WEEKLY ECONOMIC UPDATE

Period of October 19-23, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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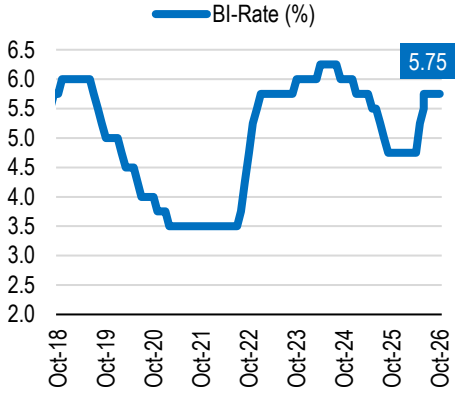
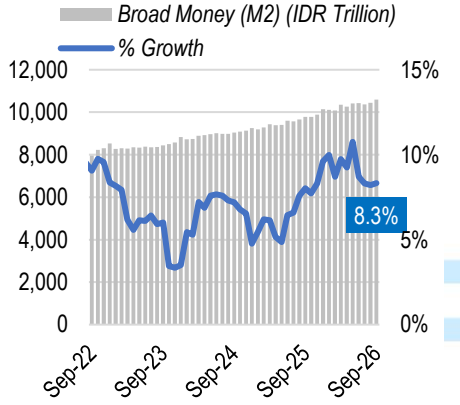
Data Highlights of the Week

Indonesia's Benchmark Interest Rate (BI Rate)



Source: Bank Indonesia

Indonesia's Money Supply



Source: Bank Indonesia

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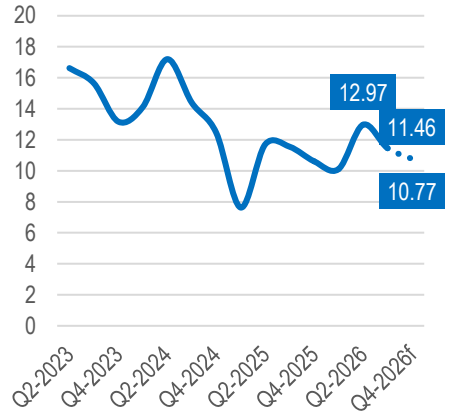
Inflation Becomes More Evident, While Emerging-Market Monetary Policies Diverge Amid Stronger-Than-Expected Resilience

Global Economy

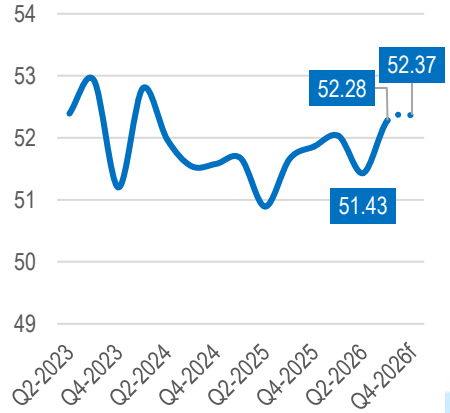
- **Global geopolitical tensions remained elevated during 19–25 October 2026, particularly as the US–Iran war entered an increasingly uncertain phase between de-escalation efforts and the threat of renewed attacks.** The US continues to keep the option of further military operations against Iran open, while Iran remains willing to negotiate through mediators. However, tensions around the Strait of Hormuz have increased, and disruptions to shipping and energy infrastructure are exerting greater pressure on global oil prices. In the Middle East, the risk of a broader conflict remains high amid Houthi attacks on Saudi interests and unresolved tensions involving Israel, Lebanon, and Gaza. In Ukraine, despite diplomatic progress through a local ceasefire agreement and plans for US–Russia–Ukraine trilateral talks in early November, fighting remains intense, including major Russian attacks on Kyiv and Ukrainian drone strikes on Russian energy infrastructure. Beyond these two principal conflicts, China–Taiwan tensions, the strengthening grey-zone dimension around Taiwan, and closer China–North Korea ties provide further evidence that global geopolitical risks are becoming increasingly multi-front.
- **Price pressures in the UK increased again in Sep'26, indicating that disinflation has stalled and inflationary pressures are broadening from energy to core components.** Consumer inflation rose to 3.5% YoY (Aug'26: 3.1%), mainly driven by a surge in fuel and transportation prices, while core inflation increased to 2.8% YoY (Aug'26: 2.6%). Producer-price inflation accelerated more sharply to 4.6% YoY (Aug'26: 3.8%), its highest level since Apr'23, primarily due to higher refined-petroleum prices and energy costs. The combined increase in consumer and producer prices indicates renewed cost pressures, making more persistent inflation a concern for the Bank of England, particularly as services and core-goods inflation have also increased.
- **The UK labor market improved in terms of employment and unemployment, although wage-growth momentum began to weaken.** The unemployment rate for Jun–Aug'26 fell to 4.7%, its lowest level since Jul'25, as employment increased and the number of unemployed people declined. However, payroll data indicate that the labor market remains relatively weak on an annual basis, with employee numbers down 0.2% YoY. Nominal wage growth slowed to 3.7% YoY (previously 3.9%), while real wage growth eased to only 0.7% YoY (previously 1.0%), suggesting that wage pressures are moderating. Overall, the UK labor market remains resilient but is showing signs of cooling, particularly in wage growth and labor demand.
- **Japan's inflation rate rose to 2.1% YoY in Sep'26 (Aug'26: 1.9%), its highest level since Dec'25.** Acceleration occurred across most components except food, clothing, and healthcare. Gas-price inflation increased to 2.4% from 2.0%, while electricity prices continued to decline (-2.4%), partly reflecting government energy subsidies. Education prices remained in deflation (-3.8%). Core inflation rose to 2.1% YoY (Aug'26: 1.7%), exceeding the Bank of Japan's 2% target for the first time in nine months.
- **Monetary policy among major emerging economies in Asia is becoming increasingly divergent, reflecting differences in inflationary pressures and economic strength.** The Bank of Korea maintained its policy rate at 3.00% after two previous increases, despite above-target inflation and significant producer-price pressures, as strong economic growth continued to be supported by semiconductor exports. The People's Bank of China kept its one-year and five-year loan prime rates at 3.0% and 3.5%, respectively, for a seventeenth month, as stronger Chinese growth reduced the need for additional stimulus while policymakers considered reforms to the interest-rate framework. In contrast, Türkiye cut its policy rate by 100 bps to 36% as inflation and domestic demand weakened, although rising energy prices remained a concern. Meanwhile, the Philippines' central bank raised

Business Activity Survey (Weighted Net Balance, %)



Source: Bank Indonesia

Prompt Manufacturing Index–Bank Indonesia (PMI-BI) (%)



Source: Bank Indonesia

Next Week's Economic Calendar

Date	Scheduled Release / Event
Oct 26-29	Fifth Plenary Session of the Communist Party of China
Oct 27	South Korea Q3-2026 GDP
Oct 28	Australia Inflation, Sep'26
	Bank of Canada Policy Rate
	UK Autumn Budget 2026
Oct 29	Federal Reserve Policy Rate
	US Economic Growth (Advance Estimate), Q3-2026
	US PCE Inflation, Sep'26
	European Central Bank Policy Rate
Oct 30	Japan Unemployment Rate, Sep'26
	Bank of Japan Policy Rate
	Euro Area Economic Growth (Preliminary Estimate), Q3-2026
	Euro Area Unemployment Rate, Sep'26
	Canada Economic Growth (Preliminary Estimate), Q3-2026

its policy rate by 50 bps to 5.50%—its fourth consecutive increase—in response to surging inflation, peso depreciation, and oil-price risks arising from geopolitical tensions. Overall, the monetary stance across emerging Asia is becoming more fragmented: Korea and China are holding rates, Türkiye is cautiously easing, and the Philippines is tightening aggressively to preserve price and exchange-rate stability.

- **China's economy improved in Q3-2026, although the recovery remained uneven and continued to face pressure from weak domestic demand and the property sector.** Economic growth increased to 4.5% YoY in Q3-2026 (Q2-2026: 4.3%), supported by stimulus measures, resilient exports—particularly AI components, high-tech manufactured products, and electric vehicles—and stronger industrial activity and consumption in September. Industrial production grew 5.5% YoY, retail sales improved to 1.1% YoY, and the unemployment rate edged down to 5.2%. However, fixed-asset investment remained in contraction, falling 7.2% YoY through September, while property investment plunged 20.6%, indicating that the property sector remains the main drag. Industrial capacity utilization also declined to 73.1%, pointing to persistent excess capacity and weak demand..

Domestic Economy

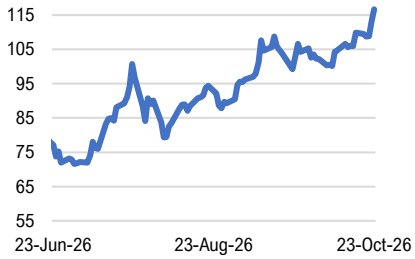
- **Bank Indonesia (BI) unexpectedly maintained the BI Rate at 5.75% for a fourth consecutive meeting.** The decision came despite renewed pressure on the rupiah amid recent foreign capital outflows from the equity market and differed from market expectations of a 25-bps increase. BI also kept the lending facility rate at 6.5% but raised the deposit facility rate by 25 bps to 5%. In addition, BI lowered the reserve requirement ratio for conventional banks from 9% to 7% and for Islamic banks from 7.5% to 5.5%. Nevertheless, BI remains focused on keeping inflation within its target range while continuing to support GDP growth.
- **The Business Activity Survey indicated that business activity moderated in Q3-2026 to 11.46% (Q2-2026: 12.97%), although it remained positive.** Capacity utilization remained stable but edged down to 73.75% (Q2-2026: 73.80%). Respondent companies reported improved liquidity, with the weighted net balance reaching 15.56% (Q2-2026: 15.03%), while profitability also improved, with a net balance of 13.11% (Q2-2026: 11.87%). Employment increased only marginally, with the weighted net balance declining to 0.07% from 0.14% in Q2-2026. Selling-price pressures eased, with the weighted net balance falling to 19.24% (Q2-2026: 22.38%). Looking ahead, respondents expect business activity to weaken further in Q4-2026 to a weighted net balance of 10.77%.
- **Manufacturing-sector performance, as measured by Bank Indonesia's Prompt Manufacturing Index (PMI-BI), remained in expansion territory (>50%) in Q3-2026 and rose to 52.28%.** This was up from 51.43% in Q2-2026, driven by increases in finished-goods inventories, production volumes, and total order volumes, all of which remained expansionary. Most subsectors were also in expansion, led by non-metallic mineral products, food and beverages, and basic metals. The PMI-BI is projected to rise to 52.37% in Q4-2026, with most subsectors remaining in expansion.
- **Broad money (M2), which reflects economic liquidity, grew faster by 8.3% YoY in Sep'26.** This compared with 8.2% in Aug'26 and brought M2 to IDR10,587.9 trillion, supported by 9.0% YoY growth in narrow money (M1) and 7.3% growth in quasi-money. The acceleration was driven by net claims on the central government, which grew 24.4% YoY after contracting 7.0% in August, and net foreign assets, which grew 1.0% YoY after contracting 6.6%. Credit growth eased slightly but remained strong at 12.7% YoY (Aug'26: 13.3%).
- **Investment realization grew 7.6% YoY in Q3-2026 (H1-2026: 7.2%) to IDR528.7 trillion and absorbed 745,634 workers.** Foreign direct investment accounted for 51.1% (IDR270.2 trillion), while domestic investment represented 48.9% (IDR258.5 trillion). Overall, investment realization grew 7.3% YoY during the first nine months of 2026 to IDR1,539.2 trillion. Employment absorption over the period was reported at 2,194,496 workers.

This Week's Highlights

Developments in the Middle East will remain the main risk to monitor over the coming week, alongside monetary-policy decisions from the Federal Reserve, European Central Bank, Bank of Japan, Bank of Canada, Bank of Thailand, and Reserve Bank of New Zealand. On the data front, advance Q3-2026 GDP figures for the United States and the Euro Area will be released, together with US PCE inflation for Sep'26 and preliminary inflation and labor-market data for major European economies and the UK. In Asia, Japan will publish unemployment data, while South Korea and Taiwan will report Q3-2026 GDP. Political developments will also remain in focus, including the UK Autumn Budget, the fifth plenary session of the Communist Party of China, and elections in Brazil and Israel.

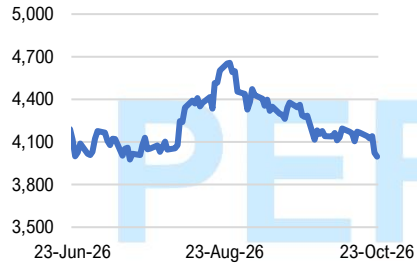
Spotlight on Commodity Price Trends (as of October 23, 2026)

Brent Crude Oil (USD/Barrel)



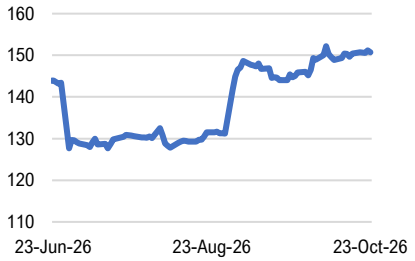
Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
116.72	6.24	13.23	76.88	91.82

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
3,996.10	-4.07	-6.80	-3.15	-7.48

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
150.70	0.20	4.15	44.63	40.19

Oil Surges on Middle East Tensions as Gold Slumps Below USD4,000.

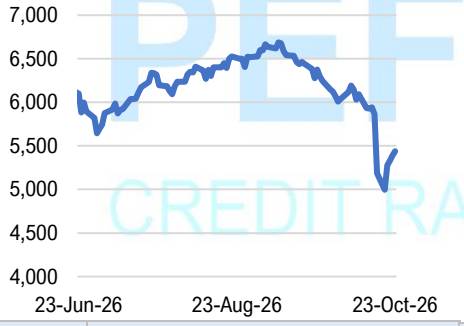
- **Brent crude oil surged 6.24% over the past week** and closed at USD116.72 per barrel on Friday (10/23), the highest in almost six months, or since 29 April 2026. Market sentiment was dominated by fears of supply disruption as the Middle East conflict heated up. Houthi attacks on Saudi Arabia, including on energy infrastructure, forced Saudi Aramco to evacuate its headquarters in Dhahran. At the same time, Iranian attacks on tankers intensified, while October was recorded as the worst month for commercial shipping in the Strait of Hormuz since 2017. Risks in the Bab el-Mandeb Strait and an oil spill off the UAE coast added to the pressure. Efforts to calm the turmoil, such as releases from US and German strategic reserves, have not been enough to reassure the market, especially as production disruptions in Libya further tighten supply.
- **Global gold prices plunged 4.07% over the past week** and closed at USD3,996.10 per troy ounce on Friday (10/23), breaking below the psychological level of USD4,000 and hitting the lowest since 20 July 2026. The decline extends the weekly downtrend to two consecutive weeks and is the deepest since June 2026. Negative sentiment was triggered by the oil price surge from the Middle East conflict, particularly the Houthis' attacks on Saudi Arabia, which reinforced global inflation concerns. This led to expectations that the Fed will keep interest rates high, with the probability of a December's hike reaching 78% according to CME FedWatch. US inflation data exceeding forecasts and a still-strong labor market added to the pressure, as non-yielding gold loses appeal relative to other instruments.
- **Newcastle coal prices edged up 0.26% over the past week.** The increase extends the positive trend to four consecutive weeks. Buying still emerges when prices dip, but the momentum is not yet strong enough to break above the start-of-week level. Market sentiment remains positive, supported by Asian energy demand and supply uncertainty. Critical stockpiles at 96 power plants in India, the switch from gas to coal in Japan and South Korea, and Indonesian export constraints due to quotas, policy, and drought on the Barito River are supporting prices. However, a potential recovery in Chinese mine output and India's tendency to prioritize domestic supply could limit further gains.
- **CPO prices rose 1.03% over the past week** and are on track for a third consecutive weekly gain. The main positive sentiment came from the surge in Malaysian palm oil exports on 1-20 October, which rose 58.51% according to the ITS survey and 78.41% according to AmSpec, compared with the same period in September. Stronger soybean oil on the CBOT, Indian demand ahead of the festival season, and high energy prices supporting biodiesel use also bolstered prices. The MPOC also expects CPO to stay above MYR4,600 per ton in November, supported by declining seasonal production. However, gains could be capped by rising stocks, a possible reduction in Indonesia's export tax, uncertainty over Malaysia's export tax, and weakening food-sector demand amid inflationary pressure. Technical analysts also warn of short-term correction risk.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	2.64	-15.28	-12.67	-21.05	-28.38	Crude Palm Oil (MYR/Ton)	4,818.00	1.03	1.05	7.76	18.96
Nickel (USD/MT)	15,719.15	3.24	-4.30	-1.12	-7.76	Rubber (USD/Kg)	257.10	0.27	3.05	48.01	42.91
Copper (USD/MT)	14,322.50	-0.59	-2.02	31.95	15.29	Wheat (cents/bu)	625.00	-5.37	-11.79	21.83	23.27
Aluminum (USD/MT)	3,043.50	1.40	-6.50	6.32	1.60	Corn (cents/bu)	456.00	-3.85	-13.80	6.54	3.58
Iron Ore (USD/MT)	90.72	-0.14	-5.58	-13.39	-15.08	Sugar (c/lb)	20.24	-2.93	14.03	32.37	34.84

Wall Street Slips on AI Worries While Indonesia's IHSG Rebounds 4.90%. The U.S. dollar weakened marginally amid global uncertainty, while the rupiah faced pressure from domestic fiscal risks and Bank Indonesia's monetary policy dilemma.

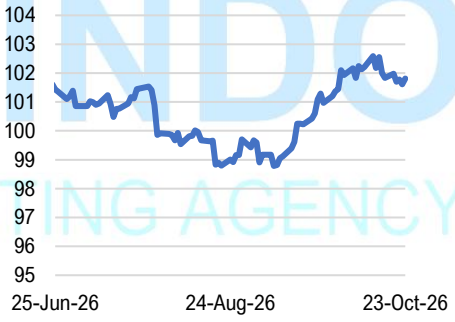
- **Wall Street closed mixed over the past week:** the S&P 500 fell 0.47%, the Nasdaq Composite declined 0.71%, while the Dow Jones Industrial Average rose 0.41%. The heaviest pressure came from tech stocks, especially semiconductors, after a series of earnings reports raised concerns over the scale of AI spending and its funding needs. The SOX index plunged 6.7% on Thursday and the Nasdaq posted its deepest daily drop since June. On Friday, the selloff spread to defensive sectors, pulling the Dow down 1.23% and curbing its weekly gain. The oil price surge from Houthi attacks and reports of a possible new US-Israel strike on Iran heightened inflation worries, while the 10-year Treasury yield moved back toward 5% and the market priced in a possible Fed rate hike later this year.
- **The ICI rose 4.90% over the past week** (19-23 October 2026) and closed at 5,439 on Friday (10/23), up from 5,185 at the end of the previous week. The gain came after the index plunged 3.64% on Monday, then rallied for four consecutive sessions. The rebound was supported by domestic investors, particularly corporate buybacks and retail investors, while foreigners still recorded weekly net selling of IDR6.67 trillion. Solid corporate fundamentals, with 74% of 962 listed companies posting profits, also provided support. Externally, the start of Strait of Hormuz negotiations eased oil price pressure, and the BI-Rate held at 5.75% helped keep the rupiah stable. However, MSCI's scrutiny of market governance and foreign outflows mean the rally does not necessarily signal a new bullish trend.
- **The U.S. Dollar Index (DXY) edged lower amid declining U.S. Treasury yields and uncertainty surrounding Federal Reserve (Fed) policy**. The DXY closed at 101.81 on Oct. 23, 2026, down 0.03% WoW. Rising oil prices, the risk of escalating conflict in the Middle East, and uncertainty ahead of the U.S. midterm elections influenced dollar movements. Concerns over substantial artificial intelligence (AI) investment spending also weighed on market sentiment. The yen strengthened on safe-haven demand, while the euro weakened amid political uncertainty in France and selling pressure in the bond market. Markets priced in a 91% probability that the Fed would hold interest rates steady in October, while the probability of a 25 bps rate hike in December reached 76%.
- **The Indonesian rupiah weakened further amid domestic fiscal pressures and uncertainty over the direction of monetary policy.** The rupiah closed at IDR18,080 per USD, depreciating 0.29% WoW and remaining above IDR18,000 for three consecutive sessions. The depreciation occurred despite broader weakness in the U.S. dollar in global markets. Oil prices near USD100 per barrel heightened fiscal risks tied to energy subsidies. These conditions intensified Bank Indonesia's (BI) dilemma in balancing rupiah stability with economic growth. BI maintained its benchmark interest rate for the fourth consecutive month but raised the Deposit Facility rate by 25 bps. A reduction in reserve requirements, effective Nov. 1, is expected to inject approximately IDR190 trillion into banking system liquidity.

Indonesian Composite Index (ICI)



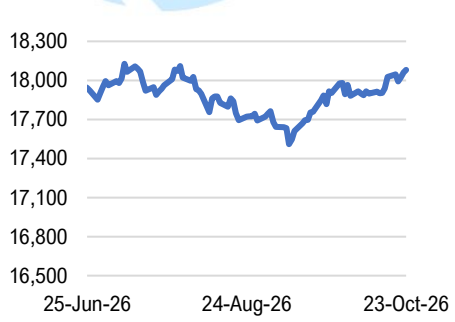
Closing	(% Change)			
	WoW	MoM	YoY	YTD
5,439.26	4.90	-14.68	-34.26	-37.10

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
101.81	-0.03	0.71	2.90	3.55

Rupiah Exchange Rate (USD/IDR)



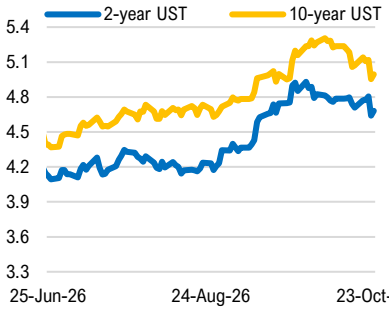
Closing	(% Change)			
	WoW	MoM	YoY	YTD
18,080	0.29	1.47	8.73	8.39

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P 500 (US)	7,623.68	-0.47	-1.07	13.14	11.37	Euro (EUR/USD)	1.12	-0.33	-1.58	-3.58	-4.63
Dow Jones (US)	52,215.16	0.41	1.37	11.73	8.64	Canadian Dollar (USD/CAD)	1.40	-0.98	-0.70	0.08	2.03
Nasdaq (US)	25,955.34	-0.71	-3.64	13.14	11.67	Pound sterling (GBP/USD)	1.34	0.35	1.02	0.36	-0.75
Euro Stoxx 50 (Eurozone)	6,068.22	-2.19	-3.68	7.05	4.78	Japanese Yen (USD/JPY)	156.87	-0.73	-0.92	2.82	0.10
FTSE 100 (UK)	10,690.36	-1.76	-0.14	11.61	7.64	Chinese Yuan (USD/CNY)	6.67	-0.25	-0.61	-6.36	-4.56
Nikkei 225 (Japan)	62,693.16	-4.03	-3.58	28.89	24.54	Singapore Dollar (USD/SGD)	1.28	-0.09	-0.16	-1.56	-0.57
Shanghai (China)	3,690.48	-0.69	-6.25	-5.91	-7.01	Malaysian Ringgit (USD/MYR)	4.09	0.10	0.13	-3.34	0.63
Hang Seng (Hong Kong)	23,093.37	-4.52	-7.01	-11.07	-9.90	Thailand Baht (USD/THB)	33.76	1.02	1.03	2.99	7.21

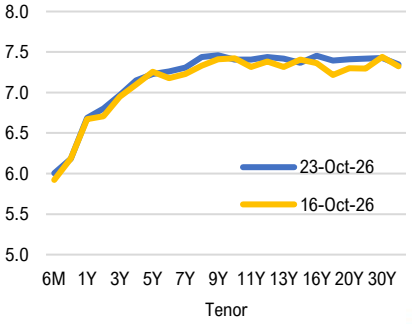
Key Data Developments in Global and National Bond Markets

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



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.682	-3	-22	119	121
5Y: 4.807	-6	-20	120	108
10Y: 4.995	-8	-12	99	83

Weekly Development of Government Bond Yield (%)



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 6.899	-2	13	199	190
5Y: 7.287	-2	42	187	173
10Y: 7.455	10	36	146	139

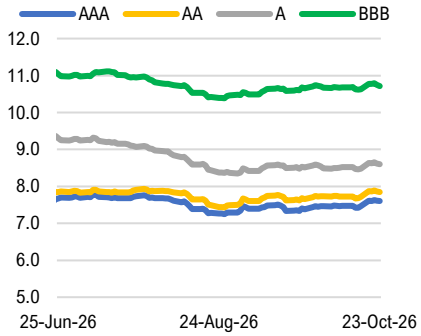
5 Year Credit Default Swap (CDS)

Closing	(% Change)			
	WoW	MoM	YoY	YTD
105.88	8.54	21.70	30.78	53.76

Global bond yields showed mixed movements; longer-tenor Indonesian government securities came under pressure, BI eased liquidity conditions, and corporate issuers recorded bond issuances, repayments, and rating downgrades.

- **U.S. Treasury yields declined across all major tenors amid increasing investor caution**. As of Oct. 23, 2026, the 2-year yield fell 3 bps to 4.682%, the 5-year yield declined 6 bps to 4.807%, and the 10-year yield dropped 8 bps to 4.995%. The 10-year yield briefly declined 17 bps in a single session, marking its largest daily decrease in more than a year, before rebounding on Friday. Market movements reflected concerns over escalating conflict in the Middle East, rising oil prices, uncertainty surrounding the U.S. midterm elections, and substantial AI investment spending. Expectations regarding the Fed's interest rate decision also influenced the bond market.
- **The French bond market faced pressure from rising fiscal risks and domestic political uncertainty.** The 10-year French government bond yield exceeded 5% on Oct. 21, 2026, reaching its highest level since July 2002. The yield spread over German government bonds widened to more than 170 bps on Oct. 23, driven by political uncertainty, domestic protests, and concerns over the fiscal deficit. Rising borrowing costs also tightened financing conditions ahead of the European Central Bank's (ECB) interest rate decision.
- **The U.K. bond market faced uncertainty over government financing requirements ahead of the budget announcement.** A Reuters survey of 15 bond dealers projected that U.K. government debt issuance would increase from GBP3.4 billion to GBP249.6 billion in fiscal year 2026/2027. The share of long-dated bond issuance was expected to fall below 7%, its lowest level since 1990. This shift reflected weakening demand from pension funds and elevated long-term yields. Financing requirements were expected to increase further in the following fiscal year.
- **The Indonesian government securities (SBN) market faced pressure at longer tenors amid rising fiscal risks and credit risk premiums**. The 2-year SBN yield fell 2 bps to 6.899%, while the 5-year yield declined 2 bps to 7.287%. In contrast, the 10-year yield rose 10 bps to 7.455%. Indonesia's 5-year credit default swap (CDS) spread increased 8.54% WoW to 105.88 bps. Market pressure reflected concerns over expanding government spending, higher energy subsidies amid the Middle East conflict, and foreign capital outflows. Foreign holdings of domestic bonds reached their lowest level in two decades. The government and BI also offered higher yields to attract investors and support the rupiah. Plans to centralize commodity exports further weighed on market sentiment.
- **Demand at the Indonesian government Islamic securities (SBSN) auction weakened compared with the previous auction**. Total bids on Oct. 20, 2026, reached IDR22.77 trillion, down from IDR32.6 trillion at the Oct. 6 auction. The government awarded IDR10 trillion across eight auctioned series. The weighted-average yields of the awarded securities ranged from 6.30% to 7.39%.
- **Bank Indonesia (BI) gradually reduced Bank Indonesia Rupiah Securities (SRBI) issuance to ease money market liquidity conditions.** Outstanding SRBI declined from a peak of IDR1,070 trillion to approximately IDR900 trillion, with an estimated liquidity release of IDR150 trillion. Adjustments to issuance volumes for instruments with 6–12-month tenors aimed to balance short- and medium-term liquidity and strengthen monetary policy transmission to the banking sector. BI also calibrated SRBI yields based on the benchmark interest rate, inflation expectations, and risk premiums to keep them attractive to foreign investors. In addition, BI provided repo facilities with tenors ranging from one week to 12 months, collateralized by SBN or SRBI, as well as foreign exchange swap facilities with tenors of 1–12 months to support banking system liquidity needs.
- **Fitch Ratings Indonesia downgraded PT Pos Indonesia (Persero)'s debt securities to default after the company failed to meet its payment obligations**. The rating on its IDR400 billion senior unsecured bonds due December 2027 was downgraded from $C_{(idn)}$ to $D_{(idn)}$ after the company failed to make a coupon payment due Sept. 28, 2026, and exceeded the 14-business-day grace period. The rating on its second-tranche sukuk was also downgraded from $C_{(idn)}$ to $D_{(idn)}$ after it missed an ijarah payment. In addition, the company had not paid the return on its IDR1 trillion first-tranche sukuk due Oct. 8, 2026, which remained within its grace period. Fitch had previously downgraded the company's National Long-Term Rating from $C_{(idn)}$ to $RD_{(idn)}$ on Sept. 18, 2026. Fitch will reassess the ratings

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

following debt restructuring or settlement of outstanding obligations, while a bankruptcy filing would result in a downgrade to $D_{(idn)}$.

- **PT Merdeka Copper Gold Tbk. (MDKA) strengthened its funding through bond issuance to refinance existing debt.** The company listed IDR4.12 trillion of Shelf-Registered Bonds V Phase IV on the Indonesia Stock Exchange on Oct. 21, 2026. Series A, totaling IDR1.81 trillion, offered a coupon rate of 8.25%, while Series B, totaling IDR2.31 trillion, carried a coupon rate of 10.00%. Proceeds were allocated to repay revolving credit facilities and outstanding bond obligations. The bonds received an $_{id}$A+ rating from PEFINDO.
- **PEFINDO downgraded PT Bukit Makmur Mandiri Utama amid liquidity pressures and weakening operating activity.** The company's rating was lowered from $_{id}$A+ with a negative outlook to $_{id}$BBB and placed on CreditWatch with negative implications on Oct. 19, 2026. The downgrade was related to IDR503.15 billion in bonds maturing on Oct. 20 and reduced business activity at one of its major customers. The company's bond and sukuk ratings were also downgraded to $_{id}$BBB and $_{id}BBB_{(sy)}$, respectively. The company subsequently repaid the bonds that matured on Oct. 20, 2026.
- **PT Sumber Global Energy Tbk. (SGER) repaid maturing bonds using internal cash resources**. The repayment covered IDR273.64 billion of Shelf-Registered Bonds I Phase II Year 2025 Series A, which carried a 10% coupon and matured on Oct. 25, 2026. The company still had IDR9.46 billion in outstanding Series B bonds, carrying a 10.75% coupon and maturing on Oct. 15, 2027. SGER used proceeds from both bond series as working capital for coal purchases. In terms of financial performance, SGER's revenue increased 6.73% YoY to IDR4.32 trillion, while net profit rose 8.83% YoY to IDR137.95 billion. The repayment reflected the company's commitment to meeting its financial obligations and maintaining bondholder confidence.
- **Corporate debt issuance activity continued, supported by a pipeline of bond and sukuk offerings on the Indonesia Stock Exchange (IDX).** As of Oct. 23, 2026, 66 issuers had raised IDR151.95 trillion through 149 debt securities and sukuk issuances. Meanwhile, the IDX pipeline contained 25 planned issuances from 16 issuers. The pipeline included five issuances from the infrastructure sector, four from financials, three from energy, two from basic materials, and one each from industrials and real estate.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
PBS030	5.88	07/15/28	50,000.00	98.54	6.77	12,753,180
FR0110	7.25	05/15/32	10,000.00	99.95	7.26	11,200,951
FR0109	5.88	03/15/31	25,000.00	94.95	7.26	11,141,796
PBS040	5.00	11/15/30	20,000.00	92.50	7.17	8,133,312
FR0104	6.50	07/15/30	NA	98.35	7.09	5,367,226

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	70,000	100.95	6.60	3,358,960
Bond III BUMA Year 2025 Series B	$_{id}$A+/A+(idn)	8.00	10/10/28	10,000	101.37	6.70	1,408,460
Shelf Registration Bond VII Adira Finance Phase IV Year 2026 Series A	$_{id}$AAA	11.00	10/04/29	10,000	111.27	6.51	1,362,500
Shelf Registration Bond V Merdeka Copper Gold Phase IV Year 2026 Series B	$_{id}$A+	10.00	10/20/29	150	104.75	10.00	1,265,315
Bond I Maruwai Coal Year 2026 Series A	$_{id}$AA	8.00	10/19/27	20,000	100.25	7.64	1,215,300

Corporate Bonds Issuance

Throughout the fourth week of October 2026, 4 companies issued corporate debt securities valued at IDR5,860 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Bank KB Indonesia Tbk	Shelf Registration Subordinated Bond IV Phase II Year 2026 Series A	Oct-19-2026	425.00	8.95	5	AA(idn)
2	PT Bank KB Indonesia Tbk	Shelf Registration Subordinated Bond IV Phase II Year 2026 Series B	Oct-19-2026	75.00	9.30	7	AA(idn)
3	PT Merdeka Copper Gold Tbk	Shelf Registration Bond V Phase IV Year 2026 Series A	Oct-21-2026	1,806.02	8.25	1	idA+
4	PT Merdeka Copper Gold Tbk	Shelf Registration Bond V Phase IV Year 2026 Series B	Oct-21-2026	2,313.17	10.00	3	idA+
5	PT Profesional Telekomunikasi Indonesia	Shelf Registration Bond V Phase II Year 2026 Series A	Oct-21-2026	602.86	7.55	3	AAA(idn)
6	PT Profesional Telekomunikasi Indonesia	Shelf Registration Bond V Phase II Year 2026 Series B	Oct-21-2026	138.20	7.65	5	AAA(idn)
7	PT Energi Mega Persada Tbk	Shelf Registration Bond I Phase V Year 2026 Series A	Oct-23-2026	387.34	9.00	1	idA+
8	PT Energi Mega Persada Tbk	Shelf Registration Bond I Phase V Year 2026 Series B	Oct-23-2026	112.66	10.00	3	idA+
Total				5,860.24			

Source: KSEI, IDX, database PEFINDO

Corporate Bonds Maturity for November 2026 Reaches IDR14.61 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Astra Sedaya Finance	Shelf Registration Bond VII Phase II Year 2025 Series A	Nov-4-2026	300.00	5.40	1	idAAA
2	PT Bank Victoria International Tbk.	Shelf Registration Subordinated Bond II Phase II Year 2019	Nov-8-2026	150.00	11.25	7	idBBB
3	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Bond VI Phase II Year 2023 Series B	Nov-9-2026	385.24	6.50	3	idAAA
4	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Sukuk Mudharabah V Phase II Year 2023 Series B	Nov-9-2026	48.73	6.50	3	idAAA(sy)
5	PT Lautan Luas Tbk.	Shelf Registration Bond III Phase II Year 2021 Series B	Nov-12-2026	135.00	9.75	5	idA
6	PT Bank UOB Indonesia	Shelf Registration Subordinated Bond II Bank UOB Indonesia Phase II Year 2019	Nov-13-2026	650.00	9.25	7	AA(idn)
7	PT Indonesia Infrastructure Finance	Shelf Registration Bond II Phase III Year 2025 Series A	Nov-15-2026	500.00	5.40	1	idAAA
8	PT Federal International Finance	Shelf Registration Bond VI Phase II Year 2023 Series B	Nov-16-2026	250.78	6.75	3	idAAA
9	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VI Phase II Year 2021	Nov-17-2026	2,800.00	6.00	5	idAAA
10	PT Wahana Inti Selaras	Shelf Registration Bond I Phase II Year 2025	Nov-17-2026	500.00	5.85	1	idA
11	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond I Phase I Year 2016 Series C	Nov-18-2026	700.00	8.65	10	idAAA
12	PT Indomobil Finance Indonesia	Shelf Registration Bond IV Phase II Year 2021 Series C	Nov-19-2026	593.54	7.50	5	idAA-
13	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond IV Phase III Year 2023 Series B	Nov-21-2026	739.72	10.25	3	idA+
14	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Sukuk Mudharabah III Phase III Year 2023 Series B	Nov-21-2026	303.56	10.25	3	idA+(sy)
15	PT Angkasa Pura Indonesia	Bond I Year 2016 Series C	Nov-22-2026	1,025.00	8.55	10	idAAA
16	PT Angkasa Pura Indonesia	Sukuk Ijarah I Year 2016 Series C	Nov-22-2026	96.00	8.55	10	idAAA(sy)
17	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond USD I Phase II Year 2023 Series B (USD0.90 mn)	Nov-22-2026	13.45	7.00	3	idA+
18	PT Medco Energi Internasional Tbk.	Shelf Registration Bond IV Phase II Year 2021 Series B	Nov-23-2026	58.20	8.50	5	idAA-
19	PT Pegadaian	Shelf Registration Bond VI Phase IV Year 2025 Series A	Nov-23-2026	2,700.00	5.25	1	idAAA
20	PT Pegadaian	Shelf Registration Social Sukuk Mudharabah I Phase III Year 2025 Series A	Nov-23-2026	1,300.00	5.25	1	idAAA(sy)
21	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VII Phase VII Year 2024 Series B	Nov-26-2026	153.01	6.50	2	idAAA
22	PT Barito Pacific Tbk.	Shelf Registration Bond III Phase II Year 2023 Series A	Nov-28-2026	700.00	8.50	3	idA+
23	PT Bank Rakyat Indonesia (Persero) Tbk.	Shelf Registration Commercial Paper I Phase I Year 2025 Series D	Nov-29-2026	403.80	4.95	1	idA1+
24	PT Bussan Auto Finance	Shelf Registration Bond III Phase IV Year 2025 Series A	Nov-29-2026	100.00	5.00	1	idAAA
Total				14,606.02			

Weekly Sector Highlights

During 19-23 October 2026, domestic sectoral sentiment remained dominated by negative developments, primarily driven by the impact of the MSCI announcement, energy supply conditions, and industry players' strategic decisions.

Industries	Sentiment & Significance	News Highlights
Automotive	🟢	**Ministry of Industry Pushes for Hybrid Vehicle Incentives.** The Ministry of Industry has proposed fiscal and non-fiscal incentives for hybrid vehicles, plug-in hybrid electric vehicles (PHEVs), and range-extended electric vehicles (REEVs) to accelerate electrification in the automotive sector, improve fuel efficiency, and strengthen national energy security. The automotive industry has welcomed the proposal, viewing it as a measure that could encourage the adoption of energy-efficient vehicle technologies while enhancing the attractiveness of investment in the domestic automotive sector. The government also considers the development of hybrid vehicles to be more easily integrated into existing supply chains and component manufacturing industries compared with a full transition to battery electric vehicles (BEVs).
Banking	🔴🔴	**Large-Cap Bank Stocks Remain Under Pressure.** Large-cap banking stocks continue to face pressure amid foreign investor sell-offs driven by uncertainty surrounding the status of Indonesia's capital market within the MSCI index. Although the fundamental performance of major banks remains solid and valuations have become increasingly attractive, continued foreign capital outflows are still limiting near-term upside potential in share prices. Amid market volatility, several banks have also continued their share buyback programs, reflecting management's confidence in the strength of their fundamentals and long-term business prospects.
Insurance and Guarantee	🔴	**Insurance Industry Reviews Investment Strategies.** The weakening of the domestic equity market, driven by rising uncertainty surrounding Indonesia's status in the MSCI index, has prompted the insurance industry to reassess its investment strategies to preserve asset values and maintain corporate financial health. Industry players view portfolio diversification as a crucial measure, including increasing allocations to more defensive instruments such as Government Securities (SBNs) and time deposits to maintain an appropriate balance between returns, liquidity, and claim payment obligations. Nevertheless, insurance companies are not automatically engaging in large-scale equity sell-offs and continue to align investment decisions with their respective risk profiles and liquidity requirements.
Metal and Gold	🟢🟢	**Outlook for Metal Mining Issuers Becomes More Selective.** The outlook for listed metal mining companies through early 2027 is expected to become increasingly selective amid diverging commodity price trends and rising production cost pressures. Higher copper and tin prices are likely to support the performance of issuers with significant exposure to these commodities, while weaker nickel and gold prices may pose challenges for certain industry players. In addition, elevated energy and raw material costs, including oil and sulfur, risk putting pressure on profit margins. Nevertheless, several issuers continue to have growth opportunities through production capacity expansion, downstream processing facility development, and operational optimization, which could support revenue growth over the medium term.
Mining	🔴🔴	**RKAB Revision Could Pressure Issuers' Performance.** The revision of the 2026 Work Plan and Budget (RKAB), which limits coal production to 700 million tons and nickel production to 290 million tons, has the potential to affect the performance of issuers in both sectors, primarily through lower production and sales volumes. In the coal sector, production caps and the potential decline in exports could constrain revenue growth, although they may help support commodity prices. Meanwhile, a potential shortage of nickel ore supply could increase raw material costs for smelters that depend on external sources, while benefiting mining companies and issuers with vertically integrated operations.
Multifinance	🟢	**Efficiency and Risk Management Drive Multifinance Profit Growth.** Despite continued moderation in financing growth, the multifinance industry has maintained solid profitability, with earnings rising 19.04% YoY through August 2026. However, challenges remain, particularly from weak household purchasing power, which could weigh on financing demand and affect asset quality. To sustain long-term growth, multifinance companies continue to prioritize prudent lending practices while enhancing operational efficiency and optimizing the effectiveness of their funding structures.
Oil and Gas	🔴🔴🔴	**Gas Supply and Pricing Remain Challenges to Industrial Competitiveness.** The availability of reliable gas supply at competitive prices remains a key concern for industry players, particularly as supply disruptions and distribution restrictions persist despite the government's allocation of gas under the Specific Natural Gas Price (HGBT) scheme. The ceramic industry has reported rising

Industries	Sentiment & Significance	News Highlights
		energy costs due to limited supply, while several sectors continue to rely on higher-priced regasified LNG to meet operational requirements. Industry participants believe that improving supply governance and developing integrated gas infrastructure from upstream to downstream are critical to ensuring supply sustainability while maintaining the competitiveness of the national industrial sector.
Plantation and Agriculture	🔴	**Palm Oil Industry's Readiness for EUDR Remains Constrained.** The implementation of the European Union Deforestation Regulation (EUDR) beginning in late 2026 is prompting palm oil industry players to strengthen supply chain readiness to meet sustainability and product traceability requirements. While plantation companies generally already possess the necessary legal documentation and geolocation data for their estates, the primary challenge remains independent smallholders, many of whom have yet to obtain business permits and Plantation Cultivation Registration Certificates (STDB). In addition, companies must segregate fresh fruit bunch (FFB) supplies sourced from smallholders and corporate plantations to ensure compliance with EUDR requirements, which necessitates additional investment. Industry participants believe that accelerating the legalization, registration, and mapping of smallholder plantations, as well as fostering closer coordination among the government, companies, and farmers, will be critical to maintaining Indonesia's palm oil export access to the European Union market.
Power and Energy	🔴🔴🔴	**Blackout Incidents Highlight the Reliability of the National Power System.** A series of blackout incidents over the past two years, including large-scale power disruptions in Sumatra, Java, and most recently Batam, has drawn attention to the reliability of Indonesia's national electricity system. The issue extends beyond the adequacy of generation capacity and reflects broader challenges related to the reliability of transmission and distribution networks, the availability of operating reserves, and the system's ability to respond to sudden disruptions. Observers view these developments as a warning signal for governance in the electricity sector and call for a comprehensive evaluation of infrastructure, operations, and oversight across the energy sector.
Property	🟢🟢	**Industrial Estate Demand Remains Promising.** The outlook for the industrial estate business through the end of 2026 remains positive, supported by continued economic growth and strong investment activity, although investors have become increasingly selective amid uncertainties related to geopolitics, global trade, energy costs, and domestic policies. Demand is increasingly being driven by the data center sector, which has become one of the key contributors to industrial land absorption due to its need for adequate electricity and water infrastructure. In addition, the development of industrial estates requires support from regional governments, particularly in land provision and infrastructure development, to accelerate industrialization and attract new investments.
Transportation and Vehicle Rental	🔴🔴🔴	**Forest and Land Fires Increasingly Disrupt Airline Operations.** The impact of forest and land fires (karhutla) on the aviation industry continues to intensify, with a total of 2,458 domestic flights affected between August and mid-October 2026. These operational disruptions may weigh on airline performance by reducing flight revenues, while most fixed costs and safety-related operating expenses must still be incurred. The regions most affected include Kalimantan, Sumatra, as well as Maluku and North Maluku, resulting in a higher risk of flight schedule disruptions for a number of airlines. Industry participants consider forest and land fire mitigation efforts to be critical, given that haze conditions have yet to subside and the rainy season is projected to arrive later due to the influence of El Niño.

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

Weekly Economic Update

Presented by the Economic Research Division of PEFINDO

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

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