PEFINDO
CREDIT RATING AGENCY

WEEKLY ECONOMIC UPDATE

Period of July 27-31, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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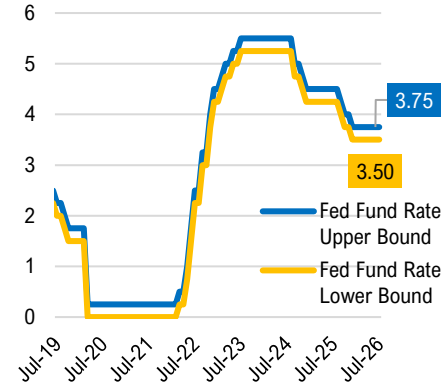
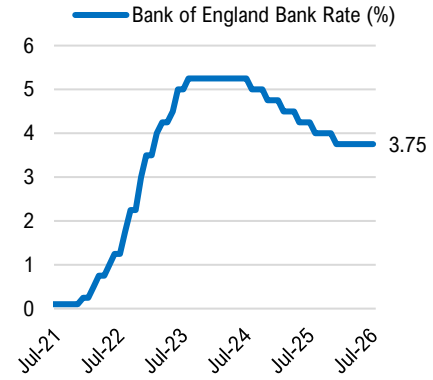
Data Highlights of the Week

Federal Funds Rate (%)



Source: The Federal Reserve, 2026

Bank of England Bank Rate



Source: Bloomberg, 2026

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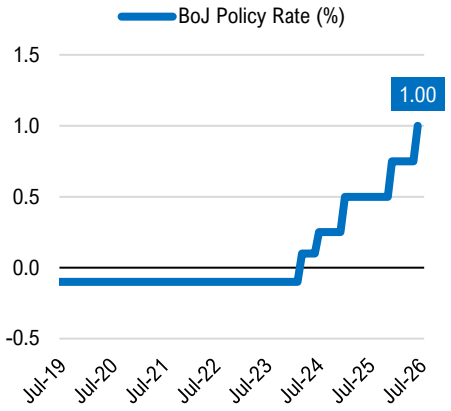
Global Central Banks Cautious with Hawkish Tendencies

Global Economic

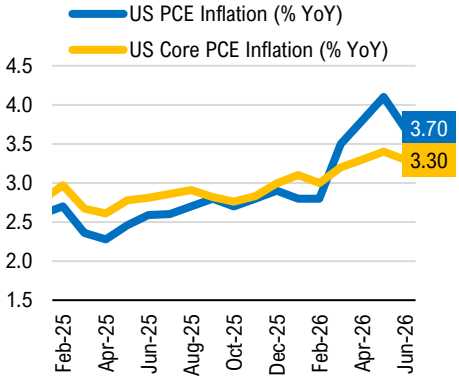
- **Geopolitical dynamics throughout the week were dominated by decisive and high-stakes diplomacy in the Middle East**, marked by Israeli Prime Minister Benjamin Netanyahu's visit to Washington to meet with US President Donald Trump to discuss a 15-point roadmap for a Gaza ceasefire and de-escalation with Iran. Despite the diplomacy, Israeli airstrikes on the Gaza Strip continued, and the US-Iranian standoff remained fragile. Outside the Middle East, other significant geopolitical events included the expansion of the Ukraine war into the Caspian Sea through attacks on two Iranian-Russian military logistics cargo ships, the escalation of the North American trade dispute with the announcement of 50% US tariffs on Canadian goods, and the entry into force of strict AI transparency obligations in the European Union under the EU Digital Omnibus, which mandates transparency and labeling of synthetic content for providers of generative AI systems as of August 2, 2026.
- In an intense week of global monetary policy, **central banks in developed economies remained cautious and tended to be hawkish in the face of the risk of a surge in energy inflation due to the Middle East conflict.** The Federal Reserve (3.50%-3.75%), the Bank of England (3.75%), and the Bank of Japan (1.0%) chose to hold their benchmark interest rates, while the Monetary Authority of Singapore (MAS) surprisingly tightened monetary policy by increasing the rate of appreciation of the S$NEER. The decisions to hold interest rates at the Fed, the Bank of England, and the Bank of Japan were marred by dissenting voices from a number of policymakers who urged rate hikes, indicating that the door to further policy tightening remains wide open if global energy price pressures persist amid solid domestic economic activity.
- **US PCE inflation in Jun'26 slowed to 3.7% YoY (May'26: 4.1%), or a monthly decrease of 0.1% MoM (May 2026: 0.5%).** The slowdown was primarily due to a deeper slowdown in goods price increases rather than a slowdown in services. The core PCE index increased 0.1% MoM (May'26: 0.3%) or slowed to 3.3% YoY (May'26: 3.4%) as expected.
- **The United States and the Eurozone showed contrasting economic growth in Q2-2026.** The US economy reportedly slowed to 1.5% (annualized)—below Q1-2026 and market forecasts of 2.1%—due to headwinds from the trade deficit, declining government spending, and slowing business investment, despite a sharp surge in household consumption to 3.2%. In contrast, the Eurozone economy outpaced expectations, growing 1.0% YoY (Q1-2026: 0.5%) or 0.4% QoQ, driven by strong AI-related investments and government spending that cushioned the impact of the Iran conflict and surging energy prices, with Spain recording the highest growth performance in the region at 2.7%.
- **The Eurozone demonstrated a resilient labor market that remained stable amid resurgent inflationary pressures** due to geopolitical escalation in the Middle East. The unemployment rate in Jun'26 was reported to have remained at 6.3% for the fourth consecutive month, indicating the resilience of the labor sector amid higher interest rates. However, inflation in Jul'26 was reported to have accelerated again to 2.9% YoY (Jun'26: 2.8%), with core inflation rising to 2.5% (Jun'26: 2.4%), falling short of the ECB's 2.0% target due to soaring energy inflation to 10.0% following the ongoing US-Iran conflict, which triggered price increases in major economies such as Germany, France, and Spain.
- **Japan's economy maintained a stable labor market amid a shrinking labor force and a downgraded growth outlook due to global energy price pressures.** The unemployment rate held steady at a record low of 2.5% in Jun'26 for the third consecutive month, with the stability driven more by a decline in labor force participation (down to 64.4%) than by new job creation, although the jobs-to-applicants ratio rose to 1.18, indicating resilient labor demand. Meanwhile, Japan's Cabinet Office cut its FY2026 real GDP growth forecast to 0.9% (from 1.3%) and raised its inflation estimate to 2.2% due to the surge in oil prices following the escalation of the Middle East conflict, which has dampened private consumption and business investment. Although nominal wage growth of 3.1% is expected to sustain positive real wages before GDP rebounds to 1.1% in FY2027.

Bank of Japan Policy Rate



Source: Bloomberg

US PCE Inflation



Source: Bloomberg

Upcoming Week Economic Calendar

Time	Development Releases
Aug 3	Composite, Manufacturing, and Services PMI for Various Countries Jul'26
	Indonesia's trade balance Jun'26
	Indonesia's inflation Jul'26
	Indonesian foreign tourists visit Jun'26
Aug 4	South Korea Inflation Jul'26
	US trade balance Jun'26
Aug 5	Minutes of the Bank of Japan monetary policy meeting
	Philippines Inflation Jul'26
	Indonesia GDP Growth Q2 2026
	Reserve Bank of India Benchmark Interest Rate
Aug 6	Brazil Benchmark Interest Rate
	Philippines Unemployment Rate
	Euro Zone Retail Sales Jun'26
Aug 7	Philippines GDP Growth Q2 2026
	China Trade Balance Jul'26
	US Labor Market Jul'26
	Indonesia Foreign Exchange Reserves Jul'26
	Residential Property Price Survey Report Q2 2026

- **China's Politburo signaled that it will continue to rely on existing policy instruments rather than launching a large-scale stimulus, emphasizing the need to "make full use" of existing measures.** While major easing appears unlikely, leaders pledged stronger countercyclical adjustments and "pragmatic and effective" measures when necessary, without providing a timeline. Fiscal spending and bond yields will be accelerated to stimulate demand and optimize supply, along with support for breakthroughs in high-tech, future industries, and emerging sectors. The leadership also reaffirmed its commitment to stabilizing the property sector, protecting jobs, addressing local debt risks, reforming small banks, and deepening capital market reforms.
- **China's private sector contracted for the first time since Feb'26.** The NBS China Composite PMI Output Index fell to 49.3 in Jul'26 (Jun'26: 50.6), the lowest reading since Dec'22. Manufacturing output contracted for the first time in five months amid weak demand and high production costs. Meanwhile, the services sector contracted again after posting moderate growth in the previous two months, reinforcing expectations that China will continue to rely on gradual policy support to prop up the economy.

Domestic Economy

- **Bank Indonesia (BI) Governor Perry Warjiyo has resigned from his position with two years remaining.** Destry Damayanti, currently serving as Senior Deputy Governor, has been appointed as an interim official and is likely to be nominated as the next BI Governor. S&P Global Ratings stated that the BI Governor's resignation increases uncertainty over the direction of monetary policy, but does not affect Indonesia's credit rating, which remains at BBB/A-2 with a stable outlook. Fiscal and external sector pressures are expected to ease in the coming months as government policy implementation stabilizes, but structural weakening could increase the risk of a rating downgrade.
- **Non-subsidized fuel prices will be lowered starting August 1, 2026.** Price adjustments are made in accordance with government directives and follow trends in global oil prices and the rupiah exchange rate, as well as to maintain public purchasing power. The adjustments include a price reduction for Pertamax Turbo to IDR18,300/liter from IDR19,300, Pertamax Green 95 to IDR16,600/liter from IDR17,000, and Pertamax (RON 92) to IDR15,950/liter from IDR16,250. Meanwhile, the prices of Pertamina Dex and Dexlite remain at IDR21,150/liter and IDR19,700/liter, respectively. Pertamina stated its commitment to continuing to provide quality energy, as well as maintaining reliable supply and excellent service to the public.
- **The National Food Agency (Bapanas) has assigned Perum Bulog to distribute rice food aid** to 33,244,408 beneficiary families with each receiving 10 kg for three months (a total of 997.2 thousand tons) simultaneously on the Independence Day commemoration of August 17, 2026. This program will use a budget allocation of IDR17.52 trillion targeting households in deciles 1-4, with the hope of reducing food inflation pressures for low-income groups. The aid distribution point will use the Merah Putih Village/Sub-district Cooperative (KDKMP) along with existing warehouse facilities, extensive storage, and proximity to recipients.
- **The Constitutional Court partially granted the judicial review petition for the 2025 State Budget Law and ordered the Free Nutritional Meal Program (MBG) budget to be separated from the education budget no later than the 2028 Fiscal Year State Budget, marking a structural change in Indonesia's budgeting.** Constitutional Court Decision No. 40/PUU-XXIV/2026 mandated that a minimum allocation of 20% of the state budget for education must be focused on primary components, excluding MBG, and the separation could be implemented earlier in the 2027 State Budget if the budget structure was adjusted. The inclusion of MBG in the education fund allocation was deemed to illegally broaden the operational definition of education provision and violate the mandatory principle. It was also deemed to hamper improvements to school facilities and teacher welfare. The government promised to respect the Constitutional Court's ruling and await an official copy of the decision before further action.
- **Minister of Cooperatives Ferry Juliantono announced that the government would fully cover the salaries of managers of the Merah Putih Village/Sub-district Cooperative through the State Budget for the first two years**. This was done to give the cooperative time to strengthen before it could finance its operations independently. The Presidential Regulation (Perpres) governing the salary scheme and governance of KDKMP is expected

Aug 9	China Consumer and Producer Inflation Jul'26

to be issued within the next week after being finalized, with PT Agrinas Pangan Nusantara overseeing the operational period for a maximum of 2 years.

Week Ahead Highlights

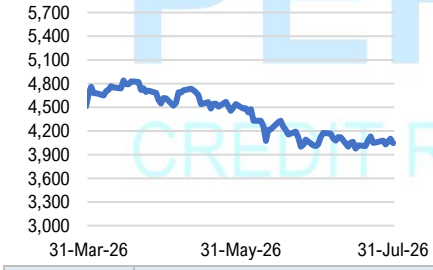
In the first week of August, the global economy will continue to monitor developments in the Iran-US war, which continues to fuel uncertainty in energy prices and the outlook for global inflation. Globally, various countries will release composite PMI, manufacturing, and services data, indicating developments in private-sector economic activity. In the US, labor market and trade balance reports will be in the spotlight. Meanwhile, in Europe, Eurozone retail sales data will be eagerly awaited. In Asia, China will report its trade balance and inflation for July 2026. Meanwhile, Japan will release wage data and the minutes of the Bank of Japan meeting for June 2026. In the ASEAN region, Vietnam, Indonesia, the Philippines, and Thailand will release inflation data, while trade balance data will be released by Indonesia and Vietnam. Indonesia will also report its Q2-2026 economic growth realization, along with the Philippines.

Spotlight on Commodity Price Trends (as of July 31, 2026)

Brent Crude Oil (USD/Barrel)

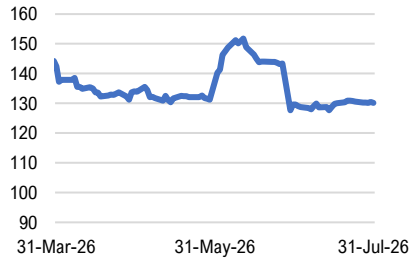
Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
90.12	-6.88	23.59	24.25	48.10

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,046.15	-0.16	0.95	22.99	-6.33

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
130.15	-0.34	0.39	13.03	21.07

Global commodity prices moved mixed, pressured by Strait of Hormuz geopolitical sentiment and a stronger US dollar.

- **Brent crude oil prices declined 6.88% on a weekly basis in the final week of July 2026**, pressured by early-week selling as shipping traffic through the Strait of Hormuz and the Red Sea began to normalize, easing concerns over supply disruptions that had previously driven prices higher. On Friday (7/31), Brent briefly fell to USD87.59 per barrel amid this sentiment. However, prices rebounded toward the end of the week, rising 1.2% to USD90.12 per barrel after reports from Iran regarding oil tankers reversing course in the Strait of Hormuz reignited supply concerns. The rebound was further supported by U.S. crude inventories falling to their lowest level since 2018. On a monthly basis, Brent still posted a strong gain of around 23.59%, marking its largest monthly increase since March. Overall market sentiment remained constructive, as the geopolitical risk premium stemming from Middle East tensions and Houthi threats in the Red Sea continued to support prices despite short-term volatility.
- **Gold prices edged down 0.16% over the past week**, weighed down by a sharp correction on Friday (7/31), when spot gold dropped to USD4,046.15 per troy ounce as the U.S. dollar rebounded from its lowest level in more than a month. Despite the weekly decline, gold still recorded a 0,95% monthly gain in July, marking its strongest monthly performance since February and ending a four-month losing streak. Market sentiment was mainly driven by easing U.S. inflation, which reduced expectations of a Federal Reserve rate hike in September to 65%, down from above 80%, although the moderation in inflation was viewed as temporary due to escalating Middle East tensions. Analysts believe that the psychological level of USD4,000 per troy ounce remains a key support, while the medium-term outlook remains broadly positive amid uncertainty surrounding the Fed's monetary policy path.
- **Newcastle benchmark coal prices slipped 0.34% over the past week**, closing at USD130.15 per tonne on Friday (31/7). Market sentiment remained mixed, with Asian demand providing the main support as thermal coal imports by China, Japan, and South Korea increased to meet peak summer electricity demand. Meanwhile, the Middle East conflict also encouraged several countries to switch to coal amid disruptions to LNG supplies. However, downside pressure persisted as India continued to limit imports due to elevated international prices, while China's manufacturing contraction curbed industrial energy demand. Overall, short-term sentiment remained neutral to slightly bearish, although Asia's structural demand continued to provide underlying price support.
- **Malaysian crude palm oil (CPO) futures declined 1.67% over the past week**, extending losses for the third time in the last four trading sessions. CPO closed at MYR4,643 per tonne, pressured by weakness in competing vegetable oils, including soybean oil on the Dalian Commodity Exchange and CBOT. Negative sentiment was also driven by lower crude oil prices, which reduced CPO's attractiveness as a biodiesel feedstock, while market attention shifted toward improving energy supply flows through key Gulf shipping routes. Nevertheless, demand-side support remained after Indonesia increased its 2026 CPO-based biodiesel allocation to 16.75 million kiloliters following the implementation of the B50 biodiesel mandate. From a technical perspective, analysts believe CPO prices

could remain under pressure, indicating that selling momentum continues to dominate the market in the near term.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	2.75	-4.32	-16.12	-11.56	-25.47	Crude Palm Oil (MYR/Ton)	4,643.00	-1.67	2.13	9.76	14.64
Nickel (USD/MT)	17,108.40	-0.81	5.65	10.34	1.27	Rubber (USD/Kg)	224.40	3.41	3.99	36.00	24.74
Copper (USD/MT)	13,791.00	1.07	3.11	43.49	11.01	Wheat (cents/bu)	639.25	-5.72	10.07	22.17	26.08
Aluminum (USD/MT)	3,184.00	0.78	3.19	24.13	6.29	Corn (cents/bu)	440.75	-5.06	6.78	11.87	0.11
Iron Ore (USD/MT)	98.75	1.05	-1.32	0.46	-7.56	Sugar (c/lb)	14.66	-0.74	2.23	-10.34	-2.33

Global and domestic stock markets rose in tandem, buoyed by US corporate earnings and foreign capital inflows into the ICI. The US dollar weakened as inflationary pressures eased, while the rupiah remained under pressure from high imports and the risk of rising energy prices.

- **Wall Street equities closed higher during the final week of July 2026, with the S&P 500 gaining 1.05%, the Nasdaq Composite rising 1.59%, and the Dow Jones Industrial Average (DJIA) advancing 1.04%**. The rally was primarily driven by Amazon, whose shares surged more than 15% on Friday (7/31) after reporting its strongest quarterly revenue growth in more than four years. This was followed by a more than 15% jump in Microsoft shares on Thursday, marking its largest single-day gain since 2008, supported by stronger-than-expected cloud business guidance. These earnings reports helped ease investor concerns over substantial AI infrastructure spending. Market sentiment was briefly weighed down by a 7.4% decline in Apple shares after the company warned of supply chain constraints that could threaten future growth. On the macro front, markets priced in a 65% probability of a Federal Reserve rate hike in September, while S&P 500 corporate earnings were projected to surge 48% in the second quarter, underpinning overall investor optimism.
- **The Indonesian Composite Index (ICI) rose 0.64% during the week of 27–31 July 2026,** closing at 6,196.43, supported by the return of foreign capital inflows with a net buy of IDR7.1 trillion, following a net sell of IDR3.37 trillion in the previous week. Market capitalization also increased 0.48% to IDR10,923 trillion, although average daily trading value and volume declined by 21.86% and 31.23%, respectively. Positive sentiment was mainly driven by attractive market valuations, with the IHSG trading at a price-to-earnings (P/E) ratio of around 9x, its lowest level in the past decade. In addition, S&P Global Ratings' reaffirmation of Indonesia's stable outlook helped ease concerns over a potential investment-grade downgrade, while capital outflows that had reached USD5 billion in the first half of the year began to show signs of stabilization.
- **The US dollar weakened as inflationary pressures subsided.** The US Dollar Index (DXY) closed at 99.91 on July 31, 2026, down 1.53% from July 24, 2026. The decline was supported by lower-than-expected US producer price data, which reinforced expectations that the Federal Reserve could keep interest rates unchanged.
- **The rupiah remained under pressure against the US dollar despite improving toward the end of the week**. The exchange rate closed at IDR18,022 per US dollar on July 31, 2026, weakening by 0.33% week on week. The correction in oil prices helped alleviate concerns about higher oil and gas imports. However, imports were expected to continue growing strongly, while energy inflation risks limited the scope for a sustained rupiah appreciation.

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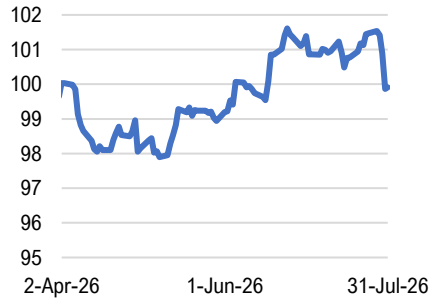
Indonesian Composite Index (ICI)

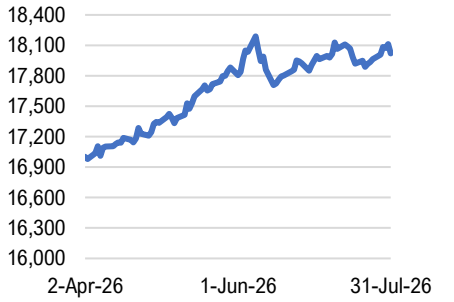
Closing	(% Change)			
	WoW	MoM	YoY	YTD
6,236.13	0.64	10.51	-16.68	-27.88

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
99.91	-1.53	-1.26	-0.05	1.62

Rupiah Exchange Rate (USD/IDR)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
18,022	0.33	0.64	9.52	8.05

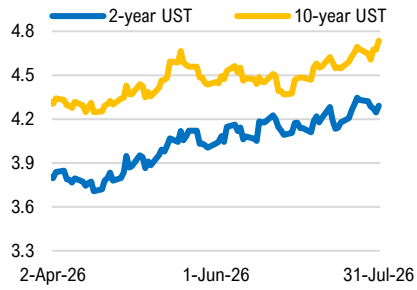
Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	7,489.72	1.05	-0.13	18.15	9.41	Euro (EUR/USD)	1.15	1.38	0.92	0.98	-1.86
Dow Jones (AS)	52,485.03	1.04	0.32	18.93	9.20	Canadian Dollar (USD/CAD)	1.40	-0.53	-1.23	1.19	2.16
Nasdaq (AS)	25,373.85	1.59	-3.20	20.13	9.17	Poundsterling (GBP/USD)	1.35	1.19	1.67	2.09	0.06
Euro Stoxx 50 (Zona Euro)	6,358.01	1.23	0.47	19.51	9.78	Japanese Yen (USD/JPY)	157.40	-3.92	-3.17	4.41	0.44
FTSE100 (Inggris)	10,868.05	1.23	3.53	19.00	9.43	Chinese Yuan (USD/CNY)	6.75	-0.31	-0,52	-6.23	-3.40
Nikkei225 (Jepang)	64,362.02	-0.39	-8.14	56.71	27.86	Singapore Dollar (USD/SGD)	1.28	-0.60	-0.85	-1.18	-0.20

Shanghai (Tiongkok)	3,832.26	0.47	-6.40	7.25	-3.44	Malaysian Ringgit (USD/MYR)	4.09	-0.13	0.02	-4.30	0.63
Hang Seng (Hong Kong)	25,884.43	3.69	13.13	4.49	0.99	Thailand Baht (USD/THB)	33.44	-0.77	0.66	2.05	6.17

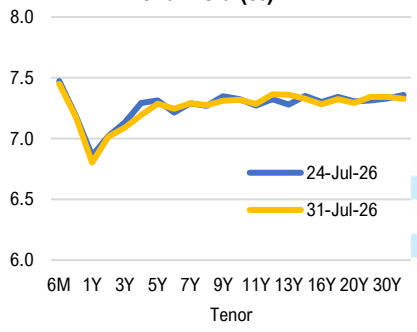
Key Data Developments in Global and National Bond Markets

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



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.291	-4	12	33	82
5Y: 4.449	2	22	48	72
10Y: 4.735	6	27	36	57

Weekly Development of Government Bond Yield (%)



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 7.035	-9	-17	120	204
5Y: 7.325	-2	23	115	177
10Y: 7.336	-2	18	77	127

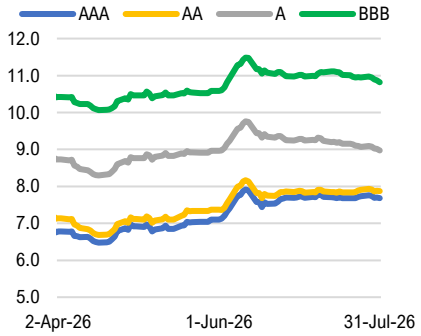
5 Year Credit Default Swap (CDS)

Closing	(% Change)			
	WoW	MoM	YoY	YTD
93.60	-0.31	4.64	29.19	35.94

Global bond markets came under pressure from the Fed's hawkish signals, while the domestic market strengthened amid lower credit risk and foreign inflows. Retail demand remained strong, while demand at sukuk and SRBI auctions weakened. BI encouraged banks to strengthen their intermediation function rather than invest in government bonds and the SRBI.

- **US government bond yields moved in different directions, with the main pressure concentrated in the medium- and long-term segments.** The two-year US Treasury yield declined by 4 basis points (bps) to 4.291% on July 31, 2026. The five-year yield rose by 2 bps to 4.449%, while the 10-year yield increased by 6 bps to 4.735% from July 24, 2026. Pressure emerged after the Federal Reserve (Fed) maintained its policy rate at 3.50%–3.75% and delivered hawkish signals. The market expected interest rates to remain higher for longer. Uncertainty over whether inflation would decline toward the 2% target also increased the risk premium on longer-dated bonds.
- **Indonesia's government bond market strengthened amid lower credit risk and higher foreign ownership.** The two-year yield declined by 9 bps to 7.035% on July 31, 2026. The five- and 10-year yields each declined by 2 bps to 7.325% and 7.336%, respectively, from July 24, 2026. Indonesia's five-year credit default swap (CDS) declined by 0.31% to 93.60. Foreign ownership increased to IDR892.04 trillion on July 29, 2026, from IDR891.21 trillion on July 24.
- **The ORI030 retail government bond series recorded the highest-ever sales for an online retail government security.** The entire IDR40 trillion quota was fully subscribed on July 28, 2026, comprising IDR34 trillion for the three-year tenor and IDR6 trillion for the six-year tenor. The amount exceeded the previous record of IDR37.35 trillion set by ORI027 in February 2025. The fixed coupon rates were set at 6.9% for the three-year tenor and 7.0% for the six-year tenor. Competitive coupon rates and the reinvestment of proceeds from the maturing ORI023-T3 and SBR013-T2 series supported demand.
- **Demand at the government sharia securities (SBSN) auction weakened and shifted toward shorter tenors.** The government awarded IDR10 trillion from incoming bids of IDR24.88 trillion on July 28, 2026, with total bids declining by 23.37% from the previous auction. Bids for the PBS030 series increased by 52.8% to IDR4.75 trillion, while bids for PBS038 declined by 87.9% to IDR880 billion. The shift occurred amid market uncertainty and rupiah depreciation. The average yield on SPNS 03022027 declined to 7.00% from 7.09%, while medium- and long-term yields increased.
- **Bank Indonesia (BI) directed banks to strengthen their intermediation function and reduce placements in securities.** The Money Market Deepening Macroprudential Liquidity Incentive Policy (KLM PPU) provides a reduction in reserve requirements of up to 2% of third-party funds for banks whose holdings of government bonds and Bank Indonesia Rupiah Securities (SRBI) do not exceed 19%. Banks exceeding the threshold will not receive the incentive, encouraging them to adjust their portfolios and increase lending to the real sector. The policy will take effect on September 1, 2026, replacing the KLM interest rate channel and financing-to-funding channel.
- **Investor demand for Bank Indonesia Rupiah Securities (SRBI) weakened as banks held fewer idle funds.** Total auction bids declined by 25.63% to IDR28.21 trillion on July 24, 2026, while the amount awarded by BI decreased by 11.76% to IDR15 trillion. Bids declined across all tenors, with the nine-month tenor recording the steepest decrease of 61.4%. Banks' SRBI holdings declined to IDR615.71 trillion in June from IDR677.89 trillion in May. In contrast, nonresident holdings increased to IDR293.16 trillion from IDR216.48 trillion because SRBI yields remained competitive.
- **The planned issuance of US dollar-denominated bonds by the Danantara Investment Management Agency (BPI Danantara) could be delayed because of unfavorable global market conditions.** The increase in the 30-year US Treasury yield to its highest level in 19 years raised funding costs and reduced investor appetite for emerging-market bonds. Pressure continued after the Federal Reserve kept interest rates unchanged and provided no indication of monetary easing. BPI Danantara continued preparations for global funding

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

to support long-term investments, but the timing of the issuance will depend on market stabilization.

- **PT Solusi Sinergi Digital Tbk. (SURGE) diversified its funding sources through a Samurai bond issuance by PT Integrasi Jaringan Ekosistem (WEAVE).** The JPY21.4 billion issuance, equivalent to approximately IDR2.4 trillion, comprised a JPY19.4 billion three-year tranche with a 3.40% coupon and a JPY2.0 billion five-year tranche with a 3.92% coupon. Japan Credit Rating Agency (JCR) assigned a BBB+ rating to WEAVE and the bonds. The proceeds will be used for capital expenditures related to the fiber-to-the-home (FTTH) network, working capital, refinancing, and general corporate purposes.
- **PT Energi Mega Persada Tbk. (ENRG) strengthened its subsidiaries' working capital through a shelf-registered bond issuance.** The IDR250 billion Shelf-Registered Bonds I Phase IV were listed on the Indonesia Stock Exchange on July 29, 2026, with a fixed annual coupon rate of 8.95% and a 370-day tenor. The instrument, rated $_{id}$A+ by PEFINDO, will mature on August 8, 2027. Interest is payable quarterly. The issuance proceeds will be provided to KEIL, EEES, and ETE to support their operating requirements.
- **PT Indah Kiat Pulp & Paper Tbk. (INKP) confirmed that it had sufficient liquidity to meet its bond obligations.** The company set aside USD5.82 million in cash and cash equivalents to repay the Series A Shelf-Registered USD Bonds II Phase IV of 2025 on October 10, 2026. The bonds carry a 5.50% coupon. INKP also provided USD1.495 million for its Shelf-Registered Bonds I of 2023.
- **PT Medco Energi Internasional Tbk. (MEDC) confirmed that it had sufficient funds to meet its bond obligations in 2026.** MEDC set aside IDR600 billion to repay the Series B Shelf-Registered Bonds IV Phase I of 2021, which mature on September 9, 2026. The company also provided IDR58.1 billion for the Series B Shelf-Registered Bonds IV Phase II of 2021, which mature on November 23, 2026. The repayment funds were sourced from the IDR1 trillion issuance of Shelf-Registered Bonds VI Phase I of 2025. The bonds carry a fixed annual coupon rate of 8.5% and were rated $_{id}$A+ by PEFINDO when issued.
- **PT Pos Indonesia (Persero) fulfilled its sukuk return payment obligation after a payment delay.** The company paid IDR24.12 billion through PT Kustodian Sentral Efek Indonesia (KSEI) on July 24, 2026, including compensation for the delay. The payment represented the sixth installment on Pos Indonesia's Shelf-Registered Sukuk Ijarah I Phase I of 2024. The original obligation of IDR24.11 billion was due on July 7, 2026, but was not paid because of liquidity constraints.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
FR0109	5.88	03/15/31	50,000.00	94.60	7.27	16,930,644
PBS003	6.00	01/15/27	29.00	99.95	6.10	9,807,525
PBS030	5.88	07/15/28	9,839.00	97.90	7.05	7,305,878
FR0056	8.38	09/15/26	275,000.00	100.17	6.66	5,557,966
FR0103	6.75	07/15/35	3,781.00	96.36	7.31	4,675,476

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sukuk Ijarah I Bali Towerindo Sentra Phase III Year 2025 Series B	$_{id}$A$_{(sy)}$	7.25	12/05/28	100,000	100.79	6.88	1,890,800
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	$_{id}$A$_{(sy)}$	11.00	10/04/29	100,000	111.60	6.89	1,319,220
Bond III BUMA Year 2025 Series B	$_{id}$A+/ A+$_{(idn)}$	8.00	10/10/28	20,000	102.37	6.82	960,200
Shelf Registration Bond I Pindo Deli Pulp and Paper Mills Phase II Year 2025 Series C	$_{id}$A+/ $_{ir}$AA-	10.50	04/30/30	65,000	112.13	6.80	893,200
Shelf Registration Sukuk Ijarah I Bali Towerindo Sentra Phase III Year 2025 Series A	$_{id}$A$_{(sy)}$	6.50	12/15/26	50,000	98.95	9.43	825,000

Corporate Bonds Issuance

Throughout the fifth week of July 2026, 1 companies issued corporate debt securities valued at IDR250.00 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Energi Mega Persada Tbk	Shelf Registration Bond I Phase IV Year 2026	Jul-29-2026	250.00	8.95	1	idA+
Total				250.00			

Source: KSEI, IDX, database PEFINDO

Corporate Bonds Maturity for September 2026 Reaches IDR17.18 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Indosat Tbk.	Shelf Registration Bond I Phase IV Year 2016 Series E	Sep-2-2026	201.00	9.15	10	idAAA
2	PT Indosat Tbk.	Shelf Registration Sukuk Ijarah I Phase IV Year 2016 Series D	Sep-2-2026	54.00	9.15	10	idAAA(sy)
3	Lembaga Pembiayaan Ekspor Indonesia	Shelf Registration Bond IV Phase VI Year 2019 Series D	Sep-3-2026	714.50	8.50	7	idAAA
4	PT Provident Investasi Bersama Tbk.	Shelf Registration Bond II Phase V Year 2025 Series A	Sep-3-2026	50.00	7.50	1	idA
5	KIK EBA Bahana Bukopin - Kumpulan Tagihan Kredit Pensiunan Yang Dialihkan	*Kumpulan Tagihan Kredit Pensiunan Yang Dialihkan* Class A2	Sep-4-2026	98.00	10.00	6	idAAA(sf)
6	PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo	Shelf Registration Bond I Phase I Year 2021	Sep-7-2026	750.00	7.80	5	A(idn)
7	PT Hutama Karya (Persero)	Shelf Registration Bond II Phase I Year 2021 Series B	Sep-7-2026	185.55	8.55	5	idAA-
8	PT Hutama Karya (Persero)	Shelf Registration Sukuk Mudharabah I Phase I Year 2021 Series B	Sep-7-2026	64.45	8.55	5	idAA-(sy)
9	PT Angkasa Pura Indonesia	Shelf Registration Bond I Phase I Year 2021 Series B	Sep-8-2026	66.00	7.10	5	idAAA
10	PT Angkasa Pura Indonesia	Shelf Registration Sukuk Ijarah I Phase I Year 2021 Series B	Sep-8-2026	215.00	7.10	5	idAAA(sy)
11	PT Bussan Auto Finance	Shelf Registration Bond II Phase IV Year 2023	Sep-8-2026	458.00	6.50	3	idAAA
12	PT Polytama Propindo	Bond II Year 2021 Series B	Sep-8-2026	50.00	7.25	5	idAAA(cg)
13	PT Polytama Propindo	Sukuk Ijarah II Year 2021 Series B	Sep-8-2026	56.00	7.25	5	idAAA(sy)(cg)
14	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Bond II Phase I Year 2021 Series B	Sep-8-2026	197.00	8.55	5	idB
15	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Sukuk Mudharabah II Phase I Year 2021 Series B	Sep-8-2026	91.50	8.55	5	idB(sy)
16	PT Bank KB Indonesia Tbk	Shelf Registration Bond II Phase II Year 2025 Series A	Sep-9-2026	800.00	6.45	1	AAA(idn)
17	PT Bank KB Indonesia Tbk	Shelf Registration Subordinated Bond III Phase I Year 2021 Series A	Sep-9-2026	315.00	8.00	5	AA(idn)
18	PT Medco Energi Internasional Tbk.	Shelf Registration Bond IV Phase I Year 2021 Series B	Sep-9-2026	600.00	8.50	5	idAA-
19	PT CIMB Niaga Auto Finance	Shelf Registration Sukuk Wakalah Bi Al-Istitsmar I Phase III Year 2025 Series A	Sep-13-2026	1,105.00	6.15	1	AA+(idn)
20	PT Pegadaian	Shelf Registration Bond VI Phase III Year 2025 Series A	Sep-13-2026	1,869.78	6.10	1	idAAA
21	PT Pegadaian	Shelf Registration Sukuk Mudharabah III Phase V Year 2025 Series A	Sep-13-2026	1,454.13	6.10	1	idAAA(sy)
22	PT Global Mediacom Tbk.	Shelf Registration Bond II Phase II Year 2021 Series C	Sep-14-2026	10.56	11.00	5	idA+
23	PT Global Mediacom Tbk.	Shelf Registration Sukuk Ijarah II Phase II Year 2021 Series C	Sep-14-2026	0.05	11.00	5	idA+(sy)
24	PT Permodalan Nasional Madani	Sukuk Mudharabah Jangka Menengah VII Phase III Year 2025	Sep-14-2026	85.00	Floating	1	idAAA(sy)
25	PT Federal International Finance	Shelf Registration Bond VII Phase II Year 2025 Series A	Sep-22-2026	1,470.00	5.85	1	AAA(idn)
26	PT Pacific Strategic Financial Tbk	MTN I Year 2021	Sep-22-2026	400.00	9.75	5	irA
27	PT Waskita Karya (Persero) Tbk.	Bond III Year 2021 Series A	Sep-24-2026	722.00	6.10	5	idAAA(gg)
28	PT BFI Finance Indonesia Tbk	Shelf Registration Bond VI Phase I Year 2024 Series B	Sep-25-2026	200.00	6.80	5	irBBB+
29	PT Chandra Asri Pacific Tbk.	Shelf Registration Bond IV Phase III Year 2023 Series A	Sep-27-2026	361.48	7.00	3	idAA-
30	PT Mandiri Tunas Finance	Shelf Registration Bond VI Phase II Year 2023 Series A	Sep-27-2026	804.18	6.50	3	idAAA

31	PT Apollo Global Interactive Tbk	MTN I Year 2021	Sep-29-2026	200.00	10.00	5	irBBB+
32	PT Permodalan Nasional Madani	Sukuk Mudharabah *Jangka Menengah* VII Phase IV Year 2025	Sep-29-2026	635.00	Floating	1	idAAA(sy)
33	PT Bank Mandiri (Persero) Tbk.	Shelf Registration Bond I Phase I Year 2016 Series C	Sep-30-2026	2,400.00	8.65	10	idAAA
34	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond II Phase I Year 2021 Series C	Sep-30-2026	450.00	10.00	5	idA+
35	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Sukuk Mudharabah I Phase I Year 2021 Series C	Sep-30-2026	50.75	10.00	5	idA+(sy)
Total				**17,183.92**			

Weekly Sector Highlights

During 27–31 July 2026, domestic sectoral sentiment was dominated by various ongoing pressures, policy developments, and business strategies adopted by industry players.

Industries	Sentiment & Significance	News Highlights
Automotive	🟢	**Recovery in Purchasing Power Remains Key to Automotive Sales Prospects.** The Association of Indonesian Automotive Industries (Gaikindo) maintains a positive outlook for the industry and has retained its national automobile sales target of 850,000 units for 2026, with the expectation that consumer purchasing power will continue to improve. Performance in H1 2026, which recorded growth in both wholesale and retail vehicle sales, has provided an important foundation for maintaining momentum through the end of the year. Industry participants also note that the second half of the year has historically delivered stronger performance, supported by new product launches and sales promotion strategies. In addition, developments in the electric vehicle (EV) and hybrid segments are viewed as creating opportunities to expand market share. Nevertheless, the sustainability of the industry's recovery remains highly dependent on improvements in consumer purchasing power amid ongoing global and domestic economic dynamics.
Banking	🔴🔴🔴	**Banking Sector Net Interest Margins Under Pressure from Elevated Funding Costs.** The banking industry is facing pressure on net interest margins (NIM) amid elevated funding costs and credit growth that is increasingly concentrated in lower-yield segments. Data from the Financial Services Authority (OJK) show that banking sector NIM declined to 4.36% in May 2026, while Bank Indonesia reported that banking profitability margins also weakened to 2.13%. These conditions have been driven by intense competition for deposit mobilization, rising deposit interest rates, and limited room for banks to raise lending rates to maintain competitiveness. Going forward, pressure on NIM is expected to persist, prompting banks to focus on increasing the share of low-cost funds (CASA), increasing fee-based income, improving operational efficiency, and expanding credit portfolios offering higher yields.
Construction	🟢	**ADHI's Profit Grows Amid Revenue Decline and Liquidity Pressures.** PT Adhi Karya Tbk (ADHI) recorded a net profit of IDR8.49 billion in H1 2026, up 12.56% yoy, despite an 18.35% decline in operating revenue to IDR3.11 trillion. The increase in profit was supported by a reduction in the cost of revenue, which drove gross profit to grow 22.26% to IDR700.42 billion, as well as contributions from higher-margin projects and income generated by subsidiaries and non-construction business segments. However, the company's core business performance remains under pressure, as reflected in declining operating profit and weaker construction revenue. From a financial perspective, liquidity has become a key concern as cash and cash equivalents fell to IDR813.09 billion as of June 2026, compared with IDR1.47 trillion in the same period of the previous year. To preserve cash flow flexibility, the company has proposed deferring payments on several bond coupons through a Bondholders General Meeting (RUPO) scheduled for August 2026. Going forward, ADHI's recovery prospects will depend heavily on improvements in operating cash flow, the successful restructuring of its obligations, and the acceleration of payments for ongoing projects.
Insurance and Guarantee	🟢🟢🟢	**Life Insurance Premiums Continue to Grow Positively.** The life insurance industry recorded a recovery in performance, with premium income reaching IDR76.79 trillion through May 2026, up 5.87% yoy, exceeding the 3.28% growth recorded in the previous month. This increase was primarily driven by rising demand for life insurance products among upper-middle-income consumers, as reflected in the growth of single-premium policies throughout the year to date. Amid limited contributions from investment returns due to capital market volatility, industry participants have sought to strengthen premium growth to maintain profitability. Although the industry outlook remains positive, market players continue to monitor challenges in the second half of the year, particularly related to consumer purchasing power dynamics and interest rate movements that could affect demand for insurance products. In response, industry participants continue to enhance

Industries	Sentiment & Significance	News Highlights
		product innovation, accelerate digital transformation, and diversify business lines to support sustainable growth.
Mining	🔴🔴	**Operational Efficiency Becomes Critical Amid Pressure on the Coal Sector.** The outlook for listed coal companies remains challenging in H2-2026 amid moderating global commodity prices, rising operating costs, and uncertainty over mining-sector policies. In addition to Domestic Market Obligation (DMO) requirements, which cap domestic selling prices at levels lower than those available in export markets, industry players must also adapt to the implementation of the single-gate export policy through Danantara Sumberdaya Indonesia (DSI). On the operational side, rising production costs, particularly higher fuel and logistics expenses, are expected to weigh on profitability despite improvements in sales and export volumes. Additional risks stem from the potential increase in royalty rates and persistently high interest rates. As a result of these factors, several analysts have maintained a neutral outlook on the coal sector in the near term, while continuing to identify opportunities among companies with strong operational fundamentals.
Multifinance	🟢🟢	**Multifinance Cash Loan Financing Expands Amid Rising Liquidity Needs.** Demand for cash loan financing in the multifinance sector continued to show strong growth in H1-2026, driven by increasing public liquidity needs amid economic pressures, inflation, and the depreciation of the rupiah. This growth has been supported by financing needs for productive purposes, such as business capital, as well as for consumptive needs, including education, healthcare, and home renovations. In addition to strong funding demand, easier access through digital services, extensive distribution networks, and competitive interest rate offerings have also contributed to the growth of this segment. Amid still-challenging economic conditions, industry players continue to prioritize disciplined risk management practices to maintain the quality of their financing portfolios.
Oil and Gas	🟢🟢	**Government Maintains Subsidized Fuel and LPG Prices.** The government has decided to maintain the prices of subsidized fuel and subsidized LPG despite continued fluctuations in global oil prices driven by geopolitical uncertainty in the Middle East. The Minister of Energy and Mineral Resources (ESDM) emphasized that national energy reserves, including crude oil, fuel, and LPG, remain at safe levels, making domestic price adjustments unnecessary. At the same time, the government continues to strengthen energy security through the phased realization of fuel and LPG imports from Russia under a government-to-government cooperation scheme. This policy forms part of the commitment to import up to 150 million barrels of oil from Russia throughout 2026 to maintain adequate national energy reserves and anticipate potential disruptions to global supply.
Plantation and Agriculture	🟢🟢	**El Niño and B50 Sentiment Support the Outlook for CPO Producers.** The outlook for crude palm oil (CPO) producers remains positive as global CPO prices continue to hold at elevated levels and optimism toward the palm oil industry's performance increases. Key positive sentiment stems from the implementation of the B50 biodiesel program, which is expected to boost domestic supply absorption, supported by sustained demand from major markets such as India and China, and by a weaker rupiah, which benefits export revenues. In addition, the market has begun to anticipate the impact of El Niño, which is expected to weigh on oil palm plantation productivity and reduce global supply over the medium term, potentially driving further increases in CPO prices. These conditions have supported gains in the shares of listed palm oil companies, particularly those with high productivity, efficient production costs, and significant exposure to the domestic market and biodiesel business.
Power and Energy	⚪	**Waste-to-Energy Projects Become Increasingly Attractive, While Long-Term Fiscal Risks Require Anticipation.** The certainty of power purchase agreements (PPAs) of up to 30 years under Waste-to-Energy (WTE) projects is considered capable of enhancing investment attractiveness and strengthening renewable energy development in Indonesia. PLN has reaffirmed its commitment to purchasing all electricity generated by PSEL facilities, thereby providing revenue certainty for developers and improving project bankability for financial institutions. However, several economists have cautioned that such long-term contractual arrangements need to be designed carefully to avoid potential fiscal burdens, particularly regarding the certainty of waste supply and payment mechanisms when electricity generation is disrupted. In addition, experience from previous projects indicates that the mismatch between technology and the characteristics of domestic waste remains a key challenge, as reflected in the limited number of projects currently in operation. Economists also highlight the PSEL electricity tariff of USD0.20 per kWh, which is significantly higher than PLN's cost of electricity supply, potentially increasing the government's subsidy requirements if not accompanied by adequate operational efficiency.
Property	🔴🔴🔴	**Housing Market Remains Under Pressure.** The national housing market continues to face pressure amid high lending rates, rising home prices, and weakening consumer purchasing power. This is

Industries	Sentiment & Significance	News Highlights
		reflected in the 64.9% yoy decline in new housing launches across the Greater Jakarta (Jabodetabek) and Karawang areas in H1-2026, indicating developers' cautious stance amid ongoing economic uncertainty. On the demand side, elevated mortgage rates and increasingly stringent bank lending approvals have further constrained consumers' ability to purchase homes, despite substantial underlying housing demand. As a result, developers have tended to focus new project launches on the upper-middle and high-end segments, which are considered more resilient to economic pressures, while the middle-income segment remains the largest market with relatively favorable prospects. Although the Government-Borne Value Added Tax (VAT DTP) incentive helps reduce upfront purchase costs, its effectiveness in stimulating demand remains dependent on interest rate developments and consumer purchasing power. Looking ahead, growth in the housing market is expected to remain moderate.
Transportation and Vehicle Rental		**KAI–INKA Investment Reaches IDR14.68 Trillion.** PT Kereta Api Indonesia (KAI) Group continues to accelerate the modernization of railway rolling stock through its collaboration with PT Industri Kereta Api (INKA), with total investment in rolling stock procurement and renewal reaching IDR14.68 trillion. The investment covers the procurement of Stainless Steel New Generation intercity trains, Commuter Line trainsets, Jabodebek LRT rolling stock, luxury trains, and freight wagons to support enhancements to public transportation services and the national logistics network. As of mid-2026, most of the new rolling stock has already entered operation, including 39 Stainless Steel New Generation trainsets and seven Commuter Line trainsets. In addition to strengthening KAI Group's operations, this large-scale investment is expected to enhance the competitiveness of Indonesia's railway industry by increasing production capacity, strengthening the supply chain, and developing domestic manufacturing capabilities.

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

PEFINDO
CREDIT RATING AGENCY

Weekly Economic Update

Presented by the Economic Research Division of PEFINDO

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Commodity and Stock Market Development	: Yollanda Nalita
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Issuance and Maturity Corporate Debt Securities	: Wasis Kurnianto
Sectoral Highlights	: Anindita Budi Rahmayani

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