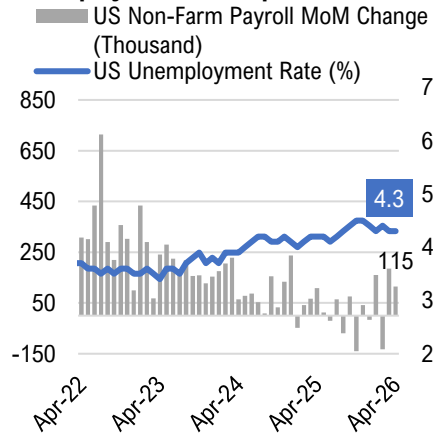




Data Highlights of the Week

US Employment Developments



Source: Bloomberg

Indonesia's Economic Growth (% YoY)



Source: Central Statistics Agency, 2026

Domestic Anchors in the Maelstrom of Hurricane Hormuz

Global Economic

- The US-Iran conflict from May 4-8, 2026, saw a dramatic transition from fragile diplomacy to direct military confrontation in the Strait of Hormuz.** Although the week began with hope, with Iran reviewing a 14-point peace proposal and the US offering a "humanitarian gesture" to lift the naval blockade, the situation escalated on May 7 when the two countries engaged in a fierce exchange of fire involving warships, drones, and missiles. Despite the escalation, both President Trump and the Iranian military signaled a reluctance to return to full-scale war, claiming that the ceasefire was technically still in effect amid the threat of a one-week deadline for a final agreement. This uncertainty kept global markets on high alert, directly pressuring the prices of safe-haven assets like gold and increasing crude oil price volatility.
- The FAO Food Price Index rose 1.6% to 130.7 points in Apr'26, its third consecutive monthly increase and its highest level since Feb'23.** Vegetable oil prices surged 5.9% to a new high since Jun'22, driven by palm, soybean, sunflower, and rapeseed oils amid disruptions related to the war with Iran. Cereal prices rose 0.8% to their highest level since Feb'25. Wheat prices rose 0.8% due to drought concerns in parts of the US, expectations of lower rainfall in Australia, and the prospect of reduced wheat plantings in 2026 amid high fertilizer and energy costs stemming from disruptions around the Strait of Hormuz. Meat prices rose 1.2% to a record high. On the other hand, sugar fell 4.7% amid expectations of abundant global supplies this season. Dairy sales fell 1.1%, driven by lower butter and cheese prices.
- The US labor market in Apr'26 displayed quite contradictory dynamics.** On the one hand, there was an increase of 115,000 nonfarm payrolls (Mar'26: 185,000), significantly exceeding market expectations (62,000), indicating economic resilience. However, household data showed underlying weakness, with the labor force participation rate falling to 61.8%, its lowest level since Oct'21. Although the headline unemployment rate held at 4.3%, the labor force contraction and annual wage growth of 3.6% YoY (Mar'26: 3.4%) were below expectations (3.8%), indicating a gradually cooling labor market that remains resilient to broader macroeconomic pressures.
- In Europe, there were two divergent monetary actions between the Norges Bank and the Swedish Riksbank.** Norges Bank surprisingly raised its benchmark interest rate by 25 basis points to 4.25% to curb persistently high inflation driven by the war in the Middle East. Meanwhile, the Swedish Riksbank chose to maintain its interest rate at 1.75% due to current domestic inflation remaining below target and sluggish economic activity. Despite their differing actions, both central banks highlighted the significant risks of global conflict to price stability, with the Norges Bank projecting the potential for further tightening through the end of the year to anchor inflation expectations, while the Riksbank preferred a wait-and-see stance, remaining prepared to raise interest rates if supply shocks trigger broad and persistent price spikes.
- The minutes of the Bank of Japan's Mar'26 meeting showed that many members of the Governing Board saw the need for further interest rate increases if the energy shock from the Iran war persists and triggers broader inflationary pressures.** While policymakers agreed that temporary supply disruptions from Middle East tensions were negligible, they warned that prolonged increases in energy costs risked a second-round effect on expectations and underlying prices. One member urged interest rate hikes "without a long delay," while another urged tightening "without hesitation" if the economy were to avoid significant damage. At its April meeting, the central bank again held rates steady, although more aggressive dissent underscored growing concerns about rising inflationary pressures stemming from higher energy costs and continued price increases.
- China formally implemented its new Anti-Foreign Sanctions Law as a legal retaliation against US sanctions targeting its oil refining sector.** This law authorizes Beijing to take retaliatory action against US individuals and entities deemed involved in formulating the sanctions, including freezing assets in China and banning economic cooperation. This strategic move reflects China's efforts to protect its economic sovereignty and national

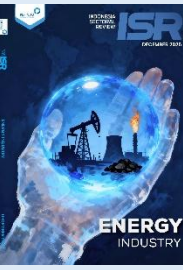
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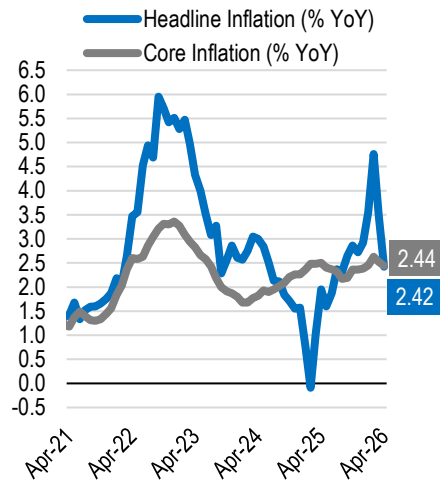
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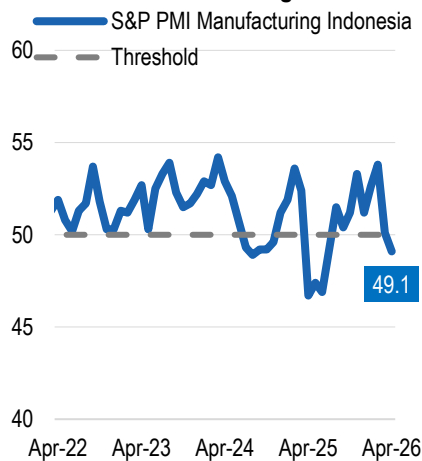
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Indonesian Consumer Inflation Rate



Source: Central Statistics Agency, 2026

Indonesian Manufacturing PMI



Source: S&P Global

Upcoming Week Economic Calendar

Time	Development Releases
May 11 th	China consumer inflation Apr'26
	China producer inflation Apr'26
	Indonesian Consumer Survey Apr'26
May 12 th	Summary of Bank of Japan Opinions at the Apr'26 Meeting
	India consumer inflation Apr'26
	US consumer inflation Apr'26
	Indonesian Retail Sales Survey Mar'26
May 13 th	South Korea unemployment rate Apr'26
	Advance Estimate of Eurozone Employment Change Q1-2026
	US producer inflation Apr'26
May 14 th	UK GDP Advance Estimate Q1-2026
	China's new yuan loan Apr'26

energy supply chain from pressure from foreign jurisdictions amid escalating trade and geopolitical tensions with Washington.

- The Reserve Bank of Australia (RBA) raised its benchmark interest rate by 25 basis points to 4.35%, in line with expectations.** This marked the third consecutive hike this year and, by an 8-1 vote, completely reversed last year's easing cycle. The decision reflected a significant increase in inflation in the second half of 2025, which would continue to fuel price pressures in 2026. The central bank noted that the previous increase was driven by stronger capacity constraints in the economy and higher fuel and commodity price pressures.
- Moody's Investors Service changed the outlook on Vietnam's sovereign credit rating from 'stable' to 'positive' and affirmed the debt rating at 'Ba2'.** This decision reflects growing confidence in Vietnam's medium-term credit prospects, driven by improved governance, structural reforms since late 2024, and strengthening competitiveness through digitalization, infrastructure, skills, and capital market development. Moody's also noted that reduced trade risks, resilient growth, and strong FDI inflows are supporting Vietnam's role in global supply chains. The current Ba2 rating underscores strong growth prospects and macroeconomic stability, supported by low and stable debt and strong repayment capacity, although vulnerabilities in the banking, property, and institutional sectors remain. S&P Global's credit rating for Vietnam is at BB+ with a stable outlook.
- Bank Negara Malaysia (BNM) maintained its benchmark interest rate at 2.75%, in line with market expectations.** The Board stated that the current policy remains appropriate and consistent with the outlook for price stability and sustainable economic growth. BNM noted that rising global commodity prices due to geopolitical tensions in the Middle East are expected to increase domestic cost pressures. The Board stated that it will remain vigilant to global and domestic developments and continue to assess the balance of inflation and growth risks to Malaysia.
- The Philippine economy faces significant challenges in early 2026, with Q1-2026 GDP growth slowing to 2.8% YoY, the lowest in 16 years outside the pandemic, due to a combination of global oil price shocks and a domestic infrastructure corruption scandal.** This situation was exacerbated by a surge in inflation in Apr'26, which skyrocketed to 7.2%—the highest since 2023—triggered by a drastic increase in transportation costs due to the conflict in the Middle East. Although the labor market showed resilience, with the unemployment rate slightly falling to 5% in March, weakening household consumption and contractions in the industrial and investment sectors signaled significant stagflationary pressures on the national economy.

Domestic Economy

- Indonesia's Manufacturing PMI fell slightly to 49.1 in Apr'26 (Mar'26: 50.1), the lowest level since Jun'25 and the first contraction in nine months.** Employment fell at the fastest pace in ten months, and the backlog of work narrowed further. Firms slightly reduced purchasing activity due to weaker production needs. Meanwhile, shipping delays and ongoing supply constraints led manufacturers to reduce pre-production inventories to maintain output. New orders still rose slightly, though largely driven by advance purchases as clients sought to hedge against further price increases and supply disruptions. Cost pressures intensified, with input inflation reaching a four-year high, prompting firms to raise selling prices at the strongest pace since Oct'23. Business sentiment eased to a five-month low amid concerns about lingering geopolitical tensions.
- Indonesia's inflation in Apr'26 fell significantly to 2.42% YoY (Mar'26: 3.48%), the lowest level since Aug 2025 and remaining within the central bank's target range (1.5%–3.5%).** This decline was driven by lower price increases in key components, particularly food (3.06% vs. 3.34% in Mar'26) and housing (0.74% vs. 7.24%), although several other items experienced stronger upward pressure. Core inflation fell to 2.44% YoY (Mar'26: 2.52%), the lowest level in four months.
- Indonesia's trade surplus in Mar'26 narrowed to USD3.32 billion (Mar'25: USD4.33 billion), as exports declined amid rising imports.** Imports grew 1.51% YoY (Feb'26: 10.85%) in line with the increase in imports of capital goods (+4.98% YoY) and raw materials (+2.15% YoY) amidst the contraction in imports of consumer goods (-10.81% YoY). Meanwhile, exports fell 3.1% YoY and marked the first decline since Nov'25, amid disruptions related to the Middle East conflict that then reduced exports of animal/vegetable fats and oils (-27.02% YoY), iron and steel (-1.12% YoY), and electrical machinery and

equipment and parts (-9.80% YoY). Throughout Q1-2026, Indonesia recorded a lower trade surplus, namely USD5.55 billion (Q1-2025: USD10.91 billion), with exports and imports increasing 0.34% and 10.05%, respectively.

- Indonesia's foreign exchange reserves fell to USD146.2 billion in Apr'26 (Mar'26: USD148.2 billion), the lowest level since Jul'24.** The decline was driven by tax and service revenues, as well as by the issuance of global government bonds to support foreign debt payments and by rupiah exchange rate stabilization policies amid heightened global financial market uncertainty. Despite the decline, foreign exchange reserves remained sufficient to cover 5.8 months of imports, or 5.6 months for imports and foreign debt payments, above the international standard of 3 months.
- Indonesia's economy grew 5.61% YoY in Q1 2026 (Q4-2025: 5.39%), exceeding market expectations of 5.3% and marking the fastest annual growth since Q3-2022.** This achievement was driven by accelerated private consumption (5.52% vs. 5.11%), amidst stimulus measures to encourage spending during the holiday season. Government spending surged (21.81% vs. 4.55%), while investment remained strong (5.96% vs. 6.12%). Exports slowed sharply (0.90% vs. 3.25%) due to supply chain disruptions related to geopolitical conflicts, while imports surged (7.18% vs. 3.96%) due to strong domestic demand. Sectorally, acceleration occurred in trade (6.26% vs. 6.07%), construction (5.49% vs. 3.89%), and accommodation & restaurants (13.14% vs. 7.15%), but slowed in manufacturing (5.04% vs. 5.40%) and information & communications (7.14% vs. 8.09%).

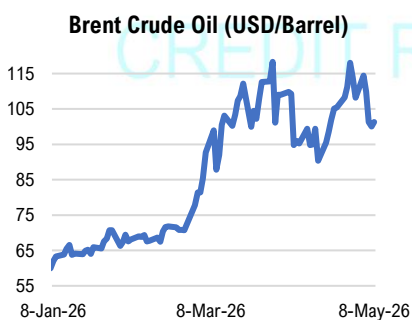
Week Ahead Highlights

Geopolitical tensions in the Middle East will remain a focus after the US-Iran ceasefire has repeatedly come under threat. Among economic data releases, the spotlight will be on consumer and producer inflation rates in the US and China, as well as the UK's Q1-2026 GDP data. Meanwhile, on the monetary policy front, there will be speeches from Federal Reserve officials for clues on the future direction of monetary policy. Additionally, the US Senate is scheduled to vote on May 11 to invoke cloture on the nomination of Kevin Warsh to serve as the 17th Federal Reserve Chair. A final confirmation vote in the plenary is expected before the end of this week, ahead of Jerome Powell's term ending on May 15. Meanwhile, the Bank of Japan will reveal details of policymakers' views. Indonesia will release the results of the April 2026 Consumer Survey and the March 2026 Retail Sales Survey.

Energy weakened, while gold strengthened amid easing global geopolitical tensions.

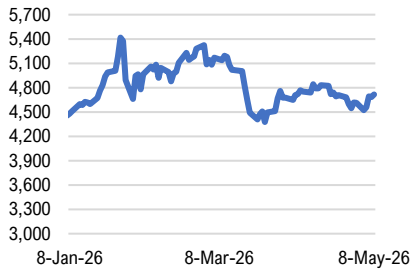
- Brent oil prices fell 6.36% in the past week** amid high volatility in global energy markets due to the geopolitical conflict between the United States and Iran. Although Brent prices briefly surged by 3% following the exchange of attacks between the two countries in the Gulf region, the gains were short-lived, and they closed relatively stable at around USD101.29 per barrel. The weekly decline in oil prices was influenced by growing market optimism regarding the possibility of a peace agreement and the potential for a more permanent ceasefire, which has eased concerns about supply disruptions from the Strait of Hormuz. Furthermore, the market also responded to President Donald Trump's statement that the ceasefire was still in effect, despite ongoing tensions over Iran's nuclear program. Optimistic market sentiment toward a de-escalation of the conflict also put downward pressure on oil prices throughout the week.
- Global gold prices rose 2.19% in the past week** amid growing market optimism regarding the possibility of a peace agreement between the United States and Iran. The strengthening of gold prices was driven by easing inflation concerns, along with falling energy prices and a weakening US dollar, which increased market expectations of a potential interest rate cut by the Federal Reserve soon. These conditions made gold attractive again to investors, despite previously being pressured by a high-interest-rate environment. Furthermore, market sentiment was also influenced by growing speculation about a leadership change at the Federal Reserve, with Kevin Warsh projected to replace Jerome Powell as Fed Chair. The weakening US dollar also increased gold's appeal to global investors, as it became relatively cheaper for holders of other currencies.
- Coal prices fell 1.61% in the past week** due to weakening global energy prices and easing international geopolitical tensions. The decline in global crude oil prices, both Brent and WTI, was the primary factor depressing coal prices, given the strong correlation between

Spotlight on Commodity Price Trends (as of May 8, 2026)



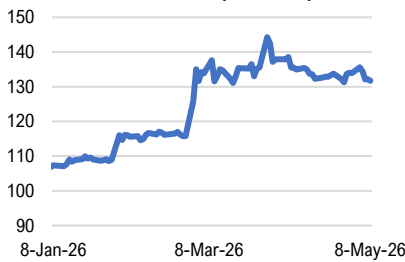
Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
101.29	-6.36	6.90	61.19	66.46

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,715.25	2.19	-0.08	42.64	9.17

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
131.75	-1.61	-2.77	33.76	22.56

the two commodities. Market optimism regarding the potential for an easing of geopolitical conflict also contributed to the decline in overall energy prices. Furthermore, weakening demand from China also contributed to the pressure, reflected in a 14% annual decline in Chinese coal imports in April 2026. Coal trading activity in the Chinese domestic market also tended to be sluggish following the Labor Day holiday due to increased supply not being matched by a recovery in demand. Meanwhile, declining Indian coal production was unable to support prices amidst still-negative market sentiment.

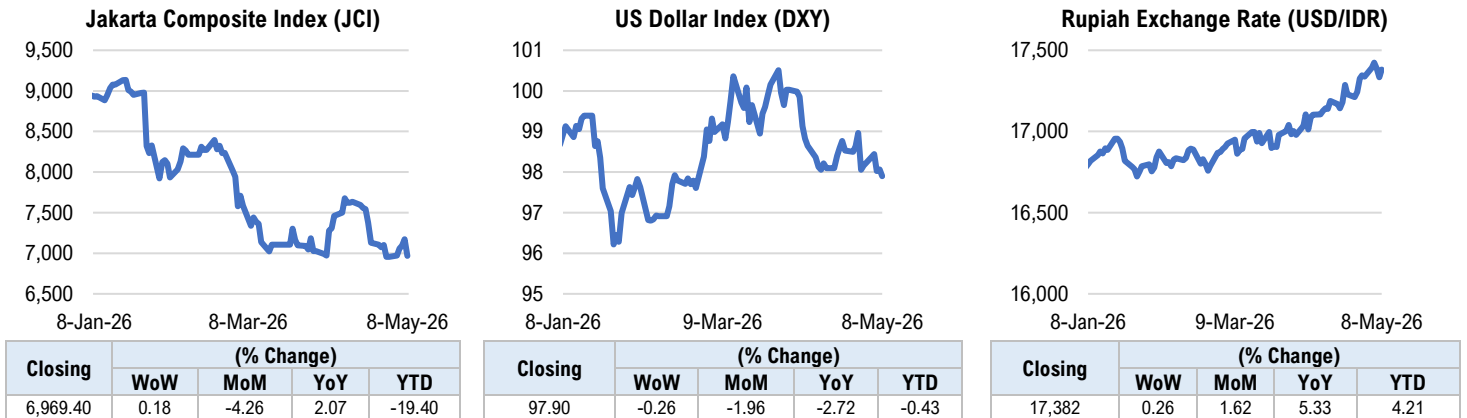
- CPO prices fell 1.42% in the past week** amid weakening global energy prices and growing market optimism regarding the potential for an easing of the geopolitical conflict between the United States and Iran. The more than 6% drop in Brent and WTI crude oil prices throughout the week also put downward pressure on CPO prices, given palm oil's close ties to the energy market, particularly as a biodiesel feedstock. Market sentiment improved following hopes of a peace agreement and a more permanent ceasefire in the Gulf region, easing concerns about global energy supply disruptions. Furthermore, President Donald Trump's statement that the ceasefire was still in effect further strengthened expectations of a de-escalation of the conflict. This prompted investors to reduce positions in energy commodities and their derivatives, including CPO, resulting in weaker prices.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	2.76	-0.83	1.21	-23.25	-25.20	Crude Palm Oil (MYR/Ton)	4,505.00	-1.42	-1.77	18.52	11.23
Nickel (USD/MT)	18,713.59	-2.62	8.83	16.05	11.76	Rubber (USD/Kg)	220.90	1.56	6.97	28.21	22.79
Copper (USD/MT)	13,573.00	4.44	6.80	43.91	9.26	Wheat (cents/bu)	607.50	-2.72	4.70	18.42	19.82
Aluminum (USD/MT)	3,503.00	-0.54	1.39	45.20	16.94	Corn (cents/bu)	456.25	-2.56	2.01	3.93	3.63
Iron Ore (USD/MT)	114.54	3.03	5.28	14.93	7.22	Sugar (c/lb)	14.69	-1.74	3.23	-16.06	-2.13

The stock market strengthened, driven by improving geopolitical sentiment and optimism in the technology sector. The DXY weakened on optimism about a Middle East ceasefire, while the rupiah was pressured by global factors, capital outflows, and seasonal dollar demand.

- Wall Street stocks posted another solid gain over the past week**, with the S&P 500 rising 2.23%, the Nasdaq Composite surging 4.51%, and the Dow Jones Industrial Average gaining slightly by 0.22%. The market gains were primarily driven by a rally in technology and semiconductor stocks amid continued optimism about the development of artificial intelligence (AI). Shares of NVIDIA, Sandisk, and Micron Technology recorded significant gains amid high demand for AI data center development. Positive sentiment was also supported by continued strong US economic data, particularly a resilient labor market, and a solid first-quarter earnings season, with approximately 83% of S&P 500 companies exceeding earnings expectations. However, investors remain wary of inflation risks due to persistently high oil prices and geopolitical uncertainty in the Middle East, which could potentially influence the direction of future interest rate policy.
- The Jakarta Composite Index (JCI) recorded a slight increase of 0.18% over the past week, closing at 6,969.39**, reflecting a market that remains volatile amidst unstable global sentiment. The JCI's gains were primarily driven by large-cap banking stocks such as Bank Rakyat Indonesia, Bank Central Asia, Bank Mandiri, and Telkom Indonesia, which were the index's main drivers. Positive sentiment stemmed from improving market expectations regarding the easing of US-Iran geopolitical tensions and the correction in global oil prices. Furthermore, relatively improving domestic economic data also supported market movements. However, JCI gains remained limited due to the depreciation of the rupiah, uncertainty surrounding the Middle East conflict, and investor concerns about the planned increase in royalties in the mineral and coal sector, which could potentially depress domestic market sentiment.
- The U.S. Dollar Index weakened on a weekly basis.** The U.S. Dollar Index (DXY) closed at 97.90 on May 8, 2026, down 0.26% from May 1, 2026. The decline occurred as investors became more optimistic about the sustainability of the ceasefire in the Middle East. Risk appetite also improved in recent weeks. Solid U.S. labor market data, combined with further weakness in other data, limited further weakness by reinforcing expectations that the Fed would keep interest rates unchanged.
- The rupiah weakened against the U.S. dollar due to global pressure and seasonal factors.** The rupiah closed at IDR17,382 per U.S. dollar on May 8, 2026, up 0.26% from May 1, 2026. Bank Indonesia (BI) viewed the rupiah as undervalued. Short-term pressure came

from high oil prices, elevated U.S. interest rates, a strong U.S. dollar, and capital outflows from emerging markets. U.S. dollar demand also increased seasonally in April–June for dividend repatriation, debt payments, and hajj-related needs.

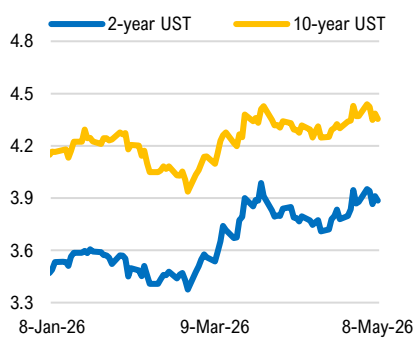


Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	7,398.93	2.33	9.08	30.63	8.08	Euro (EUR/USD)	1.18	0.56	1.66	4.98	0.35
Dow Jones (AS)	49,609.16	0.22	3.55	19.92	3.22	Canadian Dollar (USD/CAD)	1.37	0.65	-1.52	-1.77	-0.34
Nasdaq (AS)	26,247.08	4.51	15.96	46.40	12.93	Poundsterling (GBP/USD)	1.36	0.35	2.56	2.91	1.16
Euro Stoxx 50 (Zona Euro)	5,911.53	0.51	-0.03	11.77	2.07	Japanese Yen (USD/JPY)	156.68	-0.21	-1.84	7.38	-0.02
FTSE100 (Inggris)	10,233.07	-1.26	-3.54	19.94	3.04	Chinese Yuan (USD/CNY)	6.80	-0.41	-0.91	-6.11	-2.70
Nikkei225 (Jepang)	62,713.65	5.38	11.38	69.82	24.58	Singapore Dollar (USD/SGD)	1.27	-0.44	-1.20	-2.60	-1.42
Shanghai (Tiongkok)	4,179.95	1.65	4.63	24.70	5.32	Malaysian Ringgit (USD/MYR)	3.92	-1.26	-2.70	-8.40	-3.43
Hang Seng (Hong Kong)	26,393.71	2.39	1.93	15.88	2.98	Thailand Baht (USD/THB)	32.20	-0.55	-1.08	-2.39	2.24

Key Data Developments in Global and National Bond Markets

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

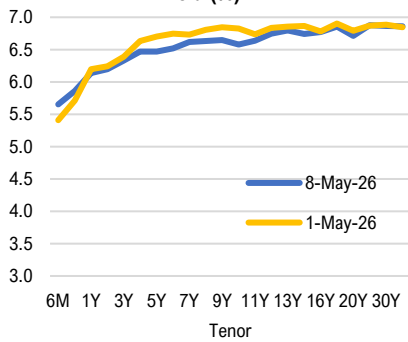


Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3.885	1	10	1	41
5Y: 4.002	-1	7	2	28
10Y: 4.354	-2	6	-2	19

The bond market moved selectively amid geopolitical pressure, fiscal risks, and the direction of monetary policy. Investors began diversifying exposure away from the U.S. dollar, while the government strengthened financing and domestic market stabilization.

- U.S. Treasury yields traded within a narrow range as the market weighed geopolitical risks and U.S. economic data.** The 2-year yield closed at 3.885% on May 8, 2026, up 1 basis point from May 1, 2026. The 5-year yield fell 1 basis point to 4.002%. The 10-year yield fell 2 basis points to 4.354%. Pressure from the Middle East conflict had raised concerns over energy costs. However, lower oil prices helped ease pressure on yields. JOLTS data showed job openings fell to 6.87 million in March 2026. The Institute for Supply Management (ISM) services index stood at 53.6 in April 2026. These data kept market attention focused on the direction of the economy and Fed policy.
- Global debt increased, encouraging investor diversification.** The Institute of International Finance (IIF) reported that global debt approached USD353 trillion by the end of March 2026, up more than USD4.4 trillion in the first quarter of 2026. Demand for Japanese and European government bonds strengthened, while demand for U.S. Treasuries has been relatively stagnant since the start of 2026. The increase in debt was mainly driven by U.S. government borrowing and Chinese nonfinancial corporate debt. The IIF estimated that defense spending, energy security, cybersecurity, artificial intelligence (AI), and the Middle East conflict could continue to drive government and corporate debt.
- Asian local currency bond markets remained strong amid geopolitical pressure.** Hong Kong dollar bond issuance rose nearly 17% to USD14.8 billion since the start of 2026. Australian dollar bond issuance rose nearly 30% to AUD143 billion. Singapore dollar bond issuance increased 3.7% to USD5.56 billion, the highest level in 12 years. This trend reflected investor diversification away from the U.S. dollar. Demand was also supported by expectations for local currency stability. Asia-Pacific local currency bond volume has exceeded USD1.37 trillion since the start of 2026. The market was briefly restrained after the escalation of the Middle East conflict in early March.
- Indonesian government debt securities yields declined across the major tenors.** The 2-year yield closed at 6.283% on May 8, 2026, down 4 basis points from May 1, 2026. The 5-year yield fell 24 basis points to 6.513%. The 10-year yield fell 25 basis points to

Weekly Development of Government Bond Yield (%)



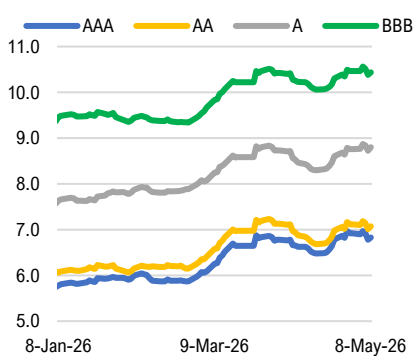
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 6.283	-4	8	-9	129
5Y: 6.513	-24	-1	-7	96
10Y: 6.603	-25	-9	-26	53

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
83.74	-8.43	-11.92	-7.62	21.61

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

6.603%. Indonesia's 5-year Credit Default Swap (CDS) fell 8.43% to 83.74. Economic growth reached 5.61% year over year in the first quarter of 2026. Inflation eased to 2.42% in April 2026. These conditions supported the decline in yields. Global pressure limited room for further yield declines. Domestic fiscal risks also held back the decline in yields. Potential cost-push inflation remained a risk factor.

- The government is preparing a Bond Stabilization Fund (BSF) to stabilize the domestic bond market.** Finance Minister Purbaya Yudhi Sadewa stated that BSF funding would not come only from the accumulated budget surplus (*Saldo Anggaran Lebih*, or SAL). Funding sources could also come from several institutions and special mission vehicles (SMVs) under the Ministry of Finance. The BSF is being prepared to conduct bond buybacks when yields are too high. The government views current foreign capital outflows as not yet too large. The scheme is intended to maintain domestic bond prices and support rupiah stability.
- The government is preparing a Panda Bond issuance as part of budget financing diversification.** Finance Minister Purbaya Yudhi Sadewa said the renminbi-denominated global bond would be issued next month. The Panda Bond yield is estimated to be between 2.3% and 2.5%. The tenor and issuance size have not yet been disclosed. The plan emerged after the rupiah briefly weakened past IDR17,400 per U.S. dollar. The government has notified the Ministry of Finance and the Industrial and Commercial Bank of China (ICBC) of the issuance plan. This issuance follows the CNH6 billion Dim Sum Bond issued on October 23, 2025, with coupons of 2.5% and 2.9%.
- The government absorbed funds in line with the indicative target in the state sukuk auction.** Total incoming bids in the State Sharia Securities (SBSN) auction on May 5, 2026, reached IDR21.19 trillion. This figure was down from IDR33.5 trillion in the April 21, 2026, auction. The government awarded IDR12 trillion from the eight series offered. The PBS038 series recorded the largest bids at IDR4.273 trillion. The SPNS03022027 series followed with bids of IDR4.205 trillion. The auction was conducted to meet part of the financing target in the 2026 State Budget (APBN) of IDR832.2 trillion.
- Government debt increased in the first quarter of 2026.** The Directorate General of Budget Financing and Risk Management (DJPPR) recorded total government debt at IDR9,920.42 trillion at the end of March 2026, equivalent to 40.75% of GDP. This amount rose by IDR282.52 trillion from IDR9,637.90 trillion at the end of December 2025. Government debt securities continued to dominate the debt structure, with outstanding debt of IDR8,652.89 trillion. Loans stood at IDR1,267.52 trillion. The absorption ratio in government bond (SUN) and State Sharia Securities (SBSN) auctions rose to 48.65% as of May 5, 2026, from 30.85% throughout 2025.
- PT Bussan Auto Finance (BAFI) has prepared funds to repay maturing bonds.** BAFI has prepared IDR244.33 billion for the repayment of principal and the final interest payment on Shelf-Registered Bond III Phase III Year 2025 Series A. The funds consist of IDR240 billion in principal and IDR4.33 billion in final interest. The bond will mature on June 8, 2026. The funds are scheduled to be transferred to PT Kustodian Sentral Efek Indonesia (KSEI) on June 5, 2026. Management confirmed that repayment would be made on schedule.
- PT Sarana Multi Infrastruktur (Persero) (SMII) listed a shelf-registered sustainability bond on the Indonesia Stock Exchange (IDX).** SMII listed Shelf-Registered Sustainability Bond I Phase II Year 2026 worth IDR150 billion on May 7, 2026. The bond consists of Series A worth IDR72.128 billion, with a 5.60% coupon and a maturity on May 16, 2027. Series B was issued at IDR77.872 billion, with a 6.05% coupon and maturity on May 6, 2029. The bond received an AAA rating from PEFINDO. PT Bank Mandiri (Persero) Tbk (BMRI) acted as trustee. The bond was issued without specific collateral and may be bought back after one year from the allotment date.
- PT CIMB Niaga Auto Finance (CNAF) is preparing a bond issuance to diversify funding.** CNAF plans to issue Shelf-Registered Bond I through a public offering program, targeting a total of IDR5 trillion. The initial phase is planned at a maximum of IDR1 trillion in the early third quarter of 2026. The plan follows an increase in multifinance bond issuance to IDR11.90 trillion in the first quarter of 2026, up 42.7% year over year. CNAF views the market as still conducive for funding finance companies. Management will consider investor interest and interest rates to keep funding costs efficient.

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	25,000.00	97.30	6.53	19,247,270
FR0103	6.75	07/15/35	10,000.00	100.74	6.64	10,637,703
PBS030	5.88	07/15/28	20,000.00	99.20	6.27	8,860,676
FR0108	6.50	04/15/36	1,330.00	98.85	6.66	7,659,871
FR0104	6.50	07/15/30	50,000.00	99.79	6.56	7,454,545

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Bond I Merdeka Battery Materials Phase IV Year 2026 Series B	idA	9.00	05/08/29	2,000	100.00	--	1,858,760
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA _(sy)	11.00	10/04/29	75,000	107.85	8.32	1,160,000
Shelf Registration Sukuk Ijarah I Bali Towerindo Sentra Phase III Year 2025 Series B	idA _(sy)	7.25	12/03/28	50,000	96.13	8.96	1,158,400
Shelf Registration Bond I Merdeka Battery Materials Phase IV Year 2026 Series A	idA	7.50	05/15/27	60,000	99.95	--	1,050,700
Shelf Registration Social Orange Bond I PNM Phase III Year 2026 Series A	idAAA	5.15	05/01/27	50,000	99.95	5.20	976,450

Corporate Bonds Issuance

Throughout the first week of May 2026, 2 companies issued corporate debt securities valued at IDR1,982 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Sustainability Bond I Phase II Year 2026 Seri A	May-7-2026	72.13	5.60	1	idAAA
2	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Sustainability Bond I Phase II Year 2026 Seri B	May-7-2026	77.87	6.05	3	idAAA
3	PT Armadian Tritunggal	Shelf Registration Sukuk Mudharabah I Phase II Year 2026	May-8-2026	1,832.50	8.25	5	irA _(sy)
Total				1,982.50			

Source: KSEI, IDX, database PEFINDO.




Corporate Bonds Maturity for June 2026 Reaches IDR11.55 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Lontar Papyrus Pulp & Paper Industry	Shelf Registration Bond III Phase III Year 2025 Series A	Jun-1-2026	201.65	7.00	1	idA
2	PT Bank Rakyat Indonesia (Persero) Tbk	Shelf Registration Commercial Paper I Year 2025 Phase I Series C	Jun-2-2026	20.00	4.85	1	idA1+
3	PT Provident Investasi Bersama Tbk	Shelf Registration Bond I Phase II Year 2023 Series B	Jun-7-2026	429.00	8.50	3	idA
4	PT Bussan Auto Finance	Shelf Registration Bond III Phase III Year 2025 Series A	Jun-8-2026	240.00	6.50	1	idAAA
5	PT Pegadaian	Shelf Registration Bond VI Phase II Year 2025 Series A	Jun-8-2026	2,148.11	6.65	1	idAAA
6	PT Pegadaian	Shelf Registration Social Bond I Phase II Year 2025 Series A	Jun-8-2026	954.25	6.65	1	idAAA
7	PT Pegadaian	Shelf Registration Sukuk Mudharabah III Phase IV Year 2025 Series A	Jun-8-2026	1,517.22	6.65	1	idAAA _(sy)
8	PT Profesional Telekomunikasi Indonesia	Shelf Registration Bond III Phase III Year 2023 Series B	Jun-8-2026	296.00	6.50	3	AAA _(idn)
9	PT Sinar Mas Agro Resources and Technology Tbk	Shelf Registration Bond III Phase I Year 2021 Series C	Jun-10-2026	300.00	9.25	5	idAA-
10	PT Bank Syariah Indonesia Tbk	Shelf Registration Sustainability Sukuk Mudharabah I Phase I Year 2024 Series B	Jun-14-2026	220.00	6.70	2	idAAA _(sy)
11	PT BFI Finance Indonesia Tbk	Shelf Registration Bond V Phase V Year 2023 Series B	Jun-15-2026	850.00	7.00	3	AA _(idn)
12	PT Pegadaian	Shelf Registration Bond V Phase III Year 2023 Series B	Jun-16-2026	400.00	6.20	3	idAAA
13	PT Suparma Tbk	MTN III Year 2021 Phase I	Jun-17-2026	83.79	5.50	5	-
14	PT Pelabuhan Indonesia (Persero)	Bond I Year 2016 Series D	Jun-21-2026	50.00	9.50	10	idAAA



15	PT Waskita Karya Realty	MTN III Phase II Year 2022	Jun-21-2026	120.00	12.10	4	-
16	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Sukuk Mudharabah I Phase III Year 2023 Series B	Jun-22-2026	200.00	8.50	3	idAAA _(sy)
17	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond V Phase IV Year 2025 Series A	Jun-22-2026	327.43	6.75	1	idA+
18	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond USD II Phase III Year 2025 Series A	Jun-22-2026	USD1.52 mn/IDR24.66 bn	5.75	1	idA+
19	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Sukuk Mudharabah IV Phase IV Year 2025 Series A	Jun-22-2026	357.08	6.75	1	idA+ _(sy)
20	PT Len Industri (Persero)	MTN I Phase I Year 2023 Series A	Jun-22-2026	100.00	11.45	3	-
21	PT MNC Kapital Indonesia Tbk	Shelf Registration Bond V Phase II Year 2025 Series A	Jun-22-2026	3.50	9.00	1	idBBB+
22	PT Waskita Karya Realty	MTN III Phase III Year 2022	Jun-26-2026	120.00	12.10	4	-
23	PT BFI Finance Indonesia Tbk	Shelf Registration Bond VI Phase II Year 2025 Series A	Jun-27-2026	414.30	6.45	1	AA _(idn)
24	PT KB Finansia Multi Finance	Bond II Year 2023 Series B	Jun-27-2026	500.00	7.30	3	AAA _(idn)
25	PT MNC Kapital Indonesia Tbk	Shelf Registration Bond III Phase II Year 2023 Series B	Jun-27-2026	83.56	11.25	3	idBBB+
26	PT Permodalan Nasional Madani	Sukuk Mudharabah Jangka Menengah VII Year 2025 Phase I	Jun-27-2026	180.00	Floating	1	idAAA _(sy)
27	PT Bank Victoria International Tbk	Shelf Registration Subordinated Bond II Phase I Year 2019	Jun-28-2026	250.00	11.75	7	idBBB
28	PT Waskita Karya Realty	MTN III Phase IV Year 2022	Jun-29-2026	100.00	12.10	4	-
29	PT Angkasa Pura Indonesia	Bond I Year 2016 Series C	Jun-30-2026	900.00	9.00	10	idAAA
30	Efek Beragun Aset Avrist AM CF 01 – Tagihan Spaylater Kelas A	Efek Beragun Aset Avrist AM CF 01 – Tagihan Spaylater Class A	Jun-30-2026	160.00	8.50	1	-
Total				11,550.55			

Weekly Sector Highlights

During May 4-8, 2026, domestic sectoral sentiment was predominantly influenced by the impact of geopolitical conflicts, developments in performance, strategic initiatives, and industry policies.

Industries	Sentiment & Significance	News Highlights
Automotive		Increase in Diesel Fuel Prices Pressures Demand for Diesel Vehicles. The surge in non-subsidized diesel fuel prices by up to around 60% since April 2026 has increased vehicle operating costs and is likely to dampen consumer interest in diesel cars. The significant price hike—exceeding IDR10,000 per liter—has been driven by global energy price dynamics, including geopolitical conflicts, thereby weakening purchasing power and prompting shifts in consumer behavior. The impact is beginning to be felt in the automotive industry, although manufacturers assess that diesel demand remains relatively resilient due to advantages in torque, durability, and efficiency for heavy-duty usage. Nevertheless, this condition opens opportunities for more energy-efficient vehicles, such as hybrids, which have started to record stronger sales growth. Going forward, demand trends are expected to be increasingly influenced by cost sensitivity and consumer preferences for long-term efficiency.
Banking		Banking Cost of Credit Declines, Risk Recovery Remains Uneven. The cost of credit (CoC) at several major banks showed a declining trend in the first quarter of 2026, reflecting improvements in asset quality amid more ample liquidity conditions. This decline was observed at Bank Mandiri, BRI, and BTN, driven by better-quality new loan origination and a reduction in restructured loan portfolios. Risk indicators such as loan at risk (LaR) and stable non-performing loan (NPL) ratios also signal more manageable credit pressures, supported by increased provisioning. In addition, external factors—including government liquidity injections, lower policy interest rates, and efforts to recover and write off legacy loans—have contributed to reducing CoC. Nevertheless, some banks, such as BCA, BNI, and CIMB Niaga, recorded an increase in CoC, generally influenced by temporary accounting factors. Overall, the banking sector demonstrates improving fundamentals, although credit risk recovery remains gradual and uneven.
Construction		Performance of State-Owned Construction Issuers Remains Under Pressure in Early 2026. The performance of state-owned construction issuers continued to face pressure in the first quarter of 2026, as reflected in a 15.01% year-on-year decline in the net profit of PT PP Tbk to IDR50.46 billion. Meanwhile, PT Wijaya Karya Tbk (WIKA) and PT Waskita Karya Tbk (WSKT) continued to record losses of IDR1.13 trillion and IDR678.03 billion, respectively, although WSKT's loss declined on an annual basis. On the other hand, PT Adhi Karya Tbk (ADHI) reported significant improvement, posting a net profit of IDR154.12 billion. Differences in performance among issuers are driven by varying stages of debt restructuring and project portfolio quality, resulting in uneven recovery

Industries	Sentiment & Significance	News Highlights
Insurance and Guarantee	●●	<p>timelines across companies. The sector's outlook continues to face challenges from high debt burdens, thin project margins, and potential delays in government project payments.</p> <p>Guarantee Industry Faces Capital Strengthening Challenges. The guarantee industry is under pressure to comply with the Financial Services Authority (OJK) minimum equity increase requirements effective through the end of 2026, amid various structural challenges. The equity threshold has been raised to IDR75 billion for provincial-level companies and IDR187.5 billion for national-level entities, prompting industry players to strengthen their capital through additional paid-in capital, optimization of retained earnings, and improvements in portfolio quality. However, each company's capacity varies, particularly for regional entities constrained by fiscal conditions and capital injection regulations. On the other hand, rising claim risks are also weighing on profitability, thereby slowing organic capital accumulation. To address this, companies are implementing stricter risk management, operational efficiency measures, and conservative dividend policies.</p>
Metal and Gold	●●●	<p>Domestic Steel Industry Under Pressure as Plant Closures Increase. The domestic steel industry is facing significant pressure due to an influx of low-cost imported steel, particularly from China, which has led to the closure of several producers, including PT Krakatau Osaka Steel (KOS) in 2026 after prolonged losses. The joint venture company ceased operations and laid off approximately 160 employees, reflecting the weakened competitiveness of the local industry. Globally, the steel sector is also overshadowed by excess capacity of up to 600 million tons, as well as uneven competition driven by subsidies and aggressive policies from the Chinese government. This condition has resulted in imported steel prices being significantly lower than domestic prices, thereby exerting pressure on local producers. The government is considered to need to strengthen protective policies and industry competitiveness through trade instruments and the optimization of the domestic market.</p>
Mining	●●	<p>Surge in Sulfur Prices Pressures Nickel Downstream Production. The performance of the nickel downstream industry, particularly high pressure acid leaching (HPAL)-based smelter facilities, is facing pressure due to a surge in prices and limited supply of sulfur as a key raw material. Sulfur prices have risen significantly to around USD960–USD1,300 per ton, far above the approximately USD275 per ton level in the previous year, thereby substantially increasing production costs. This condition has begun to impact operations, including production capacity cuts of up to 50% at several facilities, as well as temporary shutdowns for maintenance. In addition, cost pressures are exacerbated by increases in royalties and changes in mineral pricing formulas, pushing total HPAL operating costs to nearly double. If this situation persists, it could suppress production, hinder expansion, and potentially lead to the closure of processing facilities.</p>
Multifinance	○	<p>Multifinance Performance Varies, Focus on Risk Management. The performance of multifinance issuers in the first quarter of 2026 showed variation. Solid profit growth was recorded by PT Adira Dinamika Multi Finance Tbk (ADMF), PT Woori Finance Indonesia Tbk (BPFI), and PT Clipan Finance Indonesia Tbk (CFIN), each driven by quality financing expansion, prudent asset management, and operational efficiency. However, PT BFI Finance Indonesia Tbk (BFIN) reported a decline in profit due to a more selective financing disbursement strategy to anticipate market risks. Going forward, optimizing efficiency, portfolio diversification, and liquidity management will be key amid persistently high-interest-rate pressures. A cautious approach remains important to maintain profitability and long-term business resilience.</p>
Oil and Gas	●●●	<p>Performance of Oil and Gas Issuers Boosted by Rising Oil Prices. The performance of most oil and gas (O&G) issuers in the first quarter of 2026 showed a positive trend, supported by the increase in global oil prices since February 2026. PT Medco Energi International Tbk (MEDC) recorded significant growth, with revenue rising 19.23% YoY to USD668.30 million and net profit surging 282.40% YoY to USD67.38 million. PT Rukun Raharja Tbk (RAJA) also posted a 14% YoY increase in profit, although its revenue declined due to operational disruptions in gas infrastructure. In contrast, PT Raharja Energi Cepu Tbk (RATU) experienced performance pressure due to declining production and normalization of selling prices. Looking ahead, the outlook for the O&G sector remains open, although sensitivity to global oil price dynamics and geopolitical conditions continues to be the main determining factor.</p>
Power and Energy	●●	<p>U.S. Tariffs Pressure Exports, Solar Panel Industry Relies on Domestic Market. The imposition of U.S. countervailing duties (CVD) of up to 143.3% on Indonesian solar panels is likely to weigh on the performance of the domestic industry, given that the United States is the primary export destination, accounting for up to 91.78% of exports in 2024. This policy comes amid a significant surge in exports—from approximately USD245 million in 2023 to USD2.1 billion in 2025—but now threatens price competitiveness and market access. The ongoing U.S. investigation, set to continue through</p>

Industries	Sentiment & Significance	News Highlights
		<p>July 2026, highlights alleged subsidies via facilities in the Batam Free Trade Zone (FTZ) and the use of imported raw materials, prompting the Indonesian government to strengthen its defense through data transparency and active industry participation. The impact is already being felt, with declining orders from U.S. buyers and the absence of alternative markets capable of absorbing production at a comparable scale. On the other hand, domestic market potential is considered substantial in line with the target of developing up to 100 GW of solar power capacity, although the utilization of locally produced panels remains limited and less price-competitive than imports. The government is promoting export market diversification and strengthening domestic demand as medium-term strategies to sustain the industry.</p>
Property		<p>Property Issuers Show Mixed Performance, Oversupply Pressures Persist. The performance of property issuers in the first quarter of 2026 showed variation, amid oversupply pressures and high sensitivity to interest rates. Ciputra Development (CTRA) and Summarecon Agung (SMRA) recorded declines in profit despite some still posting revenue growth, primarily due to margin pressures from construction costs, interest expenses, and sales incentives. In contrast, Pantai Indah Kapuk Dua (PANI) reported a significant surge in performance, supported by a more effective monetization strategy of premium areas. Issuers with a recurring income base, such as Pakuwon Jati (PWON), tend to be more stable, while developers relying on property sales are more vulnerable to fluctuations in purchasing power and interest rate cycles. Going forward, recovery potential remains in line with the possibility of interest rate declines, although challenges stemming from purchasing power, construction costs, and excess supply remain key risks.</p>
Transportation and Vehicle Rental		<p>Rising Jet Fuel Prices Pressure Airlines, Tariff Adjustments Encouraged. The surge in jet fuel prices by approximately 14%–20% from April to May 2026 has increased cost pressures on airlines, given that fuel accounts for up to 40% of flight operating expenses. Airline associations have called for an acceleration in adjustments to fare caps and fuel surcharges to align with energy price movements that remain influenced by global uncertainty. Although increases in fuel surcharges have been implemented, the impact on demand has been relatively limited, with passenger traffic remaining stable, particularly on high-density routes. On the other hand, airlines have begun to implement operational efficiencies through frequency reductions, route optimization, and expansion into international markets that offer greater pricing flexibility. However, the implementation of supporting policies is considered suboptimal and slow, potentially leading to further increases in ticket prices. Going forward, the sustainability of the aviation industry’s performance will heavily depend on jet fuel price stability and swift, coordinated policy responses.</p>

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