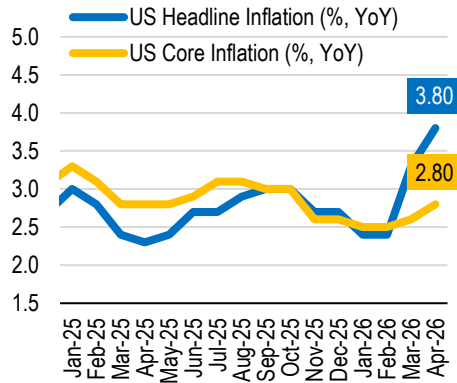




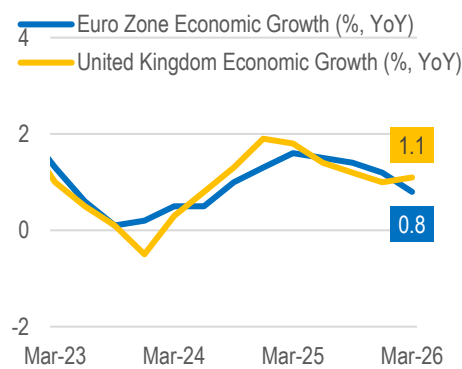
Data Highlights of the Week

US Consumer Inflation



Source: Bloomberg

Euro Zone and the United Kingdom Economic Growth



Source: Bloomberg

A Handshake in the Storm: Diplomacy Between Two Giants and the Sting of Global Inflation

Global Economic

- Global geopolitical developments were dominated by the collapse of stability in the Middle East and the intensification of high-level diplomacy to mitigate its economic impact.** The conflict in the Middle East experienced a massive escalation, marked by intensive Israeli airstrikes on Lebanon that violated a previously fragile ceasefire, continued massive artillery bombardment of the Gaza Strip following the death of an Al-Qassam commander, and a retaliatory Hezbollah drone attack that killed a high-ranking Israeli military officer. This confrontation involving Iran further exacerbated the energy blockade in the Strait of Hormuz, ultimately becoming one of the most crucial emergency agenda items at the summit between US President Donald Trump and Chinese President Xi Jinping in Beijing.
- US President Donald Trump's state visit to China on May 13–15, 2026, produced a new vision of a "constructive relationship of strategic stability" to ease geopolitical and economic tensions between the two countries.** On that occasion, the US brought not only cabinet officials but also various major business leaders. The two sides discussed the establishment of a new formal institution aimed at accelerating Chinese investment in non-sensitive sectors in the US, while also formulating reciprocal tariff reductions on non-critical commodities. Following the meeting, Trump claimed the potential purchase of 750 Boeing aircraft by China, while the US secured a commitment to continued access to critical minerals and rare earths from China. In a two-hour closed-door session that covered the Iran war, the Ukraine crisis, and the Korean Peninsula, the US and China crucially agreed that the Strait of Hormuz must remain open to international trade. Regarding the Taiwan issue, Xi Jinping reiterated that this was a red line that must not be crossed, while Trump called on both sides to exercise calm to maintain regional stability.
- US consumer inflation jumped to 3.8% YoY in Apr'26 (Mar'26: 3.3%) (the highest since May'23) due to the oil supply shock from the war with Iran,** which pushed up energy costs by 17.9%, while annual core inflation also crept up to 2.8%. Upstream inflationary pressures were even more aggressive, with the Producer Price Index surging 6% YoY (Mar'26: 4.3%) (the largest increase since Dec'22) and jumping 1.4% MoM due to a 15.6% surge in commodity prices, such as gasoline, and a 1.2% increase in service sector margins. All of these figures exceeded market expectations, confirming that global geopolitical conflict has significantly increased the cost of living for consumers and businesses in the US.
- The European economy showed contrasting performances in Q1-2026.** Eurozone GDP growth slowed to 0.8% YoY (Q4-2025: 1.2%), the weakest pace since mid-2024, as energy price shocks from the Middle East war weighed on the economies of major economies and triggered a sharp contraction in Ireland (-6.3%). In contrast, the UK economy accelerated beyond market expectations, growing 1.1% YoY (Q4-2025: 1.0%), supported by strengthening household consumption and government spending, although the overall pace was restrained by pressure on the construction sector and slowing business investment.
- The minutes of the Bank of Japan's April 26 meeting showed that policymakers remained cautious regarding the uncertain situation in the Middle East.** Some members still see the possibility of an interest rate hike in the near term if the economy shows no signs of slowing, but caution is still warranted. Several members emphasized that while downside risks to growth and upside risks to prices could both increase, policy should focus on preventing inflation from spiraling out of control and harming the economy later. At this meeting, the BoJ raised its inflation forecast due to soaring oil prices from the Iran war.
- Global geopolitical pressures have begun to significantly transmit the effects of rising costs to the Chinese economy, both in the manufacturing sector and in consumer living costs.** China's consumer inflation accelerated to 1.2% YoY in Apr'26 (Mar'26: 1.0%), exceeding market expectations (0.8%), as a 4.6% surge in transportation costs due to the energy crisis stemming from the Middle East conflict offset a -1.6% decline in food prices

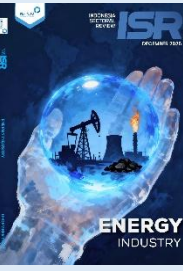
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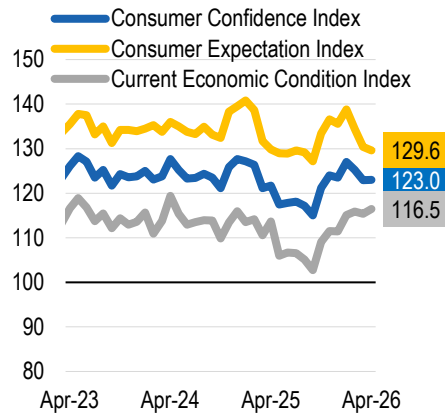
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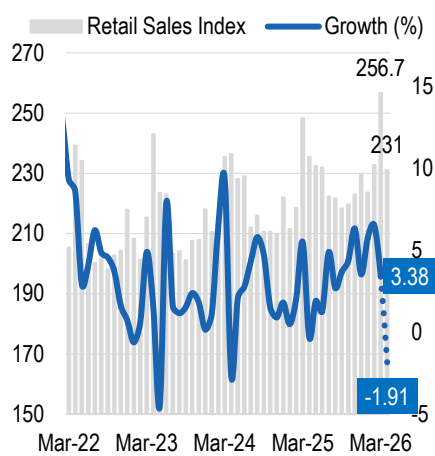
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Indonesia Consumer Confidence Index



Source: Bank Indonesia

Retail Sales Index



Source: Bank Indonesia

Upcoming Week Economic Calendar

Date	Development Releases
May 18	China Industrial Production Apr'26
	China Retail Sales Apr'26
	China fixed investment Apr'26
	Indonesia's foreign debt Mar'26
May 19	Japan GDP Q1-2026
	UK Employment Mar'26
	Canada inflation rate Apr'26
May 20	China Loan Prime Rate
	UK inflation rate Apr'26
	Indonesia's BI Rate
May 21	Fed Meeting Minutes Apr'26
	Japan's Trade Balance Apr'26
	Australian Employment Apr'26
May 22	Japan Inflation Rate Apr'26
	UK Retail Sales Apr'26
	Indonesian Money Circulation Apr'26
	Indonesia's Balance of Payments Q1-2026

triggered by weak pork prices. Meanwhile, at the producer level, the Producer Price Index (PPI) surged sharply to 2.8% YoY (Mar'26: 0.5%), the fastest pace since Jul'22, driven by soaring global commodity prices stemming from the Iran war and Beijing's policy of cutting industrial excess capacity.

- **Malaysia's economy grew 5.4% YoY in Q1-2026**, exceeding the initial estimate of 5.3%, but slower than Q4-2025 (6.2%). The slowdown was driven by weakness in the mining and agriculture sectors. The continued strong growth is supported by a very solid labor market, with the unemployment rate remaining at its lowest level since 2014, at 2.9%. This gives Bank Negara Malaysia optimism that the 4%–5% annual growth target can still be achieved through strong domestic demand.

Domestic Economy

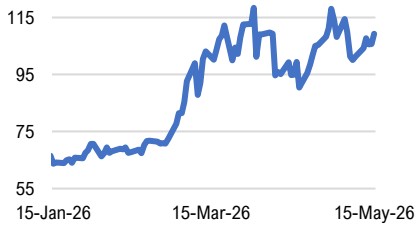
- **Indonesia's consumer confidence index rose slightly to 123.0 in Apr'26 (Mar'26: 122.9) but remained near its lowest level in five months.** Perceptions of current economic conditions improved slightly, with the current economic conditions sub-index rising 1.1 points to 116.5. Meanwhile, the consumer expectations index declined slightly to 129.6 (Mar'26: 130.4) but remained optimistic. The weakening consumer expectations were accompanied by lower expectations for income, employment, and business activity over the next six months.
- **Indonesian retail sales slowed to 3.4% YoY in Mar'26 (Feb'26: 6.5%), driven by the end of Ramadan and the Eid al-Fitr 1447 H holiday.** This period boosted sales of spare parts and accessories (15.5% YoY), cultural and recreational goods (14.8% YoY), and food, beverages, and tobacco (4.7% YoY). Meanwhile, sales of clothing, household goods, information and communication equipment, and other goods experienced negative annual growth. In April 2026, retail sales are estimated to have contracted 1.9% YoY as public demand normalized after the end of Ramadan and Eid al-Fitr, while purchasing power pressures from rising unsubsidized energy prices weakened.
- **Motor vehicle sales in Indonesia recovered and surged in April 2026.** In the motorcycle segment, sales rebounded and jumped 28.1% YoY to 520,972 units (Mar'26: -17.1%). During the first four months of the year, motorcycle sales grew 2.2% YoY, reaching 2.14 million units. Meanwhile, retail new car sales also rebounded in Apr'26, growing 30.2% YoY to 75,730 units (Mar'26: -13.8%). Over the four months, car sales grew 4.9% to 287,581 units. The sharp recovery in these two segments occurred as normal activity returned after the long Eid al-Fitr holiday and people shifted their spending ahead of the celebrations.
- **Indonesian Minister of Finance, Purbaya Yudhi Sadewa, emphasized that during his term, he would not issue a tax amnesty program except upon the President's direction.** This is because Indonesia had previously implemented tax amnesties in 2016 and 2022, so the government deemed the program unnecessary. The Ministry of Finance is committed to maintaining taxpayer trust and the sustainability of tax reform by providing legal certainty and a conducive business climate.

Week Ahead Highlights

Fluctuations in the US-Iran negotiations will continue to be a market concern as the conflict remains unresolved. In the US, the Fed will release the minutes of its latest meeting, which will highlight three disagreements. In Europe, the UK will release its inflation, unemployment, and retail sales data, which are in the spotlight. Meanwhile, the Eurozone will release its final estimate of inflation and trade balance. In Asia, China will release data on industrial output, retail sales, unemployment, housing prices, and fixed investment, along with its Loan Prime Rate decision. Japan will release its Q1-2026 GDP and April'26 inflation figures. Meanwhile, in ASEAN, Thailand will release its Q1-2026 GDP, and Indonesia will decide on its latest BI Rate and release several key data points, including its foreign debt level, money supply, and Q1-2026 balance of payments.

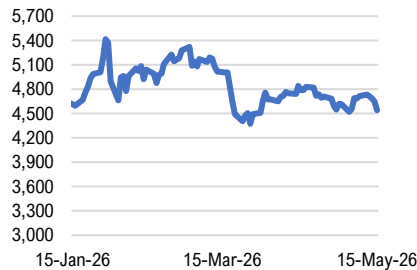
**Spotlight on Commodity Price Trends
(as of May 15, 2026)**

Brent Crude Oil (USD/Barrel)



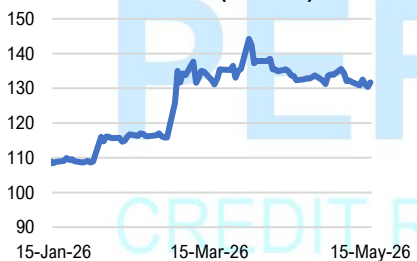
Closing (USD/BRL)	(% Change)			
	WoW	MoM	YoY	YTD
109.26	7.87	15.10	69.32	79.56

Gold (USD/roy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,540.08	-3.71	-5.24	40.12	5.11

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
131.70	-0.04	-1.53	33.03	22.51

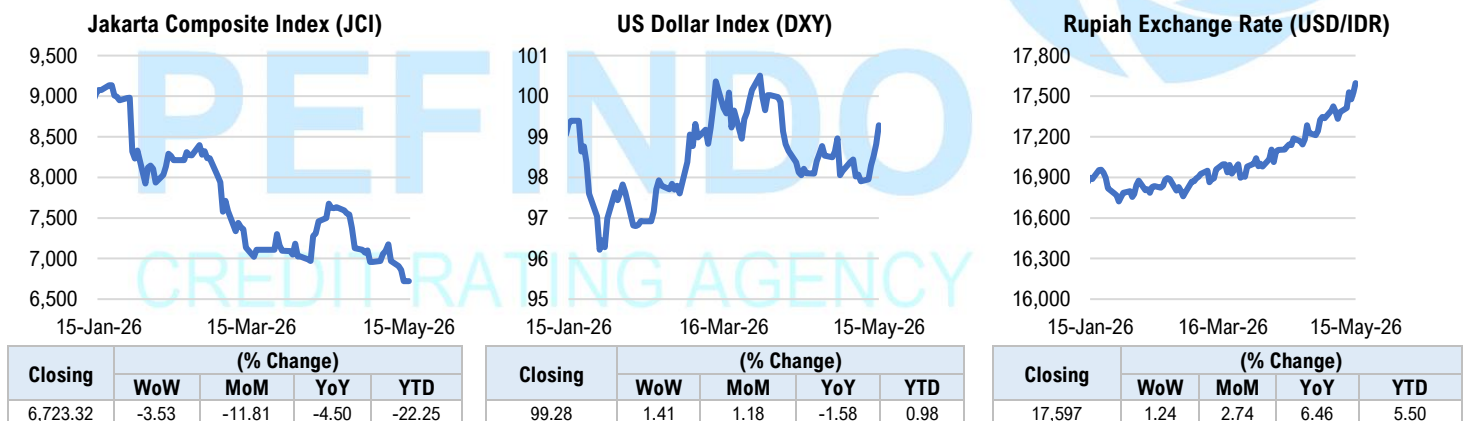
Geopolitical tensions and shifting global demand dynamics drove divergent commodity price movements, with oil surging while gold, coal, and CPO weakened.

- Brent crude oil prices increased by 7.87% over the past week** as geopolitical risk premiums in the global energy market rose amid renewed tensions between the United States and Iran. The price increase was driven by growing concerns over potential disruptions to global oil supply, particularly after expectations for the full reopening of the Strait of Hormuz continued to fade. The strait remains a critical shipping route for around 20% of global oil trade. Market sentiment deteriorated following increasingly confrontational statements from US and Iranian officials, raising concerns over the sustainability of the fragile ceasefire. In addition, vessel traffic through the Strait of Hormuz remained well below pre-conflict levels, indicating that global energy distribution activities have yet to fully recover. Another factor supporting oil prices was the continued disruption to Russian energy facilities, which tightened expectations for global supply balances.
- Global gold prices declined by 3.71% over the past week** amid mounting pressure from a stronger US dollar and rising US Treasury yields. The US dollar recorded its largest weekly gain in the past two months, making gold relatively more expensive for global investors and thereby weakening demand. Meanwhile, the yield on the US 10-year Treasury approached its highest level in nearly one year, increasing the opportunity cost of holding non-yielding assets such as gold. Market sentiment was also affected by growing concerns over global inflation following the surge in oil prices since the Iran conflict began, which strengthened expectations of a prolonged high-interest-rate environment from the Federal Reserve. According to the CME FedWatch Tool, markets have begun reducing expectations for interest rate cuts this year while increasing the probability of further rate hikes, which continued to pressure gold prices throughout the week.
- Coal prices recorded a slight decline of 0.04% over the past week** amid weakening demand sentiment from China and a growing wait-and-see stance among market participants. The decline followed easing momentum in China's domestic thermal coal prices, reflected in relatively limited physical trading activity and buyers delaying large-scale purchases. In addition, adequate coal inventories among several end-users reduced the urgency for near-term procurement. The market is also awaiting a seasonal increase in electricity consumption, which typically supports coal demand. On the other hand, positive sentiment emerged in India after the government approved a coal gasification program to expand domestic coal utilization. The policy is expected to support India's medium-term coal demand and help limit further downside pressure on prices.
- CPO prices declined by 1.89% over the past week** amid weakening import demand from India, the world's largest vegetable oil importer. The main negative sentiment came from a 26% decline in India's palm oil imports in April 2026, reaching the lowest level in the past four months. Weakening demand was driven by higher palm oil prices, which reduced its competitiveness against substitute vegetable oils such as soybean oil and sunflower oil, both of which recorded significant increases in imports. In addition, negative refining margins prompted industry players to delay large-scale purchases while waiting for further price corrections. India's cooking gas crisis also weighed on palm oil consumption, particularly from the restaurant and food industry sectors. These conditions could potentially increase CPO inventories in Indonesia and Malaysia, adding further pressure to global palm oil prices throughout the week.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	2.96	7.36	13.41	-11.96	-19.70	Crude Palm Oil (MYR/Ton)	4,420.00	-1.89	-1.16	14.27	9.14
Nickel (USD/MT)	18,306.93	-2.17	1.71	11.78	9.33	Rubber (USD/Kg)	221.30	0.18	8.75	26.17	23.01
Copper (USD/MT)	13,555.00	-0.13	2.32	41.54	9.11	Wheat (cents/bu)	635.75	4.65	7.07	19.33	25.39
Aluminum (USD/MT)	3,563.00	1.71	-1.62	43.15	18.95	Corn (cents/bu)	455.75	-0.11	1.00	1.62	3.52
Iron Ore (USD/MT)	114.33	-0.18	4.76	13.07	7.02	Sugar (c/lb)	14.80	0.75	9.55	-16.24	-1.40

Global equity markets remained volatile amid rising inflation concerns, geopolitical uncertainty, and shifting expectations for interest rate policy. The U.S. dollar strengthened on inflation risks and interest-rate expectations, while the rupiah came under pressure from dollar strength, weaker Asian currencies, and dividend payments.

- **Wall Street equities posted limited and mixed performance over the past week**, with the S&P 500 edging up 0.13%, while the Nasdaq Composite and Dow Jones Industrial Average declined by 0.08% and 0.17%, respectively. Market movements were influenced by rising global inflation concerns following the surge in oil prices amid escalating tensions between the United States and Iran, which renewed fears of disruptions to global energy supply. Rising US Treasury yields also pressured market sentiment, particularly toward technology and semiconductor stocks that had previously rallied strongly on optimism surrounding artificial intelligence (AI). In addition, Jerome Powell's departure as Federal Reserve Chair increased uncertainty about the future direction of US monetary policy, especially as markets began to raise expectations for further interest rate hikes amid persistently elevated inflationary pressures.
- **JCI posted a sharp decline of 3.53% over the past week** and closed at 6,723.32, reflecting continued market pressure amid ongoing global uncertainty. The decline was primarily driven by foreign investors selling, with net foreign outflows reaching approximately IDR3.21 trillion during the week, bringing total foreign outflows from the beginning of the year to around IDR40.82 trillion. Additional pressure came from the May 2026 MSCI index rebalancing, which weighed on MSCI constituent stocks, although regulators stated that market conditions remained orderly and showed no signs of panic selling. Furthermore, global factors such as geopolitical volatility, currency movements, and commodity price fluctuations also weighed on the domestic market. Nevertheless, the Indonesian Stock Exchange viewed Indonesian equity valuations as becoming increasingly attractive amid ongoing global portfolio adjustments by investors.
- **The U.S. Dollar Index strengthened as demand for U.S. dollar assets increased.** The DXY closed at 99.28 on May 15, 2026. That level was up 1.41% compared with May 8, 2026. The stronger U.S. dollar was driven by the war in the Middle East, which pushed up energy prices and inflationary pressures. U.S. inflation reached 3.8% YoY in April 2026, the highest level since 2023. This condition fueled expectations that a Federal Reserve rate hike may be difficult to avoid. U.S. dollar-denominated assets, especially bonds, became more attractive as the potential for higher interest rates increased.
- **The rupiah weakened against the U.S. dollar during a shortened trading week.** USD/IDR closed at 17,597 on May 15, 2026. That level was up 1.24% compared with May 8, 2026. Rupiah pressure was in line with weakness in major Asian currencies and U.S. dollar strength. Domestically, pressure also came from the seasonal dividend payment factor. Dividend repatriation this month reached IDR34.2 trillion. Potential dividend repatriation in April–July 2026 is estimated to reach IDR75.3 trillion.

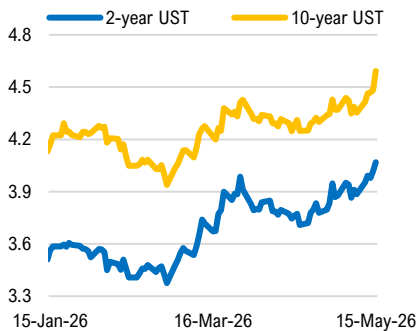


Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	7,408.50	0.13	5.49	25.21	8.22	Euro (EUR/USD)	1.16	-1.37	-1.45	3.92	-1.03
Dow Jones (AS)	49,526.17	-0.17	2.19	17.02	3.04	Canadian Dollar (USD/CAD)	1.38	0.53	-0.12	-1.50	0.19
Nasdaq (AS)	26,225.14	-0.08	9.20	37.22	12.84	Poundsterling (GBP/USD)	1.33	-2.24	-1.78	0.16	-1.11
Euro Stoxx 50 (Zona Euro)	5,827.76	-1.42	-1.90	7.68	0.63	Japanese Yen (USD/JPY)	158.74	1.31	-0.03	8.97	1.30
FTSE100 (Inggris)	10,195.37	-0.37	-3.45	18.09	2.66	Chinese Yuan (USD/CNY)	6.81	0.18	-0.04	-5.48	-2.52
Nikkei225 (Jepang)	61,409.29	-2.08	5.63	62.65	21.99	Singapore Dollar (USD/SGD)	1.28	1.05	0.69	-1.33	-0.38
Shanghai (Tiongkok)	4,135.39	-1.07	2.69	22.32	4.20	Malaysian Ringgit (USD/MYR)	3.95	0.87	0.06	-7.67	-2.59
Hang Seng (Hong Kong)	25,962.73	-1.63	0.06	10.70	1.30	Thailand Baht (USD/THB)	32.65	1.40	1.79	-1.83	3.67

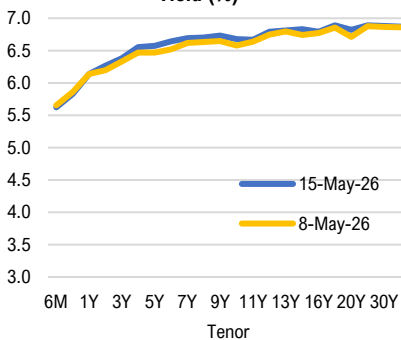
Key Data Developments in Global and National Bond Markets

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



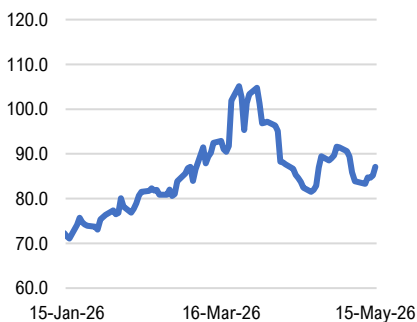
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 4.069	18	32	11	60
5Y: 4.258	26	39	20	53
10Y: 4.593	24	35	16	43

Weekly Development of Government Bond Yield (%)



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 6.345	6	28	6	135
5Y: 6.617	10	32	2	106
10Y: 6.691	9	9	-22	62

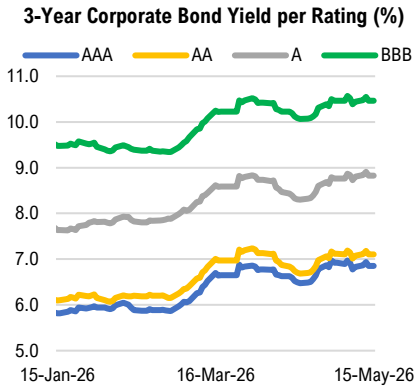
5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
87.10	4.01	2.10	3.24	26.49

Global bond yields rose due to various pressures and concerns. Meanwhile, domestically, the weakening rupiah, rising yields, declining interest in government securities auctions, and competition for funds from the SRBI negatively impacted the debt securities market last week.

- U.S. Treasury yields rose across all major tenors.** The 2-year yield closed at 4.069% on May 15, 2026. That level was up 18 bps compared with May 8, 2026. The 5-year yield increased 26 bps to 4.258%. The 10-year yield rose 24 bps to 4.593%. The yield increase occurred as the market continued to price in higher inflation risks. Ashmore said U.S. bond yields remained high, especially at the long end, in line with the cautious stance of several Fed officials, who tended to favor keeping interest rates unchanged through year-end. Brent oil prices also remained high and sensitive to developments in the U.S.-Iran conflict.
- Global investors increased the selling of government bonds amid concerns over inflation and interest rates.** Pressure emerged in several major markets after Brent oil prices rose above USD100 per barrel. In the U.S., the 2-year Treasury yield rose to 4.06%, the highest level since March 2025. In Japan, the 30-year government bond yield reached 4% for the first time since 1999. Japan's 20-year government bond yield rose to 3.67%, the highest level since 1996. In the U.K., the 10-year gilt yield jumped 15 bps to 5.14%, the highest level since 2008. Market pressure was driven by concerns that war-related inflation could push central banks to raise interest rates.
- Global investors returned to emerging-market assets after market pressure eased.** The Institute of International Finance (IIF) recorded portfolio inflows of USD58.3 billion in April 2026, after outflows of USD66.2 billion in March 2026. The recovery was led by bonds, with inflows of USD51.9 billion after outflows of USD68.2 billion. Equity flows also reversed to inflows of USD6.4 billion, after outflows of USD65.5 billion. IIF assessed that short-term funding pressure had eased, but the underlying shock had not been fully absorbed. The recovery mainly occurred outside China. Bond inflows outside China reached nearly USD50 billion, while bond flows to China remained negative at USD16.7 billion year-to-date.
- Indonesian government debt securities yields also moved higher.** The 2-year yield closed at 6.345% on May 15, 2026. That position was up 6 bps compared with May 8, 2026. The 5-year yield rose 10 bps to 6.617%. The 10-year yield increased 9 bps to 6.691%. Meanwhile, Indonesia's 5-year CDS rose on a weekly basis. The 5-year CDS closed at 87.10 on May 15, 2026. That level was up 4.01% compared with May 8, 2026. Pressure on the rupiah and government bonds remained linked to global market volatility.
- Investor demand at the government bond auction weakened amid pressure on the rupiah.** Total incoming bids at the May 12, 2026, auction fell 31.4% to IDR51.40 trillion from IDR74.95 trillion at the April 28, 2026, auction. The government also lowered absorption to IDR30.3 trillion from IDR40 trillion at the previous auction, although it remained below the indicative target of IDR36 trillion. Pressure was reflected in higher yields across almost all tenors. Investors demanded higher compensation for rupiah-denominated asset risk as the rupiah breached IDR17,500 per U.S. dollar.
- The government has not activated the Bond Stabilization Fund (BSF) because market conditions are not yet considered a crisis.** Finance Minister Purbaya Yudhi Sadewa said the government remained focused on stabilizing bond prices using available instruments. The government has not involved PT Sarana Multi Infrastruktur (Persero), or PT SMI, and the Indonesia Investment Authority (INA). Stabilization is currently being carried out through government cash management, including the accumulated budget surplus (Saldo Anggaran Lebih, or SAL) and government cash. The BSF is prepared as a bond buyback instrument during crisis conditions to suppress excessively high yields.
- Bank Indonesia (BI) expanded the use of Bank Indonesia Rupiah Securities (SRBI) to maintain rupiah stability.** Outstanding SRBI reached IDR957.91 trillion in April 2026, up IDR227 trillion year-to-date from IDR730.90 trillion in December 2025. SRBI ownership was still dominated by banks at 70.35%, or IDR673.90 trillion. Foreign investors held IDR192.17 trillion, while domestic investors held IDR35.66 trillion. PermataBank Chief Economist Josua Pardede assessed that SRBI helped support the rupiah, attract short-term foreign capital inflows, and deepen the money market. However, excessive SRBI volume risks restraining credit distribution, slowing the transmission of rate cuts, and creating competition for funding with government securities.



Source: Bloomberg

- **PT Samudera Indonesia Tbk (SMDR) is preparing to issue sukuk to finance its subsidiary and vessel construction.** SMDR will issue Shelf-Registered Sukuk Ijarah I, Phase III-2026, worth IDR700 billion, with a three-year tenor from the issuance date. The sukuk carries ijarah installment payments of IDR57.75 billion per year, equivalent to IDR82.5 million per IDR1 billion. Net proceeds after issuance costs will be allocated 65.71% to financing PT Samudera Perkapalan Indonesia. The remaining proceeds will be used to construct one container ship valued at IDR222.9 billion and to cover pre-operating costs for the vessel's launch, valued at IDR15.33 billion. The public offering period is scheduled for May 18–19, 2026, with listing on the Indonesia Stock Exchange (IDX) on May 22, 2026.
- **PEFINDO assigned the highest rating to PT Ketrosden Triasmitra Tbk's (KETR) planned bonds guaranteed by GuarantCo.** KETR received an $idAAA_{(cg)}$ rating for Shelf-Registered Bond I Year 2026 with a maximum value of IDR730 billion. The rating reflects a full, unconditional, and irrevocable guarantee from GuarantCo. In phase I, KETR will issue IDR220 billion in bonds. The issuance proceeds will be used to build and develop submarine and terrestrial fiber-optic telecommunication networks. Part of the proceeds will also be used for working capital for maintenance services by KETR and its subsidiaries.
- **PT Pindo Deli Pulp and Paper Mills (PIDL) has repaid bond and sukuk principal to securities holders.** Total repayment reached IDR1.20 trillion on May 11, 2026, through PT Kustodian Sentral Efek Indonesia (KSEI). The repayment consisted of Shelf-Registered Bond I Pindo Deli Pulp and Paper Mills Phase II Year 2025 Series A, amounting to IDR856.15 billion, and Shelf-Registered Sukuk Mudharabah I Pindo Deli Pulp and Paper Mills Phase II Year 2024 Series A, amounting to IDR345.85 billion.
- **PT Hino Finance Indonesia (HIFI) has paid the first interest on Shelf-Registered Bond I, Phase II, Year 2026.** Total payment reached IDR10.93 billion on May 8, 2026, through KSEI. The payment covered Series A amounting to IDR3.71 billion, with principal of IDR313 billion, a 4.75% coupon, and maturity on February 21, 2027. Series B recorded payment of IDR3.66 billion, with principal of IDR255 billion, a 5.75% coupon, and maturity on February 11, 2029. Series C recorded payment of IDR3.56 billion, with principal of IDR232 billion, a 6.15% coupon, and maturity on February 11, 2031.
- **PT Bussan Auto Finance (BAFI) is preparing funds to repay bond principal and final interest.** Total funds prepared reached IDR244.33 billion for Shelf-Registered Bond III Phase III Year 2025 Series A, which matures on June 8, 2026. The amount consists of principal repayment of IDR240 billion and final interest of IDR4.33 billion. BAFI will transfer the funds to KSEI on June 5, 2026. Management stated that the repayment will be made on schedule.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
FR0109	5.88	03/15/31	50,000.00	97.50	6.48	16,284,021
FR0106	7.13	08/15/40	10,000.00	102.70	6.82	5,518,556
FR0107	7.13	08/15/45	10,000.00	103.30	6.81	5,489,239
PBS030	5.88	07/15/28	2,000.00	99.05	6.35	5,079,837
FR0108	6.50	04/15/36	30,000.00	98.92	6.65	5,065,297

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Obligasi III BUMA Year 2025 Series B	$idA+/A+_{(idn)}$	8.00	10/10/28	27,000	98.02	8.93	501,000
Shelf Registration Bond VI Federal International Finance Phase IV Year 2024 Series B	$idAAA$	6.90	09/06/27	500	99.80	7.06	411,000
Shelf Registration Bond IV SANF Phase III Year 2024 Series B	$AA_{(idn)}$	7.00	06/20/27	100,000	101.47	5.58	400,000
Shelf Registration Sukuk Mudharabah II Lontar Papyrus Pulp & Paper Industry Phase I Year 2025 Series B	$idA_{(sy)}$	7.50	12/10/30	50,000	95.02	8.84	388,000
Shelf Registration Social Bond I Bank BRI Phase I Year 2025 Series B	$idAAA$	6.55	06/26/28	86,950	101.50	5.79	347,800

Corporate Bonds Issuance

Throughout the second week of May 2026, 2 companies issued corporate debt securities valued at IDR5,842 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase IV Year 2026 Series A	May-11-2026	2,536.64	7.50	1	idA
2	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase IV Year 2026 Series B	May-11-2026	1,784.83	9.00	3	idA
3	PT Merdeka Battery Materials Tbk	Shelf Registration Bond I Phase IV Year 2026 Series C	May-11-2026	678.53	9.25	5	idA
4	PT Merdeka Battery Materials Tbk	Shelf Registration Sukuk Mudharabah I Phase IV Year 2026 Series A	May-11-2026	522.13	9.00	3	idA _(sy)
5	PT Merdeka Battery Materials Tbk	Shelf Registration Sukuk Mudharabah I Phase IV Year 2026 Series B	May-11-2026	100.00	9.25	5	idA _(sy)
6	PT Ketrosden Triasmitra Tbk	Shelf Registration Bond I Phase I Year 2026 Series A	May-11-2026	40.00	6.70	3	idAAA _(cg)
7	PT Ketrosden Triasmitra Tbk	Shelf Registration Bond I Phase I Year 2026 Series B	May-11-2026	30.00	7.00	5	idAAA _(cg)
8	PT Ketrosden Triasmitra Tbk	Shelf Registration Bond I Phase I Year 2026 Series C	May-11-2026	150.00	7.25	10	idAAA _(cg)
Total				5,842.13			

Source: KSEI, IDX, database PEFINDO.





Corporate Bonds Maturity for June 2026 Reaches IDR11.55 Trillion.






No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Lontar Papyrus Pulp & Paper Industry	Shelf Registration Bond III Phase III Year 2025 Series A	Jun-1-2026	201.65	7.00	1	idA
2	PT Bank Rakyat Indonesia (Persero) Tbk	Shelf Registration Commercial Paper I Year 2025 Phase I Series C	Jun-2-2026	20.00	4.85	1	idA1+
3	PT Provident Investasi Bersama Tbk	Shelf Registration Bond I Phase II Year 2023 Series B	Jun-7-2026	429.00	8.50	3	idA
4	PT Bussan Auto Finance	Shelf Registration Bond III Phase III Year 2025 Series A	Jun-8-2026	240.00	6.50	1	idAAA
5	PT Pegadaian	Shelf Registration Bond VI Phase II Year 2025 Series A	Jun-8-2026	2,148.11	6.65	1	idAAA
6	PT Pegadaian	Shelf Registration Social Bond I Phase II Year 2025 Series A	Jun-8-2026	954.25	6.65	1	idAAA
7	PT Pegadaian	Shelf Registration Sukuk Mudharabah III Phase IV Year 2025 Series A	Jun-8-2026	1,517.22	6.65	1	idAAA _(sy)
8	PT Profesional Telekomunikasi Indonesia	Shelf Registration Bond III Phase III Year 2023 Series B	Jun-8-2026	296.00	6.50	3	AAA _(tdn)
9	PT Sinar Mas Agro Resources and Technology Tbk	Shelf Registration Bond III Phase I Year 2021 Series C	Jun-10-2026	300.00	9.25	5	idAA-
10	PT Bank Syariah Indonesia Tbk	Shelf Registration Sustainability Sukuk Mudharabah I Phase I Year 2024 Series B	Jun-14-2026	220.00	6.70	2	idAAA _(sy)
11	PT BFI Finance Indonesia Tbk	Shelf Registration Bond V Phase V Year 2023 Series B	Jun-15-2026	850.00	7.00	3	AA _(tdn)
12	PT Pegadaian	Shelf Registration Bond V Phase III Year 2023 Series B	Jun-16-2026	400.00	6.20	3	idAAA
13	PT Suparma Tbk	MTN III Year 2021 Phase I	Jun-17-2026	83.79	5.50	5	-
14	PT Pelabuhan Indonesia (Persero)	Bond I Year 2016 Series D	Jun-21-2026	50.00	9.50	10	idAAA
15	PT Waskita Karya Realty	MTN III Phase II Year 2022	Jun-21-2026	120.00	12.10	4	-
16	PT Adira Dinamika Multi Finance Tbk	Shelf Registration Sukuk Mudharabah I Phase III Year 2023 Series B	Jun-22-2026	200.00	8.50	3	idAAA _(sy)
17	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond V Phase IV Year 2025 Series A	Jun-22-2026	327.43	6.75	1	idA+
18	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Bond USD II Phase III Year 2025 Series A	Jun-22-2026	USD1.52 mn/IDR24.66 bn	5.75	1	idA+
19	PT Indah Kiat Pulp & Paper Tbk	Shelf Registration Sukuk Mudharabah IV Phase IV Year 2025 Series A	Jun-22-2026	357.08	6.75	1	idA _(sy)
20	PT Len Industri (Persero)	MTN I Phase I Year 2023 Series A	Jun-22-2026	100.00	11.45	3	-
21	PT MNC Kapital Indonesia Tbk	Shelf Registration Bond V Phase II Year 2025 Series A	Jun-22-2026	3.50	9.00	1	idBBB+
22	PT Waskita Karya Realty	MTN III Phase III Year 2022	Jun-26-2026	120.00	12.10	4	-
23	PT BFI Finance Indonesia Tbk	Shelf Registration Bond VI Phase II Year 2025 Series A	Jun-27-2026	414.30	6.45	1	AA _(tdn)
24	PT KB Finansia Multi Finance	Bond II Year 2023 Series B	Jun-27-2026	500.00	7.30	3	AAA _(tdn)

25	PT MNC Kapital Indonesia Tbk	Shelf Registration Bond III Phase II Year 2023 Series B	Jun-27-2026	83.56	11.25	3	idBBB+
26	PT Permodalan Nasional Madani	Sukuk Mudharabah Jangka Menengah VII Year 2025 Phase I	Jun-27-2026	180.00	Floating	1	idAAA _(sy)
27	PT Bank Victoria International Tbk	Shelf Registration Subordinated Bond II Phase I Year 2019	Jun-28-2026	250.00	11.75	7	idBBB
28	PT Waskita Karya Realty	MTN III Phase IV Year 2022	Jun-29-2026	100.00	12.10	4	-
29	PT Angkasa Pura Indonesia	Bond I Year 2016 Series C	Jun-30-2026	900.00	9.00	10	idAAA
30	Efek Beragun Aset Avrist AM CF 01 – Tagihan Spaylater Kelas A	Efek Beragun Aset Avrist AM CF 01 – Tagihan Spaylater Class A	Jun-30-2026	160.00	8.50	1	-
Total				11,550.55			

Weekly Sector Highlights

During May 11-15, 2026, domestic sectoral sentiment was predominantly influenced by the impact of geopolitical conflicts, developments in performance, strategic initiatives, and industry policies.

Industries	Sentiment & Significance	News Highlights
Automotive		Car Sales Rebound in April 2026. National car sales showed a recovery in April 2026, with wholesales reaching 80,776 units, up 31.8% compared to March and surging 55% YoY. This performance exceeded earlier expectations of a post-Eid slowdown, despite pressures from rising fuel prices and a weakening rupiah. Retail sales also recorded strong growth, increasing by 13.7% MoM and 30.2% YoY to 75,730 units. This improvement is seen as an indication of strengthening economic conditions that are beginning to support consumer purchasing power. The electric vehicle segment, particularly battery electric vehicles (BEV), also registered increased interest, especially among first-time buyers considering cost efficiency.
Banking		Liquidity Pressures Beginning to Emerge. The banking industry has begun to anticipate potential liquidity pressures in the second half of 2026, amid rupiah depreciation and external dynamics. The pressure is expected to stem from the rupiah side due to government fiscal adjustments, as well as from the foreign exchange side owing to a widening current account deficit that may constrain dollar supply. Nevertheless, liquidity conditions as of March 2026 remain relatively adequate, with the loan-to-deposit ratio (LDR) recorded at 84.65%. Several banks have responded by strengthening low-cost funding (CASA), both through the optimization of digital services and increased customer transactions. This strategy is expected to reduce the cost of funds and maintain margin stability amid potential liquidity tightening. Going forward, banks are projected to remain cautious in managing liquidity while preserving room for credit expansion.
Insurance and Guarantee		Pension Fund Investment Strategy Shift. Throughout the first quarter of 2026, the conventional pension fund industry recorded equity divestments amounting to IDR8.02 trillion, reflecting a strategic shift toward more conservative instruments such as government securities (SBN) and Bank Indonesia securities (SRBI). As of March 31, 2026, equity investments declined to IDR39.65 trillion, representing a 16.83% (YTD) decrease compared to the end-2025 position of IDR47.66 trillion, thereby continuing a gradual downward trend observed since 2017. In addition to equities, allocations to mutual funds and on-call deposits also contracted by 12.40% and 22.25% (YTD), respectively. In contrast, placements in Bank Indonesia instruments increased significantly by 65.53% (YTD) to IDR10.88 trillion, while investments in government securities (SBN) remained dominant at IDR313.75 trillion after growing by 4.00%. Overall, total pension fund investments reached IDR783.59 trillion, reflecting a slight decline of 0.67% (YTD). Meanwhile, the realized rate of return on investments stood at 1.54% as of March 2026.
Mining		Coal Prices Strengthen as Industry Awaits Additional Production Quotas. The increase in global coal prices, reaching approximately USD136 per ton, has prompted industry players to urge the government to realize additional production quotas in the 2026 Work Plan and Budget (RKAB). Although the upward price trend provides a positive sentiment, its benefits have not been evenly felt, as the domestic production structure is dominated by various coal calorific grades. Additionally, Indonesia's export volumes have yet to show significant growth despite relatively stable regional energy demand. Industry players consider policy flexibility, particularly regarding RKAB evaluation, as key to maximizing opportunities arising from higher prices. On the other hand, potential margin expansion remains limited as operating costs have also risen in line with the surge in global energy prices. Under these conditions, increasing production quotas is deemed important to optimize foreign exchange earnings before prices normalize.

Industries	Sentiment & Significance	News Highlights
Multifinance		Slowing Growth in the Multifinance Industry. The performance of the multifinance industry showed a slowdown at the end of the first quarter of 2026, with financing receivables growth declining to 0.61% (YoY) in March to IDR514.09 trillion, following increases in January and February. This condition reflects a cautious stance from both industry players and consumers amid economic uncertainty and elevated credit risk. Several financing companies have adopted selective and defensive strategies, as indicated by declining financing among some players, although others continue to record growth through portfolio diversification and market expansion. On the other hand, productive financing—particularly for MSMEs—still recorded growth of 6.15% YoY, despite ongoing concerns over credit quality. Industry participants are also strengthening risk management, governance, and credit analysis to maintain business sustainability. Overall, financing demand remains present but may be restrained by the cautious approach of businesses toward expansion.
Oil and Gas		Subsidies and Compensation Sustain Pertamina Prices Amid Rising Costs. Amid global energy price dynamics, the gap between retail prices and the economic price of fuel, particularly Pertamina, has widened and is currently borne by Pertamina and the government. The economic price of Pertamina is estimated to have reached the range of IDR17,000–20,000 per liter, significantly above the current retail price of approximately IDR12,300 per liter in the Greater Jakarta area. Meanwhile, Peralite continues to be sold at IDR10,000 per liter despite its economic price being around IDR16,000, with the difference covered by government subsidies, the value of which is influenced by exchange rate fluctuations and geopolitical conditions. The government maintains these prices to preserve stability and manage the price gap between RON 90 and RON 92 fuels, while also considering consumers' purchasing power. As of March 2026, the realization of energy subsidies and compensation has reached IDR118.7 trillion, equivalent to 26.6% of the state budget allocation ceiling. Nevertheless, the effectiveness of subsidy distribution considered not yet fully well-targeted.
Plantation and Agriculture		B50 Implementation Depends on Trial Outcomes. The government is targeting the implementation of the B50 biodiesel mandate starting July 1, 2026, although delays remain possible if trial results reveal technical constraints. Currently, testing is still underway across various sectors, including passenger vehicles, heavy equipment, maritime transport, and railways, with the expectation that all will deliver positive outcomes. Overall, preliminary test results have been assessed as satisfactory, with engine performance and fuel consumption remaining stable in accordance with manufacturer standards. The government has also confirmed that implementation will be carried out simultaneously across all sectors, supported by regulations that are currently being prepared. Accordingly, the success of the implementation will depend heavily on the finalization of technical testing results in the coming months.
Power and Energy		Capacity Expansion Supports PGEO Performance Outlook. The outlook for PT Pertamina Geothermal Energy Tbk (PGEO) in 2026 is projected to remain solid, supported by geothermal power capacity expansion and improved operational efficiency. The company targets installed capacity growth from the current 727 MW to 1 GW by 2028 and approximately 1.8 GW by 2033, in line with the national electricity capacity expansion plan. In the near term, growth will be driven by low-risk, high-feasibility projects such as Hulu Lais, Ulubelu Binary, and Lumut Balai Binary. Financial performance has also strengthened, with first-quarter 2026 revenue increasing by 14.82% YoY to USD116.56 million and net profit rising by 40.01% YoY to USD43.91 million. Efficiency gains are reflected in the gross profit margin, which improved to 58%, supported by lower non-recurring expenses and a healthy capital structure with a debt-to-equity ratio (DER) of 0.46x and cash holdings of IDR12.6 trillion. Looking ahead, the acceleration of renewable energy projects, implementation of a carbon exchange, and green sector incentives are expected to serve as additional catalysts for growth and investor appeal.
Transportation and Vehicle Rental		Government Sets Fuel Surcharge Adjustment Policy. The government has issued Minister of Transportation Decree No. KM 1041 of 2026 regarding the amount of additional charges (fuel surcharge) for economy-class domestic passenger fares, effective May 13, 2026. Under the regulation, airlines are permitted to impose an additional charge ranging from 10% to 100% of the upper fare limit, with the current maximum capped at around 50% in line with prevailing aviation fuel (avtur) prices. This policy aims to maintain the operational sustainability of the aviation industry while also considering consumer protection and fare affordability. Airlines are also required to present the surcharge component transparently and separately from the base ticket fare. The government emphasized that the implementation of this policy will continue to be monitored and periodically evaluated in accordance with fuel price movements.

Source: Bloomberg Technoz, CNBC Indonesia, CNN Indonesia, Detik Finance, Harian Kontan, Infobank News, Investor Daily, and Kompas (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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