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WEEKLY ECONOMIC UPDATE

Period of June 22-26, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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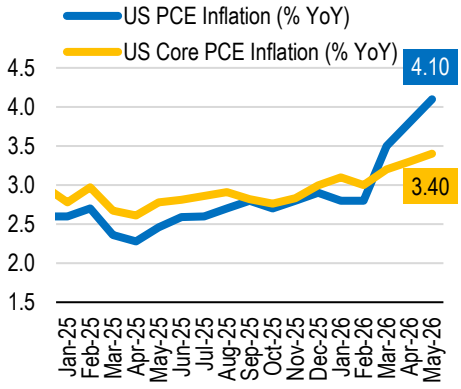
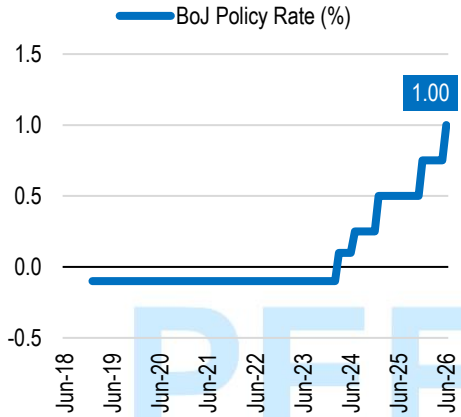
Data Highlights of the Week

US PCE Inflation



Source: Bloomberg

Bank of Japan Policy Rate



Source: Bloomberg

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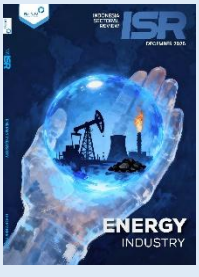

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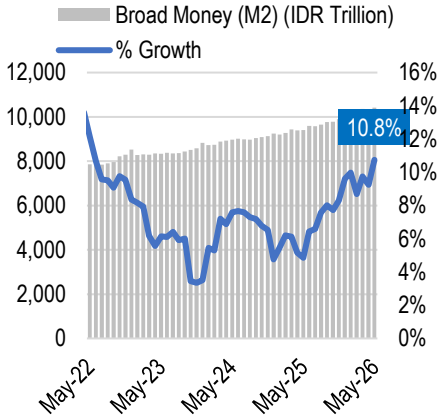
Maintaining Economic Direction as Global Waves Meet Domestic Currents

Global Economic

- **Geopolitical developments during June 22–28, 2026, were marked by two major, interconnected diplomatic breakthroughs in the Middle East, both fragile and far from guaranteeing permanent peace**. The United States (US) officially granted sanctions relief on Iran for 60 days starting June 22, 2026, following the first round of negotiations following the interim peace deal held in Switzerland. Meanwhile, Israel and Lebanon signed a US-sponsored trilateral framework agreement in Washington on Friday (June 26), which includes a commitment to a gradual withdrawal of Israeli troops from southern Lebanon, although its implementation remains uncertain amid Hezbollah's strong rejection of its disarmament demands and the deepening divergence between Lebanon and Israel.
- **The US personal consumption expenditure (PCE) price index rose 0.4% MoM in May'26, the same as in Apr'26, bringing annual inflation to 4.1% YoY** (April'26: 3.8%). Goods inflation slowed amid accelerating services inflation. The core PCE index rose 0.3% MoM, while the annual rate accelerated to 3.4% YoY (Apr'26: 3.3%). This underscores price pressures, as projected by the central bank.
- **The final estimate of US GDP shows that the US economy grew by 2.1% (annualized) in Q1-2026, revised up from 1.6% in the second estimate, and above the 0.5% growth in Q4-2025.** The net trade deficit (-0.37%) contributed less than the initial estimate (-1.25%), as import growth was revised lower and exports rose. Furthermore, gross private domestic investment increased 7.9%, higher than the 7% growth in the previous estimate. Meanwhile, consumer spending rose 0.5%, well below the previous estimate (1.4%). Government spending remained unchanged at 4.4%, in line with the previous estimate.
- **The summary of opinions from the Bank of Japan Board of Governors' Meeting on June 26 showed broad support among policymakers for continuing interest rate hikes, arguing that core inflation was near the 2% target while financial conditions remained accommodative.** Members said that if the economy and prices developed in line with the Bank's outlook, further rate hikes would be warranted. Some argued that Japan's policy rate remained below the estimated neutral interest rate, estimated at around 2%, and should be moved closer to that level to provide greater flexibility in adjusting policy in any direction. They also suggested that gradual increases every few months could help avoid the need for faster and more aggressive tightening later. However, one member warned that higher interest rates could discourage business investment, weaken aggregate demand, and trigger a concomitant decline in inflation, production, and employment, arguing that the board should keep interest rates unchanged for now.
- **Chinese authorities maintained an accommodative monetary environment while providing fiscal stimulus to spur growth.** The People's Bank of China (PBoC) maintained its main lending rate (LPR) at an all-time low for the 13th consecutive month amid mixed economic data. The 1-year LPR was maintained at 3.0%, while the 5-year LPR was at 3.5%. Fiscally, China's government spending grew 0.8% YoY to CNY11.39 trillion (USD1.59 trillion) in January-May 2026. Central government spending rose 6.5% to CNY1.68 trillion, while local government spending decreased slightly by 0.1% to CNY9.71 trillion, indicating that fiscal support remains largely driven by the central government.
- **The PBoC said it will conduct overnight reverse repo operations on Monday and Tuesday to improve short-term liquidity management in the banking system.** This move follows Governor Pan Gongsheng's statement last week that the central bank would expand its short-term liquidity tools by introducing overnight reverse repos and narrowing the interest rate corridor for temporary repo and reverse repo facilities to 50 bps from 70 bps to strengthen interest rate guidance and improve the effectiveness of monetary policy implementation. According to the PBoC, overnight reverse repos will be conducted through quantity-based offers with a fixed interest rate.
- **The Bank of Thailand maintained its benchmark interest rate at 1%, in line with market expectations and keeping borrowing costs at their lowest level since 2022.** Thailand's

Broad Money (M2) Growth



Source: Bank Indonesia

Upcoming Economic Calendar

Time	Development Release
Jun 29	ECB Central Bank Forum
Jun 30	Japan Unemployment Rate May'26
	NBS China Composite PMI Jun'26
Jun 1	Manufacturing, Services, and Composite PMIs for Various Countries
	Indonesia Inflation Rate Jun'26
	Indonesia's Trade Balance May'26
	Eurozone preliminary inflation rate estimate Jun'26
Jun 2	South Korea inflation rate Jun'26
	Eurozone unemployment rate May'26
	US labor market developments Jun'26

economy is expected to grow 2.3% in 2026 and 1.8% in 2027, with growth proving stronger than expected, supported by robust goods exports, private investment in technology and AI, government measures aimed at mitigating the impact of the energy crisis, and improving conditions surrounding the Middle East conflict. Meanwhile, the central bank maintained its inflation outlook, at 2.8% in 2026 and 1.4% in 2027 as inflation moderates.

Domestic Economy

- **Economic liquidity, or broad money supply (M2), accelerated by 10.8% YoY in May'26 (Apr'26: 9.2%) to IDR10,415.9 trillion.** This growth was driven by accelerated credit growth of 10.8% YoY (Apr'26: 9.4%) and net foreign assets growth of 5.2% YoY (Apr'26: 3.7%).
- **The Indonesian government launched an economic stimulus package worth IDR26.34 trillion to maintain domestic economic resilience in the Semester 2 of 2026.** This stimulus package includes eight policies. First, a tax incentive for writers in the form of a special 1.5% Final Income Tax (PPh) Royalty rate for national writers. Second, transportation discounts to encourage public mobility during the school holiday period consisting of a 30% discount on train tickets (June 20-July 5, 2026), a 30% discount on Pelni Ship basic fares (June 20-August 15, 2026), free SDP port service fares (June 20-July 5, 2026), and a full subsidy of 100% VAT DTP for scheduled economy class domestic airline tickets. Third, the same transportation discounts for the Christmas and New Year holiday period. Fourth, LPG and plastic raw material import incentives with 0% import duty on LPG imports for the petrochemical industry. Fifth, the second phase of the national internship program starting in July 2026 with a budget allocation of IDR4.14 trillion for 150,000 fresh university graduate participants. Sixth, vocational training for a program to improve workforce skills and competencies with a target of 220,000 vocational school graduates and 50,000 workers affected by layoffs. Seventh, 10 kg of rice assistance, starting in July 2026, will be provided to 33.24 million beneficiary families for three consecutive months with a budget of IDR17.54 trillion. Eighth, price stabilization assistance and soybean food supplies for tofu and tempeh producers, with a maximum of IDR2,000 per kg for a total quota of 250,000 tons in the first phase.
- **The President of the Republic of Indonesia will reduce the number of State-Owned Enterprises (SOEs) to around 250 companies, from the current number of more than 1,000, over the next two years.** This step is being taken to realize more efficient and transparent SOE governance and provide tangible benefits to the community. Currently, 200 SOEs have been closed, and the process is ongoing. With these efficiency measures, SOEs are expected to generate greater profits and become drivers of a competitive and innovative economy.

Week Ahead Highlights

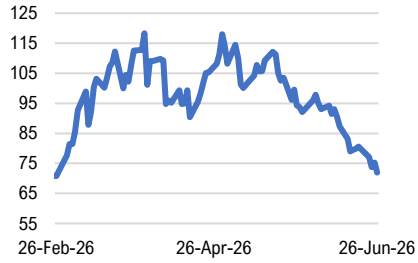
Monitoring the flow of tankers and commercial vessels through the Strait of Hormuz following the peaceful resolution that has begun to lower crude oil prices will continue to be a market focus, along with the potential impact on energy prices. Manufacturing, Services, and Composite PMI data from various countries will also be closely monitored to gauge the impact of price pressures and tightening monetary policy. In the US, labor market reports, including Non-Farm Payrolls, are anticipated. Meanwhile, in Europe, the ECB will host speeches by members of its Governing Board and other central bank officials at its annual forum early this week. Data-wise, the Eurozone will release its preliminary estimate of inflation for Jun'26 and labor market developments for May'26. The UK will release its second estimate of GDP for Q1-2026. In Asia, China will release its NBS PMI data, while Japan will report its unemployment rate. Vietnam will report its estimated GDP for Q2-2026. Various countries, including South Korea, the Philippines, Vietnam, and Indonesia, will report inflation for Jun'26. Indonesia will also report its trade balance and foreign tourist arrivals data for May'26.

Spotlight on Commodity Price Trends
(as of June 26, 2026)

Global commodity prices declined as geopolitical risks eased, although demand for several commodities remained relatively resilient.

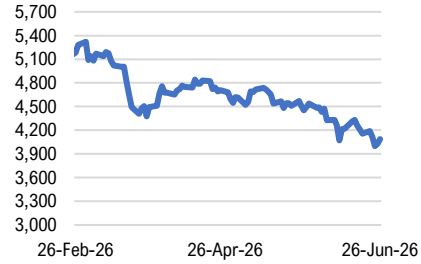
- **Brent crude oil closed at USD71.99 per barrel on Friday (June 26), posting a 10.65% weekly decline**—its steepest weekly drop in the past month. The sell-off was primarily driven by easing concerns over global supply disruptions as tanker traffic through the

Brent Crude Oil (USD/Barrel)



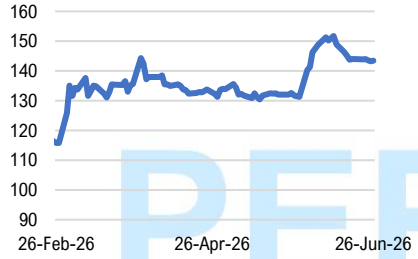
Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
71.99	-10.65	-27.71	6.29	18.31

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,088.74	-1.61	-9.30	22.86	-5.34

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
143.40	-0.42	8.14	34.84	33.40

Strait of Hormuz increased following the 60-day ceasefire between the U.S. and Iran. Saudi Aramco also resumed loading operations at the Ras Tanura terminal after nearly four months of suspension, while the market began pricing in the possibility of a near-term supply surplus. Bearish sentiment was further reinforced by weak demand from China, which has yet to show a meaningful recovery. Meanwhile, geopolitical tensions continued to linger after Iran fired upon a cargo vessel near Oman and reaffirmed its control over the Strait of Hormuz, although the incident was insufficient to offset the downward pressure on oil prices.

- **Spot gold closed at USD4,088.74 per ounce at the end of the week, declining 1.61% on a weekly basis** and marking its fourth consecutive weekly loss. The decline was mainly driven by a stronger U.S. dollar and rising expectations of a more aggressive Federal Reserve monetary policy after U.S. PCE inflation accelerated to 4.1% YoY in May—the highest level in three years. Markets are now pricing in approximately three interest rate hikes this year, with around a 60% probability of a rate increase in September. As a non-yielding asset, gold became less attractive in a higher interest rate environment. In addition, easing geopolitical tensions between the U.S. and Iran, which also pushed oil prices lower, reduced demand for gold as a safe-haven asset. Although gold rebounded modestly toward the end of the week after the PCE data matched market expectations, the corrective trend is still expected to persist.
- **Newcastle coal prices closed at USD143.40 per tonne at the end of the week,** down 0.42% from the previous week, as global energy supply conditions improved following the U.S.-Iran ceasefire and the normalization of shipping through the Strait of Hormuz, reducing the urgency of switching from LNG to coal. Nevertheless, demand sentiment remained resilient. Asian thermal coal imports are projected to reach 77.37 million metric tonnes in June 2026—the highest level in six months—supported by stronger imports from China amid declining domestic production, while Japan and South Korea continued to maintain coal consumption as LNG prices remained relatively elevated. Meanwhile, India remained cautious, opting to utilize existing inventories rather than increase purchases.
- **September CPO futures on the Bursa Malaysia Derivatives Exchange closed at MYR4,568 per tonne, posting a 1.68% weekly decline.** The primary pressure came from the sharp drop in global crude oil prices following the normalization of shipping through the Strait of Hormuz after the U.S.-Iran ceasefire, reducing CPO's attractiveness as a biodiesel feedstock. A stronger Malaysian ringgit also weighed on export competitiveness. However, several positive factors helped limit further losses, including more than 10% growth in Malaysia's palm oil product exports during June 1–25, as well as the implementation of Indonesia's mandatory B50 biodiesel program effective July 1, 2026. In addition, India's palm oil imports are projected to exceed 600,000 tonnes in June, underscoring continued strong demand from the world's largest buyer, despite the recent correction in domestic CPO prices in Riau.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	3.23	-0.06	11.64	-0.92	-12.34	Crude Palm Oil (MYR/Ton)	4,568.00	-1.68	1.60	13.89	12.79
Nickel (USD/MT)	16,544.64	-5.12	-12.44	4.69	-1.75	Rubber (USD/Kg)	208.60	-7.82	-6.08	28.05	15.95
Copper (USD/MT)	13,357.50	-1.75	-1.95	34.93	7.52	Wheat (cents/bu)	578.25	-4.54	-9.01	10.99	14.05
Aluminum (USD/MT)	3,179.50	-6.39	-13.42	23.07	6.14	Corn (cents/bu)	412.75	-1.14	-9.78	0.79	-6.25
Iron Ore (USD/MT)	98.75	-1.44	-8.04	5.42	-7.56	Sugar (c/lb)	13.98	2.87	-3.85	-10.67	-6.86

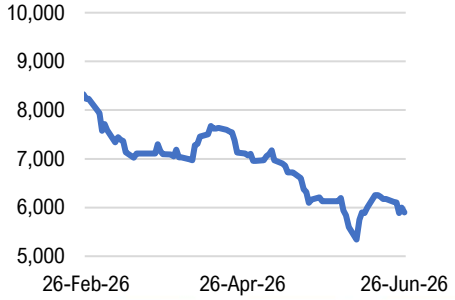
Global and domestic equity markets came under pressure from expectations of higher interest rates, a sell-off in technology stocks, and rising investor concerns. The U.S. dollar strengthened on expectations of a more hawkish Federal Reserve policy stance, while the rupiah remained under pressure despite support from monetary operations and the bond market.

- **Wall Street ended the week with mixed performance. The S&P 500 declined 1.95% on a weekly basis to 7,354, while the Nasdaq Composite fell 4.60%, making it the weakest-performing major index. In contrast, the DJIA edged up 0.60%.** Market sentiment was dominated by heavy selling in AI-related technology and semiconductor stocks, with the PHLX Semiconductor Index plunging 7.9%, marking its worst weekly performance since early April. Investors grew increasingly concerned about the long-term profitability of AI investments amid rapidly rising capital expenditures, compounded by reports suggesting a potential delay in OpenAI's IPO. U.S. inflation, which reached 4.1% in May, further strengthened expectations of additional Federal Reserve rate hikes. On the other hand,

the DJIA remained relatively resilient as investors rotated into defensive sectors such as healthcare, while easing concerns over energy inflation following the normalization of shipping through the Strait of Hormuz helped push oil prices lower.

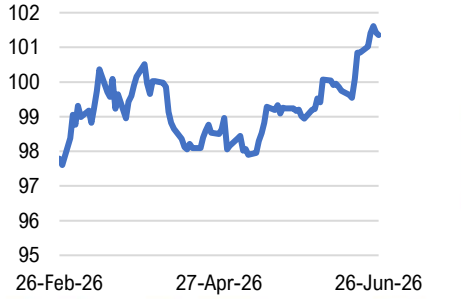
- **The Indonesia Composite Index (JCI) ended the June 22–26, 2026 trading week with a sharp 4.55% decline to 5,896.13,** accompanied by approximately IDR6 trillion in net foreign outflows during the week. The primary negative catalyst came from MSCI's decision to retain Indonesia's Emerging Market classification while raising significant concerns regarding ownership transparency, free float, and allegations of coordinated trading. Additional pressure stemmed from the weakening rupiah, the Federal Reserve's hawkish stance in maintaining elevated interest rates, and the government's proposed budget cuts to the Free Nutritious Meals program, which heightened fiscal concerns. Externally, the sell-off in AI-related technology and semiconductor stocks on Wall Street spilled over into Asian equity markets and weighed on metal commodity prices. Sector-wise, the Basic Materials sector recorded the steepest decline, falling 4.99%, while the Financials sector was the only sector to remain positive, posting a modest 0.03% gain.
- **The U.S. Dollar Index (DXY) strengthened as markets priced in a more hawkish policy direction from the Federal Reserve (Fed).** The DXY closed at 101.36 on June 26, 2026, up 0.50% from June 19, 2026. The DXY briefly rose to 101.40, its highest level in more than a year. Fed funds futures implied a probability of more than 85% of a 25 bps rate hike in September. BofA Global Research and Deutsche Bank also revised their forecasts from unchanged rates to a rate hike this year, reflecting the economy's resilience. The U.S. dollar also gained support from uncertainty over the Middle East conflict, which has not fully eased.
- **The rupiah weakened on a weekly basis, although daily pressure eased toward the end of the week**. The USD/IDR exchange rate closed at IDR17,922/USD on June 26, 2026, up 0.66% from June 19, 2026. In Friday trading, the rupiah strengthened 0.04% to IDR17,918/USD after weakening 0.25% at the open. The daily gain was supported by a weaker U.S. dollar and gains in several Asian currencies. Support also came from Bank Indonesia's (BI) monetary operations through its Sekuritas Rupiah Bank Indonesia (SRBI) auction, improvement in the domestic bond market, and weekly foreign inflows into the bond market.

Jakarta Composite Index (JCI)



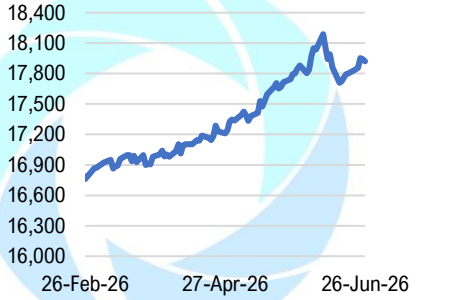
Closing	(% Change)			
	WoW	MoM	YoY	YTD
5,896.13	-4.55	-3.82	-14.52	-31.81

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
101.36	0.50	2.21	4.33	3.09

Rupiah Exchange Rate (USD/IDR)



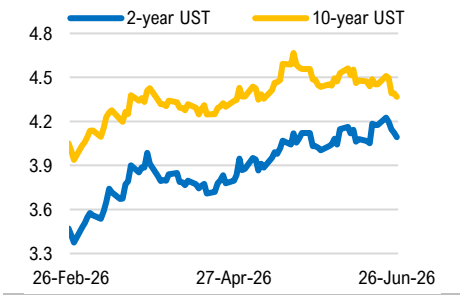
Closing	(% Change)			
	WoW	MoM	YoY	YTD
17,922	0.66	0.71	10.57	7.45

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	7,354.02	-1.95	-2.20	19.75	7.43	Euro (EUR/USD)	1.14	-0.76	-2.12	-2.71	-3.08
Dow Jones (AS)	51,876.11	0.60	2.80	19.57	7.93	Canadian Dollar (USD/CAD)	1.42	0.30	2.77	4.04	3.43
Nasdaq (AS)	25,297.62	-4.60	-5.10	25.44	8.84	Poundsterling (GBP/USD)	1.32	-0.24	-1.83	-3.85	-2.04
Euro Stoxx 50 (Zona Euro)	6,221.55	-1.14	2.60	18.64	7.43	Japanese Yen (USD/JPY)	161.74	0.27	1.53	11.99	3.21
FTSE100 (Inggris)	10,508.02	1.40	0.16	20.29	5.81	Chinese Yuan (USD/CNY)	6.80	0.48	0.21	-5.12	-2.70
Nikkei225 (Jepang)	69,360.88	-2.65	6.72	75.22	37.79	Singapore Dollar (USD/SGD)	1.29	0.22	1.28	1.56	0.67
Shanghai (Tiongkok)	4,027.27	-1.55	-2.85	16.78	1.47	Malaysian Ringgit (USD/MYR)	4.09	-1.17	3.03	-3.41	0.70
Hang Seng (Hong Kong)	22,671.86	-5.24	-11.44	-6.80	-11.54	Thailand Baht (USD/THB)	33.38	1.25	2.14	2.72	5.98

Key Data Developments in Global and National Bond Markets

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

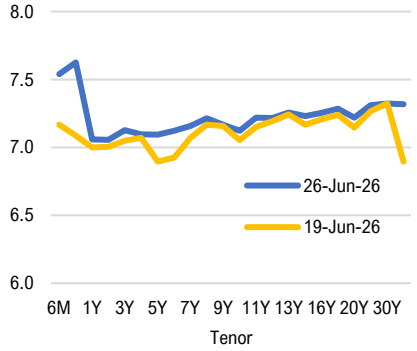


The Government Bond (SUN) market traded in volatile conditions amid expectations around the Fed, while auctions improved, foreign inflows into Asia strengthened, SRBI absorption was aggressive, and Panda Bond issuance was being prepared.

- **The Government Bond (SUN) market came under pressure from U.S. dollar strength and expectations of a hawkish Fed policy stance**. The benchmark 10-year SUN yield rose 8 bps to 7.26% on Wednesday, June 24, 2026, while the 12-year yield rose 6.5 bps to 7.30%. The 1-year yield instead fell 4.6 bps to 7.21%, indicating that the market did not place excessive pressure on short-term risk. Pressure was also visible in South Korean government bonds, with the 2-year yield rising 1.3 bps to 3.67%, the 5-year yield up 0.3 bps to 4.05%, and the 10-year yield up 0.7 bps to 4.18%. By contrast, U.S. Treasuries saw buying activity, with the 2-year yield down 2.9 bps to 4.19% and the 10-year yield down 1.4 bps to 4.49%. Global capital flows tended to move toward U.S. Treasuries after the Fed kept its policy rate at 3.50%–3.75% and was expected to raise rates at least twice this year.

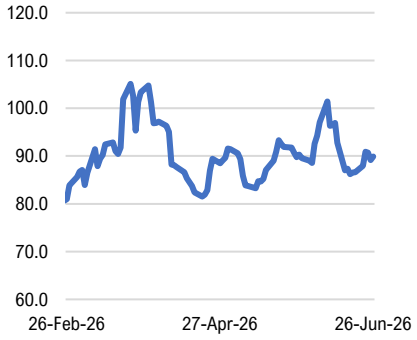
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.092	-8	6	37	62
5Y: 4.129	-10	-4	33	40
10Y: 4.369	-8	-12	13	20

Weekly Development of Government Bond Yield (%)



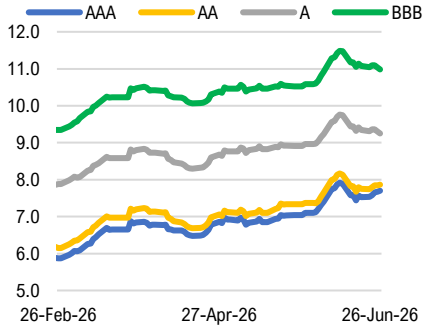
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 7.162	4	53	102	217
5Y: 7.141	15	41	83	159
10Y: 7.158	8	45	50	109

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
89.90	3.79	-0.85	13.19	30.56

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

- **The Ministry of Finance is preparing to issue Panda Bonds for the first time as part of its funding diversification strategy**. The issuance of yuan-denominated global bonds in China is scheduled for early July 2026 following a non-deal roadshow in China. Investor interest was reflected in the attendance of more than 15 institutional investors at the mid-June 2026 roadshow, including Agricultural Bank of China, ICBC Wealth Management, Bank of China Wealth Management, China Exim Bank, and Harvest Fund Management. Several underwriters were also reported to have submitted early orders. The Ministry of Finance stated that the licensing process had been discussed with the People's Bank of China (PBoC), which had committed to accelerating the administrative process. The issuance aims to broaden the sources of development financing so they are not dependent on a single currency or financial market.
- **The Government Bond (SUN) auction improved as external pressure on financial markets eased.** Total incoming bids edged down to IDR46.58 trillion on June 23, 2026, from IDR46.7 trillion in the previous auction, but the awarded amount rose to IDR30 trillion from IDR26.35 trillion. The government absorbed 13.85% more funds than in the auction two weeks earlier. Auction quality also improved as the 5-year FR0109 yield fell 22 bps to 7.21%, while the 10-year FR0108 yield fell 20 bps to 7.19%. The government increased the awarded amount of FR0109 to IDR9.25 trillion from IDR6.95 trillion, and FR0108 to IDR8.25 trillion from IDR1.8 trillion. The improvement was supported by easing Middle East tensions, which reduced concerns over energy supply disruptions and created room for market participants to re-enter emerging-market government bonds.
- **Asian bond markets recorded higher foreign inflows as investor interest in regional debt assets strengthened**. Foreign investors booked net purchases of USD5.61 billion in local bonds across South Korea, Indonesia, Malaysia, Thailand, and India in May, the largest monthly purchase since February's USD6.54 billion. South Korea recorded the largest inflow at USD4.9 billion, while Indonesia and Thailand attracted USD1.2 billion and USD597 million, respectively. Demand was supported by solid regional economic activity, manufacturing expansion, and interest in safe-haven assets. South Korea's PMI rose to 54.8, the highest since March 2021. UBS Global Wealth Management assessed that emerging-market bonds were supported by global economic growth, commodity prices, high yields, and central bank policy. Conversely, Malaysia recorded net outflows of USD1.08 billion, while India recorded net outflows of USD10.07 million.
- **Bank Indonesia (BI) increased its absorption of Sekuritas Rupiah Bank Indonesia (SRBI) to respond to rupiah volatility**. In the June 24, 2026, auction, BI awarded IDR18 trillion, up from IDR5.5 trillion in the June 19, 2026, auction. Total incoming bids rose 9.63% to IDR46.92 trillion. Bids for the 6-month tenor more than doubled to IDR8.26 trillion, while the 12-month tenor remained dominant at IDR38.12 trillion. The absorption ratio rose to 38.4% (prev: 12.8%). The increase in absorption occurred as the rupiah weakened around IDR17,960/USD. SRBI yields fell across all tenors, with the 6-month tenor down 5.99 bps to 7.36%, the 9-month tenor down 0.97 bps to 7.54%, and the 12-month tenor down 4 bps to 7.70%. The 12-month SRBI yield remained higher than the 10-year SUN yield, so SRBI continued to offer a more competitive yield over a shorter tenor.
- **PT Indah Kiat Pulp & Paper Tbk (INKP) confirmed it has the funds to repay maturing bonds and sukuk**. INKP has prepared IDR2.48 trillion in cash and cash equivalents, as stated in a letter to PT Pemeringkat Efek Indonesia (PEFINDO) dated Friday, June 26, 2026. The funds consist of IDR1.60 trillion for Shelf-Registered Bond IV Phase II Year 2023 Series B and IDR878.97 billion for Shelf-Registered Sukuk Mudharabah III Phase II Year 2023 Series B. The letter reaffirmed INKP's commitment to meeting principal payment obligations to bondholders and sukuk holders according to the maturity schedule.
- **PT Pemeringkat Efek Indonesia (PEFINDO) affirmed the credit rating of PT PP Presisi Tbk (PPRE) with a stable outlook**. PEFINDO assigned an $_{id}$BBB+/Stable rating to PPRE based on the Rating Committee meeting on May 7, 2026, with the rating valid from May 7, 2026, to May 1, 2027. The rating used the company's data and information, including audited financial statements as of December 31, 2025. PEFINDO also affirmed its $_{id}$BBB+ rating on the IDR100.705 billion Shelf-Registered Bond I Phase I Year 2022 Series B. The $_{id}$BBB rating reflects adequate capacity to meet long-term financial commitments, although it is more vulnerable to changes in economic and business conditions.
- **PT Kereta Api Indonesia (Persero) (KAI) has fulfilled its obligations to pay bond interest and sukuk returns to investors**. KAI paid the fifth interest payment on Shelf-Registered

Bond II Phase II Year 2025 Series A and Series B, as well as Shelf-Registered Sukuk Ijarah II Phase II Year 2025 Series A and Series B, totaling IDR17.36 billion on June 24, 2026. The payment followed a June 12, 2026, letter from PT Kustodian Sentral Efek Indonesia (KSEI) requesting the interest funds. The timely payment reaffirmed KAI's commitment to meeting its financial obligations to bondholders and sukuk holders according to schedule.

- **PT Chandra Asri Pacific Tbk (TPIA) completed Shelf-Registered Bond Program V (PUB V) to support working capital needs and its funding strategy**. PUB V had a total issuance value of IDR6 trillion, consisting of Phase I at IDR1.5 trillion, Phase II at IDR2.25 trillion, and Phase III at IDR2.25 trillion. Phase III was oversubscribed, reflecting investor interest in the company's business fundamentals, financial discipline, and long-term growth prospects. The proceeds will be used for the Group's working capital, mainly to procure production raw materials, while also strengthening financial flexibility and supporting operational needs.
- **PT Pemeringkat Efek Indonesia (PEFINDO) affirmed the credit quality of PT Bali Towerindo Sentra Tbk (BALI) with a stable outlook.** PEFINDO assigned an $_{id}A_{(sy)}$ rating to BALI's Shelf-Registered Sukuk Ijarah II, with a maximum value of IDR3 trillion, and reaffirmed its $_{id}A$/Stable rating on BALI and its outstanding debt instruments. The sukuk proceeds will be used mainly for debt repayment. The rating reflects strong revenue visibility, stable profit margins, and a diversified business. The rating is constrained by intense industry competition and a moderate financial profile. As of December 31, 2025, BALI had total assets of IDR7.22 trillion, sales of IDR1.24 trillion, and EBITDA of IDR834 billion.
- **PT Lontar Papyrus Pulp & Paper Industry (LPPI) is offering bonds and sukuk to refinance maturing debt and fund working capital**. LPPI targets proceeds of up to IDR2 trillion from Shelf-Registered Bond IV Phase III Year 2026 of up to IDR1.05 trillion and Shelf-Registered Sukuk Mudharabah II Phase III Year 2026 of up to IDR948.67 billion. The instruments have tenors of three to five years, with fixed coupons and equivalent yields of 9.50% to 10.00% per year. The public offering period runs from June 23–24, 2026, with listing on the Indonesia Stock Exchange (IDX) on July 1, 2026. Bond proceeds will be used to repay part of the principal of Shelf-Registered Bond II Phase I Year 2023 Series A, amounting to IDR564.86 billion, while sukuk proceeds will be used to repay part of the principal of the same instrument, amounting to IDR213.04 billion. PT Pemeringkat Efek Indonesia (PEFINDO) assigned an $_{id}A$ rating to the bonds and an $_{id}A_{(sy)}$ rating to the sukuk through August 1, 2026, supported by LPPI's business position in the pulp and tissue industry, annual production capacity of 1.08 million tons of pulp and 234,000 tons of tissue, and vertical integration within Asia Pulp & Paper (APP).
- **PT Bumi Serpong Damai Tbk (BSDE) confirmed the availability of funds for bond coupon and sukuk return payments**. BSDE prepared around IDR16.5 billion for the third coupon payment on Shelf-Registered Bond IV Phase I Year 2025 and the return payment on Shelf-Registered Sukuk Ijarah II Phase I Year 2025, due on June 23, 2026. The company placed all funds into the account of PT Kustodian Sentral Efek Indonesia (KSEI) on June 19, 2026. The payments cover Series A, Series B, and Series C, with interest rates and indicated ijarah returns of 6.00% to 6.75%.
- **PT Ekamas Mora Republik Tbk (MORA) is prepared to repay maturing sukuk**. MORA prepared IDR462.6 billion to repay the principal of Shelf-Registered Sukuk Ijarah II Phase I Year 2023 Series A, which matures on July 13, 2026. The repayment funds will be available in PT Kustodian Sentral Efek Indonesia (KSEI) 's account no later than the maturity date. MORA will submit a disclosure after the repayment process is completed.
- **PT Soechi Lines Tbk (SOCI) expanded its sharia financing by issuing vessel-asset-backed sukuk ijarah.** SOCI targets proceeds of up to IDR500 billion from Shelf-Registered Sukuk Ijarah I Phase I Year 2026 as part of an IDR3 trillion shelf registration program. The sukuk is offered in two series with three-year and five-year tenors, with the public offering period scheduled for July 2–3, 2026, and listing on the Indonesia Stock Exchange (IDX) on July 9, 2026. The underlying sukuk assets are the beneficial rights over the FSO Arjuna Prima and SC Sapphire vessels, with market values of around IDR528.69 billion and IDR229.78 billion, respectively. Payments of principal and interest are sourced from lease income generated by those assets. The instrument received an $_{id}AAA_{(sy)(sf)}$ rating from PT Pemeringkat Efek Indonesia (PEFINDO) and is supported by a Credit Enhancement Facility (CEF) from PT Sarana Multi Infrastruktur (Persero) (SMI) of up to IDR3 trillion.

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	3,000.00	95.75	6.95	30,120,789
FR0108	6.50	04/15/36	200.00	95.80	7.10	13,187,693
PBS032	4.88	07/15/26	2.00	100.40	(4.66)	9,276,977
FR0103	6.75	07/15/35	11,850.00	97.40	7.15	7,591,581
FR0106	7.13	08/15/40	20,000.00	99.20	7.22	5,809,962

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA(sy)	11.00	10/04/29	100,000	107.42	8.38	1,449,500
Sukuk Ijarah I BUMA Year 2025 Series B	idA+(sy)/ A+(idn)	8.50	03/26/28	60,000	97.68	9.97	1,170,000
Shelf Registration Sukuk Ijarah I Bali Towerindo Sentra Phase III Year 2025 Series B	idA(sy)	7.25	12/05/28	100,000	98.50	7.93	1,080,000
Shelf Registration Bond III Sinar Mas Multiartha Phase I Year 2024	irAA	10.00	04/05/29	60,000	105.89	7.62	938,900
Shelf Registration Sukuk Mudharabah II OKI Pulp & Paper Mills Phase II Year 2025 Series A	idA+(sy)/ irAA-	10.00	07/29/28	60,000	103.71	8.04	844,000

Corporate Bonds Issuance

Throughout the fourth week of June 2026, 1 companies issued corporate debt securities valued at IDR50 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Mitra Niaga Madani	MTN III Year 2026	Jun-26-2026	50.00	8.75	3	-
Total				50.00			

Source: KSEI, IDX, database PEFINDO.

Corporate Bonds Maturity for July 2026 Reaches IDR35.92 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Bank Mandiri (Persero) Tbk.	Shelf Registration Green Bond I Phase I Year 2023 Series A	Jul-4-2026	1,950.00	5.80	3	idAAA
2	PT Lontar Papyrus Pulp and Paper Industry	Shelf Registration Bond II Phase I Year 2023 Series A	Jul-4-2026	2,726.56	10.50	3	idA
3	PT Wahana Ottomitra Multiartha Tbk.	Shelf Registration Bond V Phase II Year 2025 Series A	Jul-4-2026	595.00	6.45	1	idAAA
4	PT Bank UOB Indonesia	Shelf Registration Subordinated Bond II Phase I Year 2019	Jul-5-2026	100.00	9.85	7	AA(idn)
5	PT Summit Oto Finance	Bond I Year 2025 Series A	Jul-5-2026	581.50	6.55	1	idAAA
6	PT Astra Sedaya Finance	Shelf Registration Bond VI Phase I Year 2023 Series B	Jul-6-2026	1,972.98	6.00	3	AAA(idn)
7	PT Bank Syariah Indonesia (Persero) Tbk.	Shelf Registration Sustainability Sukuk Mudharabah I Phase II Year 2025 Series A	Jul-6-2026	2,445.00	6.45	1	idAAA(sy)
8	PT Global Mediacom Tbk.	Shelf Registration Bond IV Phase I Year 2023 Series B	Jul-6-2026	230.26	10.25	3	idA+
9	PT Global Mediacom Tbk.	Shelf Registration Sukuk Ijarah IV Phase I Year 2023 Series B	Jul-6-2026	442.36	10.25	3	idA+(sy)
10	PT Trimegah Sekuritas Indonesia Tbk.	Shelf Registration Bond I Phase I Year 2023 Series B	Jul-6-2026	308.80	9.25	3	idA
11	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Bond VI Phase I Year 2023 Series B	Jul-7-2026	410.00	6.00	3	idAAA
12	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Sukuk Mudharabah V Phase I Year 2023 Series B	Jul-7-2026	141.00	6.00	3	idAAA(sy)
13	PT Medco Energi Internasional Tbk.	Shelf Registration Bond V Phase I Year 2023 Series A	Jul-7-2026	150.00	6.95	3	idAA-
14	PT Oto Multiartha	Shelf Registration Bond I Phase I Year 2023 Series A	Jul-7-2026	315.00	6.35	3	idAAA
15	PT Barito Pacific Tbk.	Shelf Registration Bond II Phase I Year 2021 Series B	Jul-8-2026	188.90	9.50	5	idA+
16	PT Oki Pulp and Paper Mills	Bond I Year 2021 Series C	Jul-8-2026	336.29	10.25	5	idA+
17	PT Oki Pulp and Paper Mills	Sukuk Mudharabah I Year 2021 Series C	Jul-8-2026	65.36	10.25	5	idA+(sy)

18	PT Permodalan Nasional Madani	Shelf Registration Sukuk Mudharabah I Phase I Year 2021 Series C	Jul-8-2026	327.00	Floating	5	idAAA(sy)
19	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VI Phase I Year 2021 Series B	Jul-8-2026	1,000.00	6.40	5	idAAA
20	Lembaga Pembiayaan Ekspor Indonesia	Shelf Registration Bond IV Phase V Year 2019 Series D	Jul-9-2026	737.00	9.20	7	idAAA
21	PT Sumber Global Energy Tbk.	Shelf Registration Bond I Phase I Year 2024 Series B	Jul-10-2026	90.00	10.75	2	idA-
22	PT Anabatic Technologies Tbk	Convertible Bond Year 2018	Jul-11-2026	559.99	5.00	8	-
23	PT BRI Multifinance Indonesia	Bond II Year 2023 Series B	Jul-11-2026	303.00	6.40	3	idAA
24	PT Federal International Finance	Shelf Registration Bond VI Phase I Year 2023 Series B	Jul-11-2026	433.85	6.00	3	idAAA
25	PT Hino Finance Indonesia	Bond II Year 2023 Series B	Jul-11-2026	334.00	6.75	3	idAA+
26	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond IV Phase I Year 2023 Series B	Jul-11-2026	1,745.88	10.25	3	idA+
27	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Sukuk Mudharabah III Phase I Year 2023 Series A	Jul-11-2026	612.58	10.25	3	idA+(sy)
28	PT Mandiri Tunas Finance	Shelf Registration Bond VI Phase I Year 2023 Series A	Jul-11-2026	439.66	6.00	3	idAAA
29	PT Petrindo Jaya Kreasi Tbk.	Shelf Registration Bond I Phase I Year 2025 Series A	Jul-11-2026	97.50	6.75	1	idA
30	PT Petrindo Jaya Kreasi Tbk.	Shelf Registration Sukuk Wakalah I Phase I Year 2025 Series A	Jul-11-2026	52.50	6.75	1	idA(sy)
31	PT Tower Bersama Infrastructure Tbk	Shelf Registration Bond VI Phase I Year 2023 Series B	Jul-11-2026	500.00	6.25	3	AA+(idn)
32	PT Toyota Astra Financial Services	Shelf Registration Bond VI Phase I Year 2023 Series B	Jul-11-2026	619.16	6.00	3	AAA(idn)
33	PT Duta Anggada Realty Tbk	Shelf Registration Bond IV Phase I Year 2025 Series A	Jul-12-2026	50.00	9.90	1	irA-
34	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VII Phase I Year 2023 Series B	Jul-12-2026	747.00	5.95	3	idAAA
35	PT Trimegah Sekuritas Indonesia Tbk.	Shelf Registration Bond II Phase I Year 2025 Series A	Jul-12-2026	150.54	7.20	1	idA
36	PT Bank OCBC NISP Tbk	Shelf Registration Bond IV Phase I Year 2025 Series A	Jul-13-2026	748.57	6.25	1	AAA(idn)
37	PT Eagle High Plantation Tbk.	Shelf Registration Sukuk Mudharabah I Phase I Year 2025 Series A	Jul-13-2026	37.29	9.75	1	idA-(sy)
38	PT Indomobil Finance Indonesia	Shelf Registration Bond VI Phase I Year 2025 Series A	Jul-13-2026	520.00	6.45	1	idAA-
39	PT Mora Telematika Indonesia Tbk.	Shelf Registration Sukuk Ijarah II Phase I Year 2023 Series A	Jul-13-2026	462.60	10.00	3	idA+(sy)
40	PT Perkebunan Nusantara IV	MTN II Year 2021	Jul-13-2026	445.00	11.25	5	idA
41	PT Astra Sedaya Finance	Shelf Registration Bond VII Phase I Year 2025 Series A	Jul-14-2026	489.98	6.15	1	idAAA
42	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.	Shelf Registration Subordinated Bond III Phase I Year 2021 Series A	Jul-15-2026	379.00	7.85	5	idA+
43	PT Merdeka Battery Materials Tbk.	Shelf Registration Bond I Phase I Year 2025 Series A	Jul-15-2026	1,158.74	7.50	1	idA
44	PT Merdeka Battery Materials Tbk.	Shelf Registration Sukuk Mudharabah I Phase I Year 2025 Series A	Jul-15-2026	213.35	7.50	1	idA(sy)
45	PT RMK Energy Tbk.	Shelf Registration Bond I Phase I Year 2025 Series A	Jul-16-2026	116.00	7.25	1	idA
46	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Bond VII Phase I Year 2025 Series A	Jul-18-2026	724.65	6.20	1	idAAA
47	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Sukuk Mudharabah VI Phase I Year 2025 Series A	Jul-18-2026	205.96	6.20	1	idAAA(sy)
48	PT Bumi Resources Tbk.	Shelf Registration Bond I Phase I Year 2025 Series A	Jul-18-2026	48.75	7.00	1	idA+
49	PT Federal International Finance	Shelf Registration Bond VII Phase I Year 2025 Series A	Jul-18-2026	112.07	6.15	1	AAA(idn)
50	PT Integrasi Jaringan Ekosistem	Bond II Year 2025 Series A	Jul-18-2026	793.44	10.25	1	idA
51	PT Integrasi Jaringan Ekosistem	Sukuk Ijarah I Year 2025 Series A	Jul-18-2026	691.60	10.25	1	idA(sy)
52	PT Mandiri Tunas Finance	Shelf Registration Bond VII Phase I Year 2025 Series A	Jul-18-2026	313.51	6.15	1	idAAA
53	PT Permodalan Nasional Madani	Shelf Registration Social Orange Bond I Phase I Year 2025 Series A	Jul-18-2026	220.00	6.25	1	idAAA
54	PT Permodalan Nasional Madani	Shelf Registration Sukuk Mudharabah Social Orange I Phase I Year 2025 Series A	Jul-18-2026	990.00	6.25	1	idAAA(sy)
55	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase III Series A (USD0.26 mn)	Jul-18-2026	4.63	7.00	3	-
56	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase III Series B (USD0.28 mn)	Jul-18-2026	4.89	7.00	3	-
57	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase III Series C (USD1.40 mn)	Jul-18-2026	24.90	7.00	3	-

58	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase III Series D (USD8.00 mn)	Jul-18-2026	142.31	7.00	3	-
59	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Sustainability Bond I Phase I Year 2025 Series A	Jul-18-2026	465.00	6.20	1	idAAA
60	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VIII Phase I Year 2025 Series A	Jul-18-2026	1,460.15	6.25	1	idAAA
61	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Sukuk Musyarakah II Phase I Year 2025	Jul-18-2026	445.00	6.25	1	idAAA(sy)
62	PT Surya Artha Nusantara Finance	Shelf Registration Bond V Phase I Year 2025 Series A	Jul-18-2026	500.00	6.25	1	idAA+
63	PT Toyota Astra Financial Services	Shelf Registration Bond V Phase I Year 2025 Series A	Jul-18-2026	200.00	6.15	1	AAA(idn)
64	PT Wahana Inti Selaras	Shelf Registration Bond I Phase I Year 2025 Series A	Jul-18-2026	1,200.00	7.00	1	idA
65	PT Metro Healthcare Indonesia Tbk	Sukuk Wakalah I Year 2025 Series A	Jul-19-2026	500.00	8.25	1	irA-(sy)
66	PT BRI Multifinance Indonesia	Shelf Registration Bond I Phase I Year 2025 Series A	Jul-20-2026	200.00	6.35	1	idAA
67	PT Daaz Bara Lestari Tbk.	Bond I Year 2025 Series A	Jul-20-2026	150.00	8.85	1	idA
68	PT Suparma Tbk	MTN III Year 2021 Phase II (USD5.00 mn)	Jul-26-2026	88.95	5.50	5	-
69	PT Permodalan Nasional Madani	Sukuk Mudharabah *Jangka Menengah* VII Phase II Year 2025	Jul-27-2026	100.00	Floating	1	idAAA(sy)
Total				**35,915.01**			

Weekly Sector Highlights

During June 22–26, 2026, domestic sectoral sentiment began to spill over into weakening purchasing power, as well as sentiment regarding policy developments across several industries.

Industries	Sentiment & Significance	News Highlights
Automotive	🔴🔴🔴	**Potential Relocation to Vietnam Highlights Competitiveness Challenges in the Automotive Industry.** Plans by two Japanese automotive component manufacturers in East Java to relocate part of their production operations to Vietnam have raised concerns over the competitiveness of Indonesia's automotive industry. The relocation is reportedly linked to electric vehicle (EV) development strategies, amid Vietnam's growing attractiveness as a manufacturing and investment hub in the region. Industry players argue that high energy costs, productivity challenges, and a business environment that remains less than optimal continue to be key obstacles for Indonesia in attracting and retaining investment. Concerns have also emerged regarding potential employment impacts should the relocation materialize, as thousands of workers could be affected. These developments underscore the urgency for more consistent and competitive policies to strengthen the national automotive and electric vehicle industry ecosystem.
Banking	⚪	**Bank Indonesia Eases Bank Funding Access to Sustain Credit Growth**. Amid an increase in the benchmark interest rate aimed at maintaining rupiah stability, Bank Indonesia (BI) has raised the Bank Foreign Funding Ratio (RPLN) from 35% to 40% to broaden sources of banking sector liquidity. The policy is intended to preserve the banking system's intermediation function and ensure continued credit disbursement despite rising domestic funding costs. However, several banking industry participants believe liquidity needs can still be met through domestic sources, while credit demand has yet to show a strong recovery. On the other hand, the increase in the RPLN limit is viewed largely as a precautionary measure to maintain funding flexibility and accommodate the impact of currency depreciation on foreign-currency funding exposures. Going forward, credit growth prospects will continue to depend on the recovery of financing demand and overall domestic economic conditions.
Hotel and Tourism	⚪	**School Holiday Stimulus Supports Consumption, but Challenges Remain Significant.** The government has introduced a range of incentives during the 2026 school holiday period, including transportation discounts and the Belanja di Indonesia Aja (BINA) Holiday program, aimed at sustaining consumption and encouraging domestic tourist mobility. The program targets more than 3 million beneficiaries and shopping transactions of up to IDR30 trillion. However, industry players believe that incentives alone are insufficient, as household purchasing power continues to be pressured by rising living costs, higher fuel prices, and the shrinking middle class. These conditions have led consumers to continue traveling and shopping, but with more rational spending patterns and greater price sensitivity. Going forward, the effectiveness of the stimulus is expected to depend

Industries	Sentiment & Significance	News Highlights
		on improvements in the competitiveness of tourism destinations, greater business cost efficiency, and enhancements in the quality of domestic products and services.
Insurance and Guarantee	●●	**High Medical Inflation Pressures the Health Insurance Industry.** Persistently high medical inflation continues to drive up claims and weigh on the profitability of the health insurance industry. Although the claims ratio declined from 97.5% in 2023 to 71.28% at the end of 2025, the level remains relatively high and continues to limit companies' room for expansion. These conditions have prompted several market participants to discontinue certain products or exit the health insurance business altogether, as reflected in the decline in the number of industry players from 82 companies in 2022 to 77 currently. To strengthen the healthcare ecosystem, the Financial Services Authority (OJK), together with relevant stakeholders, has established the Inter-Healthcare Coverage Providers Task Force and aims for all health insurance companies to establish partnerships with BPJS Kesehatan and hospitals by 2027. The industry is also being encouraged to adopt risk-based pricing and accelerate digitalization efforts to improve efficiency and mitigate potential fraud.
Mining	○	**Coal Industry Outlook Hinges on the Direction of Government Policy.** The coal industry's performance in the first half of 2026 has been mixed amid pressures from the normalization of global prices, uncertainty surrounding demand from China, and changes in domestic regulations. Although global coal prices have shown signs of recovery in recent months, market sentiment toward energy sector stocks remains relatively weak compared with other sectors. Market participants believe that government policies—particularly those related to production quotas (RKAB), the Domestic Market Obligation (DMO) scheme, and export regulations—will be the primary factors determining the industry's outlook in the second half of 2026. Production restrictions could pressure companies' sales volumes and revenues, while mining contractors may also be indirectly affected. On the other hand, emerging signals of more accommodative policies, including potential revisions to the DMO framework and adjustments to RKAB allocations, have raised expectations for an improvement in the coal sector's performance going forward.
Multifinance	●●	**Interest Rate Hike May Weigh on Multifinance Growth.** Bank Indonesia's 100-basis-point increase in the benchmark interest rate to 5.75% has the potential to constrain the growth of new financing in the multifinance industry. Although the increase does not affect existing loans, industry players expect higher borrowing costs to be passed on to new financing over the coming months. This situation could reduce public demand for financing while prompting companies to become more selective in extending credit amid rising default risks. Financial Services Authority (OJK) data show that financing receivables growth slowed through April 2026, while the non-performing financing (NPF) ratio increased compared with the previous year. Amid these challenges, multi-finance companies are focusing on strengthening risk management, diversifying funding sources, and maintaining growth in a more prudent and sustainable manner.
Oil and Gas	●●●	**Gas Prices and Supply Constraints Threaten Manufacturing Performance.** Industry players have highlighted high gas prices and limited supply as key challenges undermining the competitiveness of the manufacturing sector. Suboptimal realization of industrial gas supply has forced companies to purchase LNG-based gas at significantly higher prices, resulting in energy costs that are more than double those under the Certain Natural Gas Price (HGBT) scheme. These conditions have led some industries to consider reducing production utilization rates and have increased the risk of layoffs, particularly in labor-intensive sectors such as ceramics and glass manufacturing. The government maintains that national gas supply remains adequate and is currently discussing a more appropriate pricing formula to support industrial sustainability. Business actors are calling for accelerated improvements in gas supply and infrastructure to help preserve industrial competitiveness and maintain export performance.
Plantation and Agriculture	●	**Economic Risks of B50 Implementation Require Careful Anticipation.** The government is set to begin implementing B50 biodiesel in July 2026 as part of its strategy to strengthen energy security and reduce dependence on diesel fuel imports. The policy has the potential to increase domestic crude palm oil (CPO) utilization while reducing fuel imports, particularly amid ongoing global geopolitical uncertainty. However, several analysts believe that B50 implementation also carries risks, including higher subsidy and incentive requirements, reduced palm oil exports, and potential increases in the prices of palm oil-derived products such as cooking oil. In addition, the higher biodiesel blend is expected to pose technical challenges and increase operating costs for some users. Therefore, the success of the B50 program will depend heavily on the readiness of feedstock supply, the effectiveness of risk mitigation measures, and policy flexibility in responding to developments in the energy and palm oil markets.

Industries	Sentiment & Significance	News Highlights
Power and Energy	🔴	**Coal Supply Improves, but Power Outage Risks Have Not Fully Subsided.** PLN stated that electricity system conditions in Java have begun to improve following power plant repairs and the restoration of coal supplies, allowing rolling blackouts to be largely minimized. Previously, disruptions in coal supply and damage to several power plants had caused power outages across multiple regions for approximately two weeks. Nevertheless, some areas may still face potential outages as system recovery efforts continue. Analysts note that improving the coal supply chain, enhancing the quality of power plant maintenance, and strengthening oversight of compliance with Domestic Market Obligation (DMO) requirements are key to preventing similar disruptions from recurring.
Property	⚪	**40-Year Subsidized Mortgage Tenor Expands Access to Homeownership.** The government has officially extended the tenor of subsidized FLPP mortgages to up to 40 years to improve housing affordability for low-income households. With a longer repayment period and a fixed low interest rate, monthly installments are expected to become more affordable, thereby supporting housing demand. In addition to expanding access to financing, the policy has the potential to generate significant multiplier effects across the economy through increased activity in the property sector and more than 170 supporting industries. However, several economists have cautioned about the risk of a higher long-term debt burden, particularly if the repayment period extends beyond the borrower's productive working years. Therefore, the success of this policy will depend on effective credit risk management and the long-term sustainability of household repayment capacity.
Transportation and Vehicle Rental	🔴	**Commission Cap Could Pressure GOTO's Margins.** Gojek and Grab will begin implementing a maximum commission rate of 8% for two-wheeled ride-hailing services starting 1 July 2026, in line with the government's policy direction to improve driver welfare. For PT GoTo Gojek Tokopedia Tbk (GOTO), the policy could put pressure on revenue and profitability in its on-demand services (ODS) segment, particularly its transportation business, potentially prompting adjustments to its business strategy and performance outlook. Nevertheless, strong growth in the company's fintech business through GoPay is expected to remain a key driver of future performance. Several analysts believe that the impact of the regulation could be offset by the expansion of digital financial services, improvements in operational efficiency, and continued growth in the payments and lending ecosystem. Going forward, the development of regulatory implementation and the company's ability to adapt will be important factors shaping GOTO's performance outlook.

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

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Weekly Economic Update

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