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WEEKLY ECONOMIC UPDATE

Period of December 15-19, 2025

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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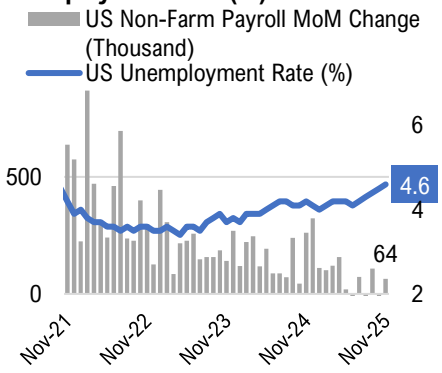
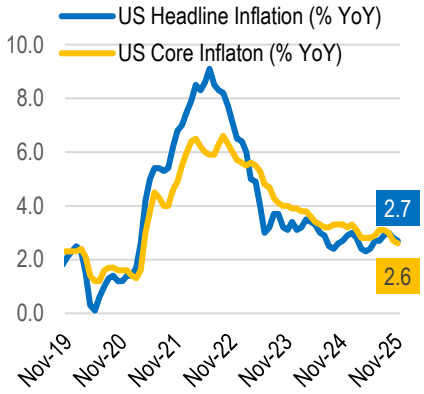
Data Highlights of the Week

US Non-Farm Payroll and Unemployment Rate (%)



Source: Bloomberg

US Inflation Rate (% YoY)



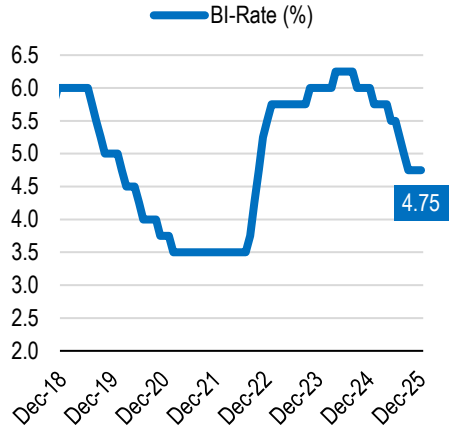
Source: Bloomberg

The Fed Funds Rate Cut Has Been Implemented, But Prospects for Further Monetary Easing Are More Limited

Global Economic

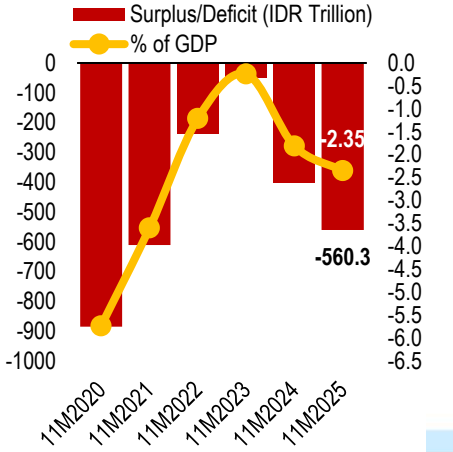
- **The US labor market reportedly continues to loosen.** US Non-Farm Payroll data showed job growth in Nov'25, reaching 64,000 (Oct'25: -105,000), above market expectations (50,000). On the wage side, average hourly earnings in the US private sector rose 0.1%, or 5 cents, to USD36.86/hour, following a 0.4% increase in Oct'25. However, this wage increase was the smallest since Aug'23. Over the past 12 months, average hourly earnings rose 3.5%, the slowest increase since May'21 (Oct'25: 3.7%). Based on these developments, the US unemployment rate was reported to have risen to 4.6% in Nov'25 (Aug'25: 4.3%), the highest since Sep'21.
- **The US inflation rate for Nov'25 was reported to have slowed to 2.7% YoY** (Sep'25: 3%, Oct'25: No Released), the lowest since Jul'25. Several price components experienced increases, particularly energy prices (4.2% YoY), food prices (2.6%), housing costs (3%), and medical care (2.9%). Meanwhile, core inflation was reported at 2.6% YoY, the lowest since Mar'21. Coupled with a slackening labor market, this slowdown in inflation confirms the Fed's decision to cut the Funds Rate again this month.
- **The two major European central banks held their monetary policy meetings and came to differing conclusions. The European Central Bank (ECB) maintained borrowing costs for the fourth consecutive year**, with the main refinancing rate remaining at 2.15% and the deposit facility rate at 2.0%. This decision was in line with expectations, and policymakers reiterated that they would continue to follow a data-driven approach at each meeting to determine future policy direction. In contrast, **the Bank of England cut Bank Rate by 25 basis points (bps) to 3.75%, its lowest level since 2022**. This decision came amid subdued inflation and growing signs of economic stress. This marked the first rate cut since Aug'25, with a 5-4 vote. The narrow margin in the committee led market participants to lower expectations of further rate cuts.
- **The Eurozone inflation rate in Nov'25 was revised down to 2.1% YoY** (preliminary estimate: 2.2%), in line with October's figure. Price growth slowed for food, alcohol, and tobacco, as well as non-energy industrial goods. However, prices accelerated for services and fell less for energy. The annual core inflation rate was stable at 2.4% for the second consecutive month. The stable inflation was supported by **hourly labor costs in the Eurozone, which reported a slowdown in growth in Q3-2025 to 3.3% YoY** (Oct'25: 3.6%). The slowdown in labor cost growth was driven by slower growth in salaries and wages (3.0% YoY from 3.7% in Q2-2025), while non-salary costs increased by 4.0% YoY (Q2-2025: 3.4%).
- **The UK reported a declining inflation rate amid a relatively weak labor market**. UK inflation slowed to 3.2% YoY in Nov'25 (3.6% in Oct'25), the lowest in eight months and below the Bank of England's forecast of 3.4%. The largest contributors to the decline came from food and non-alcoholic beverages, as well as alcoholic beverages and tobacco. In the labor market, the UK unemployment rate rose to 5.1% in Aug-Oct'25 (previously 5.0%), the highest since Q1-2021. The number of registered workers decreased by 38,000 (0.1%) to 30.3 million, marking the third consecutive monthly decline and the sharpest decline since Nov'20. Average total weekly earnings, including bonuses, slowed to 4.7% YoY (previously: 4.9%) to GBP739/week.
- **The Bank of Japan (BoJ) unanimously raised its benchmark short-term interest rate by 25 basis points to 0.75%,** the highest level since Sep'15. This rate hike marks the second this year after January's, underscoring a gradual shift away from ultra-loose policy. The BoJ expects companies to continue delivering steady wage increases through 2026, amidst improving corporate profits. However, the board emphasized that real interest rates remain "deeply negative" and that overall financial conditions remain accommodative to ensure continued support for economic activity. The decision to raise rates came after realized **inflation slowed to 2.9% YoY in Nov'25**, as food inflation reached its lowest level in a year amid a 15-month slowdown in rice price increases. Core inflation, at 3.0%,

Indonesia Benchmark Interest Rate



Source: Bank Indonesia

State Budget Deficit as of November 2025



Source: Ministry of Finance

Upcoming Economic Calendar

Date	Development Release
Dec 22	China Loan Prime Rate 1 and 5 Year
Dec 23	Second Estimate of US Economic Growth Q3-2025
Dec 24	Bank of Canada Meeting Minutes
	Bank of Japan Meeting Minutes
	US Initial Jobless Claims for Dec 20, 2025
Dec 26	Japan Unemployment Rate Nov'25

Spotlight on Commodity Price Trends (as of December 19, 2025)

remained unchanged since Oct'25 and remained above the central bank's 2% target for the 44th consecutive month.

- China's National Bureau of Statistics stated that the **Chinese economy remains under pressure** from weak external conditions, insufficient domestic demand, and operational challenges. Although overall activity remains stable, several indicators, such as industrial output, retail sales, and the unemployment survey, remain weak.
- From ASEAN, **the Bank of Thailand (BoT) cut its benchmark interest rate by 25 basis points to 1.25%**, as expected. This move brings the rate cut to its fifth in a year, totaling 125 basis points, and brings the interest rate to its lowest level since Dec'22. The policy was taken to support a sluggish economy impacted by US tariffs, high household debt, a strong baht, and political uncertainty ahead of the general election in early Feb'26.

Domestic Economy

- **Bank Indonesia decided the BI-Rate is still at 4.75% for the third consecutive month**, in line with expectations. This measure was taken to maintain rupiah exchange rate stability and focus efforts to accelerate the transmission of interest rate cuts to the real sector following this year's 125 bps cut. The Deposit Facility Rate and Lending Facility Rate were also unchanged at 3.75% and 5.50%, respectively. Despite the unchanged benchmark interest rate policy, **BI provided remuneration for banks' excess reserves (ER) of 3.50%** (25 bps below the Deposit Facility). This was done to reduce costs for remaining banking liquidity not placed in the Deposit Facility due to the reduced cost of holding reserves, which in turn is expected to lower bank lending rates.
- **The State Budget (APBN) as of the end of November 2025 experienced a widening deficit of IDR560.3 trillion or equivalent to 2.35% of GDP** (Oct'25: -IDR479.7 trillion / 2.02% of GDP). This deficit increased 39.4% YoY compared to the previous year (Nov'24: -IDR402.0 trillion) but was still below the 2025 target of IDR662.0 (2.78% of GDP). The widening deficit was caused by state revenues, which fell 5.7% YoY to IDR2,351.5 trillion (Nov'24: IDR2,492.5 trillion), amidst state spending, which grew 0.6% YoY to IDR2,911.8 trillion (Nov'24: IDR2,894.5 trillion). The widening deficit also led to a 33.7% YoY increase in budget financing to IDR573.5 trillion (Nov'24: IDR428.8 trillion).
- **Indonesia's external debt (ULN) grew 0.3% YoY in Oct'25** (-0.6%) to USD423.9 billion (Sep'25: -0.6%). However, this level decreased compared to Sep'25 (USD425.6 billion). Government external debt reportedly grew 4.7% YoY to USD210.5 billion in line with foreign capital inflows into international Government Securities (SBN). Meanwhile, private external debt contracted 1.9% YoY to USD190.7 billion due to a decrease in external debt by financial institutions and non-financial companies. Overall, the external debt-to-GDP ratio reached 29.3%, dominated by long-term tenors (86.2% of total ULN).

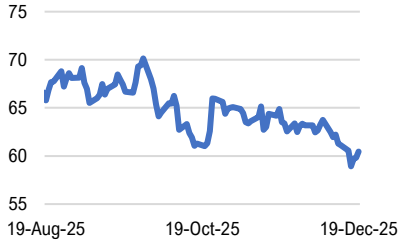
Week Ahead Highlights

The global economy faces a short week, but some important data will still be released. In the US, the second estimate of Q3-2025 economic growth will be released, showing whether the expansion remains consistent with initial estimates. In the same week, Europe will also release its final estimate of Q3-2025 economic growth, as will the UK and several key Eurozone countries. In Asia, markets will await the release of the Bank of Japan's meeting minutes and key indicators such as the Japanese unemployment rate. Meanwhile, China will hold a National People's Congress Standing Committee Meeting (December 22-27), where lawmakers will discuss draft legislation covering key areas such as environmental protection, national development planning, and foreign trade. Before that, they will announce their latest Loan Prime Rate policy.

Commodities were Pressured by a Supply Surplus and Weak Global Demand, while Gold Remained Strong as a Hedge.

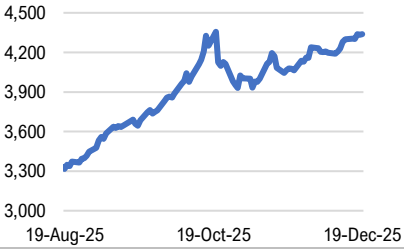
- **Brent crude oil prices weakened by around 1.06% on a weekly basis**, despite rebounding toward the end of the week and closing at USD60.47 per barrel. This movement reflects a tug of war between fundamental pressures from global supply surpluses and rising geopolitical risks. On one hand, the market remains overshadowed by concerns over excess supply, amid prospects of a Russia–Ukraine peace agreement that could reopen Russian oil flows to global markets, as well as signs of weakening

Brent Crude Oil (USD/Barrel)



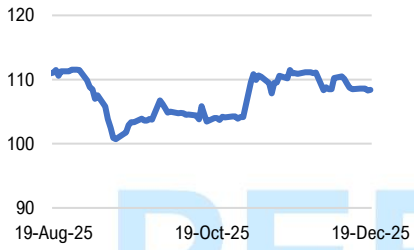
Closing (USD/Brl)	(% Change)			
	WoW	MoM	YoY	YTD
60.47	-1.06	-4.79	-17.03	-18.98

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,338.88	0.91	6.40	67.27	65.32

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
108.40	-0.09	-2.34	-14.71	-13.45

demand from China. The Brent forward curve's return to contango further underscores expectations of ample supply in the medium term. On the other hand, negative sentiment was partially offset by fears of supply disruptions, following the U.S. blockade of Venezuelan oil tankers, attacks on Russian oil vessels, and a decline in U.S. drilling rigs to the lowest level since 2021. These factors kept Brent prices volatile but still above early-week lows.

- **Gold prices rose by approximately 0.91% over the past week**, reflecting sustained investor interest in safe-haven assets amid strengthening speculation of interest rate cuts by the Federal Reserve. Throughout the week, gold was supported by softer U.S. inflation and labor data, with consumer inflation coming in below expectations and the unemployment rate rising to its highest level since 2021. This reinforced market confidence that the Fed may enter a more aggressive monetary easing phase next year. A lower interest-rate environment boosts gold's appeal, as the metal offers no yield. In addition, a sharp rally in silver—briefly hitting record levels—encouraged some fund rotation back into gold, which was seen as relatively lagging. Expectations of at least two rate cuts in 2026 continue to underpin sentiment, although short-term volatility remains.
- **Global coal prices moved largely sideways with a slight downward bias**, reflected in a marginal 0.09% weekly decline, amid weak demand sentiment and shifting regional supply dynamics. Although global seaborne coal exports rose 5.6% week-on-week to 18.36 million tons, this increase failed to lift prices as it was mainly driven by higher shipments from Australia and the United States, while Indonesian exports fell 13.6% due to softer demand from India and China. In benchmark markets, near-month Newcastle prices were broadly flat, while forward contracts weakened, signaling expectations of softer prices ahead. Additional pressure came from lower freight rates and a wait-and-see stance among importers. Looking forward, weakening seasonal demand in Northeast Asia and subdued long-term demand prospects are expected to cap coal price upside, even though global supply is not excessively loose.
- **Crude palm oil (CPO) prices posted a sharp weekly correction of around 2.81%,** reflecting persistent global headwinds in the vegetable oils market. The decline was mainly driven by falling prices of competing vegetable oils, such as soybean oil in Dalian and Chicago, which eroded CPO's competitiveness in international markets. At the same time, the appreciation of the Malaysian ringgit toward 4.08 per U.S. dollar further dampened sentiment by making CPO more expensive for foreign-currency buyers. Additional pressure stemmed from weaker global crude oil prices, reducing CPO's attractiveness as a biodiesel feedstock. Although Indonesia's palm oil stocks fell about 10% month-on-month to 2.33 million tons and the planned implementation of B50 biodiesel remains a medium-term support, market participants stayed cautious in the short term. These external factors kept CPO prices under pressure throughout the week.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	3.98	-3.14	-12.44	11.16	9.66	Crude Palm Oil (MYR/Ton)	3,905.00	-2.81	-7.60	-13.38	-12.21
Nickel (USD/MT)	14,691.72	1.46	0.69	-7.32	-8.38	Rubber (USD/Kg)	175.00	0.75	1.27	-7.60	-11.35
Copper (USD/MT)	11,881.50	3.18	10.50	33.76	35.51	Wheat (cents/bu)	509.75	-4.63	-5.03	-4.36	-7.57
Aluminium (USD/MT)	2,945.00	2.67	5.14	17.47	15.42	Corn (cents/bu)	443.75	2.84	3.26	0.68	-3.22
Iron Ore (USD/MT)	107.83	1.75	2.75	4.67	2.86	Sugar (c/lb)	14.82	-1.85	1.09	-23.61	-23.05

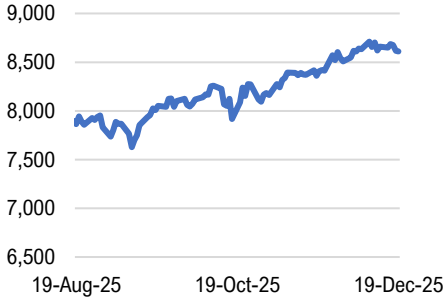
Stock Markets Moved Mixed, with a Technology Rally Supporting Wall Street, and the Jakarta Composite Index (JCI) Experiencing a Limited Decline amid Investor Caution. The Appreciation of the United States Dollar Index Triggered Depreciatory Pressure on the Rupiah Exchange Rate in both Spot and Forward Markets.

- **Wall Street delivered mixed performance over the past week,** with the S&P500 edging up 0.10% and the Nasdaq Composite gaining 0.48%, while the Dow Jones Industrial Average fell 0.67%, highlighting clear sector rotation. Market gains were largely driven by a rally in technology and AI-related stocks, supported by strong earnings prospects from Micron Technology, which hit a record high, alongside advances in Nvidia and Oracle that revived optimism around the AI theme after earlier valuation corrections. Expectations of continued Federal Reserve rate cuts also supported risk sentiment, following softer-than-expected U.S. inflation data. However, weakness in the consumer sector weighed on more cyclical indices, as reflected in Nike's sharp decline due to margin pressure and sluggish sales in China. Meanwhile, potential volatility from the triple witching phenomenon kept investors cautious toward year-end, despite emerging talk of a Santa Claus rally.
- **JCI posted a weekly decline of 0.59%**, closing at 8,609.55 on Friday (12/19/2025), reflecting a more cautious market stance. The index was pressured by a mix of external and domestic factors, particularly movements in the rupiah against the U.S. dollar, geopolitical

developments related to U.S.–Venezuela tensions, and thinning liquidity ahead of the year-end holiday period. From a technical perspective, IHSG remains in a minor consolidation phase, with support around 8,560–8,506 and resistance in the 8,660–8,706 range. While the possibility of a Santa Claus Rally is still being discussed, analysts see limited upside potential, as the seasonal rally is viewed as having occurred earlier in early December. Going forward, IHSG is expected to remain volatile and vulnerable to further corrections in the absence of fresh catalysts.

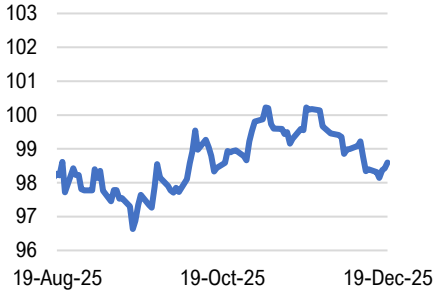
- **The USD Index strengthened**. The US Dollar Index (DXY) increased by 0.20% to 98.60 in the week ending December 19, 2025. This increase reflects the United States' currency's appreciation against a basket of other major currencies relative to its position on December 12, 2025.
- **The Rupiah exchange rate weakened**. The Rupiah declined 0.62% against the USD, closing at IDR16,750, down from the previous week's IDR16,647. Although it briefly appreciated by 0.02% to IDR16,688 in spot market trading on December 17, 2025, pressure on the domestic currency continued in the Non-Deliverable Forwards (NDF) market. On December 18, 2025, the Rupiah in the NDF market for the one-month tenor weakened to IDR16,702 per USD, indicating a continued downward trend in the exchange rate within the forward market.

Jakarta Composite Index (JCI)



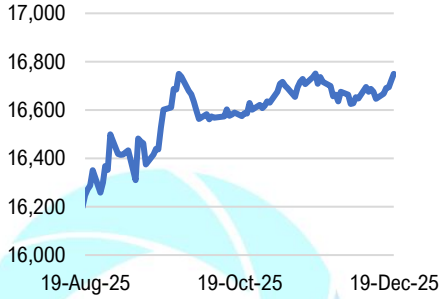
Closing	(% Change)			
	WoW	MoM	YoY	YTD
8,609.55	-0.59	2.41	23.39	21.61

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
98.60	0.20	-1.63	-9.05	-9.11

Rupiah Exchange Rate (USD/IDR)



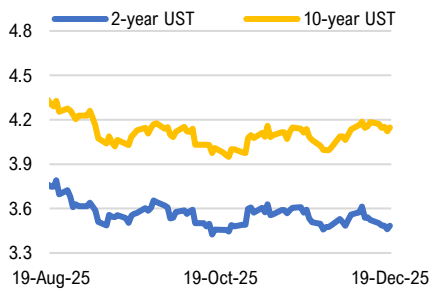
Closing	(% Change)			
	WoW	MoM	YoY	YTD
16,750	0.62	0.25	2.68	3.83

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	6,834.50	0.10	2.90	16.49	16.20	Euro (EUR/USD)	1.17	-0.26	1.49	13.00	13.10
Dow Jones (AS)	48,134.89	-0.67	4.33	13.68	13.14	Canadian Dollar (USD/CAD)	1.38	0.22	-1.77	-4.14	-4.05
Nasdaq (AS)	23,307.62	0.48	3.29	20.31	20.70	Poundsterling (GBP/USD)	1.34	0.06	2.45	7.01	6.90
Euro Stoxx 50 (Zona Euro)	5,760.35	0.69	3.94	18.06	17.65	Japanese Yen (USD/JPY)	157.75	1.25	0.38	0.20	0.35
FTSE100 (Inggris)	9,897.42	2.57	4.10	22.11	21.10	Chinese Yuan (USD/CNY)	7.04	-0.20	-1.03	-3.49	-3.54
Nikkei225 (Jepang)	49,507.21	-2.61	2.00	27.55	24.10	Singapore Dollar (USD/SGD)	1.29	0.09	-1.07	-5.02	-5.32
Shanghai (Tiongkok)	3,890.45	0.03	-1.43	15.44	16.07	Malaysian Ringgit (USD/MYR)	4.08	-0.52	-1.79	-9.53	-8.84
Hang Seng (Hong Kong)	25,690.53	-1.10	-0.54	30.06	28.07	Thailand Baht (USD/THB)	31.41	-0.44	-3.28	-9.09	-8.57

Key Data Developments in Global and National Bond Markets

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

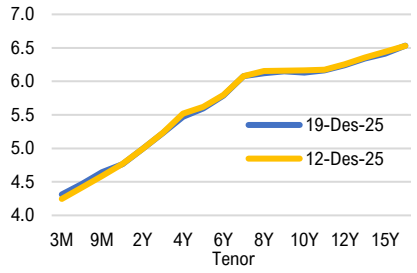


Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3.483	-4	-11	-83	-76
5Y: 3.693	-5	-2	-73	-69
10Y: 4.147	-4	1	-42	-42

Global monetary policy easing helped stabilize bond yields amid domestic fiscal dynamics and corporate market expansion.

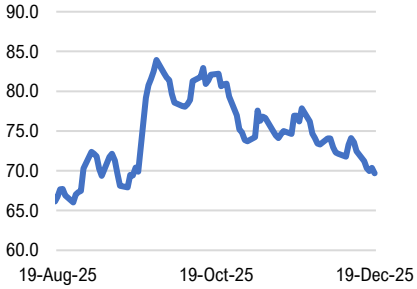
- **US Treasury yields declined.** United States Government bond yields moved lower across the curve in the week ending December 19, 2025, with the 2-year tenor falling 4 bps to 3.483%, the 5-year tenor decreasing 5 bps to 3.693%, and the 10-year tenor shrinking 4 bps to 4.147% position. This decline was driven by the FOMC's 25-basis-point Federal Funds Rate cut and Federal Reserve Chair Jerome Powell's more dovish statements. Futures markets currently anticipate approximately 59 basis points of additional easing in 2026, which helps maintain the appeal of non-interest-bearing assets such as gold amid low-interest-rate expectations.
- **France faces market pressure risks due to a failure to meet fiscal deficit targets**. The Governor of the French central bank warned that public financial positions are at risk if next year's deficit remains above 5% of GDP, while current projections show only a limited decline to 5.3% in 2026 from 5.4% this year. Although the 10-year French bond yield premium over Germany has shrunk to 70 basis points from its October peak of over 89 basis points, uncertainty over budget approval in parliament has increased concerns about further credit rating downgrades and fund withdrawals by asset managers. Francois Villeroy de Galhau emphasized that a failure of fiscal consolidation could trigger a surge in interest rates, directly affecting corporate borrowing costs and home mortgage rates.

Weekly Development of Government Bond Yield (%)



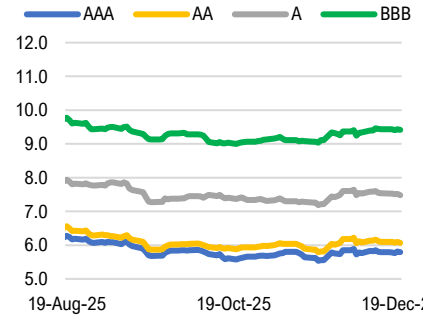
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 5.099	-1	32	-193	-194
5Y: 5.632	-2	18	-140	-140
10Y: 6.149	-4	1	-94	-85

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	Wo W	MoM	YoY	YTD
69.69	-3.85	-9.42	-9.82	-11.66

3-Year Corporate Bond Yield per Rating (%)



- **Foreign capital flowed into Asian bond markets**. Foreign investors recorded net bond purchases of USD10.86 billion in Asian markets in November 2025, the highest level in the last six months. These fund flows were driven by hedging strategies against stock market volatility and technology sector valuations, with South Korean bonds leading absorption at USD11.08 billion following their inclusion in the FTSE World Government Bond Index in 2026. Indian and Indonesian bond markets recorded foreign capital outflows. Amid growing interest in regional bonds, the Indian and Indonesian bond markets recorded net sales of USD447 million and USD400 million, respectively, in November 2025.
- **Indonesian Government bond yields moved lower**. Government Securities (SBN) yields recorded declines across various tenors at the end of the week of December 19, 2025. The 2-year yield fell 1 bp to 5.099%, the 5-year yield fell 2 bp to 5.632%, and the 10-year yield shrank four bp to 6.149% position. Indonesia's credit risk premium decreased. Indonesia's 5-year Credit Default Swap (CDS) was recorded at 69.69 on December 19, 2025. This figure shows a 3.85% decrease relative to the position on December 12, 2025, reflecting a one-week adjustment in the cost of protection against debt default risk.
- **Bank Indonesia supports market stability in the SBN through debt securities purchases**. As of December 16, 2025, Bank Indonesia (BI) recorded purchases of Government Securities (SBN) totaling IDR327.45 trillion, of which IDR241.99 trillion was conducted through the secondary market and debt-switching programs. This intervention contributed to the decline in SBN yields, with the 2-year tenor falling 199 bps to 4.97% and the 10-year tenor shrinking 110 bps from its peak to 6.16%. These monetary and fiscal synergy measures aim to maintain liquidity and national economic stability amid global financial market dynamics.
- **The Indonesian State Budget (APBN) deficit increased as of November 2025**. The Ministry of Finance noted that the State Budget deficit reached IDR560.3 trillion, or equivalent to 2.35% of GDP, higher than the November 2024 position of 1.82% of GDP. This realization reflects 84.6% of the 2025 outlook target, which is projected at 2.78% of GDP. Furthermore, the primary balance recorded a deficit of IDR82.2 trillion, reversing from a surplus position of IDR46.9 trillion in the same period the previous year, as state spending realization exceeded total revenue.
- **Mutual funds and banking lead corporate debt ownership.** As of October 2025, the ownership portion of mutual funds was 28.7%, and the banking sector was 19.7%. Mutual funds allocate 58.4% of total assets to corporate bonds, while the banking ownership portion shows a downward trend, consistent with more selective asset allocation strategies. Meanwhile, retail investor participation in the bond market increased. Retail investor ownership of corporate debt grew from IDR6.47 trillion in 2015 to more than IDR41 trillion in 2025, consistent with the increase in the number of investors to 18 million people as of August 2025. This growth strengthens the domestic investor base, though its contribution remains relatively small compared to that of institutional investors.
- **Perum Perumnas' credit rating was downgraded to idB with a CreditWatch negative status**. This sharp downgrade from the idBBB- PEFINDO issued rating after the company delayed payment of Series B Long-Term Notes (LTN) coupons totaling IDR13.5 billion, which matured on December 1, 2025. This rating action reflects significant liquidity pressure, an aggressive capital structure, and an incomplete debt-restructuring process with creditors. Although management is committed to settling obligations within the remedial period, which ends on December 18, 2025, and to ensuring that operations continue normally, this weakening financial profile creates risks to the company's strategic role as the main executor of the 3 Million Houses Program.
- **PT Chandra Asri Pacific Tbk. Issued bonds to strengthen working capital.** The issuer, with stock code TPIA, plans to issue Continuous Bonds V, Phase I, Year 2025, with a maximum principal of IDR1.5 trillion, representing 25% of the total fundraising target of IDR6 trillion. This instrument comprises three series with tenors of three, five, and seven years and has received an idAA- rating from PEFINDO. All proceeds from the issuance are allocated to finance working capital needs, including the purchase of production raw materials. The initial offering period is scheduled for December 18 to 23, 2025, with listing on the Indonesia Stock Exchange on January 14, 2026.
- **PT Indomobil Finance Indonesia prepared funds to repay maturing bonds**. The company stated its readiness to repay the principal and the 12th interest payment on the Indomobil Finance Indonesia Continuous Bonds V Phase II Year 2023 Series B, amounting to

IDR279.58 billion, which will mature on March 28, 2026. The instrument, with a fixed interest rate of 7.50% per annum, is part of the Continuous Public Offering of Bonds V with a total fund-raising target of IDR5 trillion. Meeting this obligation reflects the company's commitment to maintaining liquidity and investor confidence in its debt securities.

- **New instrument listing activity on the Indonesia Stock Exchange increased**. During the period of December 15 to 19, 2025, IDX recorded new bond and sukuk issuances from PT Bank Tabungan Negara Tbk worth IDR2.3 trillion, PT Bumi Resources Tbk worth IDR780 billion, and PT Bumi Serpong Damai Tbk totaling IDR1.75 trillion. In total, bond and sukuk issuances in 2025 amounted to IDR209.39 trillion. In addition to debt instruments, PT Super Bank Indonesia Tbk conducted an IPO, raising IDR2.798 trillion, amid stock market conditions in which the average daily transaction value increased by 13.23% to IDR34.29 trillion. However, the JCI (IHSG) declined slightly by 0.59% to 8,609.55.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
FR0103	6.75	07/15/35	1,000.00	104.60	6.11	5,224,159
PBS030	5.88	07/15/28	20,000.00	101.49	5.24	4,780,180
FR0100	6.63	02/15/34	500.00	102.50	6.23	4,560,304
FR0104	6.50	07/15/30	10,000.00	103.60	5.59	4,544,535
FR0108	6.50	04/15/36	5,571.00	102.76	6.13	4,357,336

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sukuk Ijarah I Samudera Indonesia Phase II Year 2025	idA+(sy)	8.85	07/04/30	50,000	104.03	7.79	970,000
Shelf Registration Sukuk Mudharabah I Pindo Deli Pulp and Paper Mills Phase III Year 2025	idA+(sy)	10.25	08/27/30	70,000	100.50	10.11	904,000
Shelf Registration Sukuk Mudharabah I Dian Swastatika Sentosa Phase III Year 2024 Series C	idAA(sy)	8.63	11/26/29	45,000	103.21	7.67	708,000
Shelf Registration Sukuk Mudharabah IV Indah Kiat Pulp & Paper Phase V Year 2025	idA+(sy)	9.50	09/30/30	80,000	98.62	9.87	700,637
Shelf Registration Sukuk Ijarah I Pos Indonesia Phase I Year 2024 Series B	A(idn)	9.75	01/08/30	45,000	109.51	7.03	638,500

Corporate Bonds Issuance

Throughout the third week of December 2025, there was the issuance of corporate debt securities from 4 companies with a value reaching IDR5,131 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 I Year 2025	Dec-15-2025	300.00	5.30	3	idAAA
2	PT Bank Tabungan Negara (Persero) Tbk	Shelf Registration Subordinated Bond I Phase I Year 2025	Dec-15-2025	2,000.00	6.65	5	idAA
3	PT Bumi Resources Tbk	Shelf Registration Bond I Phase III Year 2025	Dec-16-2025	780.00	9.00	5	idA+
4	PT Permodalan Nasional Madani Venture Capital	MTN VI Year 2025 Phase II	Dec-18-2025	300.00	8.00	5	-
5	PT Bumi Serpong Damai Tbk	Shelf Registration Bond IV Phase II Year 2025 Series A	Dec-18-2025	73.41	5.50	3	idAA
6	PT Bumi Serpong Damai Tbk	Shelf Registration Bond IV Phase II Year 2025 Series B	Dec-18-2025	458.21	6.00	5	idAA
7	PT Bumi Serpong Damai Tbk	Shelf Registration Bond IV Phase II Year 2025 Series C	Dec-18-2025	509.26	6.25	7	idAA
8	PT Bumi Serpong Damai Tbk	Shelf Registration Bond IV Phase II Year 2025 Series D	Dec-18-2025	210.01	6.50	10	idAA
9	PT Bumi Serpong Damai Tbk	Sukuk Ijarah Berkelanjutan II Phase II Year 2025 Series A	Dec-18-2025	340.00	6.25	7	idAA(sy)

10	PT Bumi Serpong Damai Tbk	Sukuk Ijarah Berkelanjutan II Phase II Year 2025 Series B	Dec-18-2025	160.00	6.50	10	idAA(sy)
Total				5,130.87			

Source: KSEI, IDX, database PEFINDO.

Corporate Bonds Maturity for January 2026 Reaches IDR4.23 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Pegadaian	Shelf Registration Sukuk Mudharabah III Phase III Year 2024	4-Jan-26	752.01	6.25	2	idAAA(sy)
2	PT Ketrosden Triasmitra	Bond I Year 2020 Series B	8-Jan-26	168.00	7.25	5	idAAA(cg)
3	PT MNC Kapital Indonesia Tbk	Shelf Registration Bond III Phase I Year 2022 Series B	10-Jan-26	149.09	11.25	3	idBBB+
4	PT Permodalan Nasional Madani Ventura Syariah	Sukuk Mudharabah *Jangka Menengah* II Year 2022 Phase II	11-Jan-26	40.00	Floating	3	-
5	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Bond I Phase I Year 2024 Series A	17-Jan-26	395.93	7.25	1	idA+
6	PT Pindo Deli Pulp and Paper Mills	Shelf Registration Sukuk Mudharabah I Phase I Year 2024 Series A	17-Jan-26	53.95	7.25	1	idA+(sy)
7	PT Gading Danalestari	MTN II Year 2020 Series E	18-Jan-26	50.00	10.50	5	-
8	PT MNC Kapital Indonesia Tbk	Shelf Registration Bond V Phase I Year 2024 Series A	20-Jan-26	252.98	9.25	1	idBBB+
9	PT Permodalan Nasional Madani Venture Capital	MTN III Year 2022 Series A	25-Jan-26	200.00	10.25	3	-
10	PT Permodalan Nasional Madani Venture Capital	MTN III Year 2022 Series B	25-Jan-26	150.00	10.25	3	-
11	PT Trimegah Sekuritas Indonesia Tbk	Shelf Registration Bond I Phase III Year 2025 Series A	25-Jan-26	250.72	7.70	1	idA
12	PT BFI Finance Indonesia Tbk	Shelf Registration Bond V Phase III Year 2023 Series C	27-Jan-26	256.00	7.38	3	AA-(idn)
13	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond III Phase IV Year 2023 Series A	27-Jan-26	909.33	10.50	3	idA+
14	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Sukuk Mudharabah II Phase IV Year 2023 Series B	27-Jan-26	501.59	10.50	3	idA+(sy)
15	PT Sinar Mas Multiartha Tbk	Shelf Registration Bond III Phase II Year 2025 Series A	27-Jan-26	100.00	7.00	1	irAA
Total				4,229.57			

Weekly Sector Highlights

During December 15–19, 2025, the Domestic Sectoral Sentiment was Influenced by Policy Plans, Investment Initiatives, Corporate Actions, and Sector Performance Outlooks for 2026.

Industries	Sentiment & Significance	News Highlights
Automotive	🔴🔴🔴	**Car Sales Decline, Outlook for Automotive Issuers Weakens.** The automotive industry remains under pressure, with national car sales reaching only 710,084 units as of November 2025, down 9.6% YoY from 785,917 units. The Indonesian Automotive Industry Association (Gaikindo) has revised its 2025 sales target to 780,000 units from the previous 850,000–900,000 units. Analysts expect automotive issuers' performance to remain moderate through the end of 2025, driven by high interest rates on vehicle loans (KKB), which continue to dampen purchasing power. Nevertheless, the outlook for 2026 is projected to improve gradually, supported by potential interest rate cuts, economic stability, and the transition toward electric vehicles.
Banking	🟢🟢	**BI Offers Yield on Excess Reserves to Strengthen Bank Liquidity.** Bank Indonesia (BI) has introduced a remuneration policy for funds placed by banks in excess reserves—funds in BI accounts beyond the statutory reserve requirement (GWM)—with a yield of 3.50%, or 25 basis points below the Deposit Facility rate. Meanwhile, GWM remuneration remains at 1.50%. This measure aims to provide flexibility for banks with surplus liquidity, reducing the need to allocate all funds to monetary operation instruments such as SRBI, whose holdings reached IDR618.31 trillion as of November 2025, up 2.76% YoY. By Q3-2025, bank placements at BI totaled IDR929.3 trillion, up from IDR784.63 trillion in the same period last year. Funds placed can be withdrawn at any time, giving banks room to quickly extend credit when demand rises. The banking sector views this policy as beneficial for banks with loose liquidity and limited credit growth, as it provides interest income without additional risk. However, it should be noted that this strategy is short-term, as credit expansion remains the primary driver of bank growth.
Construction	🟢🟢	**SME Contractors Ready to Seize New Opportunities.** The construction services market is expected to shift next year as state-owned enterprises (SOEs) begin moving away from small-value projects. The 2026 state budget policy, which focuses on village infrastructure, housing, and sanitation, will create significant demand for SME contractors. Additionally, the ban on SOE contractors and their subsidiaries from entering the market for national and regional private contractors on projects below IDR100 billion further opens the door for SMEs to participate more actively. Green construction standards and the adoption of technologies such as Building

		Information Modeling (BIM) are set to become trends, although access for smaller contractors remains a challenge. However, practices such as predatory pricing and fixed-price contracts without escalation clauses continue to pose risks that must be anticipated to maintain healthy competition.
Insurance and Guarantee	🟢🟢	**OJK Launches Insurance Program for Online Lending (*Pinjaman Daring*/ Pindar).** The credit insurance program is optional but expected to enhance public confidence and support healthy industry growth. This initiative is included in the 2023–2028 LPBBTI Roadmap and, in its initial phase, is targeted at institutional lenders, with plans to expand to retail lenders. Key aspects to consider include charging premiums to the party bearing the risk, implementing risk-sharing, utilizing reliable information systems, conducting comprehensive risk assessments, and ensuring accurate claim analysis. Insurance premiums will form part of Pindar's economic benefit costs, with coverage lasting approximately 12 months. Additionally, Pindar operators are required to conduct periodic evaluations of coverage and ensure that premium increases occur only upon renewal, not during the coverage period.
Multifinance	🟢	**Leasing Industry Strategies to Boost Profit Amid Market Slump.** As of Q3-2025, multifinance profits declined by 4.89% to IDR16.14 trillion, despite a 10.54% month-on-month increase in September. The financing industry continues to grapple with sluggish loan disbursement while credit risk remains high. Under these conditions, multifinance companies are exploring various strategies to pursue profit growth. On a monthly basis, profits at the end of September 2025 rose 10.54% compared to August. The improvement in monthly profitability reflects positive signs of efforts to strengthen bottom-line performance. These include setting higher down payments and consistently reducing non-performing loans.
Mining	🔴🔴	**Legalizing Illegal Mining Poses Risks to Legal Certainty.** The government is reviewing a partnership scheme to address unlicensed mining (PETI), similar to the legalization of community oil wells. However, the plan has drawn criticism for potentially blurring the line between legal and illegal activities. The Indonesian Coal Mining Association argues that such a scheme could undermine fairness for compliant businesses and weaken governance in the mining sector. The Directorate General of Law Enforcement at the Ministry of Energy and Mineral Resources clarified that the partnership does not automatically legalize all PETI operations but is intended to establish cooperation under strict requirements. Nevertheless, the regulatory basis for PETI partnerships is considered weak. The Mineral and Coal Law classifies PETI as a criminal act, meaning that without clear rules, the scheme risks becoming a form of tacit approval and creating excessive discretionary power. Legalizing PETI differs from community oil wells, as it could lead to thousands of new permits and pose environmental risks. Meanwhile, guidance is deemed appropriate only for manual small-scale mining, which could later be legalized through People's Mining Permits (IPR) under strict supervision.
Oil and Gas	🟢	**SKK Migas Targets Drilling of 300 Wells in 2026.** SKK Migas has designated drilling as its primary strategy to maintain national energy resilience in 2026, with a target of at least 300 wells. This approach is driven by the absence of major projects coming onstream next year. The three drilling priorities include multi-stage fracturing, new structures, and exploration. SKK Migas Head Djoko Siswanto emphasized the need for speed, precision, and breakthrough innovations to achieve production growth. As of the end of November 2025, oil and NGL production reached 606,000 barrels of oil per day (bopd), slightly above the state budget target. However, future challenges require a focus on high-leverage programs to deliver significant production gains.
Plantation and Agriculture	🟢🟢🟢	**CPO Production and Prices Rise, Palm Oil Exports Surge 27% in October.** The Indonesian Palm Oil Association (GAPKI) reported that crude palm oil (CPO) production in October 2025 reached 4.35 million tons, up 10.68% month-on-month (MoM) from 3.93 million tons in September. Domestic consumption also increased to 2.23 million tons from 2.05 million tons, driven by a 12.15% surge in biodiesel consumption to 1.20 million tons. Food consumption rose 5.30% to 835,000 tons, while oleochemical consumption grew 1.05% to 192,000 tons. After a decline in September, palm oil exports rebounded, growing 27.09% MoM to 2.79 million tons. On an annual basis, exports through October reached 27.6 million tons, up 11.49% YoY. In value terms, October exports rose 30.22% to USD3.292 billion, supported by higher volumes and an average price of USD1,217 per ton for January–October 2025. Cumulatively, palm oil export value through October totaled USD30.605 billion, up 36.19% compared to the same period in 2024. Export growth was mainly driven by shipments to China, Pakistan, Africa, the European Union, India, Bangladesh, and the Middle East, while declines were recorded in the U.S. and Malaysia.
Power and Energy	🟢	**PLN Accelerates Green Energy Development.** PLN Nusantara Power continues to drive the energy transition through the Cirata Floating Solar Power Plant (PLTS) with a capacity of 192 MWp, capable of generating 300 GWh of green electricity annually and reducing carbon emissions by up to 214,000 tons of CO_2. Utilizing only 4% of the reservoir's total area, the potential for PLTS

	development at Cirata could reach 17 GW under current regulations. In addition to Cirata, PLN NP also operates the IKN Solar Power Plant with a capacity of 50 MW and an 8.3 MWh Battery Energy Storage System (BESS), while preparing PLTS projects at Karangkates Reservoir and various other locations in Java and beyond. These initiatives form part of efforts to accelerate the clean energy mix without adding pressure on land resources.

Source: Bisnis Indonesia, CNBC Indonesia, Hai Sawit, Harian Ekonomi Neraca, Harian Kontan, Investor Daily, Kementerian ESDM, and Tabloid Kontan (2025).

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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