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CREDIT RATING AGENCY

WEEKLY ECONOMIC UPDATE

Period of October 26-30, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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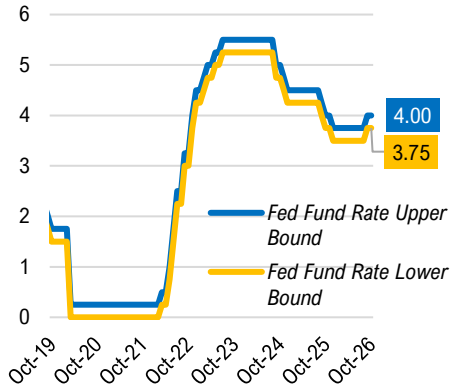
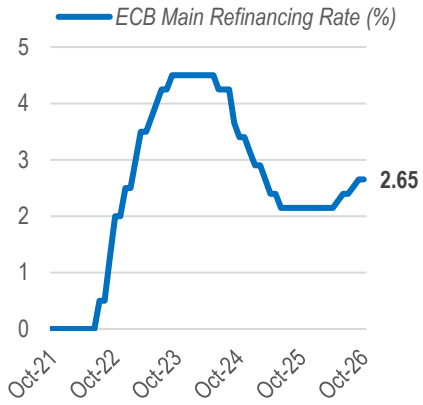
Data Highlights of the Week

Federal Funds Rate (%)



Source: The Federal Reserve, 2026

ECB *Main Refinancing Rate* (%)



Source: European Central Bank, 2026

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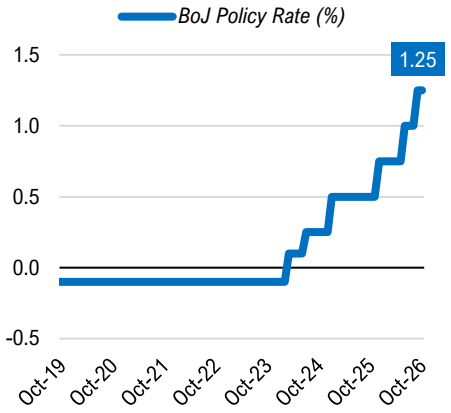
Charting a Financial Course amid Prospects of Further Global Monetary Tightening

Global Economy

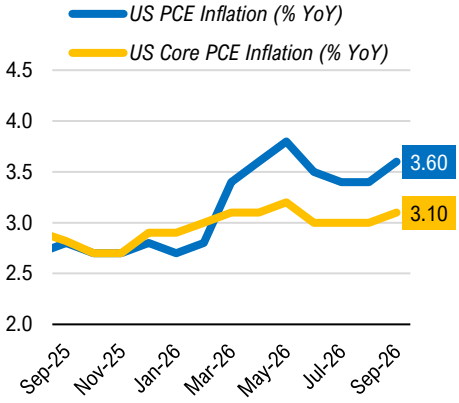
- **Global geopolitical conditions during October 26–31, 2026 remained marked by heightened tensions in the Middle East,** particularly the war involving the United States (US) and Israel against Iran, although diplomatic efforts through Qatar, Pakistan, and several Gulf countries continued to intensify to prevent further escalation. Tensions broadened as Houthi attacks on Saudi Arabia increased and threats to the strategic Strait of Hormuz shipping route persisted, maintaining risks to global energy supplies. Meanwhile, the Russia–Ukraine conflict continued, with intense attacks on civilian and energy infrastructure, despite local ceasefire agreements for humanitarian assistance and the prospect of renewed negotiations in November. Israel's post-election political dynamics, increased North Korean military activity, and diplomatic tensions between Russia and Western countries also drew attention during the week.
- **The Federal Reserve held the Federal Funds Rate at 3.75%–4.00%, in line with market expectations**. Two policymakers voted for a 25 basis points (bps) rate increase. The central bank stated that economic activity continued to expand at a robust pace. Despite elevated uncertainty, domestic spending remained resilient. Job growth was consistent with developments in the labor force, and the unemployment rate was little changed. Inflation remained elevated. Policymakers added that gathering further information would help the Committee determine the appropriate policy stance to ensure inflation returns to the 2% target in a timely manner. Chair Warsh also announced that, starting in 2027, the central bank would reduce the number of policy meetings at which members vote on interest rates.
- **The US economy strengthened despite renewed inflationary pressures.** US GDP grew by 3.4% (annualized) in Q3-2026 (Q2-2026: 2.2%), exceeding market expectations of 3.2%. Growth was primarily supported by a surge in private domestic investment (19.4%), particularly investment in technology equipment and computers driven by the expansion of the artificial intelligence (AI) sector, alongside solid consumer spending (3.8%). However, PCE inflation rose to 3.6% YoY in Sep'26 (Aug'26: 3.4%), while core PCE inflation increased to 3.1% YoY (Aug'26: 3.0%). Higher energy prices, particularly gasoline, were among the drivers of inflationary pressures. These conditions suggest that the US economy retains strong growth momentum, but persistent inflation could limit the scope for monetary easing, keeping interest rates relatively high for longer.
- **Crude oil inventories in the US Strategic Petroleum Reserve** (SPR) fell to 282.6 million barrels on October 23, the lowest level since Oct'82. The decline was part of the US initiative to release 172 million barrels from the reserve. During the same week, the US Department of Energy authorized an emergency exchange of up to 400,000 barrels of crude oil from the SPR to address supply disruptions affecting Phillips 66's Lake Charles refinery in Louisiana. Since the US–Israel war against Iran began in late February, SPR inventories have declined by approximately 132.8 million barrels.
- **The Bank of Canada raised its policy rate by 25 bps to 2.5%**. This was the first increase in three years and was in line with market expectations. Policymakers stated that the decision aimed to reduce the risk of high energy prices spilling over into the prices of other goods and services. They also noted that further rate increases might be necessary, although a cautious approach remained warranted.
- **The European Central Bank (ECB) kept interest rates unchanged, as expected, maintaining the main refinancing rate at 2.65% and the deposit facility rate at 2.50%.** The central bank warned that high energy prices could fuel inflation while weighing on economic activity, particularly if indirect impacts and second-round effects intensified. Although policymakers offered no clear guidance on the future direction of interest rates, the ECB noted that high borrowing costs across Europe could further dampen growth and inflation. The announcement came several hours after ECB President Christine Lagarde reportedly announced plans to step down early—a move that could

Bank of Japan Policy Rate



Source: Bloomberg

US PCE Inflation



Source: Bloomberg

Next Week's Economic Calendar

Date	Economic Releases and Events
2 Nov	Manufacturing, services, and composite PMIs across countries, Oct'26
	Indonesia trade balance, Sep'26
	Indonesia inflation, Oct'26
3 Nov	South Korea inflation, Oct'26
	Reserve Bank of Australia policy rate
	US midterm elections
4 Nov	Euro area inflation rate flash estimate, Oct'26
	US trade balance, Sep'26
	Canada trade balance, Sep'26
5 Nov	Minutes of the Bank of Japan's Sep'26 monetary policy meeting
	Indonesia GDP growth, Q3-2026
	Bank of England policy rate
6 Nov	US employment report, Oct'26
	Canada employment report, Oct'26
	Indonesia residential property price survey, Q3-2026
	Indonesia foreign exchange reserves, Oct'26

trigger a major leadership transition amid heightened volatility in French bond markets and persistently high energy prices. At the post-meeting press conference, Lagarde confirmed that the ECB had discussed a possible rate increase but ultimately agreed to keep rates unchanged.

- **The euro area economy improved in Q3-2026,** with economic growth reaching 1.3% YoY (Q2-2026: 1.2%). The improvement was primarily supported by faster growth in Germany, Spain, and the Netherlands, as well as a significant recovery in Ireland. However, economic performance continued to diverge across countries. On the labor market front, the euro area unemployment rate remained at 6.5% in Sep'26, the highest level since Feb'24, while youth unemployment rose to 15.4%. These conditions indicate that the region's recovery is gaining strength but remains uneven and continues to face challenges from a weakening labor market, which could constrain domestic consumption and the economic growth outlook.
- **The Bank of Japan (BoJ) kept its short-term policy rate unchanged at 1.25% in an 8–1 vote,** in line with market expectations. The decision followed two successive 25 bps increases in June and September, which brought borrowing costs to their highest level since April 1995. Policymakers signaled further rate increases, noting that core consumer inflation had aligned with the 2% target for the first time since the target was adopted in 2013, while financial conditions remained accommodative. Persistent labor shortages also supported a moderate wage–price cycle, while inflation expectations remained around 2%. Board member Hajime Takata dissented, arguing that inflation had reached the target and that faster rate increases toward the neutral level were therefore needed.
- **The Fifth Plenary Session of the 20th Central Committee of the Communist Party of China (CPC) adopted several decisions focused on strengthening internal Party governance, political discipline, and anti-corruption efforts**, including the expulsion of 33 officials from Party membership. The session also reaffirmed Xi Jinping's leadership, reinforced consistent implementation of central government policies, and scheduled the 21st CPC National Congress for the second half of 2027. On the economic front, the government emphasized the importance of strengthening domestic consumption, economic reform and opening-up, innovation, and optimizing macroeconomic policies to maintain growth momentum and support China's long-term development.
- **Economic activity in China slowed in Oct'26, while fiscal support remained relatively limited.** The NBS Composite PMI declined to 49.7 in Oct'26 (Sep'26: 50.7), indicating a renewed contraction in business activity, primarily due to weaker manufacturing output and services activity amid subdued domestic demand. On the fiscal front, government spending growth slowed during 9M2026 to just 1.0% YoY, reaching CNY21.02 trillion (9M2025: 3.1%), while fiscal revenue increased by 5.1% to CNY17.23 trillion. Fiscal support continued to be driven mainly by the central government, particularly through increases of 7.7% in healthcare spending and 5.2% in social security and employment spending.

Domestic Economy

- **The government officially enacted Law No. 6 of 2026 on the Indonesia International Financial Center (*Pusat Finansial Internasional Indonesia*/ PFII), providing the legal basis for establishing a special financial zone that adopts international standards and practices**. The policy aims to enhance the competitiveness of the national financial sector through tax incentives and measures to facilitate business operations, the establishment of institutions with special powers, and dedicated arbitration and court mechanisms to provide legal certainty for investors. The government also allows the establishment of more than one PFII zone in Indonesia, with designation based on location, capitalization, and feasibility studies. PFII is expected to attract global investment and financial institutions, deepen domestic financial markets, expand sources of long-term financing, and strengthen Indonesia's role in the international financial ecosystem. However, effective implementation will depend heavily on the quality of implementing regulations, consistent supervision, institutional governance, and credible investor protection.
- **The government issued Minister of Finance Regulation (PMK) No. 76 of 2026, raising the maximum cumulative limit for regional government debt financing to 0.18% of projected GDP in 2027 (2026: 0.11%).** The policy provides regional governments with

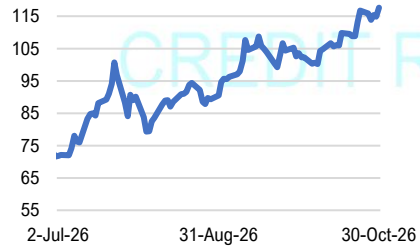
greater fiscal space to finance infrastructure development and priority programs through loans or the issuance of regional bonds and sukuk. The maximum regional budget (APBD) deficit is also set at 2.5% of estimated regional revenue, with the possibility of exceeding this limit subject to the Minister of Finance's approval. However, this financing flexibility remains subject to prudential requirements, including a minimum Debt Service Coverage Ratio (DSCR) of 2.5 and total debt not exceeding 75% of the previous year's non-earmarked APBD revenue. Regional governments must also report their debt positions regularly, with potential sanctions in the form of delayed disbursement of General Allocation Funds (DAU) and/or Revenue Sharing Funds (DBH) for failure to meet reporting obligations. The policy is expected to strengthen financing capacity for regional development and deepen domestic financial markets, particularly the regional bond market, although its effectiveness will depend heavily on fiscal capacity, governance quality, and each region's ability to manage debt and liquidity risks.

This Week's Highlights

As November begins, investors will closely watch the US midterm elections. Polls indicate that the Republican Party risks losing its majority in the House of Representatives and control of the Senate, which could hinder President Trump's ability to advance his agenda. Geopolitical developments in the Middle East and Ukraine will also remain in focus. On the economic data front, various countries will release manufacturing, services, and composite PMIs. In the US, the monthly employment report will be the main focus, alongside trade balance data and the US Treasury Department's upcoming quarterly *refunding* announcement, which will provide further details on government borrowing plans. The euro area will release its flash inflation estimate for Oct'26. On the monetary policy front, the Bank of England will announce its interest rate decision, alongside the central banks of Australia, Sweden, Norway, Brazil, Mexico, and Malaysia. In Asia, Japan will release wage data for Sep'26 and the minutes of the Bank of Japan's Sep'26 meeting, at which a rate increase was decided. South Korea, Indonesia, and Vietnam will release trade balance reports, while Indonesia, South Korea, the Philippines, Vietnam, and Thailand will publish inflation data. Indonesia will also report GDP growth for Q3-2026, alongside the residential property price survey results and foreign exchange reserve data for Oct'26.

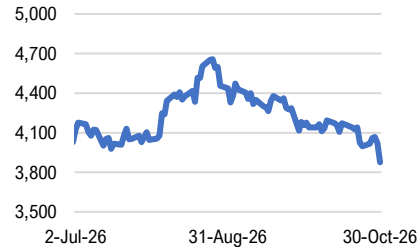
Spotlight on Commodity Price Trends
(as of October 30, 2026)

Brent Crude Oil (USD/Barrel)



Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
117.64	0.79	13.63	80.98	93.33

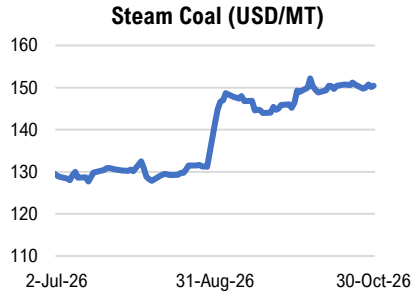
Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
3,874.62	-3.04	-6.80	-3.73	-10.30

Commodity prices were mixed: oil and coal held at high levels, while gold and CPO came under pressure.

- **Brent crude edged up 0.79% over the past week** and closed on Friday (10/30) at USD117.64 per barrel. For the month, Brent surged 13.63% in October, while WTI rose 15.2% and closed at USD104.12 per barrel. Market sentiment was dominated by concerns over an escalation of the US-Iran conflict, particularly after a tanker in the Strait of Hormuz was hit by an explosive device attached to a small boat. Supply risks grew further following claims of Houthi attacks on Saudi Arabian oil facilities and reports that the US is discussing military options against Iran. Diplomatic efforts through Qatari mediators are still ongoing, but the market is expected to remain volatile ahead of the US midterm elections on November 3, with the geopolitical risk premium continuing to support global oil prices.
- **Global gold prices fell 3.04% over the past week** and closed on Friday (10/30) at USD3,874.62 per troy ounce, the lowest in more than a year, and down 6.80% for the month. Negative sentiment was driven by surging energy prices and stubborn inflation, which reinforced expectations that US interest rates will stay higher for longer and reduced the appeal of gold as a non-yielding asset. Hawkish signals from the Fed and ECB, along with the tech stock selloff that triggered forced liquidations, also weighed on prices. Physical demand in India and China remains sluggish. Capital Economics even forecasts that gold could fall to USD3,600, although Commerzbank believes the decline has been excessive.
- **Global coal prices edged down 0.17% over the past week**, amid the Indonesian government's plan to overhaul its DMO rules. Even so, prices remain at a high level of around USD150.45 per ton, the highest since October 2024. Market sentiment remains positive, supported by limited supply, rising demand ahead of winter, and uncertainty in global energy markets. Coal prices, roughly 80% cheaper than LNG, are encouraging



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
150.45	-0.17	2.70	44.46	39.95

buyers in Asia and Europe to increase imports, while the IEA forecasts that global coal demand will reach a record high this year. On the supply side, Indonesia's export restrictions cut shipments by 23% in August, while market participants await clarity on the 2027 RKAB quota and the new export rules effective January 1, 2027.

- **Crude palm oil (CPO) on Bursa Malaysia fell 2.84% over the past week**. For the month, the contract is still up 1.54%, after plunging in September. Market sentiment is mixed. Prices were supported by a recovery in palm oil prices in Dalian and soybean oil in Chicago, buying on dips, and higher crude oil prices that make CPO more attractive as a biodiesel feedstock, amid concerns over an escalation of the US-Iran conflict. However, concerns over rising inventories and a stronger ringgit against the USD capped gains. Market participants are now awaiting Malaysia's October palm oil export and production data, scheduled for release on November 10.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	2.90	9.77	-4.23	-26.74	-21.38	Crude Palm Oil (MYR/Ton)	4,681.00	-2.84	1.54	9.88	15.58
Nickel (USD/MT)	15,125.79	-3.77	-4.50	-4.12	-11.24	Rubber (USD/Kg)	249.20	-3.07	-3.67	42.64	38.52
Copper (USD/MT)	14,154.50	-1.17	-1.77	29.66	13.94	Wheat (cents/bu)	603.50	-3.44	-10.69	15.12	19.03
Aluminum (USD/MT)	3.069.00	0.84	-3.17	7.18	2.45	Corn (cents/bu)	447.75	-1.81	-10.58	4.07	1.70
Iron Ore (USD/MT)	91.19	0.52	-2.91	-14.16	-14.64	Sugar (c/lb)	19.36	-4.35	9.81	35.57	28.98

Global and domestic equities weakened together, with the deepest pressure on Wall Street tech stocks and the ICI. The rupiah remained under pressure, while the U.S. dollar strengthened modestly amid inflation concerns and monetary policy uncertainty.

- **Wall Street closed lower over the past week**, with the S&P 500 down 0.57%, the Dow Jones (DJIA) down 0.85%, and the Nasdaq Composite down 2.00%. The heaviest pressure came at the end of the week, when the Nasdaq plunged 2.86%, the S&P 500 fell 1.82%, and the Dow dropped 1.09% on Friday (10/30), extending losses for a second consecutive day. Negative sentiment was driven by investor concerns about tech companies' heavy capital spending on AI development and the prospects for returns, following several quarterly earnings reports from tech giants that disappointed the market. The technology sector was the main drag on the indices, while the energy and consumer staples sectors managed to gain. On the monetary side, the Fed held interest rates this week, but several of its officials signaled that borrowing costs could rise again to curb persistently high inflation, amid surging oil prices due to the war. On the other hand, about 81% of S&P 500 companies that have reported Q3 results posted earnings above expectations, with aggregate earnings expected to grow 31% YoY. In October, the Nasdaq fell 5.3% (the deepest drop since March 2025), the S&P 500 fell 0.9%, while the Dow still gained 1.7%. This divergence shows that pressure was concentrated in tech stocks, as investors grow more cautious about valuations and the funding of AI infrastructure.
- **The ICI closed down by 7.03% over the past week** at 5,057.05, from 5,439.26 the previous week, which had risen 4.90%. All sectors came under pressure, led by infrastructure (-13.04%), basic materials (-12.23%), and energy (-10.75%). The IDX market capitalization shrank 7.52% to IDR8,862 trillion, while average daily transaction value fell 29.49% to IDR14.339 trillion, indicating weaker market participation. The main negative sentiment still came from the MSCI issue, which opened the option of downgrading Indonesia's capital market status and raised concerns over foreign capital outflows. Foreign investors recorded a net sell of IDR97.921 trillion year-to-date. FTSE Russell's affirmation that Indonesia remains in the Secondary Emerging Market classification, along with IDX reforms such as stronger oversight, demutualization, and the launch of the IDX Commodity 20 index, was not enough to ease the selling pressure.
- **The U.S. dollar strengthened modestly amid monetary policy uncertainty**. The U.S. Dollar Index (DXY) rose 0.07% week over week to 101.88 on Oct. 30, 2026. U.S. economic growth reached 3.4% YoY in the third quarter, exceeding expectations. The Personal Consumption Expenditures (PCE) Price Index increased 0.5% MoM in September. The Federal Reserve (Fed) held interest rates steady, while markets priced in approximately a 72% probability of a rate hike in December.
- **The rupiah remained under pressure amid domestic inflation concerns**. The rupiah depreciated 0.37% week over week to IDR18,147 per USD on Oct. 30, 2026. Market participants awaited the release of September trade balance data and October inflation figures. Bank Indonesia (BI) reaffirmed its focus on rupiah stability and maintained that current interest rates remained adequate to anchor inflation expectations. The likelihood of further rate hikes will depend on incoming economic data, following cumulative increases of 100 basis points (bps) in May and June.

Indonesian Composite Index (ICI)

Closing	(% Change)			
	WoW	MoM	YoY	YTD
5,057.05	-7.03	-16.70	-38.21	-41.52

US Dollar Index (DXY)

Closing	(% Change)			
	WoW	MoM	YoY	YTD
101.88	0.07	0.42	2.36	3.62

Rupiah Exchange Rate (USD/IDR)

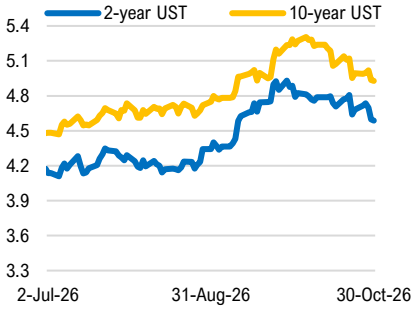
Closing	(% Change)			
	WoW	MoM	YoY	YTD
18,147	0.37	1.41	9.08	8.79

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P 500 (US)	7,580.07	-0.57	-0.93	11.11	10.73	Euro (EUR/USD)	1.12	-0.37	-1.50	-3.50	-4.99
Dow Jones (US)	51,770.31	-0.85	1.70	8.94	7.71	Canadian Dollar (USD/CAD)	1.40	-0.21	-1.81	-0.09	1.82
Nasdaq (US)	25,437.00	-2.00	-5.30	7.87	9.44	Pound sterling (GBP/USD)	1.34	0.13	0.95	1.82	-0.62
Euro Stoxx 50 (Eurozone)	6,131.31	1.04	-2.20	7.58	5.87	Japanese Yen (USD/JPY)	157.56	0.44	0.10	2.23	0.54
FTSE 100 (UK)	10,729.78	0.37	1.17	9.94	8.04	Chinese Yuan (USD/CNY)	6.65	-0.24	-0.78	-6.41	-4.79
Nikkei 225 (Japan)	63,290.11	0.95	-5.19	23.31	25.73	Singapore Dollar (USD/SGD)	1.28	-0.01	0.06	-1.75	-0.58
Shanghai (China)	3,599.02	-2.48	-6.33	-9.73	-9.32	Malaysian Ringgit (USD/MYR)	4.06	-0.68	-0.55	-3.30	-0.06
Hang Seng (Hong Kong)	23,294.42	0.87	-5.36	-11.37	-9.11	Thailand Baht (USD/THB)	33.78	0.04	0.60	4.33	7.26

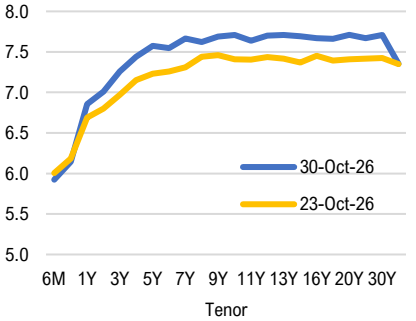
Key Data Developments in Global and National Bond Markets

2-Year and 10-Year US Treasury Yields (%)



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.588	-9	-30	98	111
5Y: 4.720	-9	-37	100	99
10Y: 4.929	-7	-36	83	76

Weekly Development of Government Bond Yield (%)

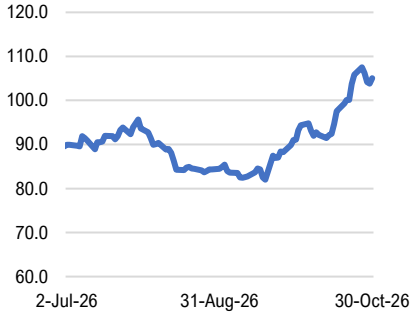


Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 7.092	19	24	219	210
5Y: 7.593	31	59	213	204
10Y: 7.720	27	58	167	165

Global bond demand improved, while Indonesian government bonds faced pressure from rupiah depreciation, fiscal risks, and weak auction demand.

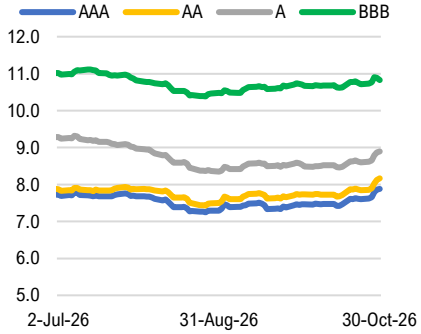
- **U.S. Treasury yields declined as demand for safe-haven assets increased**. On Oct. 30, 2026, the two-year yield fell 9 bps week over week to 4.588%. The five-year yield declined 9 bps to 4.720%, while the 10-year yield decreased 7 bps to 4.929%. Disappointing earnings from technology companies triggered an equity market sell-off. Concerns over the sustainability of the artificial intelligence (AI)-driven rally also encouraged a shift toward government bonds. The 10-year yield approached its lowest level in seven weeks.
- **Demand improved at the U.S. Treasury auction**. The USD44 billion auction of seven-year U.S. Treasury notes on Oct. 29, 2026, recorded a bid-to-cover ratio of 2.46x, up from 2.42x in September. Primary dealers' share of accepted bids declined to 9.4% from 12.5%. Indirect bidders accounted for 57.8%, while direct bidders absorbed 32.8%. The share allocated to nondealer investors increased compared with the previous auction.
- **Demand strengthened at Japan's government bond auction**. The two-year auction on Oct. 29, 2026, attracted JPY8.54 trillion in competitive bids, with JPY2.12 trillion accepted. The bid-to-cover ratio increased to 4.03x from 3.89x in September. The auction results supported the Japanese government bond market ahead of the Bank of Japan's (BOJ) policy decision. Strengthening U.S. Treasuries following the Fed's decision also supported market sentiment.
- **Indonesian government bond yields increased despite declining credit risk premiums**. On Oct. 30, 2026, the two-year yield rose 19 bps week over week to 7.092%. The five-year yield increased 31 bps to 7.593%, while the 10-year yield climbed 27 bps to 7.720%. Rupiah depreciation, fiscal risks, and MSCI's warning of a potential downgrade to Indonesia's equity market classification weighed on sentiment. The government's bond auction raised only IDR20.65 trillion against a target of IDR30 trillion, adding to market pressure. Meanwhile, Indonesia's five-year credit default swap (CDS) spread declined 0.76% to 105.07 bps.
- **Demand weakened at the government bond auction, with accepted bids falling below the target**. The Oct. 27, 2026, auction attracted IDR31.09 trillion in bids, down from IDR64.86 trillion on Oct. 13. The government accepted IDR20.65 trillion against a target of IDR30 trillion. The bid-to-cover ratio stood at 1.51x. Weaker demand for government securities (SUN) extended to longer-dated bonds. Total bids at the Oct. 27 auction fell 52.05% to IDR31.09 trillion from the previous auction. Bids for FR0110 fell 58.1% to IDR8.86 trillion. Among longer-dated securities, bids for FR0102 dropped 82.2% to IDR531.5 billion, while

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
105.07	-0.76	15.37	42.25	52.59

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

bids for FR0105 declined 78.4% to IDR521 billion. The government accepted IDR20.65 trillion against its IDR30 trillion target amid increased investor caution.

- **The government maintained its debt issuance plans in line with budget financing requirements**. On Oct. 26, 2026, the Minister of Finance reaffirmed that government securities (SBN) issuance would remain aligned with the fiscal deficit target of 2.85% of gross domestic product (GDP). Net SBN issuance through September reached IDR497.5 trillion, or 62.2% of the IDR799.5 trillion target. Debt financing reached IDR494.3 trillion, equivalent to 59.4% of the IDR832.2 trillion target.
- **Shorter-dated instruments dominated government financing through retail investors**. Final sales of retail savings bonds (SBR) series SBR015, announced on Oct. 26, 2026, totaled IDR17.01 trillion. The two-year series accounted for IDR13.60 trillion, while the four-year series raised IDR3.40 trillion. The offering attracted 62,529 investors, including 12,809 new retail SBN investors. The proceeds will fund the state budget (APBN).
- **Foreign investors continued to net-buy Indonesian government securities**. From the beginning of October through Oct. 28, 2026, foreign net purchases of SBN totaled approximately USD480 million. Over the same period, foreign net purchases of Bank Indonesia rupiah securities (SRBI) totaled about USD170 million. However, overall foreign portfolio flows remained negative at USD260 million, reflecting net equity sales of USD910 million.
- **BI strengthened hedging incentives to attract foreign fund placements**. Discounts on domestic non-deliverable forward (DNDF) cost components had reached 45%. The incentives, introduced in June, were increased further in October. BI reported that its DNDF and swap arrangements had attracted nearly USD12 billion, comprising approximately USD2 billion through DNDF transactions and nearly USD10 billion through swaps.
- **Shorter-dated instruments dominated corporate bond trading**. Trading volume on Oct. 27, 2026, declined to IDR12.43 trillion from IDR14.54 trillion a day earlier. Bonds with maturities of less than five years accounted for most transactions. Despite the decline, trading volume remained above the year-to-date average of IDR3.31 trillion. Outright transactions totaled IDR12.23 trillion, compared with IDR14.51 trillion the previous day.
- **PT Toyota Astra Financial Services (TAF) raised funds to support vehicle financing**. The company's Shelf-Registered Bonds V Phase III 2026 issuance totaled IDR419.995 billion. Series A, amounting to IDR378.430 billion, offered a 7.00% coupon with a 370-day tenor. Series B, totaling IDR41.565 billion, offered a 7.25% coupon with a three-year tenor. Fitch Ratings Indonesia assigned an $AAA_{(idn)}$ rating on Oct. 30, supported by expectations of backing from Toyota Motor Corporation. The proceeds will fund working capital for vehicle financing.
- **PT Sarana Multigriya Finansial (Persero) expanded its funding through bond and sukuk issuances**. Four instruments totaling approximately IDR3.09 trillion were listed on Oct. 30, 2026. The issuances comprised IDR1.53 trillion in conventional bonds and IDR513.54 billion in musyarakah sukuk. Social bonds totaled IDR762.60 billion, while social sukuk amounted to IDR266.60 billion. Coupon rates on conventional bonds ranged from 7.10% to 7.35%. Both social instruments had five-year tenors and offered a 7.70% coupon or indicative return. PEFINDO assigned an $_{id}AAA$ rating to the bonds and an $_{id}AAA_{(sy)}$ rating to the sukuk.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
PBS003	6.00	01/15/27	250.00	99.92	6.39	22,608,398
FR0110	7.25	05/15/32	15,000.00	98.10	7.67	21,630,759
FR0111	7.00	03/15/37	10,000.00	95.50	7.72	12,158,822
PBS030	5.88	07/15/28	50,000.00	98.25	6.92	8,892,515
PBS012	8.88	11/15/31	77,755.00	106.81	7.05	8,824,473

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Bond V Merdeka Copper Gold Phase IV Year 2026 Series A	idA+	8.25	10/27/27	500	101.50	8.08	2,602,650
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA(sy)	11.00	10/04/29	50,000	111.00	6.63	2,069,300
Shelf Registration Sukuk Ijarah I Bali Towerindo Sentra Phase III Year 2025 Series B	idA(sy)	7.25	12/05/28	46,840	101.15	6.41	1,723,720
Shelf Registration Bond I Pindo Deli Pulp and Paper Mills Phase II Year 2025 Series C	idA+/ irAA-	10.50	04/30/30	50,000	110.94	6.75	1,558,280
Shelf Registration Sukuk Ijarah I Tower Bersama Infrastructure Phase V Year 2026 Series A	AA+(idn)	7.15	10/25/27	8,000	99.88	7.00	1,491,200

Corporate Bonds Issuance

Throughout the fifth week of October 2026, 3 companies issued corporate debt securities valued at IDR5,779 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Bond II Phase II Year 2026 Series A	Oct-29-2026	1,070.39	10.00	3	idA+/irAA-
2	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Bond II Phase II Year 2026 Series B	Oct-29-2026	214.40	10.50	5	idA+/irAA-
3	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Sukuk Mudharabah II Phase II Year 2026 Series A	Oct-29-2026	873.64	10.00	3	idA+(sy)/irAA-
4	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Sukuk Mudharabah II Phase II Year 2026 Series B	Oct-29-2026	126.37	10.50	5	idA+(sy)/irAA-
5	PT Toyota Astra Financial Services	Shelf Registration Bond V Phase III Year 2026 Series A	Oct-30-2026	378.43	7.00	1	AAA(idn)
6	PT Toyota Astra Financial Services	Shelf Registration Bond V Phase III Year 2026 Series B	Oct-30-2026	41.57	7.25	3	AAA(idn)
7	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VIII Phase IV Year 2026 Series A	Oct-30-2026	1,081.51	7.10	1	idAAA
8	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VIII Phase IV Year 2026 Series B	Oct-30-2026	132.50	7.20	2	idAAA
9	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VIII Phase IV Year 2026 Series C	Oct-30-2026	318.25	7.35	3	idAAA
10	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Social Bond II Phase III Year 2026	Oct-30-2026	762.60	7.70	5	idAAA
11	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Sukuk Musyarakah II Phase III Year 2026	Oct-30-2026	513.54	7.10	1	idAAA(sy)
12	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Social Sukuk Musyarakah II Phase II Year 2026	Oct-30-2026	266.60	7.70	5	idAAA(sy)
Total				5,779.78			

Source: KSEI, IDX, PEFINDO database

Corporate Bonds Maturity for November 2026 Reaches IDR14.61 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Astra Sedaya Finance	Shelf Registration Bond VII Phase II Year 2025 Series A	Nov-4-2026	300.00	5.40	1	idAAA
2	PT Bank Victoria International Tbk.	Shelf Registration Subordinated Bond II Phase II Year 2019	Nov-8-2026	150.00	11.25	7	idBBB
3	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Bond VI Phase II Year 2023 Series B	Nov-9-2026	385.24	6.50	3	idAAA
4	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Sukuk Mudharabah V Phase II Year 2023 Series B	Nov-9-2026	48.73	6.50	3	idAAA(sy)
5	PT Lautan Luas Tbk.	Shelf Registration Bond III Phase II Year 2021 Series B	Nov-12-2026	135.00	9.75	5	idA
6	PT Bank UOB Indonesia	Shelf Registration Subordinated Bond II Bank UOB Indonesia Phase II Year 2019	Nov-13-2026	650.00	9.25	7	AA(idn)
7	PT Indonesia Infrastructure Finance	Shelf Registration Bond II Phase III Year 2025 Series A	Nov-15-2026	500.00	5.40	1	idAAA
8	PT Federal International Finance	Shelf Registration Bond VI Phase II Year 2023 Series B	Nov-16-2026	250.78	6.75	3	idAAA

9	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VI Phase II Year 2021	Nov-17-2026	2,800.00	6.00	5	idAAA
10	PT Wahana Inti Selaras	Shelf Registration Bond I Phase II Year 2025	Nov-17-2026	500.00	5.85	1	idA
11	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond I Phase I Year 2016 Series C	Nov-18-2026	700.00	8.65	10	idAAA
12	PT Indomobil Finance Indonesia	Shelf Registration Bond IV Phase II Year 2021 Series C	Nov-19-2026	593.54	7.50	5	idAA-
13	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond IV Phase III Year 2023 Series B	Nov-21-2026	739.72	10.25	3	idA+
14	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Sukuk Mudharabah III Phase III Year 2023 Series B	Nov-21-2026	303.56	10.25	3	idA+(sy)
15	PT Angkasa Pura Indonesia	Bond I Year 2016 Series C	Nov-22-2026	1,025.00	8.55	10	idAAA
16	PT Angkasa Pura Indonesia	Sukuk Ijarah I Year 2016 Series C	Nov-22-2026	96.00	8.55	10	idAAA(sy)
17	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond USD I Phase II Year 2023 Series B (USD0.90 mn)	Nov-22-2026	13.45	7.00	3	idA+
18	PT Medco Energi Internasional Tbk.	Shelf Registration Bond IV Phase II Year 2021 Series B	Nov-23-2026	58.20	8.50	5	idAA-
19	PT Pegadaian	Shelf Registration Bond VI Phase IV Year 2025 Series A	Nov-23-2026	2,700.00	5.25	1	idAAA
20	PT Pegadaian	Shelf Registration Social Sukuk Mudharabah I Phase III Year 2025 Series A	Nov-23-2026	1,300.00	5.25	1	idAAA(sy)
21	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VII Phase VII Year 2024 Series B	Nov-26-2026	153.01	6.50	2	idAAA
22	PT Barito Pacific Tbk.	Shelf Registration Bond III Phase II Year 2023 Series A	Nov-28-2026	700.00	8.50	3	idA+
23	PT Bank Rakyat Indonesia (Persero) Tbk.	Shelf Registration Commercial Paper I Phase I Year 2025 Series D	Nov-29-2026	403.80	4.95	1	idA1+
24	PT Bussan Auto Finance	Shelf Registration Bond III Phase IV Year 2025 Series A	Nov-29-2026	100.00	5.00	1	idAAA
Total				**14,606.02**			

Weekly Sector Highlights

During 26-30 October 2026, domestic sectoral sentiment was once again dominated by negative developments, primarily driven by government policy direction, persistently elevated uncertainty, and supply disruptions.

Industries	Sentiment & Significance	News Highlights
Automotive		**Higher Local Content Requirements for Electric Vehicles Accelerate Industry Ecosystem Development.** The government is targeting an increase in the domestic content requirement (TKDN) for battery electric vehicles to 60% during the 2027–2029 period and 80% by 2030, up from the minimum target of 40% in 2026, as part of efforts to strengthen the national electric vehicle industry and attract manufacturing investment. To achieve this target, the government is encouraging the accelerated development of domestic battery, module, and various electric vehicle component industries to enhance value creation and strengthen the national supply chain. The development of the battery ecosystem is considered a key factor, as battery production capacity and supporting components, including anodes and cathodes, are beginning to expand in Indonesia.
Banking		**Margin Pressure May Constrain Banking Sector Profit Growth.** Large banks continued to record positive profit growth through the third quarter of 2026, supported by credit expansion, higher non-interest income, and sustained asset quality. However, net interest margins (NIM) remain under pressure as funding costs rise faster than loan yields, amid intense competition for deposits and credit growth outpacing third-party fund growth. These conditions have prompted several banks to strengthen their low-cost funding strategies, accelerate digitalization efforts, and adopt a more selective approach to lending to preserve profitability. Although margin pressure is expected to persist into early 2027, the banking sector's outlook remains supported by corporate lending growth, rising investment activity, and the potential for improved liquidity conditions that could help mitigate further increases in funding costs.
Insurance and Guarantee		**Insurers Remain Vigilant Over Rising Medical Inflation Amid Rupiah Depreciation.** The insurance industry is facing a new challenge in sustaining improvements in health insurance performance as the rupiah weakens and again surpasses IDR18,000 per US dollar. Although the health insurance claim ratio declined to 62.11% as of August 2026 from 71.18% at the end of 2025, rising medical costs driven by dependence on imported pharmaceuticals, medical devices, and raw materials have the potential to increase claim values. Meanwhile, elevated medical inflation, which remains at 17%–20% per year, continues to pose a challenge to industry profitability, despite expectations among industry players that claim ratios will continue to improve through the end of the year.

Industries	Sentiment & Significance	News Highlights
Mining	🔴🔴	**El Niño May Pressure Nickel Production and Smelter Performance.** The El Niño phenomenon, which is expected to persist through early 2027, could increase operational risks for Indonesia's nickel industry due to drought conditions and limited water supplies required for smelter operations. The impact has already begun to emerge in the Morowali nickel industrial area, where several smelters have reduced production, and approximately 100,000 tons of nickel pig iron (NPI) production is reportedly at risk. Although near-term pressures are expected to ease with the return of the rainy season, industry participants continue to face a range of other structural challenges, including operational constraints, ore quality issues, and policy uncertainty.
Multifinance	🔴🔴	**Multifinance Funding Costs May Rise Amid Market Uncertainty.** The multifinance industry is facing pressure from rising funding costs amid persistently high interest rates and negative sentiment toward MSCI, which could drive up corporate bond coupons and increase banks' borrowing costs. This situation is prompting financing companies to be more selective in determining their funding strategies, balancing interest expense, liquidity risk, and refinancing risk. Although debt issuance by multifinance companies has declined, industry participants continue to rely on diversified funding sources and prudent liquidity management to maintain cost efficiency and support business needs.
Oil and Gas	⚪	**Gas Export Reduction to Singapore Prioritizes Domestic Supply Reliability.** The government has begun reducing natural gas exports to Singapore by approximately 31 BBTUD from the Natuna and Jambi Merang regions to ensure reliable gas supply for the domestic power sector. This policy aligns with the government's broader effort to reassess energy export allocations to better meet domestic demand, even as exports still account for around 25%–30% of national gas production. On the other hand, Singapore has emphasized the importance of adhering to previously agreed contractual commitments, despite having alternative supply options through LNG imports. Industry participants have cautioned that a balance between domestic requirements and export markets must be maintained to preserve the economic viability of oil and gas projects and sustain investor confidence in the certainty and consistency of Indonesia's energy policies.
Plantation and Agriculture	🔴🔴	**Declining Palm Oil Production Highlights the Urgency of Governance Improvements.** Indonesia's palm oil industry faces growing risks of production decline due to an increasing number of aging plantations, low implementation of the Smallholder Palm Oil Replanting Program (PSR), and the impact of the El Niño phenomenon. Amid stagnating palm oil production at around 52–56 million tons per year over the past six years, domestic demand continues to rise, particularly with the implementation of the B50 biodiesel program, which is expected to increase CPO consumption to 17.4 million tons by 2027. This situation could reduce export volumes and weaken Indonesia's position in the global market unless it is accompanied by higher productivity, accelerated PSR implementation, strengthened governance, and further downstream industry development.
Power and Energy	⚪	**Government Reviews Renewable Energy Electricity Export Plans.** The government is reviewing its plan to export low-carbon electricity to Singapore, given the country's high domestic electricity demand, despite the two countries having previously agreed on a cross-border electricity trading project with a capacity of 3.4 GW, scheduled to commence operations in 2035. Industry participants believe that the review will not hinder investment in renewable energy, provided that the government can guarantee electricity offtake by PLN or domestic industrial estates under competitive and bankable pricing schemes. Investors are considered to require certainty regarding the offtaker and the economic viability of projects, adjusting the scheme or project timeline is a more appropriate approach than a unilateral cancellation. On the other hand, uncertainty surrounding electricity exports could reduce Indonesia's attractiveness as a clean energy supply partner, particularly as Singapore has access to alternative sources of low-carbon electricity from other countries

Source: CNBC Indonesia, CNN Indonesia, Harian Kontan, Investor Daily, Kompas, and Tabloid Kontan (2026).

CREDIT RATING AGENCY

Weekly Economic Update

Presented by the Economic Research Division of PEFINDO

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Macroeconomic Development	: Suhindarto
Commodity and Stock Market Development	: Yollanda Nalita
Exchange Rates and Bond Market Development	: Ahmad Nasrudin
Issuance and Maturity Corporate Debt Securities	: Wasis Kurnianto
Sectoral Highlights	: Anindita Budi Rahmayani

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