WEEKLY ECONOMIC UPDATE

Period of July 6-10, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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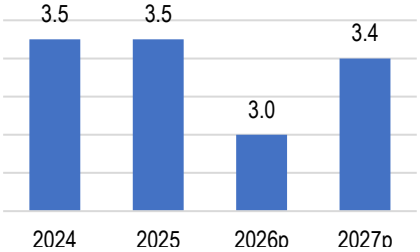
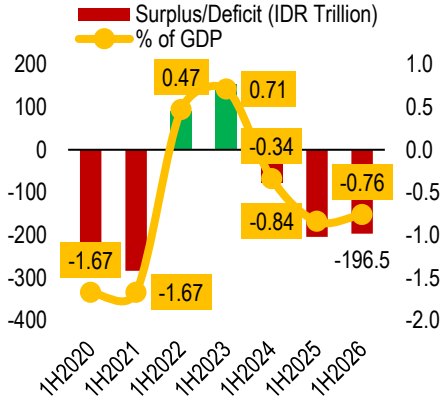
Data Highlights of the Week

Global Economic Growth Projection by IMF on World Economic Outlook July 2026 (%)



Source: IMF

Indonesia State Budget as of Semester 1-2026



Source: Ministry of Finance (processed by PEFINDO)

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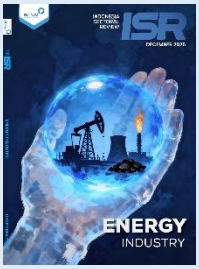

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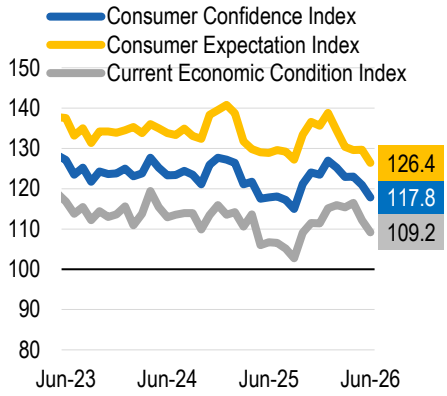
Global Geopolitical Tensions Heat Up Amid Domestic Fiscal Strengthening

Global Economic

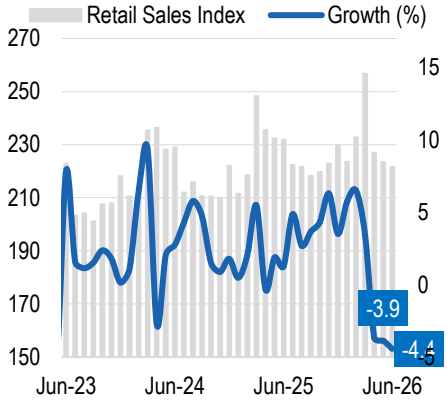
- **Fierce escalation in the Middle East flared again** following the funeral of Iranian Supreme Leader Ali Khamenei, where a dispute over navigation control in the Strait of Hormuz triggered three waves of US military strikes on Iran that, while declared ineffective, immediately raised global oil prices as efforts for a peace deal targeted for completion by mid-August now hang in the balance. Meanwhile, in other parts of the world, the European Union and China are embroiled in new trade frictions as the EU begins implementing stricter trade defense instruments to stem the flood of Chinese imports, which China retaliates with tightened restrictions on rare earth exports.
- **The IMF, in its latest World Economic Outlook report, slightly lowered its 2026 global economic growth projection to 3%** (Apr'26 projection: 3.1%). Global economic resilience appears stronger than expected in the face of the Iran War and solid AI investment. Global economic growth in 2027 was revised upward to 3.4% from 3.2%, but the IMF continued to warn that downside risks remain dominant and the impact of the US-Iran war has not yet been fully transmitted.
- **The release of the minutes of the June 26 FOMC Meeting showed that Fed officials held divided views on the future level of interest rates and the range of scenarios for the evolution of the economy and monetary policy.** Board members generally assessed that inflation risks remain high, and several commented that a rate hike was possible. Most participants also referred to a scenario in which, under stable labor market conditions, inflation would remain high due to strong demand related to AI, Middle East conflicts, or the effects of tariff policies. Nearly all participants still indicated the need to stabilize policy to ensure inflation returns to 2%. However, under the likely economic outlook, several officials expected interest rates to be at or slightly below their current levels by the end of the year.
- **European Central Bank (ECB) officials, in the minutes of their June 26 meeting, agreed to avoid providing any hints on the future path of interest rates given the economic uncertainty following the first rate hike since 2023.** Officials emphasized that communication should remain neutral, without signaling further rate hikes or even indicating a one-off increase. The Governing Council maintained its commitment to data-driven policymaking at each meeting to return inflation to the 2% target, but cautioned that persistently high energy prices could trigger broader inflation. Monitoring of inflation data, wages, demand, financial conditions, and market developments will continue. Markets currently see a 70% chance of a rate hike on September 26, as oil prices rise following the re-escalation of conflicts in the Middle East.
- **The Japanese economy demonstrated relatively resilient performance in May'26**, with average nominal wage growth of 3.2% YoY (Apr'26: 3.6%), continuing a 53-month upward trend, and real wages rising by 1.4% YoY (Apr'26: 2.0%), marking a fifth consecutive month of growth. The consumption sector also demonstrated resilience, with household spending contracting slightly by 0.4% YoY (Apr'26: -0.5%) due to transportation and utilities inflation. This was the slowest decline in six months, and instead surged sharply by 3.7% MoM due to increased spending on food, furniture, and education. This combination of stable wage growth and improving private consumption is considered to be increasingly meeting the Bank of Japan's (BoJ) requirements for raising its benchmark interest rate.
- **China reported a divergence in realized inflation between consumers and producers in Jun'26.** Consumer inflation reportedly slowed to 1.0% YoY (May'26: 1.2%), the lowest in three months. Non-food inflation slowed to 1.5% YoY due to the moderation in transportation costs as the government cut retail gasoline and diesel prices amid declining energy prices following the de-escalation of Middle East conflict tensions. On the food side, prices continued to decline for the third consecutive month (-1.6% YoY), primarily due to weaker pork and fresh fruit prices. Core inflation also slowed to 1.0% YoY (May'26: 1.1%). On the producer side, inflation accelerated to 4.1% YoY (May'26: 3.9%), continuing its four-month rise and becoming the sharpest since Jul'22. Remaining high commodity prices and

Indonesia Consumer Confidence Index



Source: Bank Indonesia

Indonesia Retail Sales Index



Source

Upcoming Week Economic Calendar

Time	Development Release
Jul 13	India inflation rate Jun'26
Jul 14	Singapore GDP Q2-2026
	China Trade Balance Jun'26
	US inflation rate Jun'26
	Fed Chair Testimony
	China New Yuan Loan Jun'26
Jul 15	South Korea Unemployment Rate Jun'26
	China GDP Q2-2026
	China retail sales Jun'26
	China fixed asset investment Jun'26
	Bank of Canada Monetary Policy Decision
	Indonesia's foreign loan May'26
Jul 16	Bank of Korea Interest Rate
	Indonesia Business World Activity Survey Q2-2026
	BI-Prompt Manufacturing Index (PMI) Q2-2026

rising production costs due to geopolitical tensions in the Middle East continued to pressure global energy and raw material markets.

- **Bank Negara Malaysia maintained its benchmark interest rate at 2.75%,** in line with market expectations. The Monetary Policy Committee stated that the current policy remains appropriate to maintain price stability while supporting stable economic growth. Furthermore, the central bank stated that Malaysia's economic activity remained resilient in the second quarter, supported by solid domestic demand and stronger-than-expected exports, while maintaining its 2026 growth forecast of 4%-5%.

Domestic Economy

- **The State Budget (APBN) at the end of Semester 1-2026 was reported to have a lower deficit, namely IDR196.5 trillion or 0.76% of GDP** (1H-2026: deficit of Rp204.2 trillion or -0.84% of GDP). The deficit that was able to be reduced occurred along with state revenues that rose 21.4% YoY (May'26: 19.1%; 1H-2025: -9.0%) to IDR1,459.4 trillion (46.3% of the target) amidst slower growth in state spending, namely 17.8% YoY (May'26: 34.4%; 1H-2025: 0.6%) to IDR1,656.0 trillion (43.1% of the target). The primary balance also showed improvement, recording a surplus of IDR 85.1 trillion (1H-2025: IDR 52.8 trillion). Despite the smaller deficit, budget financing still recorded 59.4% year-on-year growth to IDR 452.0 trillion (1H-2026: IDR 283.6 trillion) in line with front-loading of government debt issuance to anticipate financial market volatility. Overall, the deficit in 2026 is projected to widen to IDR 734.3 trillion, or 2.85% of GDP (State Budget target: 2.68%), primarily driven by additional spending of IDR 132 trillion for energy subsidies and compensation. At the same time, the government revised upward its domestic economic growth outlook for 2026 to 5.6-6.0% (State Budget target: 5.4%).
- **Indonesia's consumption sector in June 2026 showed mixed trends** amid moderating consumer confidence indicators and retail sales, while car and motorcycle sales continued to grow solidly. Some developments in the consumption sector include the following:
  - The consumer confidence index reportedly declined to 117.8 (May'26: 120.9), the lowest level since Sep'25, although it remains in the optimistic range. The current economic conditions sub-index and the consumer expectations sub-index also declined, to 109.2 (May'26: 112.2) and 126.4 (May'26: 129.7), respectively, indicating a cautious, though still optimistic, outlook for current and future consumption behavior.
  - The real sales index, an indicator of retail sales, reportedly contracted again by -3.9% YoY in May 26 (Apr'26: -3.7%) and is expected to continue to contract by -4.4% YoY through Jun'26.
  - Retail new car sales rose 19.6% YoY to 77,550 units (May;26: 16.8%), continuing their growth trend for three consecutive months. Cumulatively, first-half sales rose 10.5% CtoC to 433,848 units, highlighting resilient consumer demand despite inflationary pressures and higher non-subsidized fuel prices. Market sentiment is expected to receive further support from upcoming major automotive events. However, industry players remain cautious as macroeconomic challenges persist, particularly high borrowing costs, which are weighing on demand for vehicle financing, the primary purchasing channel for most Indonesian buyers.
  - Motorcycle sales recovered and rose 1.1% YoY to 515,136 units (May 26: -5.1%) despite continued cost pressures. Overall, in H1 2026, motorcycle sales fell -0.3% CtoC to 3.13 million units.
- **Indonesia's foreign exchange reserves rose to USD145.6 billion in June 2026, recovering from a nearly two-year low of USD144.9 billion in May 2026.** This modest increase was primarily supported by tax and service revenues, which offset government external debt payments and Bank Indonesia's rupiah stabilization measures amid ongoing uncertainty in global financial markets. The reserve position remains strong, equivalent to 5.5 months of imports or 5.4 months of imports and government external debt payments (international adequacy standard: three months).

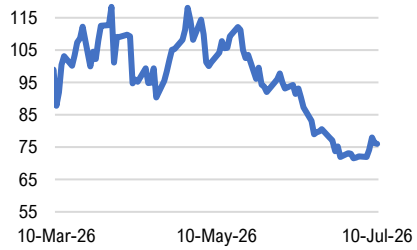
Week Ahead Highlights

In addition to the re-escalating developments in the Middle East and the renewed concerns about a recurrence of global energy supply disruptions, the global economy will be paying close attention to remarks by Fed Chairman Warsh, who is likely to provide further details on

potential Fed reforms during his testimony to Congress. Furthermore, the US will release June 2026 inflation and retail sales data. Canada will leave its benchmark interest rate unchanged. In Europe, the Eurozone will release its final estimate of June 2026 inflation, and the UK will release its May'26 GDP figures. In Asia, China will release several key economic indicators, including Q2-2026 GDP, the trade balance, monetary aggregates, industrial production, retail sales, unemployment, and house prices. India will release June 2026 inflation data, while Singapore and Malaysia will report their Q2-2026 GDP. Domestically, in addition to the May 2026 foreign debt statistics, various survey data will be released to show Indonesia's economic conditions throughout Q2-2026, namely the Business Activity Survey Report and the BI Prompt Manufacturing Index (PMI) for Q2-2026.

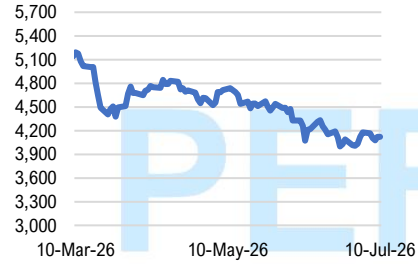
Spotlight on Commodity Price Trends (as of Juli 10, 2026)

Brent Crude Oil (USD/Barrel)



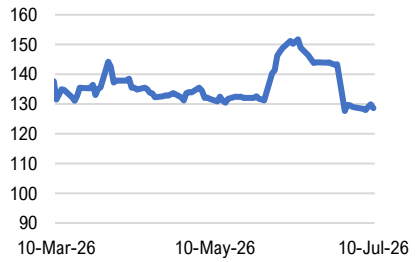
Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
76.01	5.39	-18.36	10.74	24.91

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,119.93	-1.36	1.17	23.94	-4.62

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
128.60	-0.16	-14.81	15.86	19.63

Commodity markets remained broadly subdued as geopolitical developments and weakening global demand continued to shape price movements.

- **Brent crude oil prices were volatile over the past week and ultimately fell 5.39%,** reversing a brief rally sparked by the escalation of the U.S.-Iran conflict. Prices briefly reached USD76.01 per barrel after Iran's attacks on U.S. military infrastructure in the Gulf region and reports of explosions near the Bushehr nuclear facility. They then reversed course as markets responded positively to Qatar's diplomatic efforts and growing optimism that the Strait of Hormuz—a vital route carrying around 20% of global oil and gas supplies—would soon fully reopen. Market sentiment shifted bearish, supported by expectations that a U.S. military presence would prevent a prolonged closure of the strait, alongside the IEA's projection of a potential global oil supply surplus in 2026, despite temporary concerns over lower Russian production following Ukrainian drone attacks on refineries. Overall, the oil market remains more sensitive to geopolitical headlines than to long-term supply-demand fundamentals.
- **Spot gold prices fell 1.36% over the past week**, pressured by inflation concerns and rising expectations of additional Federal Reserve interest rate hikes. Escalating tensions between the United States and Iran temporarily pushed oil prices higher, fueling inflation concerns and reducing the appeal of non-yielding assets such as gold. According to the CME FedWatch Tool, the probability of a Fed rate hike in September rose to 69%, consistent with the June FOMC meeting minutes, which revealed a more hawkish stance amid persistent inflation concerns. Physical demand remained mixed, with gold trading at a discount in India, while demand in China stayed resilient after the country's central bank recorded its largest monthly increase in gold reserves in more than 2.5 years in June. Overall, market sentiment remains bearish in the near term, with investors awaiting U.S. inflation data and Federal Reserve Chair Kevin Warsh's testimony next week for further guidance on monetary policy.
- **Global coal prices edged down 0.16% over the past week**, closing at USD128.60 per tonne on Friday. The decline was mainly driven by weaker demand from China, the world's largest coal importer, which spilled over from the domestic market into the seaborne market, weighing on prices of Newcastle coal, Indonesian FOB coal, and Indian import prices. Coal inventories at Asian power plants remained at comfortable levels, industrial activity softened, and domestic coal supplies in China and India remained abundant. At the same time, the rainy season reduced coal consumption by boosting hydropower generation. This marked a reversal from the May–June period, when supply concerns and uncertainty surrounding Indonesian exports had supported prices. Nevertheless, market sentiment has not fully turned bearish, as expectations of stable metallurgical coal prices through 2031 and rising Australian export projections have helped limit further downside.
- **Crude Palm Oil (CPO) prices rose modestly by 0.74% over the past week**, supported by higher global crude oil prices and a weaker Malaysian ringgit, which improved CPO's competitiveness for foreign buyers. The gains were driven by rising vegetable oil prices in China and the United States, which boosted biodiesel demand, as well as a 10.6%–11.1% increase in Malaysian palm oil exports in early July. However, the upside remained limited by signs of weakening global demand. India's palm oil imports fell to their lowest level in 14 months, while European Union imports of soybeans and palm oil declined by 3% and 4%, respectively. Given that India accounts for more than 30% of global CPO consumption, weaker demand remains a key downside risk. Overall, market sentiment was mixed, with support from energy prices and currency movements offset by concerns over oversupply

and slowing demand, leaving investors focused on upcoming MPOB data for further price direction.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	2.94	-8.01	-7.69	-11.90	-20.24	Crude Palm Oil (MYR/Ton)	4,513.00	0.74	-0.55	8.85	11.43
Nickel (USD/MT)	16,548.04	1.87	-5.60	4.35	-1.73	Rubber (USD/Kg)	214.70	1.47	-3.55	29.10	19.34
Copper (USD/MT)	13,484.50	0.88	-0.23	39.01	8.54	Wheat (cents/bu)	632.00	7.03	7.57	14.86	24.65
Aluminum (USD/MT)	3,139.50	1.59	-9.42	20.40	4.81	Corn (cents/bu)	438.00	3.06	4.53	7.55	-0.51
Iron Ore (USD/MT)	98.99	-1.33	-3.11	0.00	-7.34	Sugar (c/lb)	14.88	0.20	6.90	-8.49	-0.87

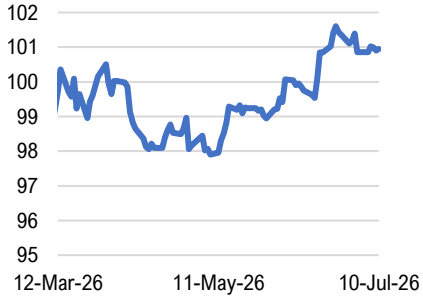
Equity markets advanced on optimism surrounding the technology and AI sectors, while the ICI continued to post gains despite external pressures and persistent foreign net selling. The U.S. dollar strengthened modestly amid geopolitical risks and expectations that interest rates would remain high, while the rupiah remained under pressure from external sentiment and weakening domestic conditions.

- **Wall Street posted strong gains over the past week,** with the S&P 500 rising 4.24%, the Nasdaq Composite surging 5.45%, and the Dow Jones Industrial Average advancing 4.42%. Positive sentiment was driven by the impressive Nasdaq debut of SK Hynix, whose shares jumped 13% above the IPO price and raised more than USD26 billion, reinforcing optimism surrounding artificial intelligence (AI) and semiconductor-related investments. Investors also welcomed signs of continued U.S.-Iran diplomatic engagement after President Trump said Iran had expressed interest in resuming negotiations, despite the June ceasefire's expiration. Market attention has now shifted to the upcoming second-quarter earnings season, beginning next week with major U.S. banks, as S&P 500 companies are expected to report approximately 24% YoY earnings growth. Nevertheless, concerns over inflation driven by higher energy prices resulting from Middle East tensions continue to linger. At the same time, investors await U.S. inflation data and Federal Reserve Chair Kevin Warsh's testimony for further clues on the future path of interest rates.
- **The Indonesian Composite Index (ICI) posted a modest 0.83% gain during the 6–10 July 2026 trading week,** supported by higher trading volume and market activity. The increase came amid mixed market sentiment, including S&P Dow Jones Indices' warning about Indonesia's market status, the Indonesian rupiah's depreciation against the U.S. dollar, and movements in global commodity prices, particularly stronger oil prices and weaker gold prices. Despite the index's positive performance, foreign investors remained net sellers in the equity market throughout the week. The ICI's gains were supported by positive performances across most sectors, with the financial and consumer cyclical sectors leading the advance, while the infrastructure sector was the only one to record a weekly decline.
- **The U.S. dollar strengthened modestly amid rising geopolitical risks and expectations of tight monetary policy**. The U.S. Dollar Index (DXY) reached 100.95 on July 10, 2026, up 0.09% from July 3, 2026. Renewed attacks by the U.S. and Iran pushed oil prices higher and raised inflation concerns. The Federal Open Market Committee (FOMC) minutes also indicated that the Federal Reserve (Fed) left open the possibility of an interest rate increase this year. However, the U.S. dollar retreated from its weekly high amid rising market volatility.
- **The rupiah remained under pressure from external factors and weakening domestic indicators**. The currency closed at IDR18,065 per U.S. dollar on July 10, 2026, depreciating 0.57% from the previous week. Its appreciation toward the end of the trading session primarily reflected easing U.S.-Iran tensions and a decline in oil prices to USD76 per barrel. However, persistently high expectations for Federal Reserve interest rates continued to limit the rupiah's potential appreciation. Domestic pressure stemmed from a widening current account deficit, contractions in retail sales and manufacturing activity, and weakening consumer confidence. The risk of a change in the classification of Indonesia's equity market also continued to weigh on foreign capital flows.

Jakarta Composite Index (JCI)

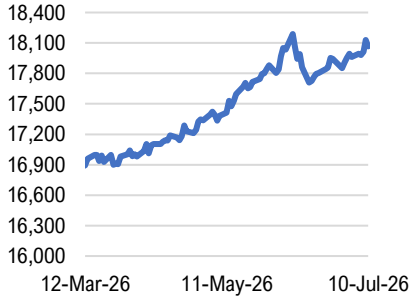
Closing	(% Change)			
	WoW	MoM	YoY	YTD
5,924.36	0.83	0.37	-15.43	-31.49

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
100.95	0.09	1.01	3.38	2.67

Rupiah Exchange Rate (USD/IDR)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
18,065	0.57	0.67	11.35	8.30

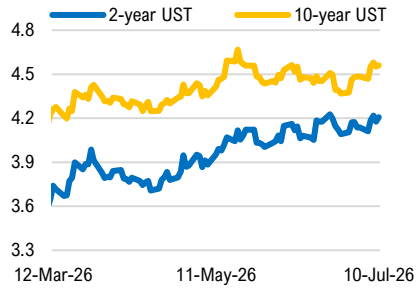
Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	7,575.39	1.23	4.24	20.62	10.66	Euro (EUR/USD)	1.14	-0.18	-1.03	-2.44	-2.81
Dow Jones (AS)	52,637.01	-0.50	5.45	17.89	9.52	Canadian Dollar (USD/CAD)	1.42	-0.32	1.51	3.65	3.13
Nasdaq (AS)	26,281.61	1.74	4.42	27.39	13.08	Poundsterling (GBP/USD)	1.34	0.40	0.27	-1.29	-0.53
Euro Stoxx 50 (Zona Euro)	6,269.97	-2.23	4.33	15.29	8.26	Japanese Yen (USD/JPY)	161.68	0.21	0.70	10.54	3.17
FTSE100 (Inggris)	10,497.29	-1.70	2.36	16.95	5.70	Chinese Yuan (USD/CNY)	6.78	-0.05	0.02	-5.59	-3.03
Nikkei225 (Jepang)	68,557.73	-1.70	6.82	72.92	36.19	Singapore Dollar (USD/SGD)	1.29	-0.02	0.31	0.94	0.47
Shanghai (Tiongkok)	3,996.16	-1.17	0.07	13.86	0.69	Malaysian Ringgit (USD/MYR)	4.07	0.02	0.07	-4.09	0.30
Hang Seng (Hong Kong)	24,175.12	3.53	-0.95	0.61	-5.68	Thailand Baht (USD/THB)	33.29	0.35	0.99	2.14	5.72

Key Data Developments in Global and National Bond Markets

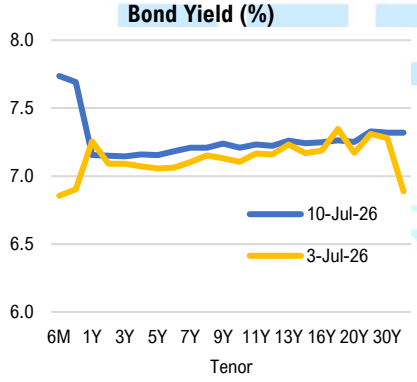
Global and domestic bond markets came under pressure from geopolitical risks, inflation, weak capital flows, and expectations of high interest rates, although auction demand remained strong and issuers continued to seek alternative funding sources in the capital market.

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



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.208	7	6	34	73
5Y:4.305	7	2	37	58
10Y:4.561	8	1	21	39

Weekly Development of Government Bond Yield (%)



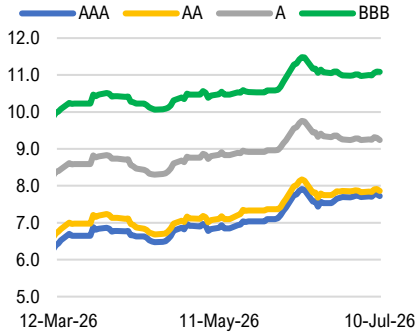
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y:7.218	4	-13	125	222
5Y:7.175	8	-29	98	162
10Y:7.237	10	-11	66	117

5 Year Credit Default Swap (CDS)

- **The U.S. Treasury market faced selling pressure as inflation risks and monetary policy uncertainty increased**. The two-year and five-year U.S. Treasury yields each rose 7 basis points to 4.208% and 4.305%, respectively, on July 10, 2026. The 10-year yield increased 8 basis points to 4.561% from July 3, 2026. The weekly increase was driven by renewed escalation in the U.S.-Iran conflict and concerns about rising oil prices. The Federal Reserve minutes also revealed differing views on the direction of interest rates. Lower-than-expected unemployment claims further increased upward pressure on yields. However, yields briefly declined during Thursday's trading session after oil prices weakened.
- **Pressure in Indonesia's debt market increased as yields and credit risk rose**. The two-year yield increased 4 basis points to 7.218% on July 10, 2026. The five-year yield rose 8 basis points to 7.175%, while the 10-year yield increased 10 basis points to 7.237% from July 3, 2026. Indonesia's five-year credit default swap spread also rose 1.06% to 90.89.
- **The government securities market came under pressure as investors repriced and foreign capital flows weakened**. Investors tended to favor shorter maturities to reduce duration risk. Foreign investors recorded net sales of government securities totaling USD2.03 billion during the 12 months through July 3, 2026. Analysts assessed that weakening current account conditions, capital flows, and private investment had reduced Indonesia's ability to finance its external deficit through foreign capital.
- **The government securities yield curve inverted again as market expectations for monetary policy and economic growth shifted**. The one-year yield rose 13 basis points to 7.4% on July 9, 2026, exceeding the three-year yield of 7.22% and the 10-year yield of 7.29%. This reflected expectations of higher domestic interest rates, rising U.S. Treasury yields, and an economic slowdown over the next several quarters. The government was expected to strengthen its fiscal capacity for countercyclical spending, while macroprudential policy could be eased if the slowdown continued.
- **The government securities auction recorded demand exceeding the amount awarded by the government.** Total bids reached IDR55.08 trillion, while the government awarded IDR32 trillion at the July 7, 2026, auction. The FR0109 series received the largest allocation at IDR11.5 trillion, with a weighted average yield of 7.10442%, followed by the FR0108 series at IDR9 trillion. The SPN12270708 series received no allocation, while the other series were awarded at average yields ranging from 6.9% to 7.35%.
- **Global bonds issued by Indonesia's sovereign wealth fund, Badan Pengelola Investasi Daya Anagata Nusantara (Danantara), attracted strong demand from international investors.** The USD1.5 billion issuance received USD4.6 billion in orders, or about three times the amount offered. The five-year and 10-year bonds each raised USD750 million, with yields of 5.35% and 5.95%, respectively. The strong investor interest prompted Danantara to consider issuing a 30-year bond.
- **PT Pos Indonesia (Persero) deferred its sukuk return payments because of an inadequate cash position**. The sixth return payment on Shelf-Registered Ijarah Sukuk I Pos Indonesia Phase I 2024 Series A, Series B, and Series C, totaling IDR24.11 billion, was due on July 7, 2026. The funds had not been credited to PT Kustodian Sentral Efek Indonesia's (KSEI) account by 2:00 p.m. Western Indonesia Time deadline. KSEI

Closing	(% Change)			
	WoW	MoM	YoY	YTD
90.89	1.06	-5.75	22.96	32.00

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

subsequently postponed the distribution of the returns to sukukholders, which had initially been scheduled for July 8, 2026.

- **PT Integrasi Jaringan Ekosistem (IJEE) fulfilled its bond interest and sukuk return obligations as scheduled.** Payments made through PT Kustodian Sentral Efek Indonesia (KSEI) on July 9, 2026, totaled IDR52.9 billion. The amount comprised IDR26.11 billion in interest on Bond III Series A-C and IDR26.7 billion in returns on Ijarah Sukuk II Series A-C. The principal amount of each instrument was IDR1.25 trillion, with annual interest and return rates ranging from 7.75% to 9.75%.
- **Regional governments and region-owned enterprises have begun diversifying their funding sources through the capital market**. The Jakarta Provincial Government targeted the issuance of municipal bonds totaling IDR3.5 trillion to address fiscal pressure following an IDR15 trillion reduction in revenue-sharing transfers. The Indonesia Stock Exchange also reported that other regional governments had begun exploring similar instruments. Bank Jakarta was considered ready to proceed with an initial public offering, while PT Transportasi Jakarta and PAM Jaya continued to assess the option. Region-owned enterprises were also considering the carbon exchange as a source of funding for energy transition projects. Implementation of all these plans will depend on the political commitment of the respective regional governments.
- **The role of Bank Indonesia's foreign-currency instruments in supporting rupiah stability was affected by changing investor demand**. The outstanding amount of Bank Indonesia Foreign-Currency Securities (SVBI) and Bank Indonesia Foreign-Currency Sukuk (SUVBI) declined from approximately USD5.6 billion in October 2025 to USD2.8 billion in May 2026. The decline occurred as their yield differential over U.S. dollar instruments narrowed. Auction demand was also concentrated in the one-month maturity, which accounted for 76% of SUVBI allocations and 87% of SVBI allocations. By contrast, foreign ownership of Bank Indonesia Rupiah Securities (SRBI) increased from approximately 12% in November 2025 to 22% in May 2026, while the outstanding amount rose to IDR980 trillion. The 12-month SRBI yield reached 7.67%, exceeding the one-year government securities yield of 7.24%. However, SRBI was not considered sufficient to reverse pressure on the rupiah without improvements in market sentiment and the credibility of economic policy.
- **PT Ekamas Mora Republik Tbk (MORA) completed its obligations under Shelf-Registered Ijarah Sukuk II Moratelindo Phase I 2023 Series A**. The company repaid the sukuk principal of IDR462.6 billion through PT Kustodian Sentral Efek Indonesia (KSEI) on July 9, 2026, ahead of its July 13, 2026, maturity. The payment was made together with the 12th installment of ijarah returns for Series A and Series B. The repayment discharged all of MORA's obligations under the Series A sukuk.
- **PT Astra Sedaya Finance (ASDF) prepared the first interest payment on Shelf-Registered Bond VII Phase III 2026 Series A and Series B.** Funds totaling IDR13.61 billion were scheduled to be transferred to PT Kustodian Sentral Efek Indonesia (KSEI) on July 9, 2026, and distributed to investors on July 10, 2026. The payment relates to bonds with an aggregate principal amount of IDR1.03 trillion. Series A had a principal amount of IDR810.67 billion and an annual interest rate of 5.1%, while Series B had a principal amount of IDR220.26 billion and an annual interest rate of 5.95%.
- **PT Medco Energi Internasional Tbk (MEDC) and PT Adira Dinamika Multi Finance Tbk (ADMF) completed their obligations under their respective debt securities**. MEDC repaid Shelf-Registered Bond V Phase I 2023 Series A and Series B, with a combined principal amount of IDR410 billion and an $_{id}$AA- rating. ADMF repaid shelf-registered bonds and sukuk totaling IDR551 billion, which were rated $_{id}$AAA. PEFINDO withdrew all ratings on the instruments following their repayment on July 7, 2026.
- **PT Lontar Papyrus Pulp & Paper Industry completed its principal obligations under its Series A bond**. The company repaid IDR2.726 trillion in principal on Shelf-Registered Bond III Phase I 2023 Series A through PT Kustodian Sentral Efek Indonesia (KSEI) on July 6, 2026. The payment discharged all of the company's principal obligations under the instrument.
- **PT Bumi Serpong Damai Tbk (BSDE) fulfilled its bond coupon and sukuk return obligations as scheduled.** Total payments reached IDR7.53 billion on July 7, 2026. The amount comprised IDR4.89 billion in bond coupon payments and IDR2.64 billion in ijarah

sukuk returns, both at an annual rate of 7.75%. All funds had been placed in PT Kustodian Sentral Efek Indonesia's (KSEI) account since July 3, 2026.

- **PT Bank Mandiri (Persero) Tbk (BMRI) completed the principal repayment of its Series A green bond.** The IDR1.95 trillion principal repayment on Shelf-Registered Green Bond I Bank Mandiri Phase I 2023 Series A was made through PT Kustodian Sentral Efek Indonesia (KSEI) on July 6, 2026. The instrument was distributed on July 4, 2023, and had a maturity date of July 4, 2026.
- **PT Bank Syariah Indonesia Tbk (BRIS) fulfilled its obligations under its sustainability-based mudharabah sukuk**. The IDR2.44 trillion principal of Shelf-Registered Sustainability-Based Mudharabah Sukuk I Bank BSI Phase II 2025 Series A was repaid through PT Kustodian Sentral Efek Indonesia (KSEI) on July 6, 2026. The instrument had a 370-day tenor and matured on the same date. BRIS stated that the repayment had no material effect on its business continuity.
- **PT Chandra Asri Pacific Tbk (TPIA) further strengthened its working capital funding through the bond market**. Shelf-Registered Bond V Phase III 2026 was issued with a principal amount of IDR2.25 trillion across four series, with maturities ranging from 370 days to seven years and annual coupon rates ranging from 8.5% to 10%. All proceeds will be used for working capital requirements, including raw material purchases. The idAA-rated instrument is not secured by specific assets. TPIA's operating cash flow remained negative at USD191.13 million in the first quarter of 2026.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
FR0109	5.88	03/15/31	53,522.00	95.04	7.14	40,742,734
FR0108	6.50	04/15/36	25,000.00	95.10	7.21	19,372,243
PBS030	5.88	07/15/28	100,000.00	97.65	7.16	8,429,599
PBS032	4.88	07/15/26	300,000.00	99.97	17.14	6,395,191
FR0106	7.13	08/15/40	134.00	99.45	7.19	4,602,949

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 III Year 2026	idA+	8.25	07/08/27	20,000	100.00	8.25	2,485,000
Shelf Registration Bond V Merdeka Copper Gold Phase III Year 2026	idA+	7.25	12/05/28	60,000	98.54	7.92	1,957,080
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA(sy)	11.00	10/04/29	70,000	109.05	7.80	1,561,360
Bond I Adaro Indonesia Year 2026 Series A	idAA	8.25	07/17/27	50,000	100.00	--	1,005,400
Shelf Registration Bond III Jaya Ancol Phase I Year 2024 Series A	idA+	8.50	07/09/27	80,000	100.71	7.76	928,250

Corporate Bonds Issuance

Throughout the second week of July 2026, 15 companies issued corporate debt securities valued at IDR11,813 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond V Phase I Year 2026 Series A	Jul-8-2026	511.85	7.50	1	idAAA
2	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond V Phase I Year 2026 Series B	Jul-8-2026	382.03	7.65	3	idAAA
3	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond V Phase I Year 2026 Series C	Jul-8-2026	1,106.13	7.85	5	idAAA
4	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Sukuk Mudharabah IV Phase I Year 2026 Series A	Jul-8-2026	153.96	7.50	1	idAAA(sy)
5	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Sukuk Mudharabah IV Phase I Year 2026 Series B	Jul-8-2026	346.05	7.65	3	idAAA(sy)
6	PT Adaro Indonesia	Bond I Year 2026 Series A	Jul-8-2026	1,420.00	8.25	1	idAA

7	PT Adaro Indonesia	Bond I Year 2026 Series B	Jul-8-2026	580.00	9.00	3	idAA
8	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Bond II Phase I Year 2026 Series A	Jul-8-2026	221.62	10.00	3	idA+/ irAA-
9	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Bond II Phase I Year 2026 Series B	Jul-8-2026	234.35	10.50	5	idA+/ irAA-
10	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Sukuk Mudharabah II Phase I Year 2026 Series A	Jul-8-2026	337.67	10.00	3	idA+(sy)/ irAA-
11	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Sukuk Mudharabah II Phase I Year 2026 Series B	Jul-8-2026	149.79	10.50	5	idA+(sy)/ irAA-
12	PT Japfa Comfeed Indonesia Tbk	Shelf Registration Bond III Phase I Year 2026 Series A	Jul-8-2026	390.00	9.25	3	A+(idn)
13	PT Japfa Comfeed Indonesia Tbk	Shelf Registration Bond III Phase I Year 2026 Series B	Jul-8-2026	110.00	9.50	5	A+(idn)
14	PT Bank UOB Indonesia	Shelf Registration Bond V Phase I Year 2026	Jul-8-2026	100.00	7.40	1	AAA(idn)
15	PT Bank UOB Indonesia	Shelf Registration Subordinated Bond V Phase I Year 2026	Jul-8-2026	100.00	7.75	7	AA(idn)
16	PT Indonesia Infrastructure Finance	Shelf Registration Bond III Phase I Year 2026 Series A	Jul-9-2026	367.86	7.40	1	idAAA
17	PT Indonesia Infrastructure Finance	Shelf Registration Bond III Phase I Year 2026 Series B	Jul-9-2026	53.73	7.65	3	idAAA
18	PT Indonesia Infrastructure Finance	Shelf Registration Bond III Phase I Year 2026 Series C	Jul-9-2026	11.00	7.70	5	idAAA
19	PT Metro Healthcare Indonesia Tbk	Shelf Registration Sukuk Ijarah I Phase I Year 2026 Series A	Jul-9-2026	500.00	7.75	1	irA-(sy)
20	PT Metro Healthcare Indonesia Tbk	Shelf Registration Sukuk Ijarah I Phase I Year 2026 Series A	Jul-9-2026	500.00	8.75	3	irA-(sy)
21	PT Bussan Auto Finance	Shelf Registration Bond IV Phase I Year 2026 Series A	Jul-9-2026	363.59	7.40	1	idAAA/ AAA(idn)
22	PT Bussan Auto Finance	Shelf Registration Bond IV Phase I Year 2026 Series B	Jul-9-2026	3.26	7.50	3	idAAA/ AAA(idn)
23	PT Bussan Auto Finance	Shelf Registration Sukuk Mudharabah II Phase I Year 2026	Jul-9-2026	100.00	7.40	1	idAAA(sy)/ AAA(idn)(sy)
24	PT Eagle High Plantations Tbk	Shelf Registration Bond II Phase I Year 2026 Series A	Jul-9-2026	30.88	9.50	1	idA-/irA
25	PT Eagle High Plantations Tbk	Shelf Registration Bond II Phase I Year 2026 Series B	Jul-9-2026	62.65	11.00	3	idA-/irA
26	PT Eagle High Plantations Tbk	Shelf Registration Bond II Phase I Year 2026 Series C	Jul-9-2026	7.32	12.00	5	idA-/irA
27	PT Eagle High Plantations Tbk	Shelf Registration Sukuk Mudharabah II Phase I Year 2026 Series A	Jul-9-2026	40.19	9.50	1	idA(sy)/ irA(sy)
28	PT Eagle High Plantations Tbk	Shelf Registration Sukuk Mudharabah II Phase I Year 2026 Series B	Jul-9-2026	0.66	11.00	3	idA(sy)/ irA(sy)
29	PT Eagle High Plantations Tbk	Shelf Registration Sukuk Mudharabah II Phase I Year 2026 Series C	Jul-9-2026	1.26	12.00	5	idA-(sy)/ irA(sy)
30	PT Soechi Lines Tbk	Shelf Registration Sukuk Ijarah I Phase I Year 2026	Jul-9-2026	134.86	7.95	3	idAAA(sy)(sf)
31	PT Dian Swastatika Sentosa Tbk	Shelf Registration Bond II Phase I Year 2026 Series A	Jul-9-2026	106.60	8.25	3	idAA
32	PT Dian Swastatika Sentosa Tbk	Shelf Registration Bond II Phase I Year 2026 Series B	Jul-9-2026	116.87	8.50	5	idAA
33	PT Dian Swastatika Sentosa Tbk	Shelf Registration Sukuk Mudharabah II Phase I Year 2026	Jul-9-2026	96.40	8.25	3	idAA(sy)
34	PT Bali Towerindo Sentra Tbk	Shelf Registration Sukuk Ijarah II Phase I Year 2026 Series A	Jul-9-2026	284.20	8.25	1	idA(sy)
35	PT Bali Towerindo Sentra Tbk	Shelf Registration Sukuk Ijarah II Phase I Year 2026 Series B	Jul-9-2026	89.00	8.63	3	idA(sy)
36	PT MNC Kapital Indonesia Tbk	Shelf Registration Bond VI Phase I Year 2026 Series A	Jul-10-2026	70.00	11.25	3	idBBB+
37	PT MNC Kapital Indonesia Tbk	Shelf Registration Bond VI Phase I Year 2026 Series B	Jul-10-2026	30.00	11.75	5	idBBB+
38	PT Pegadaian	Shelf Registration Bond VII Phase I Year 2026 Series A	Jul-10-2026	828.30	7.50	1	idAAA
39	PT Pegadaian	Shelf Registration Bond VII Phase I Year 2026 Series B	Jul-10-2026	171.70	7.55	3	idAAA

40	PT Pegadaian	Shelf Registration Sukuk Mudharabah IV Phase I Year 2026 Series A	Jul-10-2026	313.46	7.50	1	idAAA(sy)
41	PT Pegadaian	Shelf Registration Sukuk Mudharabah IV Phase I Year 2026 Series B	Jul-10-2026	186.54	7.55	3	idAAA(sy)
42	PT Pegadaian	Shelf Registration Social Bond II Phase I Year 2026 Series A	Jul-10-2026	317.48	7.50	1	idAAA
43	PT Pegadaian	Shelf Registration Social Bond II Phase I Year 2026 Series B	Jul-10-2026	182.52	7.55	3	idAAA
44	PT Pegadaian	Shelf Registration Social Sukuk Mudharabah II Phase I Year 2026 Series A	Jul-10-2026	298.50	7.50	1	idAAA(sy)
45	PT Pegadaian	Shelf Registration Social Sukuk Mudharabah II Phase I Year 2026 Series B	Jul-10-2026	201.51	7.55	3	idAAA(sy)
46	PT CIMB Niaga Auto Finance	Shelf Registration Bond I Phase I Year 2026	Jul-10-2026	200.00	7.40	1	AAA(idn)
Total				**11,813.72**			

Source: KSEI, IDX, database PEFINDO.

Corporate Bonds Maturity for August 2026 Reaches IDR9.90 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Bond III Phase IV Year 2019 Series B	Aug-1-2026	315.25	8.50	7	idAAA
2	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Sukuk Ijarah III Phase IV Year 2019 Series B	Aug-1-2026	368.00	8.50	7	idAAA(sy)
3	PT Merdeka Copper Gold Tbk	Shelf Registration Bond IV Phase III Year 2023 Series B	Aug-4-2026	1,475.00	8.00	3	idA+
4	PT Arkora Hydro Tbk	Green Bond I Year 2023 Series A	Aug-8-2026	318.06	9.50	3	idA+(pg)
5	PT Wahana Inti Selaras	Bond II Year 2023 Series B	Aug-8-2026	845.51	8.00	3	idA
6	PT JACCS Mitra Pinasthika Mustika Finance Indonesia	Shelf Registration Bond I Indonesia Phase II Year 2023 Series B	Aug-11-2026	230.00	7.00	3	AA(idn)
7	PT Pegadaian	Shelf Registration Bond V Phase IV Year 2023 Series B	Aug-24-2026	228.03	5.90	3	idAAA
8	PT Pegadaian	Shelf Registration Sukuk Mudharabah II Phase IV Year 2023	Aug-24-2026	235.04	5.90	3	idAAA(sy)
9	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond IV Phase II Year 2023 Series B	Aug-25-2026	1,609.87	10.25	3	idA+
10	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Sukuk Mudharabah III Phase II Year 2023 Series B	Aug-25-2026	878.98	10.25	3	idA+(sy)
11	PT Oki Pulp & Paper Mills	Sukuk Mudharabah Jangka Menengah II Year 2023	Aug-25-2026	200.00	Floating	3	-
12	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase II Year 2025 Series A	Aug-27-2026	984.07	7.50	1	idA
13	PT Merdeka Battery Materials Tbk	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series A	Aug-27-2026	651.68	7.50	1	idA(sy)
14	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VII Phase VI Year 2024 Series B	Aug-27-2026	192.20	6.75	2	idAAA
15	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond II Phase II Year 2019 Series D	Aug-28-2026	1,292.00	8.50	7	idAAA
16	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Sukuk Mudharabah I Phase III Year 2019 Series D	Aug-28-2026	76.00	8.50	7	idAAA(sy)
Total				**9,899.66**			

Weekly Sector Highlights

During 6–10 July 2026, domestic sectoral sentiment was primarily driven by mid-year performance developments, industry players' strategic responses, and their prospects going forward

Industries	Sentiment & Significance	News Highlights
Automotive	○	**Vehicle Sales Post Double-Digit Growth, but Do Not Yet Reflect Broad-Based Recovery in Purchasing Power.** National vehicle sales recorded positive growth in the first half of 2026, with wholesale sales increasing by 15.9% yoy and retail sales rising by 10.5% yoy. This growth was driven by the launch of various new models, technological innovation, more competitive pricing, as well as aggressive promotional and financing programs offered by industry players. However, a number of economists believe that this growth cannot yet be regarded as an indicator of a broad-based recovery in consumer purchasing power, as demand remains largely concentrated among upper-middle-income consumers, as well as corporate and fleet segments. In addition to being

Industries	Sentiment & Significance	News Highlights
		influenced by the low base effect from the previous year, the increase in sales also reflects improving consumer confidence within certain market segments. Looking ahead, the outlook for the automotive market continues to face challenges from elevated interest rates, fluctuations in the rupiah exchange rate, and consumer purchasing power that has not yet fully recovered.
Banking	○	**Credit Growth Supported by State-Owned Banks as Several Lenders Revise 2026 Business Targets.** Banking sector credit growth reached 11.51% yoy in May 2026, up from 9.9% yoy in April. However, this acceleration was still largely driven by state-owned banks, which accounted for more than half of total national credit disbursement. Amid global economic uncertainty, elevated interest rates, and the depreciation of the rupiah, several private and foreign banks have begun revising their credit growth and third-party funds (DPK) targets to more conservative levels. Citi Indonesia, KB Bank, and several other lenders have chosen to prioritize asset quality and greater selectivity in credit disbursement rather than pursuing volume growth. In contrast, state-owned banks remain optimistic about maintaining their existing targets, supported by continued strong credit growth and relatively stable liquidity conditions. This situation indicates that although aggregate banking sector credit growth remains solid, the expansion momentum has not been evenly distributed across the industry and continues to be driven primarily by large state-owned banks.
Hotel and Tourism	●	**Hotel Occupancy Rises, but Room Rates Remain Under Pressure.** The hotel industry recorded an increase in occupancy rates during the school holiday period, with occupancy rising by as much as 20% compared with normal periods. However, this growth has not fully translated into stronger sector performance, as average room rates declined by 5–10% compared with the same period last year, while occupancy levels remained below optimal thresholds. Amid weak purchasing power, travelers have tended to choose more affordable accommodations, while government and corporate activities have remained limited. Nevertheless, international tourist arrivals increased, supported by the depreciation of the rupiah. Meanwhile, Bank Mandiri data indicate that consumer spending has begun to rise during the holiday season, particularly in mobility and recreation categories, although industry players remain cautious about the sustainability of demand once the holiday period ends.
Insurance and Guarantee	●●●	**Reinsurance Industry Tightens Underwriting Standards.** The reinsurance industry continues to face pressure from economic uncertainty, which has contributed to weaker underwriting performance. Reinsurance premium income declined by 12.9% yoy as of April 2026, while underwriting results fell by 26.8% yoy. In response to these conditions, industry players are tightening underwriting processes by increasing selectivity based on data quality, claims history, premium adequacy, and retrocession support to maintain portfolio health and long-term stability. This measure is also being taken to anticipate rising risks stemming from economic volatility and climate change.
Metal and Gold	●●	**Gold Price Correction May Weigh on Earnings Growth of Listed Companies**. Global gold prices have shown a weakening trend after correcting by approximately 4% over the past month, potentially slowing the pace of earnings growth for listed gold mining companies in the second half of 2026. Analysts believe that the main challenges facing gold producers are not limited to the normalization of prices following a high base effect, but also include rising production costs, potential changes in royalty rates, and the risk of delays in mine capacity expansion. Amid these conditions, the ability to increase production volumes, maintain operational efficiency, and optimize reserves will be key factors in sustaining profitability. Meanwhile, the gold sector outlook continues to be supported by global economic uncertainty and demand for safe-haven assets.
Mining	●●●	**Mining Contractors Continue to Await Opportunities from RKAB Revisions.** The mining services industry is expected to remain under pressure in the second half of 2026 despite the government opening the possibility of revising the Work Plan and Budget (RKAB). Industry players believe that additional production quotas will not immediately restore performance, as the time remaining until year-end is relatively limited to catch up on production targets that were delayed following RKAB reductions. These conditions have led to a slowdown in operational activities and have even compelled some contractors to reduce the utilization of heavy equipment and furlough part of their workforce. At the same time, the industry is facing rising operating costs, particularly for industrial diesel fuel, spare parts, transportation, and heavy equipment maintenance, which are weighing on profitability. As a result, many mining companies and contractors are focusing more on cost efficiency, fleet utilization optimization, and more selective contract management rather than pursuing aggressive expansion.
Multifinance	○	**NPF Rises, but Vehicle Repossessions Decline**. The multi-finance industry faced rising financing risks in early 2026, as reflected in the non-performing financing (NPF) ratio, which increased to 2.89% as of April 2026 from 2.43% in April 2025. Nevertheless, several financing companies reported a significant decline in vehicle repossessions from borrowers, driven by improvements in

Industries	Sentiment & Significance	News Highlights
		credit acquisition quality, portfolio management, and a more persuasive approach to handling troubled customers. Industry players are increasingly prioritizing communication, restructuring, and resolution strategies tailored to borrowers' financial conditions before proceeding with asset repossession. This strategy has become increasingly important amid continued pressure on consumer purchasing power, which may still affect borrowers' ability to meet installment payments and influence future credit quality.
Oil and Gas	🟢🟢🟢	**B50 Rollout Strengthens Energy Independence.** The government officially launched the mandatory B50 biodiesel program in July 2026, making Indonesia the first country to implement a mandatory fuel blend consisting of 50% biodiesel and 50% diesel. The policy is claimed to eliminate diesel imports, generate foreign exchange savings of up to IDR170 trillion, and increase domestic palm oil absorption to approximately 16.2–17 million tons per year. In addition to strengthening national energy security, the implementation of B50 is projected to support carbon emissions reduction targets and provide demand certainty for the palm oil plantation sector. On the other hand, several observers have cautioned that the economic effectiveness of the B50 program should be evaluated periodically, given the potential increase in subsidy requirements and fiscal burdens, particularly when global oil prices remain at low levels.
Plantation and Agriculture	🟢	**Partnerships Drive the Strengthening of the Smallholder Palm Oil Ecosystem.** PT Agrinas Palma Nusantara and the Ministry of Cooperatives have agreed to develop a cooperative-based palm oil plantation ecosystem through a nucleus-plasma partnership scheme. Under the collaboration, approximately 20% of Agrinas Palma's productive oil palm plantation area, or around 250,000 hectares, will be managed by cooperatives, involving more than 1,100 existing palm oil cooperatives. The government is also encouraging cooperatives not only to manage plantations but also to acquire ownership of palm oil processing facilities. The program forms part of the optimization of palm oil plantation land management arising from the reorganization of forest areas, which is currently under the management of Agrinas Palma. However, the success of this scheme will depend heavily on effective capacity-building support, transparent governance, and adequate oversight to ensure that the partnership operates in a balanced and sustainable manner.
Power and Energy	🟢🟢	**Approximately 40% of Electricity Projects Have Entered Execution.** PT PLN is accelerating the implementation of the 2025–2034 Electricity Supply Business Plan (RUPTL). Within one year of the plan's issuance, approximately 40% of projects, or 1,646 projects, had entered the execution stage, covering procurement, construction, and commercial operations. On the generation side, additional installed capacity realized through June 2026 reached 4,541 MW, equivalent to 106.5% of the cumulative 2025–2026 target, and is projected to increase to 5,289 MW by year-end. PLN has also reported progress in the development of transmission networks and substations, which are projected to meet or exceed annual targets. To support this acceleration, the company has established a project tender roadmap for power generation, transmission, and substations through 2031, in line with the RUPTL target of adding 69.5 GW of capacity, the majority of which will come from renewable energy sources and energy storage systems.
Property	🔴🔴🔴	**Rising Non-Performing Loan Risks Weigh on Property Sector Outlook.** As of April 2026, the consumer non-performing loan (NPL) ratio increased to 2.4%, with property loans recording the highest risk level at 3.3%, particularly in the apartment segment, where NPLs reached 4.2%. The deterioration in credit quality has prompted banks to tighten mortgage lending, as reflected in the slowdown of property loan growth to 4.8% yoy from 8.5% yoy in the previous year. This situation has been exacerbated by higher benchmark interest rates, which could increase debt servicing burdens and default risks, particularly among middle-income households. As a result, demand for credit-financed property purchases is at risk of weakening, potentially putting pressure on sales and the performance of listed property companies, especially those focused on the lower- and middle-income segments.
Transportation and Vehicle Rental	🔴	**Lower Oil Prices Do Not Necessarily Mean Lower Airfares.** The decline in global oil prices has provided a positive sentiment for the aviation industry, as it can help reduce fuel costs, which represent the largest component of airlines' operating expenses. However, industry players believe that lower airfares are unlikely to materialize automatically in the near term, given the continued pressure from various other cost components, particularly the impact of the rupiah's depreciation against the U.S. dollar. Airlines tend to use improved operating cost conditions to maintain fare competitiveness through promotional programs and efficiency improvements, while safeguarding business sustainability. On the other hand, the government continues to postpone the implementation of revisions to the upper fare limit due to the high volatility of energy prices and exchange rates, opting to wait for more stable conditions before establishing a new tariff structure.

Industries	Sentiment & Significance	News Highlights
		Consequently, the future direction of airfare movements will be determined more by a combination of operating costs, market conditions, and regulatory policies than by oil prices only.

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

PEFINDO
CREDIT RATING AGENCY

Weekly Economic Update

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