



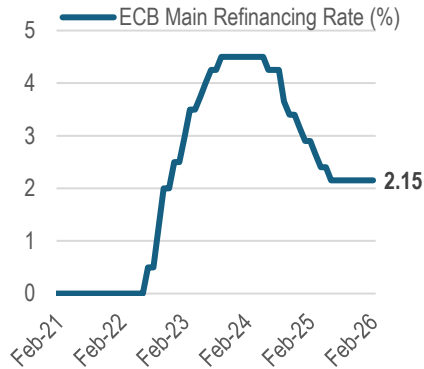
Global Interest Rates Remain Unmoved, International Alarms Sound, but Indonesia's Economy Remains on a Positive Track.

Global Economic

- **Geopolitical tensions in the first week of February 2026 showed a significant escalation in several global hotspots.** US-Iran nuclear talks, still ongoing in Oman, remain at an impasse as Iran refuses to halt uranium enrichment as demanded by the US. Iran has also asserted that it will target US military bases in the region if the US launches a military attack. US citizens in Iran have been urged to leave the country immediately. Russia-Ukraine peace talks in Abu Dhabi are reportedly progressing productively in the early stages but remain far from a deal. In the same week (February 4, 2026), the US and Russia's New START treaty expired, marking the first time in decades that the US and Russia operated without formal legal restrictions on nuclear weapons.
- **A partial government shutdown occurred in the US on January 31, 2026, due to Congress' failure to approve a budget package in time for the end of the 2026 fiscal year.** This shutdown was not as extensive as last year's, but it still resulted in a temporary halt in funding for many departments due to the lack of agreed-upon funding legislation. The failure of the agreement stemmed from a dispute over funding for the Department of Homeland Security (DHS) as some Democrats demanded tighter restrictions on immigration enforcement policies following a shooting incident by a federal agent. Nevertheless, on February 3, 2026, a USD1.2 trillion funding package for most of the federal government through the end of the fiscal year (September 30, 2026) was approved by a vote of 217-214, ending the partial shutdown. Due to the partial shutdown, labor market and inflation data were delayed.
- **Europe's two major central banks, the European Central Bank (ECB) and the Bank of England (BoE), both held interest rates unchanged.** The ECB maintained its main refinancing rate at 2.15%, its deposit facility rate at 2.0%, and its marginal lending rate at 2.4%, and reiterated that inflation is expected to stabilize at its 2% target over the medium term. The decision followed the release of preliminary estimates of inflation in Jan'26 at 1.7% YoY, the lowest since Sep'24, and core inflation at 2.2% YoY, the lowest since October 2021. The ECB said the Eurozone economy remained resilient, but warned that uncertainty over the outlook remained due to global trade policy risks and ongoing geopolitical tensions. Meanwhile, the BoE also held Bank Rate at 3.75% by a narrow 5 vote (unchanged) vs 4 vote (a 25 bps cut), as policymakers balanced easing inflationary pressures with risks from a weakening economy. Inflation remained above the 2% target but is expected to ease back to around that level from April, partly due to developments in energy prices. The Committee signaled that further rate cuts were likely but would depend on incoming inflation data, with future decisions expected to be highly balanced.
- **The summary of opinions at the Bank of Japan (BOJ) Jan'26 meeting indicated that the central bank's risk of lagging behind the monetary policy curve has not increased significantly.** However, prudent and timely policy implementation is seen as increasingly important. With real interest rates remaining deeply negative, and assuming the outlook for economic activity and prices remains stable, further rate hikes are considered appropriate. The BOJ is assessing the impact of each move on growth, inflation, and financial conditions and pursuing gradual tightening, although policy remains highly accommodative amid a weakening yen. Looking ahead, shifts in the overseas interest rate environment could increase the risk of policy lagging. Japan's real policy rate remains the lowest globally, and the sensitivity of foreign exchange markets to interest rate differentials underscores the need to narrow the gap.
- **The Reserve Bank of India (RBI) maintained its key repo rate at 5.25% amid confidence in the prospect of lower inflation and improving growth prospects,** following a 25 bps cut in December 25. This decision comes after the fiscal deficit was projected at 4.3% of GDP for the 2026–2027 fiscal year (down from 4.4%), outlining a gradual consolidation path while maintaining spending in key growth sectors and the US-India trade deal with lower tariffs and raising expectations for stronger economic growth.

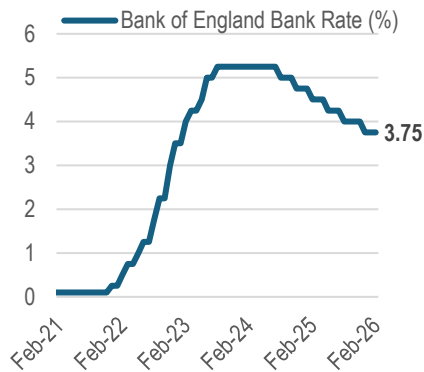
Data Highlights of the Week

ECB Main Refinancing Rate (%)



Source: Bloomberg

Bank of England Bank Rate (%)



Source: Bloomberg

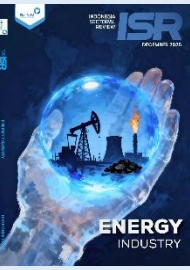
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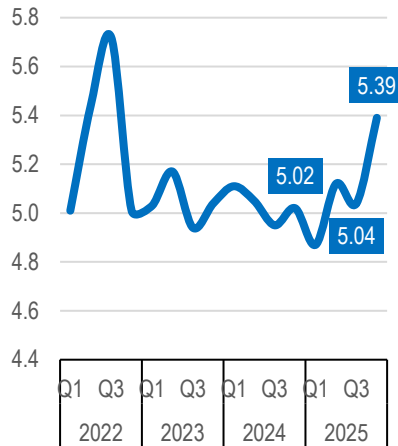
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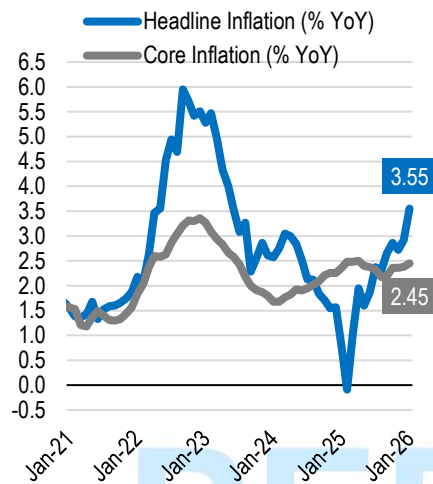
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Indonesia's Economic Growth (% YoY)



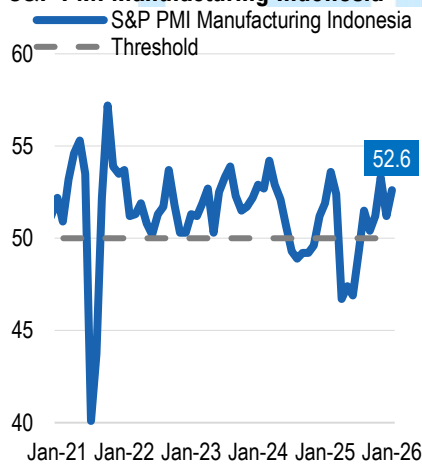
Source: Central Statistics Agency

Indonesia's Consumer Inflation Rate



Source: Central Statistics Agency

S&P PMI Manufacturing Indonesia



Source: S&P Global

Upcoming Week Economic Calendar

Date	Development Releases
Feb 08	Japan Snap Election
Feb 09	Japan Jan'26 Current Account Balance
	Indonesia Jan'26 Consumer Survey
Feb 10	Indonesia Dec'25 Retail Sales Index and Jan'26 Projection

- Vietnam, Thailand, and the Philippines reported mixed inflation in Jan'26.** Vietnam's Jan'26 inflation slowed to 2.53% YoY (Dec'25: 3.48%) as most sub-components, particularly food and food services, slowed. Core inflation also slowed to 3.19% YoY (Dec'25: 3.27%). Meanwhile, Thailand experienced a deepening deflation of -0.66% YoY (Dec'25: -0.28%), marking its tenth consecutive month of deflation and the longest since the pandemic. This situation has kept Thailand's inflation below the central bank's target range (1-3%), with the decline driven by lower energy prices and government efforts to curb the cost of living. Core inflation, on the other hand, rose 0.60% YoY (Dec'25: 0.59%). In contrast, the Philippines reported inflation strengthening to 2% (Dec'25: 1.8%), the highest since Feb'25. This acceleration was driven by sharp increases in housing and utility costs. Core inflation in the Philippines also rose to 2.8% YoY (Dec'25: 2.4%).

Domestic Economy

- Indonesia's economy grew 5.39% YoY in Q4-2025 (Q3-2025: 5.04%),** exceeding market expectations (5.01%). This realization was the strongest annual growth since Q3-2022 despite being hit by several natural disasters at the end of the year. Private consumption grew solidly (5.11% vs. 4.89% in Q3) due to continued government support and lower borrowing costs, although government spending slowed (4.55% vs. 5.66%). Furthermore, fixed investment also increased (6.12% vs. 5.04%). However, net exports were less supportive, with export growth slowing sharply (3.25% vs. 9.14%) while imports increased (3.96% vs. 0.86%). By business sector, accelerated growth occurred in the agriculture, forestry, and fisheries sectors (5.14% vs. 4.93%), wholesale and retail trade (6.07% vs. 5.46%), transportation and warehousing (8.98% vs. 8.62%), and finance and insurance (7.92% vs. 0.77%). Full-year GDP grew 5.11%, below the government's target of 5.2% but the strongest growth since 2022.
- Indonesia's unemployment rate for Nov'25 was reported to have decreased to 7.35% (Aug'25: 7.46%),** as the number of unemployed also decreased to 4.74 million (Aug'25: 4.85 million). This decline in the unemployment rate occurred amidst an increase in the labor force participation rate to 70.95% (Aug'25: 70.59%), amid a 1.26 million increase in the labor force to 155.27 million. The agricultural sector is the largest labor-absorbing sector (27.99% of total workers), followed by trade (18.67%) and the processing industry (13.86%).
- Indonesia's consumer inflation rose to 3.55% YoY in Jan'26 (Dec 2025: 2.92%), the highest since May 2023 and slightly above the central bank's target range (1.5%–3.5%).** The increase was primarily driven by a low-base effect resulting from electricity tariff discounts granted in early 2025. Core inflation rose to 2.45% YoY, the strongest in nine months.
- The S&P Global Indonesia Manufacturing PMI rose to 52.6 in Jan'26 (Dec'25: 51.2),** marking a sixth consecutive month of manufacturing activity expansion. Demand remained strong, with production growing for the third consecutive month and at the second-fastest pace in almost a year, while new orders continued their six-month surge. Meanwhile, companies increased input purchases for the sixth consecutive month as they built up pre-production and post-production inventories. However, employment declined slightly after six months of increases. Finally, business confidence strengthened further, reaching a 10-month high.
- Indonesia's trade balance widened to a surplus of USD2.52 billion in Dec'25** (Dec'24: USD2.24 billion). Exports unexpectedly grew 11.64% YoY to their highest level in more than three years, reaching USD26.35 billion (Nov'25: -6.6%), the fastest pace since Feb'25. Meanwhile, imports unexpectedly rose 10.81% YoY (Nov'25: 0.46%), marking the fastest increase in imports since Apr'25. For the full year of 2025, Indonesia recorded a trade surplus of USD41.05 billion, with exports and imports growing 6.15% and 2.83%, respectively.

- Indonesia's foreign exchange reserves decreased to USD154.6 billion in Jan'26 from a nine-month high** (Dec'25: USD156.5 billion). This decline was driven by government external debt payments and rupiah exchange rate stabilization measures in response to rising uncertainty in global financial markets. The current level is sufficient to cover 6.3 months of imports, or 6.1 months of imports and government external debt payments.
- Moody's Investors Service maintained the Republic of Indonesia's rating at Baa2 but lowered the outlook to negative, citing concerns about policy credibility.** The agency

Feb 11	South Korea Jan'26 Unemployment Rate
	China Jan'26 Inflation Rate
	US Jan'26 Labour Market Update
Feb 12	UK Q4-2025 GDP (Initial Estimate)
	India Jan'26 Inflation Rate
	US Jan'26 Inflation Rate
	China Jan'26 New Yuan Loans

highlighted that reduced predictability and coherence in policymaking, as well as less effective policy communication, have increased risks to policy credibility, which could undermine governance, economic performance, and fiscal stability. These developments are reflected in higher stock and foreign exchange market volatility and, if continued, could erode the credibility of Indonesia's policies, which have long supported strong economic growth and macroeconomic stability. The rating affirmation reflects Indonesia's structural strengths, including its rich natural resources, favorable demographics, and continued strong fiscal and monetary policy synergy, which support medium-term growth. Standard & Poor's credit rating for Indonesia is BBB with a stable outlook.

- **Along with the outlook downgrade, Moody's also downgraded the outlook for 5 banks,** namely PT Bank Mandiri (Persero) Tbk (BMRI), PT Bank Rakyat Indonesia (Persero) Tbk (BBRI), PT Bank Negara Indonesia (Persero) Tbk (BBNI), PT Bank Central Asia Tbk (BBCA), and PT Bank Tabungan Negara (Persero) Tbk (BBTN) to negative from stable. BMRI is highlighted for its declining capital buffer, credit risk from previously aggressive credit growth, and high exposure to the commodity sector and high-risk sectors. BBRI is highlighted for its asset risk, which is expected to remain high in 2026 and 2027 due to its significant exposure to higher-risk MSME loans, as well as its profitability, which is expected to decline in 2026 due to pressure on interest margins and still high credit costs. BBNI is expected to experience a decline in profitability due to tightening NIM. BBCA is expected to experience a slight downgrade in capitalization due to dividends and credit growth, although it remains very strong. Meanwhile, BBTN is still considered to face structural challenges, particularly the high proportion of credit restructuring and the low level of reserves compared to asset risk.

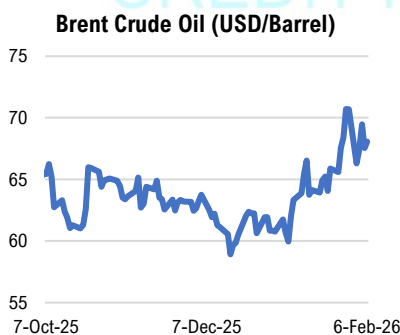
Week Ahead Highlights

Data releases delayed by the partial US government shutdown, such as the US employment report and consumer inflation, will be released this week, two highly anticipated market events. In the UK, Q4-2025 GDP data will be released for the first time, while the Eurozone will release the second estimate of Q4-2025 GDP data. In Asia, Japan's snap general election will be in focus following yen volatility and concerns about the Japanese government bond market. Additionally, China and India will release their January 2026 inflation data, while Malaysia will release its Q4-2025 economic growth data. Domestically, the January 2026 Consumer Confidence Survey and the December 2025 Retail Sales Survey, along with their projections for January 2026, will be released early in the week.

Commodities showed mixed movements, with pressure on energy and CPO prices, while gold and coal remained relatively supported by defensive sentiment and demand.

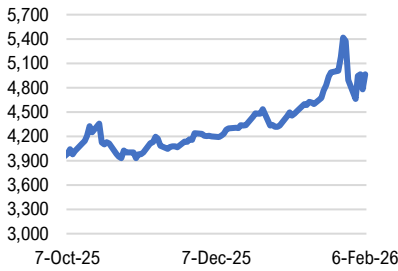
- **Brent crude oil prices recorded a weekly decline of around 3.73%,** marking the first weekly drop in nearly two months, despite a late-week daily rebound. The weakness reflects a shift in market focus away from geopolitical risk toward weakening fundamentals. Throughout the week, sentiment remained clouded by uncertainty surrounding U.S.–Iran negotiations, which failed to fully ease conflict concerns, keeping the geopolitical risk premium intact—particularly related to potential supply disruptions in the Strait of Hormuz, through which roughly 20% of global oil consumption passes. However, selling pressure proved more dominant amid expectations of oversupply, driven by rising production from Kazakhstan and Saudi Arabia's move to cut official selling prices to Asia to the lowest level in almost five years. The combination of looser supply prospects, global financial market sell-offs, and easing short-term supply fears kept Brent under weekly pressure despite elevated volatility.
- **Gold prices posted a weekly gain of approximately 1.43%,** reflecting a moderate recovery following heightened volatility earlier in the week. From an analyst perspective, the advance was driven by a combination of a weaker U.S. dollar, rising safe-haven demand, and bargain hunting after a sharp prior correction. The softer dollar increased gold's appeal to global investors, while geopolitical uncertainty related to U.S.–Iran talks in Oman helped sustain hedging demand. Nevertheless, the rebound is still viewed as largely technical and not yet underpinned by strong fundamental momentum, as markets continue to monitor the direction of U.S. monetary policy and global financial market volatility. Higher margin requirements for precious metal contracts imposed by CME Group also limited excessive speculation. Overall, gold maintains a short-term positive

Spotlight on Commodity Price Trends (as of February 6, 2026)



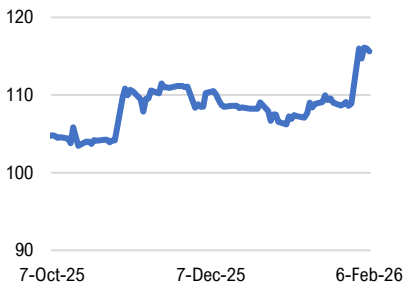
Closing (USD/Brl)	(% Change)			
	WoW	MoM	YoY	YTD
68.05	-3.73	12.11	-8.40	11.83

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,964.36	1.43	10.45	73.81	14.93

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
115.60	6.15	7.79	6.10	7.53

bias, though price movements are expected to remain volatile amid geopolitical and monetary policy dynamics.

- **Coal prices rose about 6.15% on a weekly basis**, trading around USD115.60 per ton at the end of the week, marking a notable recovery after selling pressure in previous sessions. Analysts attribute the strength primarily to expectations of sustained demand from China, in line with the acceleration of coal-fired power plant construction and commissioning to support domestic electricity needs and exports. In addition, rising global electricity consumption linked to artificial intelligence (AI) data centers and electric vehicles (EVs) has reinforced the outlook for fossil fuel demand. On the supply side, Indonesia's production quota cuts under the Work Plan and Budget (*Rencana Kerja Anggaran dan Biaya/ RKAB*) framework have constrained spot supply to international markets, although the actual impact is considered limited due to production flexibility among large producers. Overall, the combination of robust demand sentiment and short-term supply concerns has kept coal prices in a positive trend, although further upside remains capped by relatively stable global supply conditions.
- **CPO prices declined 1.77% over the past week**, marking the first weekly pullback after several weeks of gains, amid deteriorating sentiment in the global vegetable oil market. The main pressure came from falling soybean oil prices on the Chicago and Dalian exchanges, which narrowed CPO's competitiveness in the international vegetable oil market. The correction was exacerbated by technical selling after prices failed to maintain momentum, with market participants closely watching the support area around MYR4,169 per ton as a key directional indicator. On the other hand, depreciation of the Malaysian ringgit helped limit deeper losses by enhancing CPO's attractiveness to foreign investors. From a fundamental standpoint, expectations of lower Malaysian inventories due to stronger exports and seasonally slower production provided limited support. Overall, CPO remains overshadowed by a near-term bearish bias, highly dependent on rival vegetable oil price movements and technical market responses.

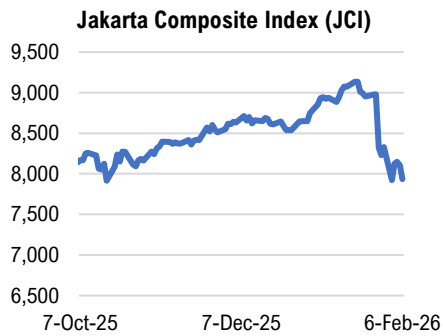
Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	3.42	-21.41	2.15	0.41	-7.16	Crude Palm Oil (MYR/Ton)	4,154.00	-1.77	-4.11	-5.66	2.57
Nickel (USD/MT)	16,900.60	-4.97	-8.33	2.50	1.87	Rubber (USD/Kg)	188.10	0.59	1.84	-4.23	4.56
Copper (USD/MT)	12,994.00	-1.24	-1.84	40.07	4.60	Wheat (cents/bu)	529.75	-1.53	3.77	-9.87	4.49
Aluminium (USD/MT)	3,085.00	-1.88	-1.41	17.79	2.99	Corn (cents/bu)	430.25	0.47	-3.10	-13.12	-2.27
Iron Ore (USD/MT)	102.44	-3.50	-6.17	-2.67	-4.11	Sugar (c/lb)	14.11	-1.12	-4.40	-27.90	-6.00

Equity markets were volatile, with Wall Street moving mixed amid sector rotation and the JCI pressured by global sentiment and a risk-off environment. The US Dollar strengthened amid safe-haven demand, while the Rupiah remained under pressure amid negative sentiment over Moody's credit rating.

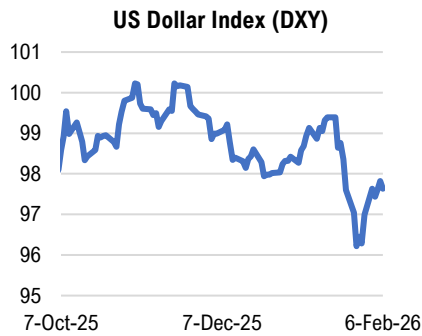
- **Wall Street delivered mixed performance over the past week**, with the Dow Jones gaining 2.50%, while the S&P 500 edged down 0.10% and the Nasdaq Composite fell 1.84%, reflecting sector rotation amid technology stock volatility. The Dow's advance—breaking above the psychological 50,000 level—was driven by investor interest in industrial, energy, and non-technology stocks that had lagged previous rallies, supported by improving earnings optimism and portfolio diversification. In contrast, pressure on the Nasdaq stemmed from corrections in large-cap technology stocks, particularly as valuation concerns and surging AI infrastructure capital expenditure by companies such as Amazon weighed on software sector sentiment. That said, semiconductor stocks staged a strong rebound, led by Nvidia, as markets remained confident that AI-driven data center spending would continue to underpin medium-term demand. Overall, market dynamics pointed more toward risk rotation than broad risk-off behavior, with volatility easing and investor focus shifting toward earnings quality and defensive and cyclical sectors.
- **JCI posted a sharp weekly decline of 4.73%**, closing at 7,935.26 on Friday (6/2), reflecting intensified selling pressure and heightened market volatility. The downturn was driven by a combination of global and domestic factors, notably the sell-off in U.S. technology stocks that weighed on regional equity markets and emerging economies. Domestically, Moody's decision to revise Indonesia's credit outlook to negative—while maintaining its investment-grade rating—raised concerns over policy consistency and governance effectiveness, prompting a more pronounced risk-off stance among investors, particularly foreign funds. Additional pressure came from a stronger U.S. dollar, uncertainty over the global interest rate trajectory, and fluctuations in commodity prices that weighed on resource-related stocks. Looking ahead, the IHSG is expected to remain volatile with a consolidation bias, while rebound potential is viewed as limited and largely technical until clearer catalysts emerge to restore market confidence.
- **The US Dollar strengthened.** The US Dollar Index (DXY) rose 0.66% to 97.63 for the week ending February 6, 2026, marking its first weekly gain since early January. This appreciation was fueled by demand for safe-haven assets amid volatility in stock and commodity markets, as well as by profit-taking by investors after bearish dollar positions reached an extreme of USD17.4 billion, according to

CFTC data through February 3. Furthermore, the dollar received support from a weakening Yen ahead of the Japanese general election, even as US labor market data indicated a cooling trend that bolstered speculation of future Federal Reserve interest rate cuts.

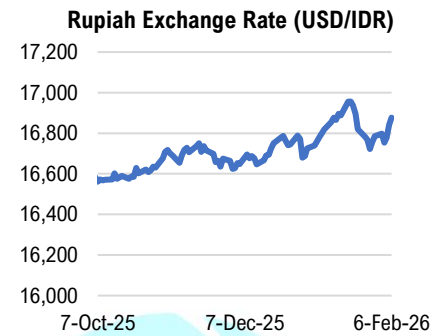
- The Rupiah weakened against the US Dollar.** The currency depreciated 0.54% to IDR16,876 per USD at the close on February 6, 2026, while in the Non-Deliverable Forward (NDF) market, the offshore rate fell to IDR16,895 per USD. This decline was a response to an accumulation of negative sentiment, including Moody's revision of Indonesia's credit rating outlook from stable to negative, which sparked concerns over policy predictability and the risk of a sudden capital reversal. These conditions prompted a sell-off in the government bond market, particularly in short- and medium-term bonds, as well as foreign capital outflows in the stock market, totaling USD96.2 million month-to-date. Despite increased volatility, the fourth-quarter of 2025 economic growth of 5.11% and Bank Indonesia's commitment to maintaining stability with a Capital Adequacy Ratio (CAR) of 26% through pro-growth policies are expected to serve as a cushion for the national financial system's resilience.



Closing	(% Change)			
	WoW	MoM	YoY	YTD
7,935.26	-4.73	-11.18	15.41	-8.23



Closing	(% Change)			
	WoW	MoM	YoY	YTD
97.63	0.66	-0.96	-9.34	-0.70



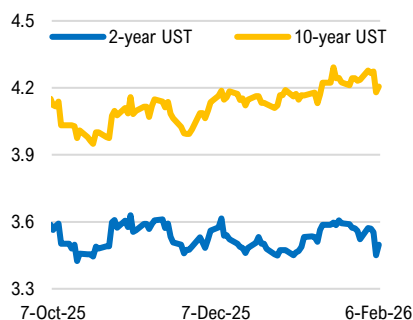
Closing	(% Change)			
	WoW	MoM	YoY	YTD
16.876	0.54	0.70	3.27	1.18

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	6,932.30	-0.10	-0.18	13.95	1.27	Euro (EUR/USD)	1.18	-0.30	1.08	13.79	0.59
Dow Jones (AS)	50,115.67	2.50	1.32	12.00	4.27	Canadian Dollar (USD/CAD)	1.37	0.46	-1.01	-4.42	-0.36
Nasdaq (AS)	23,031.21	-1.84	-2.19	16.37	-0.91	Poundsterling (GBP/USD)	1.36	-0.55	0.81	9.46	1.01
Euro Stoxx 50 (Zona Euro)	5,998.40	0.85	1.12	11.98	3.57	Japanese Yen (USD/JPY)	157.22	1.58	0.36	3.84	0.33
FTSE100 (Inggris)	10,369.75	1.43	2.44	18.82	4.41	Chinese Yuan (USD/CNY)	6.94	-0.31	-0.70	-4.80	-0.77
Nikkei225 (Jepang)	54,253.68	1.75	3.30	38.88	7.78	Singapore Dollar (USD/SGD)	1.27	0.08	-0.72	-5.87	-1.10
Shanghai (Tiongkok)	4,065.58	-1.27	-0.44	24.30	2.44	Malaysian Ringgit (USD/MYR)	3.95	0.03	-2.44	-10.98	-2.75
Hang Seng (Hong Kong)	26,559.95	-3.02	-0.56	27.13	3.63	Thailand Baht (USD/THB)	31.53	-0.15	1.01	-6.73	0.11

Key Data Developments in Global and National Bond Markets

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

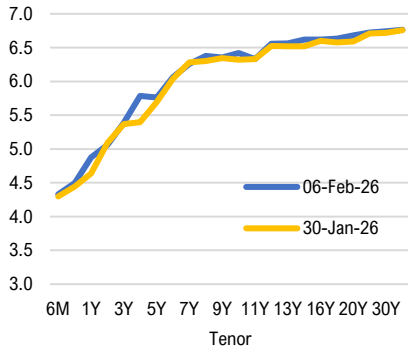


Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3.498	-2	3	-71	2
5Y: 3.759	-3	5	-52	3
10Y: 4.206	-3	3	-23	4

The domestic bond market was pressured by negative sentiment from Moody's, despite active corporate emissions and solid economic fundamentals.

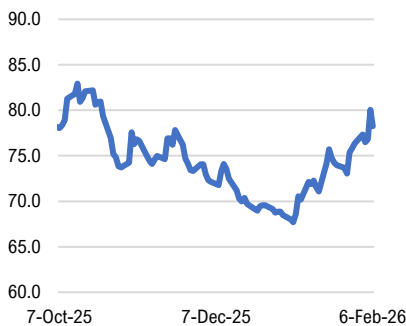
- US Treasury yields decreased on a weekly basis.** The 2-year, 5-year, and 10-year US Treasury yields fell by 2 bps, 3 bps, and 3 bps, respectively, in the week ending February 6, 2026, to 3.498%, 3.759%, and 4.206%, respectively. This yield movement was influenced by the release of employment data that was lower than expected and a decline in December job openings to the lowest level since September 2020. Although the University of Michigan consumer sentiment improved to 57.3 in February, the market continues to anticipate the release of nonfarm payrolls and January Consumer Price Index (CPI) data, which have been delayed due to a partial government shutdown.
- Global bond issuance set a record in history.** The volume of publicly syndicated bond issuance surpassed USD1 trillion on February 2, 2026, faster than in previous years, driven by large corporate emissions such as Oracle's USD25 billion. The government and financial institution sectors dominated market shares at 40% and 35% respectively, while the technology sector began increasing funding activities for artificial intelligence infrastructure. Although investor demand remains strong, pushing loan spreads to their lowest levels in decades, this massive pace of issuance has begun to raise concerns regarding potential complacency in the global credit market.
- The Indonesian government bond market moved in mixed directions.** The 2-year government bond yield fell 3 bps to 5.119% at the close on February 6, 2026, but the 5-year and 10-year yields rose 7 bps and 11 bps to levels of 5.796% and 6.439%,

Weekly Development of Government Bond Yield (%)



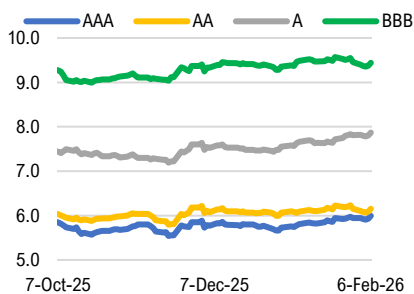
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 5,119	-3	-4	-161	12
5Y: 5,796	7	31	-93	24
10Y: 6,439	11	34	-46	37

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
78,24	2,46	15,55	2,87	13,63

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

respectively. The 5-year Credit Default Swap (CDS) increased 2.46% to 78.24 in line with these yield movements, while foreign ownership of government bonds increased to IDR889.09 trillion on February 5, 2026, from a position of IDR878.75 trillion on January 30, 2026.

- Bond market sentiment deteriorated due to Moody's decision.** The revision of Indonesia's credit rating outlook from stable to negative at the Baa2 rating by Moody's Ratings triggered weakness in Indonesia's international bonds, with long-term USD bond prices contracting 0.3–0.5 cents to their lowest level in five months. Decreased policy predictability and the risk of a widening fiscal deficit are feared to trigger further foreign capital outflows, as reflected in net selling by foreign investors in the stock market totaling USD860 million since last week and USD1 billion throughout 2025. Although investment-grade status is expected to limit pressure, this uncertainty risks pushing the Rupiah to IDR17,000 per USD and increasing yield volatility over the next 12 to 18 months.
- The government remains optimistic about the recovery of Indonesia's credit profile.** The Minister of Finance emphasized that economic fundamentals remain under control, with fourth-quarter 2025 growth reaching 5.39%, the highest level for that year, and a budget deficit that is still well-maintained compared to other countries. The government views the negative outlook revision from Moody's as a short-term impact and believes investor confidence will recover along with accelerated economic growth and the commitment to meeting debt obligations. Although Moody's highlighted policy and governance uncertainty, Indonesia's investment rating remains at Baa2 (investment grade), which is expected to mitigate market concerns about national fiscal capacity in the medium term.
- Investor interest in the Government Debt Securities (Surat Utang Negara/ SUN) auction declined.** Total incoming bids in the auction on February 3, 2026, were recorded at IDR76.58 trillion, down 7.6% from the previous auction, which recorded IDR82.9 trillion. Investors tended to limit risk exposure in ultra-long tenors and concentrate demand on medium tenors such as FR0109 (5-year) and FR0108 (10-year), while the 1-year SPN series served only as a short-term liquidity instrument. Pressure on the SUN market was exacerbated by the volatility of the Rupiah, which has shrunk 0.63% since the beginning of the year, and inflation at 3.55% yoy, which narrows the room for Bank Indonesia's monetary easing. Although Indonesia's credit risk perception, as reflected in the CDS, is 74 bps—higher than Malaysia's 34 bps—the government still absorbed funds amounting to IDR36 trillion to maintain fiscal balance amid high domestic policy uncertainty.
- Female investor participation dominated the Retail SBN market.** Throughout 2025, the government noted that 58% of the total 262,927 investors who participated in eight series of Retail SBN issuances were women, outpacing the male share at 42%. This dominance was driven by the characteristics of fixed-income instruments that offer security and coupon certainty, which are considered suitable for the risk profile of women in household financial management. From a demographic perspective, Millennials and Gen Z contributed 51% of total investors, with the majority coming from private employees (33%) and the Western Indonesia region (62.1%). This trend reflects an increase in financial literacy in the retail segment, although expanding access in the Central and Eastern Indonesia regions remains a strategic challenge for the government.
- PHEI launched the Fair Market Price for Bank Indonesia Sukuk.** PT Penilai Harga Efek Indonesia officially released the Fair Market Price (*Harga Pasar Wajar/ HPW*) for Bank Indonesia Sukuk (SukBI) on February 2, 2026, to provide a transparent and credible price reference for the Islamic financial market. The presence of SukBI HPW complements the valuation of other monetary instruments such as SRBI, SVBI, and SuVBI, which is expected to increase transaction liquidity in the secondary market and strengthen investor confidence through TheNewBIPS data distribution system. As of January 30, 2026, PHEI has set the HPW for 1,381 series of debt securities and sukuk, including 262 series of government bonds with an outstanding value of IDR8,024.32 trillion, to support the formation of an efficient and accountable market mechanism.
- Indomobil Finance Indonesia issued bonds for working capital.** This subsidiary of PT Indomobil Sukses Internasional Tbk (IMAS) is offering Shelf Registration Bond VI Phase II-2026 worth IDR2.5 trillion with an *id*AA rating from PEFINDO. This instrument is divided into Series A with a 370-day tenor and a 4.95% coupon, Series B with a 3-year tenor and a 5.95% coupon, and Series C with a 5-year tenor and a 6.2% coupon. All proceeds from the emission, which will be offered on February 13–19, 2026, will be allocated to working

capital for motor vehicle and heavy equipment financing to support the PUB program's funding target of IDR5 trillion.

- Chandra Asri Pacific issued bonds for working capital.** The company is offering Shelf Registration Bond V Phase II-2026, worth IDR2.25 trillion, with an *idAA* rating from PEFINDO, as part of the IDR5 trillion PUB target. This instrument consists of Series A with a three-year tenor and a 6.5% coupon, Series B with a five-year tenor and a 7% coupon, and Series C with a seven-year tenor and a 7.5% coupon. All proceeds from the emission offered on February 18–20, 2026, will be used for operational needs, including the purchase of production raw materials.
- Hino Finance Indonesia issued bonds for long-term funding.** PT Hino Finance Indonesia is offering Shelf Registration Bond I, Phase II, Year 2026, worth IDR800 billion, with an *idAA+* rating from PEFINDO, as part of the IDR3 trillion PUB program. This instrument consists of Series A with a 370-day tenor and 4.75% interest, Series B with a 3-year tenor and 5.75% interest, and Series C with a 5-year tenor and 6.15% interest. The proceeds from the emission will be used to pay off the principal of the 2025 Series A bonds, amounting to IDR410.9 billion, as well as to fund working capital for commercial vehicle financing, with a listing on the Indonesia Stock Exchange on February 12, 2026.
- Bank Pan Indonesia issued bonds to expand credit.** PT Bank Pan Indonesia Tbk (PNBN) is offering Shelf Registration Bond IV Phase IV-2026 worth IDR2.71 trillion with an *idAA* rating from PEFINDO as part of the IDR15 trillion PUB program. This instrument consists of Series A with a three-year tenor and an interest rate of 5.9% and Series B with a five-year tenor and 6.15% interest. All proceeds from the emission, scheduled for a public offering on February 13–20, 2026, will be allocated for working capital to support business development, particularly in lending.
- Energi Mega Persada issued bonds to repay the debt of its subsidiary.** PT Energi Mega Persada Tbk (ENRG) is offering Shelf Registration Bond I Phase II-2026 worth IDR1.15 trillion with an *idA+* rating from PEFINDO as part of the IDR4 trillion PUB program. This instrument consists of Series A with a three-year tenor and 7.5% interest and Series B with a five-year tenor and 8.6% interest. Most of the proceeds are allocated to pay off the debts of its subsidiaries, PT Imbang Tata Alam (73.69%) and PT Energi Maju Abadi (11.11%), to PT Bank Mandiri (Persero) Tbk, while the remainder is used for working capital, with a listing target on the Indonesia Stock Exchange on February 18, 2026.

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The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
FR0108	6.50	04/15/36	20,000.00	100.75	6.40	19,266,820
FR0106	7.13	08/15/40	20,000.00	104.52	6.64	11,209,853
FR0104	6.50	07/15/30	5,000.00	102.70	5.80	9,307,845
FR0103	6.75	07/15/35	10,000.00	102.30	6.42	8,475,400
FR0082	7.00	09/15/30	400.00	103.50	6.11	8,293,896

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Bond II Oki Pulp & Paper Mills Phase IV Year 2026 Series A	<i>idA+</i>	7,25	02/06/31	5.000	99,90	--	1.314.000
Sukuk Mudharabah Berkelanjutan II Oki Pulp & Paper Mills Phase IV Year 2026 Series B	<i>idA+(sy)</i>	7,75	02/06/33	50.000	99,90	--	1.292.500
Shelf Registration Bond II Oki Pulp & Paper Mills Phase IV Year 2026 Series B	<i>idA+</i>	7,75	02/06/33	10.000	100,00	--	877.000
Sukuk Ijarah I Sinergi Inti Andalan Prima Year 2026 Series B	<i>irA(sy)</i>	10,25	02/05/29	3.500	100,05	--	650.000
Shelf Registration Bond I TBS Energi Utama Phase II Year 2026 Series C	<i>idA</i>	8,65	01/22/33	80.000	99,01	8,84	605.000

Corporate Bonds Issuance

Throughout the first week of February 2026, there was the issuance of corporate debt securities from 1 companies with a value reaching IDR500 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Sinergi Inti Andalan Prima Tbk	Bond I Year 2026 Series A	Feb-6-2026	201.50	9.00	1	irA
2	PT Sinergi Inti Andalan Prima Tbk	Bond I Year 2026 Series B	Feb-6-2026	298.50	10.25	3	irA
3	PT Sinergi Inti Andalan Prima Tbk	Sukuk Ijarah I Year 2026 Series A	Feb-6-2026	205.00	9.00	1	irA(sy)
4	PT Sinergi Inti Andalan Prima Tbk	Sukuk Ijarah I Year 2026 Series B	Feb-6-2026	295.00	10.25	3	irA(sy)
Total				1,000.00			

Source: KSEI, IDX, database PEFINDO.

Corporate Bonds Maturity for March 2026 Reaches IDR13.13 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Merdeka Copper Gold Tbk.	Shelf Registration Bond V Phase II Year 2025 Series A	2-Mar-26	856.00	7.25	1	idA+
2	PT TBS Energi Utama Tbk.	Bond I Year 2023 Series A	3-Mar-26	425.00	8.80	3	idA
3	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Bond I Phase II Year 2021 Series A	3-Mar-26	495.00	8.50	5	idCCC
4	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Bond I Phase II Year 2021 Series B	3-Mar-26	745.50	9.10	5	idCCC
5	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Sukuk Mudharabah I Phase II Year 2021 Series A	3-Mar-26	134.30	8.50	5	idCCC(sy)
6	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Sukuk Mudharabah I Phase II Year 2021 Series B	3-Mar-26	211.60	9.10	5	idCCC(sy)
7	PT Bank Rakyat Indonesia (Persero) Tbk.	Shelf Registration Commercial Paper I Year 2025 Phase I Series B	4-Mar-26	30.30	4.60	1	idA1+
8	PT Indosat Tbk.	Shelf Registration Bond III Phase I Year 2019 Series D	5-Mar-26	45.00	10.10	7	idAAA
9	PT Indosat Tbk.	Shelf Registration Sukuk Ijarah III Phase I Year 2019 Series D	5-Mar-26	11.00	10.10	7	idAAA(sy)
10	PT Eagle High Plantation Tbk.	Shelf Registration Bond I Phase II Year 2025 Series A	6-Mar-26	23.92	9.75	1	idA-
11	PT Toyota Astra Financial Services	Shelf Registration Bond IV Phase V Year 2025 Series A	8-Mar-26	371.52	6.50	1	AAA(idn)
12	PT Bank Victoria International Tbk.	Shelf Registration Bond III Phase I Year 2023 Series A	9-Mar-26	300.00	9.25	3	idA-
13	PT Pupuk Indonesia (Persero)	Shelf Registration Bond II Phase II Year 2021 Series B	10-Mar-26	1,600.00	6.20	5	idAAA
14	PT Surya Artha Nusantara Finance	Shelf Registration Bond IV Phase II Year 2023 Series B	16-Mar-26	900.00	7.00	3	idAA+
15	PT Permodalan Nasional Madani	Shelf Registration Bond III Phase V Year 2021 Series C	17-Mar-26	339.20	8.25	5	idAAA
16	PT Prime Agri Resources Tbk.	Shelf Registration Bond I Phase II Year 2021 Series B	17-Mar-26	46.95	10.35	5	idA
17	PT Prime Agri Resources Tbk.	Shelf Registration Sukuk Ijarah I Phase II Year 2021 Series B	17-Mar-26	158.25	10.35	5	idA(sy)
18	PT Bank Rakyat Indonesia (Persero) Tbk.	Shelf Registration Green Bond I Phase III Year 2024 Series B	20-Mar-26	879.43	6.25	2	idAAA
19	PT Agro Sejahtera Abadi	MTN Year 2020 Phase I Series D	21-Mar-26	50.00	10.50	3	-
20	PT Profesional Telekomunikasi Indonesia	Shelf Registration Bond III Phase II Year 2023 Series B	21-Mar-26	145.35	6.60	3	AAA(idn)
21	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond V Phase III Year 2025 Series A	22-Mar-26	570.79	7.00	1	idA+
22	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Sukuk Mudharabah IV Phase III Year 2025 Series A	22-Mar-26	532.94	7.00	1	idA+(sy)
23	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond USD II Phase II Year 2025 Series A	22-Mar-26	USD0.13 million/ IDR2.03 billion	5.75	1	idA+
24	PT CIMB Niaga Auto Finance	Shelf Registration Sukuk Wakalah Bi Al-Istitsmar I Phase II Year 2025 Series A	23-Mar-26	1,200.00	6.70	1	AA+(idn)
25	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond I Phase IV Year 2021 Series C	23-Mar-26	277.08	10.25	5	idA+
26	PT Astra Sedaya Finance	Shelf Registration Bond VI Phase V Year 2025 Series A	24-Mar-26	1,500.00	6.45	1	AAA(idn)
27	PT Indomobil Finance Indonesia	Shelf Registration Bond V Phase II Year 2023 Series B	28-Mar-26	279.59	7.50	3	idAA-

28	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase I Series A	28-Mar-26	51.60	7.00	3	irAA-
29	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase I Series B	28-Mar-26	33.95	7.00	3	irAA-
30	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase I Series C	28-Mar-26	14.98	7.00	3	irAA-
31	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase I Series D	28-Mar-26	4.49	7.00	3	irAA-
32	PT Provident Investasi Bersama Tbk.	Shelf Registration Bond I Phase I Year 2023 Series B	28-Mar-26	482.00	8.50	3	idA
33	PT Hino Finance Indonesia	Shelf Registration Bond I Phase I Year 2025 Series A	30-Mar-26	410.94	6.50	1	idAA+
Total				13,128.70			

Weekly Sector Highlights

From 2–6 February 2026, domestic sectoral sentiment was influenced by prospects ahead, corporate actions, and policy plans.

Industries	Sentiment & Significance	News Highlights
Automotive	●	Car Sales Targeted to Grow 5.4% in 2026. The government is targeting national car sales of 850,000 units in 2026, an increase of 5.4% from the 2025 realization, which fell 7.2% to 803,687 units. Although this reflects a recovery trend, the Ministry of Industry assesses that the market is not yet strong enough to return to pre-pandemic levels above 1 million units, given last year's weak retail demand. On the industrial policy front, the government is also preparing a roadmap to strengthen the electric vehicle ecosystem, with a minimum domestic content requirement (<i>Tingkat Komponen Dalam Negeri/TKDN</i>) target of 80% by 2030.
Banking	●●●	Major Banks' Performance Begins to Recover. The performance of major banks showed improvement at the end of 2025, although full-year profit growth remained limited. BCA posted the strongest results, with profit reaching IDR57.5 trillion, up 4.9% year-on-year, supported by a 16% surge in non-interest income despite a significant increase in provision expenses. Bank Mandiri also recorded a solid recovery, with fourth-quarter 2025 profit jumping 39.8% quarter-on-quarter and provision expenses declining 5%, enabling its full-year profit to return to growth at 0.92% after contracting in the previous quarter. In terms of loan expansion, BNI led with 15.9% growth, followed by Bank Mandiri at 13.4%, while BCA posted a 7.7% increase. In 2026, major banks are targeting credit growth of 7–10%, supported by expectations of lower interest rates and the potential for accelerated financing early in the year.
Construction	●	Merger of Seven State-Owned Construction Firms Targeted for Completion in the Second Half of 2026. BPI Danantara has confirmed that the consolidation of the state-owned construction companies (BUMN Karya) is targeted for completion in the second half of 2026, after all companies finalize their impairment phases and clean up their financial statements. The process is currently entering the stages of debt restructuring and refinement of business models before the merger is executed as the final phase of recovery. Danantara emphasized that the merger will not proceed until each entity is deemed financially healthy and operationally prepared. If all stages progress as planned, the legal merger process will be carried out in the middle of the year. This consolidation involves seven state-owned construction firms: ADHI, PTPP, WIKA, Hutama Karya, Waskita Karya, Brantas Abipraya, and Nindya Karya.
Insurance and Guarantee	●●	OJK Targets 5%–7% Growth in Insurance Assets in 2026. The Financial Services Authority (OJK) is targeting asset growth in the insurance industry of 5–7% year-on-year in 2026. With assets as of December 2025 recorded at IDR1,201.96 trillion—an increase of 6.01% year-on-year—the projection places total 2026 assets in the range of IDR1,262–1,286 trillion. The industry's capital position remains robust, reflected in the risk-based capital (RBC) ratio of life insurers at 485.90% and general insurers and reinsurers at 335.22%, well above the minimum threshold of 120%. The government is also encouraging a greater role for insurance companies and pension funds in the capital market through a planned increase in the investment limit from 8% to 20%, with the initial phase focused on LQ45 stocks. This policy is accompanied by strict supervision to avoid speculative risks, given past experiences related to the manipulation of small-cap stocks. Technical details of the policy will be set out in derivative regulations through a forthcoming Ministry of Finance Regulation (<i>Peraturan Menteri Keuangan/PMK</i>).
Metal and Gold	●	Krakatau Steel's Equity Jumps 99.4% in 2025. Krakatau Steel recorded equity growth of 99.4% to USD868 million in 2025, driven by internal efficiency measures and funding injections from

	<p>Danantara. The company's revenue rose slightly by 0.4% year-on-year to USD955 million, in line with a 29% increase in steel sales volume to 945,000 tons. The rise in equity was also supported by a shareholder loan agreement of up to IDR4.93 trillion, allocated for working capital for the HSM and CRM plants as well as HR efficiency programs, including a golden handshake scheme and pension fund restructuring. Management emphasized that operational transformation is a crucial foundation for the company's performance recovery. Despite showing improving trends, the national steel industry continues to face significant pressure from a surge of low-priced imports, particularly from China. Capacity utilization that remains below 60% and the potential volume of steel imports approaching IDR80 trillion per year are major challenges for the sector.</p>
<p>Mining ●●</p>	<p>Government Opens Dialogue on 2026 RKAB Evaluation. Plans for significant cuts in the 2026 Work Plan and Budget (<i>Rencana Kerja dan Anggaran Biaya/ RKAB</i>) evaluation have raised concerns within the coal industry, as they may disrupt operational economics, hinder the fulfillment of financial obligations, and potentially trigger layoffs. APBI submitted objections to the Ministry of Energy and Mineral Resources after production volumes listed in the MinerbaOne system were reported to have fallen 40–70% from initial plans, thereby reducing business scale and increasing the risk of operational delays. The government has opened room for dialogue to seek solutions, but industry players believe that production reductions could affect contractors, logistics, shipping, and broader economic activity in mining regions. The risk of default to banks is also rising as companies struggle to cover fixed costs, environmental obligations, and heavy-equipment financing. Lower production may also disrupt the fulfillment of export and domestic contracts, leading to claims and even force majeure. APBI has requested that 2026 production figures be reviewed, while industry players have begun reassessing contract strategies and demand projections amid the potential for greater impacts on coal-importing countries.</p>
<p>Multifinance ●●</p>	<p>OJK Targets Multifinance Recovery, Financing Projected to Grow 6–8% in 2026. OJK is targeting year-on-year growth of 6–8% in multifinance receivables in 2026, after increasing only 0.61% at the end of 2025 to IDR506.50 trillion. Based on this projection, total financing is expected to rise to the range of IDR536.89–547.02 trillion. This optimism is supported by stable risk quality, reflected in a gross NPF of 2.51%, net NPF of 0.77%, and a gearing ratio of 2.18 times, well below the maximum limit of 10 times. Prospects for multifinance recovery also align with growth targets in the automotive industry, which remains the main contributor to multipurpose financing. Gaikindo projects national car sales to reach 850,000 units in 2026, while AISI estimates motorcycle sales will remain stable at 6.4–6.7 million units. These targets are expected to help the industry recover from the declining sales trend experienced throughout 2025.</p>
<p>Oil and Gas ●</p>	<p>Danantara Accelerates Merger of Pertamina's Three Downstream Subholdings. BPI Danantara stated that the merger process of Pertamina's three downstream subsidiaries is being accelerated to improve productivity and operational efficiency. The consolidation of PT Pertamina Patra Niaga, PT Kilang Pertamina Internasional, and PT Pertamina International Shipping was previously targeted for completion on February 1, 2026, but the final schedule is still pending the completion of technical matters. This consolidation will change Pertamina's subholding structure from six to four, with the establishment of a Downstream Subholding that integrates marketing, refining, and maritime logistics activities. The corporate action was initially planned to be completed on January 1, 2026, but its realization has been delayed from the original plan. Nevertheless, Pertamina emphasized that the merger process will not result in layoffs in any of the three entities.</p>
<p>Plantation and Agriculture ●●</p>	<p>Cancellation of B50 and CPO Volatility Pressure Palm Oil Issuer Prospects in 2026. The cancellation of the B50 biodiesel implementation in 2026 is expected to weigh on the fundamentals of palm oil issuers, as the anticipated additional domestic CPO absorption will not materialize. With the policy remaining at the B40 level, domestic absorption capacity is viewed as insufficient to draw export supply, leaving global CPO prices still overshadowed by competitive pressure and volatility. Industry players also face additional risks from the increase in export levies to 12.5% starting March 2026, land-use enforcement measures, and tight supply caused by aging plantations and limited expansion of new HGU areas. Even so, the outlook for improved performance in 2026 remains open, supported by national production estimated to reach 49.8 million tons, stable domestic consumption from the B40 program, and the potential for increased demand during Ramadan and Eid al-Fitr. On the price front, CPO is considered to be entering a new equilibrium level that is higher due to constrained supply in major producing countries.</p>

Source: APBI-ICMA, Bloomberg Technoz, CNBC Indonesia, Harian Ekonomi Neraca, Harian Kontan, Indo Premier, Investor Daily, MetroTV News, Navigasi.co.id, Tabloid Kontan, Tempo, TradingView, and Tribunnews (2026).

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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