WEEKLY ECONOMIC UPDATE

Period of September 7-11, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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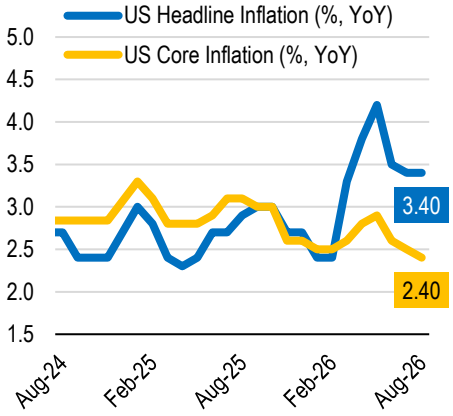
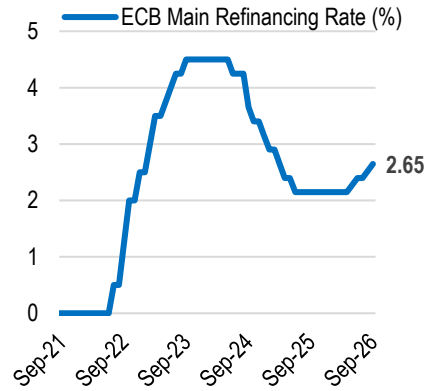
Data Highlights of the Week

US Consumer Inflation Rate



Source: Bloomberg

ECB Main Refinancing Rate



Source: European Central Bank, 2026

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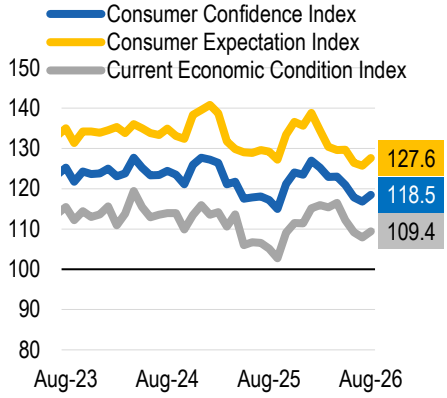
Global Energy Pressures Rise, Domestic Economic Indicators Strengthen

Global Economic

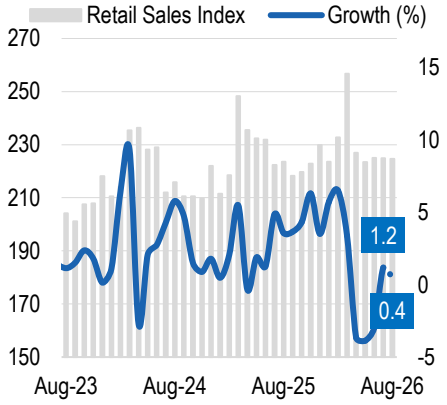
- **Military escalation and an energy crisis stemming from the US-Iran conflict have dominated global geopolitics over the past week**. Tensions peaked after Iran launched retaliatory strikes against US military vessels and oil tankers in the Strait of Hormuz, while also triggering the shutdown of Saudi oil pipelines via cross-border drone attacks. Amidst soaring tensions, US President Donald Trump expressed optimism that the conflict would conclude before the US midterm elections, even as Tehran established an "economic war headquarters" and blocked critical shipping lanes. Beyond the Middle East, other regional tensions persisted, including intensified Israeli airstrikes in southern Lebanon, ongoing Russian attacks on Ukrainian energy infrastructure ahead of winter, and a shifting European political landscape marked by the far-right AfD party's historic victory in German regional elections.
- **The 18th BRICS Summit in New Delhi, India (Sep 12–13, 2026), yielded the New Delhi Declaration.** Key focuses included strengthening local currency cooperation for intra-member trade (via the BRICS Payment Task Force), rejecting protectionism and unilateral sanctions, and advocating for global financial governance reform. These resolutions were adopted in response to energy supply volatility caused by the US-Iran conflict in the Strait of Hormuz. BRICS is accelerating the creation of independent payment schemes and internal logistics and energy markets to mitigate the impacts of rising global inflation and supply chain disruptions. These moves by BRICS could accelerate structural shifts in international financial governance toward a more fragmented system.
- **US inflation in August 2026 showed an increase driven primarily by surging energy prices.** The Producer Price Index (PPI) rose by 0.4% MoM, accelerating annual producer inflation to 5.4% YoY (Jul'26: 4.8%), while annual consumer inflation (CPI) remained stable at 3.4% YoY, despite a 0.4% MoM rise in the monthly CPI. The increases in both price indices were driven by surging fuel prices—specifically gasoline and diesel—though this impact was partially offset by lower electricity tariffs and slowing inflation in the food and housing sectors. Conversely, core CPI inflation decelerated to 2.4% YoY—the lowest level since Mar'21—indicating that current upward price pressures are concentrated in fundamental energy commodities.
- **The European Central Bank (ECB) raised its benchmark interest rates by 25 basis points (bps), marking the second hike since the onset of the US-Iran conflict.** The ECB stated that the conflict in the Middle East continues to fuel inflationary pressures, with inflation projected to remain well above the 2% target for an extended period. The main refinancing rate rose to 2.65%, while the deposit rate increased to 2.5%. The ECB President described the hike as a "no-brainer" decision and noted that the return to the inflation target—currently projected for late 2027—could be further delayed. According to sources familiar with the discussions, the inflation outlook has deteriorated so sharply that further monetary policy tightening is now seen as increasingly likely; a subsequent rate hike could occur as early as October, and markets are currently pricing in two additional ECB rate hikes in March and June 2027.
- **The Eurozone economy demonstrated a strong acceleration in annual GDP growth to 1.2% in Q2-2026** (Q1-2026: 0.6%), driven by a sharp recovery in exports, strengthening household consumption, and increased capital investment. This positive trend was accompanied by stable quarterly employment growth of 0.1%—marking the twenty-first consecutive quarter of gains—even as the labor market faced challenges from high energy prices and sluggish productivity. Economic performance varied across member states; Spain led in both GDP and employment growth, while Germany saw GDP improvement despite experiencing a decline in employment for five consecutive quarters.
- **Japan's economy demonstrated resilience,** growing by an annualized 1.4% in Q2-2026—marking three consecutive quarters of growth—supported by government spending and net exports. The labor market saw record-breaking figures, with average wages surging 4.7% YoY in Jul'26 (the largest increase since 1997) and real wages strengthening;

Indonesia Consumer Confidence Index



Source: Bank Indonesia

Indonesia Retail Sales Index



Source: Bank Indonesia

Next Week Economic Calendar

Date	Economic Release
Sep 14	India Consumer Inflation Aug'26
	Canada Consumer Inflation Aug'26
	China New Yuan Loans Aug'26
Sep 15	China House Price Index Aug'26
	China Industrial Production Aug'26
	China Retail Sales Aug'26
	China Fixed Asset Investment Aug'26
	UK Labor Market Developments Jul'26
	Eurozone Trade Balance Jul'26
	China Foreign Direct Investment Aug'26
	India Trade Balance Aug'26
Sep 16	UK Inflation Rate Aug'26
	US Retail Sales Aug'26
Sep 17	Fed Funds Rate Sep'26 and Forward Projections
	Bank of England Bank Rate Sep'26
Sep 18	Japan Inflation Rate Aug'26
	Bank of Japan Policy Rate Sep'26
	UK Retail Sales Aug'26

however, private consumption and capital expenditure remained constrained by energy-related inflationary pressures stemming from the conflict involving Iran. With underlying inflation trends approaching 2%, the Bank of Japan (BOJ) reaffirmed its commitment to continue raising its benchmark interest rate. BOJ Board Member Kazuyuki Masu stated that these rate adjustments were prompted by the potential for more persistent inflation, noting that previous hikes had not dampened corporate demand for funding and that household consumption remained supported by wage growth.

- **Inflation in China accelerated in Aug'26 at both the consumer and producer levels, driven primarily by rising energy prices resulting from global oil market shocks linked to disruptions in the Strait of Hormuz.** Consumer inflation (CPI) rose to 0.8% YoY (Jul'26: 0.5%), driven by rising transportation costs and travel demand, even as food inflation eased due to a drop in pork prices. Meanwhile, the Producer Price Index (PPI) climbed to 3.8% YoY (exceeding the market expectation of 3.7%) due to surging raw material costs and mining activity. On a monthly basis, both China's CPI and PPI rebounded by 0.4%, reversing the declines seen in the previous month.
- **The Bank of Thailand (BOT) maintained its benchmark interest rate at a low of 1%** to support an uneven economic recovery, while limiting excessive monetary easing to guard against crisis risks and external shocks, such as the conflict in the Middle East. This decision coincided with Thailand's inflation rising to 2.53% YoY in Aug'26 (Jul'26: 1.95%)—its fastest pace in four months—driven by higher domestic fuel prices, though it remained within the BOT's target range of 1%–3%. Core inflation also edged up to 1.44% YoY. Both price indicators remained within the government's 2026 projection range (1.5%–2.5%).

Domestic Economy

- **Indonesia's consumer confidence index rose for the first time in four months to 118.5 in Aug26, recovering from its lowest level since Apr'26** (Jul'26: 116.8). This figure marks the highest level since May'26, driven primarily by a stronger assessment of current economic conditions—which climbed to a three-month high of 109.4 (Jul'26: 107.6)—supported by improvements in the indices for job availability (rising from 101.1 to 104.1) and purchases of durable goods (from 104.1 to 106.1). Concurrently, the consumer expectations index also increased to 127.6 (Jul'26: 125.7), buoyed by gains in indices regarding income, job availability, and business activity expectations.
- **Indonesia's retail sales rose by 1.1% YoY in Jul'26, snapping a three-month streak of decline.** This turnaround coincided with government measures aimed at shielding households from persistent cost pressures. The recovery was driven by the food, beverage, and tobacco sector (2.4% vs. -3.6% in June) and the clothing sector (2.8% vs. -3.1%), offsetting weakness in automotive parts sales and contractions in purchases of fuel, information and communication equipment, and recreational goods. Retail activity in Aug'26 is projected to grow further by 0.5% YoY amid continued government support, although inflationary pressures are likely to temper the pace of recovery.
- **Indonesia's automotive sales showed solid growth in August 2026.** New car retail sales in Indonesia surged 25.5% YoY to reach a six-month high of 83,422 units, following a spike in Jul'26 (23.1%) and marking five consecutive months of growth. This sharp increase occurred alongside the GAIKINDO Indonesia International Auto Show (GIIAS) 2026, which helped boost sales figures in July and August. During the Jan–Aug 2026 period, sales rose 20.1% CtoC to 594,984 units, reflecting resilient consumer demand despite inflationary pressures and higher non-subsidized fuel prices. Meanwhile, motorcycle sales grew solidly by 3.18% YoY to 596,461 units—though the pace slowed compared to Jul'26 (8.3%)—amidst inflation and rising non-subsidized fuel prices. For the Jan–Aug 2026 period, motorcycle sales rose 2.2% YtD, reaching 4.36 million units.
- **Indonesia's foreign exchange reserves rose to USD146.5 billion in Aug'26 (Jul'26: USD145.3 billion), the highest level since Mar'26**. This strengthening was primarily driven by increased tax and service revenues as well as government external loan drawdowns; these factors more than offset external debt repayments and rupiah exchange rate stabilization measures amidst ongoing global financial market uncertainty. The reserve position remains robust, covering 5.3 months of imports and government external debt servicing (well above the international standard of 3 months of imports). Looking ahead, this resilience is expected to be maintained, supported by adequate reserves and

continued foreign capital inflows, underpinned by positive investor sentiment regarding Indonesia's economic outlook and attractive yields.

Week Ahead Highlights

Constructive dialogue scheduled for next week between Iran and Gulf nations regarding tanker traffic has tempered the surge in oil and gas prices, even as financial markets remain concerned about the inflation outlook. The outcome of this situation will influence global borrowing costs as the Federal Reserve determines interest rate policy. On the economic data front, the United States is set to release figures on retail sales, the trade balance, and industrial production. Monetary policy announcements in the UK and Japan are also in the spotlight; the UK is expected to hold interest rates steady, while Japan is anticipated to raise them by 25 basis points. The UK also faces a busy week with the release of data on inflation, wages, and retail sales. In the Eurozone, final inflation data for August is due, with expectations that it will confirm an acceleration in price growth. Markets will also be monitoring a series of key data releases from China, covering industrial production, retail sales, the unemployment rate, housing prices, and aggregate credit lending. In India, consumer inflation data—expected to rise to 4.8% in August—will be released alongside figures on the trade balance and unemployment. Domestically, the only scheduled release is data on external debt for July.

Spotlight on Commodity Price Trends (as of September 11, 2026)

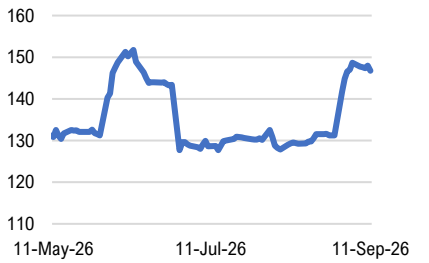
Brent Crude Oil (USD/Barrel)

Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
104.61	8.65	17.66	57.62	71.91

Gold (USD/troy oz)

Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,349.08	-1.83	-0.48	19.68	0.69

Steam Coal (USD/MT)



Most commodity prices weakened over the week amid rising expectations of a Fed rate hike, with Brent crude as the exception, surging on escalating Middle East tensions.

- **Brent crude oil recorded a surge of more than 8% over the past week,** although it briefly weakened by 2.81% to USD104.61 per barrel on Friday (11/9), amid reports of diplomatic efforts between Middle Eastern foreign ministers and Iran to reorganize shipping traffic through the Strait of Hormuz. Market sentiment was dominated by concerns over supply disruptions stemming from the escalating conflict with Iran, marked by a sharp drop in vessel traffic through the Strait of Hormuz to just seven ships, an attack on Saudi Arabia's East-West pipeline, and Saudi oil supply falling to its lowest level in more than three decades at 6 million barrels per day. These geopolitical tensions also pushed US diesel prices to a record high above USD6 per gallon. Despite the short-term decline triggered by signs of negotiation, analysts believe the risk of further oil price increases remains high, with volatility likely to persist. In response, Commerzbank revised its year-end Brent price forecast upward to USD85 per barrel from USD75 previously.
- **Gold prices fell by around 1.83% over the past week,** even as they briefly touched USD4,349.08 per ounce in Friday's (11/9) trading, following an earlier drop of nearly 2% due to US Producer Price Index (PPI) data that came in line with expectations. Market sentiment was overshadowed by growing expectations of a Fed rate hike, after US Consumer Price Index (CPI) data rose 0.4% in August, well above July's 0.1% increase. As a result, the probability of a Fed rate hike next week jumped to 87% from 67% previously, weighing on gold's appeal as a non-yielding asset. Nevertheless, bargain buying on dips helped gold find a short-term footing. Gold demand in India remained sluggish due to price volatility, while investment demand in China stayed strong. Other precious metals were mixed, with silver, platinum, and palladium posting daily gains but still recording weekly losses.
- **Coal prices weakened by 1.28% over the past week**, closing at USD146.751 per ton. The decline came as supply concerns eased, with even the surge in oil prices failing to lift coal prices. Sentiment was weighed down by a fading rally in China's thermal coal market, reflected in rising stockpiles at northern ports such as Qinhuangdao and Jingtang, while purchasing and shipping activity slowed. China's coal imports also fell 1.49% MoM in August, with further pressure expected as the peak summer electricity demand season comes to an end. Meanwhile, coal supply in India improved significantly after the monsoon season, with NCL's production surging 67% and national stockpiles sufficient to meet electricity needs for 51 days. Coking coal prices, meanwhile, remained supported by tight supply, though buyers have started to hold back as prices are seen as excessively high.
- **CPO prices fell 2.33% over the past week** to MYR4,814 per ton on Friday (11/9), extending the downtrend for a third consecutive week. The main pressure came from a surge in Malaysian CPO stockpiles of 7.48% to 2.82 million tons, the highest level in eight

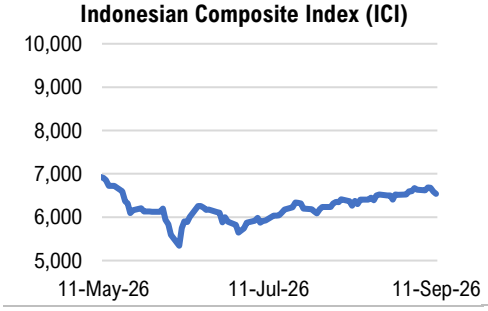
Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
146.75	-1.28	13.50	45.44	36.51

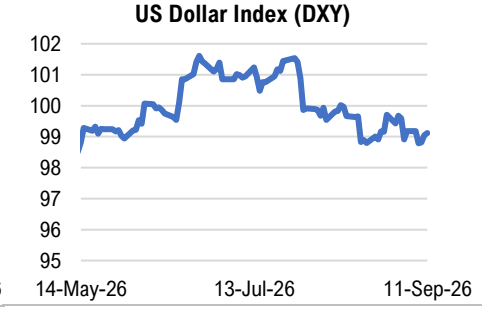
months, alongside a 1.39% rise in production, while exports fell 7.5% to 1.29 million tons, creating a supply glut in the market. Expectations of higher-than-forecast stockpiles further narrowed the room for price gains in the near term. On the other hand, positive sentiment came from Brent and WTI crude oil prices surpassing USD100 per barrel for the first time since mid-May, making CPO more competitive as a biodiesel feedstock and helping cushion further declines. Looking ahead, dry weather conditions in Indonesia and Malaysia could boost production in the short term, though high stockpiles and weak exports continue to weigh on the CPO price trend.

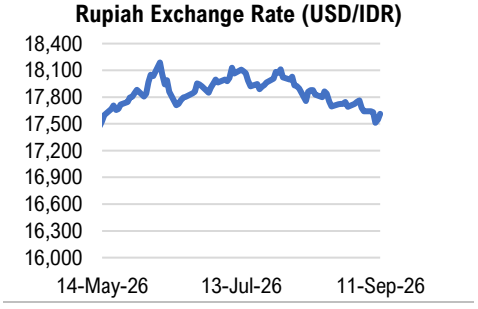
Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	2.83	-4.84	2.31	-3.51	-23.20	Crude Palm Oil (MYR/Ton)	4,814.00	-2.33	1.39	8.08	18.86
Nickel (USD/MT)	16,363.00	-2.30	-2.49	4.09	-3.73	Rubber (USD/Kg)	243.20	3.75	10.14	39.93	35.19
Copper (USD/MT)	14,240.00	-1.22	0.59	41.67	14.63	Wheat (cents/bu)	707.00	-1.26	12.18	40.56	39.45
Aluminum (USD/MT)	3,253.00	-1.23	-3.30	21.68	8.60	Corn (cents/bu)	510.25	-0.34	16.83	27.88	15.90
Iron Ore (USD/MT)	96.89	-5.13	0.60	-7.95	-9.30	Sugar (c/lb)	18.15	0.44	8.49	14.73	20.92

Global and domestic stock markets were broadly under pressure over the week, weighed down by Fed rate hike expectations and investor selling. The U.S. dollar weakened slightly on a weekly basis, while the rupiah strengthened, though pressure increased toward the end of the week amid expectations of Fed tightening.

- **Wall Street posted a weekly decline,** with the S&P 500 down 0.80%, the Nasdaq Composite off 0.66%, and the Dow Jones Industrial Average dropping 1.57%, even though all three major indexes closed higher on Friday (11/9)—the S&P 500 gained 0.86%, the Nasdaq 0.96%, and the Dow Jones 0.98%. Market sentiment throughout the week was dominated by expectations of a Fed rate hike, which surged to nearly 90% from 72% previously, following stronger-than-expected US consumer inflation data driven by rising gasoline prices. Additional pressure came from a rise in long-term Treasury yields and investor concerns over massive spending on AI data center construction. Nevertheless, gains in AI-related stocks such as Dell and Hewlett Packard Enterprise, which jumped 12%, along with Oracle's stronger-than-expected quarterly results, helped support sentiment heading into the weekend. Rising oil prices due to supply disruptions in the Middle East also remained a focus, with Brent easing slightly but still holding above USD104 per barrel.
- **The ICI fell 1.43%** to close at 6,541.38 over the trading week of September 7-11, 2026, reversing course after gaining 1.82% the previous week. The index's decline was driven by selling pressure on several large-cap stocks, particularly in the banking sector and issuers affiliated with major conglomerate groups, which collectively became the main source of pressure on the index throughout the week. Negative sentiment was further reinforced by foreign investors' net selling of IDR2.31 trillion in the regular market over the week. Sector-wise, the energy and infrastructure sectors recorded the steepest declines, while the healthcare sector posted a significant gain of 3.91%, providing some support amid the broader market pressure. The consistent selling pressure throughout the week reflected investor caution toward the outlook for big-cap stocks, even as trading activity remained brisk, with daily transaction value reaching IDR14.71 trillion by the end of the week.
- **The U.S. dollar weakened slightly on a weekly basis despite strengthening toward the end of the week.** The U.S. Dollar Index (DXY) closed at 99.12 on Sept. 11, 2026, down 0.05% WoW from Sept. 4, 2026. The DXY strengthened over the final three sessions after U.S. inflation data increased expectations of an interest rate hike by the Federal Reserve (Fed). Core inflation rose 0.3% mom in August and 2.4% YoY, while headline inflation increased 0.4% MoM and 3.4% YoY. The market subsequently priced in about a 90% probability of a rate hike at the Sept. 15–16 meeting. Inflationary pressure also continued to come from oil prices above USD100 per barrel, tariffs, and data center investment.
- **The rupiah strengthened on a weekly basis despite weakening over the final two sessions amid a stronger U.S. dollar.** Rupiah exchange rate to US Dollar closed at IDR17,611 per U.S. dollar on Sept. 11, 2026, down 0.18% WoW from Sept. 4, 2026. The rupiah weakened toward the end of the week as the U.S. Dollar Index (DXY) remained stronger ahead of U.S. inflation data. Domestic pressure stemmed from fiscal concerns as global oil prices remained above USD100 per barrel, and annual inflation rose to 3.19% in August. Nevertheless, the rupiah's weekly appreciation remained supported by an improving external position after foreign exchange reserves rose to their highest level in five months. Bank Indonesia (BI) Governor Destry Damayanti reaffirmed policy stability as the main focus through monetary, macroprudential, and payment system policies.







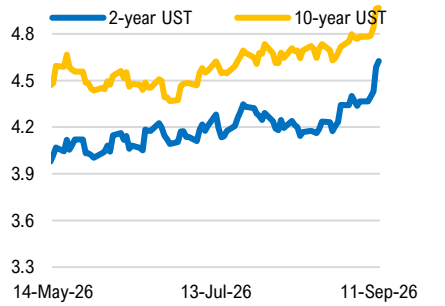
Closing	(% Change)				Closing	(% Change)				Closing	(% Change)			
	WoW	MoM	YoY	YTD		WoW	MoM	YoY	YTD		WoW	MoM	YoY	YTD
6,541.38	-1.43	4.36	-15.57	-24.35	99.12	-0.05	-0.71	1.63	0.81	17,611	-0.18	-1.40	6.98	5.58

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P 500 (US)	7,656.98	-0.80	-0.92	16.24	11.85	Euro (EUR/USD)	1.16	-0.13	0.49	-1.15	-1.25
Dow Jones (US)	52,573.29	-1.57	-2.27	14.02	9.38	Canadian Dollar (USD/CAD)	1.39	0.25	-0.38	0.27	1.07
Nasdaq (US)	26,333.04	-0.66	-0.43	19.46	13.30	Pound sterling (GBP/USD)	1.35	0.04	0.13	-0.37	0.36
Euro Stoxx 50 (Eurozone)	6,325.13	-1.06	-3.45	17.42	9.22	Japanese Yen (USD/JPY)	153.61	-1.70	-3.56	4.35	-1.98
FTSE 100 (UK)	10,650.44	-1.67	-1.79	14.55	7.24	Chinese Yuan (USD/CNY)	6.71	-0.03	-0.56	-5.77	-4.02
Nikkei 225 (Japan)	64,011.34	-1.55	-4.42	44.26	27.16	Singapore Dollar (USD/SGD)	1.27	0.03	-0.99	-1.13	-1.43
Shanghai (China)	3,888.11	-1.07	-1.17	0.33	-2.03	Malaysian Ringgit (USD/MYR)	4.07	0.64	-0.53	-3.57	0.26
Hang Seng (Hong Kong)	24,805.63	-3.30	-3.30	-4.91	-3.22	Thailand Baht (USD/THB)	33.05	0.40	-0.25	4.18	4.94

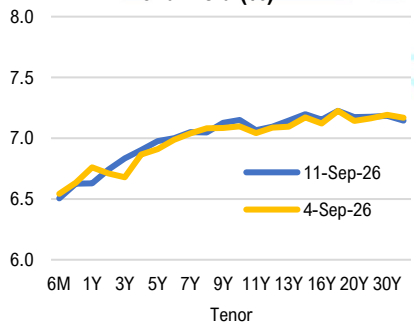
Key Data Developments in Global and National Bond Markets

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



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.625	26	41	108	115
5Y: 4.782	24	39	119	106
10Y: 4.967	18	28	95	80

Weekly Development of Government Bond Yield (%)

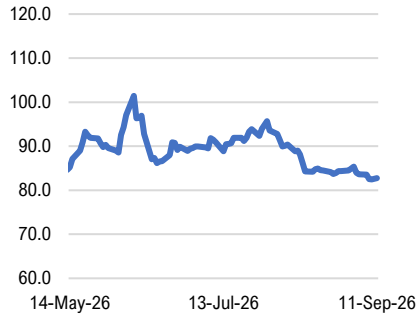


Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 6.868	12	-11	150	187
5Y: 7.032	11	-19	134	148
10Y: 7.151	4	-9	77	108

Global bond yields increased amid inflation, fiscal, and monetary tightening pressures, while the domestic market remained selective.

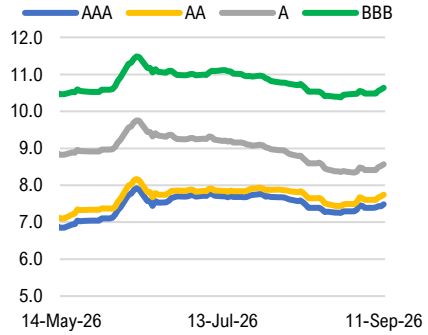
- **U.S. Treasury yields increased across key maturities as expectations of a Federal Reserve rate hike strengthened.** The two-year yield rose 26 bps to 4.625% on Sept. 11, 2026. The five-year yield increased 24 bps to 4.782%, while the 10-year yield rose 18 bps to 4.967% from Sept. 4, 2026. Yield pressure intensified after U.S. core inflation rose 0.3% mom in August, above the 0.2% expectation, lifting the probability of a rate hike at the next meeting to about 90% from around 70%. Pressure also came from a weaker-than-expected U.S. Treasury buyback. The government bought back only USD5.2 billion of bonds against a USD6 billion limit, while securities offered totaled USD10.5 billion.
- **The expansion of U.S. Treasury buybacks has not eased investor concerns over fiscal pressures and long-term bond supply.** The U.S. Treasury Department raised the buyback limit for 10- to 20-year securities to as much as USD6 billion, from USD2 billion previously and above the indicated minimum of USD4 billion. However, the amount remains small relative to the approximately USD32 trillion U.S. Treasury market. The 10-year yield rose to its highest level since November 2023, while 20- and 30-year yields reached their highest levels in three weeks. Concerns remain centered on government debt exceeding USD40 trillion, a widening federal deficit, persistent inflation, and increased global debt issuance. Investors view buybacks primarily as a liquidity-support measure rather than a structural solution to supply pressures and rising government funding costs.
- **U.S. fiscal risks are increasing amid proposals for additional federal spending.** A proposed USD5,000 dividend for about 240 million adults is estimated to increase the deficit by around USD1.2 trillion in 2027. The federal primary deficit is projected to rise from USD780 billion to around USD2 trillion, while the total deficit is expected to reach USD3.1 trillion, or 9.4% of GDP, up from 5.8%. Tariff and consumption tax revenues of about USD210 billion in 2026 would remain well below the program's funding requirements. Additional financing of more than USD1 trillion could increase debt issuance needs and prompt investors to demand higher yield premiums.
- **Non-U.S. government bond yields increased amid global inflationary pressures and spillovers from the U.S. Treasury selloff.** Australia's three-year government bond yield rose 18 bps to 5.047%, its highest level in 15 years, while Japan's 10-year government bond yield increased 6 bps to 2.97%. Pressure emerged as the 10-year U.S. Treasury yield approached 5%, prompting a repricing of global funding costs and broadening the bond selloff. Higher Brent crude prices to USD109.97 per barrel, expectations of monetary tightening, and concerns over government financing needs also prompted investors to demand higher yield premiums.
- **U.K. fiscal pressures increased ahead of the budget preparation process.** The government recorded a GBP1.8 billion deficit in July, worse than expectations for a balanced position, despite self-assessment tax receipts reaching GBP17.1 billion, up GBP1.7 billion year on year. The cumulative deficit in the first four months of the fiscal year reached GBP56.7 billion, around GBP2.3 billion above the Office for Budget Responsibility's (OBR) projection. Public debt reached GBP2.98 trillion, or 94% of GDP, up GBP96 billion year on year. The 10-year gilt yield remained above 5%, potentially increasing interest costs as debt

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
82.75	-1.06	-7.01	18.84	20.18

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

is refinanced. Fiscal headroom of GBP23.6 billion also risks erosion from higher inflation, slower growth, higher bond yields, and an additional GBP1.2 billion per year required for planned defense investment.

- **Indonesia's government bond market came under pressure across the curve despite lower credit risk and higher foreign ownership.** The two-year yield rose 12 bps to 6.868% on Sept. 11, 2026. The five-year yield increased 11 bps to 7.032%, while the 10-year yield rose 4 bps to 7.151% from Sept. 4, 2026. Indonesia's five-year credit default swap (CDS) declined 1.06% WoW to 82.75. Nonresident holdings of tradable government securities (SBN) increased to IDR919.46 trillion, or 13.13% of total SBN, as of Sept. 10, 2026, from IDR917.74 trillion, or 13.06%, on Sept. 4, 2026.
- **The need for regional government bond issuance has been questioned amid still-substantial local government liquidity.** Finance Minister Purbaya Yudhi Sadewa noted that around IDR100 trillion of local government funds remained idle in the banking system, suggesting these funds could be used before raising additional debt. Issuance risks also require attention because a regional government default could create broader fiscal pressure. Transfers to regional governments in the first half of 2026 totaled IDR357.4 trillion, down 11.2% yoy, while Revenue Sharing Funds declined to IDR25.5 trillion from IDR60.2 trillion in the same period a year earlier. The central government also provided IDR20.5 trillion of emergency liquidity to support PPPK salary obligations.
- **Demand at the government sukuk auction shifted toward shorter maturities amid uncertainty over the direction of global interest rates.** The government awarded IDR12 trillion at the Sept. 8, 2026, government sharia securities (SBSN) auction, up 20% from the previous auction, from total incoming bids of IDR26.13 trillion. Almost 47% of bids were concentrated in six-month and one-year SPNS, with total bids of IDR12.29 trillion and awards of IDR4.2 trillion. At the medium-term maturities, the PBS040 yield rose to 6.90% from 6.81%, while the PBS030 yield increased to 6.80% from 6.63%. Investor preference for shorter maturities reflected a need for flexibility ahead of the release of U.S. inflation data and greater clarity on the Federal Reserve's policy direction.
- **PT Indonesia Asahan Aluminium (INALUM) strengthened its credit profile and operating capacity.** S&P Global Ratings assigned a BBB- rating with a stable outlook on Sept. 7, 2026, while PEFINDO upgraded its domestic rating to $_{id}$AA/Stable in August 2026. The assessments were supported by INALUM's strategic position within MIND ID, government support, and a first-quartile global operating cost structure due to its use of hydropower. Its current primary aluminum smelter capacity is around 275,000 tons per year, while SGAR 1 has an annual alumina capacity of 1 million tons. The development of SGAR 2 and Smelter 2 is projected to add 1 million tons of alumina and 600,000 tons of aluminum per year, respectively, more than tripling total smelter capacity.
- **PT Waskita Karya (Persero) Tbk (WSKT) recorded a rating improvement, although credit risk remains high.** PEFINDO upgraded WSKT's corporate rating to idB from $_{id}$SD on Sept. 11, 2026, following approval of the restructuring of Shelf-Registered Bond III Phase IV. The bond rating was also upgraded to $_{id}$B from $_{id}$D. However, the CreditWatch with Negative Implications remains in place because the company's financial profile and business performance remain weak, while risks persist regarding its ability to meet its obligations. Bonds III and IV and Mudharabah Sukuk I remain rated $_{id}$AAA$_{(gg)}$ because they benefit from full, unconditional, and irrevocable guarantees from the Government of Indonesia. The government owned 75.35% of WSKT as of June 30, 2026.
- **PT Bank Mandiri (Persero) Tbk strengthened its capital structure by issuing an Additional Tier 1 (AT1) instrument.** Bank Mandiri issued a USD750 million perpetual bond with an initial distribution rate of 7.35% per year on Sept. 10, 2026. The instrument was listed on the Singapore Stock Exchange and offered to investors outside the U.S. under Regulation S. The issuance increases the bank's core capital component, while Tier 1 capital stood at IDR249.16 trillion and total capital at IDR266.25 trillion as of June 30, 2026. The issuance amount was below 20% of equity and, therefore, was not classified as a material transaction.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
PBS040	5.00	11/15/30	100.00	95.50	7.00	20,828,128
FR0109	5.88	03/15/31	5,500.00	95.80	6.98	11,479,795
PBS030	5.88	07/15/28	10.00	98.55	6.72	11,181,228
FR0110	7.25	05/15/32	10,000.00	101.29	6.98	11,105,431
FR0108	6.50	04/15/36	10,000.00	95.70	7.15	8,357,768

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sukuk Ijarah I Bali Towerindo Sentra Phase III Year 2025 Series B	idA(sy)	7.25	12/05/28	55,000	101.97	6.05	1,296,280
Shelf Registration Bond I Merdeka Battery Materials Phase V Year 2026 Series A	idA	9.00	09/08/27	15,000	99.85	8.87	1,220,500
Shelf Registration Sukuk Mudharabah V Indah Kiat Pulp & Paper Phase II Year 2026 Series A	idA+	9.00	06/10/29	300	102.60	9.19	1,047,700
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA(sy)	11.00	10/04/29	10,000	111.24	6.66	827,540
Bond III Integrasi Jaringan Ekosistem Year 2026 Series C	idA	9.75	04/09/29	115,000	106.87	6.61	745,000

Corporate Bonds Issuance

Throughout the second week of September 2026, 1 companies issued corporate debt securities valued at IDR5,607 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Pegadaian	Shelf Registration Bond VII Phase II Year 2026 Series A	Sep-9-2026	924.33	7.30	1	idAAA/ AAA(idn)
2	PT Pegadaian	Shelf Registration Bond VII Phase II Year 2026 Series B	Sep-9-2026	988.13	7.40	3	idAAA/ AAA(idn)
3	PT Pegadaian	Shelf Registration Sukuk Mudharabah IV Phase II Year 2026 Series A	Sep-9-2026	1,438.41	7.30	1	idAAA(sy)/ AAA(idn)(sy)
4	PT Pegadaian	Shelf Registration Sukuk Mudharabah IV Phase II Year 2026 Series B	Sep-9-2026	866.48	7.40	3	idAAA(sy)/ AAA(idn)(sy)
5	PT Pegadaian	Shelf Registration Social Bond II Phase II Year 2026 Series A	Sep-9-2026	434.01	7.30	1	idAAA/ AAA(idn)
6	PT Pegadaian	Shelf Registration Social Bond II Phase II Year 2026 Series B	Sep-9-2026	956.55	7.40	3	idAAA/ AAA(idn)
Total				5,607.90			

Source: KSEI, IDX, database PEFINDO

Corporate Bonds Maturity for October 2026 Reaches IDR12.86 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Bond III Phase V Year 2019 Series B	Oct-1-2026	445.00	8.40	7	idAAA
2	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Sukuk Ijarah III Phase V Year 2019 Series B	Oct-1-2026	10.00	8.40	7	idAAA(sy)
3	PT Toyota Astra Financial Services	Shelf Registration Bond IV Phase II Year 2023 Series B	Oct-3-2026	223.57	6.35	3	AAA(idn)
4	PT Lontar Papyrus Pulp & Paper Industry	Shelf Registration Bond II Phase II Year 2023 Series B	Oct-6-2026	1,483.07	10.50	3	idA
5	PT MNC Energy Investments Tbk	Shelf Registration Bond I Phase I Year 2023 Series B	Oct-6-2026	149.83	11.25	3	idA-
6	PT MNC Energy Investments Tbk	Shelf Registration Sukuk Wakalah I Phase I Year 2023 Series B	Oct-6-2026	49.30	11.25	3	idA-(sy)
7	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration USD Bond II Phase IV Year 2025 Series A (USD5.82 mn)	Oct-10-2026	94.74	5.50	1	idA+
8	PT Samator Indo Gas Tbk	Shelf Registration Bond III Phase I Year 2023 Series A	Oct-10-2026	41.00	7.40	3	A(idn)
9	PT Samator Indo Gas Tbk	Shelf Registration Sukuk Ijarah III Phase I Year 2023 Series A	Oct-10-2026	35.50	7.40	3	A(idn)(sy)
10	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration USD Bond Phase I Year 2023 Series A (USD1.50 mn)	Oct-11-2026	22.34	7.00	3	idA+/ irAA

11	PT Oki Pulp & Paper Mills	Shelf Registration Bond I Phase I Year 2023 Series B	Oct-12-2026	1,608.89	10.50	3	idA+/irAA-
12	PT Oki Pulp & Paper Mills	Shelf Registration Green Bond I Phase I Year 2023 Series B	Oct-12-2026	1,042.09	10.50	3	idA+/irAA-
13	PT Oki Pulp & Paper Mills	Shelf Registration USD Bond I Phase I Year 2023 Series A (USD1.06 mn)	Oct-12-2026	15.76	7.00	3	idA+/irAA-
14	PT Oki Pulp & Paper Mills	Shelf Registration Sukuk Mudharabah I Phase I Year 2023 Series A	Oct-12-2026	333.20	10.50	3	idA+(sy)/irAA-
15	PT Bank Rakyat Indonesia (Persero) Tbk	Shelf Registration Green Bond I Phase II Year 2023 Series C	Oct-17-2026	500.00	6.30	3	idAAA
16	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Shelf Registration Bond I Phase III Year 2019 Series C	Oct-18-2026	74.00	8.75	7	idAA
17	PT Trimegah Sekuritas Indonesia Tbk	Shelf Registration Bond II Phase II Year 2025 Series A	Oct-18-2026	100.00	6.75	1	idA
18	PT Sinar Mas Agro Resources and Technology Tbk	Shelf Registration Bond III Phase II Year 2021 Series C	Oct-19-2026	958.00	9.00	5	idAA-
19	PT Summarecon Agung Tbk	Shelf Registration Bond IV Phase II Year 2023 Series A	Oct-19-2026	468.00	7.35	3	idA+
20	PT Bukit Makmur Mandiri Utama	Bond III Year 2025 Series A	Oct-20-2026	503.15	6.75	1	idA+/A-(idn)
21	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VII Phase II Year 2023 Series B	Oct-20-2026	256.00	6.33	3	idAAA
22	PT Sumber Global Energy Tbk	Shelf Registration Bond I Phase II Year 2025 Series A	Oct-25-2026	273.65	10.00	1	idA-
23	PT Astra Sedaya Finance	Shelf Registration Bond VI Phase II Year 2023 Series B	Oct-26-2026	750.62	6.40	3	AAA(idn)
24	PT Permodalan Nasional Madani	Shelf Registration Sukuk Mudharabah Social Orange I Phase II Year 2025 Series A	Oct-27-2026	800.00	5.50	1	idAAA(sy)
25	PT Chandra Asri Pacific Tbk	Shelf Registration Bond III Phase IV Year 2021 Series A	Oct-29-2026	266.95	7.20	5	idAA-
26	Lembaga Pembiayaan Ekspor Indonesia	Shelf Registration Bond IV Phase VII Year 2019 Series D	Oct-29-2026	112.00	8.50	7	idAAA
27	PT Sarana Multi Infrastruktur (Persero)	Shelf Registration Bond II Phase III Year 2019 Series D	Oct-30-2026	945.25	8.30	7	idAAA
28	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Bond VII Phase II Year 2025 Series A	Oct-31-2026	900.00	5.50	1	idAAA
29	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Sukuk Mudharabah VI Phase II Year 2025 Series A	Oct-31-2026	400.00	5.50	1	idAAA(sy)
Total				**12,861.90**			

Weekly Sector Highlights

During 7-11 September 2026, domestic sectoral sentiment was predominantly shaped by policy direction, the various pressures currently facing industries, and the strategic responses of businesses.

Industries	Sentiment & Significance	News Highlights
Automotive		**Government Pushes for Higher Local Content Requirements (TKDN) in Electric Vehicles.** The government is targeting a gradual increase in the TKDN for electric vehicles, from 40% in 2026 to 60% during the 2027-2029 period, and to 80% starting in 2030, as part of efforts to strengthen the national electric vehicle ecosystem. To achieve this target, the development of key component industries, including batteries, electric motors, control systems, power electronics, battery management systems (BMS), and recycling facilities, is considered a critical factor. Industry players view the target as realistic; however, its achievement will depend heavily on the growth of the electric vehicle market, which can create economies of scale for local component production and encourage new investment. At the same time, the development of domestic supply chains and the advancement of technological capabilities are also essential to ensure that Indonesia does not merely serve as an assembly base or market for electric vehicles, but also captures greater value-added within the global supply chain.
Banking		**Extension of Government Budget Surplus Funds Placement Eases Liquidity Pressures on State-Owned Banks.** The extension of the placement of government Budget Surplus Balance (SAL) funds with state-owned banks (Himbara) through July 2027 provides these banks with greater flexibility to manage liquidity amid ongoing credit growth and rising loan-to-deposit ratio (LDR) levels. With total SAL funds still placed in the banking system amounting to IDR381 trillion, the policy helps reduce the risk of short-term funding pressures while giving banks additional time to strengthen third-party fund mobilization. Industry participants believe that a gradual and scheduled withdrawal of these funds can help maintain liquidity stability, limit competition for deposit interest rates, and support the

Industries	Sentiment & Significance	News Highlights
		management of funding costs. Nevertheless, elevated LDR levels at several Himbara banks highlight the importance of maintaining prudent liquidity management to ensure that credit expansion can continue without undermining banking sector financial stability.
Construction	🔴	**Challenges to the Merger of State-Owned Construction Enterprises Remain Significant.** The planned merger of PT PP and Adhi Karya is viewed as a move that could strengthen the competitiveness of state-owned construction enterprises through increased business scale, cost efficiencies, resource optimization, and enhanced capital capacity. The consolidation is also expected to reduce business overlap and competition among state-owned construction companies, enabling the merged entity to be more selective in pursuing projects with healthy margins and cash flow. However, the success of the merger will not be determined solely by the size of the combined assets, but also by the new entity's ability to improve profitability, strengthen its balance sheet, and maintain sustainable cash flow. Meanwhile, the integration of organizational structures, governance frameworks, and human resources is expected to be a key challenge that could require one to two years before full synergies can be achieved.
Insurance and Guarantee	🔴🔴	**Sharia Insurance Faces Consumption Pressures, Focuses on Expanding Market Share.** The sharia insurance industry continues to face pressure as consumers become increasingly selective in spending their income, as reflected in a 12.67% YoY contraction in industry contributions to IDR14.19 trillion as of July 2026. On the other hand, the industry's long-term outlook remains positive, given that sharia insurance assets reached IDR51.51 trillion as of June 2026, with market share increasing to 5.32% from 5.06% a year earlier. Several industry players are responding to these conditions through product innovation, strengthening distribution channels, and enhancing services to remain relevant to customers' needs and financial capabilities.
Mining	🟢🟢🟢	**Rising Copper Prices Strengthen the Outlook for Mining Companies.** The upward trend in global copper prices, which have increased by approximately 17.6% since the beginning of the year, has become a positive catalyst for the outlook of copper-focused mining companies, supported by growing demand from the artificial intelligence (AI), data center, electric vehicle, and electrification sectors. Mining companies have benefited from these conditions. In addition to support from elevated commodity prices, the medium- to long-term outlook for the copper sector remains positive due to the ongoing energy transition and the expansion of digital infrastructure, both of which are expected to sustain robust demand. Nevertheless, investors should remain attentive to risks stemming from a slowdown in the global economy, the direction of interest rate policies, demand dynamics in China, as well as rising operating costs and regulatory changes that could affect corporate performance.
Multifinance	🔴🔴	**Multifinance Growth Begins to Improve, but Credit Risk Continues to Restrain Expansion.** The multifinance industry showed improved performance in 2026, with financing receivables growing by 2.01% YoY to IDR513.05 trillion as of July, extending the acceleration trend observed in previous months, driven primarily by working capital financing, which increased by 6.32% YoY. Nevertheless, this growth remains well below the industry's target range of 6% to 8% and therefore cannot yet be considered a strong signal of recovery. The main challenges stem from the increase in the non-performing financing (NPF) ratio to 3.03%, as well as the potential rise in funding costs resulting from interest rate dynamics, prompting financing companies to adopt a more selective approach to credit disbursement. Looking ahead, the industry is expected to continue recording positive growth; however, the primary focus will be on asset quality management, strengthening risk management practices, and controlling non-performing financing to ensure sustainable performance.
Oil and Gas	⚫	**The Efficiency of 2027 Energy Subsidies Depends on the Accuracy of Distribution Targeting.** The IDR11.45 trillion reduction in the energy subsidy allocation under the 2027 State Budget Bill (RAPBN 2027), bringing the total allocation to IDR261.5 trillion, is considered reasonable, provided it does not reduce access to subsidized fuel and LPG for vulnerable households. The primary challenge lies not in the size of the budget allocation, but in the high risk of leakage resulting from subsidies being enjoyed by ineligible groups through various forms of distribution misuse. Therefore, improving beneficiary data through the integration of DTSEN, National Identification Number (NIK), and consumption behavior data, accompanied by stricter distribution oversight, will be key to enhancing subsidy effectiveness. With these improvements, the government will have greater room to reduce the fiscal burden without raising the prices of subsidized fuel or 3 kg LPG cylinders, while at the same time preserving household purchasing power.
Plantation and Agriculture	🟢🟢🟢	**High CPO Prices Support the Outlook for Plantation Companies.** The 21.7% increase in crude palm oil (CPO) prices since the beginning of the year has become a positive catalyst for the performance of listed plantation companies. The strengthening of CPO prices has been driven by concerns over

Industries	Sentiment & Significance	News Highlights
		declining production due to the impact of El Niño, as well as rising domestic demand following the implementation of the B50 program, which has tightened CPO supply in the global market. Although Indonesia's CPO export volumes have declined, elevated selling prices have successfully sustained export values and the revenue outlook for plantation companies, indicating that the market is currently placing greater emphasis on price gains than on volume growth. Looking ahead, the CPO sector still has the potential to deliver positive performance, supported by high prices and strong domestic biodiesel demand. However, investors should remain mindful of the risks of price corrections, rising production costs, and potential weakening demand from major importing countries.
Power and Energy	🔴🔴	**Regulations and Tax Incentives Remain Obstacles to Renewable Energy Development.** Investment interest in new and renewable energy (NRE) continues to grow; however, its development still faces various regulatory, licensing, and financing challenges. The government is currently preparing a new incentive scheme to replace the tax holiday in line with the implementation of the Global Minimum Tax (GMT), with options including the expansion of tax allowances and subsidies based on clean energy usage or production volume. In the solar energy sector, industry players view regulatory certainty and efficiency as the primary investment drivers, given lengthy permitting processes, land acquisition challenges, time-consuming PPA negotiations, and the absence of clear lease cost arrangements for floating solar power plant projects. In addition, issues related to project bankability, limited profit margins, and inadequate electricity grid infrastructure remain key challenges. As a result, industry participants are advocating streamlined licensing procedures, improved land readiness, and greater regulatory transparency to accelerate the achievement of the national renewable energy mix target.
Property	🟢🟢	**FLPP Disbursement Continues to Increase.** The Housing Finance Liquidity Facility (*Fasilitas Likuiditas Pembiayaan Perumahan*/FLPP) program continues to demonstrate growth as the government's primary instrument for expanding homeownership access for low-income communities (*Masyarakat Berpenghasilan Rendah* or MBR). As of July 2026, FLPP disbursements had reached 111,537 housing units with a total value of IDR13.87 trillion, driven by the dominant role of the banking sector, particularly BTN and BSI, which have emerged as the largest contributors to subsidized housing financing. In addition to pursuing the 2026 disbursement target of 350,000 units, the government and the banking industry are also focused on expanding beneficiary coverage through stronger collaboration with property developers, optimizing distribution in areas with high housing demand, and broadening access to sharia-compliant financing. Amid this growth, portfolio quality remains a key priority through strengthened risk management, early warning systems, and continuous monitoring of financing quality. Furthermore, the success of the FLPP program is measured not only by the number of financing agreements executed but also by high occupancy rates, ensuring that housing subsidies deliver meaningful social and economic benefits to the targeted beneficiaries.
Transportation and Vehicle Rental	🟢	**Whoosh Debt Restructuring.** The government has stated that the debt burden of the Jakarta-Bandung High-Speed Rail (Whoosh) project has become more manageable following a restructuring process that allows the repayment tenor to be extended to as long as 80 years. Under this scheme, annual debt repayments are estimated at approximately IDR1 trillion, which is considered to remain within the government's fiscal capacity. The settlement of these obligations will involve state-owned enterprises (SOEs) or a Special Mission Vehicle (SMV) under the Ministry of Finance, with the option of participation by the Indonesia Investment Authority (INA) to reduce pressure on the state budget. The government is also targeting the transfer of debt management responsibilities from Danantara to begin as early as September 2026, as part of efforts to ensure the sustainability of financing for the project.

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

Weekly Economic Update

Presented by the Economic Research Division of PEFINDO

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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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