Macroeconomic Monitor

February 2025

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HIGHLIGHTS

February 2025

In January 2025, the U.S. economy showed resilience, with the Manufacturing PMI rising to 51.2, signaling expansion, while the Services PMI declined to 52.9 due to post-holiday normalization. The labor market remained robust as the unemployment rate dropped to 4.0%, with 143,000 new jobs, primarily in healthcare and retail. Inflation increased to 3.0% YoY, driven by transportation costs, while housing inflation eased slightly. The Federal Reserve maintained interest rates at 4.25%-4.5%, citing inflation risks and policy uncertainties.

The Euro Area's inflation rose to 2.5% in January 2025, with energy costs rebounding, while consumer confidence saw marginal improvement despite ongoing economic uncertainty. Retail sales increased by 1.9% YoY but declined 0.2% MoM, reflecting softening demand. The region's trade surplus stood at €50.5 billion, boosted by higher goods and services exports. Meanwhile, the unemployment rate remained stable at 6.3%, with Spain reporting the highest jobless rate at 10.6%, while Germany maintained the lowest at 3.4%.

China's GDP growth reached 5.4% in Q4 2024, the fastest in over a year, supported by stimulus measures. However, domestic demand remained weak, and trade tensions with the U.S. posed risks for 2025. Inflation rose to 1.31% in January 2025, driven by soaring food prices, particularly pork, while the PPI contracted by 2.3% YoY, reflecting continued industrial weakness. The Manufacturing PMI dropped slightly to 50.1, while the Services PMI declined to 51.0, signaling a slowdown in new business growth.

Inflation fell to 0.76% in January 2025 due to lower electricity tariffs and airfare costs, while core inflation edged up to 2.36% YoY. The Manufacturing PMI climbed to 51.9, indicating expansion, while consumer confidence remained stable. Bank Indonesia cut its benchmark rate to 5.75% but held it steady in February to support the rupiah. The current account deficit widened to $8.9 billion, while foreign reserves rose to $155.7 billion, helping to stabilize the currency amid global risks.

RECENT ECONOMIC DEVELOPMENT : GLOBAL MARKET

Recent economic development : global market

United States

MANUFACTURING SECTOR

In January 2025, the U.S. Manufacturing PMI climbed to 51.20, marking a 0.8-point rise from the previous month's 49.40, signifying a shift back into expansion territory for the sector. The positive momentum stemmed from increased production activity and a steady uptick in new orders, pointing to strengthening demand. Despite these gains, uncertainties persist, particularly concerning the possible ramifications of heightened tariffs on imported raw materials, which could elevate production costs. During this period, eight industries, including textile mills, primary metals, machinery, and transportation equipment, recorded growth. Conversely, some sectors, such as miscellaneous manufacturing, wood products, and computer and electronic products, reported contractions.

SERVICES SECTOR

In January 2025, the U.S. Services PMI settled at 52.90, down from December 2024's 56.80. Although this drop might seem concerning, it largely represents a seasonal adjustment following an anomalously high reading during the holiday season. This normalization does not indicate weakening performance; rather, it reflects a return to typical operating conditions after a period of exceptional demand. Encouraging underlying metrics, including robust consumer spending and healthy employment figures, point to a resilient services sector that is likely to experience more consistent and sustainable growth in the coming months.

LABOR MARKET

In January 2025, the U.S. labor market showed signs of resilience as the unemployment rate declined to 4.0% from 4.1% in the previous month, reaching its lowest level since May 2024. The economy saw an increase of approximately 143,000 nonfarm payroll jobs, with the most significant employment gains occurring in healthcare, retail trade, and social assistance, contributing 44,000, 34,000, and 22,000 jobs, respectively. However, the mining sector faced a downturn, losing around 8,000 jobs. Average hourly earnings rose by 0.5% compared to the previous month, marking a 4.1% year-over-year increase, reflecting continued wage growth. Despite this, job creation fell short of economists' projections, which anticipated around 170,000 to 175,000 new positions, suggesting a potential slowdown in employment growth. Additionally, policy measures such as stricter immigration regulations and broad tariffs on imported goods have created uncertainty, which may influence job market dynamics and inflation. Given these factors, the Federal Reserve remains cautious about future interest rate cuts, emphasizing the need to monitor inflation trends closely. While the labor market remains strong, these evolving economic conditions could introduce challenges in the months ahead.

The U.S. Manufacturing PMI rose to **51.2**, unemployment fell to **4.0%,** and inflation hit **3.0%.** The Fed held rates at **4.25%-4.5%,** citing inflation risks.

INFLATION

In January 2025, the U.S. experienced a third consecutive monthly increase in its annual inflation rate, reaching 3.0% year-over-year, up from 2.9% in December 2024. This rise was influenced by various sector-specific price changes. The transportation sector saw a significant uptick, with prices increasing by 3.16% in January 2025, a notable rise from the 1.61% observed in December 2024, largely due to higher gasoline costs. Conversely, the housing sector experienced a slight deceleration, with inflation at 3.86% in January 2025, down from 4.07% in the previous month. Similarly, the clothing and footwear category saw a decrease in inflation, recording a 0.40% increase in January 2025 compared to 1.24% in December 2024. The medical care sector also experienced a modest decline, with inflation at 2.64% in January 2025, down from 2.84% in December 2024. In contrast, the recreation sector witnessed an increase, with prices rising by 1.64% in January 2025, up from 1.12% in December 2024. The education and communication category saw a slight decrease, with inflation at 0.49% in January 2025, down from 0.61% in December 2024. These fluctuations across sectors can be attributed to a combination of factors, including residual seasonality affecting price adjustments, as businesses have increased prices more in January than traditionally observed. Additionally, policy measures such as tariffs on imported goods have contributed to price increases in certain categories, notably transportation.

RETAIL SALES

In January 2025, U.S. retail sales experienced a year-over-year growth of 4.2%, slightly down from the 4.36% increase observed in December 2024. This deceleration can be attributed to several factors affecting various sectors. The motor vehicles and parts dealers sector saw a growth of 6.38% in January 2025, a decrease from the 8.29% rise in December, likely due to consumers pulling back after strong year-end vehicle purchases and the impact of severe winter weather deterring dealership visits. The furniture industry experienced a significant slowdown, with sales increasing by only 2.19% in January 2025 compared to 6.81% in December 2024, possibly reflecting a post-holiday reduction in big-ticket household spending. Conversely, the building materials sector reported a modest uptick, with sales rising by 0.70% in January 2025 following a 0.22% decline in December 2024, potentially driven by early-year home improvement projects. Electronics and appliance stores faced a sharp decline, with sales stagnating at 0.01% in January 2025 after a 5.54% increase in December 2024, suggesting that holiday-driven electronics purchases were not sustained into the new year. The food and beverage sector saw a slight improvement, with sales growth of 3.78% in January 2025 up from 3.50% in December 2024, indicating steady consumer demand for essentials. Health and personal care stores experienced an increase in sales growth to 4.85% in January 2025 from 4.27% in

December 2024, possibly due to heightened health awareness during the winter season. Gasoline stations reported a rebound, with sales rising by 2.05% in January 2025 after a 0.63% decline in December 2024, likely influenced by fluctuating fuel prices. Meanwhile, clothing and clothing accessories stores saw a decrease in sales growth to 1.42% in January 2025 from 2.59% in December 2024, which may be attributed to consumers curbing discretionary spending post-holidays. Overall, the mixed performance across retail sectors reflects a combination of seasonal factors, weather-related disruptions, and shifting consumer spending pattern.

THE FEDERAL OPEN MARKET COMMITTEE (FOMC) MINUTES

As of February 2025, the Federal Reserve remains cautious in its monetary policy approach amid persistent inflation concerns and policy uncertainties. During the January 28-29 FOMC meeting, officials decided to maintain the federal funds rate at 4.25%-4.5%, following a series of rate cuts in late 2024. This decision reflects the Fed's intent to evaluate economic conditions before making further adjustments. The December 2024 FOMC minutes revealed growing concerns over inflation risks, partly due to stronger-than-expected price pressures and anticipated shifts in trade and immigration policies under the Trump administration. Some officials indicated that the disinflation trend might have temporarily stalled, reinforcing the need for a measured policy response. In a press conference, Fed Chair Jerome Powell emphasized that premature policy easing could jeopardize inflation control, pointing to uncertainties around fiscal decisions, tariffs, and labor market dynamics. The Fed remains committed to balancing its dual mandate of price stability and maximum employment, carefully monitoring economic data and global trends to determine future policy actions.

Euro Zone

UNEMPLOYMENT RATE

In December 2024, the unemployment rate in the Euro Area remained unchanged at 6.3%. Among the major economies of the Euro Area, Spain reported the highest unemployment rate at 10.6%, followed by France at 7.8% and Italy at 6.2%. Germany, by contrast, recorded the lowest rate at 3.4%.

CONSUMER CONFIDENCE INDEX

In January 2025, consumer confidence in the Euro Area increased by 0.3 points from the previous month to -14.2. Consumers' expectations about the general economic situation in their country improved slightly. Despite this increase, the index remained below the long-term average. By contrast, perceptions of households' financial situation, both past and future, as well as intentions to make major purchases, remained broadly unchanged. A general upward trend in consumer confidence was observed across European countries, with Luxembourg (5 points) and France (3.7 points) experiencing the largest increases.

RETAIL SALES

Comparing January 2025 to the same month in the previous year, retail sales in the Euro Area increased by 1.9% (yoy). On a MoM basis, retail sales in the Eurozone contracted by 0.2% in January, marking a decline from the previous reading, which initially showed no change (0%) in December but was later revised down from a 0.1% increase.

INFLATION

For the fourth consecutive month, the Euro Area's annual inflation rate increased, reaching 2.5% in

January 2025, up from 2.4% in December 2024. Among the main components, services recorded the highest annual inflation rate at 3.9% (compared with 4.0% in December), followed by food, alcohol & tobacco at 2.3% (down from 2.6%), energy at 1.8% (up from 0.1%), and non-energy industrial goods, which remained stable at 0.5%. The latest inflation data follows recent consumer price index reports from key Eurozone economies, with annual inflation at 1.8% in France and 2.8% in Germany, according to preliminary figures from national statistics agencies.

CURRENT ACCOUNT

In December 2024, the Euro Area's current account surplus expanded to €50.5 billion, up from €39.7 billion in the same month a year earlier. The increase was driven by a higher goods surplus, which rose to €35.6 billion from €30.7 billion, alongside a significant expansion in the services surplus to €12.5 billion from €6.7 billion. Additionally, the primary income surplus increased to €19.4 billion from €16.9 billion. However, the secondary income deficit widened to €17 billion from €14.5 billion, partially offsetting the gains. On a seasonally adjusted basis, the current account surplus rose to €38.4 billion in December from €25 billion in November, exceeding market expectations of €30.2 billion.

China

GROSS DOMESTIC PRODUCT (GDP)

In the first two months of 2025, key economic indicators in China provided insights into the potential trajectory of GDP growth for the first quarter. Passenger vehicle retail sales in January recorded a 12.1% YoY decline, totaling 1.794 million units, largely impacted by the timing of the Lunar New Year holiday and last year's high sales base. To counteract slowing consumer demand, the government expanded its trade-in program, injecting an additional 81 billion yuan to encourage purchases of home appliances and digital devices. Furthermore, authorities announced a significant increase in the fiscal deficit for 2025, signaling a commitment to strengthening economic recovery through proactive fiscal policies. These measures highlight a dual approach of stimulating short-term consumer activity while ensuring broader economic stability in the long run.

INFLATION

In January 2025, China's consumer inflation rose to 1.31% YoY, up from 0.40% in December 2024, reflecting the strongest price growth in several months. A key driver of this surge was food prices, particularly within the food, tobacco, and liquor category, where food inflation soared to 6.70% Januart 2025 compared to 3.32% in the previous month. The increase was primarily attributed to rising pork prices, which jumped by 13.8%, alongside higher costs for fresh vegetables and dairy products. The Lunar New Year season significantly contributed to the uptick, as holiday demand drove up prices for travel and tourism-related services, with airline tickets and accommodation seeing notable price hikes. Meanwhile, producer prices remained under pressure, as the Producer Price Index (PPI) contracted by 2.3% year-over-year, marking the 28th straight month of factory gate deflation. This persistent decline signals ongoing weakness in the industrial sector, exacerbated by global trade concerns and tariff-related uncertainties. Looking ahead, economic analysts suggest that inflation trends will be closely monitored, with expectations of potential policy measures to manage price stability while supporting economic growth.

MANUFACTURING AND SERVICES SECTOR

In January 2025, China's manufacturing sector experienced a deceleration, with the Caixin Manufacturing Purchasing Managers' Index (PMI) declining to 50.1 from December's 50.5, indicating a marginal expansion. This slowdown was influenced by a reduction in staffing levels, which fell at the fastest rate in nearly five years, partly due to trade uncertainties and the earlier-than-usual Lunar New Year holiday. Concurrently, the services sector saw a decrease in activity, as the Caixin Services PMI dropped to 51.0 in January from 52.2 in December, reflecting a modest expansion. The decline in services activity was attributed to a slowdown in new business growth and a reduction in employment, influenced by the holiday period and rising competition.

China's GDP faced pressure as vehicle sales **fell 12.1%** YoY. Inflation rose to **1.31%,** while PPI fell **2.3%.** Manufacturing and Services PMIs declined, **signaling slower growth**.

RECENT ECONOMIC DEVELOPMENT : DOMESTIC MARKET

Recent economic development : domestic market

ECONOMIC GROWTH

To support growth, Bank Indonesia cut its benchmark rate to 5.75%, while the government increased spending by 6% on social programs, aiming for 8% growth. However, the current account deficit widened to $8.9 billion, and the middle class shrank to 47.9 million, impacting consumption and tax revenues. To counter these challenges, Indonesia launched Danantara Indonesia, a $20 billion sovereign wealth fund targeting investments in metal processing, AI, and renewables. While fiscal and monetary policies remain supportive, external trade uncertainties and financial pressures pose ongoing risks.

INFLATION

In January 2025, Indonesia's annual inflation rate decreased to 0.76% from 1.57% in December 2024, marking the lowest level since March 2000. This decline was largely due to a 50% reduction in electricity tariffs and lower airfares, as the government extended electricity discounts to bolster consumer purchasing power. Despite the overall decrease, core inflation, which excludes volatile items, edged up to 2.36% YoY. Bank Indonesia has set an inflation target range of 1.5% to 3.5% for 2025 and 2026. The planned 1-percentage-point increase in the value-added tax has been scaled back and will now apply only to luxury goods this year. Analysts project that inflation will remain within the central bank's target range, with expectations of a 2.7% annual rate by the end of 2025.

Inflation fell to **0.76%** in January 2025, while BI cut rates to **5.75%** to support growth. The trade surplus narrowed to $2.24B, and the current account deficit widened to $8.9B. Foreign reserves hit $155.7B, stabilizing the rupiah amid global risks.

WHOLESALE PRICE INDEX (WPI)

In January 2025, Indonesia's National Wholesale Price Index (WPI) increased by 2.11% YoY, up from the 1.98% rise observed in December 2024. This acceleration was primarily driven by the Food Products, Beverages, and Tobacco; Textiles, Apparel, and Leather Products sector, which experienced a 2.78% increase. Key contributors to this growth included higher prices for commodities such as oil palms, cooking oils, filtered clove cigarettes, printing machines, and cacao beans. Additionally, the WPI for Construction Materials rose by 0.87% YoY in January 2025, influenced by price hikes in cement, asphalt, galvanized wire for gabions, log timber, and aluminum roofing. These developments reflect ongoing adjustments in the supply chain and market demand across various sectors.

PURCHASING MANAGER INDEX (PMI)

In January 2025, Indonesia’s Manufacturing PMI climbed to 51.9 from 51.2 in December, marking its strongest level in eight months as production and new orders continued to expand. The Philippines recorded the highest PMI in ASEAN at 52.3, though growth slowed compared to the previous month. Meanwhile, Thailand (49.6), Vietnam (48.9), and Malaysia (48.7) remained in contraction, reflecting weaker external demand. Myanmar saw a notable drop to 47.4 from 50.4, indicating a further decline in manufacturing activity. Across the region, the ASEAN manufacturing sector saw marginal growth, with the overall PMI at 50.4, supported by stable production despite cost pressures from a stronger U.S. dollar and ongoing global trade challenges. Businesses remain cautiously optimistic as they navigate shifting trade policies and economic uncertainties.

CONSUMER CONFIDENCE INDEX

In January 2025, Indonesia's Consumer Confidence Index (CCI) experienced a slight decline to 127.2 from 127.7 in December 2024, indicating a moderate dip in consumer sentiment. This decrease was primarily influenced by a drop in the Present Situation Index (PSI), which fell from 116.0 to 113.5, reflecting a more cautious outlook on current economic conditions. In contrast, consumer expectations for the future improved, as the Consumer Expectation Index (CEI) increased to 140.8 from 139.5 in the previous month, suggesting optimism regarding future economic prospects. Despite the slight decline in overall confidence, the sustained strength in expectations indicates that consumers remain hopeful about economic stability and growth in the coming months

RETAIL SALES INDEX

In January 2025, Indonesia's Retail Sales Index (RSI) experienced a slight decline to 211.28 from 221.99 in December 2024, reflecting a 4.8% MoM decrease. This downturn followed a seasonal surge in December, attributed to heightened consumer spending during the Christmas and New Year holidays. Despite the monthly decline, YoY retail sales grew by 0.6%, indicating sustained consumer demand. The automotive sector, encompassing car spare parts and accessories, saw a 4.1% monthly decrease, with the RSI falling to 131.54 from 137.21. Similarly, the food, drinks, and tobacco category experienced a 4.9% decline, with the RSI dropping to 291.03 from 305.90. Other sectors, such as fuels and household appliances, also reported modest decreases. These fluctuations are consistent with typical post-holiday adjustments in consumer spending patterns. Looking ahead, Bank Indonesia maintains an optimistic outlook for retail sales in the coming months, supported by stable consumer confidence and favorable economic conditions. However, potential challenges, including global economic uncertainties and domestic policy changes, may influence consumer behavior and retail performance. Continuous monitoring of these factors will be essential for stakeholders in the retail industry.

FISCAL POLICY

In early 2025, Indonesia limited its VAT hike to luxury goods, keeping the general rate at 11% to ease the burden on lower-income groups. The government also launched a 71 trillion rupiah ($4.3 billion) Free Nutritious Meal program to combat malnutrition while maintaining fiscal discipline with a projected

2.53% deficit and a 40% debt-to-GDP ratio. These measures aim to balance economic stimulus with financial stability.

STATE BUDGET

In 2025, Indonesia's state budget deficit is projected at Rp 616.2 trillion (2.53% of GDP), with total revenue at Rp 3,005.1 trillion and expenditures reaching Rp 3,621.3 trillion. To improve fiscal efficiency, President Prabowo has ordered a Rp 306.7 trillion spending cut, targeting non-essential expenses. Despite this, key programs like the Rp 71 trillion Free Nutritious Meals initiative remain a priority, though many warn of potential cost overruns.

TAX REVENUE

As of December 31, 2024, tax revenue reached Rp 1,932.4 trillion, exceeding the target by 100.5% and growing 3.5% year-on-year. Of this, 47.89% came from income tax, which grew by 0.01% this year. This figure is projected to rise further with the implementation of the core tax effective system starting in January 2025. The most significant growth occurred in international taxes, particularly export tax, which increased by 15% year-on-year. Domestically, the highest growth was seen in Luxury Goods Tax (LGT), which rose by 7.28% year-on-year. In customs and excise, revenue for 2024 totaled Rp 300.2 trillion, or 101.3% of the target, growing 3.9% year-on-year. This increase was mainly driven by the phenomenon of downward trend.

TRADE BALANCE

Indonesia closed 2024 with an international trade surplus of $2.24 billion, driven by a 4.78% year-on-year (Y-o-Y) increase in exports in December, mainly from oil and gas commodities. This surplus was the third smallest of the year, following February and July. The decline in the trade surplus was attributed to a 11.07% Y-o-Y rise in imports, linked to seasonal effects such as higher demand for raw materials to support manufacturing production, reflected in the increase in the Purchasing Managers' Index (PMI) during the same period. Non-oil and gas imports rose by 13.72% Y-o-Y. Looking into 2025, there are concerns that the trade gap may widen due to increased domestic consumption during the Chinese New Year.

MONETARY POLICY

In January 2025, Bank Indonesia (BI) cut its benchmark interest rate by 25 basis points to 5.75% to support economic growth amid global uncertainties. However, in February, BI held rates steady, citing the need to maintain rupiah stability as external risks remained high. Governor Perry Warjiyo signaled the possibility of further cuts, but only if economic conditions allow. The rupiah has faced depreciation pressures due to a strong U.S. dollar and ongoing global trade tensions, prompting BI to intervene in the market and implement liquidity-enhancing measures, including relaxed bank reserve requirements for lending to priority sectors. Analysts warn that a widening current account deficit, projected between 0.5% and 1.3% of GDP in 2025, could limit BI's ability to cut rates further.

POSITION OF MONETARY OPERATION

As of February 2025, Bank Indonesia (BI) continues to enhance its pro-market monetary strategy to improve policy transmission, maintain rupiah stability, and achieve its inflation target. This approach includes deepening money and foreign exchange markets while attracting foreign capital inflows. The outstanding amounts for SRBI, SVBI, and SUVBI stood at Rp 892.90 trillion, USD 3.03

billion, and USD 587 million, respectively, with non-resident holdings of SRBI reaching Rp 225.35 trillion (25.24%), contributing to rupiah strength. Since the implementation of Primary Dealers (PD) in May 2024, secondary market transactions and repo agreements have increased, reinforcing the effectiveness of monetary instruments. Additionally, BI purchased Rp 32.46 trillion in SBN this year, consisting of Rp 19.46 trillion from the secondary market and Rp 12.99 trillion from the primary market, aligning monetary policy with fiscal strategies. Moving forward, BI remains committed to optimizing its operations to support economic stability and market liquidity

FOREIGN EXCHANGE RESERVES

Indonesia's December 2024 foreign exchange reserves reached USD 155.7 bn record high, rising significantly from USD 150.2 bn in the previous month, equivalent to financing 6.7 months of imports or 6.5 months of imports and payment of government foreign debt, and is above the international adequacy standard of about three months of imports. The reserves were supported by withdrawal of government foreign loans, and receipt of oil and gas foreign exchange, amid the policy of stabilizing the rupiah exchange rate in line with increasing uncertainty in the global financial market. Looking ahead to 2025, these reserves are expected to play a critical role in stabilizing the rupiah amid global uncertainties, including potential dollar strength and external economic risks, ensuring Indonesia's capacity to manage currency volatility effectively.

IFG Progress Sectoral Healthiness Index (IPSHI)

During Q4 2024, most sectors exhibited notable improvements in financial health, supported by stronger GDP growth, a rebound in economic activity, and increased industry-wide demand. However, the agriculture sector remains in a moderately healthy state, as its steady yet slow growth continues to face structural challenges. One of the key concerns is the persistently high level of non-performing loans (NPLs) at the grassroots level, which constrains the sector's financial resilience and expansion capacity. In contrast, other sectors have benefited from seasonal demand fluctuations. The transportation sector, for instance, experienced a surge in activity due to increased holiday travel and higher logistics demand. However, this growth remains cyclical, highlighting the potential volatility of long-term performance. Meanwhile, the mining sector recorded a substantial improvement in financial health, primarily driven by increased credit allocation that has supported operational expansion initiatives. The sector's growing financing needs reflect sustained investments in infrastructure, equipment, and exploration, reinforcing strong credit demand to fuel continued industry development.

EXHIBITS

EXHIBIT 1 • INDONESIA MACROECONOMICS INDICATOR

		2024												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan
Real														
CPI Inflation*	% YoY	2.57	2.75	3.05	3	2.84	2.51	2.13	2.12	1.84	1.71	1.55	1.57	0.8
Core Inflation*	% YoY	1.68	1.68	1.77	1.82	1.93	1.9	1.95	2.02	2.09	2.21	2.26	2.26	2.4
Manufacturing PMI*	Level	52.9	52.7	54.2	52.9	52.1	50.7	49.3	48.9	49.2	49.2	49.6	51.2	52
External														
Exports*	% YoY	-8.06	-9.45	-4.19	1.72	2.86	1.17	6.46	7.13	6.44	10.25	9.14	4.78	4.7
Imports*	% YoY	0.36	15.84	-12.76	4.62	-8.83	7.58	11.07	9.46	8.55	17.49	0.01	11.07	-2.7
Foreign Reserves*	USD bn	131	130	126	121	124	125	130	135	134	135	135.1	140	140
Monetary and Fiscal														
Money Supply (M2) *	% YoY	5.44	5.29	7.21	6.87	7.59	7.67	7.59	7.28	7.15	6.7	6.5	4.35	5.9
Deposit*	% YoY	6.69	6.33	8.47	8.75	6.41	4.81	5.83	4.7	4.87	4.27	1.9	2.56	
Commercial Banking Credit*	% YoY	11.83	11.28	12.40	13.09	12.15	12.36	12.40	11.40	10.85	10.9	11		
Fiscal Surplus/Deficit*	% GDP			-2.2			-2.6			-2.7			-2.29	

Source: *CEIC,
**Bloomberg

EXHIBIT 2 • EXCHANGE RATE

Exhibit 2.1 Difference of Spot and Forward IDR

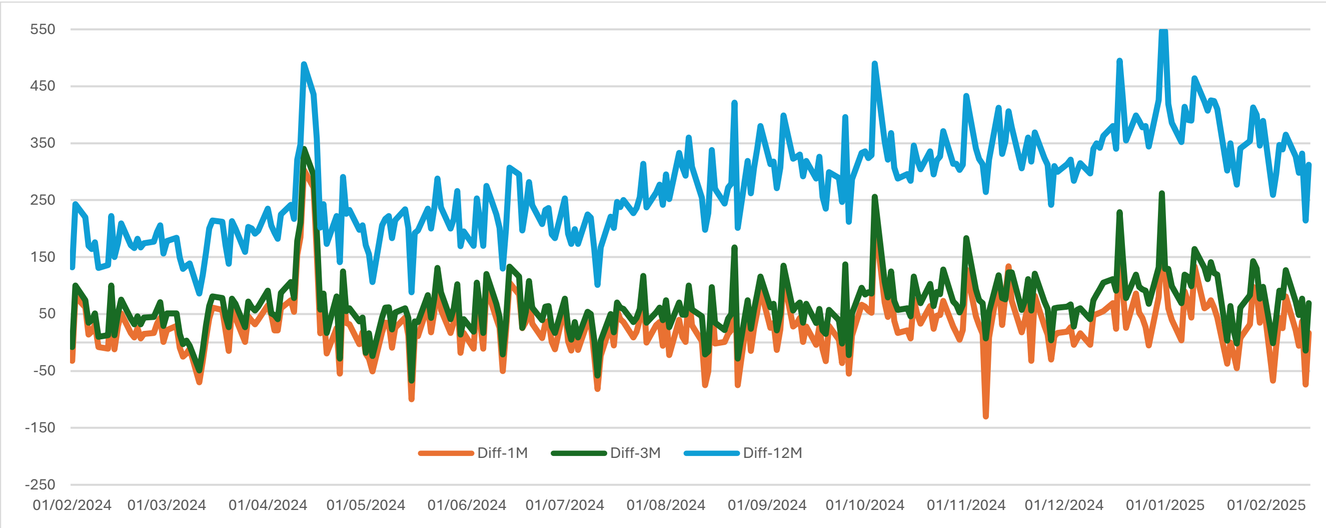

Exhibit 2.2 BI-Rate & Exchange Rate (IDR/USD)

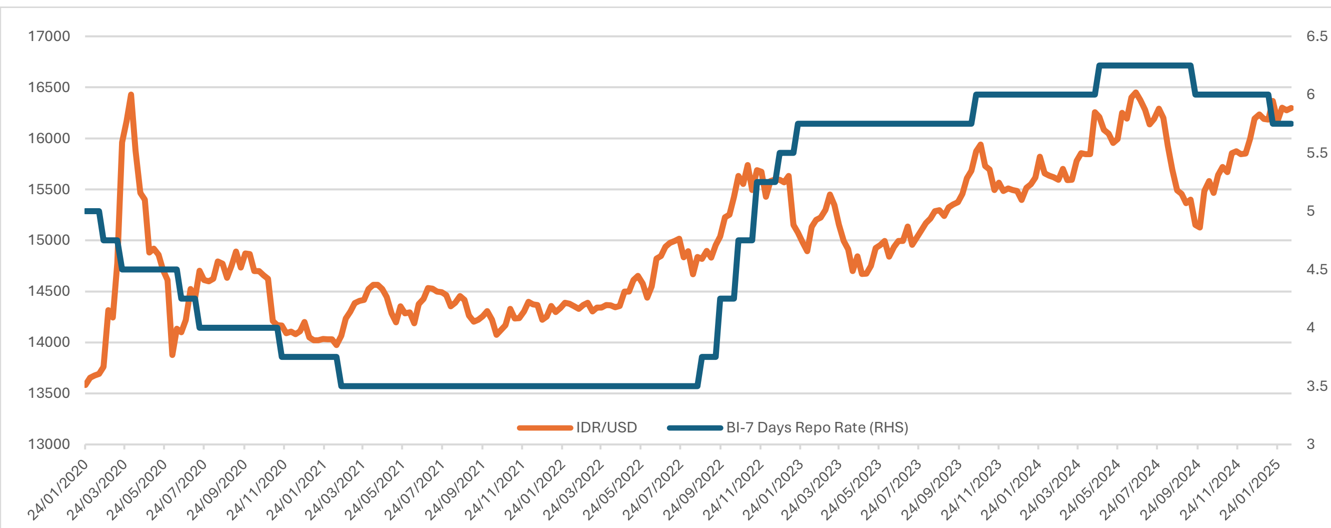

Exhibit 2.3 EM's Exchange Rate Against USD

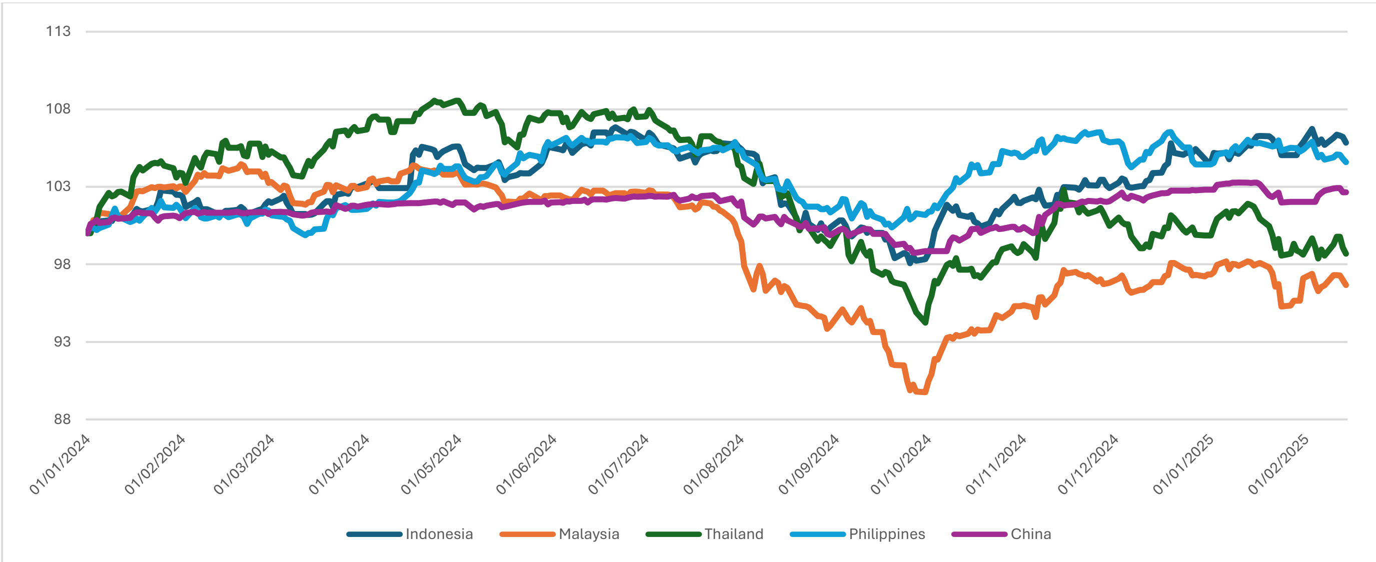

EXHIBIT 3 • INDONESIA'S LIQUIDITY

Exhibit 3.1 JIBOR 1 & 3 M and BI-Rate

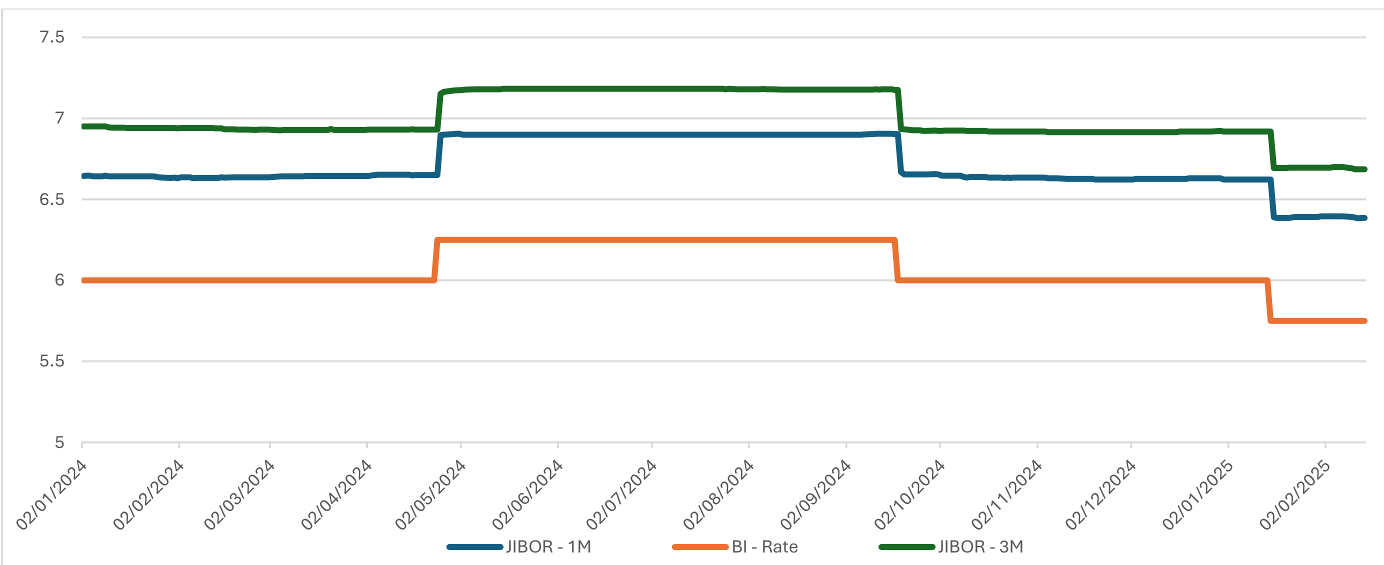

Exhibit 3.2 Monetary Operations of BI

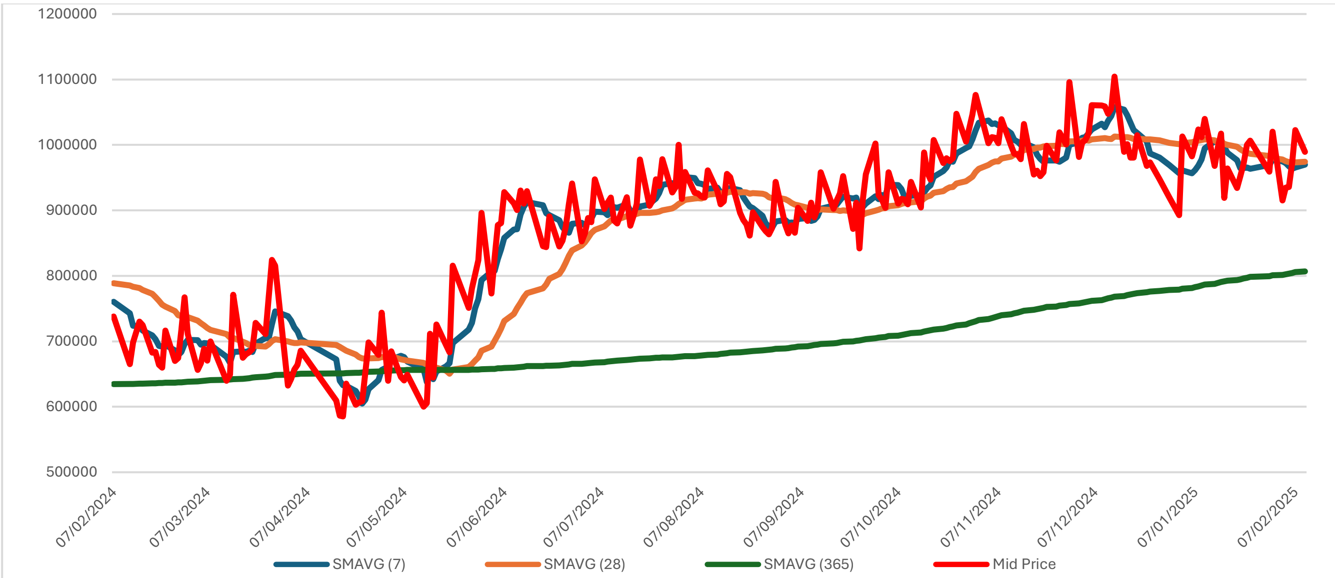

Exhibit 3.3 Indonesia's Net International Reserves USD

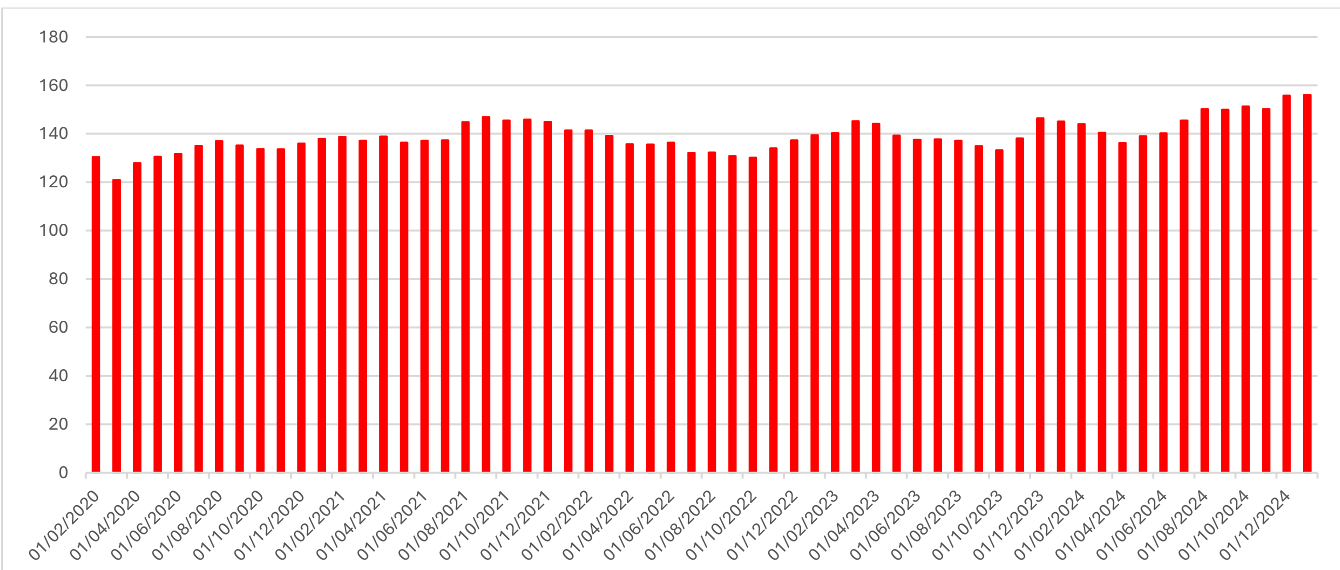

EXHIBIT 4 • FINANCIAL MARKET

Exhibit 4.1 Stock Market Index

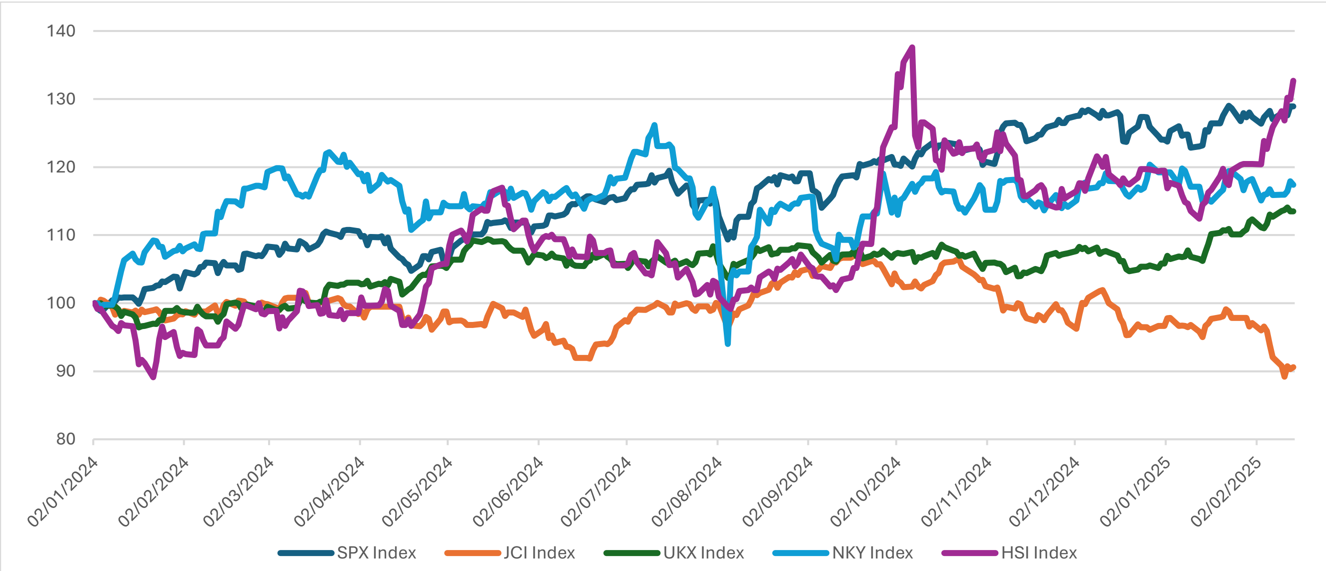

Exhibit 4.2 Indonesia Bond Yield Curve

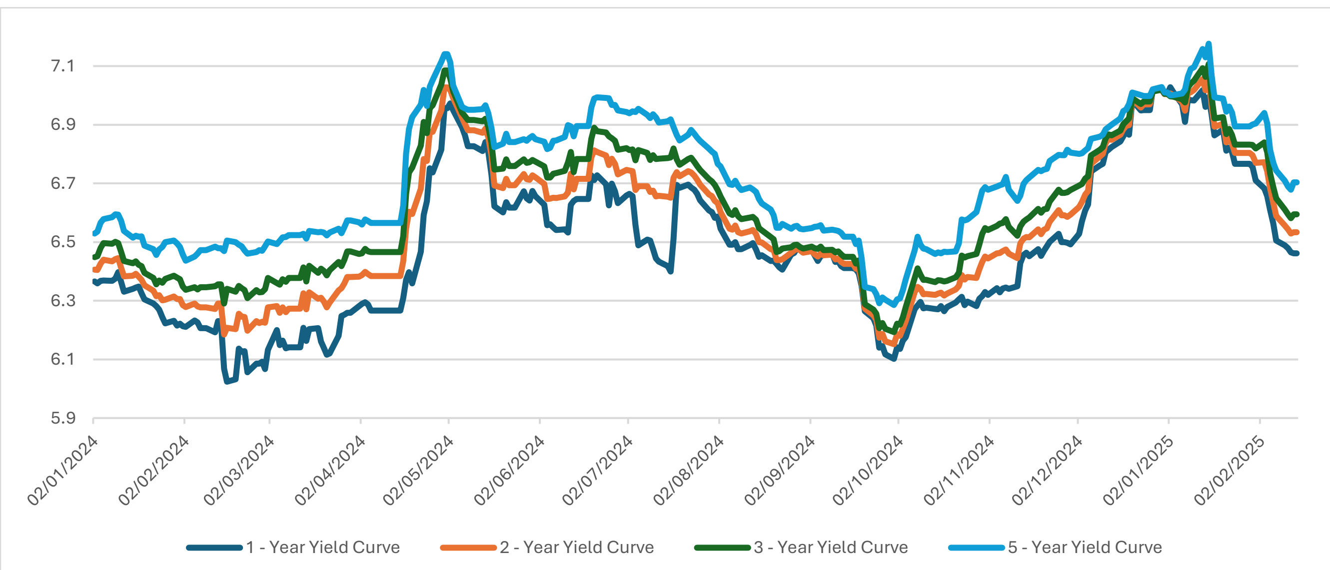

Exhibit 4.3 Indonesia Stock Market & Survivor

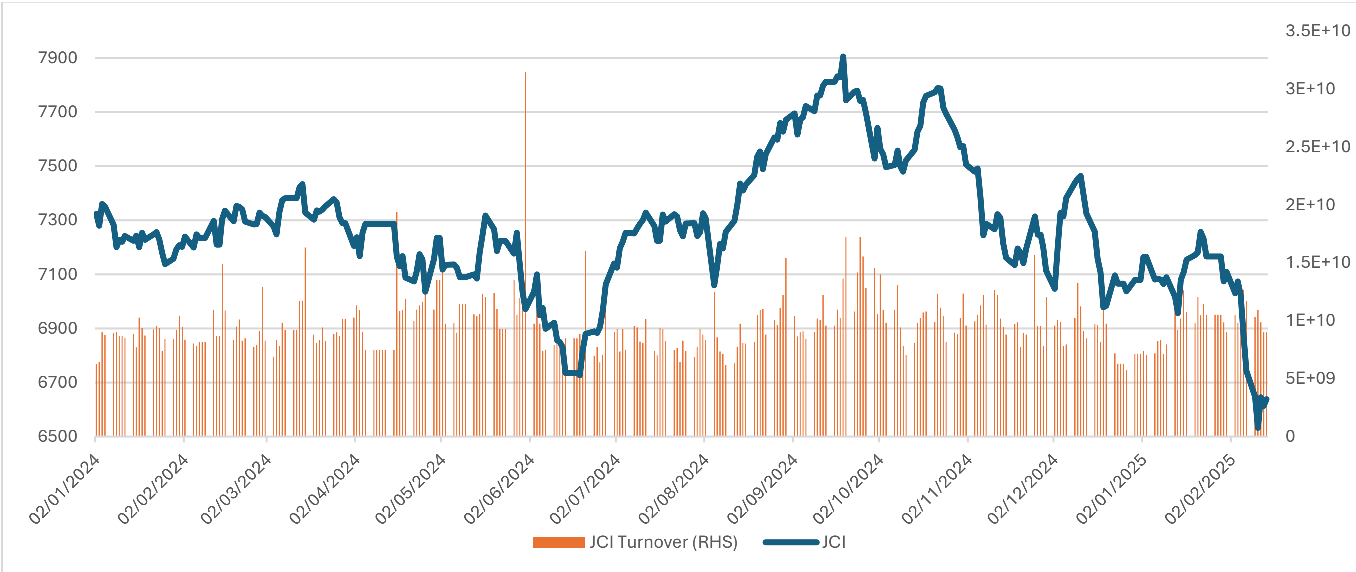

Exhibit 4.4 Indonesia CDS & Government Bond 5Y

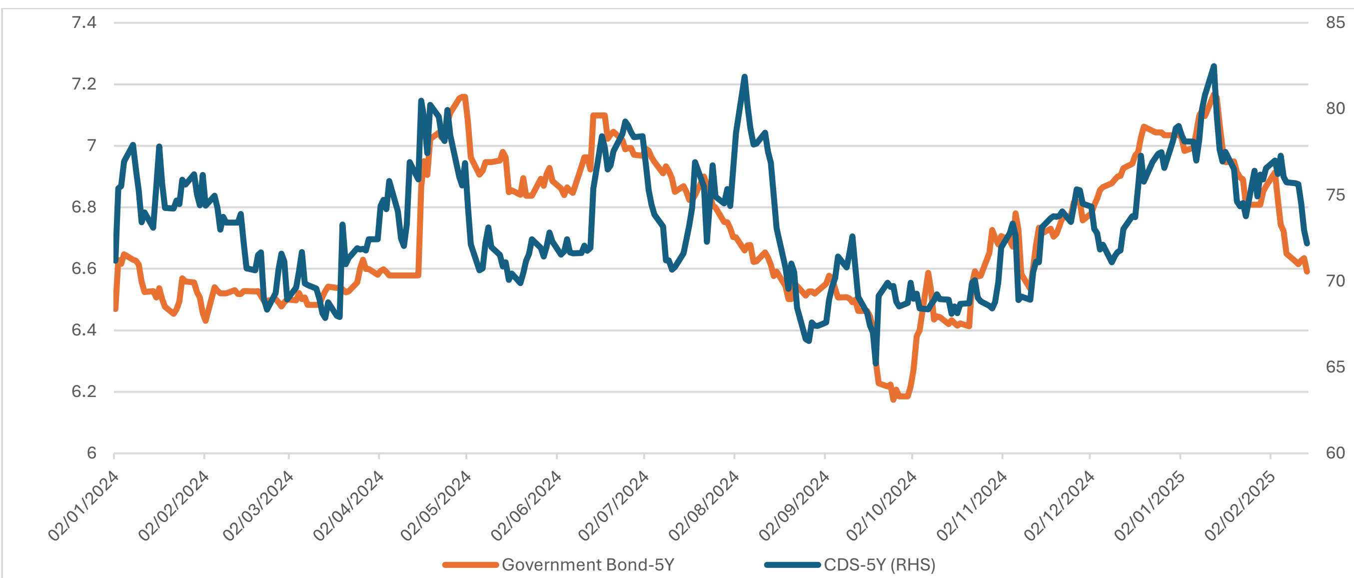

EXHIBIT 5 • Heatmap of IFG Progress Sectoral Healthiness Index (IPSHI) (2022 Q1 = 100)

Sectors	2022q2	2022q3	2022q4	2023q1	2023q2	2023q3	2023q4	2024q1	2024q2	2024q3	2024q4
Agriculture	62	61	54	60	69	62	49	59	71	63	61
Accommodation and Restaurant	63	57	65	64	73	68	74	79	71	76	79
Manufacturing	61	64	66	66	65	72	72	73	76	76	81
Health	68	69	65	70	73	64	66	69	71	69	90
Financial services	98	64	82	74	106	94	62	98	99	99	121
Education	48	46	67	59	78	78	65	60	64	62	82
Construction	65	53	72	62	59	66	65	61	69	72	85
Electricity and Gas	53	60	59	61	67	65	66	71	74	71	83
Trade	65	62	54	66	68	78	66	80	88	88	89
Mining and Quarrying	63	64	73	67	72	76	83	83	84	87	106
Property	58	61	64	64	64	62	66	62	67	66	72
Transportations and Communications	55	58	62	62	69	69	71	74	74	81	90

Source: CEIC, OJK, Central Bank of Indonesia, IFG Progress Analysis

FOOTNOTES AND REFERENCES

All of data sources: CEIC, Bloomberg, BI, and Various source

The conversion rate from US dollars to the local currency unit is shown by the exchange rates that are used, which stated as USD/LCU

The stock market indexes being taken into account are the S&P 500 (US), Jakarta Composite Index (JCI), FTSE 100 (UKX), Nikkei 225 (NKKY), and Hang Seng Index (HIS) which serve as regional benchmarks.

Ten-year US Treasury bill yield differential and Indonesian Government Bond denominated in USD serve as a proxy for Indonesia's sovereign risk.

The oil prices listed are based on the NYMEX current month futures price.

The natural gas prices listed are based on the NYMEX current month futures price.

The coal prices listed are based on the ICE Newcastle current month futures price.

A higher turnover index in the stock market typically indicates a higher level of trading activity.

IFG
INDONESIA FINANCIAL GROUP

Indonesia Financial Group (IFG)

Indonesia Financial Group (IFG) adalah BUMN Holding Perasuransian dan Penjaminan yang beranggotakan PT Asuransi Kerugian Jasa Raharja, PT Jaminan Kredit Indonesia (Jamkrindo), PT Asuransi Kredit Indonesia (Askrindo), PT Jasa Asuransi Indonesia (Jasindo), PT Bahana Sekuritas, PT Bahana TCW Investment Management, PT Bahana Artha Ventura, PT Bahana Kapital Investa, PT Graha Niaga Tata Utama, dan PT Asuransi Jiwa IFG. IFG merupakan holding yang dibentuk untuk berperan dalam pembangunan nasional melalui pengembangan industri keuangan lengkap dan inovatif melalui layanan investasi, perasuransian dan penjaminan. IFG berkomitmen menghadirkan perubahan di bidang keuangan khususnya asuransi, investasi, dan penjaminan yang akuntabel, prudent, dan transparan dengan tata kelola perusahaan yang baik dan penuh integritas. Semangat kolaboratif dengan tata kelola perusahaan yang transparan menjadi landasan IFG dalam bergerak untuk menjadi penyedia jasa asuransi, penjaminan, investasi yang terdepan, terpercaya, dan terintegrasi. IFG adalah masa depan industri keuangan di Indonesia. Saatnya maju bersama IFG sebagai motor penggerak ekosistem yang inklusif dan berkelanjutan.

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The Indonesia Financial Group (IFG) Progress adalah sebuah Think Tank terkemuka yang didirikan oleh Indonesia Financial Group sebagai sumber penghasil pemikiran-pemikiran progresif untuk pemangku kebijakan, akademisi, maupun pelaku industri dalam memajukan industri jasa Keuangan.

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