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WEEKLY ECONOMIC UPDATE

Period of December 8-12, 2025

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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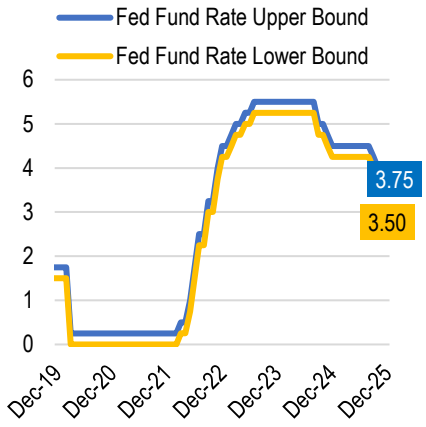
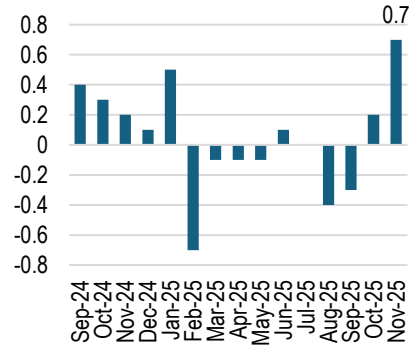
Data Highlights of the Week

Fed Fund Rate (%)



Source: The Federal Reserve

China Inflation Rate (% YoY)



Source: Bloomberg

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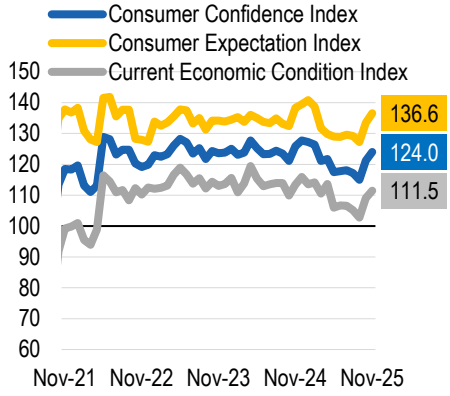
The Fed Funds Rate Cut Has Been Implemented, But Prospects for Further Monetary Easing Are More Limited

Global Economic

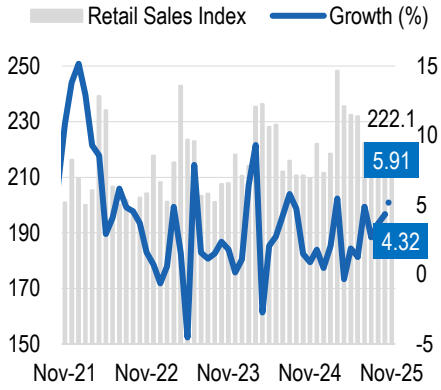
- **The Federal Reserve cut the Fed Funds Rate by 25 bps to 3.5%–3.75%,** extending cuts in September and October, as expected. This brought borrowing costs to their lowest level since 2022. The committee remained divided, with three members dissenting, marking the largest divergence since Sept. 2019 (Stephen Miran: -50 bps; Austin Goolsbee and Jeffrey Schmid: 0 bps). Policymakers still signalled one 25 bps cut in 2026, with GDP growth forecasts revised upward (2025: 1.7% vs. 1.6% and 2026: 2.3% vs. 1.8%). PCE inflation is also projected to be slightly lower (2025: 2.9% vs. 3.0%; 2026: 2.4% vs. 2.6%), while the unemployment rate remains at 4.5% for 2025 and 4.4% for 2026.
- **Several central banks also held their monetary policy meetings that same week, with decisions divided between holding or cutting**. In developed countries, the Bank of Canada, Swiss National Bank, and Reserve Bank of Australia kept interest rates unchanged at 2.25%, 0%, and 3.6%, respectively. Meanwhile, the Hong Kong Monetary Authority and the Macau Monetary Authority cut their interest rates by 25 bps to 4.0%. In emerging markets, the Turkish central bank cut its interest rate by 150 bps to 38%. Meanwhile, the Bangko Sentral ng Pilipinas cut its interest rate by 25 bps to 4.5%.
- Regarding the direction of monetary policy, **global bond markets continued their decline as traders sharply reduced expectations of interest rate cuts in 2026** and even began pricing in the possibility of an ECB rate hike next year. The Fed has already cut interest rates, but the uncertain outlook for inflation, fiscal policy, and the broader monetary path has heightened market jitters. Traders now anticipate almost no additional rate cuts from the ECB after a series of aggressive comments from policymakers. In the UK and Australia, easing expectations have also diminished amid persistent inflation concerns. Elsewhere, markets are pricing in the possibility of an interest rate hike in Japan this month.
- **The advanced estimate for Japan's economy in Q3-2025 reported a contraction of 2.3%** (annualized) (Q2-2025: 2.1%), steeper than the initial estimate (1.8%). This marked the first annual contraction in six quarters and the deepest contraction in two years. Capital expenditure fell for the first time in three quarters as higher borrowing costs hampered investment. Net exports also weighed on growth after the US imposed a 15% base tariff on most Japanese goods. Meanwhile, private consumption posted its smallest increase in three quarters as rising living costs, particularly higher rice prices, continued to weigh on households. Meanwhile, government spending slowed significantly, making economic support more limited. Furthermore, Japan also reported that **nominal wages in October 2025 rose 2.6% YoY**, the strongest increase in three months and above market expectations (2.2%). However, wage growth continued to lag inflation for the tenth consecutive month, leaving **real wages still down 0.7% YoY**. This data adds pressure on the Bank of Japan, which is speculated to raise interest rates.
- **China's inflation rate in Nov'25 was reported to have risen to 0.7% YoY** (Oct'25: 0.2%) and became the highest since Feb'24. Food prices rose for the first time in 10 months (0.2% YoY), supported by rising vegetable and fruit prices, and a slowing decline in pork prices. Non-food inflation also continued to rise (0.8% vs. 0.9%), driven by the consumer goods exchange program. Core inflation rose 1.2% YoY and remained at a 20-month high. However, **the improvement in consumer inflation was still overshadowed by producer deflation,** which fell 2.2% YoY, relatively worse than Oct'25 (2.1%) and continued the contraction trend in 38 months.
- **The annual Central Economic Work Conference held in Beijing set China's priorities for 2026.** President Xi Jinping described 2025 as "a truly remarkable year," noting that major economic and social targets would be achieved despite various challenges. Policymakers pledged to implement more proactive and well-coordinated macro policies to boost demand, optimize supply, and develop new, high-quality productive forces. Fiscal policy will remain proactive with a necessary deficit, while monetary policy will remain moderately loose to ensure liquidity and support demand, innovation, and small businesses.

Indonesia Consumer Confidence Index



Source: Bank Indonesia

Indonesia Retail Sales Index

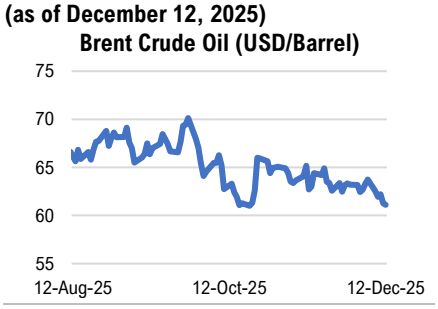


Source: Bank Indonesia

Upcoming Economic Calendar

Date	Development Release
Dec 15	Canada Inflation Nov'25
Dec 16	UK Unemployment Rate Oct'25
	US Nonfarm Payrolls Oct and Nov'25
	US Unemployment Rate Nov'25
	US Average Hourly Earnings Oct and Nov'25
Dec 17	UK Inflation Nov'25
	BI Rate Dec'25
Dec 18	Bank of England Interest Rate Policy Dec'25
	ECB Interest Rate Policy Dec'25
	US Inflation Nov'25
Dec 19	Japan Inflation Nov'25
Dec 20	China Loan Prime Rate Dec'25

Spotlight on Commodity Price Trends (as of December 12, 2025)



- **India's consumer price inflation in November 2025 rose from a low to 0.71%** YoY (Oct'25: 0.25%). Despite the increase, inflation remained below the Reserve Bank of India's 2% target range for the third consecutive month. Food prices continued to decline (-3.91% vs. -5.02% in Oct'25), driven by lower costs for vegetables, pulses, and spices. Goods inflation also remained under control following the rationalization of GST rates in Sep'25.
- **Several regions in Southeast Asia reported their unemployment rates**. The Philippines released its Oct'25 unemployment rate, which rose to 5.0% (Oct'24: 3.9%), approaching its post-pandemic high in Jul'25. The increase was due to the influx of new Filipino labor force members and the failure of seasonal hiring momentum in September, which continued into October. Meanwhile, Malaysia reported a stable Oct'25 unemployment rate of 3.0%, remaining at its lowest level since Apr'25. Singapore also reported a stable Q3-2025 unemployment rate of 2.0%, supported by economic growth and labor market resilience.

Domestic Economy

- **The US-Indonesia trade deal reached in July is at risk of being derailed or even collapsed after a US official reported that Indonesia had withdrawn some previously made commitments.** It is believed the withdrawal was to eliminate non-tariff barriers. Following clarification from Indonesia, it was reported that negotiations were proceeding as planned and that this dynamic was normal. The Coordinating Minister for Economic Affairs, as Head of the Delegation, stated that an agreement was expected to be finalized by the year-end.
- **Indonesia's consumption sector is strengthening.** This is demonstrated by four indicators, namely:
  - **The Consumer Confidence Index rose to 124.0 in Nov'25** (121.2 in Oct'25), reaching its highest level since Feb'25. All six major sub-indices experienced improvement.
  - **The retail sales index accelerated in Oct'25, growing 4.3% YoY** (3.7% in Sep'25), continuing the six-month growth trend and marking the strongest growth since Jul'25. Meanwhile, retail sales are expected to accelerate again in Nov'25, growing 5.9% YoY. Government efforts to maintain purchasing power and increase demand ahead of national religious holidays will also play a role in maintaining solid consumption.
  - **Indonesian motorcycle sales in Nov'25 rose 2.1% YoY to 523,591 units** (Oct'25: 8.4% YoY). This marked the fourth consecutive month of growth, albeit with a slight slowdown. For 11M2025, motorcycle sales rose 0.4% CtoC to 5.95 million units, approaching the target of 6.2-6.5 million units.
  - **Retail car sales accelerated in Nov'25 and grew 3.7% YoY** (Oct'25: 1.43%) to 79,310 units, continuing the upward trend of the past two months. Cumulatively, 11M2025 sales contracted by -8.4% CtoC to 739,977 units.

Week Ahead Highlights

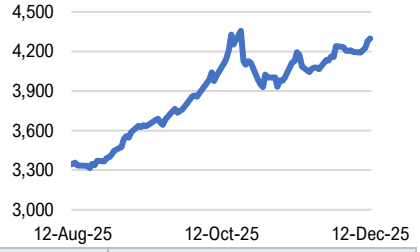
Over the next week, the market will be closely monitoring the release of the delayed US employment report, including the Non-Farm Payroll data and the unemployment rate for October and November, in addition to November inflation data. Several central banks in developed countries will meet and determine their policies, including the Bank of England, the ECB, and the Bank of Japan. In addition, the UK will also release its inflation and employment data. Among developing countries, China will release several key indicators, including the unemployment rate. India will release inflation and unemployment data. In ASEAN, Bank Indonesia and the Central Bank of Thailand will hold their monetary policy meetings.

Oversupply pressure and weakening global demand weighed on most commodities, while gold continued to strengthen as a safe-haven asset.

- **Brent crude oil prices weakened by around 4.13% over the past week,** closing at USD61.12 per barrel, reflecting strong pressure from global supply fundamentals. The decline was driven by rising concerns over an oil supply glut, which outweighed lingering geopolitical risks. The International Energy Agency (IEA) projects a potential surplus of 3.84 million barrels per day next year, reinforcing expectations of an oversupplied market. Hopes for a Russia–Ukraine peace agreement also weighed on prices, as it could reopen Russian energy exports to global markets. Meanwhile, tensions between the United States and Venezuela, including tanker seizures, were largely ignored by the market as they were deemed insufficient to materially disrupt supply. Diverging views

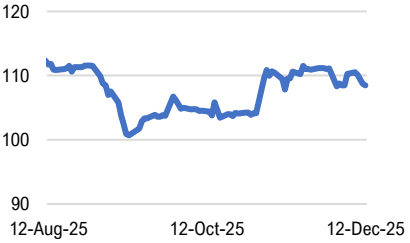
Closing (USD/Brl)	(% Change)			
	WoW	MoM	YoY	YTD
61.12	-4.13	-2.54	-16.74	-18.11

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,299.63	2.43	2.48	60.39	63.83

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
108.50	-1.59	-0.91	-18.11	-13.37

between the IEA and OPEC added volatility, but bearish sentiment dominated Brent's weekly movement.

- **Gold prices posted a solid 2.43% weekly gain,** supported by accommodative monetary sentiment and global precious metals market dynamics. Gold climbed to a seven-week high following the Federal Reserve's interest rate cuts, reinforcing expectations of a prolonged low-rate environment. This backdrop boosted gold's appeal as a non-yielding safe-haven asset. At the close of trade, spot gold settled at USD4,299.63 per ounce, reflecting sustained buying interest despite a relatively stable US dollar. Profit-taking in silver, which had previously reached record highs, also redirected some investment flows into gold. Cautious positioning ahead of key US labor market data further supported sentiment, helping to preserve gold's weekly uptrend amid ongoing volatility.
- **Coal prices declined 1.59% on a weekly basis,** reflecting continued pressure from weak Asian demand. The downturn was mainly driven by sluggish consumption in China, where rising port inventories and restrained purchasing by power utilities amid weaker-than-expected winter demand weighed on prices. In India, coal import demand remained soft due to stable domestic supply and expectations of lower prices ahead. Additional pressure came from Vietnam, where coal imports fell 20.9% month-on-month in November, signaling weaker regional electricity demand. The combination of subdued demand, elevated inventories, and a wait-and-see stance among market participants kept coal prices in a corrective trend, despite brief hopes of stronger winter consumption.
- **CPO prices weakened by around 3.23% over the past week,** reflecting pressure from a combination of external and market fundamentals. The decline was primarily driven by the appreciation of the Malaysian ringgit, which made CPO more expensive for overseas buyers and reduced export competitiveness. Globally, falling prices of competing vegetable oils such as soyoil and palm oil on the Dalian exchange further dampened sentiment, given direct competition in the global vegetable oil market. Additional pressure came from weaker Malaysian export performance, with early-December shipments down 10–15% month-on-month, indicating soft demand. From a technical perspective, prices remain vulnerable to further correction toward the MYR4,000 per ton area as investors adopt a more defensive stance.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	4.11	-22.23	-9.27	19.04	13.21	Crude Palm Oil (MYR/Ton)	4,018.00	-3.23	-2.57	-18.35	-9.67
Nickel (USD/MT)	14,403.05	-2.47	-3.52	-14.47	-9.80	Rubber (USD/Kg)	173.70	1.28	1.16	-13.92	-12.01
Copper (USD/MT)	11,515.00	-0.91	5.22	26.66	31.33	Wheat (cents/bu)	534.50	-0.56	-0.28	-0.79	-3.08
Aluminium (USD/MT)	2,868.50	-1.00	-0.90	10.35	12.42	Corn (cents/bu)	431.50	-1.20	-0.86	-0.06	-5.89
Iron Ore (USD/MT)	105.98	-1.50	2.81	-1.62	1.10	Sugar (c/lb)	15.10	2.03	3.99	-27.72	-21.60

Equity markets moved mixed, with Wall Street pressured by a technology-sector correction, while the JCI remained resilient, supported by strong domestic liquidity. The US Dollar Index fell after the Fed rate cut; the Rupiah remained stable but still carries daily downside risk.

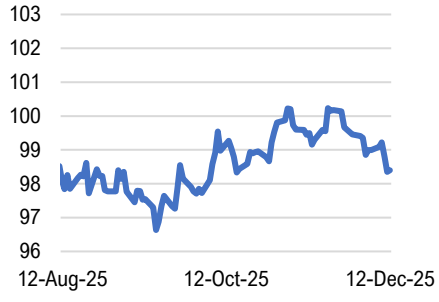
- **Wall Street delivered mixed performance over the past week,** with heavy pressure on technology stocks amid rising concerns over a potential AI investment bubble. The S&P 500 fell 0.63% and the Nasdaq Composite slid 1.62%, driven by sharp sell-offs in technology and semiconductor shares following margin warnings from Broadcom and weak guidance from Oracle, which raised doubts about the sustainability of AI-related profits. The pressure was compounded by rising US Treasury yields after Federal Reserve officials signaled inflation remains too high to justify near-term rate cuts. Amid these conditions, investors rotated into defensive sectors, allowing the Dow Jones Industrial Average to gain 1.05% weekly, even as overall market sentiment remained cautious ahead of key US labor and inflation data.
- **JCI posted a positive performance over the past week, rising 0.32%** to 8,660.49, and briefly reaching an all-time high of 8,710.69, reflecting solid domestic market sentiment. The gain was supported by a sharp increase in trading activity, with average daily transaction value surging 41.95% to IDR 30.29 trillion, alongside a 27.92% rise in trading volume and a 20.16% increase in transaction frequency. Market capitalization also hit a record IDR16,004 trillion, signaling sustained investor interest despite global market volatility. Foreign investors recorded a net buy of IDR282.27 billion at the end of the week, providing additional support, although year-to-date foreign flows remain net sell at IDR25.67 trillion, leaving the market largely supported by domestic liquidity and optimism.
- **The US Dollar Index declined this week.** The US Dollar Index (DXY) closed at 98.40 as of December 12, 2025, reflecting a depreciation of 0.60% on a weekly basis. This drop placed the USD exchange rate in a weaker position in the global market during the last week, driven by the Federal Reserve's (Fed) decision to cut interest rates to the lowest level since 2022, though the decision was met with differing views among committee members.

- **The Rupiah showed minimal movement against the USD**. The Rupiah-to-USD exchange rate (USD/IDR) closed at IDR16,646/USD. The currency posted a marginal weekly gain of 0.01% as of December 12, 2025, suggesting relative stability amid global USD dynamics. Nevertheless, in Non-Deliverable Forward (NDF) contract trading, the Rupiah traded in the range of IDR16,680–16,700 per USD for one-month contracts, and, technically, it still risks further weakening on a daily basis.

Jakarta Composite Index (JCI)

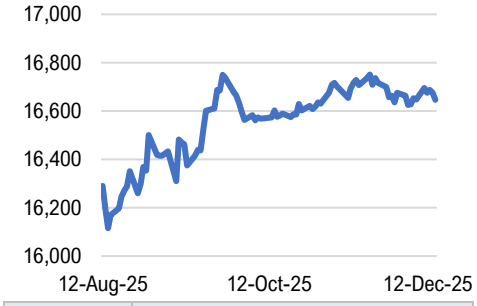
Closing	(% Change)			
	WoW	MoM	YoY	YTD
8,660.50	0.32	3.24	17.12	22.33

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
98.40	-0.60	-1.10	-8.00	-9.30

Rupiah Exchange Rate (USD/IDR)



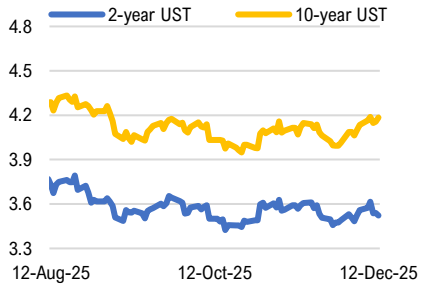
Closing	(% Change)			
	WoW	MoM	YoY	YTD
16,646	-0.01	-0.42	4.40	3.19

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	6,827.41	-0.63	-0.34	12.83	16.08	Euro (EUR/USD)	1.17	0.84	1.27	12.15	13.39
Dow Jones (AS)	48,458.05	1.05	0.42	10.35	13.90	Canadian Dollar (USD/CAD)	1.38	-0.33	-1.67	-3.15	-4.25
Nasdaq (AS)	23,195.17	-1.62	-0.90	16.54	20.12	Poundsterling (GBP/USD)	1.34	0.32	1.81	5.51	6.83
Euro Stoxx 50 (Zona Euro)	5,720.71	-0.06	-1.15	15.21	16.85	Japanese Yen (USD/JPY)	155.81	0.31	0.66	2.08	-0.88
FTSE100 (Inggris)	9,649.03	-0.19	-2.65	16.09	18.06	Chinese Yuan (USD/CNY)	7.06	-0.23	-0.79	-2.95	-3.35
Nikkei225 (Jepang)	50,836.55	0.68	-0.44	27.57	27.43	Singapore Dollar (USD/SGD)	1.29	-0.32	-0.77	-4.09	-5.41
Shanghai (Tiongkok)	3,889.35	-0.34	-2.77	12.36	16.04	Malaysian Ringgit (USD/MYR)	4.10	-0.36	-0.91	-7.66	-8.37
Hang Seng (Hong Kong)	25,976.79	-0.42	-3.51	27.36	29.50	Thailand Baht (USD/THB)	31.55	-1.13	-2.52	-6.97	-8.16

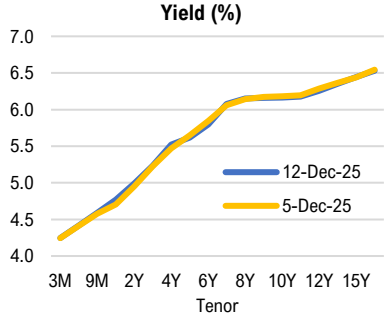
Key Data Developments in Global and National Bond Markets

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



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3.522	-4	-5	-67	-72
5Y: 3.742	3	7	-44	-64
10Y: 4.184	5	11	-14	-38

Weekly Development of Government Bond Yield (%)

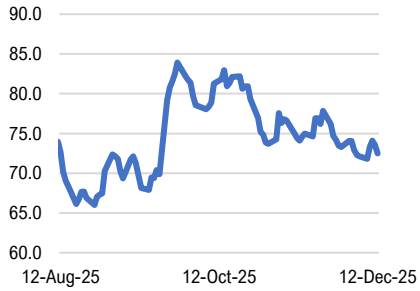


US Treasury and Indonesian bond yields varied; Nonresidents sold debt securities. The Surat Berharga Syariah Negara (SBSN) auction was sluggish.

- **US Treasury yields moved in mixed directions amid uncertainty about monetary policy.** US bond yields recorded varied movements as of December 12, 2025. The 2-year tenor yield fell by 4 basis points (bps) to 3.522%, while the 5-year and 10-year tenors rose by 3 bps and 5 bps, respectively, reaching 3.742% and 4.184%, resulting in a slightly upward-sloping yield curve in the middle to long section. This movement occurred after the 10-year tenor yield briefly dropped to 4.10% on Thursday following the Fed's decision to cut interest rates for the third time since September, before rising again on Friday. Bond investors are currently assessing the direction of monetary policy in 2026, especially after the end of Fed Chair Powell's term in May and the potential appointment of a more dovish chair by President Donald Trump, with Kevin Warsh as the main candidate.
- **The surge in foreign investor participation has increased volatility and risk in the** Japan Government Bond (JGB) market. Foreign investors now dominate 65% of monthly JGB cash transactions, up from 12% in 2009, driven by high bond yields. This increased participation occurred when JGB yields were at multi-decade highs, with the 30-year yield setting a record. Nevertheless, JGBs have been the worst-performing bonds worldwide this year. JGB market volatility has more than tripled since 2021 as the Bank of Japan (BOJ) reduced bond purchases. Foreign investors, being more opportunistic, trigger high volatility, particularly amid expectations of further rate hikes amid inflation still above the BOJ's target.
- **The Fed resumed bond purchases to address market pressure**. After cutting interest rates, the Fed announced the resumption of US government bond purchases, halting the balance sheet reduction (quantitative tightening) that had been the main focus of its open market operations. These purchases will begin with USD40 billion in Treasury bills on Friday and are projected to maintain a high volume for several months before being reduced. This step aims to dampen pressure in the overnight funding markets. This decision comes at a sensitive time for the Fed, given that Chair Powell is approaching the

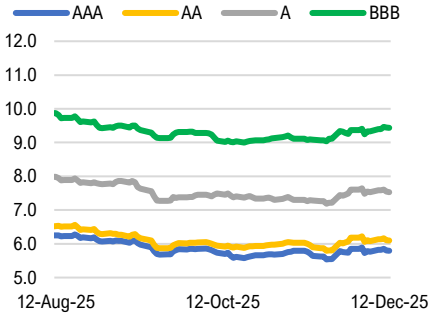
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 5.107	3	25	-187	-193
5Y: 5.650	-3	17	-125	-139
10Y: 6.185	-1	3	-80	-81

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
72.47	0.48	-2.20	0.95	-8.13

3-Year Corporate Bond Yield per Rating (%)



end of his second term and has only three meetings left before being replaced by US presidential candidate Donald Trump.

- **Indonesian government bond yields declined slightly across the medium and long tenors**. Indonesian government bonds closed at a yield of 5.107% for the 2-year tenor, up 3 basis points (bps) as of December 12, 2025. Conversely, the 5-year and 10-year tenor yields fell by 3 bps and 1 bps, respectively, settling at 5.650% and 6.185%, indicating a minor shift in the risk perception of government bonds in the longer tenors.
- **Nonresident investors recorded substantial net selling of Rupiah securities in the second week of Decembe**r. Based on transaction data from December 8–11, 2025, nonresident investors recorded net sales of IDR4.12 trillion in Bank Indonesia Rupiah Securities (SRBI) and IDR2.85 trillion in the Government Securities (Surat Berharga Negara, SBN) market. This trend contributed to a year-to-date net sell of IDR116.34 trillion in SRBI and of IDR3.49 trillion in the SBN market through December 11, 2025. Although there was a net buy of shares totaling IDR1.14 trillion this week, the sale of debt securities dominated foreign capital movements last week.
- **Indonesia's 5-year Credit Default Swap (CDS) rate rose slightly**. Indonesia's 5-year CDS value stood at 72.47, up 0.48% from the previous week as of December 12, 2025. This increase in the CDS value indicates a rise in the insurance cost against the risk of default on Indonesian government bonds.
- **Market interest in the Surat Berharga Syariah Negara (SBSN) auction decreased significantly amid market caution.** The value of incoming bids in the SBSN auction on December 9, 2025, dropped by 45.3% to IDR18.85 trillion from the previous auction's IDR34.36 trillion, reflecting a cool market response. This decline led the government to cut the issuance value to IDR8 trillion, down from the previous absorption of IDR10 trillion, and the bid-to-cover ratio shrank from 3.45 times to 2.36 times, although it remained above the indicative target of IDR7 trillion. Bids dominated by short tenors (70.1%, or IDR13.21 trillion) indicated investor preference for shorter-term instruments, deemed safer and more liquid, toward the end of the year.
- **The Ministry of Finance conducted a buyback of Government Bonds (Surat Utang Negara, SUN) via an exchange.** The Ministry of Finance (MoF), through a bilateral buyback in the secondary market on December 8, 2025, repurchased SUN series VR0062 worth IDR25.74 trillion, which was due to mature on December 14, 2025, at a price of 100.01%. In exchange, the holders of that series received four long-tenor SUN series (FR0076, FR0089, FR0102, and FR0105) with an equivalent total value of IDR25.74 trillion. This step continued a similar transaction on November 17, 2025, where the MoF conducted a buyback of series VR0058 worth IDR6.75 trillion and exchanged it for four new long-tenor bond series (including FR0076 and FR0089), demonstrating the government's effort to manage its debt maturity profile by swapping short-term obligations for long-term ones.
- **The bond pipeline volume on the Indonesia Stock Exchange (IDX) remained stable, with the financial sector as the main contributor.** The IDX recorded a pipeline of 24 bond and sukuk emissions from 18 issuers as of December 5, 2025. The financial sector dominated this list with six companies, followed by the raw materials, energy, infrastructure, and property and real estate sectors, each contributing three companies. Up to December 5, 2025, the total issuance of debt securities and sukuk (EBUS) reached 166 emissions from 75 issuers, raising funds totaling IDR198 trillion.
- **The delay in WIKA bond coupon payments triggered a trading suspension and concerns about business continuity.** The IDX extended the temporary suspension of trading in the shares of PT Wijaya Karya (Persero) Tbk (WIKA) across all markets, effective December 8, 2025. The extension of the suspension was triggered by the delayed coupon payment on four series of securities, covering Self-Registered Bond II Phase I 2021 Series B and C, and Self-Registered Mudharabah Sukuk II Phase I 2021 Series B and C, which matured on that date, indicating a failure to meet obligations (default). The IDX explicitly stated that the payment delay indicates an issue with the Company's business continuity, and the market awaits WIKA management's plan to fulfill the delayed obligations.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
PBS030	5.88	07/15/28	94.00	101.70	5.16	15,624,238
FR0109	5.88	03/15/31	2,653.00	101.55	5.53	6,842,811
PBS038	6.88	12/15/49	563.00	101.75	6.73	5,178,059
FR0103	6.75	07/15/35	250.00	102.38	6.41	4,689,594
FR0100	6.63	02/15/34	1,000.00	101.20	6.43	4,259,724

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sukuk Mudharabah III Sarana Multi Infrastruktur Phase II Year 2025 Series A	idAAA(sy)	5.00	12/07/26	1,000	100.00	5.00	2,404,890
Shelf Registration Subordinated Bond I Bank BTN Phase I Year 2025	idAA	6.65	12/12/30	18,000	100.03	--	1,037,000
Shelf Registration Bond I Merdeka Battery Materials Phase III Year 2025 Series B	idA	8.25	12/09/30	1,500	100.05	--	853,510
Shelf Registration Sukuk Mudharabah I Merdeka Battery Materials Phase II Year 2025 Series A	idA(sy)	7.50	08/27/26	12,650	98.74	9.38	779,330
Shelf Registration Bond I Merdeka Battery Materials Phase III Year 2025 Series A	idA	7.50	12/09/28	500	101.00	--	750,475

Corporate Bonds Issuance

Throughout the second week of December 2025, there was the issuance of corporate debt securities from 6 companies with a value reaching IDR17,887 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Bali Towerindo Sentra Tbk	Shelf Registration Sukuk Ijarah I Phase III Year 2025 Series A	Dec-8-2025	414.85	6.50	1	idA(sy)
2	PT Bali Towerindo Sentra Tbk	Shelf Registration Sukuk Ijarah I Phase III Year 2025 Series B	Dec-8-2025	939.15	7.25	3	idA(sy)
3	PT Trimegah Sekuritas Indonesia Tbk	Shelf Registration Bond II Phase III Year 2025 Series A	Dec-8-2025	300.00	8.00	5	idA
4	PT Trimegah Sekuritas Indonesia Tbk	Shelf Registration Bond II Phase III Year 2025 Series B	Dec-8-2025	250.00	8.50	7	idA
5	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase III Year 2025 Series A	Dec-10-2025	982.15	7.50	3	idA
6	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase III Year 2025 Series B	Dec-10-2025	1,118.80	8.25	5	idA
7	PT Merdeka Battery Materials Tbk	Shelf Registration Sukuk Mudharabah I Phase III Year 2025 Series A	Dec-10-2025	379.00	7.50	3	idA(sy)
8	PT Merdeka Battery Materials Tbk	Shelf Registration Sukuk Mudharabah I Phase III Year 2025 Series B	Dec-10-2025	621.00	8.25	5	idA(sy)
9	PT Pollux Hotels Group Tbk	Sustainability Linked Bond Year 2025 Series A	Dec-11-2025	55.00	5.85	3	idAAA(cg)
10	PT Pollux Hotels Group Tbk	Sustainability Linked Bond Year 2025 Series B	Dec-11-2025	445.00	6.25	5	idAAA(cg)
11	PT Lontar Papyrus Pulp & Paper Industry	Shelf Registration Bond IV Phase I Year 2025 Series A	Dec-11-2025	250.00	7.00	3	idA
12	PT Lontar Papyrus Pulp & Paper Industry	Shelf Registration Bond IV Phase I Year 2025 Series B	Dec-11-2025	250.00	7.50	5	idA
13	PT Lontar Papyrus Pulp & Paper Industry	Shelf Registration Sukuk Mudharabah II Industry Phase I Year 2025 Series A	Dec-11-2025	250.00	7.00	3	idA(sy)
14	PT Lontar Papyrus Pulp & Paper Industry	Shelf Registration Sukuk Mudharabah II Phase I Year 2025 Series B	Dec-11-2025	250.00	7.50	5	idA(sy)
15	PT Danantara Investment Management (Persero)	*Surat Utang Jangka Panjang* Year 2025 Phase II Series A	Dec-12-2025	9,807.00	2.00	5	AAA(idn)
16	PT Danantara Investment Management (Persero)	*Surat Utang Jangka Panjang* Year 2025 Phase II Series B	Dec-12-2025	1,575.00	2.00	7	AAA(idn)
Total				17,886.95			

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 8–12, 2025, domestic sectoral sentiment was influenced by the impact and strategies related to the Sumatra flood disaster, as well as policy plans, investment initiatives, corporate actions, and sector performance outlooks for 2026.

Industries	Sentiment & Significance	News Highlights
Banking	●●	**KBMI 1 Bank Loans Contract, OJK Urges Consolidation.** Loans from KBMI 1 banks contracted by 1.13% YoY as of September 2025, while the overall banking industry grew 7.7% YoY. This contraction occurred amid a trend of slowing credit growth and challenging industry conditions. In 2026, key challenges include global uncertainty and margin pressures, though KBMI 1 performance is projected to be supported by digitalization strategies, efficiency measures, asset quality improvements, and Bank Indonesia's accommodative macroprudential policies targeting 8%-12% credit growth. Meanwhile, the Financial Services Authority (OJK) has emphasized the urgency of consolidation to strengthen the structure and resilience of KBMI 1 banks and issued a formal advisory for fundamental strengthening and consolidation at the end of October. OJK believes KBMI 1 banks have room to bolster capital and scale through both organic and inorganic measures. However, OJK is not mandating consolidation, and so far, banks have responded positively, though actions remain limited to internal research to determine next steps.
Construction	○	**Opportunities and Risks of New IKN Contracts for State-Owned Contractors.** State-owned construction companies have secured major contracts in the new capital city (IKN). PTPP signed three institutional projects: development of supporting facilities for the IKN Authority, construction of the Plenary Session building worth IDR1.258 trillion, and the DPD RI building worth IDR1.48 trillion. WSKT obtained the DPR RI project valued at IDR1.84 trillion, while WIKA is handling two projects in the DPR II institutional area, worth IDR1.96 trillion, and in the MPR area, worth IDR1.70 trillion. These contracts add to the backlog and provide revenue visibility for 2026, though the impact varies by company. PTPP is considered best positioned to convert projects into performance due to its stable financial condition. Conversely, WIKA and WSKT face cash flow pressures and worsening leverage, compounded by thin margins and slow payment risks. However, faster disbursement of government project funds could ease cash flow for these contractors, especially with potential interest rate cuts and debt restructuring.
Insurance and Guarantee	●●	**Insurance Industry Outlook for 2026.** The Indonesian General Insurance Association (AAUI) projects 2026 as a year of consolidation, supported by a solid economy and stable inflation that sustains demand for protection. Key challenges include disaster risks, climate impacts, and competition within the financial ecosystem, which demand efficiency and capital resilience. Meanwhile, sharper underwriting, strengthened risk management, and adaptive business strategies will be crucial for quality growth. The Financial Services Authority (OJK) remains

		optimistic, with economic recovery and rising awareness of protection acting as catalysts. Next year also marks an important milestone with the spin-off of sharia units, fulfillment of the first-stage equity requirements, and implementation of new regulations, including co-payment schemes, DPM, risk-based underwriting enhancements, digitalization, and POJK 23/2023. The Policy Guarantee Institution (LPP) policy, effective in 2028, further underscores the government's commitment to consumer protection.
Multifinance	●	**Financing Industry Prepares Relief for Debtors Affected by Sumatra Disaster.** The financing industry is preparing to provide relief for debtors impacted by the disaster in Sumatra, in line with POJK 19/2022. Adira Finance is arranging restructuring measures such as postponement of principal and interest payments and tenor extensions based on debtor capacity, while CIMB Niaga Auto Finance is mapping affected customers and preparing similar concessions. As of October 2025, Adira has disbursed IDR6.5 trillion in financing in Sumatra (22% of total), while outstanding loans in the three affected provinces reached IDR34.3 trillion, or 6.78% of the industry's total financing receivables. This relief is expected to ease the burden on customers amid potential financing risks caused by flood disasters.
Mining	●●●	**Government Imposes Fines on Illegal Mining in Forest Areas.** The government has issued Ministerial Decree of Energy and Mineral Resources No.391.K/MB.01/MEM.B/2025 on administrative fines for mining violations in forest areas, applicable to nickel, bauxite, tin, and coal. The fines amount to IDR6.5 billion per hectare for nickel, IDR1.76 billion for bauxite, IDR1.25 billion for tin, and IDR354 million for coal. Collection will be carried out by the Forest Area Enforcement Task Force (PKH) and recorded as non-tax state revenue (PNBP) in the energy and mineral resources sector. As of December 2025, the task force has collected IDR38 trillion from 71 palm oil and mining corporations and reclaimed 3.77 million hectares of forest areas. This policy is expected to serve as a deterrent, strengthen oversight, and promote environmental compliance, although it is seen as adding cost burdens and potentially creating operational hurdles.
Oil and Gas	●	**OPEC Holds Production in Early 2026 and Remains Optimistic About Global Oil Market Balance.** Energy prices are fluctuating amid supply surplus and weather dynamics. Oil prices face pressure from IEA and OPEC+ surplus projections, Iraq's production recovery, and weak Asian demand, while gas prices are weighed down by warm weather, record output, and high inventories. In 2026, OPEC maintains its projection that the global oil market will remain balanced, with an average production requirement of 43 million barrels per day, in line with last month's output. This outlook contrasts with industry forecasts anticipating a significant surplus, including a "super glut" and abundant stock projections from the IEA. Despite its optimism, OPEC's credibility is questioned due to a track record of overly bullish revisions. Methodological differences between OPEC and IEA influence OPEC+ production strategies, which now hold back output increases in Q1-2026 to avoid price risks. These tensions highlight the fragility of the oil market and the importance of cautious policies amid potential global oversupply.
Plantation and Agriculture	●●●	**Government Officially Issues Regulation No. 33/2025.** The government has officially enacted Regulation No. 33/2025 on Sustainable Palm Oil Certification (ISPO) to strengthen palm oil governance and global competitiveness. ISPO certification is mandatory for companies and smallholders, with a four-year transition period accompanied by technical assistance, institutional strengthening, and a digital ISPO Information System platform. The regulation aims to ensure sustainable, legal, and transparent plantation practices while opening global market access through verified sustainability traceability. The government emphasizes that downstream integration must align with sustainability so that smallholders can participate proportionally in the downstream supply chain. The Palm Oil Fund Management Agency (BPDP) is also preparing funding to accelerate certification. This regulation is expected to improve the welfare of millions of smallholders and reinforce Indonesia's position as a world-class producer of sustainable palm oil.
Power and Energy	●●	**Village Solar Power Project Targets 100 GW for Energy Transition.** The government aims to develop 100 GW of solar power plants (PLTS) by 2034 through the "one village, one megawatt" program, comprising 80 GW of PLTS with 320 GWh battery energy storage systems (BESS) managed by Koperasi Desa Merah Putih across 80,000 villages, along with 20 GW of centralized PLTS. Investment is estimated at US$1–2.5 million per village, requiring one hectare of land per megawatt. Collaboration with global manufacturers such as Trina Solar will be pursued to strengthen supply chains and technology. The project is expected to benefit rural electrification, reduce diesel power plant (PLTD) usage, increase the renewable energy mix, and create green jobs. However, key challenges include site selection, limited skilled labor, inter-ministerial coordination, and cooperative governance readiness. Experts also emphasize the need for pilot projects and transparent management.
Property	●●	**Plan to Develop Six New Special Economic Zones (SEZs) in 2026.** The government will add six new Special Economic Zones (SEZs) in 2026, bringing the total to 31 SEZs with potential

		investment of up to IDR300 trillion. Currently, there are 25 SEZs covering sectors such as industry, tourism, digital, and others. From 2012 to Q3-2025, realized investment in SEZs reached IDR314 trillion, with an additional IDR60 trillion in 2025, creating more than 79,000 new jobs and exports worth USD5.43 billion. The government is preparing strategies for zone management, fiscal and non-fiscal incentives, and licensing consolidation to enhance investment attractiveness and support national economic growth.
Toll Road		**Traffic Surge During Christmas and New Year Holidays to Act as Catalyst for JSMR.** Ahead of the Christmas and New Year holidays, toll road traffic for Jasa Marga (JSMR) is expected to rise, supported by a 10%-20% toll discount across 26 routes, including Trans-Java and Trans-Sumatra. Although the discount will pressure revenue, the surge in vehicle volume is projected to offset the negative impact. JSMR's performance, which declined in the third quarter—profit at IDR2.72 trillion (-17.32% yoy) and revenue at IDR21.08 trillion (-5.3% yoy)—is forecast to improve in the fourth quarter and the first half of 2026, driven by holiday traffic and Bank Indonesia's interest rate cuts that will ease interest expenses.

Source: Antara, Bisnis Indonesia, CNBC Indonesia Harian Ekonomi Neraca, Harian Kontan, and Investor Daily (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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