WEEKLY ECONOMIC UPDATE

Period of June 1-5, 2026

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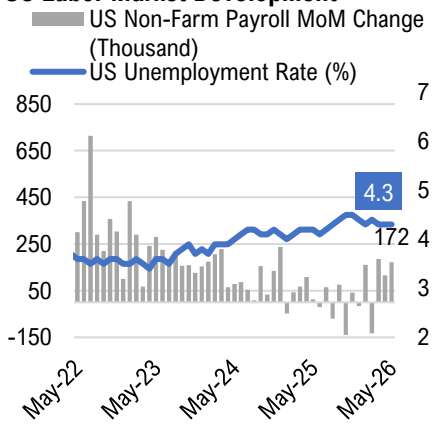
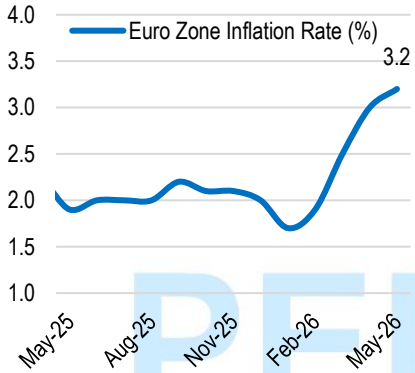
US Labor Market Development



Source: Bloomberg

Euro Zone Inflation Rate



Source: Bloomberg

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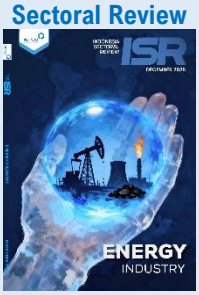

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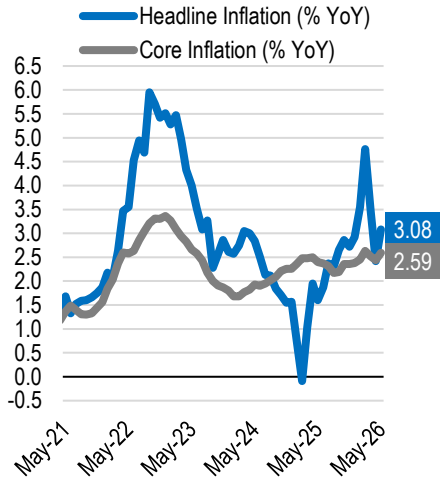
The Dilemma of Global Stagflation, US Tariff Protectionism, and Indonesia's Macroeconomic Resilience

Global Economic

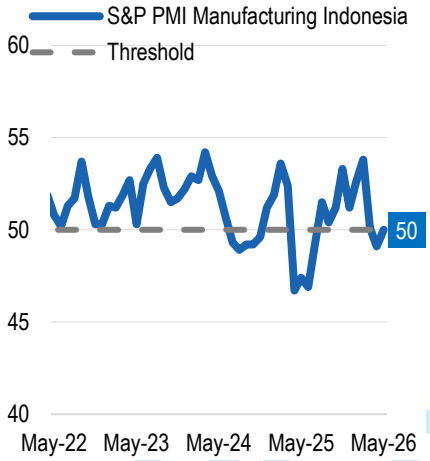
- **The US-Israel war with Iran, which has passed 100 days, still faces a prospect of peace on the verge of collapse due to differing perceptions of the ceasefire.** Although US President Donald Trump claims compliance with the partial ceasefire, Iran has threatened to halt negotiations altogether as Israel continues to expand its military operations in Lebanon and Gaza. Meanwhile, a tight US maritime blockade has triggered Iranian retaliation in the Strait of Hormuz, keeping global oil prices high, while simultaneously widening the domestic and diplomatic rift between the US and Israel over military strategy issues and espionage scandals.
- **The US labor market in May'26 demonstrated strong resilience,** with non-farm payrolls adding 172,000 jobs (expected: 85,000), supported by an upward revision of 93,000 jobs for the March and April accumulations. Meanwhile, the unemployment rate remained stable at 4.3%, in line with market expectations. Meanwhile, wage growth moved in line with projections, with average hourly earnings increasing 0.3% MoM or slowing to 3.4% YoY (Apr'26: 3.6%) to USD 7.53/hour (up 12 cents from the previous month).
- **The Eurozone economy reportedly slowed, with rising inflation and a subdued unemployment rate.** Eurozone GDP slowed significantly in Q1-2026, with GDP growth declining to 0.3% YoY, down from the initial estimate of 0.8% and Q4-2025 (1.2%). This weakest growth since Q4-2025 was due to energy supply constraints and inflation triggered by the US-Israeli attack on Iran. Inflationary pressures continued to rise, with consumer inflation (CPI) in May 2026 surging to 3.2% YoY (3.0% in Apr'26), well above the ECB's target of 2.0%, driven by a 10.9% YoY surge in energy costs and a rise in core inflation to 2.5% YoY (2.2% in Apr'26). On the producer side, prices (PPI) rose 4.9% YoY in April, the highest level since Mar'23. Despite these conditions, the Eurozone labor market remained stagnant, with the unemployment rate remaining at 6.3% in Apr'26.
- **The positive trend in Japanese incomes has also stimulated the recovery of household consumption**. Average cash income (nominal wages) grew 3.5% YoY in Apr'26, marking the 52nd consecutive month of growth and the fastest pace since Dec'24. Real wages increased 1.9% YoY, fueling market speculation about a potential interest rate hike by the Bank of Japan (BoJ) in the near future. The impact of strengthening wages and easing inflationary pressures has begun to restore purchasing power, with household spending contracting slowly to -0.5%, although still on track for a fifth consecutive month of decline. This represents the slowest decline (Mar'26: -2.9%) and better than expectations (-1.5%).
- **The People's Bank of China (PBOC) maintained its daily liquidity injection at zero for the second consecutive session.** The central bank stated that the operation reflects the needs of primary dealers in open market operations. This measure was taken because liquidity in the banking system is considered abundant. The consecutive zero-sum transactions suggest that policymakers do not see an urgent need to inject additional cash into the financial system.
- **Business activity in China grew for the third consecutive month in May'26, as evidenced by the NBS China Composite PMI Output Index rising to 50.5** (50.1 in April 2026). This improvement reflects a moderate recovery in the services sector (50.1) after April's contraction, while the manufacturing sector remained largely flat (50.0). However, the outlook remains clouded by external challenges that have pushed energy prices sharply higher, raising production and transportation costs and squeezing profit margins. Trade uncertainty also persists after a mid-May summit in Beijing between Chinese and US leaders failed to extend last year's truce. Although both sides agreed to explore tariff cuts of around USD30 billion on each other's goods, the lack of a broader agreement weighed on confidence and export prospects.
- **India's fiscal and monetary conditions at the start of the 2026/2027 fiscal year reflected pressures stemming from global geopolitical tensions,** with the fiscal deficit widening sharply to INR3.6 trillion in Apr'26—nearly double the previous year's—due to ballooning

Indonesia Consumer Inflation Rate



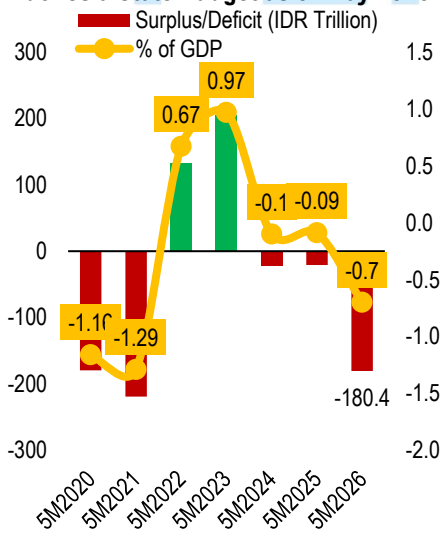
Source: National Statistics Agency

Indonesia PMI Manufacturing



Source: S&P Global

Indonesia State Budget as of May 2026



Source: Ministry of Finance (processed by PEFINDO)

energy subsidies amidst surging global oil prices. Although the previous fiscal year's performance exceeded its target of 4.4% of GDP, the Reserve Bank of India (RBI) maintained a conservative stance by maintaining the repo rate at 5.25% and adopting a neutral stance to maintain rupee stability and curb inflationary pressures.

- **Inflation rates in ASEAN in May'26 showed a mixed trend, with transportation and energy costs as the primary drivers.** The Philippines and Thailand managed to record annual inflation declines to 6.8% YoY and 2.79% YoY, respectively (Apr'26: 7.2% and 2.89%), with the Philippines helped by lower domestic fuel prices while Thailand managed to keep its inflation within the central bank's target range, although both countries' core inflation indicators actually crept up to their highest levels in recent months. Conversely, Vietnam experienced an annual inflation increase to 5.60% YoY, setting a record high since Jan'20, driven strongly by a surge in the transportation sector due to high energy costs due to geopolitical conflicts in the Middle East, although the monthly rate of increase was observed to slow. Overall, these data reflect the dynamic regional economic conditions where global commodity price pressures are responded to differently by each country's domestic policies.

Domestic Economy

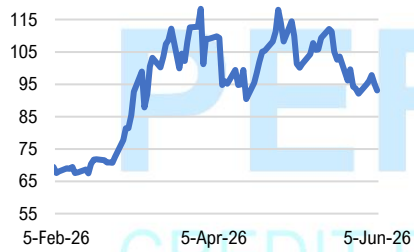
- **Indonesia's inflation in May'26 rose to 3.08% YoY (Apr'26: 2.42%).** Despite the increase, inflation remained within the central bank's target range (1.5%-3.5%). Food prices experienced their largest increase since Oct'25 (4.94%), driven by higher staple food costs and rising distribution costs in some regions. Furthermore, various components also experienced price acceleration, adding to price pressures. Core inflation rose to 2.59% YoY (Apr'26: 2.44%), a three-month high.
- **The S&P Global Indonesia Manufacturing PMI in May'26 rose to 50.0 from a ten-month low (Apr'26: 49.1), indicating generally stable factory conditions.** New orders increased for the second consecutive month, with the fastest growth since Feb'26. However, export orders fell for a third month and at the sharpest pace since Aug'21, as conflict in the Middle East continued to weigh on trade. Production contracted again, though not as sharply as in Apr'26, while raw material shortages forced companies to reduce purchases. Backlogs of work increased for the first time since February, underscoring supply constraints, while employment declined for a third month, albeit slightly. On the price front, input cost inflation rose to its second-highest level on record, driven by a surge in raw material prices that triggered the strongest increase in selling prices since Oct'20. Supplier performance worsened amidst delivery delays. Finally, business confidence improved slightly, although overall optimism remained low.
- **Indonesia's trade surplus in Apr'26 narrowed to USD0.09 billion (Apr'25: USD0.20 billion), the smallest surplus since Indonesia posted a deficit in Apr'20.** Imports surged 22.49% YoY (Mar'26: 1.51%), with oil and gas imports surging 85.52% YoY, while non-oil and gas imports rose 14.11% YoY. Meanwhile, exports surged 21.98% YoY after contracting 3.1% in Mar'26, marking the strongest growth since Aug'22. Throughout Jan-Apr'26, the trade surplus narrowed to USD5.64 billion (Jan-Apr'25: USD11.07 billion).
- **Indonesia's State Budget (APBN) in May'26 recorded a deficit of IDR180.4 trillion or 0.7% of GDP**, only slightly increasing from Apr'26 (deficit of IDR164.4 trillion/0.64% of GDP), but higher than May'25 (deficit of IDR20.9 trillion/0.09% of GDP). State revenues reportedly grew 19.1% YoY to IDR1,185.0 trillion, driven by a 22.1% YoY acceleration in tax revenues amidst slow growth in customs and excise. On the other hand, state spending continued to accelerate and grew 34.4% YoY to IDR1,365.4 trillion, due to central government spending growing 52.6% YoY amidst transfers to regions decreasing 4.9% YoY. Budget financing realization reportedly reached IDR379.4 trillion, or grew 16.2% YoY, and has reached 55.1% of the target of IDR689.1 trillion.
- **The United States (US) government, through the US Trade Representative (USTR), has officially proposed imposing an additional 10% import tariff on Indonesian products, deeming law enforcement to prevent goods produced by forced labor ineffective.** While this may sound burdensome, Indonesia remains in the priority group (Good Group) along with Canada and the European Union, thus avoiding the higher 12.5% tariff imposed by the US on 54 other countries deemed to have failed to develop labor regulations. In addition to these tariffs, the US also plans to impose an additional structural excess capacity tariff, the

Upcoming Week's Economic Calendar

Time	Development Release
Jun 8	Japan's final GDP estimate for Q1-2026
	Indonesia's Foreign Exchange Reserves May'26
Jun 9	US Trade Balance Apr'26
	China Trade Balance May'26
Jun 10	China Consumer and Producer Inflation Rate May'26
	US Consumer Inflation Rate May'26
	Bank of Canada's Interest Rate
	Indonesia Consumer Confidence Index May'26
Jun 11	South Korea Unemployment Rate May'26
	European Central Bank Interest Rate
	US producer inflation rate May'26
	Indonesia retail sales survey Apr'26
Jun 12	UK GDP Apr'26
	India inflation rate May'26
	China's New Yuan Loan May'26

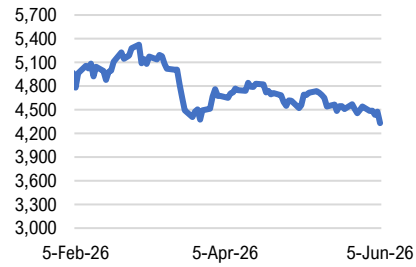
Spotlight on Commodity Price Trends (as of June 5, 2026)

Brent Crude Oil (USD/Barrel)



Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
93.09	1.13	-15.27	42.47	52.98

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,328.45	-4.67	-5.01	29.11	0.21

amount of which will be finalized several weeks after the global tariff period ends (July 24, 2026).

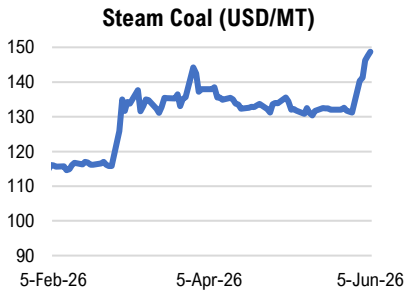
- **The Indonesian House of Representatives officially ratified the revised P2SK Law into law to strengthen financial system stability, improve coordination between authorities, and support sustainable economic growth.** The revised P2SK Law covers 17 strategic regulatory topics aimed at strengthening the competitiveness of the financial sector, expanding financial inclusion, deepening financial markets, and encouraging inclusive national economic growth, in line with the President's Asta Cita (Asta Cita) direction. This revised law places greater emphasis on Bank Indonesia's role in supporting economic growth, while also opening up space for parliament to evaluate the independent financial regulator and the central bank.

Week Ahead Highlights

The potential for a breakthrough in the deadlocked US-Iran negotiations remains under scrutiny as high energy prices continue to keep central banks focused on inflation risks. US economic data releases will focus on consumer and producer inflation, the last price indicators before the June FOMC meeting. Meanwhile, the European Central Bank and the Bank of Canada will set their monetary policies in the same week as the UK releases its April GDP. In Asia, China will release data on its trade balance, inflation, and new yuan loans for May'26. Japan will release its final estimate of Q1-2026 GDP, South Korea will release unemployment data, and India will report May'26 inflation data. Domestically, Indonesia will release data on foreign exchange reserves for May'26, the May'26 consumer confidence index, and Apr'26 retail sales.

Geopolitical developments and global demand dynamics supported gains in oil and coal prices, while gold and iron ore were pressured by expectations of higher interest rates and weakening demand from China.

- **Brent crude oil prices rose 1.13% over the past week**, closing at USD93.09 per barrel, marking their first weekly gain in three weeks. The increase was primarily driven by a higher geopolitical risk premium amid the ongoing conflict in the Middle East, slow progress in peace negotiations between the United States and Iran, and continued restrictions on tanker traffic through the Strait of Hormuz, a route that carries around 20% of global oil supply. Although prices retreated by more than 2% at the end of the week as markets grew more confident that the conflict would not escalate further, supply-side concerns continued to support prices throughout the week. In addition, OPEC's decision to maintain its 2026 global oil demand growth forecast of 1.2 million barrels per day provided additional support. However, further gains remained limited by ample global oil inventories and relatively weak demand, particularly from China.
- **Gold prices declined 4.67% over the past week**, closing at USD4,328.45 per ounce, pressured by growing expectations that the Federal Reserve will keep interest rates elevated for longer. The negative sentiment was triggered by stronger-than-expected U.S. employment data, which reinforced the view that the U.S. economy remains resilient enough to delay monetary policy easing. This pushed U.S. Treasury yields higher and increased market expectations of a Fed rate hike in December to around 72%, up from roughly 50% before the data release. Meanwhile, the Middle East conflict has driven energy prices higher, raising inflation risks and further reducing the likelihood of near-term rate cuts. The combination of these factors weakened the appeal of gold as a non-yielding asset.
- **Coal prices increased 13.33% over the past week**, closing at around USD148.75 per ton, approaching the psychological level of USD150 per ton. The rally was mainly driven by mounting supply concerns in China after authorities in Shanxi Province—the country's largest coal-producing region—tightened mine safety inspections following a fatal mining accident that killed at least 82 workers in late May. The stricter inspections led to temporary production suspensions at several mines and heightened fears of short-term supply disruptions. This sentiment triggered a sharp price surge early in the week and became the key catalyst behind coal's strong performance. Nevertheless, gains were



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
148.75	13.33	10.68	41.67	38.37

partially capped by high domestic coal production in China, abundant inventories at ports and power plants, and electricity demand that has yet to fully recover.

- **Iron ore prices fell 4.09% over the past week**, extending their decline for a fourth consecutive week amid weakening steel demand in China, the world's largest consumer. Price pressure stemmed mainly from declining profitability among Chinese steel producers, with only about 59% of mills remaining profitable, down from 64% in mid-May. This contributed to a 0.1% weekly decline in hot metal production to 2.41 million tons, the lowest level in three weeks. In addition, weaker-than-expected seasonal steel demand due to heavy rainfall and unusual weather conditions further reduced iron ore consumption, while global supply continued to increase. Although supply disruptions in China's coking coal market provided some support, weakening steel demand remained the dominant factor weighing on iron ore prices.
- **Crude Palm Oil (CPO) prices edged up 0.42% over the past week**, supported by positive sentiment surrounding Indonesia's new export governance framework, which places palm oil exports under the oversight of Danantara Sumberdaya Indonesia. The policy is expected to enhance trade transparency and improve export pricing efficiency, providing a more favorable outlook for the domestic palm oil industry. However, price gains remained limited as the market continued to monitor global demand conditions and the policy's implementation timeline, which will only take full effect in 2027.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	3.23	-1.85	15.82	-12.18	-12.40	Crude Palm Oil (MYR/Ton)	4,554.00	0.42	-3.31	16.68	12.44
Nickel (USD/MT)	18,381.07	-2.82	-5.96	14.24	9.48	Rubber (USD/Kg)	230.40	0.61	5.79	44.00	28.07
Copper (USD/MT)	13,519.50	-0.85	2.93	38.81	8.83	Wheat (cents/bu)	580.00	-5.00	-5.92	6.32	14.40
Aluminum (USD/MT)	3,592.00	-2.03	0.07	44.96	19.91	Corn (cents/bu)	417.50	-6.55	-10.31	-5.01	-5.17
Iron Ore (USD/MT)	102.89	-4.09	-7.67	9.69	-3.69	Sugar (c/lb)	14.14	0.57	-8.00	-14.67	-5.80

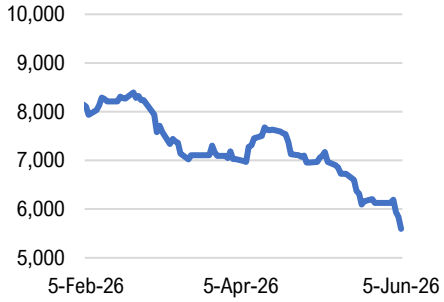
Global and Indonesian equity markets weakened amid concerns over prolonged high interest rates, continued foreign capital outflows, and elevated economic and geopolitical uncertainty. The US dollar strengthened, while the rupiah weakened amid global pressure. Authorities strengthened rupiah stabilization through policy coordination and domestic foreign exchange supply.

- **Wall Street equities weakened over the past week,** with the S&P 500 falling 2.59%, the Nasdaq Composite declining 4.68%, and the Dow Jones Industrial Average (DJIA) slipped 0.32%. The downturn was driven by much stronger-than-expected U.S. labor market data, which increased expectations that the Federal Reserve will keep interest rates elevated for longer and could even raise rates again. This triggered a broad sell-off in technology and semiconductor stocks, which had previously led the market rally, resulting in the Nasdaq posting the steepest decline among the major indices. Additionally, ongoing uncertainty surrounding the Middle East conflict and elevated energy prices fueled inflation concerns and dampened investor appetite for risk assets. Overall, a combination of a more hawkish monetary policy outlook and rising geopolitical risks prompted investors to adopt a more defensive stance throughout the week.
- **JCI recorded a sharp 8.69% decline over the past week**, closing at 5,594, making it one of the worst-performing equity markets globally. This weakness was driven by a combination of domestic and external factors, including continued foreign investor outflows, with net foreign selling reaching IDR7.38 trillion during the week and accumulating to IDR61.36 trillion year-to-date (YTD). Selling pressure was concentrated in large-cap stocks such as BBCA, BBRI, and TPIA, contributing to a roughly IDR922 trillion decline in the Indonesia Stock Exchange's market capitalization to IDR9,807 trillion. Sector-wise, all sectors ended the week in negative territory, led by industrials (-13.32%), infrastructure (-11.62%), property (-11.33%), basic materials (-10.85%), energy (-10.32%), and financials (-6.74%). Overall, rising risk-off sentiment, global index rebalancing, and concerns over Indonesia's economic outlook and financial market stability remained the key factors weighing on the IHSG throughout the week.
- **The U.S. Dollar Strengthened at the End of the Week.** The U.S. Dollar Index (DXY) closed at 100.07 on June 5, 2026, up 1.14% week over week and 1.78% higher than at the end of 2025. The strengthening of the U.S. dollar was supported by resilient U.S. economic data, which reinforced expectations that the Federal Reserve will keep interest rates higher for longer. Risk-off sentiment also increased amid the U.S.-Iran conflict and tensions surrounding the Strait of Hormuz. However, optimism over a potential ceasefire in Lebanon temporarily limited further gains in the U.S. dollar against major currencies.
- **The rupiah weakened against the U.S. dollar**. USD/IDR closed at IDR18,036 per U.S. dollar on June 5, 2026, up 0.87% week over week and 8.13% higher than at the end of 2025. Bank Indonesia (BI) and the Ministry of Finance agreed to strengthen rupiah stabilization through two main strategies. First, the authorities will enhance the attractiveness of investment instrument yields to encourage foreign inflows into equities, government debt securities, and Bank Indonesia Rupiah Securities (SRBI). Second, the authorities will maintain adequate liquidity in the money market and banking sector through state cash management at BI, including

higher remuneration paid to the government. The foreign exchange proceeds from the natural resource exports policy are also intended to increase domestic foreign exchange supply by fully repatriating export proceeds to the Indonesian Financial System (SKI).

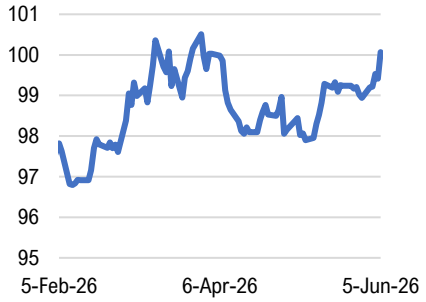
- **The foreign exchange proceeds from the natural resource exports policy are designed to support rupiah stability by increasing the domestic supply of foreign currency.** Effective June 1, 2026, the regulation requires 100% repatriation of foreign exchange proceeds from natural resource exports into the Indonesian Financial System (SKI), with a minimum retention requirement of 30% for oil and gas exports for three months and 100% for non-oil-and-gas exports for 12 months. The funds are placed through three state-owned banks: PT Bank Mandiri (Persero) Tbk., PT Bank Rakyat Indonesia (Persero) Tbk., and PT Bank Negara Indonesia (Persero) Tbk. The government believes that additional U.S. dollar liquidity within these banks will help maintain foreign exchange availability and support the rupiah during periods of heightened global uncertainty. Coordinating Minister for Economic Affairs Purbaya Yudhi Sadewa stated that revisions to the regulation remain possible if a one-month evaluation indicates disruptions to economic activity. However, he noted that any changes would be premature, given that the policy has been in effect for only several days.

Jakarta Composite Index (JCI)



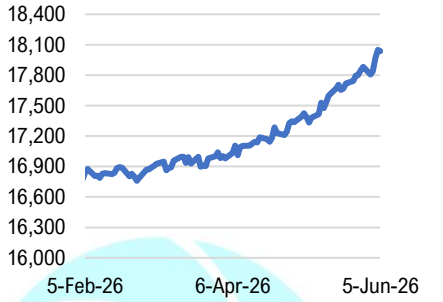
Closing	(% Change)			
	WoW	MoM	YoY	YTD
5,594.77	-8.69	-20.72	-21.35	-35.30

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
100.07	1.14	1.65	1.34	1.78

Rupiah Exchange Rate (USD/IDR)



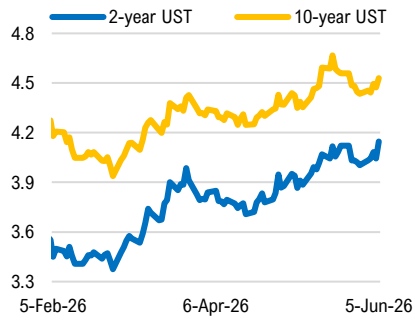
Closing	(% Change)			
	WoW	MoM	YoY	YTD
18,036	0.87	3.51	10.76	8.13

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	7,383.74	-2.59	1.72	24.32	7.86	Euro (EUR/USD)	1.15	-1.18	-1.46	0.67	-1.91
Dow Jones (AS)	50,866.78	-0.32	3.18	20.20	5.83	Canadian Dollar (USD/CAD)	1.39	1.04	2.33	1.92	1.55
Nasdaq (AS)	25,709.43	-4.68	1.51	33.22	10.62	Poundsterling (GBP/USD)	1.33	-0.85	-1.47	-1.68	-0.99
Euro Stoxx 50 (Zona Euro)	6,062.07	0.19	3.28	12.04	4.67	Japanese Yen (USD/JPY)	160.29	0.64	1.53	11.68	2.28
FTSE100 (Inggris)	10,368.05	-0.40	1.46	17.67	4.40	Chinese Yuan (USD/CNY)	6.79	0.33	-0.60	-5.43	-2.87
Nikkei225 (Jepang)	66,588.12	0.39	11.89	77.31	32.28	Singapore Dollar (USD/SGD)	1.29	1.10	1.20	0.37	0.41
Shanghai (Tiongkok)	4,027.74	-1.00	-2.05	19.02	1.48	Malaysian Ringgit (USD/MYR)	4.03	1.64	1.72	-4.66	-0.74
Hang Seng (Hong Kong)	24,961.95	-0.88	-3.62	4.41	-2.61	Thailand Baht (USD/THB)	32.80	0.90	0.72	0.50	4.14

Key Data Developments in Global and National Bond Markets

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

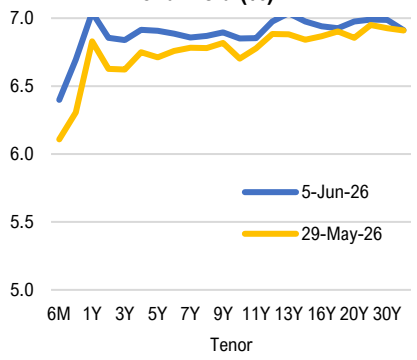


Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.147	14	21	23	67
5Y: 4.267	13	19	28	54
10Y: 4.530	9	11	14	36

US Treasury yields rose following stronger-than-expected US employment data, while Indonesian government bond yields increased amid rupiah weakness, yield curve inversion, and rising risk perceptions in Indonesia.

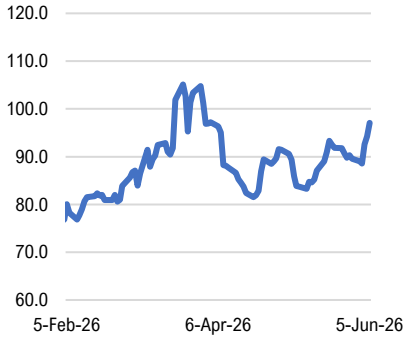
- **U.S. Treasury yields increased across all major tenors.** The 2-year Treasury yield closed at 4.147% on June 5, 2026, up 14 bps week over week. The 5-year yield rose 13 bps to 4.267%, while the 10-year yield increased 9 bps to 4.530%. The rise in yields was driven by stronger-than-expected U.S. labor market data. Nonfarm payrolls increased by 172,000 in May, exceeding the consensus estimate of 80,000, while the unemployment rate remained unchanged at 4.3%. The data reduced expectations of a near-term Federal Reserve rate cut.
- **Yields on Indonesian government debt securities rose across all major tenors, accompanied by a rise in sovereign risk premiums.** The 2-year yield closed at 6.962% on June 5, 2026, up 26 bps week over week. The 5-year yield rose 20 bps to 6.947%, while the 10-year yield increased 16 bps to 6.876%. The larger increase in short-term yields relative to long-term yields deepened the yield curve inversion, with the 2-year yield standing 8.6 bps above the 10-year yield. The inversion suggests that investors are demanding a higher risk premium for short-term maturities, particularly given liquidity needs, the direction of the BI Rate, capital outflow risks, and requirements for government debt securities issuance.

Weekly Development of Government Bond Yield (%)



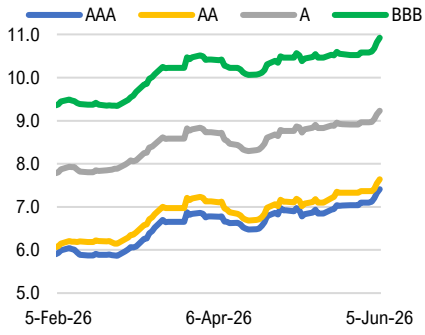
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 6.962	26	57	76	197
5Y: 6.947	20	12	59	139
10Y: 6.876	16	6	10	81

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
97.04	8.31	8.60	24.02	40.93

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

- **Indonesia's 5-year credit default swap (CDS) widened, reflecting increased risk perceptions toward domestic assets.** The CDS rose 8.31% week over week to 97.04 bps on June 5, 2026, after standing at 88.8 bps on June 3, 2026, and reaching as high as 104.48 bps during the second quarter of 2026. The increase indicates that investors are reassessing Indonesia's risk profile, particularly regarding rupiah depreciation, fiscal risks, potential sovereign rating pressure, policy uncertainty, and perceptions of policy responses.
- **The auction of Government Sharia Securities (SBSN) indicated rising issuance costs for government sukuk**. Total bids increased 38.6% to IDR26.05 trillion on June 2, 2026, from IDR18.8 trillion at the previous auction. However, the awarded amount declined 26.3% to IDR8.85 trillion from IDR12 trillion. Yields on SPNS series increased by 45–55 bps to 6.2%–6.4%, while medium-term tenors rose by 10–15 bps to 6.69%–6.7%. Long-term yields for PBS034 and PBS038 increased by 4 bps to 6.85% and 6.91%, respectively. The rise in yields occurred amid rupiah weakness toward IDR17,900 per U.S. dollar and higher risk perceptions toward Indonesia. The government absorbed a smaller amount of funds to avoid locking in higher borrowing costs.
- **Danantara Investment Management is exploring the issuance of U.S. dollar-denominated global bonds**. The issuance will form part of a USD5 billion Global Medium-Term Note (GMTN) program. Danantara began investor meetings with fixed-income investors across Asia, Europe, and the United States on June 3, 2026. Citigroup, DBS Bank, HSBC, Mandiri Sekuritas, and Standard Chartered have been appointed as joint lead managers and joint bookrunners. The senior notes are expected to receive investment-grade ratings, including Baa2 from Moody's Investors Service and BBB from S&P Global Ratings and Fitch Ratings. Proceeds will be used to diversify funding sources and support Danantara's investment agenda.
- **PT Tower Bersama Infrastructure Tbk (TBIG) is preparing a global debt issuance to support refinancing and expansion plans**. TBIG plans to issue notes of up to USD900 million, equivalent to approximately IDR15.10 trillion, with a maximum coupon rate of 8% and semiannual interest payments. The proposal will be discussed at the Annual General Meeting of Shareholders on June 9, 2026. The notes will be unsecured and may be issued in one or several tranches within 12 months following shareholder approval, with a maximum tenor of 10 years. Net proceeds will be used to refinance maturing debt, repay loans ahead of schedule, and fund business expansion. Funds may also be provided to subsidiaries through intercompany loans or equity injections to support the development of new towers and fiber networks.
- **PT Medco Energi Internasional Tbk (MEDC) will exercise a call option as part of its liability management strategy**. MEDC plans to repurchase all its IDR260 billion Shelf-Registered Bond V Phase I Year 2023 Series B at 103.650% of principal value. The bonds carry a yield to maturity of 8.52%. The call option is scheduled to be executed on July 7, 2026, with a recording date of July 1, 2026. Redemption funds must be available at PT Kustodian Sentral Efek Indonesia (KSEI) no later than July 6, 2026. KSEI will act as the paying agent, and notification to the Financial Services Authority (OJK) must be submitted within 2 business days of the transaction being completed.
- **PT Bank Victoria International Tbk (BVIC) has set aside funds to repay maturing subordinated bonds.** BVIC has allocated IDR257.34 billion for the repayment of Shelf-Registered Subordinated Bond II Phase I Year 2019, which matures on June 28, 2026. The amount consists of IDR250 billion for principal repayment and IDR7.34 billion for coupon payments. All required funds have been secured and invested in government debt securities, ensuring that obligations to bondholders can be fulfilled on schedule.
- **PT Indah Kiat Pulp & Paper Tbk (INKP) is preparing to redeem maturing instruments while simultaneously issuing new bonds and sukuk**. INKP has allocated IDR2.35 trillion to redeem Shelf-Registered Bond IV Phase I Year 2023 Series B, amounting to IDR1.74 trillion, and Shelf-Registered Mudharabah Sukuk III Phase I Year 2023 Series B, amounting to IDR612.57 billion. The funds are available in cash and cash equivalents. INKP is also issuing Shelf-Registered Bond VI Phase II, amounting to IDR2.27 trillion, and Shelf-Registered Mudharabah Sukuk V Phase II, amounting to IDR2.33 trillion, bringing the total issuance size to IDR4.6 trillion. The new instruments have 3-year and 5-year tenors, with bond coupon rates of 9.00%–9.50% per year and indicative sukuk yields equivalent to 9.00%–9.50% per year. Proceeds will be used for debt repayment and working capital

requirements, including partial repayment of rupiah- and U.S. dollar-denominated bank loans as well as the purchase of production raw materials.

- **PT Lontar Papyrus Pulp & Paper Industry (LPPI) redeemed maturing bonds through refinancing with newly issued sukuk**. LPPI repaid Shelf-Registered Bond III Phase III Year 2025 Series A amounting to IDR201.65 billion, which matured on June 1, 2026, using proceeds from the issuance of Shelf-Registered Mudharabah Sukuk II Phase II Year 2026. Series A carried a fixed coupon of 7.00% per year and a tenor of 370 days. Shelf-Registered Bond III Phase III Year 2025 had a total principal amount of IDR1.382 trillion, including Series B amounting to IDR860.67 billion with a 10.25% coupon maturing on May 21, 2028, and Series C amounting to IDR319.84 billion with a 10.75% coupon maturing on May 21, 2030. The refinancing strategy was undertaken to preserve liquidity, maintain cash flow stability, and fulfill obligations to investors.

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	80,000.00	95.83	6.91	10,917,896
FR0059	7.00	05/15/27	33,117.00	99.90	7.11	10,509,019
FR0106	7.13	08/15/40	25,000.00	100.85	7.03	4,630,847
FR0104	6.50	07/15/30	10,000.00	98.29	6.98	2,702,700
FR0107	7.13	08/15/45	15,000.00	101.30	7.00	2,379,913

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Bond III BUMA Year 2025 Series B	idA+/A+(idn)	8.00	10/10/28	35,000	97.92	8.99	900,000
Shelf Registration Sukuk Mudharabah III Sarana Multi Infrastruktur Phase II Year 2025 Series A	idAAA(sy)	5.00	12/07/26	30,000	99.22	6.60	847,800
Shelf Registration Sukuk Mudharabah II Wijaya Karya Phase II Year 2022 Series A	idB(sy)	6.50	02/18/25	20,440	40.48	--	832,268
Shelf Registration Sustainability Bond I Bank BNI Phase I Year 2025 Series A	idAAA	6.60	07/04/28	10,000	100.16	6.52	710,000
Bond III Wahana Inti Selaras Year 2024 Series B	idA	8.75	07/05/27	60,000	99.85	8.89	690,000

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 1–5, 2026, domestic sectoral sentiment was largely influenced by the impact of the rupiah depreciation, the increase in the BI policy rate, and the announcement of a single-channel export policy.

Industries	Sentiment & Significance	News Highlights
Automotive	🔴	**Rupiah Depreciation Pressures the Outlook for Automotive Issuers.** The depreciation of the rupiah against the US dollar is expected to pressure the performance of automotive issuers, given the industry's heavy reliance on imported components and raw materials. This condition may increase production costs, compress margins, and weaken consumer purchasing power, ultimately affecting vehicle sales. Analysts believe issuers with strong local production bases will be more resilient compared to companies with high import exposure. Going forward, exchange rate stability and the recovery of domestic purchasing power will be key factors for the automotive sector's outlook and the share performance of related issuers.
Banking	🔴🔴	**Big Bank Stocks Remain Under Pressure Amid Foreign Outflows and Rupiah Depreciation.** Shares of large-cap banks have remained under pressure throughout 2026, with Bank Central Asia (BBCA) and Bank Rakyat Indonesia (BBRI) recording significant declines and reaching their lowest levels in the past five years, falling 32.8% and 23.2%, respectively, since the beginning of the year, driven by foreign investor sell-offs. The weakening rupiah and the increase in the BI Rate to 5.25% are seen as heightening market concerns over the banking sector's outlook and triggering capital outflows from foreign investors. Nevertheless, the fundamentals of major banks remain solid, as reflected in continued positive loan and profit growth through the first quarter of 2026. Analysts view the pressure on banking stocks as being driven more by macroeconomic sentiment and market technical factors, while corrected valuations are creating opportunities for gradual accumulation by investors. Exchange rate stability and the future direction of interest rate policy will be the main catalysts for the recovery of banking sector stocks.
Insurance and Guarantee	🔴🔴	**Life Insurance Investment Returns Under Pressure Amid Market Volatility.** The life insurance industry recorded weaker investment performance in the first quarter of 2026 amid heightened financial market volatility. According to data from the Indonesian Life Insurance Association (AAJI), industry investment returns posted a negative IDR1.60 trillion, reversing from a positive IDR790 billion recorded in the same period last year. The condition was driven by pressure in the equity market stemming from global and domestic economic dynamics, although industry fundamentals were still considered solid, with total investment funds growing 5.7% year-on-year to IDR571.7

Industries	Sentiment & Significance	News Highlights
		trillion. To maintain performance stability, industry players are increasingly relying on fixed-income instruments, particularly government securities (SBN), which now account for 43.4% of the total investment portfolio. Meanwhile, industry premium income remained under pressure, declining 0.5% YoY to IDR47.27 trillion, while premiums from unit-linked products continued to grow.
Metal and Gold	●●●	**OECD Highlights Global Steel Industry Crisis Amid Oversupply and Geopolitical Tensions.** The OECD warned that the global steel industry is facing significant pressure due to a surge in production capacity that is not matched by demand growth. Global steel excess capacity reached 640 million tons in 2025 and is projected to increase to 745 million tons by 2028, while global demand growth is expected to average only 0.9% per year through 2030. China was identified as the main contributor, accounting for approximately 54% of total global oversupply, driven by increased subsidies for domestic steel producers and exports of low-priced steel products to international markets. The situation has been further exacerbated by conflict in the Middle East, which has driven up energy costs and disrupted global supply chains. The OECD assessed that the combination of oversupply, dumping practices, and geopolitical instability could threaten the sustainability of the global steel industry as well as the economic resilience of several countries. In response to these conditions, steel-producing countries outside China have begun formulating coordinated international measures to address structural distortions in the global steel market.
Mining	●●●	**Indonesia's Coal Exports Face Pressure from New Policies and Global Demand Slowdown.** Indonesia's coal exports are facing dual pressure amid the implementation of a one-stop export policy through PT Danantara Sumberdaya Indonesia (DSI) and slowing demand from global markets, particularly China. Several Chinese importers have reportedly postponed purchases of Indonesian coal as transaction processes are viewed as slower, prices have increased, and supply has become tighter following the start of the DSI policy transition period in June 2026. Business players and industry associations believe export centralization could increase business uncertainty if implementation is not carried out gradually and adjusted to the characteristics of each commodity. On the other hand, Indonesia's coal exports had already weakened, with export value during January–April 2026 declining 7.27% YoY and export volume shrinking 6.7% YoY. Although demand from China and India is still considered sufficient to support electricity needs, purchasing patterns have become more selective due to inventory levels, domestic production, and global market conditions. In addition, export prospects are also being affected by tighter national production quotas through the 2026 RKAB policy implemented by the government.
Multifinance	●●	**Rupiah Depreciation and Higher Interest Rates Pressure the Multifinance Industry.** The depreciation of the rupiah against the US dollar is adding pressure on the multifinance industry, particularly on vehicle financing demand and credit quality. Rising vehicle prices due to the high proportion of imported components are also expected to weigh on consumer purchasing power. At the same time, borrowers' ability to meet installment payments is at risk of weakening amid rising living costs caused by rupiah depreciation. As a result, financing growth is projected to remain more moderate through the end of 2026. Several multifinance companies have begun tightening customer selection and strengthening portfolio quality monitoring to keep non-performing loan ratios under control. In addition to currency pressures, the increase in the BI Rate to 5.25% has also driven higher bond yields, raising funding costs for multifinance companies and making issuers more selective in issuing debt securities. Nevertheless, the bond market remains the primary funding source, particularly for refinancing needs amid slower growth in financing receivables.
Oil and Gas	●	**Oil Prices Weaken, Pressuring Oil and Gas Stocks.** The decline in global oil prices has begun to weigh on the performance of oil and gas (O&G) stocks throughout 2026, amid easing geopolitical tensions in the Middle East and uncertainty surrounding US-Iran negotiations. Over the past month, WTI crude prices fell by around 10%, while Brent crude declined by 14.44%. Issuers with large natural gas portfolios, such as PT Medco Energi Internasional Tbk (MEDC) and PT Energi Mega Persada Tbk (ENRG), are considered more defensive given that gas prices are relatively stable and largely tied to long-term contracts. On the other hand, the normalization of oil prices is also creating opportunities for acquisitions of new oil and gas assets or blocks at more attractive valuations. Market participants also view production cost efficiency, strengthening gas portfolios, and disciplined capital expenditure as key factors in maintaining the future performance and attractiveness of oil and gas issuers.
Plantation and Agriculture	●	**GAPKI Calls for Gradual Implementation of Palm Oil Exports Through DSI.** The Indonesian Palm Oil Association (GAPKI) has urged the government to implement the governance of strategic commodity exports through PT Danantara Sumberdaya Indonesia (DSI) in phases to avoid disruptions to the national palm oil export market. GAPKI stated that an overly rapid transition could hamper trade

Industries	Sentiment & Significance	News Highlights
		flows and disrupt commercial relationships that Indonesia's palm oil industry has established with approximately 160 export destination countries. The industry also emphasized the importance of maintaining market sustainability, given the palm oil sector's substantial contribution to the national economy and its role in supporting the welfare of farmers, who control around 41% of the country's palm oil plantation area. Therefore, a gradual implementation is considered important to maintain smooth export flows, business certainty, and the confidence of Indonesia's global trading partners. The government itself is targeting full implementation of the one-stop export mechanism through DSI by no later than January 2027, with the transition period beginning in June 2026 and scheduled for evaluation within the first three months.
Power and Energy	●	**Sumatra Blackout Drives Interest in Rooftop Solar Power Systems as Backup Energy Solution.** The large-scale power outage in Sumatra at the end of May 2026 has driven growing interest among households and businesses in rooftop solar power systems (PLTS), particularly those equipped with battery storage systems. The blackout, which had widespread impacts on business activities, triggered a surge in operating costs as generator use was considered 400%–500% more expensive than electricity supplied by PLN. Several rooftop solar providers, including SolaRUV and Xurya, reported rising demand, particularly from the commercial and industrial sectors. Although installation costs for battery-based rooftop solar systems remain relatively high, the solution is considered capable of reducing the risk of operational disruptions caused by power outages.
Transportation and Vehicle Rental	●	**Lower Aviation Fuel Prices Open Opportunities for Reduced Airfares.** The reduction in aviation fuel prices by PT Pertamina Patra Niaga by up to 10% during June 2026 has opened opportunities for lower airline operating costs and domestic airfare reductions. At Soekarno-Hatta Airport and Ngurah Rai Airport in Bali, aviation fuel prices for domestic flights recorded significant declines in line with weakening global oil prices. The Indonesia National Air Carriers Association (INACA) estimates that lower aviation fuel prices could reduce total airline operating costs by around 3.5%–4%, considering that aviation fuel accounts for 35%–40% of total flight operating expenses. Nevertheless, adjustments to additional fares or fuel surcharges will continue to refer to government regulations and movements in aviation fuel prices in the market. Industry players are also continuing to monitor US dollar exchange rate volatility, which could affect overall airline operating costs.

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

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