

FX Reserves:

A padded punch

07 October 2026

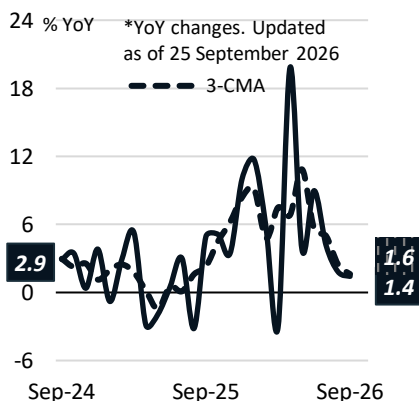
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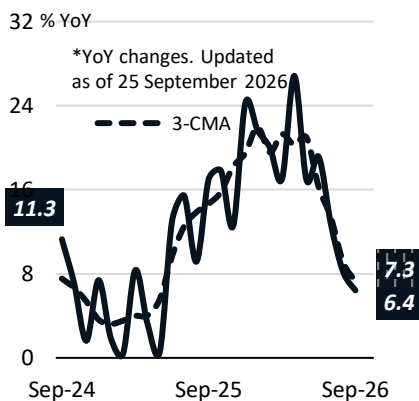
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BCA Consumer Spending Index*



BCA Business Transaction Index*



▪ **Indonesia's FX reserves declined marginally to USD 146.3 Bn in Sep-26**, from USD 146.5 Bn in August. The primary driver of this decrease were net foreign outflow from all 3 main instruments: Equities, Bonds, SRBI (-USD 1.77 Bn) as well as the maturity of Euro bonds (EUR 750 Mn), though they were partially offset from FX Swap inflow and a potential trade surplus.

▪ September has proven to be a shakier month compared to the relative calm of August in terms of policy stability. Most notably, the appointment of Suhasil Nazara as the new Minister of Finance, alongside several cabinet reshuffles involving key political figures, has added a new layer of uncertainty for investors to digest.

▪ Despite Suhasil's track record for stability, Indonesian assets continued to see outflows throughout the period, dragging the JCI down by 6.96% MoM. Combined with a strengthening DXY, the Rupiah also weakened by 0.84% over the same period. Unlike the bond market which appears more stable (+14 bps MoM), **currency intervention from BI appears more minimal.**

▪ Despite the broad-based outflows, reserves declined by only a limited USD 0.2 Bn, **which may suggest that export proceeds have remained resilient throughout the month.** This is further supported by the continued expansion in both China's manufacturing PMI (52.1) and Indonesia's domestic PMI (52.4), pointing to an improving external demand environment.

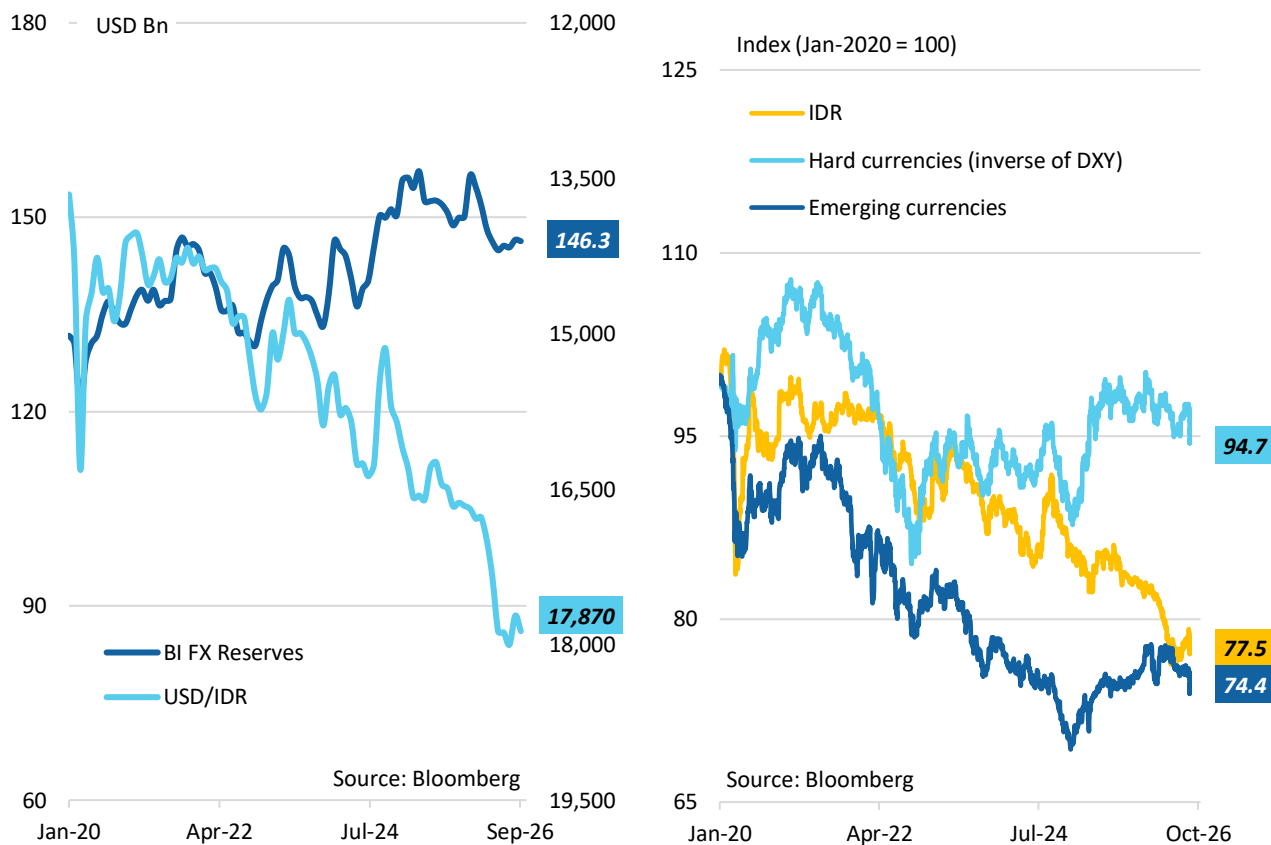
▪ In an effort to further attract inflows, BI took action during its September rate meeting. While keeping the rate on hold, BI opted to increase incentives for FX hedging instruments. Although the full impact of this measure may not yet be fully reflected in September's

figures, early signs are encouraging, with inflows into bonds (+USD 300 Mn) and SRBI (+USD 958 Mn) observed following a rise in FX swap positions (+USD 2.19 Bn) in just the first week of October.

- While these developments offer some glimmers of hope, headwinds remain firmly on the horizon. Forest fires and drought across the Kalimantan region are beginning to disrupt export activities, which could limit the potential export inflows going forward. This comes at an already difficult time, as the ongoing global rate hike cycle continues to put pressure on both foreign inflows and the Rupiah. With these challenges in mind, **we see a likelihood of another BI rate hike to provide stability**, potentially accompanied by further incentive measures attracting foreign inflow.

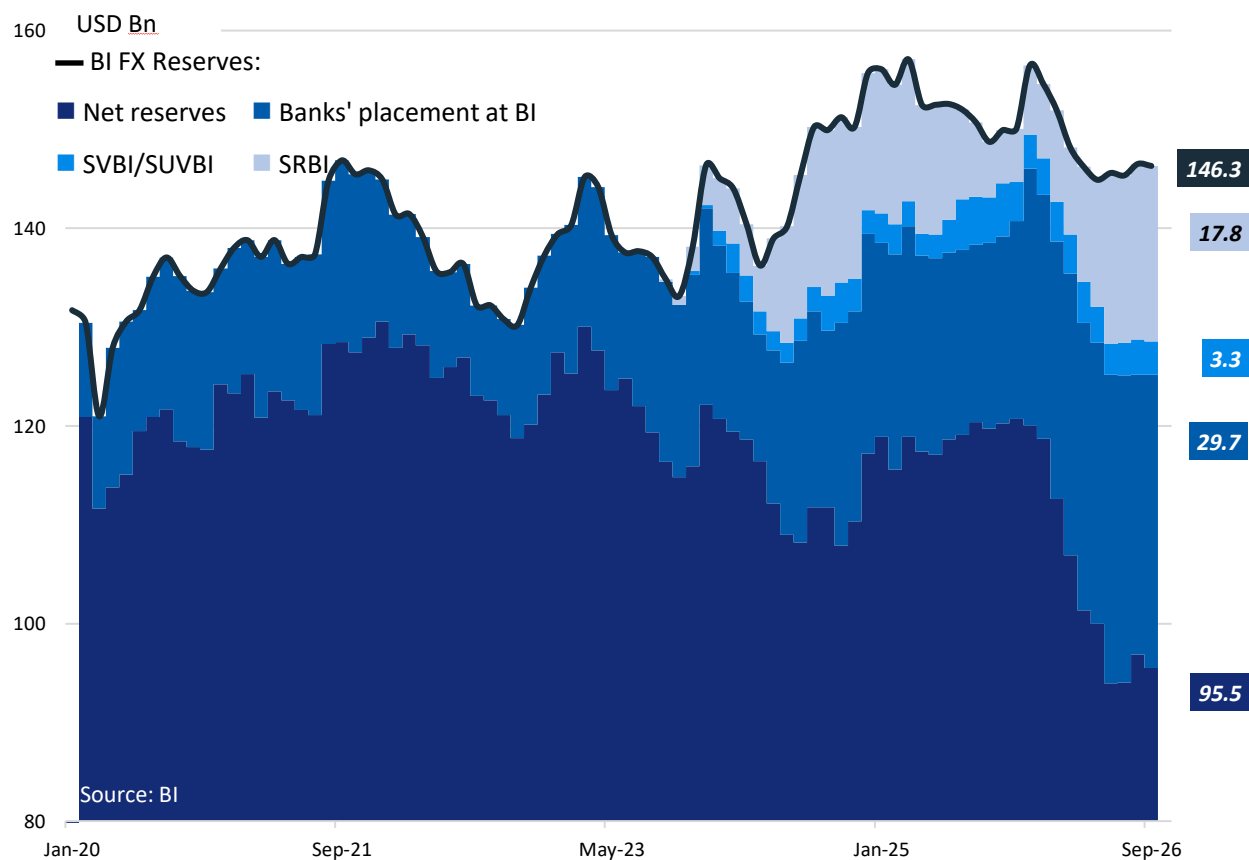
1

Rupiah continue to weakens despite minimal decline in FX reserves.



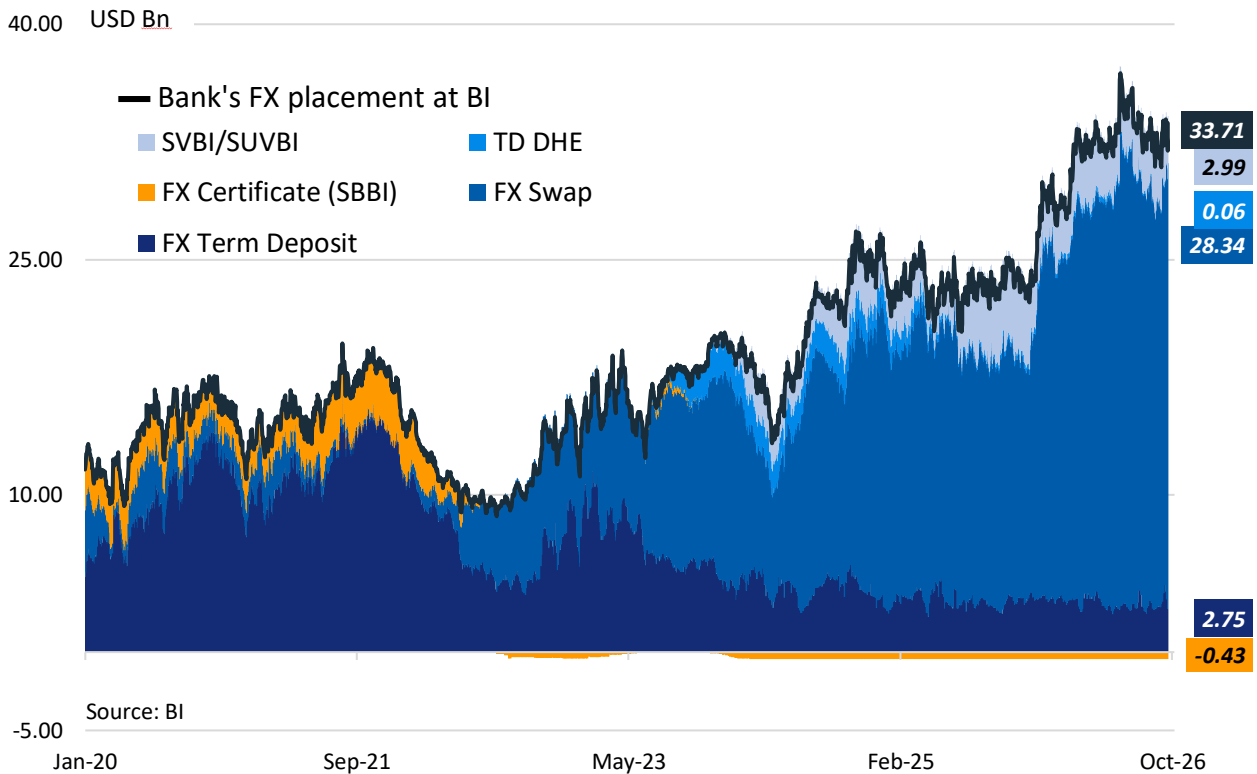
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Reserves declined following foreign outflow in both equities and bond market.



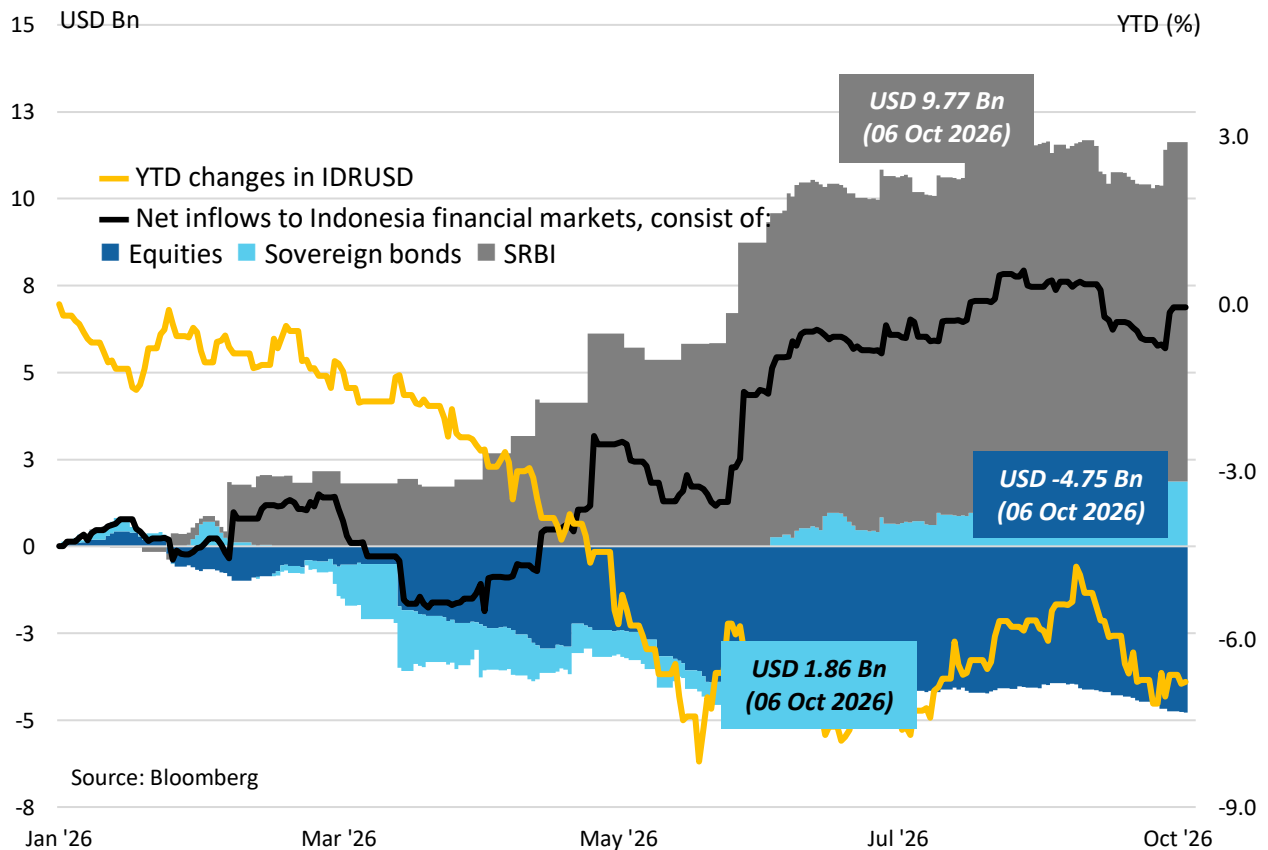
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FX swap starting to rise again following an increased swap incentive.



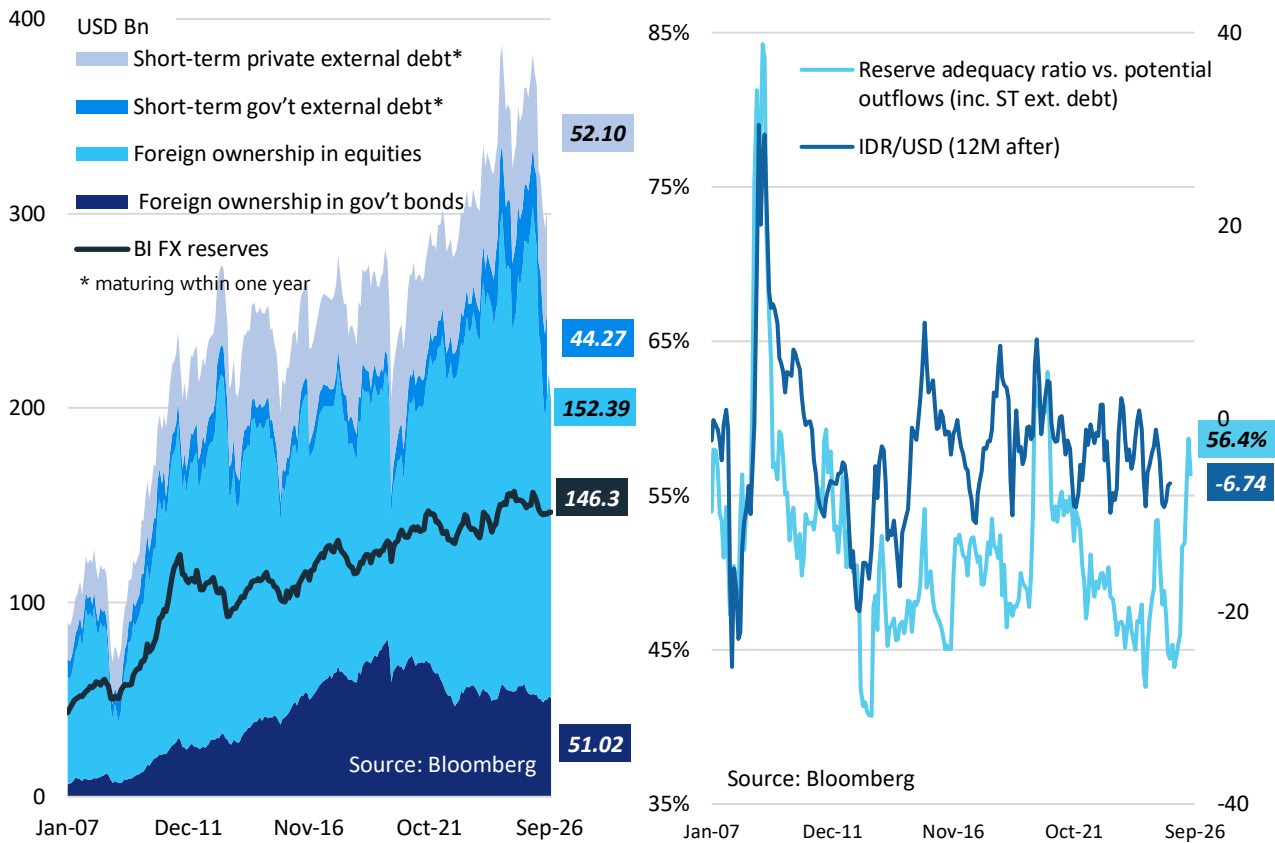
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Equities still recorded net outflows YtD, while fixed income recorded net inflows.



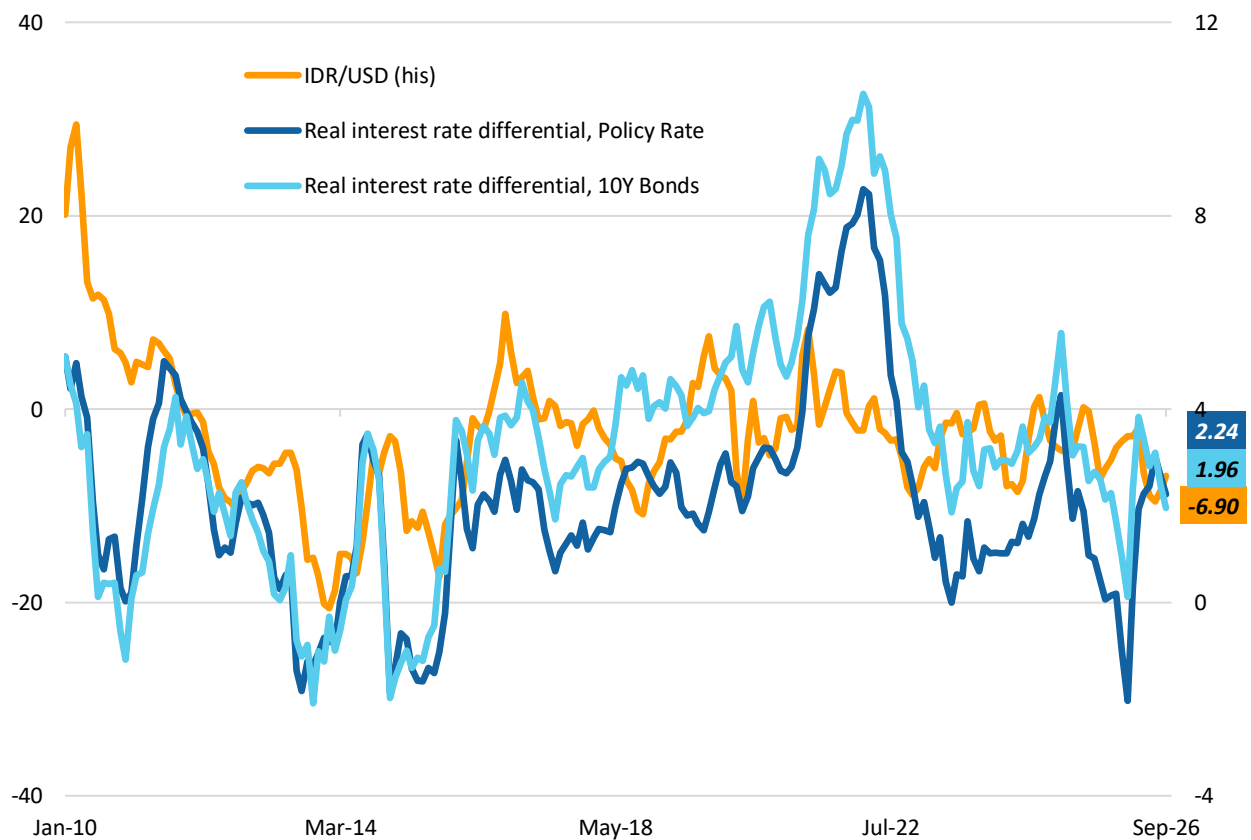
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Higher SRBI maturities in the second half may be costly for Indonesia.



6

Real interest rate differential has fallen recently due to higher inflation.



Selected Macroeconomic Indicators

Key Policy Rates	Rate (%)	Last Change	Real Rate (%)	Trade & Commodities	06-Oct	-1 mth	Chg (%)
US	4.00	Sep-26	0.60	Baltic Dry Index	3,002.0	3,628.0	-17.3
UK	3.75	Dec-25	0.65	S&P GSCI Index	730.7	735.8	-0.7
EU	2.65	Sep-26	-1.15	Oil (Brent, \$/bbl)	100.6	96.3	4.5
Japan	1.25	Sep-26	-0.65	Coal (\$/MT)	153.8	154.7	-0.6
China (lending)	2.00	Sep-24	3.55	Gas (\$/MMBtu)	3.02	2.92	3.7
Korea	3.00	Aug-26	0.10	Gold (\$/oz.)	4,164.2	4,430.0	-6.0
India	5.50	Dec-25	0.68	Copper (\$/MT)	14,482.7	14,490.2	-0.1
Indonesia	5.75	Jun-26	2.47	Nickel (\$/MT)	15,483.8	16,686.3	-7.2
Money Mkt Rates	06-Oct	-1 mth	Chg (bps)	CPO (\$/MT)	1,068.5	1,143.8	-6.6
SPN (1Y)	6.23	6.79	-55.5	Rubber (\$/kg)	2.58	2.37	8.9
SUN (10Y)	7.19	7.09	9.3	External Sector	Aug	Jul	Chg (%)
INDONIA (O/N, Rp)	5.42	5.65	-23.4	Export (\$ bn)	26.61	26.22	1.51
JIBOR 1M (Rp)	5.03	5.03	0.0	Import (\$ bn)	23.06	26.09	-11.63
Bank Rates (Rp)	Jul	Jun	Chg (bps)	Trade bal. (\$ bn)	3.55	0.12	2,814.03
Lending (WC)	8.14	8.07	7.00	Central bank reserves (\$ bn)*	146.5	145.3	0.80
Deposit 1M	5.35	4.96	39.00	Prompt Indicators	Aug	Jul	Jun
Savings	0.68	0.68	0.00	Consumer confidence index (CCI)	118.5	116.8	117.8
Currency/USD	06-Oct	-1 mth	Chg (%)	UK Pound	0.753	0.740	-1.80
UK Pound	0.753	0.740	-1.80	Euro	0.888	0.861	-3.06
Euro	0.888	0.861	-3.06	Japanese Yen	158.1	156.3	-1.16
Japanese Yen	158.1	156.3	-1.16	Chinese RMB	6.706	6.711	0.08
Chinese RMB	6.706	6.711	0.08	Indonesia Rupiah	17,900	17,637	-1.47
Indonesia Rupiah	17,900	17,637	-1.47	Capital Mkt	06-Oct	-1 mth	Chg (%)
Capital Mkt	06-Oct	-1 mth	Chg (%)	Manufacturing PMI	Sep	Aug	Chg (bps)
JCI	6,192.9	6,636.5	-6.68	USA	55.9	53.9	200
DJIA	51,521.3	53,414.3	-3.54	Eurozone	52.9	52.7	20
FTSE	10,541.7	10,831.1	-2.67	Japan	54.1	54.9	-80
Nikkei 225	70,684.0	65,020.9	8.71	China	52.1	51.5	60
Hang Seng	24,280.6	25,650.9	-5.34	Korea	53.9	52.3	160
Foreign portfolio ownership (Rp Tn)	Sep	Aug	Chg (Rp Tn)	Indonesia	52.4	49.8	260
Stock	2,723.2	2,949.5	-226.26				
Govt. Bond	907.5	907.8	-0.34				
Corp. Bond	4.3	4.8	-0.53				

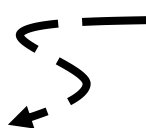
Source: Bloomberg, BI, BPS

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	5.3
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

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