Macroeconomic Monitor October 2025: Steady Hands in Unsteady Winds

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HIGHLIGHTS

October 2025

United States

The latest U.S. data suggest that economic momentum is beginning to soften, with manufacturing activity easing, the labor market showing early signs of stagnation, and inflationary pressures starting to moderate. The S&P Global U.S. Manufacturing Purchasing Manager Index (PMI) slipped to 52.0 in September 2025. In contrast, the S&P Global U.S. Services PMI edged slightly lower to 54.2 from 54.5 points. Meanwhile, the labor market showed incipient signs of cooling. With official employment data unavailable due to the U.S. government shutdown, initial jobless claims served as a key proxy falling to 215,000 from an estimated 234,000 last week. On the inflation front, OpenBrand's proxy Consumer Price Index (CPI), a private measure used in the absence of official data showed durable and personal goods prices rising 0.58% month-on-month in September, with moderate price gains also seen in large household goods. Taken together, these indicators reinforce expectations that the Federal Reserve may cut interest rates at its October 28–29 meeting.

Eurozone

The Eurozone economy steadied through late Q3, showing signs of resilience despite lingering external and price pressures. The HCOB Composite PMI rose to 51.2 points in September, marking a 16-month high with manufacturing back in expansion and services growth firming. Consumer confidence improved marginally to –14.9, hinting at stabilising sentiment, while retail volumes ticked up 0.1% year-on-year (YoY) after two monthly declines. Inflation edged to 2.2% (YoY), driven by firmer services and smaller energy declines, keeping core steady at 2.3%. Growth remains modest but supported by real wage gains and steady labour markets, with Gross Domestic Product (GDP) on track for ~1.2% (YoY) in 2025. The European Central Bank (ECB) held its policy rate at 2%, maintaining a patient stance as inflation nears target and domestic demand anchors a fragile yet stabilising recovery path.

China

The latest data suggest that China's economy remains under pressure from weak domestic demand and a deepening property downturn, though signs of resilience persist in industrial activity and employment. China's headline GDP growth slowed to 4.8% (YoY), weighed down by a prolonged property slump and escalating trade tensions with the United States, alongside continued softness in domestic spending. Retail sales, a key indicator of household consumption, grew at their slowest pace since November 2024, rising only 3.0% (YoY) in September, down from 3.4% in August. Similarly, new home prices fell at their fastest pace in 11 months, declining 0.4% (YoY). However, there were some encouraging signs on the production and labor fronts. Industrial output expanded 6.5% (YoY) in September, official manufacturing PMI, also inched up to 49.8 points. Meanwhile, the urban unemployment rate edged down to 5.2% (YoY), 0.1 percentage point lower than in August, indicating that labor market conditions remained broadly stable despite macroeconomic headwinds.

Indonesia

The latest data indicate that Indonesia's economic momentum softened in the third quarter of 2025, as the effects of earlier front-loading activity fade and external conditions become less supportive. However, OECD raised its 2025 growth forecast for Indonesia to 4.9% (YoY), up from its June projection, citing expectations of a rebound in public investment and the continued impact of monetary policy easing by Bank Indonesia. However, recent high-frequency data point to a more moderate pace of expansion. The S&P Global Indonesia Manufacturing PMI slipped slightly to 50.4 in September, from 51.5 in August. Domestic demand showed resilience, with the retail sales index expanding 5.8% (YoY), accelerating from 3.5% in August a reflection of sustained household spending. This coincided with annual inflation rising to 2.65% (YoY), the highest level so far this year and coming closer to Central Bank's target. However, this was tempered by a decline in consumer confidence, households became more cautious as the Consumer Confidence Index declined by 5.2 points month-on-month (MoM) on September. On the external front, the picture was mixed. Indonesia's trade surplus widened to USD 5.49 billion in August. Yet, foreign exchange reserves fell to USD 148.7 billion at end-September, down from USD 150.7 billion in August, as Bank Indonesia intervened to stabilize the rupiah amid global market volatility and government debt repayments. Meanwhile, fiscal performance remained subdued. State expenditure contracted by 0.8% (YoY), while state revenue reached IDR 1,863.3 trillion, down 7.2% compared to the same period last year, indicating a slower fiscal push. Amid persistent external headwinds, Bank Indonesia maintained its accommodative monetary stance by keeping the policy rate unchanged at 4.75% this month. Analysts expect the benchmark rate to remain at this level through the end of the year, as the central bank seeks to balance its pro-growth policy stance with efforts to preserve rupiah stability and safeguard overall macroeconomic resilience.

RECENT ECONOMIC DEVELOPMENT: GLOBAL MARKET

Recent Economic Development: Global Market

United States

MANUFACTURING SECTOR

S&P Global US Manufacturing Purchasing Manager Index (PMI) eased to 52.0 in September 2025 from over a three-year high of 53.0 in August. Although new orders grew for a ninth consecutive month, the pace remained below the survey average and was weighed down by weaker export demand particularly from Canada and Mexico due to ongoing US triggered trade disputes. Consequently, output growth slowed as firms rapidly worked through backlogs. Despite the moderation in activity, business confidence improved in September, and firms continued to hire. On the cost side, tariffs pushed input costs higher and inflation stayed above the long-run average, but selling price increases decelerated.

SERVICES SECTOR

The S&P Global U.S. Services PMI slipped slightly to 54.2 points in September 2025 from 54.5 in August, but it is surpassing the market expectations of 54.0. The reading signaled another solid expansion in the services sector, remaining well above the average levels recorded during the first half of the year and contrasting with the softer momentum in manufacturing.

Growth in new business moderated from the rapid pace of the previous two months, as tariffs and heightened economic uncertainty dampened client demand. Nevertheless, firms continued to experience capacity pressures, with backlogs of work rising for the seventh consecutive month, prompting businesses to increase employment, albeit at a slower pace. On the price front, tariffs continued to elevate input costs, leading firms to raise output prices, though inflationary pressures were somewhat contained. Looking ahead, service providers-maintained optimism about future activity, supported by expectations of improving economic conditions.

INFLATION

The partial U.S. government shutdown, now entering its third week, has halted the collection and release of official economic data, including the September Consumer Price Index (CPI) that was originally scheduled for publication on October 15th. In the absence of official figures, data analytics firm OpenBrand reported that its CPI for durable and personal goods rose 0.58% month-on-month in September, following a 0.45% increase in August. The firm's index draws on a database of over 400,000 products, tracking prices, promotions, and availability across categories.

According to OpenBrand, the latest price uptick was largely driven by higher costs in communication, personal care, and recreational products, following the elimination of the "de minimis" exemption in August which previously allowed items valued under USD 800 to enter the U.S. duty-free. The removal of this exemption has particularly affected small, high-value products such as phones, computers, gaming consoles, and personal care items.

In contrast, larger goods including home appliances and outdoor power equipment have seen price growth moderate, suggesting that the inflationary impact of earlier tariffs has largely passed through and is no longer adding significant pressure. Looking ahead, several economists cited by Reuters believe that the inflationary effects of President Donald Trump's broad tariff measures are likely to be short-lived, noting that consumer inflation had already accelerated in August as businesses initially passed on higher import costs to consumers.

LABOR MARKET

The ongoing U.S. government shutdown has suspended the official labor market data. As a result, economists and Federal Reserve officials have relied on initial jobless claims data to gauge labor market conditions. Initial claims fell to around 215,000 in the week ending October 11, down from an estimated 234,000 the previous week. Similarly, Goldman Sachs economists estimated claims at approximately 217,000, reinforcing signs of stability. The data suggest that both layoffs and hiring remain subdued, leaving the labor market in a "no-hire, no-fire" phase. However, emerging signs of weakness are beginning to surface. A Bank of America Institute survey released Thursday indicated a slowdown in small-business hiring, as its alternative hiring index derived from small-business payment data declined in September. The survey also noted that business applications with planned wages, often used as a leading indicator of real job creation, have fallen below pre-pandemic levels, signaling potential softening in labor demand.

MONETARY POLICY

The Federal Reserve will convene on October 28–29 amid limited data availability caused by the U.S. government shutdown. Market participants widely expect another interest rate cut, following last month's 25-basis-point reduction that brought the policy rate to 3.75%–4.00%, as officials assess worsening labor market conditions, highlighted by Governor Christopher Waller's remarks. The upcoming decision will hinge on how strong GDP data align with the softening labor indicators. Meanwhile, newly appointed Governor Stephen Miran advocates a more aggressive 50-basis-point cut to 3.25%–3.50% and envisions a total of 1.25 percentage points in cuts by year-end, a faster pace of easing than most FOMC member's support. Thus, If FED Rate cut does exist it is expected to another massive capital inflow to the US. This is supported amid rising expectations of a Fed rate cut, in week through October 1, 2025 investors bought US$49.19 billion of global equity fund and recorded strong inflows.

The latest U.S. data suggest that economic momentum is beginning to soften, with manufacturing activity easing, the labor market showing early signs of stagnation, and inflationary pressures starting to moderate.

Euro Zone

CONSUMER CONFIDENCE INDEX

Consumer sentiment in the euro area improved slightly but remained historically weak. The European Commission's flash estimate showed the Eurozone Consumer Confidence Index rising by 0.6 points to –14.9 in September, its highest since May, yet still well below the long-term average of around –11. The modest uptick extended the broadly flat trend seen since April, suggesting a mild easing of household pessimism amid ongoing cost-of-living pressures. Confidence was uneven across the bloc: gains in Spain (+3.0) and Italy (+0.7) offset minor declines in Germany (–0.4) and the Netherlands (–0.7). Meanwhile, unemployment expectations worsened slightly, and price expectations for the next year edged lower, easing perceptions of inflation but persistent uncertainty over income and job stability. Overall, euro area consumer confidence remains subdued but appears to be stabilizing into Q4, potentially supporting steady household spending if disinflation and labor-market resilience continue.

PURCHASING MANAGERS' INDICES

Eurozone private-sector momentum extended modestly into late Q3. The HCOB Eurozone Composite PMI rose to 51.2 in September 2025 (from 51.0 in August), a 16-month high, indicating a gradual but below-trend expansion across the bloc. Growth was supported by stronger services activity (51.3; 8-month high) and a stabilizing manufacturing backdrop, with Germany and Spain leading gains while France contracted further. New business improved only marginally, and employment dipped fractionally, suggesting firms remain cautious despite firm sentiment. Input-cost and output-price inflation cooled to multi-month lows, reinforcing disinflationary signals even as service pricing stays relatively firm. Forward-looking indicators, including business confidence, ticked higher to their strongest since mid-2024, hinting at a cautiously constructive start to Q4 amid lingering external-demand weakness

RETAIL SALES

Euro area retail activity steadied modestly after back-to-back declines. Retail sales rose 0.1% month-on-month in August 2025, following a 0.4% drop in July, aligning with the long-run average and suggesting a fragile recovery in household spending momentum. The increase was driven mainly by food, beverages, and tobacco (39.3% share) and durable goods such as electronics and furniture, partially offset by softer auto fuel and non-food categories. Year-on-year, sales were up 1.0%, down from 2.1% in July, pointing to a slower annual pace amid weakening real income growth. Nationally, Germany and France which together account for nearly half of euro area retail turnover remained the key anchors of activity, while Italy and Spain contributed moderate gains. Meanwhile, personal savings rates edged up to 15.4% and consumer spending volumes reached €1.62 trillion, signaling that households retain some financial buffer but continue to spend cautiously.

INFLATION

Inflation in the euro area edged higher in September, interrupting the steady moderation seen through midyear. The headline Harmonised Index of Consumer Prices (HICP) rose to 2.2% year-on-year, up from 2.0% in August, while the core measure held steady at 2.3%. Across the bloc, inflation fell in eight member states, was stable in four, and rose in fifteen, highlighting an increasingly fragmented price environment.

Despite the uptick, policymakers and markets largely view September's move as temporary. Underlying inflation dynamics continue to ease, with lower goods and energy costs expected to offset service-sector strength in the months ahead. Market pricing signals no further rate cuts in 2025, and the ECB is expected to hold policy steady through year-end as it monitors disinflation progress and soft growth conditions.

ECONOMIC GROWTH

According to the European Central Bank (ECB)'s September projections, real GDP is expected to rise by 1.2% in 2025, revised up by 0.3 percentage points from June on stronger domestic demand and better-than-expected data revisions. Business surveys suggest output continued to expand modestly in Q3, supported by household spending, rising real wages, and favourable financing conditions, even as external demand and investment remained subdued. Growth profile across member states stayed uneven. Germany showed tentative industrial stabilisation, while Spain and Italy benefited from resilient consumption and tourism; France lagged amid soft exports and weaker manufacturing. Looking ahead, both the ECB and IMF forecast GDP growth of around 1.2% in 2025, easing to 1.0–1.1% in 2026 before recovering to 1.3% in 2027, as tariff effects dissipate and fiscal measures particularly infrastructure and defence spending gain traction. Overall, euro area growth remains below potential but resilient, anchored by domestic demand and labor market strength amid a still-weak external backdrop.

MONETARY POLICY

The European Central Bank kept its main policy rate unchanged at 2.0% in September, maintaining a steady and data-dependent stance as inflation edged slightly above target but remained within a manageable range. According to the accounts of the September 10–11 Governing Council meeting, policymakers agreed that the current rate level is "sufficiently robust to manage shocks" amid two-sided risks to inflation. Members acknowledged that the direction of future policy moves remains uncertain, but most viewed incoming data as consistent with the ECB's projections, while some of the worst downside risks have eased following the U.S.–EU trade agreement. Markets have largely aligned with this assessment, pricing no additional rate cuts in 2025 and only a limited chance of one early next year, reinforcing confidence in the ECB's hold position.

Both the IMF and other international institutions share the consensus that the ECB's current policy mix is appropriately calibrated to balance price stability and growth support. With inflation stabilizing near 2% and growth below potential, policymakers are prioritizing stability and flexibility over premature easing. Financial conditions remain generally accommodative, and the ECB continues to monitor tariff impacts, exchange-rate developments, and global demand risks. Overall, monetary policy in the euro area has entered a steady-hold phase, signaling confidence in the disinflation trend while preserving room to respond to future shocks.

> Eurozone steadies amid soft demand thus ECB holds rates at 2%, signalling patience as inflation nears target.

China

ECONOMIC GROWTH

China's headline economic growth slowed in the third quarter, weighed down by a prolonged property slump and escalating trade tensions with the United States. Although GDP growth of 4.8% met market expectations, September's activity indicators pointed to persistent weakness in domestic demand, largely driven by fragile business and household confidence. On the external front, exports to the United States slumped 27% (YoY), but shipments to the European Union, Southeast Asia, and Africa expanded as China sought to diversify away from the American market. Despite these challenges, the overall growth rate still aligns with China's 5% annual target. However, uncertainty lingers over whether the central and local governments will roll out additional fiscal or monetary stimulus to support the recovery in the months ahead.

MANUFACTURING SECTOR

China's official manufacturing Purchasing Managers' Index (PMI), released by the National Bureau of Statistics (NBS), rose to a six-month high of 49.8 in September from 49.4 in August, remaining just below the 50-point threshold that separates expansion from contraction. The data highlight the ongoing challenges facing China's economy, as domestic demand continues to struggle to sustain a post-pandemic recovery, while U.S. tariffs under President Donald Trump have placed additional pressure on Chinese factories and their overseas clients. In contrast, the Rating Dog General PMI, compiled by S&P Global, climbed to 51.2 in September from 50.5 in August, reflecting stronger performance among export-oriented private firms. The survey showed that output expanded at the fastest pace in three months, new export orders rose for the first time in six months, and overall new business grew at the quickest rate since February. Consequently, purchasing activity strengthened significantly, marking the fastest growth since last November. The rebound suggests a seasonal recovery following summer disruptions, supported by more proactive government measures to stabilize the industrial sector.

INDUSTRIAL PRODUCTION

China's industrial production grew 6.5% year-on-year in September 2025, up from 5.2% in August and exceeding market expectations of 5.0%. This represented the fastest pace of expansion since June, supported by stronger manufacturing activity (7.3% vs. 5.7%) and mining output (6.4% vs. 5.1%) ahead of the Golden Week holidays. In contrast, growth in electricity, heat, gas, and water production slowed to 0.6% from 2.4%. Within the manufacturing sector, 36 of 41 major industries reported output gains. The strongest increases were seen in automotive (16.0%), computers and communications (11.3%), railway and shipbuilding (10.3%), non-ferrous metal smelting and rolling (8.4%), and chemical products (9.0%). Other sectors, including ferrous metal smelting (2.2%), coal mining (6.4%), oil and gas extraction (8.9%), food manufacturing (6.0%), textiles (2.2%), and heat production (0.5%), also registered growth. For the first nine months of 2025, industrial production expanded by 6.2%, while on a monthly basis, output rose 0.64%, marking the strongest increase in seven months.

UNEMPLOYMENT RATE

China's job market remained broadly stable over the first three quarters of 2025, with the surveyed urban unemployment rate falling to 5.2% in September, down 0.1 percentage point from August, according to official data. However, structural challenges in employment persist amid rising external uncertainties and global economic instability. To safeguard labor market stability, China plans to intensify pro-employment measures and strengthen policy support. For 2025, the government has set a target of keeping the urban unemployment rate around 5.5% and aims to create more than 12 million new urban jobs throughout the year.

INFLATION

China's consumer prices show signs of stabilization in September, as core inflation climbed to its highest level in 19 months rose 1.0% year-on-year, marking its fifth consecutive month of acceleration and the strongest increase since February 2024, reflecting a gradual recovery in domestic demand. Meanwhile, the headline CPI also improved, rising 0.1% month-on-month after remaining flat in August. However, 0.3% yoy in September 2025, steeper than market estimates of a 0.1% decline but slightly less than a 0.4% fall in the previous month. Thus, market expects both CPI and PPI to stay in deflation this year and next. Consequently, policymakers are now taking deflation more seriously

RETAIL SALES

Retail sales in China grew last month at their slowest pace since November falling to 3.0% growth (YoY) in September from previously 3.4% in August. The growth number is the slowest since November 2024. The slowdown was driven by significantly softer sales in household appliances and audio-visual equipment (3.3% vs 14.3% in August), gold, silver, and jewelry (9.7% vs 16.8%), sports and entertainment products (11.9% vs 16.9%), and cultural and office supplies (6.2% vs 14.2%). The slowdown reflects the waning impact of the consumer goods trade-in scheme, which had boosted sales of certain products earlier in the year.

HOUSING PRICES

China's new home prices declined at the fastest pace in 11 months in September 2025, as prices fell 0.4% (MoM), following a 0.3% drop in August, while on a year-on-year basis, prices were down 2.2%, slightly improving from a 2.5% decline in August. The persistent downturn in the housing market continues to undermine consumer confidence and dampen household spending, heightening concerns about domestic demand. Over the past two years, China has repeatedly pledged to stabilize its real estate market, introducing a range of measures such as mortgage rate cuts and a national campaign to accelerate urban village redevelopment. Despite these initiatives, the property market remains subdued, and many analysts caution that it could take at least a year or more for home prices and investment to stage a meaningful recovery. Looking ahead, the government is expected to take a more decisive approach to addressing the fallout from the property market downturn in its upcoming Five-Year Plan (2026–2030),

China's headline economic growth slowed in the third quarter to 4.8% from 5.2% previously, weighed down by a prolonged property slump and escalating trade tensions with the United States.

RECENT ECONOMIC DEVELOPMENT: DOMESTIC MARKET

Recent Economic Development: Domestic Market

ECONOMIC GROWTH

In its latest Interim Report (September 2025), the Organization for Economic Co-operation and Development (OECD) revised Indonesia's economic growth projection upward by 0.2 percentage points from the previous forecast released in June 2025. Indonesia's growth is now expected to reach 4.9% (YoY) in 2025, supported by a rebound in public investment and ongoing policy easing by the central bank. However, growth momentum is anticipated to soften in Q3-2025, with GDP expected to expand below 5% (YoY), reflecting two main factors: (i) a moderation in net exports due to the reciprocal tariff of 19%, and (ii) the fading impact of front-loading activities since August 2025. In addition, the Ministry of Finance acknowledged a slowdown in government spending between July and September 2025, which is expected to weigh further on short-term growth. Nevertheless, the government remains confident that the annual growth target of 5.2% (YoY) is achievable, citing an anticipated rebound in Q4-2025 driven by a liquidity injection of IDR 200 trillion, idle funds (*Saldo Anggaran Lebih* / SAL) to support accelerated development projects, and the delayed effects of fiscal stimulus packages, which are expected to materialize toward the end of the year.

INFLATION

Indonesia's annual inflation stood at 2.65% (YoY) in September 2025, marking the highest level recorded so far this year. The rise was mainly driven by food and tobacco prices, which increased to 5.01% (YoY) from 3.99% in August, and a sharp surge in personal care and other services, which jumped to 9.59% (YoY)from 3.99% previously, signaling stronger price pressures in household-related and discretionary spending categories. Meanwhile, price growth across education, clothing, accommodation and restaurants, and furnishings remained moderate. Housing inflation was steady at 1.64% (YoY), indicating stable rental and utility costs, while the decline in transportation and communication costs continued to ease, providing less downward pull-on headline inflation.

On the demand side, core inflation, which excludes volatile and administered prices, edged up slightly to 2.19% (YoY) from 2.17% in August, reflecting that underlying inflationary pressures remain subdued. The mild acceleration was largely attributed to higher gold prices and possibly a gradual improvement in domestic demand, as indicated by a 0.34% (YoY) uptick in credit growth in August. The latest inflation dynamics suggest that headline inflation is still driven mainly by supply-side factors, particularly food and service-related components, while core inflation remains well-anchored, reflecting contained demand-side pressures. This combination provides room for Bank Indonesia to maintain a pro-growth stance, especially as inflation remains within the target range.

PURCHASING MANAGER INDEX (PMI)

In September 2025, the S&P Global Indonesia Manufacturing PMI recorded a slight decline to 50.4 points, down from 51.5 in August, yet remaining within the expansionary zone. The moderation was primarily driven by a reduction in production volumes, signaling a mild cooling in output momentum. Nonetheless, the manufacturing sector continued to expand, supported by sustained growth in new orders, particularly from domestic demand, while foreign demand weakened for the second to third consecutive months. Encouragingly, the sector also reported two consecutive months of employment growth, reflecting manufacturers' efforts to accommodate rising domestic orders. However, there were growing concerns among producers about potential increases in input costs in the coming months. In anticipation, firms have boosted pre- and post-production inventory purchases to secure supply chains and mitigate cost risks.

Supporting this observation, S&P Global's survey indicated that input cost inflation accelerated to its highest level since February, driven by broad-based increases in raw material prices. As a result, overall cost pressures intensified. Looking ahead, manufacturers expressed renewed optimism for the next 12 months, as reflected in a four-month high in the output expectation index, signaling improving business confidence and expectations of stronger demand in upcoming quarters. These findings are consistent with Bank Indonesia's Quarterly Manufacturing Survey (as of 17 October 2025), which reported that the Manufacturing PMI averaged 51.66 in Q3 2025, higher than 50.89 in the previous quarter, reaffirming the sector's ongoing expansion. Across sub-sectors, the highest index readings were observed in machinery and equipment manufacturing (58.57), followed by tobacco processing (57.79) and leather and footwear manufacturing (57.50) highlighting resilience and expansion in key domestic-oriented industries.

Organization for Economic Co-operation and Development (OECD) revised Indonesia's economic growth projection from the previous forecast released in June 2025 up to 4.9% (YoY) supported by a rebound in public investment and ongoing policy easing by the central bank.

RETAIL SALES INDEX

Retail sales performance in September 2025 grew on an annual basis, expanding by 5.8% (YoY), higher than the 3.5% (YoY) growth recorded in August. This increase was mainly driven by stronger sales in the Food, Beverages, and Tobacco, Other Household Equipment, and Cultural and Recreational Goods groups. This trend suggests that household consumption remains resilient, particularly for primary goods, while the moderate improvement in recreational categories indicates a gradual recovery in non-essential spending, despite the absence of extended holidays in September. On a monthly basis, retail sales slightly contracted by 0.3% (MoM), primarily due to a decline in the Clothing sub-group, which may reflect a high base effect in August following the Independence Day celebrations.

BUSINESS ACTIVITY

The Business Activity Survey indicates that business performance remained stable in the third quarter of 2025. This was reflected in the continued positive performance across all business sectors, with a Weighted Net Balance (WNB) of 11.55%, only slightly lower than 11.70% in the previous quarter. Several sectors recorded improved performance, particularly Mining and Quarrying, Construction, Manufacturing, Financial Services, and Public Administration, Defense, and Mandatory Social Security. This development was supported by higher business activity, the progress of various construction projects, and government budget realization in line with quarterly spending patterns.

This improvement was also reflected in the increase in production capacity utilization, which rose from 73.58% in Q2 2025 to 73.84% in Q3 2025. The increase was driven mainly by the Mining and Quarrying and Manufacturing sectors. Looking ahead, businesses expect activity to remain positive in Q4 2025, with the Weighted Net Balance projected at 10.53%. Most business sectors are expected to continue expanding, particularly Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles, Transportation and Warehousing, Accommodation and Food Services, and Information and Communication. This outlook aligns with the anticipated rise in business activity during the Christmas and year-end holiday season.

TRADE BALANCE

Indonesia's trade surplus extended its streak to 64 consecutive months in August 2025, rising to USD 5.49 billion the largest surplus since October 2022. The strong performance was supported by robust non-oil and gas (non-oil & gas) exports and subdued import growth. Exports reached USD 24.96 billion, growing 5.78% (YoY), mainly driven by non-oil and gas commodities, which recorded a surplus of USD 7.15 billion. The key contributors to this surplus were animal and vegetable fats/oils, mineral fuels, and iron and steel. Meanwhile, imports contracted by 6.56% (YoY), a deeper decline compared to the 5.86% drop in July, marking the sharpest fall since May 2024. The continued contraction in imports points to moderating domestic demand, as reflected in lower purchases of raw materials and capital goods, signaling a cooling of both industrial and investment activities.

Cumulatively, from January to August 2025, Indonesia recorded a trade surplus of USD 29.14 billion. The bilateral surplus with the United States reached USD 14.09 billion over the same period, reaffirming the U.S. as Indonesia's key export market. Looking ahead, the trade surplus is expected to narrow slightly, as exports may soften amid declining shipments to the U.S. following the implementation of the 19% reciprocal tariff and weaker global demand, particularly from China. On the other hand, imports are projected to increase, supported by Indonesia's commitment to purchase U.S. products.

MONETARY POLICY

Bank Indonesia decided to maintain its benchmark interest rate at 4.75% following a 25-basis point cut last month, marking the fourth-rate reduction in 2025. The decision aims to preserve exchange rate stability amid global uncertainty. Since the first rate cut in January 2025, the rupiah has depreciated by 2.17% year-to-date as of 22nd October 2025. This move is therefore intended to support the rupiah's stability while maintaining Bank Indonesia's current pro-growth monetary stance. The decision also aligns with the ample liquidity conditions in the financial system, following a liquidity injection of IDR 200 trillion, which has lowered banks' cost of funds. Furthermore, the loose liquidity has contributed to a decline in government bond (SBN) yields below 6%, subsequently reducing foreign ownership in SBN. This situation poses potential downward pressure on the rupiah, reinforcing the rationale behind holding the policy rate steady to maintain currency stability. According to market consensus, no further rate cuts are expected for the remainder of the year, with the policy rate projected to stay at 4.75% through year-end

CONSUMER CONFIDENCE INDEX

Indonesia's Consumer Confidence Index (CCI) declined by 5.2 points from August 2025 and 9.2 points compared to September 2024, signaling a notable softening in household sentiment. Consumers appear increasingly cautious about their income prospects, job stability, and spending capacity. A closer look at the components shows that five out of six sub-indices weakened during the month. The Economic Outlook Index fell by 2.0 points, suggesting households are becoming less optimistic about near-term growth. Similarly, perceptions of job availability compared to six months earlier dropped 1.2 points, reflecting lingering concerns over labor market conditions.

Meanwhile, assessments of current economic conditions and income levels slipped to 102.7 and 112.9, respectively, pointing to pressure on household finances from modest wage growth and persistently high living costs. Expectations of future income also softened, with the index down 2.4 points, while the Durable Goods Purchasing Index declined 1.9 points, indicating reduced appetite for big-ticket spending. Overall, Indonesian consumers are adopting a more cautious and pragmatic stance, prioritizing essential expenditures while deferring non-essential purchases, as confidence in the broader economy and household financial outlook continues to wane.

FISCAL POLICY

As of September 2025, the government reported that state expenditure remained sluggish, reaching IDR 2,234.8 trillion, or a 0.8% decline compared to the same period last year, and accounting for only 63.4% of the 2025 target. The slowdown was mainly driven by weak central government spending, which stood at IDR 1,589.9 trillion, down 1.6% (YoY), and representing just 59.7% of the annual target. This underperformance reflects the continued low realization of spending by Ministries/Agencies (K/L), which fell 0.3%, achieving only 62.8% of the State Budget (APBN) target. Similarly, non-ministerial expenditure totaled IDR 789 trillion, contracting 2.9%, and covering only 56.8% of the APBN target.

On the revenue side, state revenue realization reached IDR 1,863.3 trillion (or 65% of the 2025 target), marking a 7.2% year-on-year decline. The shortfall was largely attributed to lower global commodity prices, which have pressured tax receipts, particularly in the oil and gas and mining sectors. Overall, the state budget deficit reached IDR 371.5 trillion, equivalent to 1.56% of GDP still well within the government's ceiling of 2.78%. Meanwhile, the primary balance remained positive, posting a surplus of IDR 18 trillion. In summary, both revenue and expenditure performance weakened, with most fiscal components achieving less than 75% of their annual targets. Going forward, the government plans to accelerate spending of IDR 1,292.7 trillion in Q4 2025 to support purchasing power, social welfare, and economic growth.

INTERNATIONAL INVESTMENT POSITION

The performance of the capital and financial account recorded a deficit due to portfolio investment net outflows amid elevated global uncertainty and ongoing external debt repayments, despite continued inflows from foreign direct investment (FDI). Between September and October 20, 2025, portfolio investment posted a net outflow of USD 5.26 billion, prompting Bank Indonesia to intervene in the foreign exchange market to stabilize the Rupiah exchange rate.

> Bank Indonesia decided to maintain its benchmark interest rate at 4.75% following a 25-basis point cut last month, marking the fourth-rate reduction in 2025. The decision aims to preserve exchange rate stability amid global uncertainty

FOREIGN EXCHANGE RESERVES

Indonesia's foreign exchange reserves stood at USD 148.7 billion at the end of September 2025, down from USD 150.7 billion in August, according to Bank Indonesia (BI). The decline was primarily attributed to government external debt repayments and foreign exchange stabilization measures aimed at maintaining rupiah stability amid continued global market volatility. Despite the decrease, Indonesia's reserves remain well above international adequacy standards, sufficient to cover 6.2 months of imports or 6.0 months including external debt payments, exceeding the global benchmark of around three months. This provides a comfortable liquidity buffer to safeguard external stability.

Looking ahead, while BI's reserve position remains strong, the recent downward trend reflects rising pressure on external buffers. With the central bank's commitment to decisive currency interventions to support the rupiah, reserves could face further drawdowns if global volatility or capital outflows intensify. However, an improving economic outlook in Q4 2025 and anticipated capital inflows are expected to help stabilize reserve levels in the coming months.

ASSET ALLOCATION

Asset Allocation

GLOBAL MARKET

Global equity markets faced early pressure in October as renewed US–China trade tensions sparked a wave of risk-off sentiment. Major US indices corrected, with the S&P 500 briefly declining over -2.7%. However, sentiment improved mid-month as both sides signaled readiness to resume dialogue, easing fears of prolonged escalation. Meanwhile, Fed Chair Jerome Powell reaffirmed that further rate cuts remain possible, helping cap US 10Y treasury yields around 4.00% and stabilizing market expectations. The combination of easing trade tensions and a still accommodative Fed helped restore partial risk appetite, though markets remain sensitive to external shocks.

DOMESTIC EQUITY MARKET

After a strong start, the JCI experienced a sharp correction in mid-October, falling over 3% to 7,915 before recovering slightly to close at 8,153 as of October 22. The correction was triggered by renewed global trade tensions, Rupiah depreciation, and cautious foreign flows. Sector wise, Financials showed relative resilience, while commodity-related stocks, particularly gold miners, came under pressure following a pullback in global gold prices from recent highs. While the broader index stabilized toward month end, market momentum remains fragile and likely to be driven by external sentiment and incoming earnings releases.

DOMESTIC BOND MARKET

At the domestic fixed-income front, Bank Indonesia (BI) held its benchmark rate at 4.75 % in its October meeting, defying expectations of a further cut. The SBN yield curve flattened, with the 5Y 10Y spread narrowing to 58 bps as the 10Y yield declined to 5.97% as of October 22. This was supported by improved liquidity, with MoF injecting over IDR 200 trillion and loose monetary policy, which often acts as a positive catalyst for long-end tenor bonds, encouraging duration extension and putting downward pressure on long-term yields. Market focus remains on FX stability and global rate moves.

DOMESTIC MONEY MARKET

Liquidity conditions improved significantly in October, supported by ongoing liquidity injection from fiscal side and monetary easing. As a result, money market rates declined across tenors. The 3 month deposit rate continued to trend lower from 4.02% in September 2025 to 3.93% as of October 22. Short-term instruments such as SRBI dropped from 4.82% to 4.70%, in line with abundant liquidity in the system. Going forward, the policy stance remains supportive of low short-term interest rates, reinforcing expectations that money market conditions will remain low in the near term.

ASSET ALLOCATION TAKEAWAY

Stronger liquidity in the banking system and stable interest rates provide more supportive environment for Indonesian assets. Bonds still offer attractive returns, especially in belly tenors, but it’s important to manage exposure carefully. In equities, while volatility may persist in the near term, especially due to global sentiment, Indonesia equity market remains fundamentally attractive, supported by a constructive macro-outlook, lower interest rates, and a pro-growth policy stance.

SECTORAL ANALYSIS

Sectoral Analysis

FOREIGN FLOWS

Foreign investors reversed their sharp outflow from September 2025, which was triggered by heightened political uncertainty and the replacement of the finance minister. From a peak outflow of USD 0.68 bn in mid-September, the figure narrowed to USD 0.23 bn by month-end. So far in October, foreign inflows have reached USD 0.31 bn, signaling a gradual return of investor confidence.

Despite this improvement, the rupiah remains under pressure, hovering around IDR 16,550/USD, while the JCI continues to trade near the 8,000 level. The rebound in flows has been led by foreign re-entries into large-cap names such as BBCA, ASII, and TLKM, partially offset by continued foreign selling in BBRI and BBNI.

AVIATION

Amid the ongoing SOE restructuring led by Danantara, Garuda Indonesia Group is set to take center stage in 2025. In June 2025, Garuda secured a USD405mn shareholder loan from Danantara, with 72% allocated for the reactivation of 12 grounded Citilink aircraft, targeted for completion ahead of the year-end holiday peak. In October 2025, Danantara provided an additional USD1.4bn injection, bringing total committed funding to USD1.85bn. The proceeds are allocated for Garuda and Citilink's MRO enhancement (66%), fleet expansion (22%), and repayment of Citilink's jet fuel liabilities to Pertamina (12%). We view the planned reactivation of 51 aircraft across Garuda and Citilink as a key step toward normalizing seat supply that had been constrained by prolonged grounding. While the near-term capacity increase may temporarily weigh on seat load factors, it should structurally improve efficiency and strengthen domestic connectivity. On the pricing front, yields are expected to remain below pre-covid levels, particularly with the government's planned 13–14% fare discount program during the 2025 Christmas and 2026 New Year periods. Nevertheless, the recent decline in global oil prices provides a positive catalyst for the industry, easing fuel cost pressures that account for around 35% of total operating expenses, and creating room for margin recovery without requiring aggressive fare adjustments.

BANKS

Indonesia's banking sector continues to signal a shift toward a more accommodative liquidity era. The prospect of Bank Indonesia entering a rate-cutting cycle remains a key driver, reinforcing expectations of lower funding costs and improved loan appetite. In parallel, the Ministry of Finance's (MoF) initiative to push for lower credit rates—particularly among SOE banks—adds another layer of optimism for a more supportive policy environment ahead.

Nevertheless, credit growth has yet to accelerate meaningfully as loan demand from corporates and households remains soft. Banks are still grappling with NIM compression, mainly due to rising credit costs and increased leverage in the corporate segment, which have weighed on loan yields. The sector's profitability is therefore being tested, especially for banks with higher exposure to fixed-rate loans and limited CASA growth.

Even so, several tangible signs point to an improving earnings trajectory. Better liquidity, coupled with a gradual pick-up in loan disbursement and declining funding costs, should provide relief to margins. Asset quality remains sound, supported by disciplined risk management and adequate provisioning buffers. As the macro backdrop turns more conducive—with easing inflation and supportive fiscal disbursement—we expect banks' earnings momentum to improve into 2026, led by stronger CASA engines and lower credit costs. In our view, the ongoing shift toward a lower-rate environment and government efforts to stimulate lending could mark an inflection point for Indonesia's banking sector, paving the way for a renewed upcycle in profitability.

PROPERTY

We remain positive on the property sector, supported by multiple catalysts. We expect monetary easing to continue, driven by policy rate cuts and improving money supply, which should enhance liquidity and lift purchasing power, ultimately supporting housing demand. Mortgage rates appear to have peaked, with limited upside risk as liquidity remains ample and NPL still at higher level; we see room for rates to trend lower in line with BI's easing cycle. In addition, the extended VAT incentive (PPN DTP) until 2027, the longest period to date, should further stimulate demand, particularly as it now potentially covers a broader range of prebuilt housing units.

COAL

Previously, we mentioned that the coal sector faced regulatory headwinds mandating HBA as the export price. After experiencing a decline in export volume, as coal buyers shifted supply elsewhere while domestic production strengthened, the regulation was updated to allow exporters to sell below the HBA price. However, royalties will still be based on the HBA price if the selling price is lower. Moreover, the recent closure of several local coal mines due to failure to submit reclamation deposits will create short-term tailwinds for prices as domestic supply decreases. This was shown in our weekly price tracker based on McCloskey Indonesia Coal Price Index which shown a 1-2% m-m increase across all specification (GAR 3400-6300). Going forward, we expect price to move slightly higher as winter is coming.

METAL MINING

Class 1 nickel faces a persistent supply glut as global output rises, supported by ongoing Indonesia-China downstream projects, including Danantara's EV battery initiatives. However, nickel-based batteries are losing ground to LFP and LFMP, particularly in China, where CATL holds only a small share of nickel-based installations. Falling LFP prices have further pressured LME nickel prices, limiting upside for the market. Inventory in LME warehouses also remained stubbornly high, reaching above the 200k-tonne level. However, on the upstream side, the disparity between mine exploration and smelter commencement has created a temporary nickel ore deficit. This, exacerbated by mining quota approval delays, has pushed nickel ore premiums higher, benefiting upstream nickel players. Going forward, as more HPAL smelters commence operations, we see growing opportunities for upstream players to monetize their limonite ore reserves.

TELECOMUNICATION

We maintain our positive stance for TLKM, as we believe the management's initiatives to focus on operational efficiency, business streamlining, and fiber infrastructure monetization could lead to better performance for TLKM going forward. Additionally, the ongoing recovery in the cellular segment is expected to drive further growth in that business. TLKM continues its journey to strengthen operational discipline and position itself as a more professional SOE. With the latest appointments, six out of nine BoD members (67%) now come from private-sector backgrounds, compared with just 0–29% over the past 20 years. Management plans to streamline the business, by reducing 15–20 subsidiaries within the next six to twelve months, with the remainder to follow over the subsequent two to three years. This streamlining should help improve margins by reducing Opex and overheads, particularly through the divestment of non-core, low-margin businesses with limited value creation. Another key focus for the new management is unlocking value from TLKM's extensive fiber infrastructure. Management aims to spin off TLKM's selected fiber assets to Telkom Infrastructure Indonesia (TIF). Monetization of fiber assets could materially enhance TLKM's valuation, as infrastructure-focused telcos typically command EV/EBITDA multiples of 9–12x compared with only around 4–5x for consumer operators.

CONSTRUCTION

We have positive view of the construction segment, as we believe SOE contractors could have better performance going forward, supported by potentially better industry landscape and financial conditions after the upcoming merger and asset grouping. We believe a merger scheme would be more suitable than merely forming three holdings from the existing seven companies to solve unhealthy competition. Another positive catalyst for the construction industry is the increase in the 2026 budget for infrastructure-related ministries (Ministry of Public Works, Ministry of Housing, Ministry of Transportation, and the Nusantara Capital City Authority), which is expected to rise 39% from IDR118tn in 2025E to IDR164tn in 2026E, according to the state budget draft.

PLANTATION

FY26 CPO prices are expected to rise to MYR4,500/tons due to expected supply deficit. On the demand side, B50 mandate plays a key role, which could absorb 17.2mn tons of CPO in 2026. This outlook is backed by government support, ongoing discussions with FAME producers, and inclusion in Pertamina's FY26 pipeline. Additional upside may come from IEU-CEPA, which could lift EU demand back to pre-EUDR II levels of 2.8mn tons. On the other side, supply faced a structural constraint, both in Indonesia and Malaysia. Both countries faced unproductive smallholder land, low replanting, and aging plantations.

Market Outlook

Market Outlook – Q4 2025

Indonesia's macroeconomic outlook remains resilient as the country enters the final quarter of 2025, despite a more uncertain global environment. Stable inflation, ample domestic liquidity, and Bank Indonesia's accommodative stance continue to support growth, although external headwinds persist due to U.S.–China trade tensions, commodity price volatility, and potential capital flow reversals if the Fed's rate-cut path shifts. Domestically, delayed fiscal disbursement and softer consumer sentiment may limit near-term expansion, but renewed public investment and rising infrastructure activity are expected to lift momentum.

In financial markets, abundant liquidity supports stable yields, with medium-tenor bonds remaining attractive amid anchored inflation expectations. Equity investors are likely to favor defensive and domestically driven sectors such as banking, telecommunications, and consumer goods. Construction and property may gain from faster government spending, while aviation benefits from year-end travel and tourism. Coal and plantation sectors could face price volatility but remain underpinned by external demand.

Government programs, *including Makan Bergizi Gratis* (MBG) and *Koperasi Merah Putih*, will be key to translating liquidity into grassroots economic growth. Overall, while GDP growth may settle slightly below the 5.2 percent target, Indonesia's fundamentals remain strong, offering a stable and relatively attractive environment for investors through year-end.

EXHIBITS

EXHIBIT 1 • INDONESIA MACROECONOMICS INDICATOR

		2024				2025								
Indicator	Unit	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
GDP Growth	% YoY	4.95	-	-	5.02	-	-	4.87	-	-	5.12	-	-	-
CPI Inflation	% YoY	1.84	1.71	1.55	1.57	0.76	-0.09	1.03	1.95	1.60	1.87	2.37	2.31	2.65
Core Inflation	% YoY	2.09	2.21	2.26	2.26	2.48	2.36	2.48	2.50	2.40	2.37	2.32	2.17	2.19
Manufacturing PMI	Level	49.2	49.2	49.6	51.2	51.9	53.6	52.4	46.7	47.4	46.9	49.2	51.5	50.4
Exports	% YoY	6.44	10.25	9.14	4.78	4.68	14.05	23.25	5.76	9.68	11.29	9.86	5.78	-
Imports	% YoY	8.55	17.49	0.01	11.07	-2.67	2.30	18.92	21.80	4.14	4.28	-5.86	-6.56	-
Foreign Reserves	USD bn	133	135	134	140	140	138	140	134	134	134	134	132	128
Money Supply (M2)	% YoY	7.15	6.70	6.53	4.35	5.46	6.20	6.13	5.19	4.9	6.4	6.6	7.6	-
Deposit	% YoY	5.73	5.02	4.74	3.04	3.82	4.60	4.03	3.74	3.29	6.19	6.54	7.65	-
Commercial Banking Credit	% YoY	11.4	10.9	10.9	10.8	10.5	10.3	10.3	9.2	8.9	8.4	7.8	8.5	9.0
Fiscal Surplus/Deficit	% GDP	-2.70	-	-	-2.30	-	-	-2.75	-	-	-0.81	-	-	-1.56

Source: Bloomberg, CEIC, Various Sources

EXHIBIT 2 • EXCHANGE RATE

Exhibit 2.1 Difference of Spot and Forward IDR

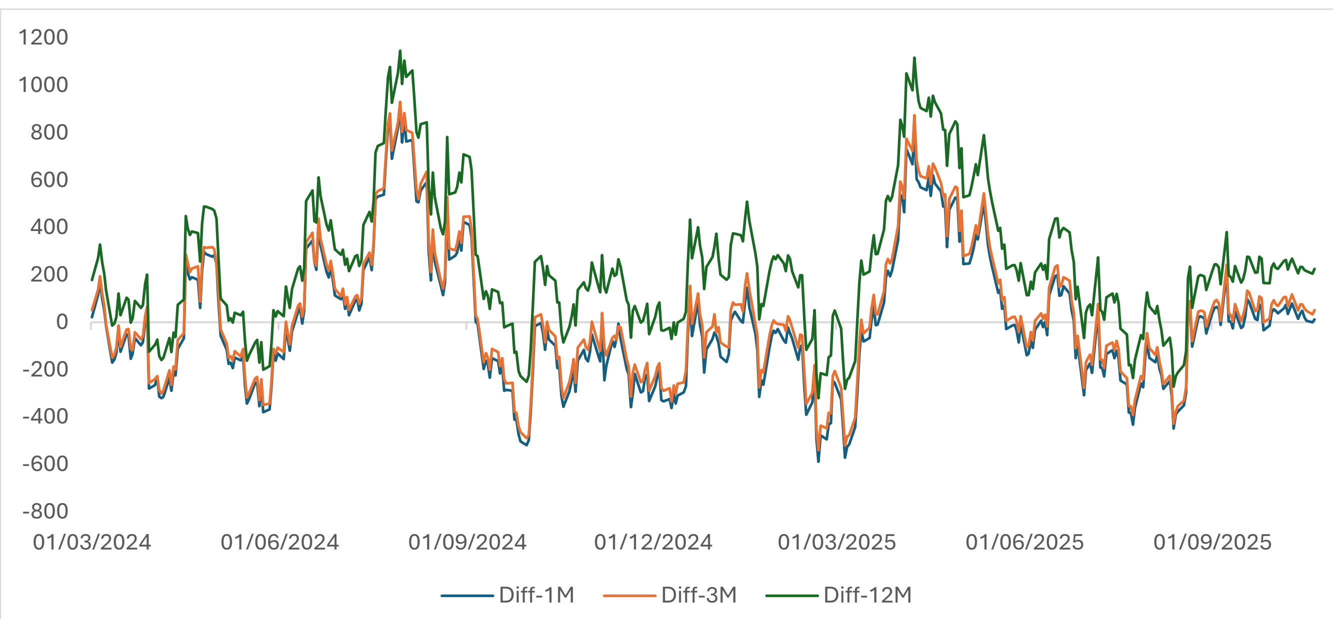

Exhibit 2.2 BI-Rate & Exchange Rate (IDR/USD)

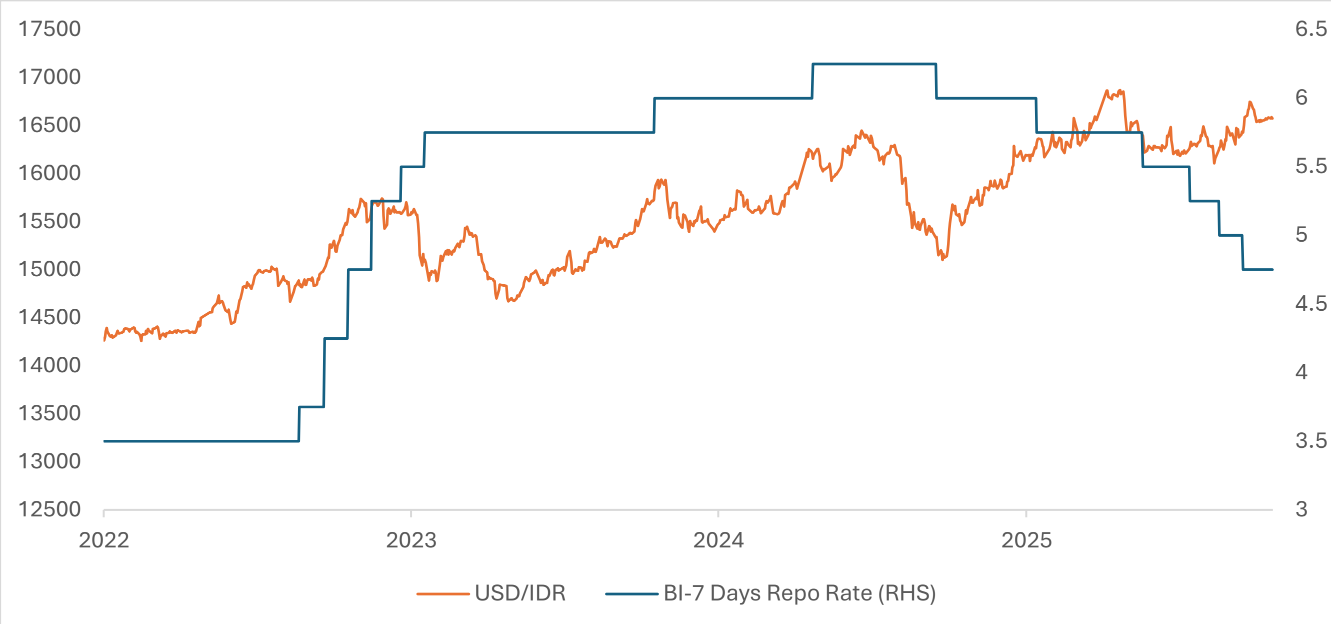

Exhibit 2.3 EM's Exchange Rate Against USD

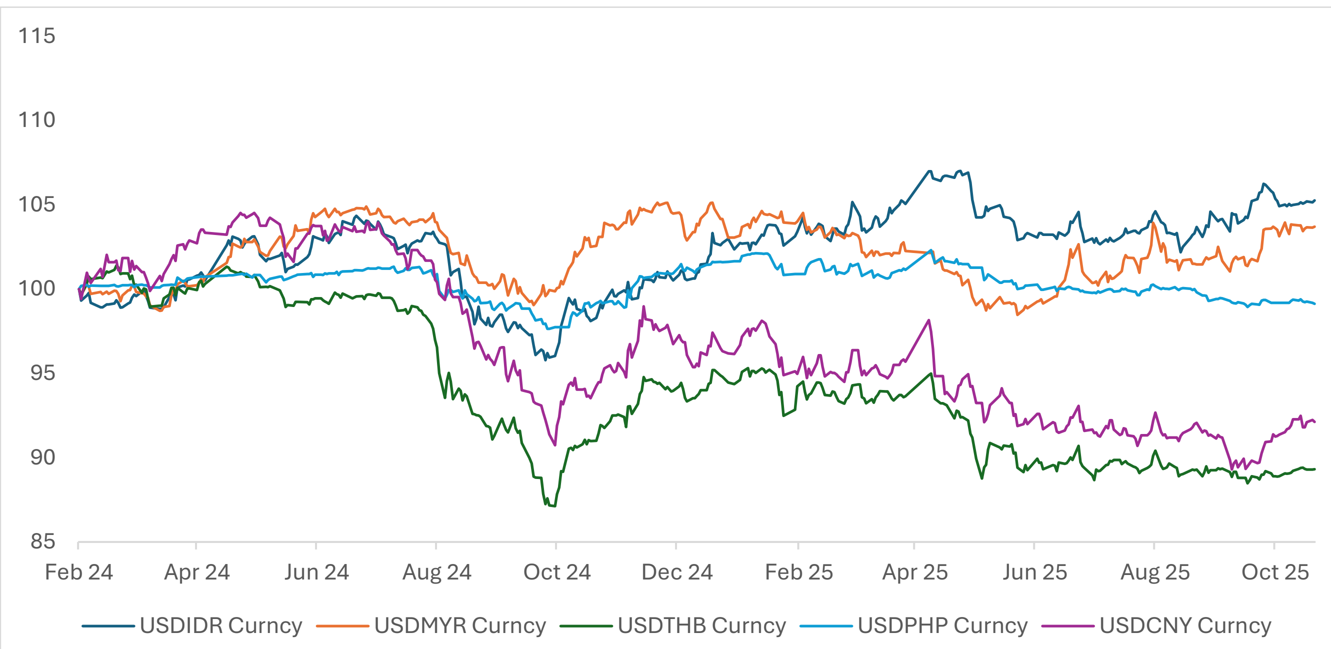

EXHIBIT 3 • INDONESIA'S LIQUIDITY

Exhibit 3.1 JIBOR 1 & 3 M and BI-Rate

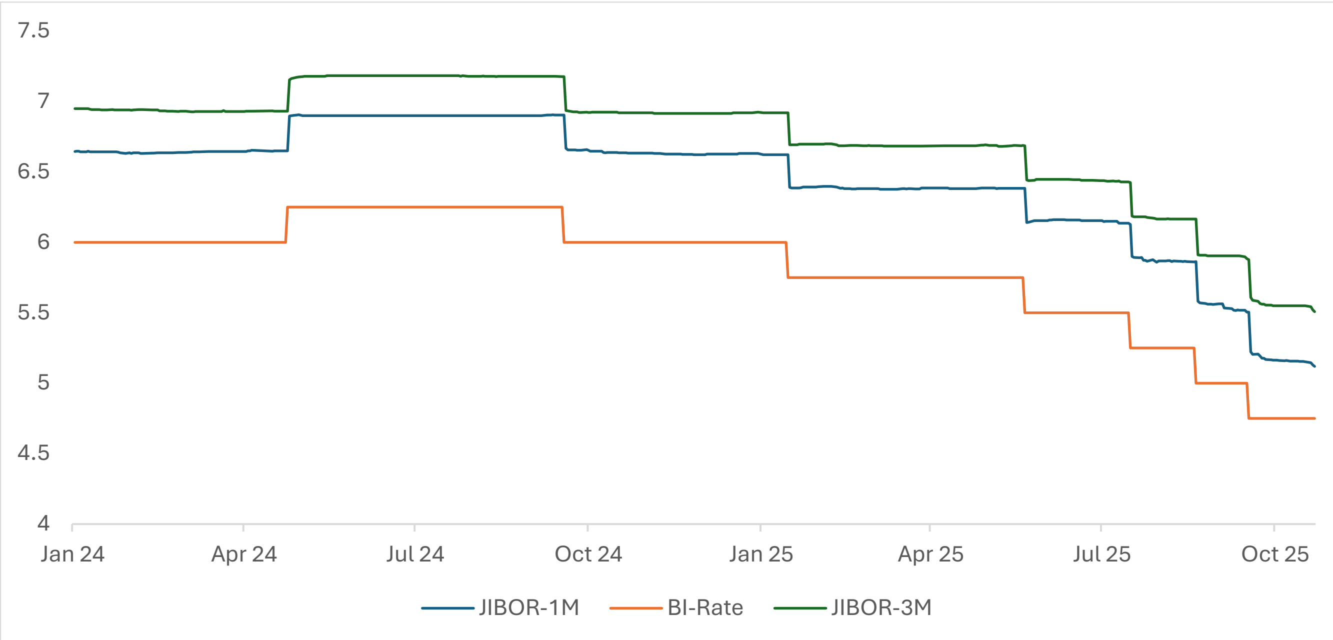

Exhibit 3.2 Monetary Operations of BI

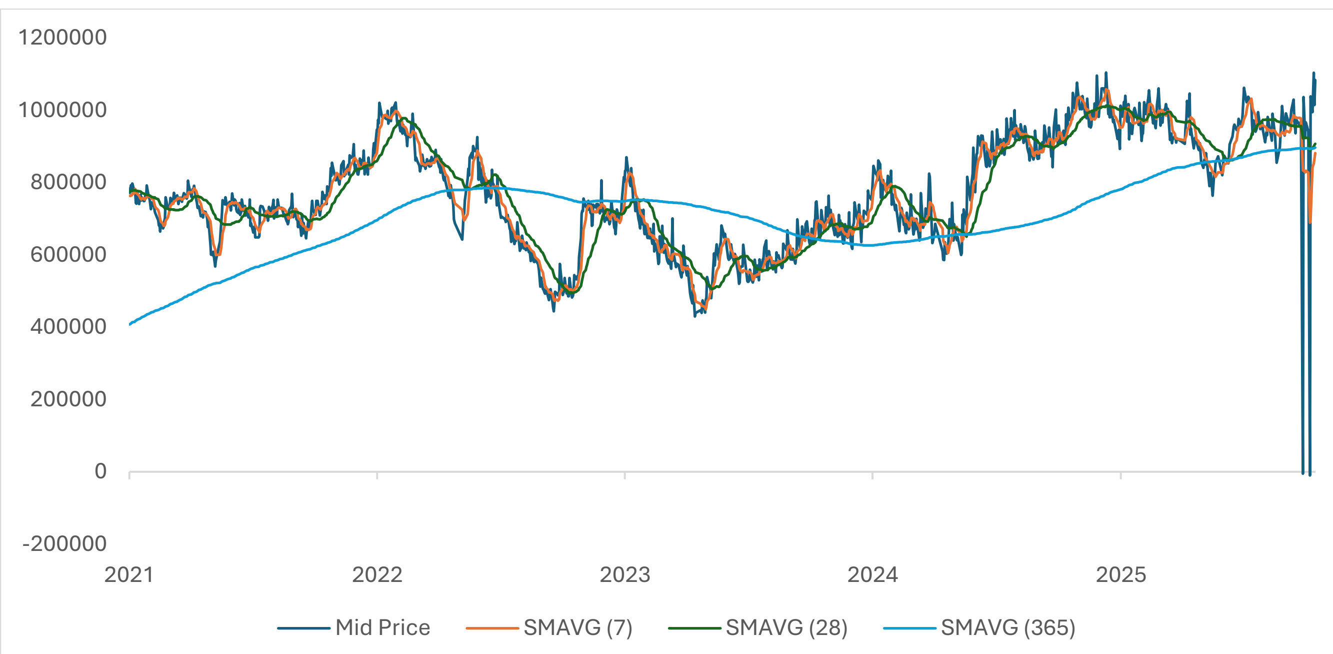

Exhibit 3.3 Indonesia's Net International Reserves USD

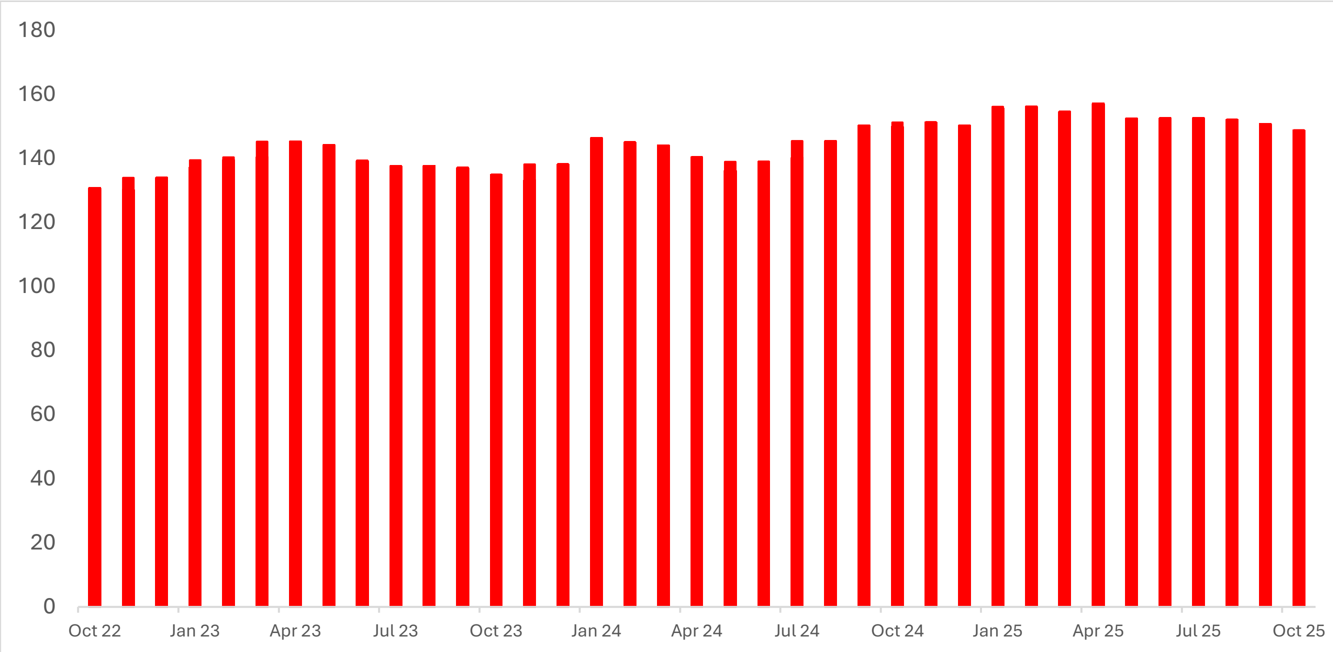

EXHIBIT 4 ● FINANCIAL MARKET

Exhibit 4.1 Stock Market Index

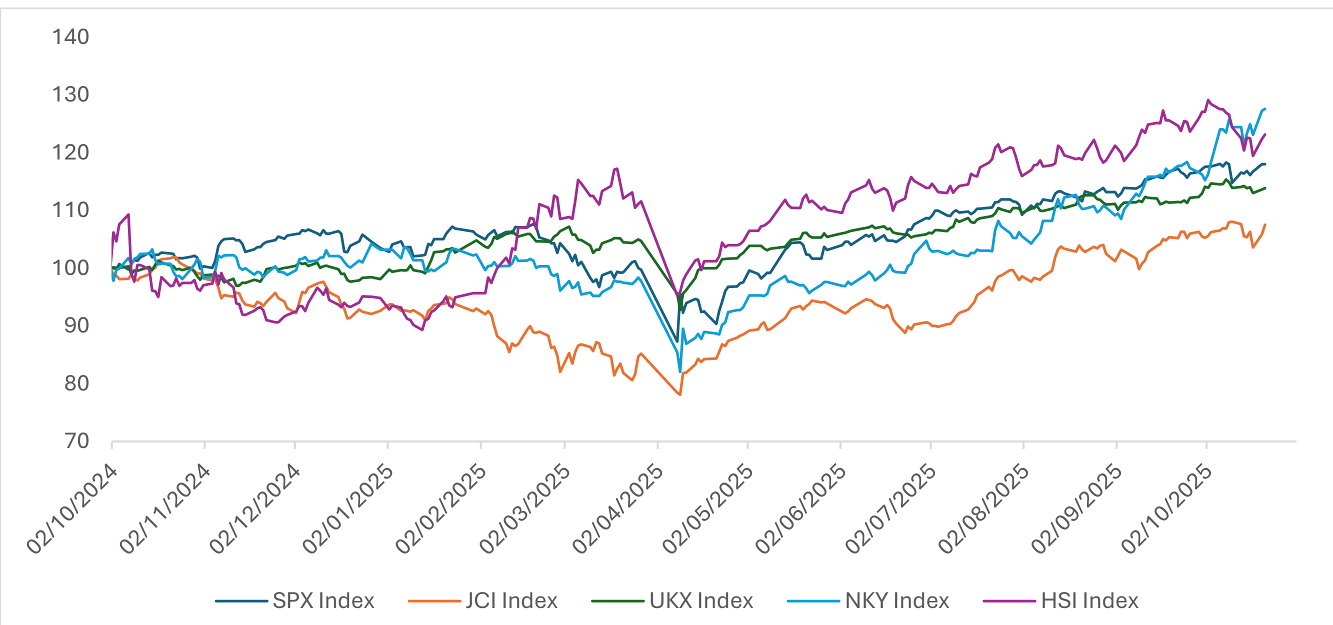

Exhibit 4.2 Indonesia Bond Yield Curve

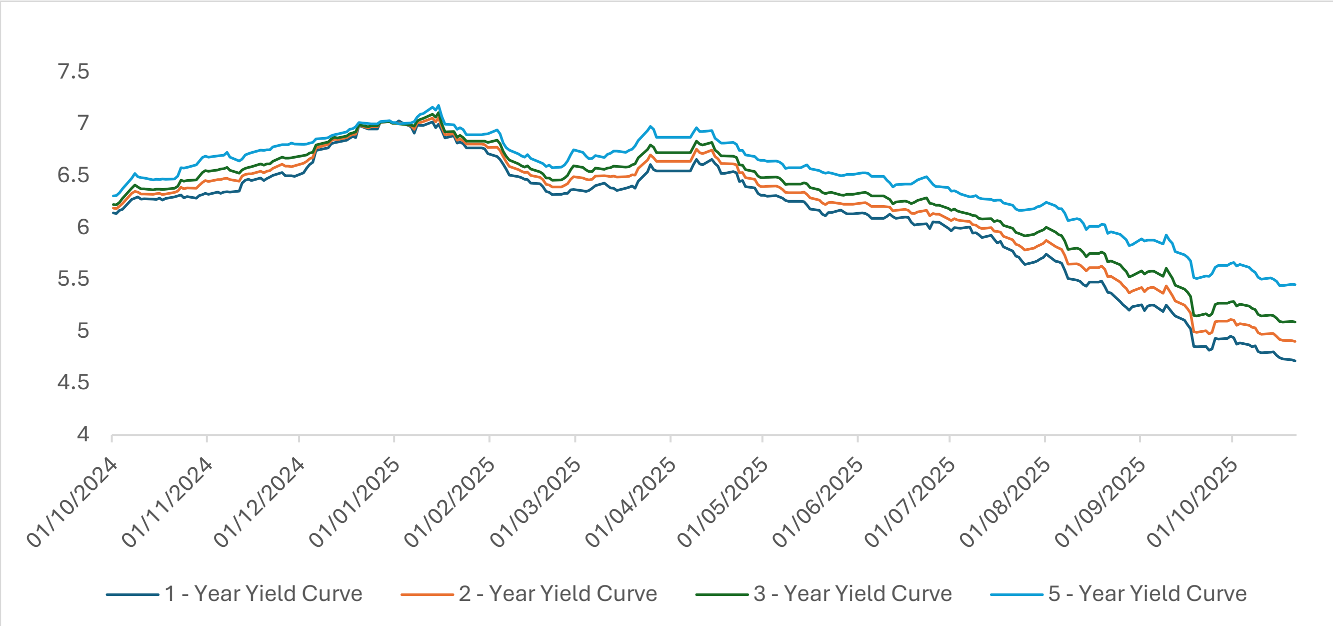

Exhibit 4.3 Indonesia Stock Market & Survivor

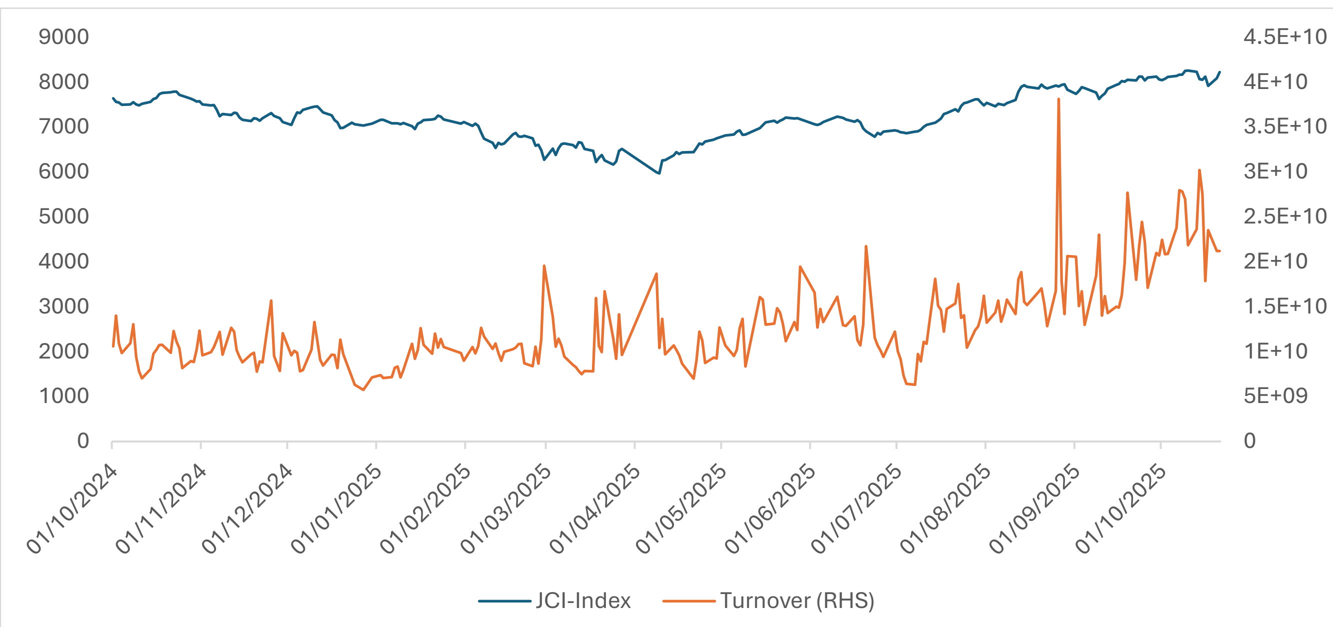

Exhibit 4.4 Indonesia CDS & Government Bond 5Y

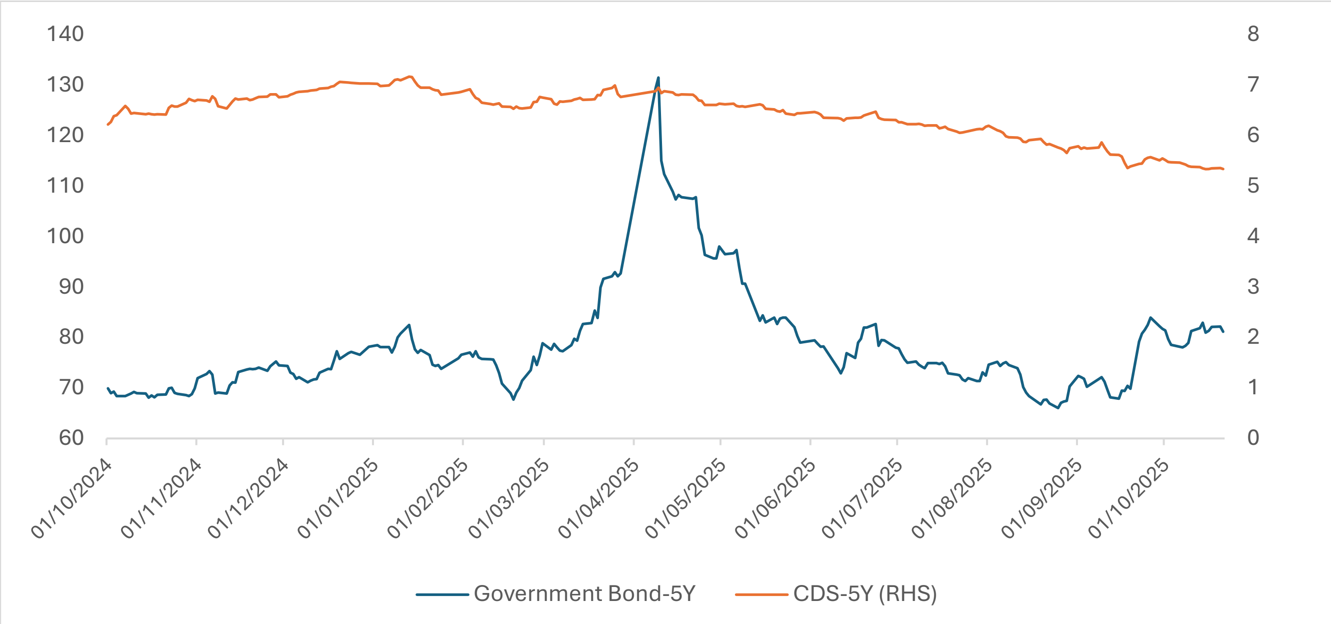

EXHIBIT 5 • REGIONAL STATISTICS

Exhibit 5.1 Monthly Inflation Rate (YoY)

Annual Inflation Rate (YoY), 38 Provinces (2022=100), 2025 (percent)									
Province	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Aceh	1.61	0.41	1.53	3.11	2.35	2.19	3	3.7	4.45
Sumatera Utara	1.78	0.73	0.69	2.09	1.11	1.25	2.86	4.42	5.32
Sumatera Barat	1.24	-0.09	0.3	2.38	0.85	0.45	2.19	2.89	4.22
Riau	1.12	0.02	0.68	2.07	0.98	0.98	2.42	3.58	5.08
Jambi	0.46	-0.27	0.32	1.84	0.96	1.34	2.71	2.76	3.77
Sumatera Selatan	0.92	0.49	1.77	2.74	2.33	2.44	2.88	3.04	3.44
Bengkulu	0.09	-1.26	-0.22	0.96	0.39	-0.1	1.01	1.3	2.57
Lampung	1.04	-0.02	1.58	2.8	2.12	2.27	2.63	1.05	1.17
Kep. Bangka Belitung	-0.23	-0.64	1.13	1.37	0.79	0.99	2.05	1.34	1.82
Kep. Riau	2.01	2.09	2.01	2.56	1.73	1.32	1.97	2.19	2.7

DKI Jakarta	0.14	-0.59	1.02	2.21	2.07	2.07	2.25	2.16	2.4
Jawa Barat	0.79	-0.27	0.81	1.67	1.47	1.78	2.03	1.77	2.19
Jawa Tengah	1.28	-0.08	0.75	1.94	1.66	2.2	2.52	2.48	2.65
DI Yogyakarta	0.95	-0.3	0.52	2.1	2.04	2.52	2.6	2.3	2.56
Jawa Timur	1.06	-0.03	0.77	1.35	1.22	2.02	2.21	2.17	2.53
Banten	0.85	-0.33	0.7	1.59	1.57	1.83	2.29	1.95	2.31
Bali	2.41	1.21	1.89	2.3	1.92	2.94	3.16	2.65	2.51
Nusa Tenggara Barat	0.68	-0.01	1.15	1.8	1.63	2.51	3.05	2.56	2.69
Nusa Tenggara Timur	-0.06	0.47	1.86	1.77	1.6	1.72	3.03	2.71	2.3
Kalimantan Barat	0.15	0.04	0.94	1.2	0.59	1.2	2.14	2.13	1.94
Kalimantan Tengah	0.28	0.28	1.33	1.21	0.46	1.06	2.13	2.08	2.35
Kalimantan Selatan	0.62	0.25	1.2	1.57	1.25	1.81	2.48	2.68	2.91
Kalimantan Timur	0.21	-0.3	1.36	1.57	1.03	1.62	2.08	1.79	1.77
Kalimantan Utara	-0.12	-0.49	1.24	1.3	1.24	1.38	1.99	2.24	2.32
Sulawesi Utara	-0.25	-0.15	1.41	2.27	1.53	1.71	2.04	0.94	1.57
Sulawesi Tengah	0.02	-0.38	1.88	2.97	2.61	2.47	3.69	4.02	3.88
Sulawesi Selatan	0.1	-1.09	0.67	2.28	2.04	2.24	3.05	3.12	3.03
Sulawesi Tenggara	-0.39	-0.22	1.53	1.96	1.71	2.52	3.72	3.75	3.68
Gorontalo	-1.52	-0.29	1.76	2.3	0.28	0.8	3.12	2.51	1.99
Sulawesi Barat	0.32	-0.24	1.55	3.36	3.21	2.57	3.57	3.52	3.04
Maluku	0.76	1.33	3.54	3.34	2.24	1.88	2.99	3.25	3.01
Maluku Utara	-0.15	0.16	2.32	3.23	1.89	2.01	2.46	0.43	-0.17
Papua Barat	-0.44	-1.98	-0.23	0.15	-1.51	-0.67	0.43	-0.87	1.02
Papua Barat Daya	0.36	-0.49	0.24	0.41	0.36	0.5	0.96	1.88	1.3
Papua	0.6	0.81	2.15	1.64	1.33	1.07	1.4	0.54	0.99

Papua Selatan	0.45	0.31	2.68	3.57	2.19	3	5.45	3.78	3.42
Papua Tengah	0.99	2.09	3.7	3.71	2.26	2.33	2.89	1.86	2.28
Papua Pegunungan	4.55	7.99	8.05	5.96	5.75	2.01	4.15	3.71	3.55

Source: Badan Pusat Statistik (BPS)

FOOTNOTES AND REFERENCES

Data Sources: CEIC, Bloomberg, BI, and various sources

The conversion rate from U.S. 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 (U.S.), 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.

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.

Indonesia Financial Group (IFG) Progress

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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