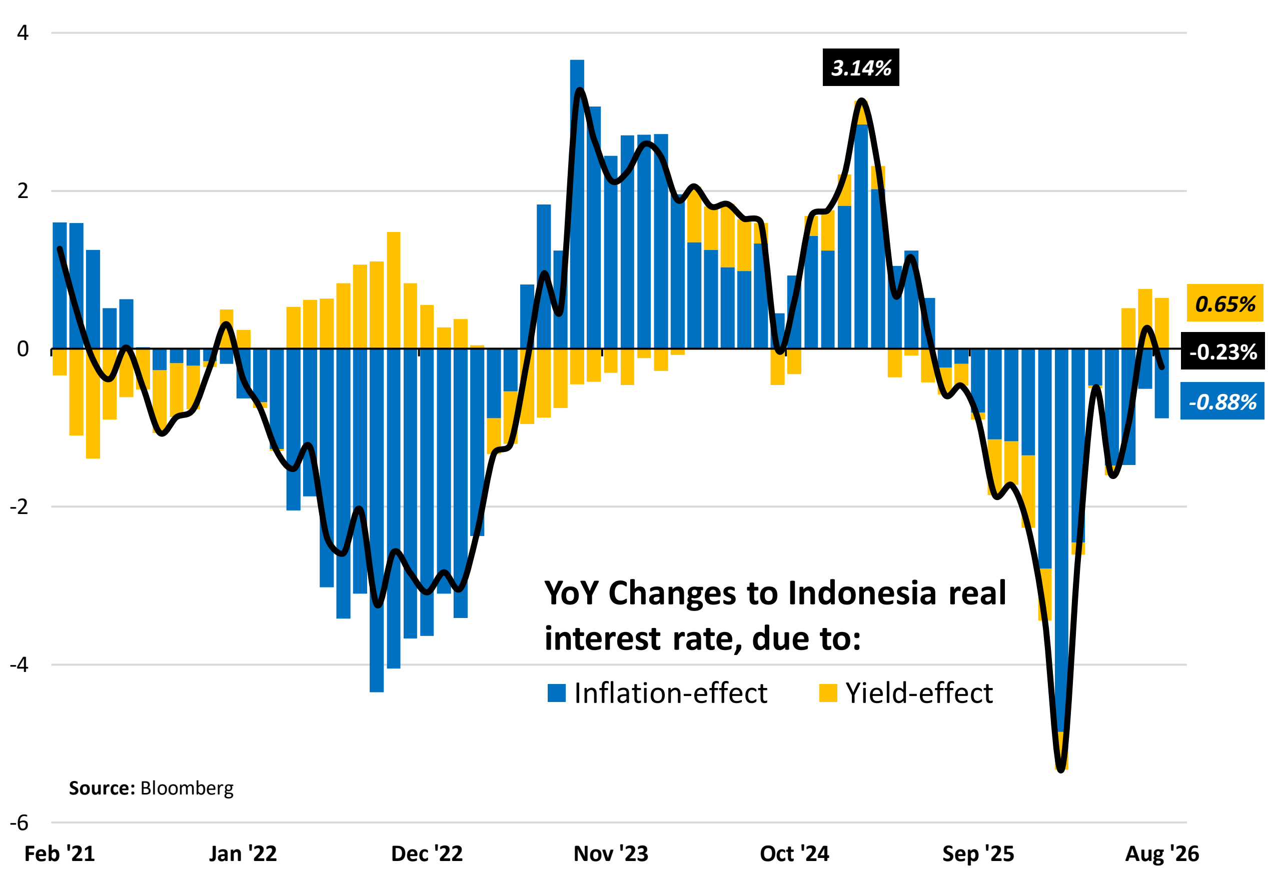


Source: BI, Big Data BCA

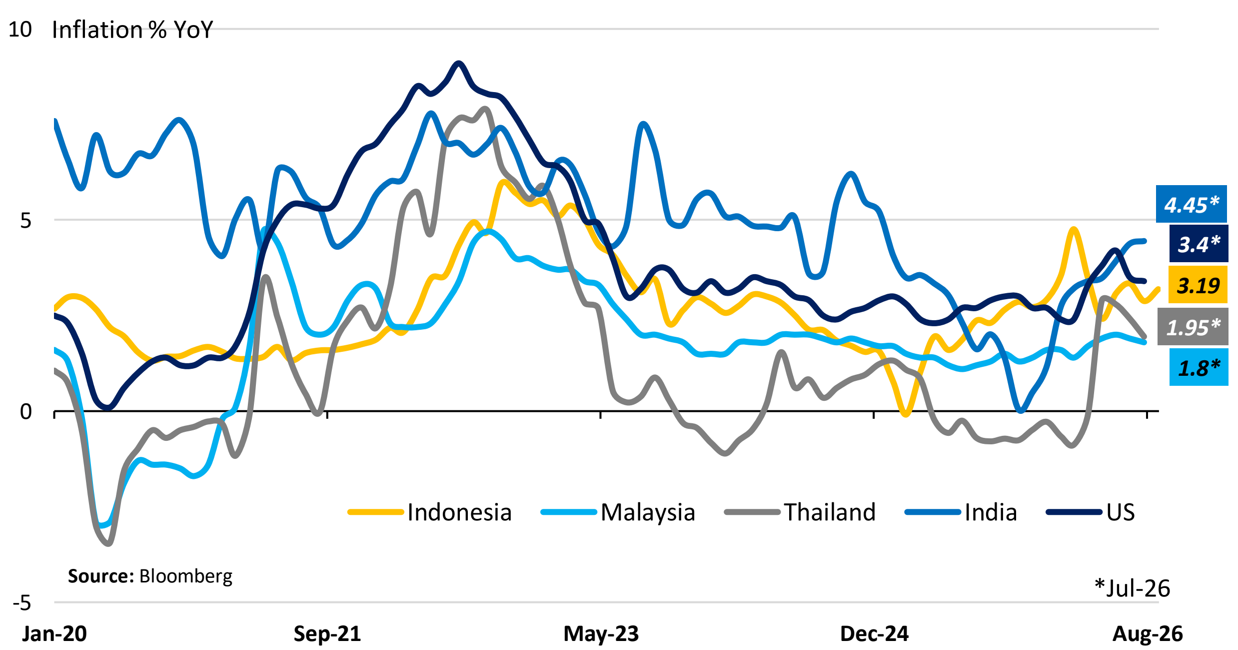


Source: BPS, OJK

3 Indonesia's real interest rates lowered as inflation picks up



4 Indonesia's inflation is rising though remained controlled



Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)
US	3.75	Dec-25	0.35
UK	3.75	Dec-25	0.85
EU	2.40	Jun-26	-0.90
Japan	1.00	Jun-26	-0.90
China (lending)	2.00	Sep-24	3.85
Korea	3.00	Aug-26	-0.10
India	5.25	Dec-25	0.80
Indonesia	5.75	Jun-26	2.56

Money Mkt Rates	01-Sep	-1 mth	Chg (bps)
SPN (1Y)	6.77	7.45	-68.2
SUN (10Y)	7.04	7.31	-27.0
INDONIA (O/N, Rp)	6.13	6.23	-10.0
JIBOR 1M (Rp)	5.03	5.03	0.0

Bank Rates (Rp)	Jun	May	Chg (bps)
Lending (WC)	8.07	7.95	12.00
Deposit 1M	4.96	4.52	44.00
Savings	0.68	0.68	0.00

Currency/USD	01-Sep	-1 mth	Chg (%)
UK Pound	0.740	0.742	0.24
Euro	0.863	0.868	0.57
Japanese Yen	160.2	157.4	-1.74
Chinese RMB	6.721	6.753	0.48
Indonesia Rupiah	17,726	18,000	1.55

Capital Mkt	01-Sep	-1 mth	Chg (%)
JCI	6,599.9	6,236.1	5.83
DJIA	52,766.9	52,485.0	0.54
FTSE	10,789.3	10,868.1	-0.72
Nikkei 225	66,215.3	64,362.0	2.88
Hang Seng	25,329.7	25,884.4	-2.14

Foreign portfolio ownership (Rp Tn)	Aug	Jul	Chg (Rp Tn)
Stock	2,949.5	2,805.0	144.49
Govt. Bond	907.3	892.4	14.86
Corp. Bond	4.8	5.6	-0.74

Trade & Commodities	01-Sep	-1 mth	Chg (%)
Baltic Dry Index	3,157.0	2,732.0	15.6
S&P GSCI Index	734.4	686.1	7.0
Oil (Brent, $/brl)	94.7	90.1	5.0
Coal ($/MT)	147.8	137.2	7.7
Gas ($/MMBtu)	2.87	2.59	10.8
Gold ($/oz.)	4,328.8	4,046.2	7.0
Copper ($/MT)	14,405.6	13,835.7	4.1
Nickel ($/MT)	16,499.6	17,064.4	-3.3
CPO ($/MT)	1,144.8	1,099.8	4.1
Rubber ($/kg)	2.39	2.18	9.6

External Sector	Jul	Jun	Chg (%)
Export ($ bn)	26.22	25.46	2.98
Import ($ bn)	26.09	25.91	0.72
Trade bal. ($ bn)	0.12	-0.45	-127.06
Central bank reserves ($ bn)*	145.3	145.6	-0.17

Prompt Indicators	Jul	Jun	May
Consumer confidence index (CCI)	116.8	117.8	120.9
Car sales (%YoY)	33.3	33.0	14.0
Motorcycle sales (%YoY)	8.3	1.1	-5.1

Manufacturing PMI	Aug	Jul	Chg (bps)
USA	53.9	53.9	0
Eurozone	52.7	51.9	80
Japan	54.9	54.5	40
China	51.5	50.9	60
Korea	52.3	53.1	-80
Indonesia	49.8	50.2	-40

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	5.3
Nominal GDP growth (% YoY)	-2.5	9.9	15.4	6.7	6.0	7.6	9.1
GDP per capita (USD)	3912	4350	4784	4920	4960	5083	5126
CPI inflation (% YoY)	1.7	1.9	5.5	2.6	1.6	2.9	3.2
BI Rate (%)	3.75	3.50	5.50	6.00	6.00	4.75	6.00
SBN 10Y yield (%)	5.86	6.36	6.92	6.45	6.97	6.05	7.31
USD/IDR exchange rate (average)	14,529	14,297	14,874	15,248	15,841	16,468	17,621
USD/IDR exchange rate (end of year)	14,050	14,262	15,568	15,397	16,102	16,690	18,238
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

Agus Salim Hardjodinoto
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

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