Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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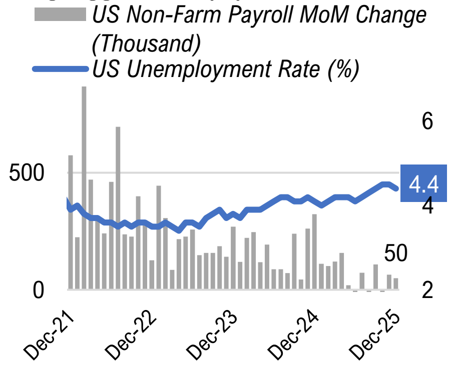
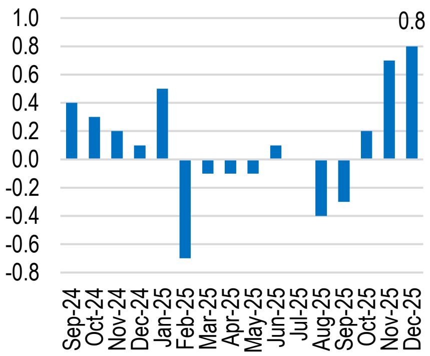
Data Highlights of the Week

***Non-Farm Payroll* dan Tingkat Pengangguran AS (%)**



Sumber: Bloomberg

Inflasi Konsumen Tiongkok (% YoY)



Sumber: Bloomberg

The Domestic Economy Closed 2025 on a Positive Note Amid Remaining High Global Risks

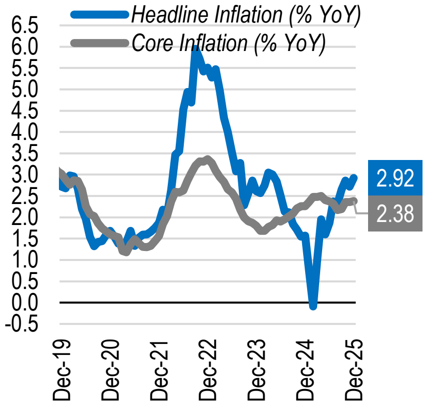
Global Economic

- **Global geopolitical tensions have remained high over the past week.** Following the arrest of the Venezuelan President by the United States (US), tensions continued as the US State Department urged its citizens to leave Venezuela as armed militias, known as the Colectivos, were hunting US citizens. Furthermore, the US withdrew from 66 international organizations deemed "not serving US interests." Tensions between China and Japan also continued to escalate, with China announcing tightened export controls to Japan for goods potentially used for military purposes. Media reports indicated that China had begun reducing exports of rare earth minerals and halting imports of sake and food.
- **The US labor market strengthened slightly.** The US economy added 50,000 jobs in Dec’25, lower than 56,000 in Nov’25 and below expectations (60,000). Throughout 2025, the number of workers registered in the payroll system experienced a slowdown in growth of 584,000, equivalent to a monthly average increase of 49,000 (2024: an increase of 2.0 million). On the wage side, average hourly earnings for all employees in the US non-farm private sector rose 12 cents (0.3%) over the month to USD37.02 (Nov’25: 0.2%). Over the past 12 months, average hourly earnings have increased by 3.8%, the highest in four months (Nov’25: 3.6%). Overall, the US unemployment rate in Dec’25 fell slightly to 4.4% (Nov 25: 4.5%).
- **The Eurozone reported that two of its key economic indicators, inflation and the unemployment rate, continued to be in good shape.** The preliminary estimate for Eurozone consumer price inflation in Dec’25 slowed to 2.0% YoY (Nov’25: 2.1%). This marked the lowest level since Aug’25 and returned to the ECB's midpoint target, reinforcing expectations that interest rates are likely to remain stable for the foreseeable future. Core inflation also fell to 2.3% YoY, the lowest in four months. Meanwhile, the seasonally adjusted unemployment rate in the Eurozone fell slightly to 6.3% in Nov’25 (6.4% in Oct’25), the lowest since April.
- **Japan's nominal wages slowed sharply in November 2025**, rising just 0.5% YoY (Oct’25: 2.5%), well below market expectations of 2.3%. This was the weakest pace of wage growth in nearly four years, driven largely by a sharp 17% reduction in annual bonus payments. This brought real wages down 2.8% YoY, the sharpest contraction since Jan’25. The widening gap between wages and inflation complicates the Bank of Japan's policy outlook, as policymakers have signaled further monetary tightening will depend on sustained and broad-based wage increases.
- **China's inflation rate in Dec’25 edged up to 0.8% YoY** (Nov’25: 0.7%), continuing a three-month positive trend and marking the highest level since Feb’23, although still below market expectations of 0.9%. Food prices rose by the most in 14 months (1.1%) due to sharper price increases for fresh fruits and vegetables. Core inflation remained at 1.2% YoY, remaining at a 20-month high. With inflation remaining subdued, **the People's Bank of China announced it would cut the reserve requirement ratio (RRR) and interest rates in 2026** to maintain abundant liquidity and maintain a moderately loose monetary policy.
- **Vietnam's economy grew 8.46% YoY in Q4-2025** (Q3-2025: 8.25%), marking the fastest pace since Q4-2007. All sectors recorded solid growth, including industry and construction (9.73%), services (8.82%), and agriculture (3.70%). For the full year of 2025, Vietnam's GDP grew by 8.02%, the strongest performance since 2011. For 2026, Vietnam is targeting 10% economic growth, but the Bank of Vietnam stated that this target is quite challenging.

Domestic Economy

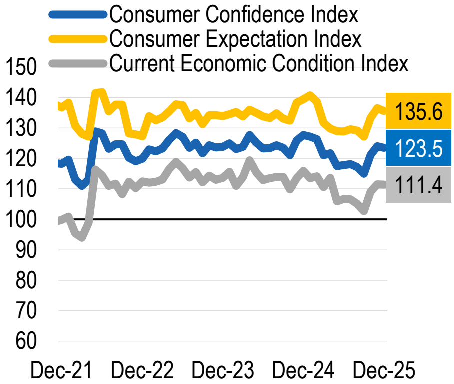
- **Indonesian consumer inflation in Dec’25 rose to 2.92% YoY** (Nov’25: 2.72%), the highest since Apr’24, but remained within Bank Indonesia's target range (1.5%-3.5%). Food prices rose at the fastest pace in three months (4.58%), along with housing costs (1.62% vs. 1.57%), transportation (1.23% vs. 0.71%), and recreation (1.17% vs. 1.15%). Meanwhile,

Indonesian Inflation Rate (% YoY)



Source: Bloomberg

Indonesia Consumer Confidence Index



Source: Bank Indonesia

Upcoming Week Economic Calendar

Date	Development Releases
Jan 12	Indian Inflation Desc'25
	Indonesia Retail Sales Survey Nov'25 and Projection Dec'25
Jan 13	US Consumer Inflation Dec'25
Jan 14	US Fiscal Budget Realization Dec'25
	China Trade Balance Dec'25
	US Producer Inflation Dec'25
	China's New Yuan Loan Dec'25
	Indonesia's Foreign Debt Nov'25
Jan 15	South Korea's Benchmark Interest Rate
	UK GDP Nov'25
	Eurozone Trade Balance Nov'25
	South Korea Unemployment Rate Dec'25

Spotlight on Commodity Price Trends
(as of January 9, 2026)

communication costs continued to contract (-0.28% vs. -0.25%). Core inflation stood at 2.38% YoY (Nov 2025: 2.36%), the highest level since May 2025.

- **Indonesia's consumer confidence index in Dec'25 remained optimistic, although it dipped slightly from a nine-month high of 123.5** (Nov'25: 124.0). The decline was driven by a decline in the current income index (120.2 from 121.5), the durable goods purchases index (107.6 from 109.4), the job availability expectations index (135.1 from 135.3), and the business activity expectations index (130.8 from 133.8).
- **Motor vehicle sales were observed to surge at the end of the year.** New car sales in Indonesia in Dec'25 surged 25.7% YoY to 100,163 units, a sharp recovery from Nov'25 (-0.8% YoY). The year-end increase was supported by seasonal promotions and increased consumer demand during the long holiday season. For the full year 2025, total car sales fell 6.8% YoY to 808,450 units, reflecting overall market weakness. Meanwhile, motorcycle sales in Dec'25 also jumped 14.5% YoY to 461,925 units (2.1% in Nov'25), marking the fifth consecutive month of positive sales growth. Full-year motorcycle sales rose 1.3% to 6.4 million units, achieving the association's target of 6.4 million to 6.7 million.
- **The initial report of the 2025 State Budget realization shows a budget deficit of IDR695.1 trillion (2.92% of GDP), larger than the estimated 2.78% and higher than in 2024 (2.3%).** This deficit is the largest since 2005, excluding the pandemic period. Government revenue contracted 3.3% to IDR2,756.3 trillion (91.7% of the target), while government spending grew 2.7% to IDR3,451.4 trillion (95.3% of the target). This situation also widened budget financing to IDR744.0 trillion, or 120.8% of the target (up 34.1% from 2024).
- **Indonesia's trade surplus in Nov'25 narrowed to USD2.66 billion** (Nov'24: USD4.34 billion). Exports fell 6.6% YoY to a seven-month low of USD22.52 billion, marking the second consecutive monthly decline and the sharpest decline since Feb'24. Meanwhile, imports grew 0.46% YoY (Oct'25: -1.15%). For the first eleven months of 2025, Indonesia recorded a surplus of USD38.54 billion, with exports and imports increasing 5.61% and 2.03% YoY, respectively.
- **Indonesia's foreign exchange reserves reportedly increased to USD156.5 billion in Dec'25** (Nov'25: USD150.1 billion), the highest level since Mar'25. The increase was primarily driven by tax and service revenues, the issuance of government global sukuk (Islamic bonds), and the withdrawal of government foreign loans. The current level is sufficient to cover 6.4 months of imports (well above the international standard of 3 months of imports).

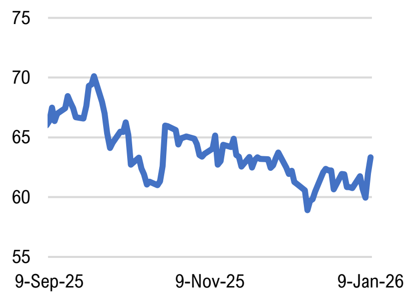
Week Ahead Highlights

In the second week of 2026, several key data points will be released from developed countries, such as the US consumer and producer inflation rates for December 2025, the UK's GDP for November 2025, Germany's GDP for 2025, and the Eurozone's trade balance. Meanwhile, from developing countries, China will release its credit distribution and trade balance data for December 2025, which will provide an overview of the impact of the trade war. Meanwhile, India will release its consumer inflation data, South Korea will release its unemployment data and set its benchmark interest rate, and Malaysia will release its Q4-2025 GDP data. Domestically, information from the retail sales survey report and external debt developments will be available in November 2025.

Commodity prices strengthened, supported by higher geopolitical risk premiums and expectations of tighter supply, although underlying global demand fundamentals remain moderate.

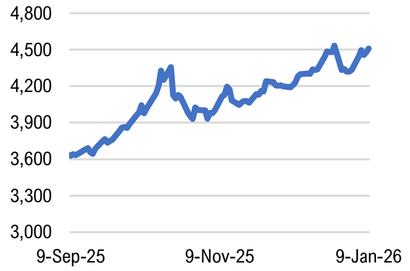
- **Brent crude oil prices posted a strong gain of around 4.26% over the past week,** closing at USD63.34 per barrel at the end of Friday's trading (Jan 9), driven by sharp rallies in the last two sessions of the week. On Thursday, Brent jumped 3.4% to USD61.99 per barrel, followed by a further 2.18% rise the next day, amid growing concerns over potential global supply disruptions. The main sentiment stemmed from escalating geopolitical risks, particularly the Venezuela crisis after the United States tightened control over exports and seized related oil tankers, as well as rising supply

Brent Crude Oil (USD/Barrel)



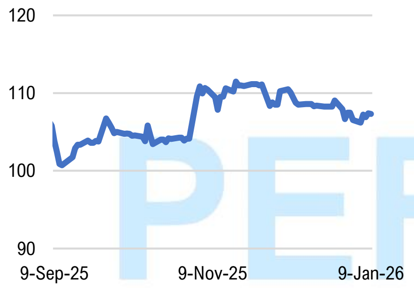
Closing (USD/Brl)	(% Change)			
	WoW	MoM	YoY	YTD
63.34	4.26	2.26	-17.65	4.09

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,509.50	4.09	7.16	69.07	4.40

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
107.30	0.70	-2.54	-7.30	-0.19

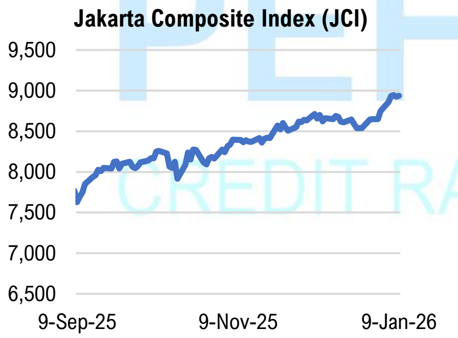
risks from Iran due to nationwide protests that could disrupt around 2% of global supply. Additional pressure came from the Russia–Ukraine conflict and shipping security issues in the Black Sea, while Iraq also drew attention in relation to the restructuring of its oil and gas assets. Nevertheless, the market recognizes that global inventories remain relatively ample, indicating that the recent rally reflects a higher geopolitical risk premium rather than a fundamental tightening of short-term supply.

- **Gold prices recorded a weekly gain of about 4.09%,** supported by macroeconomic and geopolitical sentiment that bolstered demand for safe-haven assets. Market data showed spot gold rising to around USD4,509.50 per ounce, maintaining a solid upward weekly trajectory. The rally was mainly driven by weaker-than-expected U.S. labor data, with nonfarm payrolls increasing by only 50,000, below the 60,000 forecast, signaling a cooling labor market. This strengthened expectations of a more accommodative Federal Reserve and increased the likelihood of interest rate cuts, which are historically favorable for precious metals. In addition, heightened global geopolitical uncertainty—including protests in Iran, the Russia–Ukraine war, and developments in Venezuela—further lifted hedging demand for gold. Although retail demand in some countries remains constrained by high prices, the combination of supportive fundamentals and elevated global risks continues to sustain gold's bullish weekly momentum.
- **Global coal prices rose about 0.70% over the past week,** supported by tightening supply sentiment following Indonesia's announcement of revisions to the 2026 Work Plan and Budget (RKAB) regulations. Positive sentiment emerged as the Ministry of Energy and Mineral Resources required companies to revise their RKAB and limited production to a maximum of 25% during the transition period until March 2026, as part of efforts to control national output. The policy is perceived by the market as a move to curb oversupply amid still-moderate global demand, thereby providing short-term price support even though Asian demand fundamentals have yet to fully recover.
- **Nickel prices still posted a weekly gain of around 4.48%** despite a sharp correction toward the end of the week, as the market responded to supply policy dynamics in Indonesia and movements in global inventories. Throughout the week, sentiment was driven by expectations of tighter supply following the government's plan to cut 2026 production quotas (RKAB) to rebalance the market and support prices, which had previously fueled a rally of more than 30% since December. However, prices came under pressure in the latest session after the government did not disclose detailed quota figures, raising concerns that supply curbs might be less stringent than anticipated. Additional downside pressure came from a surge in nickel inventories at LME warehouses to their highest level since 2018, prompting profit-taking. The interplay between prospects of tighter policy-driven supply and rising stocks has driven volatility, yet overall nickel prices still managed to maintain a positive weekly performance.
- **Crude palm oil (CPO) prices recorded a weekly increase of about 1.13%,** reflecting improving sentiment in the global vegetable oil market driven by a combination of policy and energy factors. The rally was mainly fueled by Indonesia's plan to raise export levies on palm oil to support funding for its biodiesel program, a move seen as potentially diverting some demand to Malaysia and tightening supply in the international market. In addition, gains in rival vegetable oils, such as soybean oil in Dalian and Chicago, enhanced CPO's attractiveness amid competition among edible oils. Further support came from higher global crude oil prices amid rising geopolitical risks in Venezuela and Iran, which improved the outlook for CPO demand as a biodiesel feedstock. Nevertheless, market participants remain attentive to technical factors and regional stock dynamics, suggesting that price gains may remain selective and volatile in the short term.

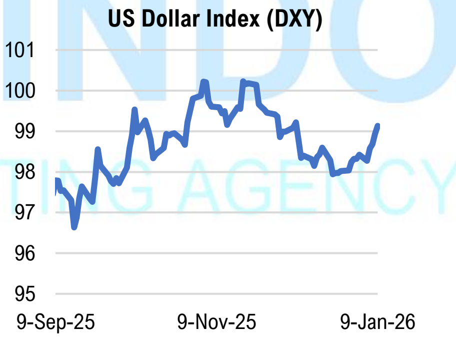
Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	3.17	-12.41	-30.72	-14.37	-14.03	Crude Palm Oil (MYR/Ton)	4,036.00	1.13	-1.70	-6.05	-0.35
Nickel (USD/MT)	17,534.62	4.88	19.82	8.68	5.98	Rubber (USD/Kg)	183.60	1.05	7.18	-2.18	2.06
Copper (USD/MT)	12,998.00	4.24	13.15	43.17	4.63	Wheat (cents/bu)	517.25	2.12	-3.54	-3.14	2.02
Aluminium (USD/MT)	3,136.00	4.00	9.78	23.51	4.69	Corn (cents/bu)	445.75	1.89	1.13	-2.25	1.25
Iron Ore (USD/MT)	110.88	2.55	4.43	16.84	3.79	Sugar (c/lb)	14.89	1.99	1.50	-22.04	-0.80

Global and domestic equity markets posted solid gains, driven by optimism over interest rate cuts, a rally in the semiconductor sector, and renewed interest in commodity-related stocks. The U.S. dollar index and the rupiah weakened amid uncertainty over labor data and rising risk premiums.

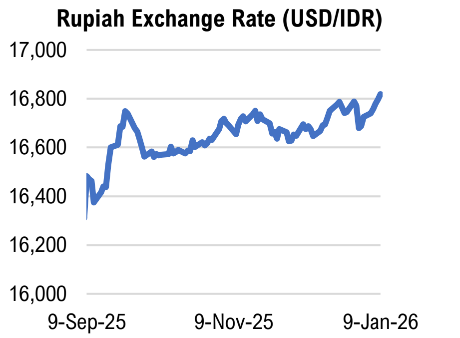
- **Over the past week, Wall Street delivered a solid performance, with the S&P 500 rising 1.57%, the Nasdaq Composite gaining 1.88%, and the Dow Jones Industrial Average climbing 2.32%,** driven by optimism over monetary easing prospects and a strong rally in semiconductor stocks. The S&P 500 even closed at a record high, supported by sharp gains in chipmakers such as Broadcom, Lam Research, and Intel, amid strengthening narratives around artificial intelligence monetization and improving earnings prospects in the technology sector. Weaker U.S. labor data—marked by slower nonfarm payroll growth despite the unemployment rate falling to 4.4%—did not undermine sentiment, instead reinforcing expectations of Federal Reserve rate cuts this year. Meanwhile, sector rotation became more evident, with materials, utilities, and value stocks beginning to outperform growth stocks, reflecting a shift in investor preference toward cyclical sectors amid still-elevated market valuations.
- **JCI delivered a very strong performance during the week of January 5–9, 2026, rising 2.16%** to 8,936.75 and briefly setting a new intraday record above 9,000, supported by a combination of domestic and global factors. The rally was underpinned by solid macroeconomic data, particularly Dec'25 inflation, which remained contained at 2.92% YoY, as well as an increase in foreign exchange reserves, strengthening investor confidence in economic stability. From the global side, escalating U.S.–Venezuela tensions lifted gold prices as a safe-haven asset, benefiting commodity-related stocks. In addition, higher nickel prices boosted mining shares and supported the broader index. Strong buying interest and optimism over a more accommodative global interest rate outlook further reinforced sentiment, although the market has begun to watch for potential volatility and profit-taking as the JCI enters overbought territory.
- **The U.S. dollar index strengthened in anticipation of labor data**. The U.S. dollar index (DXY) rose 0.72% to 99.13 for the week ending January 9, 2026. Although the addition of 50,000 jobs in December fell below market expectations of 60,000, the unemployment rate's decline to 4.4% supported expectations for the Federal Reserve to maintain steady interest rates. These labor market conditions provide context for the central bank regarding the stability of short-term borrowing costs in the near future.
- **The rupiah weakened amid rising risk premiums, despite net capital inflows**. The rupiah exchange rate against the U.S. dollar (USD/IDR) weakened by 0.56% to 16,819 in the second week of January 2026. Based on transaction data from January 5–8, 2026, non-residents recorded a net buy of IDR1.44 trillion, consisting of capital inflows into the stock market of IDR1.78 trillion and SRBI of IDR1.04 trillion; however, there was a net sell in the SBN market of IDR1.38 trillion. Cumulatively, as of January 8, 2026, non-resident investors recorded net buys across the stock market, SBN, and SRBI.



Closing	(% Change)			
	WoW	MoM	YoY	YTD
8,936.75	2.16	3.23	26.50	3.35



Closing	(% Change)			
	WoW	MoM	YoY	YTD
99.13	0.72	0.35	-9.20	-8.62



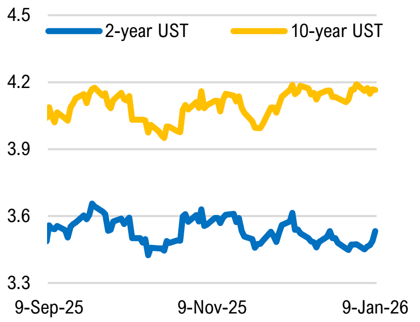
Closing	(% Change)			
	WoW	MoM	YoY	YTD
16,819	0.56	0.78	3.71	4.26

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	6,966.28	1.57	1.84	17.71	1.76	Euro (EUR/USD)	1.16	-0.70	-0.50	12.98	12.39
Dow Jones (AS)	49,504.07	2.32	4.09	16.11	3.00	Canadian Dollar (USD/CAD)	1.39	1.31	0.87	-3.35	-3.27
Nasdaq (AS)	23,671.35	1.88	0.40	21.52	1.85	Poundsterling (GBP/USD)	1.34	-0.39	0.16	8.90	7.09
Euro Stoxx 50 (Zona Euro)	5,997.47	2.51	4.88	19.52	3.56	Japanese Yen (USD/JPY)	157.89	0.67	1.20	-0.16	0.44
FTSE100 (Inggris)	10,124.60	1.74	5.01	21.69	1.95	Chinese Yuan (USD/CNY)	6.98	-0.15	-1.27	-4.83	-4.40
Nikkei225 (Jepang)	51,939.89	3.18	2.54	31.14	3.18	Singapore Dollar (USD/SGD)	1.29	0.11	-0.43	-5.91	-5.73
Shanghai (Tiongkok)	4,120.43	3.82	5.39	28.31	3.82	Malaysian Ringgit (USD/MYR)	4.07	0.48	-1.08	-9.54	-8.91
Hang Seng (Hong Kong)	26,231.79	-0.41	3.14	36.33	2.35	Thailand Baht (USD/THB)	31.37	-0.48	-1.33	-9.27	-8.67

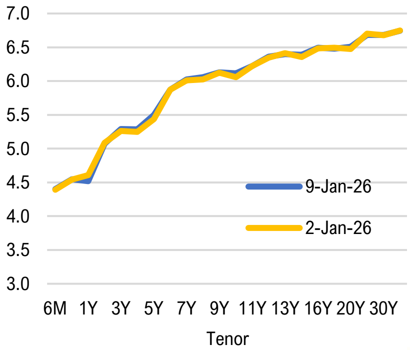
Key Data Developments in Global and National Bond Markets

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



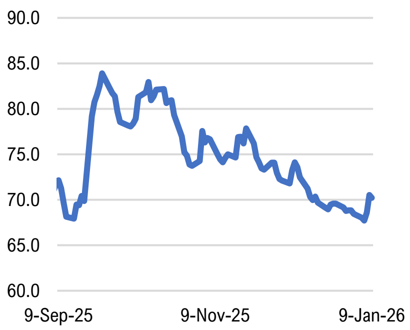
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3.532	6	-1	-73	-71
5Y: 3.750	1	2	-71	-63
10Y: 4.165	-3	2	-52	-40

Weekly Development of Government Bond Yield (%)



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 5.127	0	3	-192	-191
5Y: 5.530	1	-13	-158	-151
10Y: 6.133	9	-6	-107	-86

5 Year Credit Default Swap (CDS)

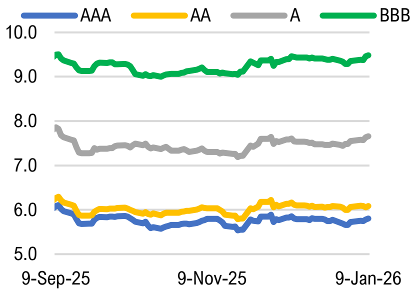


Closing	(% Change)			
	WoW	MoM	YoY	YTD
70.20	2.55	-5.28	-12.26	-11.02

Bond yields increased amid fiscal deficit pressures and aggressive government financing strategies.

- **Domestic bond yields increased amid a rise in risk premiums, despite mixed U.S. Treasury movements.** The U.S. Treasury yield curve moved widely following the anticipation of economic data and geopolitical developments. The 2-year and 5-year U.S. Treasury yields rose by 6 bps and 1 bp to 3.532% and 3.750%, respectively, while the 10-year tenor fell 3 bps to 4.165% for the week ending January 9, 2026. This movement was influenced by weekly unemployment benefit claims of 208,000, which were below market estimates, as well as investor monitoring of non-farm payroll reports and global geopolitical risks.
- **Corporate bond issuance and the U.S. fiscal deficit could pressure yields higher.** Investment-grade (IG) bond volume is projected to reach USD2.25 trillion in 2026, driven by funding needs for data center infrastructure and artificial intelligence. This increase in corporate debt supply creates competition with U.S. Treasuries, amid a U.S. federal debt position exceeding USD38 trillion and realized borrowing of USD601 billion in the first quarter of fiscal year 2026. Although tariff revenues provide temporary support, the risk of a widening deficit remains high due to plans to increase defence spending to USD1.5 trillion and potential revenue declines from tax cuts. The shifting profile of U.S. debt holders toward price-sensitive private investors, combined with a debt trajectory heading toward 150% of GDP, reinforces the risk of fiscal dominance, which could exert upward pressure on interest rates and credit spreads throughout 2026.
- **Asia-Pacific USD bond issuance is projected to increase in 2026**. Sale activity for USD-denominated bonds by Asian regional borrowers began to rise early in the year, supported by credit spreads near multi-year lows. Estimated issuance volume in the Asia-Pacific region is expected to reach USD345 billion in 2026, up from USD330 billion in the previous year. This growth is driven by funding needs for artificial intelligence infrastructure, merger and acquisition activities, and a resilient global economic outlook. The yield on the Asian investment-grade USD bond index was recorded at 8.7% last year, reflecting the stable performance of fixed-income assets amid expectations of U.S. interest rate cuts.
- **SBN yields rose alongside an increase in risk premiums and non-resident net selling.** The 10-year SBN yield increased 9 bps to 6.133% and the 5-year tenor rose 1 bp to 5.530%, while the 2-year tenor remained at the 5.127% level. This yield increase aligns with a 2.55% rise in Indonesia's 5-year CDS to 70.20, indicating an increase in investment risk premiums. These market conditions were influenced by net selling by non-resident investors in the SBN market worth IDR1.38 trillion in early January 2026.
- **The government is expanding distribution channels for Government Securities (SUN) by involving the financial technology sector**. Minister of Finance Regulation Number 94 of 2025 authorizes financial technology (Fintech) companies and Electronic System Trade Organizers (PPMSE) to act as distribution partners in the sale of SUN in the domestic primary market. This policy aims to increase investor reach, particularly in the retail segment, through networked electronic systems connected in real time with the Ministry of Finance. Based on these regulations, distribution partners must possess a valid business license, experience in financial product intermediation, and a comprehensive marketing strategy plan to support the issuance of debt instruments in both rupiah and foreign currencies.
- **Interbank Triparty Agent Repo transactions recorded value growth in the fourth quarter of 2025.** PT Kliring Penjaminan Efek Indonesia (KPEI) reported that the total transaction value of interbank Triparty Agent Repo (TPA Repo) services reached IDR335 billion through 17 transactions since its launch in September 2025. This service uses Government Securities (SUN) as collateral, with transactions settled through Bank Indonesia to mitigate operational risks and improve the efficiency of short-term liquidity management. By the end of 2025, eight major banks had joined as participants, including Bank Mandiri, BRI, BNI, and Bank Danamon, reflecting the adoption of standardized margin management mechanisms in the domestic repo market.
- **Demand for the first SUN auction of 2026 increased, with a concentration on short tenors**. The government absorbed IDR40 trillion from a total of IDR90.96 trillion in incoming bids at the auction on January 6, 2026, reflecting increased market participation compared to previous auctions. Investors showed a strong preference for short-term instruments, evidenced by the bid-to-cover ratio for the 3-month SPN series reaching 5.11

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

times, while interest in long tenors remained limited due to exchange rate volatility and geopolitical uncertainty. The gap between the yields requested by the market and the government's winning decisions indicates efforts to maintain the cost of funds amid high fiscal financing needs, with average yields for tenors of 10 years and above ranging from 6.07% to 6.69%.

- **The government completed the settlement of a SUN private placement worth IDR18.65 trillion in early January 2026.** The transaction, executed on December 30, 2025, consisted of two series of long-term state bonds with fixed coupons. The FR0076 series, valued at IDR9.14 trillion, has a coupon of 7.375% with a yield of 6.65% and matures in May 2048. Meanwhile, the FR0089 series was recorded at IDR9.51 trillion with a coupon of 6.875% and a yield of 6.67%, maturing in August 2051. Issuance through this non-auction mechanism strengthens the state financing structure at the start of the budget year by targeting institutional investor demand for long-term tenors.
- **The government has established the 2026 Retail SBN issuance schedule to support domestic financing.** The Ministry of Finance plans seven series of offerings, divided into four quarters, starting in the first quarter with ORI029 (Jan 26–Feb 19) and SR024 (Mar 6–Apr 15). Entering the second quarter, the government will offer ST016 (May 8–Jun 3), followed by ORI030 (Jul 6–Jul 30) and SR025 (Aug 21–Sep 16) in the third quarter. The 2026 issuance series will conclude in the fourth quarter through the SBR015 (Sep 28–Oct 22) and ST017 (Nov 6–Dec 2) series. This scheduling strategy aims to maintain the growth momentum of the retail investor base, which in 2025 recorded sales realizations above IDR152 trillion, while providing diversified fixed-income instruments amid global capital market fluctuations.
- **The government continues its front-loading strategy with an SBN auction target of IDR220 trillion in the first quarter of 2026**. This value accounts for 32% of the total 2026 state budget financing target of IDR689.1 trillion, which will be implemented through 11 auctions from January to March. This year's fiscal policy focus is directed toward issuance cost efficiency and optimal portfolio risk management, including the mitigation of interest rate and exchange rate risks. Additionally, the government is increasing the issuance of SPN and SPNS with varying tenors of less than one year to deepen the money market and enhance cash management flexibility.
- **Bank Indonesia officially ceased publishing JIBOR and fully implemented INDONIA starting January 1, 2026**. This benchmark interest rate reform aims to improve national financial market transparency by replacing the quotation-based basis of JIBOR with the actual transaction-based basis of INDONIA. Unlike the previous mechanism, INDONIA uses a weighted average of interbank lending transactions to better reflect real liquidity conditions. This transition is part of the G20's global standards to mitigate manipulation risks in the determination of interest rates for loans and securities. The monetary authority projects Indonesia's development over tenors up to 12 months by 2030 as part of the Money Market Development Blueprint to deepen the domestic financial market structure.
- **PT Danantara Investment Management (Persero) issued debt securities worth IDR11.38 trillion at the end of 2025 as part of an IDR65 trillion debt program**. The issuance was conducted through a non-public offering mechanism comprising Series A, worth IDR1.57 trillion, with a tenor until 2032, and Series B, worth IDR9.8 trillion, with a tenor until 2030, both offering a fixed coupon of 2% per annum. Fitch Ratings assigned an AAA(idn) rating to these instruments, reflecting the lowest default risk on a national scale. The rating is based on the entity's classification as a Government-related Entity (GRE) and its strategic role as Indonesia's sovereign wealth fund, providing expectations of full central government support for the company's operations.

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	9,900.00	102.80	6.13	10,403,422
PBS003	6.00	01/15/27	100,000.00	101.24	4.72	10,122,047
PBS030	5.88	07/15/28	240.00	102.05	4.99	9,756,746
FR0104	6.50	07/15/30	8,000.00	103.59	5.59	8,592,146
FR0087	6.50	02/15/31	20,000.00	103.84	--	7,169,391

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sukuk Wakalah I Bank Aladin Syariah Phase I Year 2025	irA-(sy)	8.25	01/18/27	500	100.00	--	537,000
Shelf Registration Bond V Indah Kiat Pulp & Paper Phase I Year 2024 Series B	idA+	10.75	10/04/29	100,000	112.51	6.91	462,000
Shelf Registration Bond III Lontar Papyrus Pulp & Paper Industry Phase I Year 2024 Series B	idA	11.00	10/04/29	40,000	105.23	9.32	403,900
Shelf Registration Bond II Provident Investasi Bersama Phase III Year 2024 Series B	idA	9.75	09/18/27	50,000	104.06	7.18	373,000
Shelf Registration Subordinated Bond IV Bank UOB Indonesia Phase II Year 2026	AA(idn)	6.50	01/09/33	11,000	99.95	--	373,000

Corporate Bonds Issuance

Throughout the second week of January 2026, there was the issuance of corporate debt securities from 5 companies with a value reaching IDR1,885 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Bank Rakyat Indonesia (Persero) Tbk	LTN *Yang Dilakukan Tanpa Melalui Penawaran Umum* V Year 2025	Jan-6-2026	33.81	0.55	13	-
2	PT Summarecon Agung Tbk	Shelf Registration Bond V Phase I Year 2025 Series A	Jan-7-2026	84.53	5.85	3	idA+
3	PT Summarecon Agung Tbk	Shelf Registration Bond V Phase I Year 2025 Series B	Jan-7-2026	267.43	6.50	5	idA+
4	PT Eagle High Plantations Tbk	Shelf Registration Bond I Phase III Year 2025 Series A	Jan-7-2026	67.20	9.75	1	idA-
5	PT Eagle High Plantations Tbk	Shelf Registration Bond I Phase III Year 2025 Series B	Jan-7-2026	142.81	11.00	3	idA-
6	PT Eagle High Plantations Tbk	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series A	Jan-7-2026	171.70	9.75	1	idA-(sy)
7	PT Eagle High Plantations Tbk	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series B	Jan-8-2026	118.30	11.00	3	idA-(sy)
8	PT Energi Mega Persada Tbk	Shelf Registration Bond I Phase I Year 2025 Series A	Jan-8-2026	75.00	6.75	1	idA+
9	PT Energi Mega Persada Tbk	Shelf Registration Bond I Phase I Year 2025 Series B	Jan-8-2026	125.00	7.75	3	idA+
10	PT Energi Mega Persada Tbk	Shelf Registration Bond I Phase I Year 2025 Series C	Jan-8-2026	300.00	8.95	5	idA+
11	PT Bank Aladin Syariah Tbk	Shelf Registration Sukuk Wakalah I Phase I Year 2025	Jan-9-2026	500.00	8.25	1	irA-(sy)
Total				1,885.77			

Source: KSEI, IDX, database PEFINDO.

Corporate Bonds Maturity for February 2026 Reaches IDR9.52 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Sinar Mas Multifinance	Shelf Registration Bond III Phase I Year 2023 Series B	7-Feb-26	851.85	10.25	3	irA+
2	PT Barito Pacific Tbk.	Shelf Registration Bond III Phase I Year 2023 Series A	8-Feb-26	52.52	8.25	3	idA+
3	PT CIMB Niaga Auto Finance	Sukuk Wakalah Bi Al-Istitsmar I Year 2023 Series B	8-Feb-26	300.00	7.15	3	AA+(idn)
4	PT Danareksa (Persero)	Bond VII Year 2023 Series A	8-Feb-26	255.00	7.50	3	idAA
5	PT XL Axiata Tbk	Shelf Registration Sukuk Ijarah II Phase II Year 2019 Series D	8-Feb-26	15.00	9.70	7	AAA(idn)(sy)
6	PT Agro Sejahtera Abadi	MTN Year 2020 Phase I Series B	10-Feb-26	50.00	10.50	3	-
7	PT Pembangunan Jaya Ancol Tbk.	Shelf Registration Bond II Phase II Year 2021 Series C	10-Feb-26	65.40	9.60	5	idA+
8	PT Sinar Mas Multifinance	Shelf Registration Bond II Phase II Year 2021 Series C	11-Feb-26	51.00	11.50	5	irA+
9	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Bond III Phase III Year 2019 Series C	19-Feb-26	183.00	9.35	7	idAAA
10	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Sukuk Ijarah III Phase III Year 2019 Series C	19-Feb-26	204.00	9.35	7	idAAA(sy)
11	PT Sinar Mas Agro Resources and Technology Tbk.	Shelf Registration Bond II Phase III Year 2021 Series C	19-Feb-26	220.00	9.50	5	idAA-
12	PT Provident Investasi Bersama Tbk.	Shelf Registration Bond II Phase IV Year 2025 Series A	20-Feb-26	353.53	8.25	1	idA

13	PT Lontar Papyrus Pulp and Paper Industry	Shelf Registration Bond III Phase II Year 2025 Series A	21-Feb-26	129.21	7.25	1	idA
14	PT Lontar Papyrus Pulp and Paper Industry	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series A	21-Feb-26	520.82	7.25	1	idA(sy)
15	PT Tower Bersama Infrastructure Tbk	Shelf Registration Bond VI Phase V Year 2025 Series A	22-Feb-26	2,045.19	6.80	1	AA+(idn)
16	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Bond VI Phase V Year 2025 Series A	24-Feb-26	997.10	6.75	1	idAAA
17	PT Agro Sejahtera Abadi	MTN Year 2020 Phase I Series C	24-Feb-26	50.00	10.50	3	-
18	PT Federal International Finance	Shelf Registration Bond V Phase V Year 2023 Series B	24-Feb-26	1,964.78	6.80	3	idAAA
19	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VII Phase VIII Year 2025 Series A	24-Feb-26	453.67	6.55	1	idAAA
20	PT Sarana Multigriya Finansial (Persero)	Sukuk Musyarakah Berkelanjutan I Phase IV Year 2025	24-Feb-26	362.81	6.55	1	idAAA(sy)
21	PT Pyridam Farma Tbk	Shelf Registration Bond I Phase III Year 2024	27-Feb-26	400.00	9.50	2	irA-
Total				**9,524.87**			

Weekly Sector Highlights

From January 5 to January 9, 2026, domestic sectoral sentiment was influenced by projections, targets, and industry players' strategies for 2026.

Industries	Sentiment & Significance	News Highlights
Automotive		**Automotive Industry Performance Expected to Remain Weak in 2026.** The national automotive industry's sluggish performance throughout 2025 is projected to continue into 2026, with car sales reaching only 710,084 units as of November 2025—down 9.6% YoY and still below the 2025 target of 850,000 units. Analysts attribute the pressure to weak purchasing power, tighter financing, and cautious consumer behavior, which will weigh more heavily on issuers reliant on domestic sales. Companies with diversified businesses, export exposure, or strong aftermarket dominance are considered more defensive. The spare parts and aftermarket segment holds growth potential as consumers shift toward maintaining older vehicles. Long-term recovery is expected to be supported by catalysts such as interest rate cuts, normalization of vehicle replacement cycles, incentives for eco-friendly vehicles, and component exports. However, smaller-scale issuers remain sensitive to demand fluctuations.
Banking		**Government Mandates Drive State-Owned Banks' Lending Growth, Risks Still Loom.** As of November 2025, loans from state-owned banks grew 10.28% YoY, outpacing the industry's 7.74% growth, with a market share reaching 47.6% of total banking credit. This surge was driven by government mandates through programs such as KUR, FLPP, MSME financing, and liquidity placements, positioning state-owned banks as key drivers of economic activity. BTN reported its main catalyst came from additional FLPP quotas, while BSI played a role in sharia financing and bullion banking. However, economists warn of rising risks if banks are compelled to channel credit to high-risk segments such as MSMEs, which have a high non-performing loan ratio. Without strict borrower selection and clear risk-sharing mechanisms, accelerated lending could trigger defaults and strain capital. In contrast, private banks remain more conservative, with credit growth of only 5.42% YoY, reflecting weak real demand. Analysts stress the importance of caution to ensure credit expansion does not compromise asset quality and profitability.
Hotel and Tourism		**Hotel Operators Innovate Through Service Diversification Amid Purchasing Power Challenges.** Hotel businesses are strengthening product and service diversification to maintain occupancy amid weakening consumer purchasing power. This strategy includes developing staycation packages, MICE, and experience-based hotel concepts. PHM Hotels, for example, has adopted a multi-brand strategy to reach business, lifestyle, and leisure segments, while integrating AI-driven technology and automation to personalize services and enhance operational efficiency. The business approach is shifting from room-centric to experience-centric, with hotel concepts tailored to destination characteristics and guest profiles. The leisure segment is prioritized in tourist destinations such as Bali and Yogyakarta, while corporate and MICE markets are targeted in business cities like Jakarta and Bandung. Meanwhile, PT Eastparc Hotel Tbk (EAST) is focusing on the staycation segment by adding recreational attractions to attract families, following a solid occupancy rate of 93% throughout 2025, and even 97% in December.
Insurance and Guarantee		**Insurance Companies Set Moderate Targets for 2026.** The general insurance industry is expected to continue facing similar challenges as in the previous year, prompting several players to set moderate growth targets for 2026. PT Asuransi Bintang Tbk projects a premium increase of around 3%, focusing on maintaining portfolio quality through business selectivity and avoiding

		loss-prone contracts. PT Asuransi Digital Bersama has also opted for a conservative strategy by strengthening fundamentals, enhancing underwriting selectivity, optimizing distribution, and improving operational efficiency. The main challenge for the industry this year is balancing product competitiveness, underwriting quality, and risk management amid intensifying competition. Meanwhile, PT Great Eastern General Insurance Indonesia (GEGI) is targeting aggressive premium growth of 14.2%, driven by product digitalization, expansion of distribution networks, and collaboration within the Great Eastern Group ecosystem. GEGI sees significant opportunities in the personal & affinity, SME, and bancassurance segments.
Metal and Gold	●●●	**Gold Surpasses U.S. Treasuries as the World's Largest Reserve Asset.** For the first time in 30 years, gold has overtaken U.S. government bonds as the largest global reserve asset, according to data from the World Gold Council (WGC). Central bank gold reserves are approaching USD4 trillion, exceeding holdings of U.S. Treasuries valued at USD3.9 trillion. This shift follows a surge in gold prices, which broke through USD4,500 per troy ounce after rising nearly 70% throughout 2025, driven by geopolitical tensions and U.S. monetary policy. At the start of 2026, gold prices climbed another 3.6%, while net gold purchases by central banks reached 1,000 tons in 2025. Analysts view this trend as a sign of de-dollarization, with countries reducing reliance on dollar-denominated assets. JP Morgan notes that U.S. political polarization could weaken its role as a global safe haven, prompting central banks to choose gold as a safer alternative. Over the past four years, central bank gold purchases have surged sharply to hedge against geopolitical risks and economic uncertainty.
Mining	●	**Government Plans Revision of 2026 Work Plan and Budget (RKAB).** The government plans to revise the 2026 RKAB to balance coal supply and demand following an oversupply that has pressured global prices. The Minister of Energy and Mineral Resources emphasized that national production will be reduced from 790 million tons in 2025 to around 600 million tons to stabilize prices and preserve energy reserves for future generations. Indonesia currently supplies 43% of the global coal trade, making its dominance a key factor in market imbalance. Throughout 2025, coal utilization for domestic needs (DMO) reached 254 million tons or 32% of total production, with the remainder exported. In addition to revising the RKAB, the government will withdraw the authority for quartz sand mining permits from regional administrations to improve governance, prevent permit misuse, and protect the environment. This policy aligns with President Prabowo's directive for sustainable and equitable natural resource management. The government also signals similar adjustments for other mineral commodities, such as nickel, to support more inclusive downstream development.
Multifinance	●	**Multifinance Firms Pursue Selective Expansion Amid Sluggish Vehicle Market.** The projected slowdown in vehicle sales in 2026 is prompting financing companies to take a more cautious approach to expansion. PT Wahana Ottomitra Multiartha Tbk (WOM Finance) is preparing an adaptive strategy focused on portfolio quality, measured network expansion, and increased digital penetration to enhance operational efficiency. PT Adira Dinamika Multi Finance Tbk (Adira Finance) plans to expand its network beyond Java and strengthen portfolio diversification to reduce reliance on automotive loans, noting that as of November 2025, it already operates 876 outlets. Meanwhile, PT CIMB Niaga Auto Finance Tbk (CNAF) is opting to optimize its existing 31 branches to support performance. Industry players believe this selective approach is essential to maintain profitability amid a market that has yet to fully recover.
Oil and Gas	●●	**Energy Ministry Opens Option to Increase Fuel Import Quotas for Private Gas Stations.** The Ministry of Energy and Mineral Resources (ESDM) is considering increasing fuel import quotas for private gas station operators in 2026. The decision will be based on 2025 sales realization, which is currently being consolidated by the Directorate General of Oil and Gas. One option under review is a 10% increase from the 2025 quota, a policy also implemented last year. The final determination will be made through a Directorate General meeting before approval by the Minister of Energy and Mineral Resources. This move follows the fuel shortage controversy at private gas stations in 2025, which forced them to purchase supplies from Pertamina due to limited import permits. The government hopes this policy will ensure fuel availability and support healthy competition in the downstream oil and gas sector.
Plantation and Agriculture	●	**ISPO Positioned as a Strategic Instrument for Sustainable Palm Oil Downstreaming.** The Ministry of Agriculture is positioning the Indonesia Sustainable Palm Oil (ISPO) certification as a key instrument to strengthen palm oil downstreaming in 2026, ensuring that industry value creation aligns with sustainability principles. ISPO is promoted not merely as a regulatory obligation but as an integrated operational standard encompassing land-use efficiency, emissions reduction, and environmental protection. The strategy includes facilitating sustainable production practices, utilizing waste, integrating environmental aspects into downstream investments, and providing technical assistance to smallholders so that certification enhances productivity and market access.

		The government has issued Regulation No. 33/2025 on ISPO Certification, with a four-year transition period supported by guidance and a digital platform—the ISPO Certification Information System. This regulation is expected to reinforce Indonesia's position as a world-class producer of sustainable palm oil, boost global competitiveness, and advance green economic diplomacy. Through supply chain digitalization and transparent governance, ISPO becomes a cornerstone of inclusivity and sustainability in the national palm oil industry.
Power and Energy	●●	**Government Targets 2,000 MW of Renewable Energy Plants in 2026.** Entering 2026, the government is accelerating the development of renewable energy (RE) with an energy mix target of 17%–21% and the construction of 2,013 MW of power plants, primarily solar power plants (PLTS) totaling 988 MW in line with the 2025–2034 Electricity Supply Business Plan (RUPTL). As of mid-2025, the RE mix had only reached 16%, hindered by commercialization issues and electricity prices deemed uncompetitive. The government is preparing a revision of Presidential Regulation 112/2022 to adjust electricity purchase prices, simplify licensing, and provide fiscal and non-fiscal incentives. This approach is supported by green financing schemes, technology development, and cross-sector collaboration. Investors such as Danantara Investment Management have partnered with PLN for RE projects, while the potential for solar power, estimated at 3,200 GW, is considered highly promising. Despite significant opportunities, challenges remain, including electricity infrastructure, skilled labor, and policy consistency. Analysts emphasize the need for transparent regulations and a feed-in tariff (fixed price) to accelerate power purchase agreements and attract investor interest.
Property	○	**Challenges in Implementing Property Tax Incentives.** The extension of the 100% Government-Borne VAT (DTP) incentive for landed houses and apartments until December 2026 is considered a measure that could once again help stimulate property demand. However, its implementation still faces several challenges, including the fact that the incentive only applies to ready-stock units, while most properties are sold under pre-order schemes, and the full 100% incentive only applies to homes priced at a maximum of IDR2 billion. Real Estate Indonesia (REI) has proposed a more adaptive policy, including granting incentives for homes under construction with strict requirements, such as complete permits and a strong developer track record. This relaxation is believed to broaden developer participation and enhance the policy's impact.

Source: Harian Ekonomi Neraca, Harian Kontan, Investor Daily, and Tabloid Kontan (2026).

Weekly Economic Update

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