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WEEKLY ECONOMIC UPDATE

Period of October 5-9, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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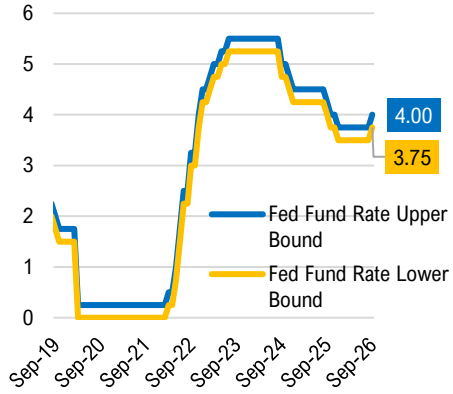
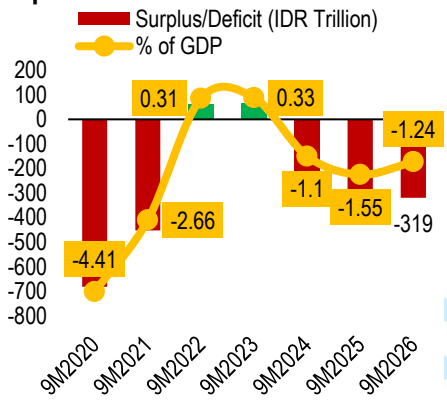
Data Highlights of the Week

Federal Funds Rate (%)



Source: The Federal Reserve, 2026

Indonesia's State Budget as of September 2026



Source: Ministry of Finance (processed by PEFINDO)

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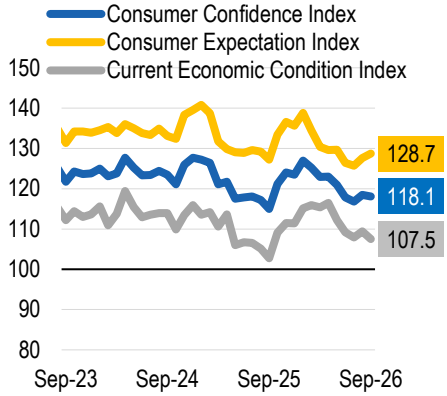
Resilient Domestic Consumption Cushions Global Pressures

Global Economy

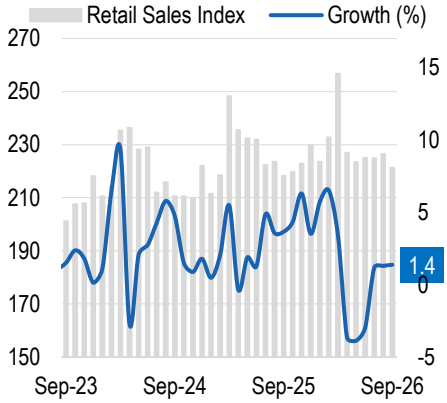
- **Global geopolitical risks remained elevated on 5–11 October 2026.** Security in the Middle East continued to face risks from persistent U.S.–Iran war tensions threatening energy trade routes through the Strait of Hormuz, as well as the limited effectiveness of the Gaza ceasefire. Attacks on tankers and escalating strikes by the Iran-backed Houthi group intensified, with incidents during 28 Sep–5 Oct reaching their highest weekly level since Feb'26. The attack on Riyadh International Airport on 10 October also broadened the risk of conflict to Gulf countries. Meanwhile, the Russia–Ukraine war returned to the spotlight following attacks that killed civilians, amid controversy over a Russia–U.S. diesel supply agreement that would allow 4.8 million tons of Russian diesel to reach the global market and deteriorating relations between President Trump and President Zelenskyy.
- **The September 2026 FOMC meeting minutes showed that most Fed policymakers considered a further increase in the federal funds rate target range likely to be appropriate toward year-end.** However, they emphasized that they would approach each meeting with an open mind and that future decisions would depend on incoming economic data, their implications for the economic outlook, and the balance of risks. The minutes also showed that all policymakers supported a 25 basis-point (bps) increase in the federal funds rate to 3.75%–4.00%. Participants stressed that inflation remained high, while the labor market appeared close to full employment with some signs of strengthening, and economic activity continued to expand at a solid pace. In addition, nearly all participants judged that although inflation risks remained tilted to the upside, labor-market risks had diminished and were now broadly balanced.
- **The September 2026 ECB meeting minutes showed that ECB policymakers viewed inflation risks as tilted to the upside when they decided on the first rate increase since 2023.** However, they stressed the importance of not signaling the next policy move and of keeping all options open, given the high uncertainty surrounding the inflation outlook and the range of possible scenarios arising from conflicts in the Middle East and Eastern Europe. Officials warned that Euro Area inflation could be higher than projected. The ECB also noted that although the policy response should remain proportionate, the 2.50% deposit rate was still within the neutral range.
- **Japan faced persistently strong wage growth but still-weak household consumption in August 2026**. Average nominal wage growth slowed to 3.8% YoY (Jul'26: 4.3%), while real wages grew 1.5% (Jul'26: 2.0%), marking an eighth consecutive monthly increase and potentially supporting household purchasing power. However, household spending still fell 3.1% YoY (Jul'26: -3.6%), recording a ninth consecutive contraction as consumers remained cautious amid persistent inflationary pressure. This indicates that stronger wages have not yet fully translated into a consumption recovery.
- **The Reserve Bank of India (RBI) raised its main repo rate by 25 basis points to 5.50%, the first increase since February 2023.** The move came amid a weaker rupee and followed rate increases by several central banks. The decision was in line with expectations as the Middle East conflict and global uncertainty fueled inflationary pressure. The RBI raised its FY2026/27 GDP growth forecast to 7.1% (previously 6.7%), while inflation was projected at 5.2% (previously 5.0%) and core inflation at 4.4% (previously 4.3%). The RBI also raised the Standing Deposit Facility rate to 5.25% and the Marginal Standing Facility rate to 5.75%.
- **Inflation in Thailand and the Philippines increased in Sep'26, primarily driven by higher energy prices amid the Middle East conflict**. Thailand's inflation rose to 2.82% YoY (Aug'26: 2.53%), driven by higher oil and processed food prices and approaching the upper end of the Bank of Thailand's 1%–3% target range. Meanwhile, Philippine inflation surged to 7.2% YoY (Aug'26: 6.1%), exceeding market expectations, with significant increases in

Indonesia Consumer Confidence Index



Source: Bank Indonesia

Indonesia Retail Sales Index



Source: Bank Indonesia

Next Week's Economic Calendar

Date	Economic Release / Event
Oct 12–18	IMF–World Bank Annual Meetings
Oct 12	India Consumer and Wholesale Inflation, Sep'26
Oct 13	IMF World Economic Outlook, Oct'26
Oct 14	China Consumer and Producer Inflation, Sep'26
	China Trade Balance, Sep'26
	Singapore Economic Growth, Q3-2026
	Singapore Monetary Policy Statement
	U.S. Consumer Inflation, Sep'26
Oct 15	Indonesia External Debt, Aug'26
	U.S. Producer Inflation, Sep'26
	U.K. GDP, Aug 2026
	U.K. Trade Balance, Aug'26
	China New Yuan Loans, Sep'26
Oct 16	South Korea Unemployment Rate, Sep'26
	Euro Area Trade Balance, Aug'26

transportation, housing and energy, and food prices. The Philippines' heavy dependence on Middle Eastern oil amplified the conflict's impact on domestic prices, while rising core inflation in both countries indicated broadening price pressures.

- **Labor-market conditions in the Philippines and Malaysia improved in August 2026, although the strength of the recovery differed.** The Philippine unemployment rate fell to 5.3% (Jul'26: 6.0%), alongside declines in the number of unemployed people and the underemployment rate to 11.9%. However, labor-market conditions remained relatively weaker than a year earlier, reflected in a higher unemployment rate and lower average weekly working hours. Meanwhile, Malaysia's unemployment rate edged down to 2.9% (Jul'26: 3.0%), with fewer unemployed people, although employment was relatively stagnant and youth unemployment remained high at 10.1%.

Domestic Economy

- **Indonesia's Consumer Confidence Index fell to 118.1 in Sep'26 (Aug'26: 118.5).** The decline reflected a weaker assessment of current economic conditions (down 1.9 points to a 12-month low of 107.5), despite improved consumer expectations (up 1.1 points to 128.7). The weaker current-conditions assessment was driven by declines in the current income and job availability indices, while the durable-goods purchase index increased. Meanwhile, consumer expectations improved on higher income and future job-availability expectations, although business-activity expectations declined.
- **Indonesia's retail sales rose 1.3% YoY in Aug'26 (Jul'26: 1.1%), extending growth for a second consecutive month**. This was the fastest pace since Mar'26, supported by continued government measures to protect households from persistent cost pressures. Retail activity was expected to continue growing in Sep'26 (1.4% YoY), although the pace was projected to remain relatively stable amid still-high price pressures.
- **Motor vehicle sales in Indonesia accelerated in September 2026.** Retail sales of new cars surged 27.4% YoY to 81,243 units, accelerating from the 25.5% YoY increase in Aug'26. In 9M2026, sales increased 15.4% to 676,223 units, indicating resilient consumer demand amid inflationary pressure and higher non-subsidized fuel prices. Meanwhile, motorcycle sales jumped 15.37% YoY to 654,343 units (Aug'26: 3.18%), reaching the highest level since Oct'14. This represented the strongest motorcycle-sales growth since May. In 9M2026, motorcycle sales grew 3.71% to 5.02 million units.
- **The State Budget (APBN) recorded a deficit of IDR319.0 trillion, or 1.24% of GDP, in September 2026, widening from Aug'26** (IDR240.1 trillion, or 0.93% of GDP). State revenue grew 25.5% YoY, broadly stable from Aug'26 (25.4%), to IDR2,341.5 trillion, or 74.2% of the target, driven by a surge in non-tax state revenue (41.7% YoY) and solid tax-revenue growth (21.8% YoY). Meanwhile, state expenditure grew 19.0% YoY, accelerating from Aug'26 (17.1%), to IDR2,660.5 trillion, or 69.2% of the target, driven by 29.6% YoY growth in central-government spending despite a 7.1% YoY contraction in regional transfers. Budget-financing realization reached IDR462.0 trillion, up 0.4% YoY and equivalent to 67.0% of the APBN target. Financing through government securities issuance rose 5.5% to IDR497.5 trillion.
- **Indonesia's foreign-exchange reserves edged down to USD146.3 billion in Sep'26 (Aug'26: USD146.5 billion).** The decline was mainly attributable to government external-loan drawdowns and tax and service receipts, amid repayments of maturing government external debt and Bank Indonesia's rupiah-stabilization measures. The reserve level was equivalent to 5.3 months of imports, or 5.2 months of imports and government external-debt servicing, above the international adequacy standard of three months of imports.
- **The World Bank has raised its 2026 economic growth projection for Indonesia to 5.2%** (up from 4.7%). In its East Asia & Pacific Economic Update (Oct'26 edition), the World Bank stated that this upward revision is supported by robust domestic demand and a milder-than-expected impact from the surge in energy prices, with the national economy growing by 5.4% in the first half of 2026. However, the World Bank notes a potential widening of the

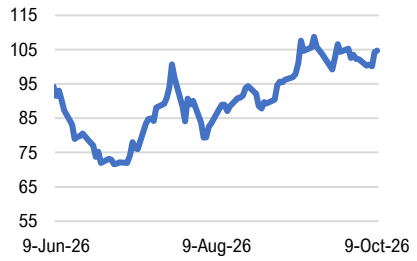
current account deficit to 1.5% of GDP and heightened market attention regarding fiscal risks.

This Week's Highlights

Developments in negotiations and the risk of escalating attacks in the Middle East will remain a key focus, alongside developments in bond markets where yields have surged to their highest levels in decades. On the economic calendar, the United States will report consumer and producer inflation, domestic retail sales, industrial production, and terms-of-trade data. The Euro Area will release industrial production and trade data, while the United Kingdom will report monthly GDP for August 2026 and its trade balance. In Asia, Japan will report September 2026 producer inflation and bank-lending data. China will release Sep'26 consumer and producer inflation, trade-balance, and new yuan loan data. South Korea will report its Sep'26 unemployment rate, while India will report Sep'26 consumer and wholesale inflation. In ASEAN, Singapore and Malaysia will report Q3-2026 economic growth. Indonesia will report external-debt data for Aug'26

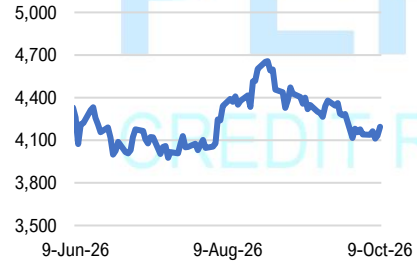
Spotlight on Commodity Price Trends (as of October 9, 2026)

Brent Crude Oil (USD/Barrel)



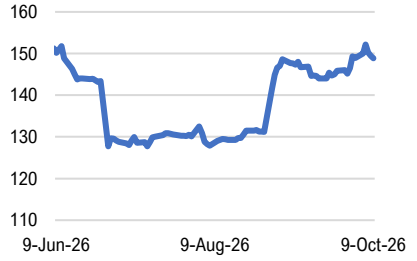
Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
104.72	2.42	3.47	60.56	72.10

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,194.24	1.28	-4.65	5.47	-2.90

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
148.85	-0.07	1.02	42.44	38.47

Oil, Gold, and Palm Oil Rise While Coal Slips.

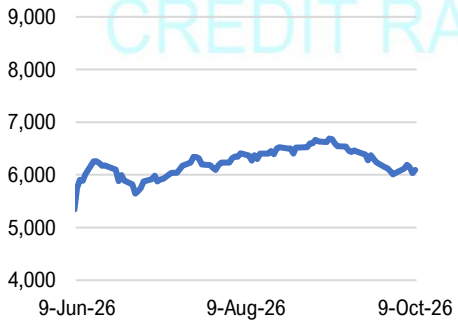
- **Brent crude rose about 2.42% over the past week** and closed at USD104.72 per barrel on Friday (9/10), up 0.42% from the previous day. The main bullish sentiment came from Hurricane Isaias moving toward the Gulf of Mexico, which forced producers to shut in more than 70% of crude oil production in U.S. waters, equivalent to about 1.3 million barrels per day. On the other hand, the market was briefly pressured after President Donald Trump described talks with Iran as "productive" and China announced plans to resume refined fuel exports. Prices were volatile throughout the week due to threats to shipping in the Strait of Hormuz, while the Iran war and the Russia-Ukraine conflict continue to disrupt refined fuel supply. Overall, sentiment is bullish but fragile, as supply disruption risks compete with hopes of easing geopolitical tensions, including Iran's proposal to reopen the Strait of Hormuz.
- **Gold rose to a one-week high at the end of the week**, with a weekly gain of 1.28%. The rally was driven by bargain buying after gold briefly fell to a two-month low on Wednesday due to a stronger dollar and high Treasury yields. Prices in the USD4,000 range attracted buyers. The 10-year Treasury yield retreated from its highest level in more than two decades, giving gold room to recover. However, sentiment remains cautious: Fed officials signaled the need for another rate hike, with an 84% probability of a 25 basis point hike in December. Next week's CPI release is an important catalyst, and stubborn inflation risks are pushing gold to retest the psychological support at USD4,000. Physical demand in India and China also remains sluggish.
- **Coal prices slipped 0.07% over the past week**. Sentiment leans negative. In China, the market has not fully recovered after the National Day holiday: thermal coal prices at the mine level are mixed, while coking coal sellers are cutting offers as buyers hold back from transacting amid uncertainty in the steel industry and potential additional supply from Mongolia. Logistics data also show seaborne coal shipments in September fell about 8% in China and 14.6% in India compared with August, due to higher domestic supply in both countries. A cushion against deeper losses came from the United States, which is delaying the retirement of several coal-fired power plants to safeguard the electricity supply, but that support has not been enough to lift prices.
- **Malaysian CPO futures rose 1.26% over the past week**, on track for their first weekly gain in three weeks. However, sentiment is cautious. A Reuters survey estimates Malaysian palm oil stocks in September hit an all-time high as production outpaced still-weak exports, with MPOB data due on Monday. Weaker crude oil, after Trump said he would not attack Iran before the midterm elections, reduces palm oil's appeal as a biodiesel feedstock. A 0.05% rise in the ringgit also makes palm oil slightly more expensive for foreign buyers, limiting room for further gains.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	3.22	6.10	14.10	-1.50	-12.64	Crude Palm Oil (MYR/Ton)	4,592.00	1.26	-7.53	0.02	13.38
Nickel (USD/MT)	15,451.27	-0.12	-8.00	-3.64	-9.10	Rubber (USD/Kg)	264.80	2.72	5.96	53.15	47.19
Copper (USD/MT)	14,540.00	1.97	-1.54	33.79	17.04	Wheat (cents/bu)	671.00	-1.76	-5.66	32.48	32.35
Aluminum (USD/MT)	3,048.50	-1.68	-9.19	8.93	1.77	Corn (cents/bu)	479.75	-3.62	-5.51	14.70	8.97
Iron Ore (USD/MT)	90.68	-1.53	-9.35	-13.22	-15.12	Sugar (c/lb)	20.25	1.61	10.05	24.54	34.91

Wall Street and ICI both gain as markets await bank earnings and U.S. Inflation Data. The U.S. dollar strengthened on expectations of a hawkish Federal Reserve stance, while the rupiah weakened amid inflationary pressures and uncertainty over capital flows.

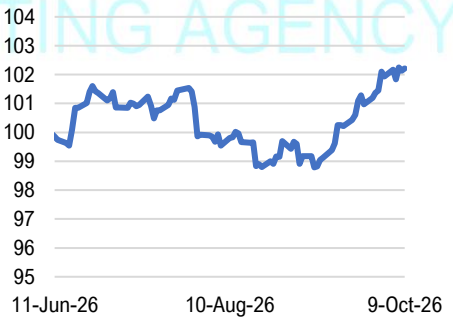
- **Wall Street ended the week higher**. The S&P 500 rose 1.15%, the Dow Jones 0.93%, and the Nasdaq Composite 0.64% on a weekly basis. On Friday (9/10), the Dow rose 0.83% to 51,654, the S&P 500 rose 0.59% to 7,811, and the Nasdaq rose 0.64% to 27,366. The main sentiment came from the Iran issue: Trump's statement that the U.S. would not attack Iran before the midterm elections, along with talks described as productive, eased concerns, although conflicting news kept the rally sluggish. Tech and AI stocks strengthened on the chip boom, with the Roundhill Magnificent Seven ETF up 1%. Investors now await the Q3 earnings season, which begins with the big banks, with S&P 500 earnings growth projected at 30.6%, as well as inflation data that could determine the Fed's policy direction. Risks include worsening consumer sentiment and still-high Treasury yields.
- **ICI rose 0.94% over the week** (Oct 5-9, 2026) and closed at 6,093.759, up from 6,036.888 the previous week. The gain was a rebound after the index plunged 3.28% the week before and fell 7.95% over September. All sectoral indices also strengthened, led by transportation and logistics (IDXTRANS) at 5.85%, healthcare (IDXHEALTH) at 3.6%, and basic materials (IDXBASIC). In contrast, the financial sector rose only 0.31% and industrials rose 0.13%. The drivers were positive global and Asian markets, a stronger rupiah, and higher gold prices. However, sentiment remains cautious due to the Fed's hawkish stance, the 10-year U.S. Treasury yield, and Brent above USD100 per barrel. Foreign investors remain net sellers at IDR84.99 trillion.
- **The U.S. dollar extended its gains amid expectations that the Federal Reserve (Fed) would maintain a restrictive monetary policy stance.** The U.S. Dollar Index (DXY) rose 0.28% week over week (WoW) to 102.21 on Oct. 9, 2026. The increase marked the fourth consecutive week of gains, bringing the dollar to its highest level since April 2025. Markets still expected the Fed to keep interest rates elevated to contain inflation. The probability of a rate hold in October reached 81%, while the likelihood of a 25-basis-point (bps) increase in December stood at approximately 69%. Meanwhile, concerns over potential energy supply disruptions eased after U.S. President Donald Trump stated that the U.S. would not attack Iran until after the midterm elections.
- **The Indonesian rupiah weakened weekly despite recovering toward the week's end.** The rupiah depreciated 0.10% WoW to IDR17,899 per U.S. dollar on Oct. 9, 2026. The currency briefly touched IDR17,930 before finding support from a weaker U.S. dollar and declining U.S. Treasury yields. Domestically, retail sales growth in August reached its highest level in five months. Foreign exchange reserves also remained near a five-month high in September. However, inflationary pressures remained a concern after inflation reached a three-month high in September. Uncertainty surrounding portfolio capital flows also limited the rupiah's recovery.

Indonesian Composite Index (ICI)



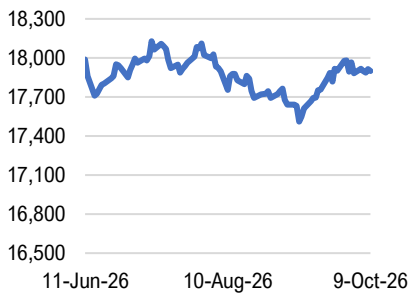
Closing	(% Change)			
	WoW	MoM	YoY	YTD
6,093.76	0.94	-8.75	-26.14	-29.53

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
102.21	0.28	3.44	2.69	3.96

Rupiah Exchange Rate (USD/IDR)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
17,899	0.10	2.22	8.03	7.31

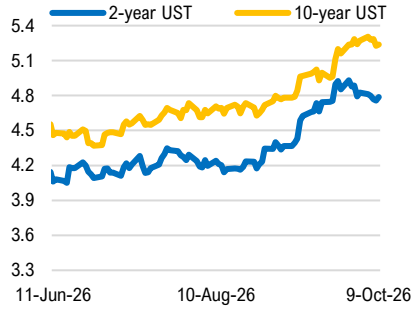
Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P 500 (US)	7,811.54	1.15	2.29	15.98	14.11	Euro (EUR/USD)	1.12	-0.49	-3.72	-3.15	-4.65
Dow Jones (US)	51,654.95	0.93	-1.39	11.43	7.47	Canadian Dollar (USD/CAD)	1.43	0.04	3.27	1.69	3.88
Nasdaq (US)	27,366.17	0.64	4.24	18.86	17.74	Pound sterling (GBP/USD)	1.32	-0.05	-2.31	-0.53	-1.79
Euro Stoxx 50 (Eurozone)	6,173.37	-1.04	-2.19	9.74	6.60	Japanese Yen (USD/JPY)	158.31	0.29	3.09	3.42	1.02
FTSE 100 (UK)	10,552.05	0.86	-1.11	10.96	6.25	Chinese Yuan (USD/CNY)	6.69	-0.20	-0.21	-6.13	-4.24
Nikkei 225 (Japan)	69,030.92	1.06	5.97	42.10	37.13	Singapore Dollar (USD/SGD)	1.28	0.19	1.28	-1.48	-0.38

Shanghai (China)	3,813.79	-0.74	-3.49	-3.05	-3.91	Malaysian Ringgit (USD/MYR)	4.09	0.02	0.39	-3.11	0.62
Hang Seng (Hong Kong)	24,211.35	1.00	-4.21	-9.50	-5.54	Thailand Baht (USD/THB)	33.53	-0.09	1.84	2.31	6.47

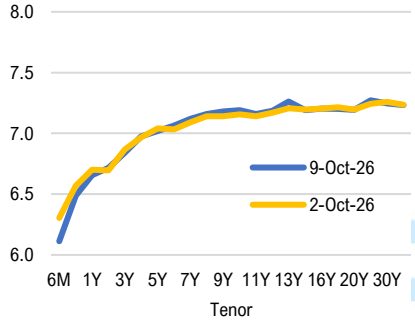
Key Data Developments in Global and National Bond Markets

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



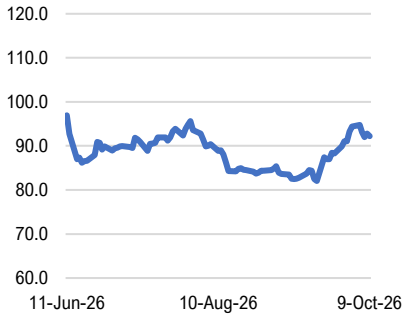
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.787	-4	36	119	131
5Y: 5.016	-4	40	128	129
10Y: 5.238	-3	40	110	107

Weekly Development of Government Bond Yield (%)



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 6.784	-3	4	188	180
5Y: 7.085	2	15	166	152
10Y: 7.209	4	10	103	112

5 Year Credit Default Swap (CDS)

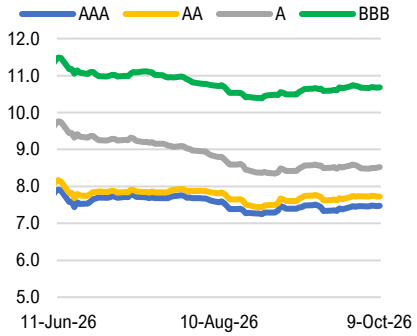


Closing	(% Change)			
	WoW	MoM	YoY	YTD
92.20	-2.33	11.82	16.86	33.90

Global bond markets showed mixed performance amid inflationary pressures and fiscal risks, while Indonesia attracted foreign capital inflows and prepared additional fiscal stimulus.

- **U.S. Treasury yields declined across all major maturities amid stronger demand for longer-dated government securities.** On Oct. 9, 2026, the two-year Treasury yield fell 4 bps WoW to 4.787%, while the five-year yield declined 4 bps to 5.016%. The 10-year yield also decreased 3 bps to 5.238%. Strong demand at the 10-year and 30-year U.S. Treasury auctions supported the yield declines. Easing concerns about potential oil supply disruptions from the Middle East conflict further eased market pressure. However, expectations that the Fed would keep interest rates elevated continued to limit further yield declines.
- **PIMCO expects the 10-year U.S. Treasury yield to potentially rise amid inflationary pressures and fiscal risks in the U.S.** The yield could reach 6% for the first time since 2000, following a nearly 120 bps increase throughout 2026. On Oct. 9, 2026, the yield stood at approximately 5.29%, after briefly reaching 5.34%, its highest level since 2002. Potential upward pressure stems from surging oil prices, rising U.S. government debt, and selling pressure from leveraged investors. According to PIMCO, yields rising to 5.5% or higher could weigh on both equity and corporate bond prices while raising funding costs.
- **European government bond yields rose amid energy-related inflationary pressures and growing concerns over fiscal risks.** On Oct. 8, 2026, the French 10-year government bond yield increased 6 bps to 4.931%, while its spread over German government bonds widened 4 bps to 142 bps. The German 10-year government bond yield also rose 2 bps to 3.504%. In the U.K., the 30-year gilt yield reached 6.036% on Oct. 7, its highest level since January 1998, while the 10-year yield exceeded 5.4%, its highest level since July 2007. Upward pressure came from Brent crude prices rising above USD100 per barrel and rising expectations of monetary tightening. Markets anticipated more than 100 bps of rate increases by the Bank of England (BoE) through the end of 2027. On the fiscal side, France's deficit exceeded 5% of GDP, while additional U.K. government borrowing was projected to reach GBP15 billion in fiscal year 2026/2027.
- **Japanese government bond (JGB) yields declined alongside lower U.S. Treasury yields and easing expectations of further monetary tightening by the Bank of Japan (BOJ).** The 10-year JGB yield fell 4.5 bps to approximately 3.03% on Oct. 9, 2026, reaching its lowest level since Sept. 18, 2026. The decline was supported by strong demand at U.S. Treasury auctions and the 30-year JGB auction. On monetary policy, markets expected the BOJ to postpone its next rate hike until December, following its September decision to raise the policy rate to 1.25%. These expectations also emerged amid nine consecutive months of declining personal spending in Japan through August.
- **China expanded access to low-cost financing for foreign issuers through yuan-denominated bonds (panda bonds).** China's 10-year government bond yield stood at 1.68% on Oct. 9, 2026, below the U.S. Treasury yield of 5.24% and the Japanese government bond yield of 3.02%. As of Oct. 8, panda bond issuance by foreign entities reached 115.5 billion yuan, double the total recorded for all of 2025. The share of foreign issuers increased to 47% from 13% three years earlier, including participation from Indonesia. Chinese regulators also permitted more than 40% of issuance proceeds to be used overseas, up to 130 billion yuan, or approximately USD19 billion. This policy supports the broader use of the yuan as an alternative source of global financing. However, foreign exchange hedging costs of approximately 3% could offset the benefits of lower borrowing costs.
- **Indonesian government bond yields showed mixed movements, with upward pressure on medium- and long-term maturities.** The two-year yield declined 3 bps WoW to 6.784% on Oct. 9, 2026. In contrast, the five-year yield increased 2 bps to 7.085%, while the 10-year yield rose 4 bps to 7.209%. Pressure on longer-term maturities persisted amid concerns about fiscal risks from rising energy subsidy costs and uncertainty over foreign capital flows. Nevertheless, the sovereign credit risk premium improved as Indonesia's five-year credit default swap (CDS) declined 2.33% WoW to 92.20. Foreign holdings of Indonesian government securities also increased to IDR912.92 trillion on Oct. 8, 2026, up IDR0.18 trillion from Oct. 2 and IDR5.47 trillion from the end of September.

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

- **Foreign capital inflows into Indonesia's financial markets were concentrated in fixed-income instruments.** From the beginning of 2026 through early October, net foreign capital inflows totaled IDR131.1 trillion. Bank Indonesia Rupiah Securities (SRBI) recorded inflows of IDR178.6 trillion, while government securities (SBN) attracted IDR36.7 trillion: competitive coupons and high liquidity supported government securities' attractiveness. In the fourth quarter, inflows into SBN reached IDR7.9 trillion as of Oct. 6, while SRBI attracted IDR17.2 trillion as of Oct. 1. Overall, net financial market inflows in the fourth quarter reached IDR22.01 trillion as of Oct. 7. In contrast, the equity market recorded outflows of IDR84.2 trillion throughout 2026, including IDR3.13 trillion in early fourth-quarter outflows. These developments reflected foreign investors' preference for debt securities and money market instruments over equities.
- **The government sukuk (SBSN) auction attracted investor bids exceeding the amount awarded by the government.** Total bids at the Oct. 6, 2026, auction reached IDR32.62 trillion across eight SBSN series, with awarded bids totaling IDR10 trillion, or approximately 30.7% of total bids. Islamic Treasury Bills (SPNS) dominated demand, attracting IDR17.18 trillion in bids, of which IDR4.15 trillion was awarded. Meanwhile, Project-Based Sukuk (PBS) received IDR15.44 trillion in bids, with IDR5.85 trillion awarded. The weighted-average yields on awarded bids ranged from 6.38% to 7.22%, with maturities extending from November 2026 to December 2049. The government subsequently scheduled a government bond (SUN) auction for Oct. 13, 2026, with an indicative target of IDR30 trillion and a maximum target of IDR45 trillion. The auction will cover nine SUN series, comprising three new Treasury bills (SPN) series and six government bond series carrying coupons of 6.875%–7.25%.
- **The government is preparing fiscal stimulus measures to preserve household purchasing power and support domestic consumption.** A stimulus package totaling IDR31 trillion has been allocated for the fourth quarter of 2026, focusing on food assistance, wage subsidies, and housing incentives. Rice assistance totaling IDR17.5 trillion is targeted at 33.24 million households from October through December 2026. Meanwhile, wage subsidies (BSU) of IDR300,000 per month for three months will be provided to 13.3 million workers, with a budget of nearly IDR12 trillion. The government also extended the government-borne value-added tax (VAT) incentive for homes priced up to IDR2 billion and provided subsidized housing loans at a 6% interest rate for homes priced up to IDR500 million. These measures are expected to sustain household consumption and support economic growth.
- **Danantara maintained bonds as part of its public investment portfolio diversification strategy.** Total allocations to equity and bond investments reached USD3 billion, or approximately IDR53.67 trillion. The public investment portfolio comprised 30% bonds, 65% equities, and 5% hedge funds, with approximately 25% of the portfolio allocated to Indonesia. On the equity side, Danantara plans to increase its domestic stock investments by USD1 billion, or approximately IDR17.89 trillion, through the end of 2026 to capitalize on valuation opportunities during market downturns. Its investment strategy remains focused on long-term value creation and capital market deepening rather than stabilizing stock market indices.
- **PEFINDO downgraded the credit ratings of PT Danareksa (Persero) and its bonds amid reduced expectations of government support.** The ratings were lowered from $_{id}$AA to $_{id}$A+, with a stable outlook, effective from Oct. 6, 2026, through Oct. 1, 2027. The downgrade reflected Danareksa's transition from a cross-sector holding company to a specialized industrial estate holding company managing seven industrial estates. Financially, revenue reached IDR1.85 trillion through June 2026, with EBITDA of IDR654.2 billion and net income of IDR1.003 trillion. The EBITDA margin declined to 35.3% from 39.5% at year-end 2025, while the adjusted debt-to-equity ratio remained low at 0.1x. The ratings could face further downward pressure if the company fails to meet its profitability targets or experiences a significant increase in leverage.
- **PT Tower Bersama Infrastructure Tbk. (TBIG) issued bonds and ijarah sukuk to refinance bank loans.** Total issuance amounted to IDR2.37 trillion, comprising IDR1.244 trillion of Shelf-Registered Bonds VII Phase V and IDR1.126 trillion of Shelf-Registered Ijarah Sukuk I Phase V. Each instrument consists of three series with tenors ranging from 370 days to five years. The bond coupons were set at 7.15%–7.80% per annum, while all instruments received an AA+ rating. Net issuance proceeds will be used to repay loans from PT Bank UOB Indonesia totaling IDR1.237 trillion and PT Bank Mizuho Indonesia totaling IDR408.89

billion. The offering period runs from Oct. 9–12, 2026, with listing on the Indonesia Stock Exchange (IDX) scheduled for Oct. 16, 2026.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
FR0109	5.88	03/15/31	25,000.00	95.75	7.02	29,238,900
PBS030	5.88	07/15/28	550.00	98.90	6.75	26,037,436
FR0110	7.25	05/15/32	390,000.00	101.04	7.02	13,339,842
PBS040	5.00	11/15/30	100.00	96.00	7.02	8,392,000
PBS003	6.00	01/15/27	19.00	99.45	6.47	5,186,565

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Bond VII Federal International Finance Phase IV Year 2026 Series A	AAA(idn)	7.15	10/05/27	55,000	100.03	6.97	1,716,436
Shelf Registration Sukuk Ijarah I Bali Towerindo Sentra Phase III Year 2025 Series B	idA(sy)	7.25	12/05/28	87,500	101.39	6.90	1,255,360
Shelf Registration Sukuk Mudharabah II OKI Pulp & Paper Mills Phase II Year 2025 Series A	idA+(sy)/ irAA-	10.00	07/29/28	50,000	106.02	6.87	1,035,140
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA(sy)	11.00	10/04/29	20,000	111.08	6.67	1,015,840
Bond III BUMA Year 2025 Series B	idA+/ A+(idn)	8.00	10/10/28	50,000	102.50	6.14	735,680

Corporate Bonds Issuance

Throughout the second week of October 2026, 3 companies issued corporate debt securities valued at IDR5,052 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Bank Tabungan Negara (Persero) Tbk	Shelf Registration Social Bond I Phase II Year 2026 Series A	Oct-7-2026	950.00	7.05	1	idAAA
2	PT Bank Tabungan Negara (Persero) Tbk	Shelf Registration Social Bond I Phase II Year 2026 Series B	Oct-7-2026	1,050.00	7.25	3	idAAA
3	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Bond VII Phase IV Year 2026 Series A	Oct-7-2026	1,079.91	7.10	1	idAAA
4	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Bond VII Phase IV Year 2026 Series B	Oct-7-2026	570.10	7.35	3	idAAA
5	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Sukuk Mudharabah VI Phase IV Year 2026 Series A	Oct-7-2026	325.41	7.10	1	idAAA(sy)
6	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Sukuk Mudharabah VI Phase IV Year 2026 Series B	Oct-7-2026	174.59	7.35	3	idAAA(sy)
7	PT Bussan Auto Finance	Shelf Registration Bond IV Phase II Year 2026 Series A	Oct-9-2026	481.88	7.10	1	idAAA/ AAA(idn)
8	PT Bussan Auto Finance	Shelf Registration Bond IV Phase II Year 2026 Series B	Oct-9-2026	70.39	7.35	3	idAAA/ AAA(idn)
9	PT Bussan Auto Finance	Shelf Registration Sukuk Mudharabah II Phase II Year 2026 Series A	Oct-9-2026	293.68	7.10	1	idAAA(sy)/ AAA(idn)(sy)
10	PT Bussan Auto Finance	Shelf Registration Sukuk Mudharabah II Phase II Year 2026 Series B	Oct-9-2026	56.33	7.35	3	idAAA(sy)/ AAA(idn)(sy)
Total				5,052.26			

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 5-9 October 2026, domestic sectoral sentiment was primarily driven by resilient sector performance and support from government policies, although several sectors remained under pressure.

Industries	Sentiment & Significance	News Highlights
Automotive	🟢🟢🟢	**Local Production Gains Dominance as CBU Vehicle Imports Decline Sharply.** Imports of completely built-up (CBU) vehicles into Indonesia fell 47.8% YoY to 51,321 units during the January–August 2026 period, following the expiration of investment-based import facilities at the end of 2025 and the increasing production of vehicles within the country. Several manufacturers, particularly electric vehicle producers, have entered the local production phase to fulfill their investment commitments and expand the utilization of manufacturing facilities in Indonesia. Industry players view the decline in CBU imports as primarily reflecting a shift in supply sources from imports to domestic production rather than weakening vehicle demand. This trend highlights the increasingly important role of Indonesia's automotive industry in meeting domestic market demand while supporting the development of the country's vehicle manufacturing base.
Banking	🔴🔴	**Private Bank Lending Growth Remains Constrained Amid Himbara Dominance.** National banking credit growth remained robust, rising 13.65% YoY through August 2026. However, this expansion was primarily driven by Himbara banks, which recorded credit growth of 16.41%. In contrast, several private banks continued to post relatively limited growth as demand for quality credit has not yet fully recovered, while persistently high funding costs have made borrowers more selective in taking on new loans. This condition reflects a disparity in growth across banking groups, with private banks tending to be more cautious in extending credit amid economic uncertainty and asset quality risks. Going forward, private bank lending growth is expected to remain dependent on the recovery of

Industries	Sentiment & Significance	News Highlights
		demand from the corporate, consumer, and small and medium-sized enterprise (SME) segments, while continuing to uphold prudent lending principles.
Construction	🟢🟢	**New Contract Awards Amid Greater Selectivity Among State-Owned Contractors.** PT PP (PTPP) led new contract acquisitions among listed state-owned construction companies, securing contracts worth IDR9.3 trillion through August 2026, surpassing PT Wijaya Karya Tbk (WIKA), which recorded IDR8.69 trillion, PT Waskita Karya Tbk (WSKT) with IDR5.6 trillion, and PT Adhi Karya Tbk (ADHI), which secured IDR8.3 trillion through July 2026. PTPP's performance was supported by government projects, which contributed 66% of total new contracts, with the largest contributions coming from the road and bridge sector and several strategic projects. Amid efforts to restore performance, state-owned construction companies have increasingly emphasized a selective approach to project acquisition, focusing on contract quality, risk mitigation, and healthier payment schemes. Meanwhile, ADHI sees growth opportunities from infrastructure and building projects, WIKA recorded strong growth in new contracts supported by the infrastructure sector and construction-supporting industries, while WSKT prioritizes projects with periodic payment schemes and avoids turnkey and investment projects.
Insurance and Guarantee	🟢	**Danantara Accelerates Consolidation of State-Owned Insurance Companies.** The consolidation, which covers the life, general, credit, and sharia insurance segments, is targeted for completion by the end of 2026. The process remains in the study and due diligence stage, while the Financial Services Authority (OJK) is awaiting a formal proposal regarding the structure and form of the consolidated entity before conducting a further assessment of its implementation readiness. Amid the process, several state-owned insurance companies have begun adjusting their strategies to meet the obligation to separate their Sharia Business Units (UUS), including through the transfer of portfolios to sharia entities within the Danantara ecosystem. In parallel, IFG is also finalizing its study on the consolidation and simplification of state-owned insurance and guarantee clusters, covering transaction, regulatory, governance, and risk management aspects.
Metal and Gold	🔴🔴🔴	**Steel Industry Faces Pressure from Global Protectionism and Domestic Competition.** Several developed economies, including the United States, Europe, and the United Kingdom, have imposed steel import tariffs of up to 50% to protect their domestic industries, although industry players believe Indonesian steel products remain price competitive and exports to several markets, including the United States, continue to grow. On the domestic front, the increase in Indonesia's Manufacturing PMI to 52.4 in September 2026 signals an improvement in industrial activity; however, steel producers continue to face high production costs, margin pressure, and competition from imported products offered at competitive prices. To support the sustainability of the industry's recovery, business players are advocating for stronger utilization of domestic products and more balanced import management to foster fair competition for national producers.
Mining	🟢	**Government Considers Nickel Smelter Moratorium to Promote Higher Value-Added Downstream Industries.** The government is considering a moratorium or tighter restrictions on the construction of new nickel smelters that produce only intermediate products, in response to the global nickel oversupply that has placed pressure on the commodity's prices. The policy is intended to redirect investment toward downstream industries that generate higher value-added products, in line with efforts to strengthen Indonesia's position in the global nickel industry supply chain. Industry participants view restrictions on permits for intermediate-product smelters as an opportunity to restructure the national downstream processing ecosystem while balancing production capacity with market demand. Although the impact on nickel prices is not expected to be immediately visible in the short term, the policy is seen as having the potential to support the optimization of value from processed nickel products while preserving the attractiveness of Indonesia's nickel sector for investment over the medium term.
Multifinance	🟢🟢	**Multipurpose Financing Continues to Grow Amid Strong Public Demand for Funding.** The multipurpose financing segment recorded strong growth, driven by the public's increasing need for flexible access to funding for both productive and consumptive purposes. Although demand prospects remain positive, industry players continue to monitor pressures on consumer purchasing power, interest rate levels, and risks to credit quality that could affect borrowers' repayment capacity. To sustain growth, financing companies are strengthening credit underwriting selectivity, enhancing digital services, and optimizing ecosystem synergies to maintain portfolio quality and business performance.
Oil and Gas	🟢🟢	**Government Shifts Crude Oil Import Strategy to Safeguard Supply Security.** The government plans to change its crude oil procurement mechanism from a tender-based system to a hunting approach, or direct sourcing from countries with surplus production, following a decline in import supply due

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Industries	Sentiment & Significance	News Highlights
		to the conflict in the Middle East, which has eliminated approximately 25% of Indonesia's import sources. Diversifying supply sources is considered essential to strengthening energy security, with procurement opportunities from regions such as the United States, West Africa, and Latin America through direct cooperation schemes between governments as well as business entities. However, this strategy may increase procurement and logistics costs due to the greater distance of supply sources, making it necessary to clarify which parties will bear the additional costs. Nevertheless, industry players view this strategy as a difficult-to-avoid option to ensure the availability of energy supplies amid tight global market conditions.
Plantation and Agriculture	●●●	**CPO Producers Supported by Strong Prices and Export Performance.** Crude palm oil (CPO) producers are benefiting from positive sentiment amid continued strong export performance. Market participants view global CPO price movements as the primary determinant of profitability in the sector, with elevated prices expected to support earnings growth for listed plantation companies in the second half of 2026. Looking ahead, the implementation of the B50 program may reduce the availability of supplies for export; however, the impact could be offset by higher CPO prices, stronger domestic demand, and ongoing improvements in efficiency and downstream product development by plantation companies.
Power and Energy	●	**PLN Targets 5.2 GW of Geothermal Capacity by 2034.** PLN is targeting geothermal power plant (PLTP) capacity to reach 5.2 GW by 2034 under the 2025–2034 Electricity Supply Business Plan (RUPTL), representing a significant increase from the current installed capacity of 2.4 GW. To achieve this target, PLN has emphasized the importance of collaboration with Pertamina to ensure that project development is carried out in a coordinated manner and to avoid overlapping resource management. In addition, geothermal development will require synergy among the government, state-owned enterprises (SOEs), and the private sector to strengthen the investment ecosystem and maintain the attractiveness of projects for investors.
Property	●	**Government Eases PBB-P5L Penalties to Support Corporate Liquidity.** The government has issued MoF Regulation (PMK) No. 71 of 2026, which provides room for the reduction or elimination of administrative sanctions, including penalties related to Land and Building Tax (PBB) for the Plantation, Forestry, Mining, Oil and Gas, Geothermal, and other sectors (PBB-P5L). The policy is intended to support the national economy by providing relief to taxpayers who have settled their principal tax obligations and fulfilled the stipulated requirements. Although its impact on state revenue and economic growth is expected to be limited because it only targets the sanctions component, the relaxation may help improve corporate cash flow and provide greater flexibility for maintaining business operations. The policy also reflects the government's efforts to provide fiscal flexibility to productive sectors amid ongoing economic challenges.
Transportation and Vehicle Rental	●	**Revision of Airfare Price Ceiling Enters Final Stage.** The government is set to finalize the revision of the airfare price ceiling (*Tarif Batas Atas*/ TBA) regulation after completing the regulatory harmonization process and entering the final stage before issuance. The revision includes an evaluation of the fare-setting formula under Ministry of Transportation Regulation No. 20/2019, which will subsequently serve as the basis for reviewing the fare limits stipulated in Ministry of Transportation Decree No. 106/2019. At the same time, the aviation industry is advocating for the implementation of import duty exemptions on aircraft spare parts, as well as various operational incentives, to reduce airline costs and maintain airfare affordability.

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

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Weekly Economic Update

Presented by the Economic Research Division of PEFINDO

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

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