PEFINDO
CREDIT RATING AGENCY

WEEKLY ECONOMIC UPDATE

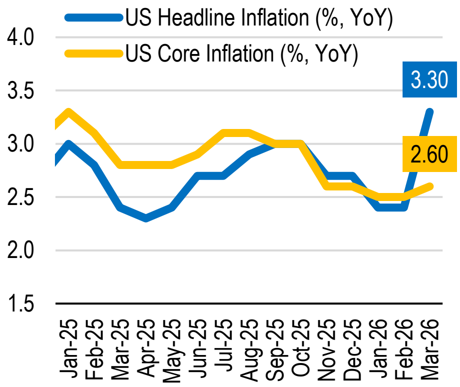
Period of April 6-10, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

Scan here for our other publications

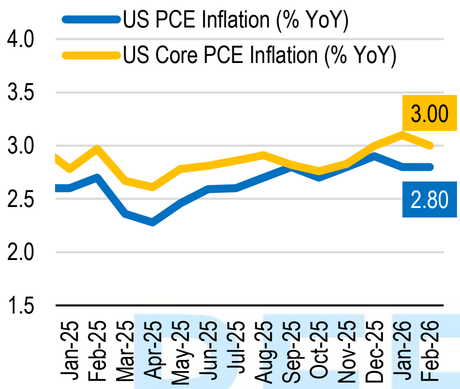
Data Highlights of the Week

US Consumer Inflation



Source: Bloomberg

US PCE Inflation



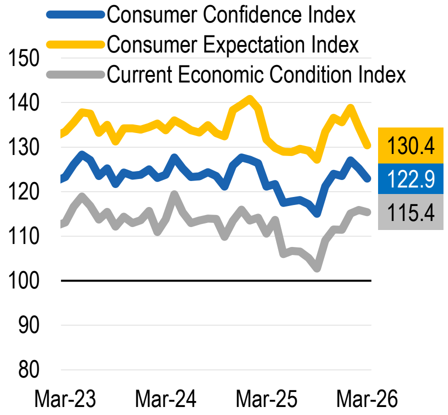
Source: Bloomberg

The Short Breath of the Ceasefire: Between Market Optimism and the Dilemma of Global Stagflation

Global Economic

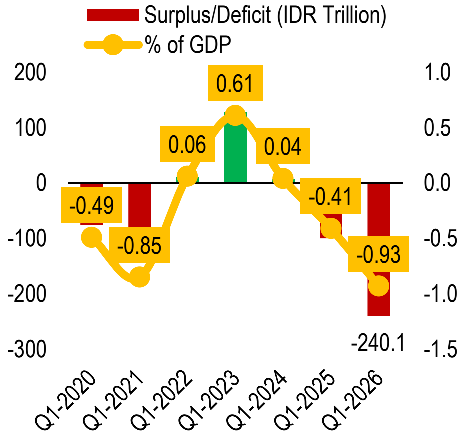
- **Military tensions in the Middle East eased relatively during the week** following the announcement of a 14-day ceasefire between the United States, Israel, and Iran, sparking momentary optimism in global financial markets. The world's focus shifted to diplomacy in Islamabad to prevent further economic collapse from the closure of the Strait of Hormuz. Although expected to be a stalemate, the ceasefire provided some relief from the economic pressures that had arisen. Some economies, such as those in Africa and East Asia, began assessing the long-term economic impact and adjusting their energy security strategies amid lingering uncertainty.
- **The minutes of the Mar'26 FOMC meeting showed that several Fed officials supported a two-pronged framework for future interest rate decisions**, **highlighting that additional increases may be necessary if inflation persists above target**. Most participants assessed that both upside risks to inflation and downside risks to employment were elevated, and most noted that these risks had intensified with developments in the Middle East. Prolonged conflict in the Middle East is expected to lead to more sustained increases in energy prices and higher input costs, pushing up core inflation. However, policymakers are still signaling one Fed Funds Rate cut this year and another in 2027, although the timing remains unclear.
- **The US inflation rate in Mar'26 jumped to 3.3% YoY, marking a sharp increase and the highest since May'24** (Jan & Feb'26: 2.4%). These figures were in line with expectations, with the increase primarily driven by higher energy costs (12.5%) due to the war with Iran. Meanwhile, core inflation also rose, albeit more moderately, to 2.6%. This increase in inflation in Mar'26 followed the release of PCE inflation data in Feb'26, which was also stable at 2.8% YoY (Jan'26: 2.8%), while core PCE inflation remained at 3.0% (Jan'26: 3.1%). Furthermore, the final estimate for US economic growth in Q4-2025 was confirmed at 0.5% year-on-year, revised down further from 0.7% in the second estimate and 1.4% in the initial estimate, primarily due to downward revisions to investment. This indicates further downward pressure on prices and economic activity levels in the US economy.
- **The Japanese economy continues to experience a sharp divergence between strong nominal wage growth and persistently fragile household consumption, placing the Bank of Japan (BoJ) in a crucial policy dilemma**. While base wages saw their highest increase in 34 years and real wage growth was positive for two consecutive months (+1.9% YoY), this provides strong evidence of a virtuous cycle between wages and prices. However, the 1.8% YoY contraction in household spending underscores that consumption remains depressed by persistent increases in the cost of living. This tension was further exacerbated by the acceleration of the Producer Price Index (PPI) in Mar'26 to 2.6% YoY (Feb'26: 2.1%), indicating that upstream inflationary pressures—triggered by the weakening yen and geopolitical risks in the Middle East—have not abated and could continue to erode corporate margins. As a result, although the market is now pricing in a 50% probability of a 25 bps interest rate hike at its April 28 meeting, the BoJ must navigate policy within a narrow corridor: acting too hawkishly risks derailing the still-fragile consumption recovery, or remaining accommodative and allowing imported inflation to erode nascent purchasing power.
- **The Chinese government stated that it will maintain control over retail gasoline and diesel prices starting Wednesday, April 8, to mitigate the impact of global oil market volatility**. This move follows "significant fluctuations" in international crude oil prices since late March. Under Beijing's pricing formula, fuel prices would have risen sharply, by CNY800 per ton for gasoline and CNY770 for diesel, but the government capped those increases at CNY420 and CNY400, respectively. Authorities also instructed major state-owned oil companies and other refiners to maintain production and logistics to ensure a stable domestic fuel supply.
- **Price conditions in China in Mar'26 exhibited contradictory dynamics,** with the end of the prolonged producer price (PPI) deflation trend clashing with easing consumer price (CPI)

Indonesian Consumer Confidence Index



Source: Bank Indonesia

Indonesia's Fiscal Deficit as of Q1-2026



Source: Ministry of Finance

Next Week's Economic Calendar

Time	Development Releases
Apr 13	India inflation rate Mar'26
	China's New Yuan Loan Mar'26
	Indonesia Retail Sales Survey Feb'26
Apr 14	Singapore GDP Q1-2026
	China trade balance Mar'26
	US Producer Inflation Mar'26
	Singapore Monetary Policy Statement
Apr 15	South Korea Unemployment Rate Mar'26
	Indonesian Foreign Debt Statistics Feb'26
Apr 16	China GDP Q1-2026
	UK GDP Feb'26
Apr 17	Indonesian Business Activity Survey Report Q1-2026
	Indonesian Prompt Manufacturing Index Q1-2026

inflation. The PPI's success in breaking into positive territory (0.5% YoY)—ending the longest deflationary cycle in decades—marked a crucial turning point for the profitability of the industrial sector, driven by the rally in global commodity prices and the stabilization of domestic supply chains. However, the decline in consumer inflation to 1.0% YoY and the sharp decline in core inflation (1.1% from 1.8%) underscore that consumer purchasing power remains in a fragile recovery stage, even with the help of government intervention to control domestic fuel prices.

- **The Bank of Korea (BOK) and the Reserve Bank of India (RBI) chose to maintain their benchmark interest rates at 2.5% and 5.25%, respectively,** reflecting the "high alert" stance of Asian monetary authorities regarding geopolitical turmoil in the Middle East. The Bank of Korea (BoK) now faces a more real threat of stagflation, with March inflation (2.2%) exceeding its target amidst continued economic growth projections being undermined by surging global energy prices. Conversely, the RBI demonstrated stronger resilience by revising its FY2025/26 growth outlook upward to 7.6%, while maintaining a neutral stance to mitigate pressure on the rupee and rising bond yield volatility. Collectively, these two central banks' decisions underscore that the primary focus now is on maintaining macroeconomic stability and anchoring inflation expectations against external risks, while allowing the real sector to absorb the impact of global supply chain disruptions.

Domestic Economy

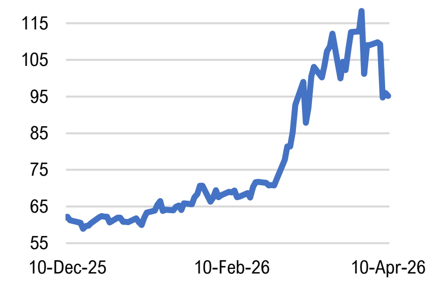
- **Indonesia's foreign exchange reserves fell to USD148.2 billion in Mar'26** (Feb'26: USD151.9 billion). This was the lowest level since Jul'24, primarily driven by Bank Indonesia's efforts to stabilize the rupiah amid increasing global market volatility. Despite the decline, foreign exchange reserves were still sufficient to cover 6.0 months of imports or 5.8 months of imports and government foreign debt servicing (above the international standard of 3 months).
- **Indonesia's consumer confidence index fell to 122.9 in Mar'26 (Feb'26: 125.2), the lowest since Oct'24.** The decline was driven by deterioration in most sub-indices. Two main index components declined: the economic expectations index fell 4.0 points to 130.4, while the current economic conditions index fell 0.5 points to 115.4. The current income sub-index rose from 125.0 to 129.2, indicating an increase in people's incomes during the holiday allowance period. In addition to these sub-indices, the other five sub-indices experienced declines.
- **Motor vehicle sales in Indonesia declined in March 2026**. New car sales in Indonesia fell 13.8% YoY to 61,271 units in Mar'26, reversing from a 12.3% surge in Feb'26. This decline was due to the long Eid al-Fitr holiday. However, for Q1-2026, car sales rose 1.7%, reaching 209,021 units. Meanwhile, motorcycle sales plummeted 17.1% YoY in Mar'26 to an eleven-month low of 448,974 units (Feb'26: 1.0%). This marked the first growth contraction since Jul'25, as consumers shifted their consumption during Ramadan and the lead-up to the Eid al-Fitr celebrations. For the first quarter of this year, motorcycle sales grew 4.1% compared to the same period last year.
- **Indonesia's fiscal deficit in Q1-2026 was reported to have reached IDR 240.1 trillion (0.93% of GDP),** up 141% YoY compared to Q1-2025. Government spending jumped 31.4% YoY to IDR815 trillion, while revenues rose 10.5% YoY to IDR574.9 trillion. Specifically, central government spending grew significantly by 47.7% YoY to IDR610.3 trillion, while transfers to regions decreased 1.1% YoY to IDR204.8 trillion. Despite the significant widening, budget financing realization only increased slightly by 2% to IDR257.4 trillion (Q1-2025: IDR252.5 trillion).

Week Ahead Highlights

Developments in ceasefire negotiations between the US and Iran will continue to drive market movements, with the current agreement proving fragile and energy exports from the region yet to return to normal. Economically, the release of the US producer price index will be in the spotlight, along with information on the initial impact of the surge in energy prices on goods producers. In Europe, geopolitical tensions in Ukraine remain a key focus amid the risk of an energy crisis. Meanwhile, the release of the ECB meeting minutes, trade balance data, and industrial production is also awaited. In China, Q1-2026 GDP data, unemployment figures, and various other key data will be released. Meanwhile, India and Malaysia will release inflation figures in Mar'26, while Singapore will release Q1-2026 GDP data. Politically, elections in Hungary will shape the direction of European Union policy. Over the next week, the World Bank and the International Monetary Fund will hold their spring meetings. Domestically, Bank Indonesia will release the retail sales index and foreign debt statistics for Feb'26 early next week, followed by the business activity survey report and the Q1-2026 prompt manufacturing index, which provide early indicators of economic activity at the start of the year.

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

Brent Crude Oil (USD/Barrel)

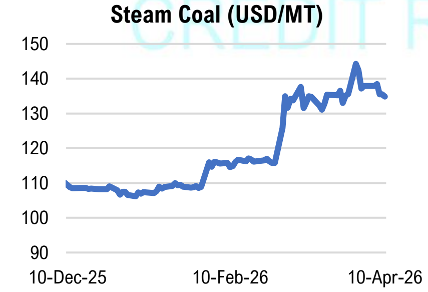


Closing (USD/Brl)	(% Change)			
	WoW	MoM	YoY	YTD
95.20	-12.68	8.43	50.32	56.45

Gold (USD/troy oz)

Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,749.75	1.56	-8.52	49.54	9.96

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
134.90	-2.18	2.55	40.16	25.49

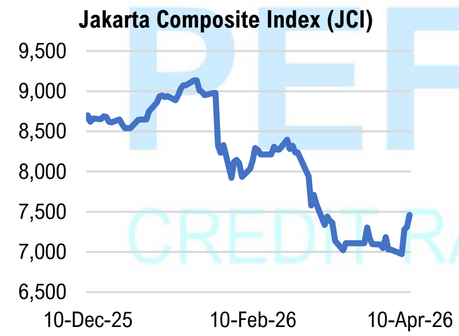
Most commodities declined, except gold, which posted limited gains.

- **The price of Brent crude oil recorded a sharp decline of 12.68% over the past week**, closing at USD95.20 per barrel, marking the steepest weekly correction since 2022, as market concerns eased amid growing optimism over a ceasefire between the United States and Iran. The initial two-week ceasefire agreement mediated by Pakistan triggered significant selling pressure, as market participants began anticipating a potential normalization in global supply. Nevertheless, downward pressure was partly offset by unresolved fundamental risks, such as limited tanker traffic through the Strait of Hormuz, which remains far below normal levels, and production disruptions in Saudi Arabia due to attacks on energy facilities. Overall, price movements reflect the dominance of short-term geopolitical sentiment over lingering concerns about a global oil supply deficit.
- **The price of gold increased by 1.56% over the past week**, hovering around USD4,749.75 per ounce, supported by the weakening US dollar following the temporary ceasefire agreement between the United States and Iran. This positive sentiment enhanced gold's appeal as a safe-haven asset, particularly amid expectations that easing geopolitical tensions could pave the way for more accommodative interest rate policies. However, the rise in gold prices faces challenges from persistently high US inflation—driven by surging energy prices—which may limit the pace of rate cuts. This creates a balanced dynamic in which support from external factors, such as a weaker dollar, competes with pressure from tight monetary policy, leading gold to move cautiously despite its upward trend.
- **The price of coal declined by 2.18% over the past week** amid mixed market movements and ongoing uncertainty. The primary pressure stemmed from weakening Indonesian export performance, with daily shipment volumes dropping significantly by around 25% week-on-week, reflecting short-term supply disruptions. On the global front, market sentiment was shaped by evolving energy policies in the United States and Europe that have slowed the pace of the energy transition, as well as by geopolitical tensions that have affected alternative energy costs, such as gas. Despite relatively strong demand from key buyers such as China and India, prices remained subdued due to these factors. Overall, the decline highlights the dominance of short-term supply-side pressures and uncertainty surrounding global energy policy direction.
- **The price of Crude Palm Oil declined by 6.22% over the past week**, reflecting rising market concerns over potential oversupply amid strengthening production momentum. Data shows Malaysia's production increased by 7.21% month-on-month, while exports surged by 40.69%, though this was insufficient to fully absorb the additional supply, particularly amid slowing demand due to the Middle East conflict and rising logistics costs. Prices were recorded at around MYR4,538 per ton, with a weekly decline of approximately 3.37%. Although inventories fell to a seven-month low, the market remains focused on the risk of rising stock levels in the coming months as peak production season (April–June) approaches. Meanwhile, higher crude oil prices provided only limited support, leaving short-term fundamental pressures as the dominant driver of CPO price movements.

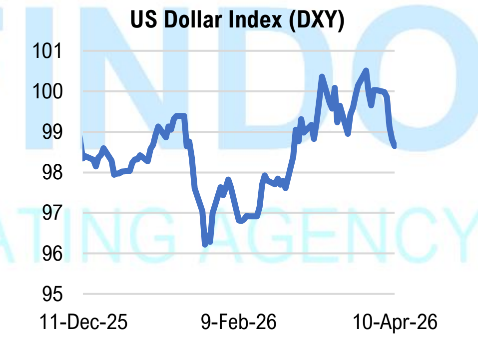
Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	2.65	-5.43	-12.32	-25.56	-28.16	Crude Palm Oil (MYR/Ton)	4,538.00	-6.22	2.48	8.05	12.05
Nickel (USD/MT)	17,121.95	0.74	-1.81	10.85	2.25	Rubber (USD/Kg)	203.00	1.35	1.91	22.58	12.84
Copper (USD/MT)	12,845.50	3.93	-2.24	42.92	3.40	Wheat (cents/bu)	571.00	-4.55	-2.35	6.13	12.62
Aluminum (USD/MT)	3,498.50	0.84	2.72	47.62	16.79	Corn (cents/bu)	441.00	-2.49	1.09	-8.70	0.17
Iron Ore (USD/MT)	108.14	-1.99	1.76	10.13	1.23	Sugar (c/lb)	13.75	-8.33	-4.38	-24.12	-8.39

Stocks advanced on risk-on sentiment, but remained volatile. The U.S. dollar weakened because safe-haven demand eased, while the rupiah remained under pressure from domestic sentiment and fiscal concerns.

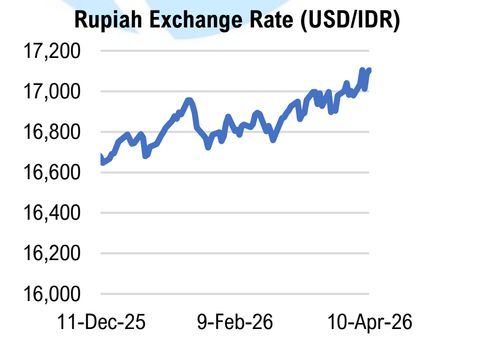
- **The performance of the S&P 500, Nasdaq Composite, and Dow Jones Industrial Average over the past week showed solid gains of 3.56%, 4.68%, and 3.04%, respectively,** marking the strongest weekly increase since November. The rally was driven by improving market sentiment amid expectations of a ceasefire between the US and Iran, which eased global geopolitical concerns. However, market movements remained volatile, particularly toward the weekend, as investors took profits amid uncertainty surrounding negotiation outcomes. Meanwhile, US inflation surged to a four-year high—driven by a 21.2% increase in energy prices—acting as a constraint on further gains. The technology sector led the rally, with chip stocks delivering strong performance, while other sectors remained relatively subdued amid a combination of geopolitical and macroeconomic pressures.
- **The performance of the JCI during the week of April 6–10, 2026, recorded a significant gain of 6.14%, closing at 7,458.50,** marking a strong rebound after the previous week's decline. The rally was driven by improving global sentiment, supported by expectations of a ceasefire between Iran and the United States and the normalization of key energy distribution routes such as the Strait of Hormuz, which boosted investor risk appetite. Domestically, the rally in large-cap stocks such as BREN, DSSA, and TPIA was the main contributor, supported by domestic fund inflows amid foreign net selling of approximately IDR3.3 trillion. Nevertheless, the sustainability of this trend remains overshadowed by potential volatility, given ongoing geopolitical uncertainty, a relatively hawkish monetary policy outlook, and pressure on the rupiah, suggesting that JCI movements may remain in a consolidation phase going forward.
- **The U.S. Dollar Index weakened this week.** The U.S. Dollar Index closed at 98.65 on April 10, 2026, down 1.38% from 100.03 on April 3, 2026. The weakening occurred after a two-week ceasefire agreement between Iran and the U.S. pushed oil prices lower, reduced demand for the dollar as a safe-haven asset, and drove down U.S. Treasury yields. At the same time, money markets again priced in the possibility of Federal Reserve rate cuts later this year, further weakening the dollar's support.
- **The rupiah weakened against the U.S. dollar and remained under pressure from domestic factors.** The USD/IDR exchange rate closed at IDR17,104 on April 10, 2026, up 0.73% from IDR16,980 on April 3, 2026, meaning that the rupiah depreciated against the U.S. dollar. This pressure was in line with the weakening of the rupiah in the spot market to IDR17,098 per U.S. dollar on April 10, 2026, which was described as the weakest closing level in history, and it briefly moved above IDR17,100 per U.S. dollar intraday. The rupiah weakened as the market assessed rising domestic fiscal risks amid expansionary state budget spending, oil prices remaining above the 2026 state budget assumption, a decline in foreign exchange reserves for three consecutive months to USD148.2 billion in March 2026, as well as pressure from declining foreign ownership and rising corporate demand for foreign currency.



Closing	(% Change)			
	WoW	MoM	YoY	YTD
7,458.50	6.14	0.24	19.26	-13.74



Closing	(% Change)			
	WoW	MoM	YoY	YTD
98.65	-1.38	-0.18	-2.20	0.33



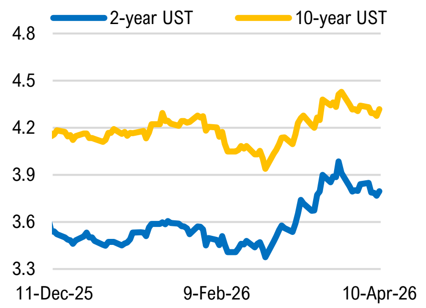
Closing	(% Change)			
	WoW	MoM	YoY	YTD
17,104	0.73	1.43	1.67	2.54

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	6,816.89	3.56	0.52	29.40	-0.42	Euro (EUR/USD)	1.17	1.77	0.96	4.66	-0.20
Dow Jones (AS)	47,916.57	3.04	0.44	21.02	-0.31	Canadian Dollar (USD/CAD)	1.38	-0.75	1.92	-1.02	0.85
Nasdaq (AS)	22,902.89	4.68	0.91	39.76	-1.46	Poundsterling (GBP/USD)	1.35	1.97	0.33	3.79	-0.10
Euro Stoxx 50 (Zona Euro)	5,926.11	4.10	1.52	22.98	2.33	Japanese Yen (USD/JPY)	159.27	-0.25	0.77	10.26	1.63
FTSE100 (Inggris)	10,600.53	1.57	1.81	33.96	6.74	Chinese Yuan (USD/CNY)	6.83	-0.77	-0.56	-6.67	-2.29
Nikkei225 (Jepang)	56,924.11	7.15	4.93	64.48	13.08	Singapore Dollar (USD/SGD)	1.27	-1.00	0.05	-4.25	-0.91
Shanghai (Tiongkok)	3,986.23	2.74	-3.32	23.66	0.44	Malaysian Ringgit (USD/MYR)	3.97	-1.66	1.08	-11.29	-2.33
Hang Seng (Hong Kong)	25,893.54	3.09	-0.26	25.20	1.03	Thailand Baht (USD/THB)	32.04	-1.99	1.55	-5.47	1.73

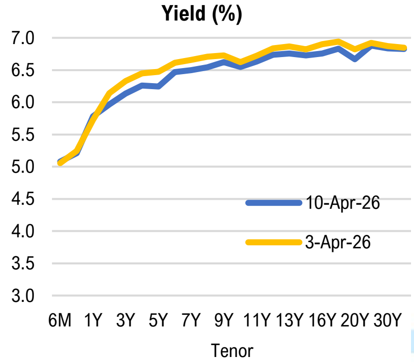
Key Data Developments in Global and National Bond Markets

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



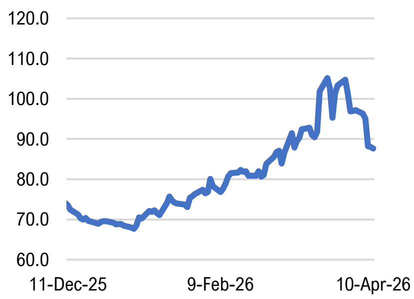
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3.795	-4	21	-7	32
5Y: 3.943	-4	20	-13	22
10Y: 4.317	-2	16	-11	15

Weekly Development of Government Bond Yield (%)



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 6.037	-17	31	-78	104
5Y: 6.278	-23	18	-56	72
10Y: 6.569	-8	-14	-47	50

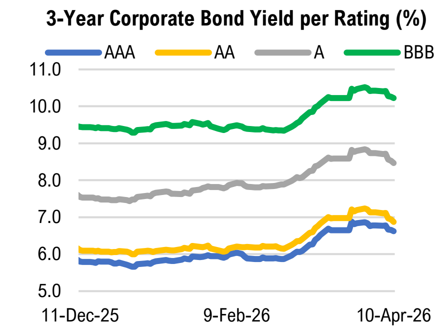
5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
87.66	-9.82	-0.27	-23.78	27.31

Government and corporate debt markets were supported by lower yields and still-strong auction demand, while issuers actively maintained funding, refinanced, maintained ratings, and managed maturities.

- **U.S. Treasury yields declined across all major tenors.** The 2-year U.S. Treasury yield closed at 3.795% on April 10, 2026, down 4 bps from April 3, 2026. The 5-year yield also fell 4 bps to 3.943%, while the 10-year yield declined 2 bps to 4.317%. The decline in yields was driven by easing inflation concerns after the announcement of a two-week ceasefire in the Middle East pushed energy prices lower and increased demand for U.S. government bonds. At the same time, the market again priced in the possibility of Federal Reserve rate cuts later this year, which added further downward pressure on yields.
- **Indonesian government debt securities yields declined across all major tenors.** The 2-year yield closed at 6.037% on April 10, 2026, down 17 bps from April 3, 2026. The 5-year yield declined 23 bps to 6.278%, while the 10-year yield fell 8 bps to 6.569%. The decline in yields was in line with improving risk perception, as reflected in Indonesia's 5-year CDS, which fell 9.82% to 87.66. Foreign investor interest also improved, with foreign ownership in government debt securities rising from IDR852.83 trillion on April 1, 2026, to IDR857.60 trillion on April 8, 2026.
- **Investor interest in the March 31, 2026, SUN auction remained high.** Total incoming bids reached IDR58.22 trillion, while the government awarded IDR40 trillion, showing that demand for government instruments remained strong. FR0109 was the most sought-after series, with bids of IDR19.03 trillion and awards of IDR16.70 trillion at a weighted average yield of 5.68% and a coupon of 5.875%, while the 2064 FR0105 tenor absorbed IDR3.15 trillion at a yield of 6.87%. At the short end, SPN1260502 was awarded only IDR1 trillion out of IDR4.75 trillion in bids at a yield of 4.90%, while SPN12270401 absorbed IDR5 trillion out of IDR6.60 trillion at a yield of 5.45%.
- **Demand in the SBSN auction shifted toward short tenors.** At the April 7, 2026, auction, total bids fell 1.32% to IDR30.57 trillion from IDR30.98 trillion on March 10, 2026, but demand for very short-tenor SPNS rose 18.24% to IDR13.69 trillion from IDR11.58 trillion, and the bid-to-cover ratio for one of the series exceeded 10x. By contrast, interest in long tenors weakened, as reflected in bid-to-cover ratios declining toward 1x and long-tenor yields nearing 6.8%. This shift was driven by global uncertainty, higher oil prices, the Federal Reserve's cautious stance, rupiah weakness, and government debt maturities of IDR144.42 trillion in April 2026. The government continued to limit absorption in very short tenors to contain refinancing risk.
- **Corporate bond and sukuk issuance on the IDX has continued to increase since the beginning of the year.** From January 1, 2026, through April 11, 2026, the IDX recorded 48 bond and sukuk issuances from 32 issuers, totaling IDR52.44 trillion. Overall, as of April 11, 2026, listed corporate bonds and sukuk reached 688 issuances with an outstanding value of IDR564.69 trillion and USD149.41 million, while government debt securities totaled 190 series worth IDR6,745.18 trillion and USD352.10 million, along with seven asset-backed securities issuances worth IDR3.57 trillion. The latest addition came from Shelf-Registered Bond II Bank Mandiri Taspen Phase II Year 2026, worth IDR1.5 trillion, which was listed on April 8, 2026, and received an $_{\text{id}}$AAA rating from PEFINDO.
- **PEFINDO maintained MEDC's rating at a high level with a stable outlook.** On April 10, 2026, PEFINDO affirmed the $_{\text{id}}$AA- rating with a Stable outlook for Shelf-Registered Bond V and VI of PT Medco Energi Internasional Tbk, covering several issuance series from 2021-2025. The rating is valid from April 6, 2026, to April 1, 2027, for most of the series, while Shelf-Registered Bond V Phase I Year 2023 Series A remains valid until July 7, 2026. PEFINDO stated that the rating is supported by company data, including audited financial statements as of December 31, 2025, and reflects MEDC's strong ability to meet its long-term obligations.
- **MEDC added foreign-currency funding for refinancing and debt management.** On April 9, 2026, MEDC announced plans to issue new senior notes worth USD200 million through Medco Cypress Tree Pte. Ltd. with a 2030 maturity, an 8.625% annual coupon, and an issue price of 103.072%. These notes will be added to the USD400 million Senior Notes issued on May 19, 2025, bringing the total 2030 series bearing 8.625% interest to USD600 million. Proceeds from the issuance will be used for a tender offer, refinancing, and the



Source: Bloomberg

repayment of existing debt, including notes maturing in 2026 and 2028, thereby extending the debt maturity profile, even though it will increase consolidated financial obligations.

- **PEFINDO affirmed DEWA's rating with a still-stable outlook.** On April 9, 2026, PEFINDO again assigned an idA rating to PT Darma Henwa Tbk with a Stable outlook. The rating reflects DEWA's strategic position for its shareholders and the company's strong revenue visibility. However, the rating remains constrained by a moderate capital structure, business expansion, and exposure to commodity price fluctuations and industry competition. PEFINDO stated that the rating could be upgraded if revenue, EBITDA, and cash flow exceed projections, but it could be downgraded if profitability weakens or debt rises above expectations.
- **OKI Pulp & Paper Mills repaid bonds that matured in early April 2026.** On April 7, 2026, the company announced that it had repaid the Shelf-Registered Bond II Phase I Year 2025 Series A, which matured on April 6, 2026, in the amount of IDR717.71 billion, and the Shelf-Registered USD Bond II Phase I Year 2025 Series A in the amount of USD590 thousand, both through KSEI. The repayment was also reported to OJK, IDX, and PT Bank KB Indonesia Tbk as trustee.
- **SMI terminated its previous shelf-registered bond and sukuk program to prepare a new funding scheme.** This decision was submitted to OJK through a letter dated April 2, 2026, and published on April 6, 2026. Since obtaining an effective statement in June 2024, SMI has raised IDR9.94 trillion from Shelf-Registered Bond IV in four phases and IDR2.62 trillion from Shelf-Registered Mudharabah Sukuk III in two phases. With this termination, the remaining unfunded target stood at IDR10.05 trillion for bonds and IDR5.37 trillion for sukuk. The company stated that this step was taken because it is preparing a new bond and sukuk program that is considered more flexible and better aligned with its long-term funding strategy.
- **PTPP extended the maturities of several bonds and sukuk.** These changes were approved through meetings of bondholders and sukuk holders. Shelf-Registered Bond III Phase III Year 2023 was extended to April 11, 2027, from April 11, 2026, with a fixed coupon of 8.8% per year, while Shelf-Registered Bond III Phase I Year 2021 Series B was extended to July 2, 2027, from July 2, 2026, with a fixed interest rate of 9.1% per year. In the Sharia instruments, Shelf-Registered Mudharabah Sukuk I Phase I Year 2021 Series B was extended to July 2, 2027, from July 2, 2026, and Shelf-Registered Mudharabah Sukuk I Phase III Year 2023 to April 11, 2027, from April 11, 2026, both with floating returns.
- **PTPN's MTN will mature in July 2026 and is planned to be repaid with internal funds.** The maturing instrument is MTN II PTPN V Year 2021, worth IDR445 billion with an idA rating and a maturity date of July 13, 2026. PEFINDO stated that PTPN IV plans to repay the obligation using internal funds, supported by cash and cash equivalents of around IDR11.1 trillion as of February 28, 2026. This MTN was registered with KSEI on September 10, 2021, with an annual return of 11.25%.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
FR0108	6.50	04/15/36	20,000.00	99.78	6.53	10,368,135
FR0104	6.50	07/15/30	5,000.00	101.00	6.23	9,140,889
FR0086	5.50	04/15/26	400,000.00	100.00	--	8,457,541
FR0103	6.75	07/15/35	25,000.00	100.93	6.61	8,429,620
PBS003	6.00	01/15/27	188.00	100.30	5.57	8,236,403

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	90,000	105.76	9.05	1,225,000
Sukuk Ijarah I BUMA Year 2025 Series B	idA+(sy)/ A+(idn)	8.50	03/26/28	3,000	100.14	8.42	670,000
Bond III Integrasi Jaringan Ekosistem Year 2026 Series A	idA	7.75	04/19/27	500	100.50	--	665,700

Shelf Registration Sustainability Bond I Bank BNI Phase I Year 2025 Series A	idAAA	6.60	07/04/28	30,000	100.35	6.43	570,000
Shelf Registration Sukuk Mudharabah IV Indah Kiat Pulp & Paper Phase V Year 2025	idA+(sy)	9.50	09/30/30	90,000	101.36	9.12	554,000

Corporate Bonds Issuance

Throughout the second week of April 2026, 2 companies issued corporate debt securities valued at IDR4,000 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Bank Mandiri Taspen	Shelf Registration Bond II Phase II Year 2026 Series A	Apr-8-2026	300.00	5.95	3	idAAA
2	PT Bank Mandiri Taspen	Shelf Registration Bond II Phase II Year 2026 Series B	Apr-8-2026	1,200.00	6.35	5	idAAA
3	PT Integrasi Jaringan Ekosistem	Bond III Year 2026 Series A	Apr-10-2026	806.90	7.75	1	idA/irA+
4	PT Integrasi Jaringan Ekosistem	Bond III Year 2026 Series B	Apr-10-2026	99.90	8.50	2	idA/irA+
5	PT Integrasi Jaringan Ekosistem	Bond III Year 2026 Series C	Apr-10-2026	343.20	9.75	3	idA/irA+
6	PT Integrasi Jaringan Ekosistem	Sukuk Ijarah II Year 2026 Series A	Apr-10-2026	676.20	7.75	1	idA(sy)/irA+
7	PT Integrasi Jaringan Ekosistem	Sukuk Ijarah II Year 2026 Series B	Apr-10-2026	70.00	8.50	2	idA(sy)/irA+
8	PT Integrasi Jaringan Ekosistem	Sukuk Ijarah II Year 2026 Series C	Apr-10-2026	503.80	9.75	3	idA(sy)/irA+
	Total			**4,000.00**			

Source: KSEI, IDX, database PEFINDO.

Corporate Bonds Maturity for May 2026 Reaches IDR5.06 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Mora Telematika Indonesia Tbk	Shelf Registration Sukuk Ijarah I Phase IV Year 2021 Series B	4-May-26	30.90	11.00	5	idA+(sy)
2	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Bond I Phase II Year 2025 Series A	10-May-26	856.16	7.00	1	idA+
3	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series A	10-May-26	345.86	7.00	1	idA+(sy)
4	PT Widodo Makmur Perkasa Tbk	MTN Year 2023 Phase I	10-May-26	44.96	5.00	3	-
5	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase II Series A	16-May-26	5.03	7.00	3	irAA-
6	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase II Series B	16-May-26	5.87	7.00	3	irAA-
7	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase II Series C	16-May-26	16.76	7.00	3	irAA-
8	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond III Phase III Year 2023 Series B	17-May-26	1,914.12	6.70	3	idAAA
9	PT Mandiri Tunas Finance	Shelf Registration Bond V Phase II Year 2021 Series B	20-May-26	485.70	7.65	5	idAAA
10	PT Medco Power Indonesia	Sukuk Wakalah II Year 2019 Series C	23-May-26	10.30	11.10	7	idA(sy)
11	PT Perkebunan Nusantara I	MTN Year 2018	25-May-26	500.00	10.75	8	idBBB
12	PT Semen Indonesia (Persero) Tbk	Shelf Registration Bond I Phase II Year 2019 Series B	28-May-26	714.00	9.10	7	idAAA
13	PT Waskita Karya Realty	MTN III Phase I Year 2022	30-May-26	135.00	12.10	4	-
	Total			**5,064.64**			

Weekly Sector Highlights

During 6–10 April 2026, domestic sectoral sentiment was still predominantly influenced by the impact of escalating geopolitical conflicts, as well as the potential policy responses anticipated from the government in reaction to these developments.

Industries	Sentiment & Significance	News Highlights
Automotive	●● (green)	**Government Accelerates the Electric Vehicle Ecosystem.** The government continues to promote the development of the electric vehicle ecosystem as part of a long-term energy conservation and decarbonization strategy, supported by regulations, a national roadmap, and fiscal incentives. The 2030 targets include ownership of 0.4–0.6 million electric cars and 2.9–3.8 million electric motorcycles, although current penetration remains well below 1% of the total vehicle population. Acceleration efforts are focused on the provision of incentives, expansion of public electric vehicle charging station (SPKLU) infrastructure, more attractive financing schemes, development of vehicle conversion workshops, and strengthening domestic battery production. Electric vehicles are considered crucial in reducing the fiscal burden arising from fuel imports and energy compensation, particularly amid the risk of rising global oil prices. A survey by Kompas Research and Development indicates strong public support for electric vehicle adoption, although challenges persist related to pricing, driving range, and charging time. Going forward, cross-sector collaboration and consistent policy implementation will be key to accelerating the electric vehicle transition in Indonesia.
Banking	●● (red)	**Working Capital Credit Slows, Signaling Constrained Business Expansion.** Growth in banking working capital credit remained sluggish in February 2026, reflecting businesses' cautious approach toward expansion. The Financial Services Authority (OJK) recorded total banking credit growth of 9.37% year-on-year; however, this growth was primarily supported by investment loans, which surged 20.7%, while working capital credit grew only 3.88% and continued its decelerating trend from last year. The slowdown was most pronounced in the agriculture and mining sectors, both of which recorded year-on-year contractions in credit disbursement. Household purchasing power that has yet to fully recover and ongoing global uncertainty were the main factors restraining increases in working capital credit demand. Banks have responded to these conditions by adopting more selective and conservative lending strategies, while continuing to maintain liquidity. Going forward, the recovery of working capital credit is expected to be highly dependent on improvements in domestic consumption and overall economic stability.
Construction	●●● (red)	**Performance of State-Owned Construction Companies Remains Under Pressure in 2025.** PT PP Tbk (PTPP), PT Wijaya Karya Tbk (WIKA), and PT Waskita Karya Tbk (WSKT) continue to experience performance challenges. PTPP and WIKA recorded a sharp increase in losses, primarily due to declining revenues and swelling expenses, particularly from impairment losses and rising operating costs. WSKT also continues to post losses, although relatively more moderate, yet still carries the largest liabilities among other state-owned construction companies. The sector's outlook remains challenging amid a shift in the state budget (APBN) focus from infrastructure toward social programs and food security, which limits the potential for new contracts. Going forward, the completion of projects in the Indonesian Capital City (IKN) and National Strategic Projects (PSN) is expected to be the main support, while planned mergers among issuers risk further straining cash flows if debt restructuring is not completed beforehand. Therefore, measures such as debt restructuring, asset divestment, and tighter project acceptance policies are viewed as the most rational options to mitigate further risks.
Insurance and Guarantee	●● (red)	**Rising Risks in the Insurance Industry.** Geopolitical tensions are having a significant impact on the global insurance industry, including in Indonesia. IFG Progress notes that disruptions in the Strait of Hormuz directly increase risks related to shipping, energy distribution, and trade credit, thereby affecting insurance insurability aspects without passing through macroeconomic sentiment transmission channels. Under these conditions, the role of insurance is evolving from merely a cost component into a determining factor for the continuity of global trade, transportation, and energy distribution. Marine insurance (hull and cargo), energy and infrastructure insurance, aviation insurance, and trade credit insurance are among the most affected segments, as indicated by rising premiums, tighter policy terms, and increased operational risks. Pressure is also emerging from declining oil production and disruptions in energy supply chains, which heighten the potential for losses due to asset concentration in conflict areas. On the financial side, claims cost inflation, financial market volatility, and rising bond yields are further increasing the complexity of risk for both general and life insurance.

Industries	Sentiment & Significance	News Highlights
Mining	●● (green)	**Commodity Prices Support the Performance of Nickel Issuers.** Most nickel-producing issuers recorded growth in net profit throughout 2025, in line with the improvement in global nickel prices in the second half of last year, as well as increased efficiency and production volumes. Nickel price dynamics, operational optimization, and the massive rollout of downstream processing projects have been the main factors supporting performance, particularly for issuers integrated from upstream to downstream. Entering 2026, the outlook for the nickel sector is assessed to remain constructive, with nickel prices expected to be maintained in the range of USD17,000 per ton, driven by demand from the stainless steel industry and electric vehicle battery production. Nevertheless, industry players still need to be mindful of external risks such as commodity price volatility, trade policy developments, and depreciation of the rupiah exchange rate. Issuers with low production costs, well-established downstream facilities, and strong offtake contracts are projected to have the most solid performance prospects.
Multifinance	○	**Multifinance Begins to Recover, with Expansion Kept Under Tight Control.** The performance of the multifinance industry in the first quarter of 2026 has begun to show signs of recovery, although the pace of growth remains uneven across players and segments. The Financial Services Authority (OJK) assesses that prospects for financing growth remain open; however, expansion strategies have become more selective to mitigate default risks amid uncertainty in household purchasing power. OJK data show that financing receivables grew at a moderate pace, alongside an increase in non-performing financing (NPF), indicating rising asset quality risks. This condition has prompted multifinance companies to focus their strategies on strengthening portfolio quality, productivity, and business process efficiency. Going forward, the sustainability of the industry's recovery will be highly dependent on domestic economic stability and the ability of industry players to maintain a balance between growth and risk management.
Oil and Gas	● (green)	**Realization of Subsidized Fuel Consumption in the First Quarter of 2026 Remains Below the National Quota.** The Downstream Oil and Gas Regulatory Agency (BPH Migas) reported that the realization of subsidized and compensated fuel consumption in the first quarter of 2026 remained below the national quota, reflecting controlled energy distribution. As of the first 90 days of 2026, Pertalite absorption was recorded at 23.52% of the annual quota, while kerosene and diesel each reached 24.52% and 24.49%, respectively. BPH Migas assessed that this condition indicates stable fuel distribution across all regions and sufficient support for community economic activities without supply constraints. From an energy resilience perspective, national stock levels were considered secure, with Pertalite coverage of 18.1 days, Pertamax 22.1 days, and aviation fuel (avtur) 28.1 days. By comparison, fuel consumption throughout 2025 was significantly higher, whereas realization in early 2026 remains relatively moderate.
Plantation and Agriculture	●● (red)	**B50 and the Urgency of Reforming National Palm Oil Governance.** The government will implement the mandatory B50 biodiesel policy starting on 1 July 2026. However, the escalation of the palm oil–based biodiesel program has the potential to accelerate the expansion of oil palm plantations, which have historically been strongly correlated with increased deforestation, particularly following the end of the oil palm land moratorium. Data show that palm oil expansion surged again during the 2021–2024 period, in line with rising supply requirements driven by the B40 and B50 policies. In fact, production increases can be achieved without land expansion through improvements in the productivity of existing plantations, which remain far below optimal potential. Therefore, reform of the national palm oil sector is becoming increasingly critical, especially by redirecting palm oil funds from biodiesel incentives toward smallholder replanting programs and improvements in governance. The transition to biodiesel based on used cooking oil is also assessed as capable of supporting fiscal sustainability, environmental protection, and economic inclusion without exacerbating deforestation pressures.
Power and Energy	●● (green)	**Performance Outlook for New and Renewable Energy (NRE) Issuers in 2026.** PT Barito Renewables Energy Tbk (BREN) and PT Arkora Hydro Tbk (ARKO) recorded growth in revenue and earnings in 2025, supported respectively by stable geothermal production and contributions from new units, as well as aggressive expansion in the hydropower segment. Meanwhile, PT Pertamina Geothermal Energy Tbk (PGEO) and PT Kencana Energi Lestari Tbk (KEEN) experienced performance pressures. Nevertheless, the outlook for the NRE sector in 2026 is considered to remain positive, in line with the commencement of operations of several green power plant projects and strategic investment support, including from BPI Danantara, as well as global decarbonization trends. The main challenges continue to stem from the depreciation of the rupiah, which has the potential to increase capital expenditure requirements given the high reliance on imported components. In addition, uncertainty surrounding tariff negotiations in power purchase agreements with PLN and limitations in transmission infrastructure also represent structural constraints. Going

Industries	Sentiment & Significance	News Highlights
		forward, issuers with projects that have reached commercial operation, stable cash flows, long-term PPA contracts, and access to low-cost green financing are expected to have the strongest performance prospects.
Property		**Purchasing Power Pressures Weigh on Property Issuers' Performance, Challenges Continue into 2026.** The performance of property issuers throughout 2025 continued to show mixed results, with several developers recording profit growth while others experienced significant pressure. Issuers with strong recurring income streams, such as those from commercial and mall segments, were relatively more resilient amid weakening purchasing power and rising interest rates. In contrast, issuers more reliant on residential sales faced pressure due to delayed project handovers, high interest expenses, and a high performance base in the previous year. Entering 2026, the property sector continues to face challenges stemming from inflation-weakened purchasing power among the lower-middle class, geopolitical uncertainty, and the potential for rising construction material prices. Nevertheless, positive sentiment is supported by the potential for interest rate cuts, value-added tax (VAT) incentives borne by the government (PPN DTP), and relatively solid demand in the upper-middle segment. Going forward, issuers with large township portfolios and stable revenue streams are expected to maintain stronger resilience.
Transportation and Vehicle Rent		**Government Allows Limited Increase in Domestic Airfare Tariffs in the Range of 9%–13%.** This policy is intended to accommodate the surge in global aviation fuel (avtur) prices resulting from geopolitical tensions in the Middle East. At the same time, the government increased the fuel surcharge to 38% for all aircraft types, in response to avtur prices rising by 70%–80% year-on-year. Nevertheless, the evaluation of the upper fare limit (TBA) has been postponed to help preserve public purchasing power. As a mitigation measure, the government has provided a value-added tax borne by the government (PPN DTP) incentive of 11% for domestic economy-class flight tickets for a two-month period, with a budget allocation of IDR2.6 trillion. This policy aims to balance the sustainability of the aviation industry with consumer protection amid mounting operational cost pressures on airlines. The government has also prepared additional support measures, including the elimination of import duties on aircraft spare parts, to help suppress costs and maintain fare stability.

Source: CNBC Indonesia, CNN Indonesia, Harian Ekonomi Neraca, Harian Kontan, IDN Financials Investor Daily, and Kompas (2026).

Weekly Economic Update

Presented by the Economic Research Division of PEFINDO
pef-economic@pefindo.co.id

Macroeconomic Development	: Suhindarto
Commodity and Stock Market Development	: Yollanda Nalita
Exchange Rates and Bond Market Development	: Ahmad Nasrudin
Issuance and Maturity Corporate Debt Securities	: Wasis Kurnianto
Sectoral Highlights	: Anindita Budi Rahmayani

Disclaimer:

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fair value of debt securities and/or the value of the entity assigned a rating by PEFINDO.

All the data and information needed in the rating process are obtained from the party requesting the rating, which is considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every piece of information and data received and used as the basis for the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them.

PEFINDO and every one of its members of the Board of Directors, Commissioners, Shareholders, and Employees are not responsible to any party for losses, costs, and expenses suffered or that arise because of the use of the contents and/or information in this rating report or publication, either directly or indirectly.

PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process.

PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process.

Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publications and publish the results of the review of the published ratings, both periodically and specifically, in case there are material facts or important events that could affect the previous ratings.

Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of content related to the ratings given by PEFINDO.