PEFINDO
CREDIT RATING AGENCY

WEEKLY ECONOMIC UPDATE

Period of August 18–22, 2025

Presented by:
Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

EXECUTIVE SUMMARY

- Progress in Russia-Ukraine peace negotiations continues, and a trilateral meeting with the US is scheduled. From a monetary perspective, the United States is moving closer to easing monetary policy this year, as the Fed Chair's speech noted increasing risks to the US labor market. Meanwhile, S&P Global Ratings continues to affirm the US rating at AA+ (stable). Several major economies reported mixed inflation, with the Eurozone remaining at 2%, the UK rising to 3.8%, and Japan dropping to 3.1%. Japan is reportedly raising the assumed interest rate for long-term government bonds for the 2026/27 fiscal year to 2.6%. Meanwhile, China is keeping its Loan Prime Rate unchanged. Various policies have been launched by China, India, Thailand, and Vietnam to stimulate the economy and offset the impact of the trade war.
- On the trade war front, US-India talks have so far stalled. Meanwhile, the US Department of Commerce has expanded steel and aluminum tariffs by 50% to cover more than 400 product categories. Furthermore, the US is also reportedly planning to lower tariffs on automotive imports from Japan and the European Union.
- The domestic economy experienced positive developments amidst a still challenging external sector. Bank Indonesia again cut its benchmark interest rate by 25 basis points to 5.0%. Furthermore, economic liquidity reportedly grew at an accelerated pace during July 2025. Externally, the balance of payments deficit widened to USD6.7 billion, in line with increasing deficits in the current account and capital and financial accounts.
- Commodity price movements this week showed mixed trends: Brent crude oil and CPO strengthened on the back of positive fundamentals, gold was supported by expectations of a Fed rate cut and a weaker dollar, while coal initially gained but later declined due to weakening demand from China. This highlights that the outlook for global commodities remains heavily influenced by geopolitical dynamics, monetary policies, and the balance of supply and demand in key markets.
- Global stock markets showed mixed performance last week, with Wall Street and European markets gaining on rising expectations of a U.S. interest rate cut, while Asian markets were more varied as Japan weakened but China and Hong Kong strengthened. In Indonesia, the JCI slipped despite strong foreign inflows, weighed down by a rate cut from Bank Indonesia and continued rupiah depreciation.
- Last week, global market sentiment was influenced by the Fed's monetary policy signals. Fed Chairman Jerome Powell hinted at a US interest rate cut in September, causing the Dollar Index (DXY) to weaken. The weakening of the dollar boosted other currencies, particularly in Asia, with the South Korean won leading the appreciation. Ironically, the rupiah weakened, making it the worst-performing currency in Asia. This was due to a narrowing interest rate differential with the US after Bank Indonesia (BI) cut interest rates, making Rupiah-denominated assets less attractive to foreign investors.
- Meanwhile, the bond market showed mixed movements. US and Eurozone bond yields fell in line with expectations of lower interest rates. On the other hand, UK bond yields remained stable amid persistent concerns about inflation, contrasting with the downward trend in the US and the Eurozone. In Asia, most countries experienced rising yields, while in Indonesia, three-year government and corporate bond yields fell, driven by BI's interest rate cut and reduced risk. To support financing, the government plans to borrow IDR781.9 trillion in debt by 2026, with most of this amount expected to be raised through the issuance of Government Securities (SBN).
- On August 18-22, 2025, issuances of bonds reached IDR4.02 trillion. Meanwhile, throughout August 2025, PEFINDO recorded debt securities that matured at IDR10.78 trillion. Then, in September 2025, October 2025, and November 2025, debt securities that matured were valued at IDR14.84 trillion, IDR13.16 trillion, and IDR14.40 trillion, respectively.
- From August 18-22, 2025, several sectors are experiencing negative sentiment due to policy uncertainty and weakened consumer demand. The electric motorcycle industry saw a 20–30% sales drop, while banking faces slowed credit growth and declining stock performance. Pension funds are under pressure from falling interest rates, and the property sector struggles with affordability and credit risks. PT KAI is burdened by losses from its stake in the Whoosh high-speed rail, potentially affecting public services. In contrast, growth is seen in sectors backed by strategic investment. The energy sector is set to receive IDR402.4 trillion for renewable and rural electrification projects. Construction will benefit from IDR118.5 trillion in infrastructure development. Jasa Marga is investing in toll road operators via bond proceeds, while the mining sector is undergoing governance reform. The U.S. tariff hike on steel and aluminum may also create opportunities for domestic producers.

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A. MACROECONOMIC DEVELOPMENT

1) Global Economy

- US President Donald Trump announced plans for a meeting between Vladimir Putin and Volodymyr Zelensky, following a phone call with Putin after high-level talks in Washington, D.C., with European leaders. Trump said a trilateral session involving himself would follow the Putin-Zelensky meeting, with Vice President J.D. Vance, Secretary of State Marco Rubio, and envoy Steve Witkoff coordinating logistics. Trump noted, "President Putin agreed that Russia would accept security guarantees for Ukraine," calling it a key issue for negotiations. He added, "I think the European countries will bear a lot of the burden. We're going to help them. And we're going to make it very safe."
- The minutes of the Fed's July meeting showed a split, with nearly all officials favoring a fixed interest rate range of 4.25%-4.50%, while Michelle Bowman and Christopher Waller favored a 25-basis-point cut to protect the weakening job market. However, inflation concerns persisted as Trump's tariff policies pushed consumer and producer prices higher. Officials debated the magnitude of the tariffs' impact on inflation and whether restrictive policies were still necessary.
- Fed Chairman Jerome Powell hinted at the possibility of a September interest rate cut, citing rising risks to the labor market despite persistent inflationary pressures. He noted that July employment data showed lower-than-expected hiring, warning that layoffs could accelerate if conditions worsen. However, he emphasized that President Trump's tariffs could fuel sustained inflation and warrant caution. Powell emphasized that the Fed must balance growth and price stability, saying policy remains restrictive but could be adjusted if further risks skew employment.
- S&P Global affirmed the United States' credit rating at AA+ (stable). S&P stated that revenues from President Donald Trump's tariffs on other countries are expected to offset the fiscal impact of his recent spending bill, emphasizing that the fiscal profile remains a key weakness in the US sovereign rating. In addition to S&P, Fitch and Moody's also assigned US ratings of 'AA+' and 'Aa1' with a stable outlook, while DBRS assigned a 'AAA'/stable rating.
- The annual inflation rate in the Eurozone remained at 2% YoY in Jul'25, in line with the initial estimate. This marked the second consecutive month of on-target inflation. Price growth slowed in the services sector (3.2% vs. 3.3% in June), matching May's level and offsetting acceleration in non-energy industrial goods (0.8% vs. 0.5%) and food, alcohol, and tobacco (3.3% vs. 3.1%). Deflation eased slightly for energy (-2.4% vs. -2.6%). Meanwhile, core inflation remained at 2.3% YoY, the lowest since January 2022.
- The UK inflation rate in July 2025 jumped to 3.8% YoY (Jun'25: 3.6%), the highest since Jan'24. The main upward pressure came from transportation, which rose 3.2% YoY (vs. 1.7% in June), driven by a 30.2% surge in airfares due to the summer school holidays. Additional contributions came from higher motor fuel costs, maritime freight rates, and roadside recovery services. Core inflation edged up to 3.8% from 3.7%.
- Japan's inflation rate in Jul'25 fell to 3.1% YoY (Jun'25: 3.3%), the lowest since Nov'24. Electricity prices fell for the first time since Apr'24 (-0.7% vs. 5.5%), while gas prices remained unchanged at 2.7%. Continued declines in education costs and a slowdown in price increases for household and recreational goods have offset a 7.6% surge in food prices (Jun'25: 7.2%), the highest since February 25, driven by a 90.7% YoY surge in rice prices. Core inflation also reached 3.1% YoY, in line with the headline inflation rate and reaching a five-month low (Jun'25: 3.3%).
- Japan's Ministry of Finance is preparing to raise the interest rate assumption for long-term government bonds to 2.6% in its fiscal 2026/27 budget request, marking a 17-year high. The bond rate assumption was previously set at 2.1% during the fiscal 2025 budget request phase, before being revised down to 2.0% in the final budget. The planned increase is expected to lead to higher debt servicing costs. Separately, the Ministry of Finance is expected to allocate approximately JPY30 trillion (approximately USD202 billion) for debt servicing in its fiscal 2026/27 budget request, a record high.
- The People's Bank of China (PBOC) maintained its key lending rates despite recent economic data suggesting the economy may be losing momentum. The one-year Loan Prime Rate (LPR) was maintained at 3.0%, while the five-year LPR was held at 3.5%. In its latest quarterly monetary policy implementation report, the central bank stated that it would continue to implement and refine its moderately loose monetary policy.
- China has extended its anti-subsidy investigation into EU dairy imports by six months, bringing the deadline to February 21, 2026. The investigation, which covers EU cheese, milk, and cream products, was launched amid escalating trade tensions following an EU investigation into Chinese-made electric vehicles in 2023. In response, China launched its own investigations into EU brandy, pork, and dairy products.
- China has lifted restrictions on exports of rare earth magnets, fertilizers, and tunnel boring machines to India. This was confirmed by the Chinese Foreign Minister, after India expressed concerns, particularly regarding the sudden fertilizer restrictions, which directly affected the availability of Di-Ammonium Phosphate (DAP) during the Rabi season. The automotive and electronics industries also raised serious concerns over China's export restrictions on magnets and rare earth minerals, warning that the resulting shortages could significantly disrupt production.
- India and China have agreed to resume direct flights and increase trade and investment flows as part of efforts to rebuild relations strained by the 2020 border clashes. Amid unpredictable US foreign policy, the two countries are cautiously re-engaging. India's Ministry of External Affairs announced plans to reopen border trade at three designated points and streamline visa processes, although no date

has been set for the resumption of flights.

- India and the Eurasian Economic Union (EAEU), comprising Armenia, Belarus, Kazakhstan, the Kyrgyz Republic, and Russia, signed terms of reference to begin negotiations on a Free Trade Agreement (FTA) in Moscow. This move comes amid ongoing US-India trade tensions. Previously, India and the UK formally signed a new FTA on July 24, 2025. India is also in talks to finalize a trade deal with the European Union.
- India has proposed reducing the Goods and Services Tax (GST) on small petrol and diesel cars to 18% (currently 28%) as part of a broad consumption tax cut. The move is part of the most significant round of tax cuts since the GST system was introduced in 2017 under Prime Minister Narendra Modi. Additionally, the GST on health and life insurance premiums could be reduced to 5% or even zero (currently 18%). If approved, the tax cuts are expected to be announced during the Diwali festival (October).
- Thailand reported economic growth of 2.8% year-on-year in Q2-2025, slowing from 3.2% in Q1-2025 but exceeding market expectations of 2.5%. This was the slowest growth since Q2-2022. Private consumption and government spending slowed. However, investment continued to grow solidly, and external trade contributed positively as companies accelerated shipments ahead of new US tariffs. In H1-2025, the economy grew by 3.0%. In the same week, Thailand also reported that the Q2-2025 unemployment rate rose to 0.91% (Q1-2025: 0.89%), the highest since Q3-2024, amid employment pressures in the agricultural sector, although other sectors remained stable and continued to recover.
- Thailand will launch an 18-month pilot program allowing foreign tourists to convert cryptocurrency into baht for local payments, to boost the struggling tourism sector. The conversion limit is set at THB550,000 to prevent money laundering, with potential adjustments after a trial period. Tourists will use a Thailand-based crypto exchange to transfer funds to online wallets to spend at local businesses.
- Vietnam launched a broad infrastructure push, with the groundbreaking or inauguration of approximately 250 projects across the country to spur economic growth. The government is funding 129 projects worth VND478 trillion (USD18 billion), covering urban development, transportation, and research facilities, while another 121 projects totaling USD30.5 billion from other sources, including foreign investors, are also underway. The push comes as Vietnam strives to meet its ambitious GDP growth target of at least 8% this year amid global headwinds and 20% tariffs from the US.

2) Trade War

- US-India trade deal talks have been postponed after a planned visit by American negotiators to New Delhi on August 25-29 was cancelled. The move dashed hopes for easing new 50% US tariffs on Indian goods that were due to take effect on August 27. Negotiations had stalled after five rounds due to disagreements over opening India's agricultural and dairy markets and halting purchases of Russian oil. India's Foreign Ministry said they were being "unfairly singled out" while the US and EU continued to buy from Russia.
- The US Commerce Department expanded 50% tariffs on steel and aluminum to cover more than 400 product categories, including auto parts, chemicals, plastics, and furniture components containing those metals. These levies now cover 407 new product categories. The new tariffs are set to take effect on August 25, 2025.
- The US Commerce Secretary said a document outlining the latest agreement on US tariffs on Japanese imports is likely to be released in the coming weeks. The Trump administration plans to revise its 15% reciprocal tariffs on Japan to align with the July agreement, which would require changes to existing executive orders, including a reduction in tariffs on Japanese cars from 27.5% to 15%. In addition to Japan, the European Union is also working to ensure that lower US tariffs on its auto exports are applied retroactively to August 1.

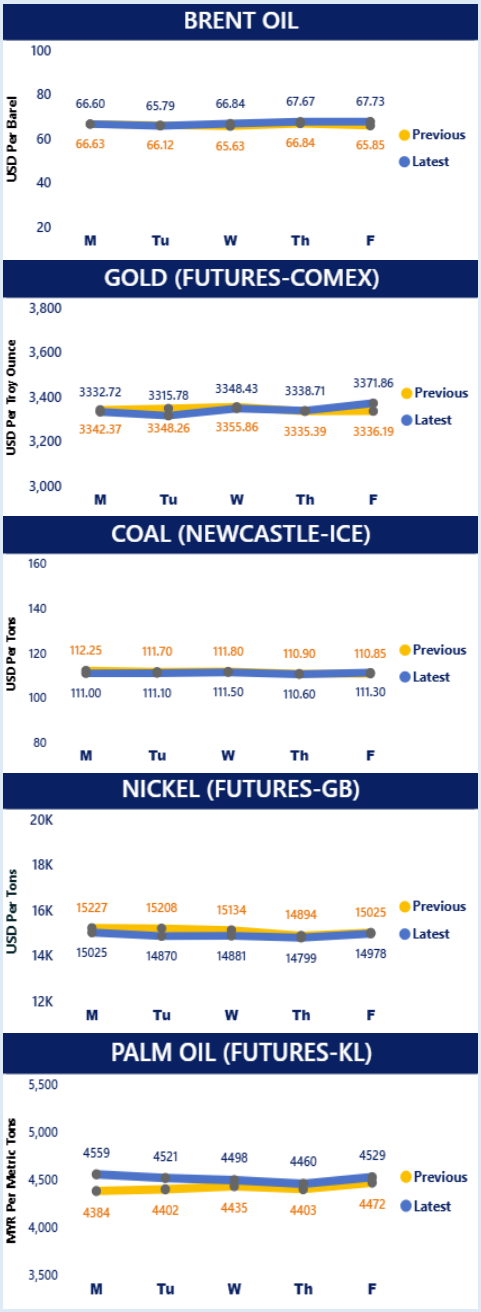
3) Domestic Economy

- Bank Indonesia cut its benchmark interest rate by 25 bps to 5.0%, following a 25 bps cut in July and defying market expectations to maintain the policy rate. This marked the fifth rate cut since September 2024, bringing the BI Rate to its lowest level since October 2022. This decision reflects the projection that inflation for 2025–2026 will remain within the central bank's target range of 2.5% ± 1%, a stable Rupiah exchange rate, and ongoing efforts to support economic growth. BI projects economic growth in 2025 to be slightly above the midpoint of the 4.6% to 5.4% range.
- Economic liquidity, or broad money supply (M2), accelerated to 6.5% YoY in July 2025 (6.4% in June 2025) to IDR9,569.7 trillion, driven by 8.7% YoY growth in narrow money supply and 4.8% YoY growth in quasi-money. The acceleration in M2 growth was driven by higher net domestic assets growth (7.3% YoY) compared to the previous month (3.9% YoY). Net receivables to the central government contracted 6.2% YoY (June 25: 8.2%), while credit disbursement slowed to 6.6% YoY (June 25: 7.6%).
- Indonesia's balance of payments recorded a deficit of USD6.7 billion in Q2-2025 (Q1-2025: USD0.8 billion). The deficit was driven by a current account deficit of USD3.0 billion (0.8% of GDP), higher than in Q1-2025 (USD0.2 billion/0.1% of GDP), in line with a lower trade surplus due to slowing global economic growth and commodity prices, and a widening primary income deficit due to increased payments of returns on foreign investment in Indonesia, amidst a slightly higher secondary income surplus due to higher PMI remittance receipts. In addition, the capital and financial account also recorded a deficit of USD5.2 billion (1.4% of GDP) due to a high portfolio investment deficit amid higher direct investment inflows.

B. COMMODITY MARKET DEVELOPMENT

- Brent crude oil closed at USD67.73 per barrel (8/22), marking its first weekly gain in the past three weeks. The increase was supported by uncertainty over the Russia-Ukraine peace process and a larger-than-expected decline in U.S. oil inventories. The U.S. Energy Information Administration (EIA) reported a 6-million-barrel draw for the week ending August 15, far exceeding analysts' expectations of 1.8 million barrels. On the production side, U.S. energy companies cut the number of oil and gas rigs for the fourth time in the past five weeks. Baker Hughes reported the rig count fell by one to 538 units as of August 22, the lowest level since mid-July. However, German economic data showing a 0.3% contraction in the second quarter raised concerns about oil demand prospects in Europe.
- Gold prices strengthened 1.07% over the past week after Jerome Powell's speech boosted expectations of a Federal Reserve rate cut in September to 85%. The U.S. dollar index fell 1%, making gold cheaper for holders of other currencies, thereby fueling buying momentum in the precious metals market. On the physical demand side, gold buying interest in several Asian trading hubs remained sluggish this week due to price volatility. However, jewelry purchases in India began to rise ahead of the festive season.
- Coal prices rose at the start of the week, recording a 0.41% weekly gain, with China remaining the main driver of the increase. Market participants assessed that supply restrictions to be imposed by Beijing would have a significant impact. However, prices weakened at the end of the week, breaking the positive trend, as China began to scale back demand. According to Sxcoal, thermal coal prices in China's main producing regions declined due to weaker offtakes and more cautious procurement by end-users. Several reports also indicated that domestic demand was weakening while stockpiles at mines and ports were rising. This prompted buyers, including power plants, to delay purchases to mitigate price risks.
- CPO prices rose 1.27% over the past week, supported by strong export data and the rally in competing vegetable oils and crude oil. Malaysian palm oil exports during August 1–20 increased by 13.6%–17% compared to the same period last month. Higher crude oil prices further boosted CPO's attractiveness as a feedstock for biodiesel. Although the week ended in positive territory, some analysts believe palm oil prices may still retest the August 20 low of MYR4,498 per metric ton, as the correction from MYR4,521 is seen as not yet fully complete.

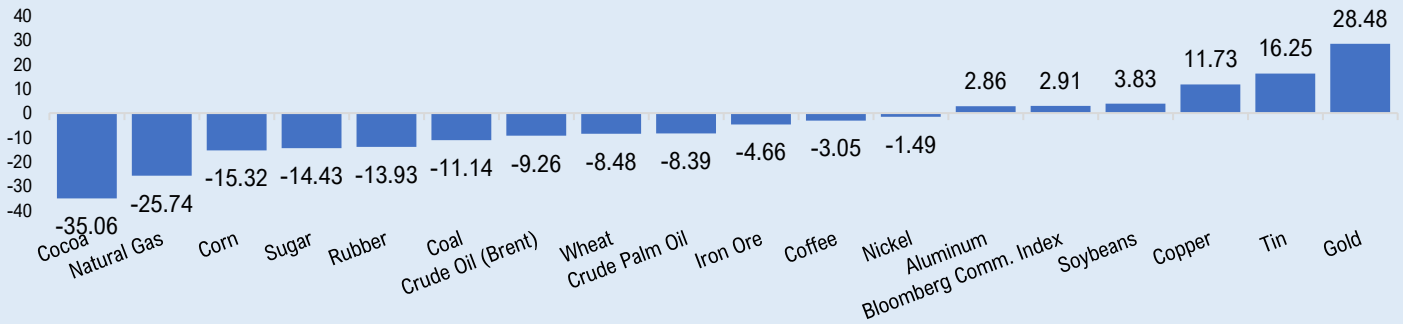
Chart 1. Several Commodity Price Developments on a Weekly Basis (W-to-W)



Previous : 08/11/25 – 08/15/25
Latest : 08/18/25 – 08/22/25

Source: Bloomberg & Investing (2025).

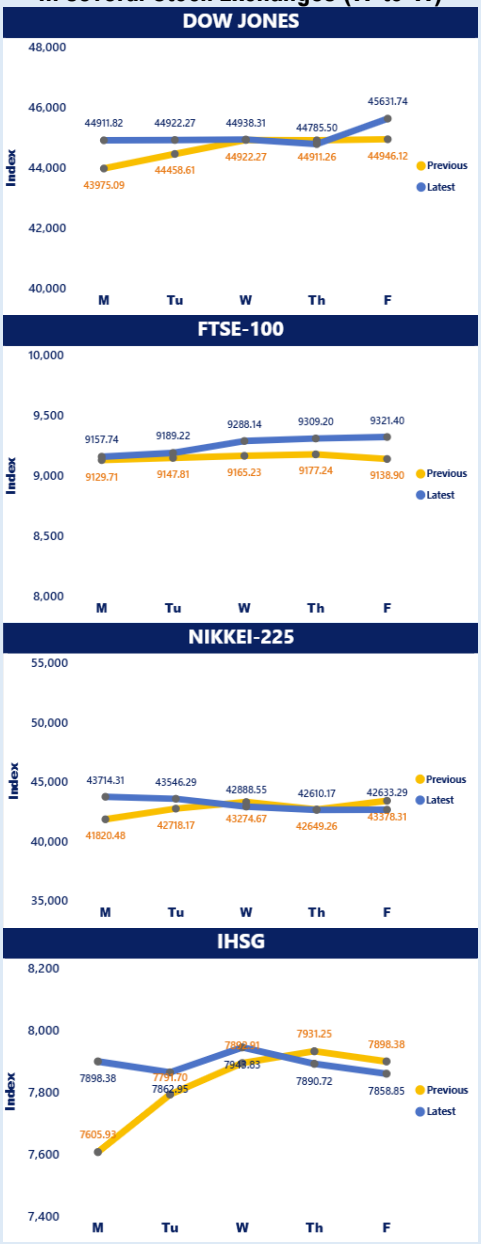
Chart 2. 2025 Commodity Price Changes (%YTD)



C. STOCK MARKET DEVELOPMENT

- Wall Street stocks strengthened over the weekend after Jerome Powell's speech at Jackson Hole opened the door for a potential interest rate cut in September. Following Powell's remarks, the probability of a September rate cut rose to nearly 90% from 75% previously, boosting investor optimism about the economic outlook and looser monetary policy. The consumer discretionary and technology sectors led the rally; Tesla jumped 6.2%, while the semiconductor index surged 2.7%. The sharp gain at the end of the week broke a five-day losing streak in the S&P 500, which had been under pressure from net sell in large-cap tech stocks. For the week, the S&P 500 and Dow Jones Industrial Average rose 0.27% WoW and 1.53% WoW, respectively, while the Nasdaq slipped 0.58% WoW as investors rotated out of large-cap tech stocks into lower-valuation names. Overall, U.S. equities have rebounded sharply since being pressured in April by President Donald Trump's announcement of new tariffs. Indexes are now moving closer to record highs, driven by solid corporate earnings, easing trade tensions, and expectations of rate cuts.
- European stocks also reached new highs after Powell's signal of possible rate cuts. By the end of the week, the STOXX 600, the region's benchmark index, gained 0.4% and stood less than 1% away from its all-time high, supported by the mining and consumer sectors. Most regional markets closed in positive territory. Germany's DAX edged up 0.02% WoW, France's CAC rose 0.58% WoW, while the UK's FTSE gained a notable 2.00% WoW.
- Asian stock markets posted mixed performances over the past week. Japan's Nikkei 225 weakened 1.72% WoW amid slowing core consumer price data for the second consecutive month. In contrast, Hong Kong's Hang Seng Index and China's Shanghai Composite Index recorded gains of 0.27% WoW and 3.49% WoW, respectively.
- JCI fell 0.50% WoW last week, closing at 7,858.85. However, foreign investors were aggressively buying, recording a net buy of IDR2.73 trillion. By sector, the industrial sector index led with a 4.30% weekly gain, while the infrastructure sector was the most pressured, down 3.90%. The JCI's decline was influenced by Bank Indonesia's decision to cut its benchmark interest rate to 5% last week. Meanwhile, continued weakness in the rupiah against the U.S. dollar also weighed on JCI's performance.

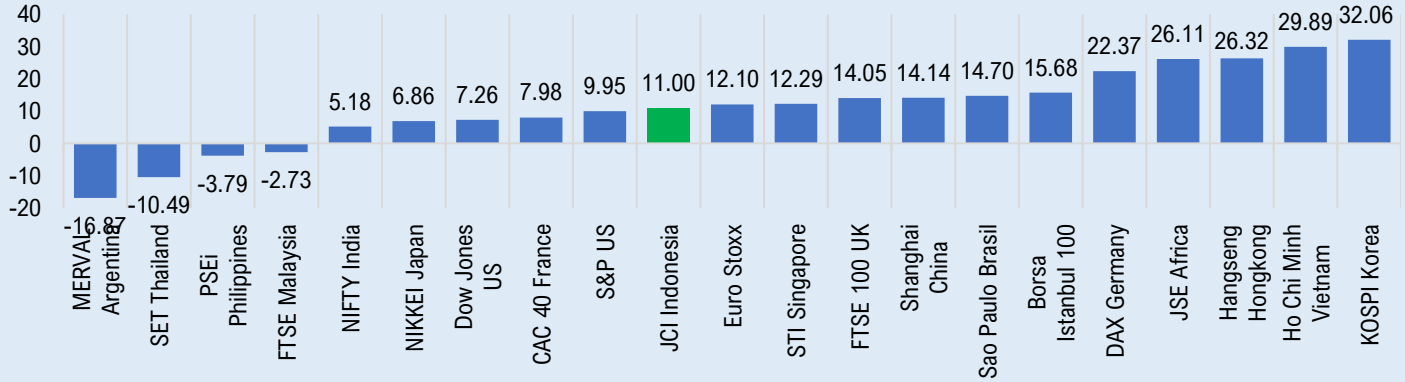
Chart 3. Weekly Stock Price Movements In several Stock Exchanges (W-to-W)



Previous : 08/11/25 – 08/15/25
Latest : 08/18/25 – 08/22/25

Source: Bloomberg & Investing (2025).

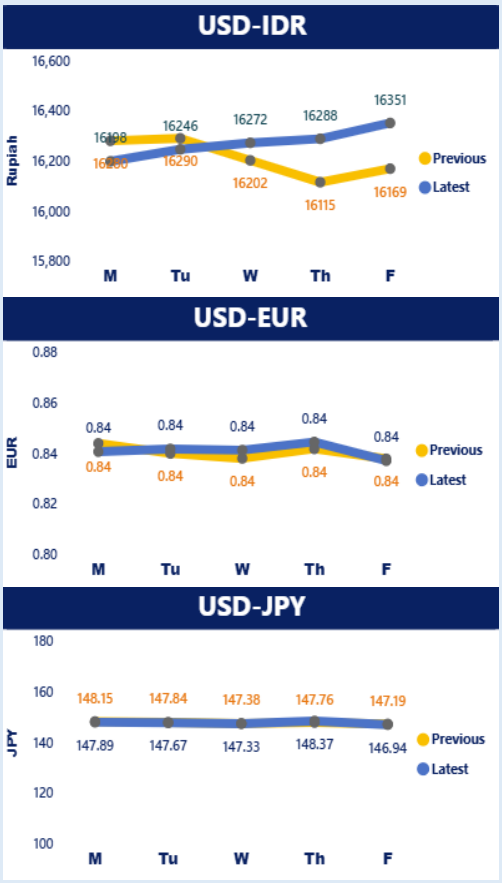
Chart 4. Stock Price Changes (%YTD)



D. EXCHANGE RATE DEVELOPMENT

- The Dollar Index (DXY) fell to 97.72 (-0.14%) at the end of last week, triggered by Fed Chairman Jerome Powell's speech at the Jackson Hole Symposium. In his speech, Powell hinted at the possibility of an interest rate cut in September in response to weak labor data. However, this signal was offset by concerns about continued high inflation due to President Donald Trump's tariffs. This debate contributed to market uncertainty and potentially influenced the pace of future interest rate cuts, leading to a weakening of the DXY.
- The euro appreciated weekly to EUR0.85 (-0.13%) on Friday, August 22, 2025. In contrast, the pound sterling depreciated significantly against the US dollar than the euro, closing at GBP0.74 (+0.21%), reflecting negative sentiment towards the pound. ECB President Christine Lagarde expressed an optimistic view of the resilience of the European labor market and declining inflation, indicating that the ECB may not have the urgency to raise interest rates aggressively. In contrast, Bank of England Governor Andrew Bailey offered a pessimistic outlook on the UK's economic challenges, such as productivity and labor force participation. His comments, while gloomy, were interpreted by the market as a signal that the Bank of England would be more committed to taking aggressive measures to support the economy.
- Along with the weakening US Dollar Index, many Asian currencies showed strength against the dollar, with the South Korean Won experiencing the largest appreciation. The Japanese Yen appreciated to JPY146.94 (-0.17%), the Chinese Yuan to CNY7.17 (-0.24%), the South Korean Won to KRW1.383 (-0.38%), the Thai Baht to THB32.41 (-0.15%), the Philippine Peso to PHP56.95 (-0.23%), the Singapore Dollar to SGD1.28 (-0.12%), and the Indian Rupee to INR87.53 (-0.03%) all strengthened. Conversely, the Malaysian Ringgit moved in the opposite direction, closing down to MYR4.23 (+0.36%).
- Last weekend's trading session saw the rupiah depreciate significantly by 1.13% against the US dollar, reaching IDR16,351 per US dollar. This depreciation made the rupiah the worst-performing currency among Asian countries. The narrowing of the interest rate spread against the US market to just 50 basis points after Bank Indonesia cut interest rates contributed to negative sentiment, making rupiah-denominated assets less attractive to foreign investors.

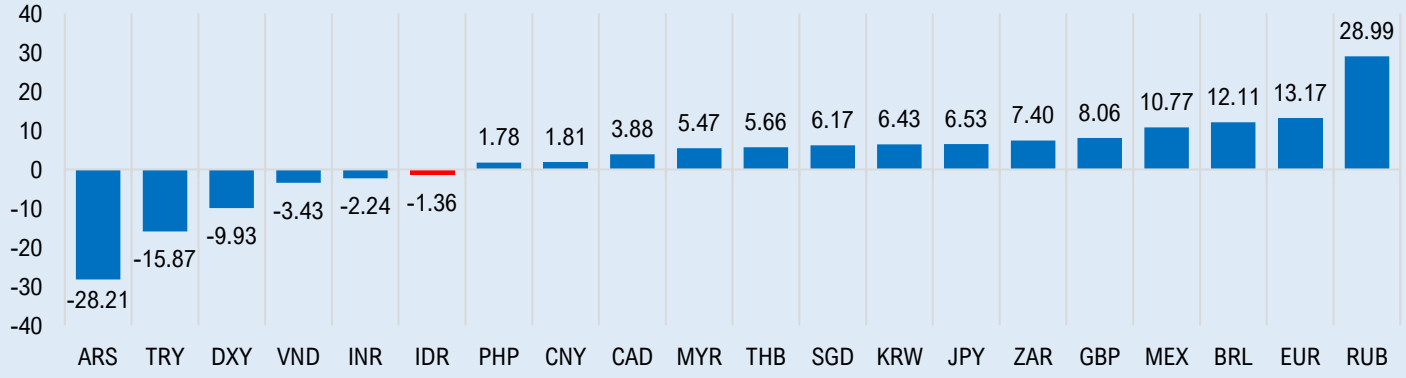
Chart 5. Movement of Weekly Exchange Rates in Several Countries (W-to-W)



Previous : 08/11/25 – 08/15/25
Latest : 08/18/25 – 08/22/25

Source: Bloomberg & Investing (2025).

Chart 6. Exchange Rate Changes During 2025 (%YTD)



E. DEBT SECURITIES MARKET DEVELOPMENT

1) Yield

- The US 2-year bond yield was at 3.696% (-5 bps) and the 10-year yield at 4.254% (-6 bps) on Friday, August 22, 2025. This decline was triggered by Fed Chairman Jerome Powell's speech at the Jackson Hole Symposium, where he gave his strongest signal yet that the Fed is likely to cut its benchmark interest rate in September 2025. Powell stated that a "shifting balance of risks" caused by weaker-than-expected labor market data may require an adjustment in the policy stance." This market reaction also reflects investors' perception that looser monetary policy will boost economic growth. However, skepticism is limiting further declines in yields, particularly on longer-dated bonds. This skepticism stems from concerns that inflation may persist at a high level due to President Donald Trump's new tariff policies and the potential for strong economic data in the future that could alter the Fed's plans. In the Eurozone, the yield curve flattened, with the 2-year yield falling to 1.945% (-2 bps) and the 10-year yield at 2.720% (-7 bps).
- Meanwhile, yields stabilized in the UK, where the 2-year yield was recorded at 3.938% (+1 bps). In comparison, the 10-year yield remained at 4.691% (0 bps) amid market concerns about upcoming inflation data. Market expectations for inflation data to rise to 3.7% in July—nearly double the Bank of England's 2% target—were a key factor. This high inflation uncertainty differentiated the performance of UK bond yields from those of US and Eurozone bonds, indicating that UK investors were more wary of the potential for persistent inflationary pressures.
- Based on 10-year yield data at the end of last week, August 22, 2025, most countries in Asia experienced increases. India's yield recorded the highest increase, rising 14 bps to 6.548%. Increases also occurred in South Korea (+7 bps to 2.863%), Japan (+5 bps to 1.617%), and China (+4 bps to 1.787%). Meanwhile, yields in Malaysia and Singapore rose by 2 basis points to 3.385% and 1.898%, respectively. Unlike the others, Thailand's yield remained unchanged, remaining at 1.341% (0 bps).
- At the end of last week, August 22, 2025, the Indonesian bond market showed interesting movement. The 2-year bond yield fell significantly by 13 bps to 5.486%, while the 10-year bond yield also fell 3 bps to 6.359%. On the positive side, the market responded favorably to Bank Indonesia's (BI) decision to reduce its benchmark interest rate (BI-Rate) by 25 basis points. Furthermore, Indonesia's 5-year Credit Default Swap (CDS) also fell to 66.91 (-2.16%), indicating lower risk perception. However, this positive sentiment was slightly dampened by net selling by foreign investors of IDR3.62 trillion during the period from August 19 to 21, 2025.
- At the sukuk auction held on August 19, 2025, the Ministry of Finance successfully raised IDR9 trillion, meeting the indicative target. A total of IDR33.11 trillion in bids was reached, with the PBS030 series being the most sought after, garnering IDR10.235 trillion in bids. Winning yields varied from 5.28% for the 6-month tenor to 6.88% for the 24-year tenor.
- From the beginning of the year until August 19, 2025, Bank Indonesia (BI) purchased IDR186.06 trillion worth of Government Securities (SBN), a significant increase from the previous month. BI Governor Perry Warjiyo stated that these purchases were made to support expansionary monetary policy and assist the government's fiscal policy. The purchases were divided between the secondary market (IDR137.80 trillion) and the primary market (IDR48.26 trillion). Going forward, BI will continue to optimize its monetary operations strategy to maintain liquidity, suppress inflation, and stabilize the Rupiah exchange rate.

2) Index

- The performance of the Indonesian bond index also recorded positive results. The Indonesia Composite Bond Index (ICBI), which reflects the overall market, rose 0.30% to 424.17. Similar increases were also seen in the government bond index, which rose 0.30% to 414.34, and the corporate bond index, which strengthened 0.30% to 493.61. This simultaneous increase indicates a positive sentiment across the domestic bond market, in line with the interest rate cut.
- Last weekend, August 22, 2025, the yield on 3-year corporate bonds in Indonesia showed a consistent downward trend across various credit ratings. The yield on AAA-rated corporate bonds fell 4 bps to 6.189%, while AA-rated bonds saw a larger decline, falling 8 bps to 6.431%. A-rated bonds also fell 7 bps to 7.823%, and BBB-rated bonds fell 11 bps to 9.624%. This yield decline aligns with the trend seen in the yield on 3-year government bonds (the benchmark), which also fell 5 basis points to 5.617%.

Chart 7. Indonesian Government Bond Yield Curve

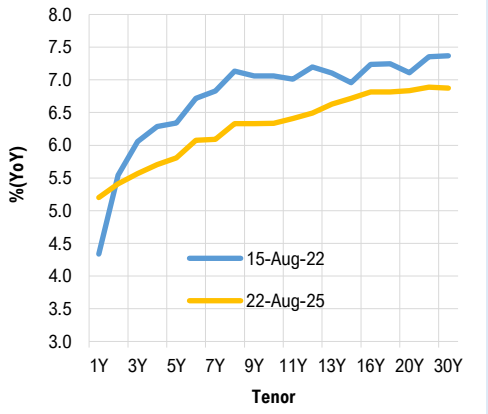


Chart 8. Bond Index

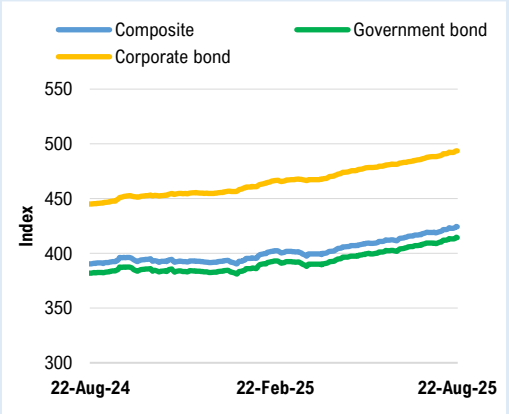
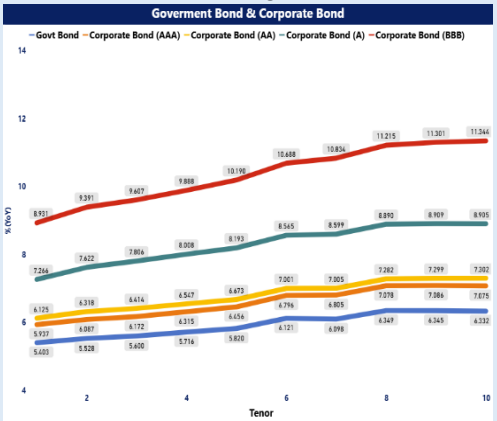


Chart 9. Corporate Bond Yields for Various Ratings



Note: data as of Friday, August 22, 2025.

Source: Bloomberg (2025), PHEI, processed by PEFINDO.

F. GOVERNMENT AND CORPORATE BONDS TRADING

Table 1. The Most Active Government Bond Transactions During the Week by Volume

Series	Coupon (%)	Maturity Date (mm/dd/yy)	Size (IDR Million)	Price	Yield (%)	Volume (Million Units)
FR0104	6.50	07/15/30	20,000	102.97	5.79	27,479,081
FR0103	6.75	07/15/35	50,000	102.90	6.35	20,194,382
FR0106	7.13	08/15/40	12,700	103.70	6.73	12,966,555
PBS030	5.88	07/15/28	225	101.00	5.49	12,547,963
FR0108	6.50	04/15/36	1,000	101.15	6.35	7,504,638
FR0109	5.88	03/15/31	70,000	100.40	5.79	6,624,417
FR0087	6.50	02/15/31	300	102.00	--	5,693,203
PBS003	6.00	01/15/27	10,000	100.85	5.35	5,588,494
FR0100	6.63	02/15/34	10,000	101.90	6.33	4,858,819
FR0096	7.00	02/15/33	55,000	104.56	6.23	4,125,860

Source: Bloomberg (2025).

Table 2. The Most Active Corporate Bond Transactions During the Week by Volume

Instrument	Rating	Coupon (%)	Maturity Date (mm/dd/yy)	Size (IDR Million)	Price	Yield (%)	Volume (Million Units)
Shelf Registration Sukuk Mudharabah I Merdeka Battery Materials Phase II Year 2025 Series B	idA(sy)	8.75	08/20/28	1,500	99.80	--	1,122,020
Shelf Registration Bond I Merdeka Battery Materials Phase II Year 2025 Series A	idA	7.50	08/27/26	200	101.50	--	799,530
Shelf Registration Bond I Merdeka Battery Materials Phase II Year 2025 Series B	idA	8.75	08/20/28	800	102.00	--	708,225
Shelf Registration Sukuk Mudharabah I Merdeka Battery Materials Phase II Year 2025 Series C	idA(sy)	9.25	08/20/30	10,000	99.90	--	383,005
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA(sy)	11.00	10/04/29	52,290	112.41	7.46	382,290
Shelf Registration Bond I Provident Investasi Bersama Phase II Year 2023 Series B	idA	8.50	06/07/26	11,000	101.40	6.67	360,000
Shelf Registration Bond I Merdeka Battery Materials Phase II Year 2025 Series C	idA	9.25	08/20/30	300	103.00	--	356,325
Shelf Registration Sukuk Ijarah II Moratelindo Phase II Year 2024 Series A	idA+(sy)	10.00	01/16/27	110,000	101.32	8.98	330,000
Shelf Registration Sukuk Mudharabah I Merdeka Battery Materials Phase II Year 2025 Series A	idA(sy)	7.50	08/27/26	60,000	100.00	--	294,360

Source: Bloomberg (2025).

G. ISSUANCE AND MATURITY OF CORPORATE DEBT SECURITIES

1) Corporate Debt Securities Issuance

Table 3. Corporate Debt Securities Issuance

No.	Company	Instruments	Issuance Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase II Year 2025 Series A	Aug-21-2025	984.07	7.50	1	idA
2	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase II Year 2025 Series B	Aug-21-2025	686.14	8.75	3	idA
3	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase II Year 2025 Series C	Aug-21-2025	270.51	9.25	5	idA
4	PT Merdeka Battery Materials Tbk	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series A	Aug-21-2025	651.68	7.50	1	idA(sy)
5	PT Merdeka Battery Materials Tbk	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series B	Aug-21-2025	857.63	8.75	3	idA(sy)
6	PT Merdeka Battery Materials Tbk	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series C	Aug-21-2025	268.57	9.25	5	idA(sy)
7	PT Sinar Mas Multiartha Tbk	Shelf Registration Bond III Phase III Year 2025	Aug-22-2025	300.00	8.50	5	irAA
		Total		**4,018.59**			

Source: KSEI, IDX, PEFINDO database.

2) Corporate Debt Securities Maturity

Table 4. Corporate Debt Securities Maturity

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
AUGUST 2025							
1	PT Indomobil Finance Indonesia	Shelf Registration Bond IV Phase I Year 2020 Series C	Aug-4-2025	90.00	9.90	5	idAA-
2	PT Medco Power Indonesia	Shelf Registration Sukuk Wakalah I Phase I Year 2022 Series A	Aug-4-2025	280.00	8.00	3	idA(sy)
3	PT Indah Kiat Pulp and Paper Tbk	Shelf Registration Bond III Phase I Year 2022 Series B	Aug-5-2025	1,672.22	9.50	3	idA+
4	PT Indah Kiat Pulp and Paper Tbk	Shelf Registration Sukuk Mudharabah II Phase I Year 2022 Series B	Aug-5-2025	401.43	9.50	3	idA+(sy)
5	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond III Phase I Year 2022 Series B	Aug-5-2025	326.50	5.75	3	idAAA
6	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Sukuk Mudharabah II Phase I Year 2022 Series B	Aug-5-2025	270.00	5.75	3	idAAA(sy)
7	PT Wahana Inti Selaras	Bond I Year 2022 Series B	Aug-5-2025	600.00	7.75	3	idA
8	PT Merdeka Copper Gold Tbk	Shelf Registration Bond IV Phase VI Year 2024 Series A	Aug-7-2025	250.00	7.25	1	idA+
9	PT BRI Multifinance Indonesia	Bond I Year 2022	Aug-9-2025	700.00	6.95	3	idAA
10	PT Hino Finance Indonesia	Bond I Year 2022 Series B	Aug-9-2025	525.00	7.00	3	AAA(idn)
11	PT Profesional Telekomunikasi Indonesia	Shelf Registration Bond III Phase I Year 2022 Series B	Aug-9-2025	69.00	6.00	3	AAA(idn)
12	PT JACCS Mitra Pinasthika Mustika Finance Indonesia	Shelf Registration Bond I Phase I Year 2022 Series B	Aug-10-2025	500.00	7.40	3	AA(idn)
13	PT Elnusa Tbk	Shelf Registration Sukuk Ijarah I Phase I Year 2020	Aug-11-2025	700.00	9.00	5	idAA+(sy)
14	PT Mora Telematika Indonesia Tbk	Shelf Registration Sukuk Ijarah I Phase II Year 2020 Series B	Aug-11-2025	86.00	11.25	5	idA+(sy)
15	PT Permodalan Nasional Madani	Shelf Registration Bond V Phase I Year 2022 Series B	Aug-11-2025	116.00	5.85	3	idAAA
16	PT Tower Bersama Infrastructure Tbk	Shelf Registration Bond V Phase IV Year 2022 Series B	Aug-11-2025	721.39	6.35	3	AA+(idn)
17	PT Angkasa Pura Indonesia	Shelf Registration Bond I Phase II Year 2020 Series B	Aug-13-2025	159.00	8.50	5	idAAA
18	PT Kapuas Prima Coal Tbk	Bond I Year 2018 Series E	Aug-13-2025	6.67	17.80	7	idCCC
19	PT Mandiri Tunas Finance	Shelf Registration Bond V Phase I Year 2020 Series B	Aug-13-2025	386.00	8.60	5	idAAA
20	PT Samator Indo Gas Tbk	Shelf Registration Bond II Phase I Year 2020 Series B	Aug-14-2025	2.00	10.55	5	A(idn)

21	PT Samator Indo Gas Tbk	Shelf Registration Sukuk Ijarah II Phase I Year 2020	Aug-14-2025	5.00	10.55	5	A(idn)(sy)
22	PT Pegadaian	Shelf Registration Bond V Phase II Year 2022 Series B	Aug-16-2025	276.00	5.75	3	idAAA
23	PT Pegadaian	Shelf Registration Sukuk Mudharabah II Phase II Year 2022 Series B	Aug-16-2025	245.00	5.75	3	idAAA(sy)
24	PT Bank Tabungan Negara (Persero) Tbk	Shelf Registration Bond IV Phase I Year 2020 Series C	Aug-19-2025	196.00	8.40	5	AA+(idn)
25	PT Perkebunan Nusantara IV	Sukuk Ijarah II Year 2019 Series A	Aug-21-2025	10.00	11.20	6	idA(sy)
26	PT Perkebunan Nusantara IV	Sukuk Ijarah II Year 2019 Series C	Aug-22-2025	150.00	11.20	6	idA(sy)
27	PT Perkebunan Nusantara IV	Sukuk Ijarah II Year 2019 Series E	Aug-23-2025	200.00	11.20	6	idA(sy)
28	PT Intiland Development Tbk	Shelf Registration Sukuk Ijarah I Phase II Year 2022	Aug-25-2025	250.00	10.50	3	irA-
29	PT Waskita Fim Perkasa Realti	MTN II Year 2022	Aug-25-2025	165.00	13.06	3	-
30	PT Astra Sedaya Finance	Shelf Registration Bond V Phase V Year 2022 Series B	Aug-26-2025	373.00	6.35	3	AAA(idn)
31	PT Chandra Asri Pacific Tbk	Shelf Registration Bond III Phase I Year 2020 Series B	Aug-26-2025	357.70	8.70	5	idAA-
32	PT PP Properti Tbk	MTN XVI Year 2022	Aug-26-2025	300.00	10.00	3	-
33	PT Sinar Mas Multiartha Tbk	Shelf Registration Bond II Phase II Year 2022 Series C	Aug-26-2025	305.13	9.00	3	irAA
34	PT Waskita Karya Realty	MTN IV Waskita Karya Realty Year 2022	Aug-28-2025	85.00	11.41	3	-
			Total	**10,779.03**			

SEPTEMBER 2025

1	PT Lontar Papyrus Pulp & Paper Industry	Shelf Registration Bond I Phase III Year 2022 Series B	Sep-1-2025	702.46	10.25	3	idA
2	PT Merdeka Copper Gold Tbk	Shelf Registration Bond III Phase III Year 2022 Series B	Sep-1-2025	1,729.40	8.25	3	idA+
3	PT Perusahaan Pengelola Aset	Bond I Year 2020 Series B	Sep-1-2025	345.00	10.55	5	idAA
4	PT XL Axiata Tbk	Shelf Registration Bond II Phase I Year 2022 Series A	Sep-1-2025	735.23	6.75	3	AAA(idn)
5	PT XL Axiata Tbk	Shelf Registration Sukuk Ijarah III Phase I Year 2022 Series A	Sep-1-2025	680.92	6.75	3	AAA(idn)(sy)
6	PT Permodalan Nasional Madani	Sukuk Mudharabah Jangka Menengah VI Phase I Year 2024	Sep-2-2025	500.00	Floating	1	idAAA(sy)
7	PT Graha Informatika Nusantara	MTN II Series A	Sep-3-2025	10.00	11.00	5	-
8	PT Graha Informatika Nusantara	MTN II Series B	Sep-3-2025	25.00	11.00	5	-
9	PT Graha Informatika Nusantara	MTN II Series C	Sep-3-2025	25.00	11.00	5	-
10	PT Profesional Telekomunikasi Indonesia	Shelf Registration Bond II Phase I Year 2020 Series B	Sep-3-2025	67.00	7.70	5	AAA(idn)
11	PT Pupuk Indonesia (Persero)	Shelf Registration Bond II Phase I Year 2020 Series B	Sep-3-2025	857.84	7.70	5	idAAA
12	Lembaga Pembiayaan Ekspor Indonesia	Shelf Registration Bond IV Phase II Year 2018 Series D	Sep-5-2025	1,324.00	8.75	7	idAAA
13	PT Pegadaian	Shelf Registration Sukuk Mudharabah III Phase II Year 2024	Sep-7-2025	808.80	6.65	1	idAAA(sy)
14	PT Pegadaian	Shelf Registration Social Sukuk Mudharabah I Phase II Year 2024	Sep-7-2025	1,412.91	6.65	1	idAAA(sy)
15	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VII Phase VI Year 2024 Series A	Sep-7-2025	500.00	6.70	1	idAAA
16	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Sukuk Musyarakah I Phase III Year 2024	Sep-7-2025	274.00	6.70	1	idAAA(sy)
17	PT Jasa Marga (Persero) Tbk	Shelf Registration Bond II Phase I Year 2020 Series B	Sep-8-2025	286.00	8.25	5	idAA
18	PT Medikaloka Hermina Tbk	Shelf Registration Bond I Phase I Year 2020 Series B	Sep-8-2025	21.00	8.50	5	idAA
19	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Bond IV Phase I Year 2020 Series A	Sep-8-2025	312.00	6.70	5	idAAA
20	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Sukuk Ijarah IV Phase I Year 2020 Series A	Sep-8-2025	39.00	6.70	5	idAAA(sy)
21	PT Mayora Indah Tbk	Shelf Registration Bond II Phase I Year 2020 Series C	Sep-9-2025	295.00	7.90	5	idAA
22	PT Global Mediacom Tbk	Shelf Registration Bond II Phase I Year 2020 Series C	Sep-11-2025	1.08	12.00	5	idA+
23	PT Global Mediacom Tbk	Shelf Registration Sukuk Ijarah II Phase I Year 2020 Series C	Sep-11-2025	0.43	12.00	5	idA+(sy)
24	PT Oto Multiartha	Shelf Registration Bond I Phase II Year 2024 Series A	Sep-14-2025	255.27	6.55	1	idAAA
25	PT Federal International Finance	Shelf Registration Bond VI Phase IV Year 2024 Series A	Sep-16-2025	1,252.17	6.55	1	idAAA

26	PT Global Mediacom Tbk	Shelf Registration Bond III Phase II Year 2022 Series B	Sep-16-2025	139.16	10.00	3	idA+
27	PT Global Mediacom Tbk	Shelf Registration Sukuk Ijarah III Phase II Year 2022 Series B	Sep-16-2025	96.60	10.00	3	idA+(sy)
28	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond I Phase II Year 2020 Series C	Sep-16-2025	276.55	11.50	5	idA+
29	PT Pyridam Farma Tbk	Shelf Registration Bond I Phase II Year 2023	Sep-20-2025	400.00	9.50	2	irA-
30	PT Bank Mayapada Internasional Tbk	Subordinated Bond V Year 2018	Sep-21-2025	803.00	10.50	7	idBBB-
31	PT Provident Investasi Bersama Tbk	Shelf Registration Bond II Phase III Year 2024 Series A	Sep-25-2025	512.29	8.00	1	idA
32	PT JACCS Mitra Pinasthika Mustika Finance Indonesia	MTN III Phase I Year 2022	Sep-28-2025	150.00	6.52	3	AA(idn)
			Total	**14,837.08**			

OCTOBER 2025

1	PT Bank Pembangunan Daerah Kalimantan Selatan	MTN Year 2022	Oct-4-2025	343.00	8.00	3	A(idn)
2	PT Bank Pembangunan Daerah Kalimantan Selatan	Sukuk Mudharabah *Jangka Manengah* Year 2022	Oct-4-2025	150.00	8.00	3	A(idn)(sy)
3	PT BFI Finance Indonesia Tbk	Shelf Registration Bond VI Phase I Year 2024 Series A	Oct-5-2025	100.00	6.60	1	AA-(idn)
4	PT Mora Telematika Indonesia Tbk	Shelf Registration Sukuk Ijarah I Phase III Year 2020 Series B	Oct-7-2025	56.15	11.25	5	idA+(sy)
5	PT Sejahteraraya Anugrahjaya Tbk	Bond I Year 2022 Series A	Oct-7-2025	407.90	9.75	3	idA
6	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Bond III Phase II Year 2018 Series B	Oct-10-2025	483.00	9.00	7	idAAA
7	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Sukuk Ijarah III Phase II Year 2018 Series B	Oct-10-2025	45.00	9.00	7	idAAA(sy)
8	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond III Phase II Year 2022 Series B	Oct-11-2025	1,603.93	9.75	3	idA+
9	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Sukuk Mudharabah II Phase II Year 2022 Series B	Oct-11-2025	455.19	9.75	3	idA+(sy)
10	PT JACCS Mitra Pinasthika Mustika Finance Indonesia	MTN III Phase II Year 2022	Oct-11-2025	150.00	6.76	3	AA(idn)
11	PT Astra Sedaya Finance	Shelf Registration Bond VI Phase IV Year 2024 Series A	Oct-12-2025	1,184.20	6.45	1	AAA(idn)
12	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond USD II Phase I Year 2024 Series A	Oct-14-2025	USD7,63 mn (IDR124,15 bn)	5.75	1	idA+
13	PT Merdeka Battery Materials Tbk	Bond II Year 2024 Series A	Oct-15-2025	216.02	6.80	1	idA
14	PT XL Axiata Tbk	Shelf Registration Bond I Phase I Year 2018 Series D	Oct-16-2025	19.00	10.10	7	AAA(idn)
15	PT XL Axiata Tbk	Shelf Registration Sukuk Ijarah II Phase I Year 2018 Series D	Oct-16-2025	34.00	10.10	7	AAA(idn)(sy)
16	PT Bank Rakyat Indonesia (Persero) Tbk	Shelf Registration Green Bond I Phase II Year 2023 Series B	Oct-17-2025	4,154.35	6.35	2	idAAA
17	PT Bukit Makmur Mandiri Utama	Bond II Year 2024 Series A	Oct-18-2025	251.04	7.25	1	idA+
18	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Bond VI Phase IV Year 2024 Series A	Oct-20-2025	785.00	6.45	1	idAAA
19	PT Indonesia Infrastructure Finance	Shelf Registration Bond I Phase II Year 2020 Series C	Oct-21-2025	120.00	6.90	5	idAAA
20	PT Sinar Mas Agro Resources and Technology Tbk	Shelf Registration Bond II Phase II Year 2020 Series C	Oct-22-2025	548.00	10.50	5	idAA-
21	PT Indosat Tbk	Shelf Registration Bond IV Phase I Year 2022 Series A	Oct-26-2025	875.00	7.00	3	idAAA
22	PT Indosat Tbk	Shelf Registration Sukuk Ijarah IV Phase I Year 2022 Series A	Oct-26-2025	375.00	7.00	3	idAAA(sy)
23	PT Federal International Finance	Shelf Registration Bond V Phase IV Year 2022 Series B	Oct-28-2025	676.24	6.80	3	idAAA
			Total	**13,156.16**			

NOVEMBER 2025

1	PT Wijaya Karya (Persero) Tbk	Shelf Registration Bond III Phase I Year 2022 Series A	Nov-3-2025	479.80	9.90	3	idCCC
2	PT Wijaya Karya (Persero) Tbk	Shelf Registration Sukuk Mudharabah III Phase I Year 2022 Series A	Nov-3-2025	109.33	9.90	3	idCCC(sy)
3	PT Oki Pulp and Paper Mills	Bond III Year 2022 Series B	Nov4--2025	1,742.78	10.50	3	idA+
4	PT Oki Pulp and Paper Mills	Sukuk Mudharabah II Year 2022 Series B	Nov-4-2025	255.19	10.50	3	idA+(sy)
5	PT Indonesia Infrastructure Finance	Shelf Registration Bond II Phase II Year 2024 Series A	Nov-5-2025	200.00	6.30	1	idAAA
6	Lembaga Pembiayaan Ekspor Indonesia	Shelf Registration Bond IV Phase III Year 2018 Series D	Nov-8-2025	380.00	9.75	7	idAAA
7	Lembaga Pembiayaan Ekspor Indonesia	Shelf Registration Sukuk Mudharabah I Phase II Year 2018 Series D	Nov-8-2025	155.00	9.75	7	idAAA(sy)

8	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond III Phase II Year 2022	Nov-8-2025	3,535.61	6.98	3	idAAA
9	PT Semen Indonesia (Persero) Tbk	Shelf Registration Bond II Phase I Year 2022 Series A	Nov-9-2025	290.85	7.20	3	idAAA
10	PT Sinar Mas Multiartha Tbk	Shelf Registration Bond I Phase II Year 2020 Series B	Nov-11-2025	874.00	10.25	5	irAA
11	PT Bank CIMB Niaga Tbk	Subordinated Bond III Year 2018 Series B	Nov-15-2025	75.00	10.00	7	idAA
12	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Shelf Registration Subordinated Bond II Phase II Year 2020 Series A	Nov-17-2025	162.58	8.50	5	idA+
13	PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat	Shelf Registration Bond II Phase II Year 2020 Series B	Nov-18-2025	392.00	8.75	5	idA+
14	PT Oki Pulp and Paper Mills	Shelf Registration Bond I Phase VI Year 2024 Series A	Nov-18-2025	664.55	7.50	1	idA+
15	PT Oki Pulp and Paper Mills	Shelf Registration Bond USD I Phase VI Year 2024 Series A	Nov-18-2025	USD5.33 mn (IDR79.35 bn)	7.50	1	idA+
16	PT Armadian Tritunggal	Sukuk Mudharabah I Year 2023	Nov-24-2025	2,000.00	9.75	2	irA-
17	PT Bank Rakyat Indonesia (Persero) Tbk	MTN Year 2022 Series B	Nov-24-2025	3,000.00	6.98	3	-
			Total	**14,396.03**			

Source: KSEI, IDX, PEFINDO database.

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H. NEWS ANALYSIS

Table 5. News Highlights Over The Past Week

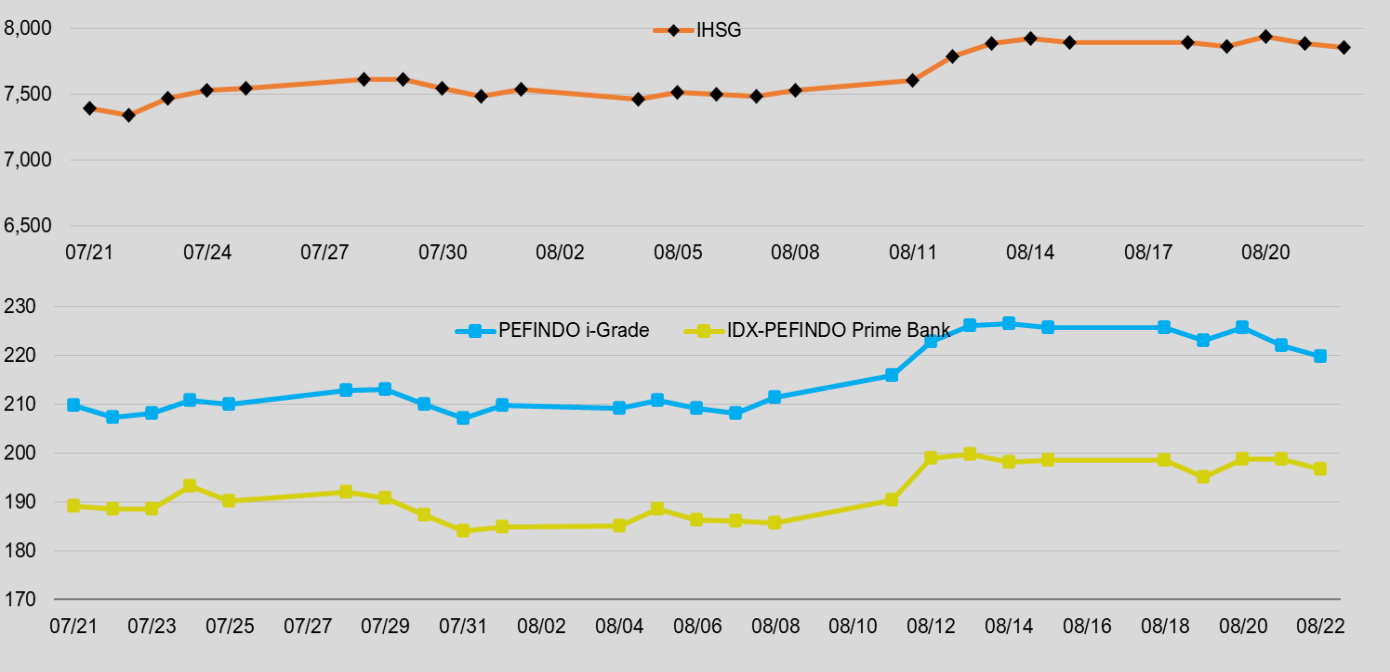
Industries	News Headlines and Analysis
Automotive	**Manufacturers' Slowdowns in Producing Electric Motorcycles (Harian Kontan–08/20/2025)**. Warehouses of electric motorcycle manufacturers are full due to declining sales in the first half of this year. While waiting for government subsidies to stimulate demand, producers have launched various strategies to reduce inventory. The Electric Motorcycle Industry Association (Aismoli) reported a sales decline of approximately 20%–30% in the first half of 2025. As a result, manufacturers have reduced production capacity due to stockpiles at dealers and factories, stemming from weakened demand. The primary factor behind sluggish sales is the uncertainty surrounding electric motorcycle subsidy policies since the beginning of the year. Without the IDR7 million per unit subsidy from the government, as provided last year, projected sales for electric motorcycles from August to December 2025 are estimated at 7,000–8,000 units, or around 1,500 units per month. Nevertheless, this does not mean manufacturers' productivity has come to a halt. Brand-holding agents (*Agen Pemegang Merk*/APM) are now actively adding components that were previously absent in earlier models. Similarly, factories that previously received subsidies are currently preparing new types of electric motorcycles.
Banking	**Stability Maintained, But Major Challenges Ahead (Harian Kontan–08/18/2025).** Currently, the domestic banking industry is considered to remain solid. The financial fundamentals of banks are strong, supported by well-maintained capital and liquidity. Indonesia's banking sector continues to attract foreign investors due to its vast potential, linked to the country's large population. However, banks are also facing the challenge of weak consumer purchasing power. To remain competitive with banks in developed countries, domestic banks must preserve liquidity and improve operational efficiency. Despite stable conditions, banking performance has shown signs of slowing. Credit, which should serve as a driver of economic growth, has stalled in recent months. Banks' operational efficiency has also declined. As of June 2025, credit growth stood at 7.7% (YoY), the weakest since March 2022 and below Bank Indonesia's target range of 8%–11%. In terms of stock performance, the banking sector has also weakened this year. The share prices of most banks in KBMI groups 3 and 4 have continued to decline over the past year, in line with slowing profit growth.
Construction	**Public Works Ministry Prepares Priority Projects for 2026 (Harian Kontan–08/20/2025).** The Ministry of Public Works (PU) has begun mapping out key infrastructure development programs for 2026. According to Book II of the Financial Note in the Draft of State Budget (*Nota Keuangan* RAPBN) 2026, the Ministry has been allocated a budget of IDR118.5 trillion. Several planned projects include: the construction of 194.75 km of national roads; preservation of 1,507.08 km of national roads; construction of 28.19 km of toll roads; development of 3,954.74 meters of bridges; construction of 362.71 meters of flyovers/underpasses; development of two airport units; expansion of Patimban Port; ongoing dam construction (cumulative); development and rehabilitation of irrigation networks covering 4,000 hectares and 100,000 hectares respectively; and construction of natural gas transmission lines along the Cirebon–Semarang and Dumai–Sei Mengkei routes. Additionally, the second phase of the "People's School" project, which is part of the National Strategic Project (PSN), is targeted to build 200 schools, with completion expected by June 2026.
Insurance and Guarantee	**Benchmark Rate Declines, Pension Fund Investments Lose Momentum (Harian Kontan–08/22/2025).** Following Bank Indonesia's benchmark interest rate cut this month, the investment performance of pension funds is at risk of further weakening. This is primarily because many pension funds still allocate their assets to fixed-income instruments. As a result, interest rate reductions typically eroded pension fund investment performance. If the rate cut is accompanied by a decline in deposit rates and bond coupon yields, pension fund business results will deteriorate. This trend is already evident, as the return on investment (ROI) for pension funds in the first half of 2025 was recorded at 3.45%, slightly lower than the 3.53% achieved in the same period last year. Therefore, pension fund managers are advised to shift towards equity-based instruments. Especially considering that the stock market has shown vibrant activity in recent weeks, presenting a favorable opportunity to boost investment returns. However, any reallocation of investment funds must be carried out cautiously and selectively.
Mining	**Awaiting Serious Action Against Illegal Mining (Harian Kontan–08/20/2025).** President Prabowo has emphasized a firm stance against unauthorized mining activities occurring across various regions. He revealed that 1,063 illegal mines could potentially cost the state up to IDR300 trillion. These illegal mines refer to operations conducted without any official permits from the government. This differs from companies that hold business licenses but engage in activities that violate technical rules or standards. The Directorate General of Law Enforcement (Gakkum) at the Ministry of Energy and Mineral Resources (*Kementerian ESDM*) stated that it is currently verifying data on illegal mining activities and will follow up on the President's

Industries	News Headlines and Analysis
	directive. The Director General of Gakkum and the Indonesian Mining Association (IMA) have also held discussions to explore ways to improve governance in the mineral and coal mining sector.
Metal and Gold	**U.S. Import Tariffs on Steel Products (Harian Kontan–08/21/2025).** On August 19, the United States (U.S.) increased import tariffs on steel and aluminum products, affecting more than 400 product categories. In total, 407 categories are now listed as derivative steel and aluminum products subject to tariffs. These products will be charged a 50% tariff based on their steel and aluminum content, in addition to standard tariffs applied to other components. Affected items include wind turbines, large cranes, household appliances, bulldozers, heavy vehicles, train cars, motorcycles, marine engines, furniture, and others.
Power and Energy	**Breakdown of 2026 Energy Budget Allocation (Investor Daily–08/16/2025).** The government has allocated an energy resilience budget of IDR402.4 trillion for 2026. This budget is divided into several components: tax incentives amounting to IDR16.7 trillion; new and renewable energy (NRE) at IDR37.5 trillion; energy infrastructure at IDR4.5 trillion; rural electrification at IDR5 trillion; and other support totaling IDR600 billion. These components are part of the energy resilience budget, in addition to fuel subsidies and electricity compensation. To enhance energy resilience, the government will implement several measures, including the construction of 63 NRE power plants; the development of 14,000 fuel-to-gas converter kits; expansion of rural electricity networks; and provision of biodiesel incentives. Simultaneously, the government will distribute subsidies based on the Unified National Socio-Economic Data (DTSEN) to ensure accurate targeting of subsidy beneficiaries.
Property	**Challenges in the Public Housing Program (Harian Kontan–08/19/2025).** The program to build 3 million housing units will continue, with a target of constructing 770,000 public housing units in 2026. This housing initiative will be implemented through various schemes, including the Housing Financing Liquidity Facility (FLPP), the Self-Help Housing Stimulus Assistance (BSPS) program in both rural and urban areas, and government-borne value-added tax incentives (PPN-DTP) for the purchase of commercial housing. However, there are challenges in realizing the FLPP scheme. First, identifying buyers under the FLPP mortgage scheme who have sufficient purchasing power, given the current weakening of consumer purchasing ability. Second, reaching FLPP mortgage consumers who meet eligibility and bankability criteria. Most potential buyers come from the informal sector, making them unlikely to qualify through standard credit processes, thus requiring policy innovation. The people's housing development project is expected to drive growth and create jobs. However, there is a risk of high non-performing loans. Therefore, government targets must be realistic to avoid compromising the quality of credit analysis.
Metal and Gold	**Jasa Marga to Inject Capital into Several Toll Road Business Entities (BUJT) (Investor Daily–08/21/2025).** Jasa Marga (JSMR) will allocate capital to several Toll Road Business Entities (BUJT), sourced from the proceeds of the Shelf Registration Bonds III Phase II Year 2025 issuance, with a principal amount of IDR1 trillion and a maximum coupon rate of 7.15%. The proceeds will be used to fully repay the principal of Jasa Marga's Shelf Registration Bonds II Phase I Year 2020 Series B, which matures on September 8, 2025. Beyond this obligation, JSMR will use the bond proceeds to inject capital into several BUJTs. Specifically, IDR250 billion (250,000 shares) will be allocated to PT Jasamarga Japek Selatan (JJS), operator of the Jakarta–Cikampek (Japek) Toll Road, and another IDR250 billion (250,000 shares) to PT Jasamarga Jogja Bawen (JJB), operator of the Yogyakarta–Bawen Toll Road. Additionally, Jasa Marga will inject IDR209.7 billion (214,000 shares) into PT Jasamarga Probolinggo Banyuwangi (JPB), operator of the Probolinggo–Banyuwangi Toll Road. In total, Jasa Marga will channel IDR709.7 billion from the public bond offering to these three BUJTs. The remaining funding needs will be covered using the company's internal cash reserves.
Metal and Gold	**Whoosh Debt May Disrupt KAI Services (Harian Kontan–08/21/2025).** The debt burden at PT Kereta Api Indonesia (Persero) (KAI) has drawn attention from parliament. KAI's debt stems from its involvement in PT Pilar Sinergi BUMN Indonesia (PSBI), a state-owned enterprise consortium comprising KAI, Wijaya Karya, Jasa Marga, and Perkebunan Nusantara 1. PSBI holds a majority stake in PT Kereta Cepat Indonesia China (KCIC), the operator of the Whoosh high-speed rail. As of 2024, PSBI recorded a loss of IDR4.19 trillion, and by June 2025, a further loss of IDR1.62 trillion. KAI, as the majority shareholder with a 58.53% stake in PSBI, bore IDR951.48 billion in losses during the first half of 2025. Last year, KAI absorbed IDR2.23 trillion in losses. KAI is currently reviewing the issue and coordinating with BPI Danantara to find a solution regarding KCIC's debt. The House of Representatives (DPR) stated that a resolution plan is already outlined in Danantara's 2025 Work Plan and Budget (RKAP). One proposed option is to transfer KCIC's assets into state-owned assets, as the financial burden could potentially disrupt KAI's overall public service operations.

Source: Harian Kontan and Investor Daily (2025).

I. PEFINDO Stock Index Development

Chart 11. PEFINDO Stock Index Performance



Source: IDX, Bloomberg (2025).

Table 6. PEFINDO Stock Index Weekly Changes

Periode	Unit	IHSG	PEFINDO i-Grade	Prime Bank
7/25/2025	% (WoW)	3.17%	0.17%	0.03%
8/1/2025	% (WoW)	-0.08%	-0.06%	-2.77%
8/8/2025	% (WoW)	-0.06%	0.71%	0.38%
8/15/2025	% (WoW)	4.84%	6.78%	6.91%
8/22/2025	% (WoW)	-0.50%	-2.63%	-0.92%

Source: IDX, Bloomberg (2025).

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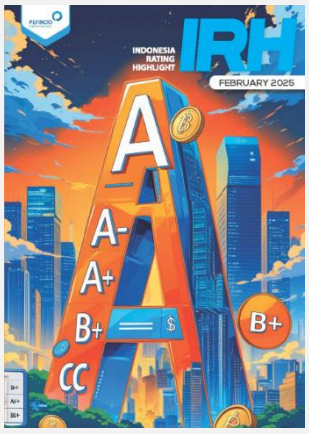

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