



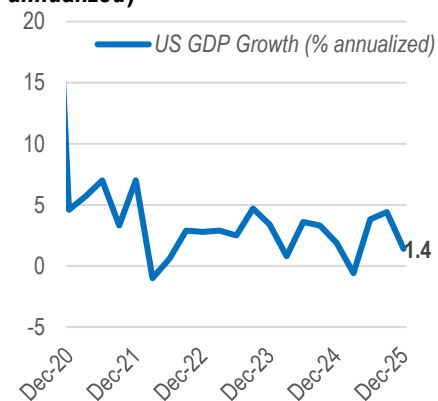
## “The Early Worm Gets Eaten”: The Cancellation of Reciprocal Tariffs After Indonesia Agrees to Them.

### Global Economic

- The US Supreme Court struck down President Trump's global reciprocal tariff policy in a 6-3 decision, declaring the unilateral imposition of tariffs on other countries unconstitutional.** Several justices during oral arguments expressed skepticism about the US President's claim to virtually unlimited authority to set tariffs without specific statutory language from Congress explicitly authorizing it. The policy, which uses the International Emergency Economic Powers Act as its legal basis, was deemed not to specifically authorize the use of unilaterally imposed tariffs. The cancellation of these tariffs potentially opened the possibility of refunding billions of dollars in tariffs. The decision was met with strong criticism by Trump, who subsequently set a new global tariff rate of 15% using an old, but rarely used, provision, Section 122 of the 1974 Trade Act.
- The minutes of the Jan'26 FOMC meeting showed that Fed officials were divided on the future direction of interest rates, reflecting the tension between the need to control inflation and the desire to support the labor market.** Some participants indicated that a further reduction in the federal funds rate would likely be appropriate if inflation continued to decline in line with their expectations. Others argued that holding policy rates steady for some time would be more appropriate, and some even suggested the possibility of a rate hike if inflation remains above target. Furthermore, most participants assessed that the downside risks to employment have diminished in recent months, while the risk of more sustained inflation remains.
- US economic data releases showed contradictory dynamics,** with GDP growth through 2025 reportedly slowing to 2.2%—the lowest since the pandemic—due to significant drag from the contraction in government spending during the longest government shutdown in history and drag from net exports. Although household consumption and capital investment remained solid, the trade balance came under pressure at the end of the year, with the deficit widening to USD70.3 billion in Dec'25. On the other hand, the labor market demonstrated resilience, with initial jobless claims in the second week of Feb'26 remaining low at 206,000 despite significant public sector efficiencies through the DOGE initiative. This "tight" labor market condition, accompanied by an acceleration in Dec'25 PCE inflation to 2.9% YoY (Nov'25: 2.8%) and core PCE inflation to 3% YoY (Nov'25: 2.8%), confirms the presence of persistent price pressures and places the Federal Reserve in a challenging position: managing the risk of slowing growth amid inflation that remains above target.
- Negotiated wages in the Eurozone rose 2.95% YoY in Q4-2025 (Q3-2025: 1.89%), signaling a pickup in wage growth, but remaining well below the peak of 5.4% seen in 2024.** This recovery supports the ECB's view that there is no urgent need to cut interest rates further, as wage dynamics remain consistent with a gradual decline in inflationary pressures.
- The UK economy is in a crucial transition phase, marked by a faster-than-expected easing in the labor market in Q4-2025, coupled with a more pronounced disinflationary trend in early 2026.** The surge in the unemployment rate to 5.2%—the highest since early 2021—and the decline in the number of payroll employees for five consecutive months reflect pressure on the real sector, particularly in wholesale and retail trade, although the healthcare sector continues to show resilience. This cooling labor market directly dampened weekly wage growth to 4.2%, the weakest level since mid-2024, while simultaneously reducing the risk of a wage-price spiral in the private sector. At the same time, disinflationary momentum accelerated, with consumer inflation declining to 3.0% YoY in January 2026 (3.4% in December 2025) and core inflation falling to 3.1% YoY, driven by moderating food prices and sharp deflation in producer-level energy prices (PPI), which fell 8.4%. Collectively, this combination of weakening employment momentum and slowing structural price pressures provides the Bank of England with greater policy space to ease monetary policy in the near term.
- Japan reported two key economic data points,** with annualized GDP growth of 0.2% in Q4-2025 (-2.6% in Q3-2025), significantly missing market expectations due to stagnant

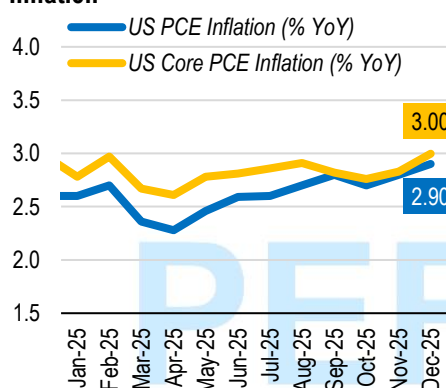
### Data Highlights of the Week

#### United States Economic Growth (% annualized)



Source: Bloomberg

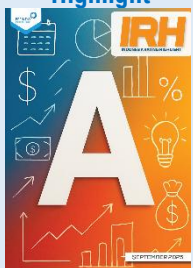
#### United States PCE and Core PCE Inflation



Source: Bloomberg

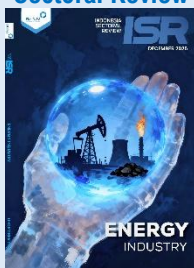
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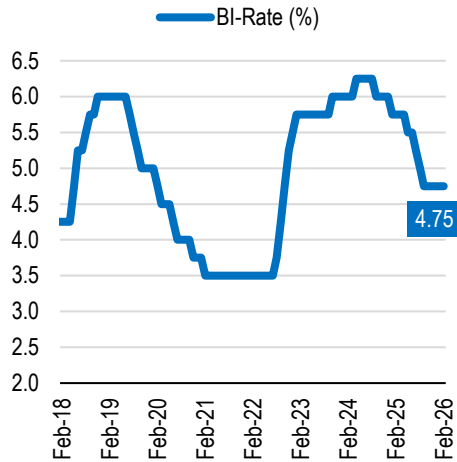
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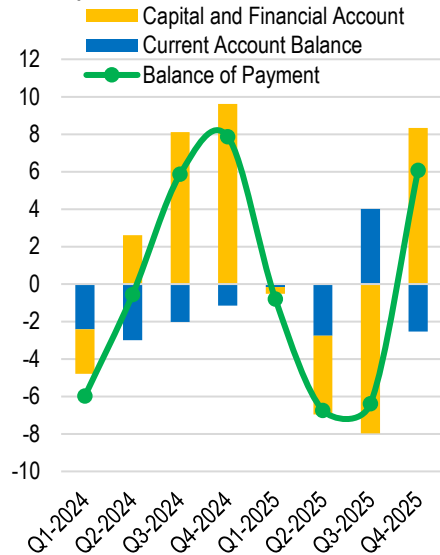
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### Indonesia's Benchmark Interest Rate (BI Rate)



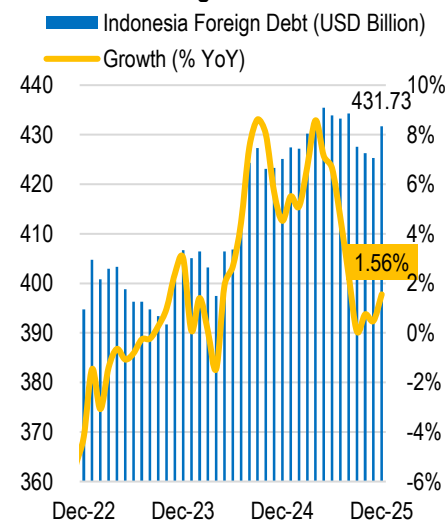
Source: Bank Indonesia

### Indonesia's Balance of Payment (USD Billion)



Source: Bank Indonesia

### Indonesia's Foreign Debt



Source: Bank Indonesia

domestic consumption, depressed by the cost of living. Although core inflation has eased to its target level of 2.0% and headline inflation has fallen to 1.5%—the lowest point in nearly four years—the Bank of Japan (BoJ) now faces a complex policy dilemma amidst a political leadership transition. The risk of policy divergence is becoming increasingly apparent with Prime Minister Sanae Takaichi's populist plan to suspend food taxes to stimulate purchasing power, a move that contradicts the IMF's recommendation that Japan remain on a path of fiscal tightening and monetary normalization toward a neutral interest rate by 2027. Collectively, this combination of anemic growth, slowing structural price pressures, and tensions between fiscal and monetary authorities suggests that Japan's economic outlook for 2026 will remain clouded by uncertainty over policy direction and the fragility of internal demand.

- **In ASEAN, the Bangko Sentral ng Pilipinas lowered its benchmark interest rate by 25 basis points to 4.25%**, bringing the total rate cut since Aug'24 to 225 basis points. This move came as subdued inflation allowed policymakers to support an economy weakened by lower domestic demand and the impact of a major corruption scandal related to infrastructure spending. Meanwhile, **Thailand reported Q4-2025 GDP growth of 2.5% YoY**, picking up from a four-year low (Q3-2025: 1.2%) driven by government support measures. Full-year growth slowed to 2.4% (2024: 2.9%) as it was weighed down by persistent challenges, including US tariffs, high household debt, and the strengthening baht.

### Domestic Economy

- **Bank Indonesia maintained its benchmark interest rate at 4.75% for the fifth consecutive meetings** as it seeks to stabilize the rupiah exchange rate amid ongoing global financial volatility, while ensuring inflation remains within its 2026–2027 target range and supporting economic growth. The rupiah remains near its all-time low amid investor concerns over potential downgrades of the country's equity and credit ratings by MSCI Inc. and Moody's Ratings. Meanwhile, the annual inflation rate rose to 3.55% in Jan'26, its highest level since May'23. Bank interest rates will likely take longer to decline, as bank lending rates have only fallen 40 bps from 9.20% in early 2025 to 8.80% in Jan'26.
- **Indonesia's Balance of Payments (BOP) reported a surplus of USD6.1 billion in Q4-2025, reversing from a deficit of USD6.4 billion in the previous quarter.** The surplus was supported by a low current account deficit of USD2.5 billion (0.7% of GDP) after a surplus of USD4.0 billion (1.1% of GDP) in Q3-2025, amidst a capital and financial account surplus of USD8.3 billion (Q3-2025: deficit of USD8.0 billion). The current account deficit was caused by a higher deficit in the oil and gas trade balance amidst increased domestic economic activity and a widening deficit in the services account balance due to a decrease in the number of foreign tourist visits in Q4-2025 compared to Q3-2025. Meanwhile, the capital and financial account surplus was driven by a surplus in direct investment, increased foreign capital inflows, and the withdrawal of foreign loans. Overall in 2025, the balance of payments recorded a deficit of USD7.8 billion, composed of a deficit of USD1.5 billion (0.1% of GDP) in the current account (2024: deficit of USD8.6 billion) and a deficit of USD4.2 billion in the capital and financial account (2024: surplus of USD18.0 billion).
- **Indonesia reported an increase in its external debt position in Q4-2025 to USD431.7 billion** (Q3-2025: USD427.6 billion), **but with a maintained GDP ratio of 29.9%**. The increase in external debt in Q4-2025 was driven by an increase in government external debt to USD214.3 billion (Q3-2025: USD210.1 billion) in line with foreign capital inflows into international government securities. On the private sector side, external debt decreased to USD192.8 billion (Q3-2025: USD194.5 billion) in line with a decrease in external debt of non-financial companies. Overall, Indonesia's external debt remains dominated by long-term tenors, accounting for 85.7% of total external debt.
- **Indonesia and the US have signed a reciprocal trade deal, agreeing to a 19% tariff reduction on Indonesian exports.** After months of negotiations, the US agreed to grant tariff-free access to coffee, cocoa, natural rubber, and spices, with potential exemptions for nearly 1,700 other goods, including palm oil. Textile products will be subject to a 0% tariff under the upcoming Tariff Quota mechanism. Furthermore, the US has dropped demands for non-economic provisions related to nuclear development and the South China Sea, while the agreement excludes the reshipment of goods from China. In return, Indonesia will reduce most tariff and non-tariff barriers on US goods, adopt American standards for vehicles and medical products, and facilitate US investment in critical

### Kalender Ekonomi Pekan Depan

Waktu	Rilis Perkembangan
Feb 23	Development of Indonesian Money Circulation Jan'26 Singapore Jan'26 Inflation
Feb 24	China's 1 and 5-year Loan Prime Rate
Feb 25	Singapore's Q4-2025 GDP Final Estimate Eurozone Final Inflation Estimate Jan'26
Feb 26	South Korea's Benchmark Interest Rate US initial jobless claims as of Feb 21, 2026
Feb 27	US producer price index Jan'26 India's Q4-2025 Economic Growth

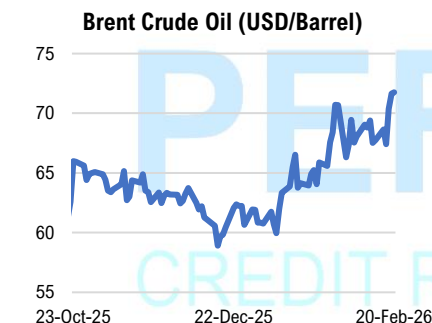
minerals and energy. Although a subsequent US Supreme Court ruling overturned Trump's reciprocal tariff policy, the agreement between the two countries remains in effect.

- **The Indonesia Stock Exchange (IDX) and the Financial Services Authority (OJK) have renewed their communication with Morgan Stanley Capital International and announced that they will finalize new regulations to strengthen the transparency and credibility of the Indonesian capital market.** Shareholders with a minimum ownership of 1% will be disclosed with data granularization, which is already in the final stages. Furthermore, the provision regarding a minimum free float of 15% has entered the final stages and will be submitted to the OJK. The shareholder concentration list process will also be carried out appropriately and responsibly. The OJK will continue to monitor the progress of the implementation of these regulations and ensure transparency and accountability for every step taken.

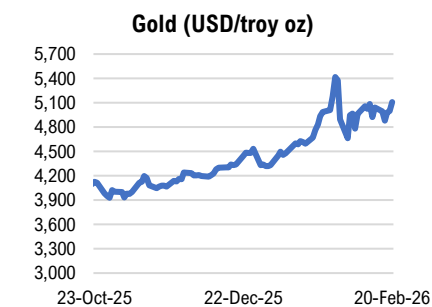
### Week Ahead Highlights

In the final week of February 2026, several major countries will release key economic data points. The US will release its producer price index data for Jan'26 amid speeches by several Fed officials, which will highlight the potential for further interest rate cuts. In Europe, several countries, including Germany, France, and Spain, will release preliminary Feb'26 inflation data, which is expected to be close to the ECB's target. In Asia, China, having returned from the Lunar New Year holiday, will set its loan prime rate, which is believed to remain unchanged. India will be among the countries releasing its Q4-2025 GDP data, alongside Singapore and Hong Kong, which will release their final estimates. Additionally, Thailand and South Korea will set their benchmark interest rates. Indonesia itself will release its Jan'26 money supply data.

### Spotlight on Commodity Price Trends (as of February 20, 2026)



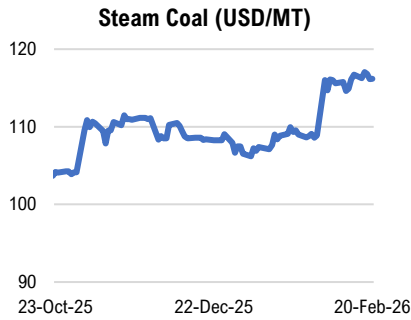
Closing (USD/Brl)	(% Change)			
	WoW	MoM	YoY	YTD
71.76	5.92	10.54	-6.17	17.93



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
5,107.45	1.30	7.22	73.78	18.25

### Energy and CPO strengthened on geopolitical risks and tighter supply, while gold rose on safe-haven demand and coal edged lower.

- **Brent crude oil prices rose 5.92% over the past week**, closing at USD71.76 per barrel after briefly touching the highest level since late July, reflecting a significant increase in geopolitical risk premium. The rally was driven by escalating US–Iran tensions, including military threats and potential disruptions in the Strait of Hormuz, a route that carries around 20% of global oil supply. Fundamentally, prices were supported by a sharp 9-million-barrel decline in US crude inventories—contrary to expectations of a 2.1-million-barrel build—signaling tighter market conditions than anticipated. In addition, Saudi Arabia's crude exports fell to 6.99 million barrels per day, the lowest level since September, reinforcing perceptions of near-term supply tightening. However, the potential for higher OPEC+ output starting in April and projections of a global surplus in the second half of the year may cap further upside.
- **Gold prices gained 1.30% over the past week**, reflecting stronger safe-haven demand amid weakening US economic fundamentals and trade policy uncertainty. Gold futures rose to USD5,107.45 per ounce by the end of the week. The primary catalyst was the sharp slowdown in US fourth-quarter GDP growth to 1.4% (YoY), well below expectations, signaling fading economic momentum. Meanwhile, core PCE inflation rose 0.4% (MoM) in December, indicating persistent price pressures. The combination of slowing growth and sticky inflation strengthened expectations of two Federal Reserve rate cuts this year. Additional uncertainty stemmed from President Donald Trump's plan to impose a 10% global tariff following the Supreme Court's ruling, which increased market volatility and drove fund flows into gold.
- **Coal prices edged down 0.43% over the past week.** The decline was mainly triggered by developments in India, where coal consumption in the power sector fell nearly 3% YoY in January to 73.16 million tons, while total national consumption dropped 1.4% YoY to 92.18 million tons. Coal's share in the electricity mix also declined to 74.00% from 76.00% a year earlier, amid rising renewable generation and higher coal stockpiles at thermal power plants, which increased to 56.07 million tons (equivalent to 18 days of operation). However, the downside was mitigated by tighter Indonesian supply amid uncertainty surrounding RKAB approvals, keeping the market sensitive to short-term supply risks.



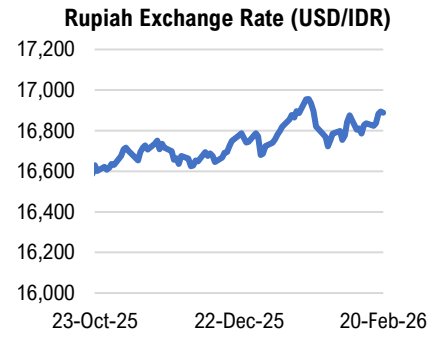
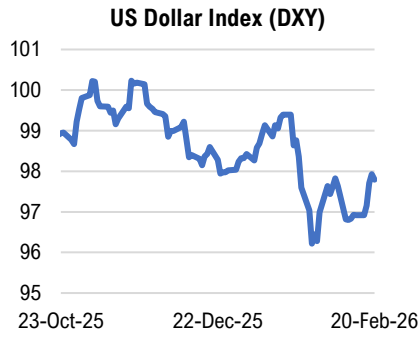
Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
116.20	-0.43	5.68	12.27	8.09

- **CPO prices advanced 1.04% over the past week**, supported by stronger global vegetable oil prices and the energy rally, although volatility remained elevated. Prices briefly surged to MYR4,117 before easing slightly to MYR4,092 per ton at week's end, reflecting gains in Chicago soyoil and higher crude oil prices, which enhanced biodiesel's attractiveness. Earlier ringgit weakness also improved export competitiveness. However, gains were capped by soft demand due to the Chinese holiday, further declines in soyoil prices, and concerns over rising production ahead of Ramadan. The market is also monitoring potential acceleration of Indonesian exports ahead of higher March levies and awaiting Malaysia's February 1–20 export data as a short-term catalyst.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	3.05	-6.04	-22.01	-26.61	-17.34	Crude Palm Oil (MYR/Ton)	4,092.00	1.04	-0.05	-11.85	1.04
Nickel (USD/MT)	17,1203.00	2.13	-1.91	5.22	3.39	Rubber (USD/Kg)	194.40	0.78	8.06	-5.68	8.06
Copper (USD/MT)	12,964.00	0.64	1.65	35.56	4.35	Wheat (cents/bu)	573.50	4.51	12.40	-2.05	13.12
Aluminium (USD/MT)	3,102.50	0.81	-0.16	13.75	3.57	Corn (cents/bu)	427.50	-0.98	0.88	-14.16	-2.90
Iron Ore (USD/MT)	99.69	-1.21	-7.71	-8.00	-6.68	Sugar (c/lb)	14.30	3.77	-2.85	-32.07	-4.73

**Wall Street and the JCI advanced amid easing policy uncertainty and stable monetary conditions, although global risks remain in focus. The US dollar strengthened amid solid economic data and geopolitical tensions, prompting the rupiah to weaken and prompting capital outflows.**

- **Wall Street posted positive performance over the past week**, with the S&P 500 gaining 1.07%, the Nasdaq Composite rising 1.51%, and the Dow Jones Industrial Average advancing 0.25%, supported by easing trade policy uncertainty after the U.S. Supreme Court overturned President Donald Trump's global tariff measure. However, investors remained cautious amid softer Q4 GDP data and firmer December inflation, shaping expectations of a potential Fed rate cut in June at slightly above 50%. Concerns over elevated valuations and the sustainability of the AI-driven rally also kept technology stocks moving selectively.
- **JCI rose 0.72% for the week**, closing at 8,271.77, extending its rebound trend despite a slight 0.03% correction at the end of the week. The gain was supported by a return of foreign inflows, with net foreign buying of IDR2.07 trillion, reversing the previous week's net sell of IDR5.47 trillion, reinforcing domestic risk-on sentiment. Market capitalization increased 0.35% to IDR14,941 trillion, while average daily transaction frequency surged 11.99%, indicating stronger investor participation. On the policy front, Bank Indonesia's decision to maintain the BI Rate at 4.75% provided macro stability amid global uncertainty. Optimism over 2026 economic growth in the range of 4.9%–5.7%, alongside fiscal stimulus and investment momentum, also served as key catalysts, although investors continue to monitor global rate direction and geopolitical risks.
- **The US dollar index strengthened amid market participants' reassessment of the Federal Reserve's interest rate policy trajectory and the release of domestic economic data that exceeded expectations.** The US Dollar Index (DXY) closed at 97.80, recording a weekly gain of 0.91% alongside a 0.6% increase in non-defense capital goods orders and a 0.6% rise in January manufacturing production, sparking speculation that the central bank will not implement rate cuts as aggressively as previously estimated. This strengthening was also driven by rising T-note yields and hedge-fund long-position adjustments amid core inflation remaining above the 2% target, although the currency still faces long-term pressure from fiscal deficits and global trade policy uncertainty.
- **The Rupiah weakened against the US dollar amid a strengthening US economy and rising global geopolitical tensions.** The Rupiah exchange rate closed at IDR16,888 per USD with a weekly depreciation of 0.31%, triggered by the strengthening of the US dollar index following US economic growth of 2.7% in 2025 and capital outflows from the domestic debt market totaling IDR2.69 trillion during the period of February 13–19, 2026. Pressure on regional currencies also increased due to risk premiums stemming from US-Iran tensions, which pushed Brent oil prices above USD70 per barrel, while on the domestic side, the market continued to monitor fiscal conditions approaching the 3% of GDP deficit threshold, despite Bank Indonesia maintaining benchmark interest rates to stabilize.



Closing	(% Change)			
	WoW	MoM	YoY	YTD
8,271.77	0.72	-9.45	21.86	-4.34

Closing	(% Change)			
	WoW	MoM	YoY	YTD
97.80	0.91	-0.86	-8.06	-0.53

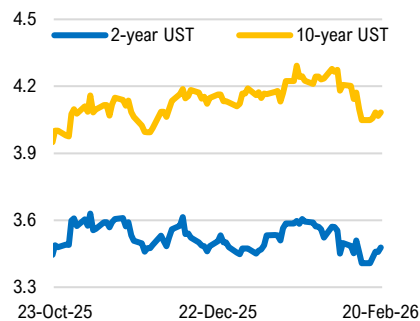
Closing	(% Change)			
	WoW	MoM	YoY	YTD
16,888	0.31	-0.40	3.37	1.25

### Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	6,909.51	1.07	1.66	12.95	0.94	Euro (EUR/USD)	1.18	-0.71	0.50	12.22	0.32
Dow Jones (AS)	49,625.97	0.25	2.35	12.34	3.25	Canadian Dollar (USD/CAD)	1.37	0.47	-1.13	-3.49	-0.31
Nasdaq (AS)	22,886.07	1.51	-0.30	14.65	-1.53	Poundsterling (GBP/USD)	1.35	-1.25	0.31	6.40	0.04
Euro Stoxx 50 (Zona Euro)	6,131.31	2.44	4.06	12.27	5.87	Japanese Yen (USD/JPY)	155.05	1.54	-1.96	3.62	-1.06
FTSE100 (Inggris)	10,686.89	2.30	5.53	23.36	7.61	Chinese Yuan (USD/CNY)	6.90	-	-0.80	-4.67	-1.20
Nikkei225 (Jepang)	56,825.70	-0.20	7.24	46.92	12.88	Singapore Dollar (USD/SGD)	1.27	0.35	-1.30	-4.96	-1.41
Shanghai (Tiongkok)	4,082.07	0.00	-0.77	21.82	2.85	Malaysian Ringgit (USD/MYR)	3.90	-0.16	-3.77	-11.90	-3.88
Hang Seng (Hong Kong)	26,413.35	-0.58	-0.28	16.99	3.05	Thailand Baht (USD/THB)	31.11	0.10	0.14	-7.28	-1.23

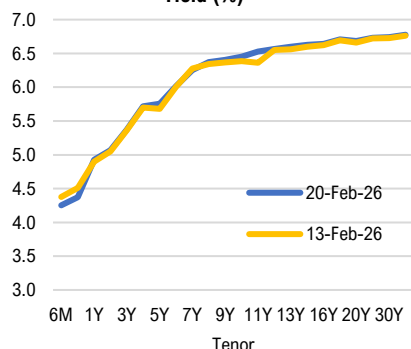
### Key Data Developments in Global and National Bond Markets

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



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3.478	7	-12	-79	1
5Y: 3.647	4	-21	-70	-8
10Y: 4.083	3	-21	-42	-8

#### Weekly Development of Government Bond Yield (%)

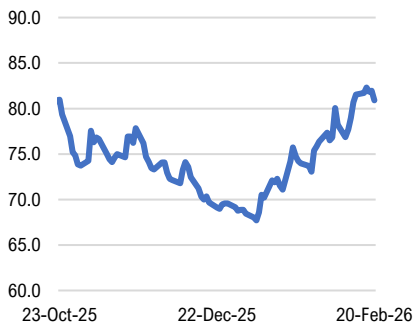


**Global yields rose due to fiscal pressures and tight monetary policy, while the Indonesian government continued to optimize domestic financing absorption amid fluctuations in foreign ownership and market dynamics.**

- US Treasury yields moved upward across all major tenors amid fiscal concerns and inflation data that remained above the central bank's target.** The 2-year tenor yield increased 7 bps to 3.478%, the 5-year tenor rose 4 bps to 3.647%, and the 10-year tenor closed at 4.083%, up 3 bps compared to the previous week following the imposition of a new 10% global tariff that risks widening the budget deficit, as well as December core PCE data, which remained stalled at 3%. Selling pressure in the bond market was also driven by the release of weekly unemployment claims at 206,000, which were lower than expected, and by FOMC meeting minutes showing a hawkish stance from some Fed officials, reinforcing expectations that the monetary authorities will not rush into further rate cuts.
- Mohamed El-Erian, an Economist and Former Chairman of President Obama's Council on Global Development (2012–2017), highlighted a structural shift in global finance as China's share of ownership in the US Treasury market plummeted to its lowest level in 15 years.** China's ownership share now stands at only 7%, or approximately USD682.6 billion, a significant drop from its peak of 28% recorded 15 years ago. This decline reflects Beijing's diversification and de-risking strategy to reduce dependence on the US dollar amid geopolitical tensions, as China has begun shifting its reserves into hard assets such as gold. This has now led to 15 consecutive months of reserve increases, reaching 2,308 tons.
- Emerging-market bonds are projected to enter a period of strong performance, supported by a recovery in capital inflows and historically attractive real yields.** Real yields are currently in the range of 3% to 4%, surging from levels of 1% to 2% during the pandemic, with the realized return of the JPMorgan Government Bond Index - Emerging Markets Global Core reaching 19% in 2025 after recording inflows of USD31.8 billion following a three-year consecutive period of outflows.
- Indonesian government bond yields came under selling pressure across medium- and long-term tenors amid a decline in foreign ownership.** The 5-year and 10-year tenor yields increased by 7 bps to 5.785% and 6 bps to 6.464%, respectively, while the 2-year tenor yield remained stable at 5.123% as foreign ownership positions fell from IDR880.43 trillion as of February 13, 2026, to IDR877.74 trillion as of February 19, 2026.

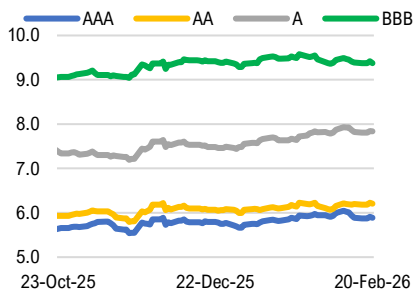
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 5.123	0	3	-134	13
5Y: 5.785	7	6	-76	23
10Y: 6.464	6	14	-32	39

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
80.91	-0.78	6.85	15.65	17.50

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

- S&P Global Ratings emphasized the importance of recovering investor confidence as a crucial factor in maintaining Indonesia's sovereign credit profile amid stock market volatility.** Market turmoil triggered by MSCI Inc.'s January 2026 warning is still expected to have a limited impact on credit metrics; however, the failure of authorities to address the risk market structure is expected to have a more serious impact on global sentiment than the index reclassification.
- The government recorded an increase in the nominal amount won in regular bond auctions despite a downward trend in demand from market participants.** Total incoming bids contracted by 17.66% to IDR63.06 trillion compared to the previous auction, which reached IDR76.59 trillion, but the Ministry of Finance increased the awarded value from IDR36 trillion to IDR40 trillion to close the financing gap, as ORI029 absorption reached only 54.84% of the IDR25 trillion target. This condition caused the bid-to-cover ratio to drop from 2.13 times to 1.58 times, while interest in short-term instruments such as SPN plummeted 51.79% to IDR5.78 trillion, amid weighted-average yield movements for medium-long tenors in the range of 5.67%–6.77%.
- The government has raised IDR 152 trillion through four regular Government Securities (SUN) auctions during the first two months of 2026, as part of the state budget (APBN) financing strategy, targeting IDR689.1 trillion.** Based on data from the Directorate General of Financing and Risk Management (DJPPR), despite a downward trend in incoming bids from IDR90.9 trillion in the January 2 auction to IDR63.06 trillion on February 18, the government remained aggressive in absorbing funds up to IDR40 trillion in the last auction to maintain a fiscal buffer. The Director General of PPR, Suminto, emphasized that market demand remains solid with a concentration on medium tenors (5 and 10 years), which recorded bids of IDR24.16 trillion and IDR21.07 trillion, respectively, while foreign participation remained at 15.50%.
- PEFINDO raised PT PP Properti Tbk's (PPRO) credit rating following the effectiveness of the debt restructuring homologation decision.** The company's rating, along with Shelf-Registered Bond II Phase I, III, and IV, rose from *idCCC* to *idB* with a stable outlook, following the recording of the new payment scheme at KSEI on February 10, 2025, although the entity's financial profile is considered to remain vulnerable in the medium term.
- PT Trimegah Sekuritas Indonesia Tbk (TRIM) plans to issue Shelf-Registered Bond II Phase IV-2026 to fund working capital expansion in repurchase agreement instruments.** The company is offering principal debt of IDR250 billion, divided into two series with interest rates of 7.75%–8.5%, with IDR50 billion guaranteed on a full-commitment basis and IDR200 billion on a best-effort basis, to support the program's fundraising target of IDR2 trillion.
- PT Steel Pipe Industry of Indonesia Tbk (ISSP) allocated internal funds to repay shelf-registered bonds maturing in April 2026.** The company prepared IDR500.6 billion to meet bond and sukuk ijarah obligations rated *idA* and *idA(sy)*, supported by a cash position of IDR956.53 billion and an EBITDA projection of IDR831.10 billion as of the end of December 2025.
- PT RMK Energy Tbk (RMKE) adjusted the schedule for shelf-registered bond issuance to support subsidiary funding and operational needs.** The listing of the *idA*-rated instrument on the Indonesia Stock Exchange was postponed from the original February 20 to February 25, 2026, with a fund allocation of 31.67% for PT Royaltama Multi Komoditi Nusantara, 60% for PT Royaltama Mulia Kencana, and the remainder for the company's working capital.
- Moody's Ratings downgraded the credit rating of PT Indika Energy Tbk (INDY) due to projected deterioration in credit metrics and an increased debt burden to finance gold mine projects.** The company's corporate family rating (CFR) and USD455 million senior debt notes were cut from Ba3 to B1 following a USD100 million to USD150 million increase in Awak Mas project capital expenditure, which is expected to push the debt-to-EBITDA leverage ratio to 7.0 times in 2026 amid thermal coal price pressure at USD51 per metric ton.
- PT Indah Kiat Pulp & Paper Tbk (INKP) relies on its internal liquidity position to meet repayment obligations for several shelf-registered bonds maturing in March 2026.** The company scheduled payments for Shelf-Registered Bond V Phase III Series A worth IDR570.79 billion, Shelf-Registered Bond I Phase IV Series C worth IDR277.07 billion,

Shelf-Registered Sukuk Mudharabah IV Phase III Series A for IDR532.93 billion, and USD Bonds worth USD125 thousand, supported by an internal cash position of USD1.95 billion as of September 2025.

- **The crypto asset exchange platform Triv officially launched a Tokenized Bond ETF product that allows Indonesian investors to access US government and corporate bond instruments digitally.** This innovation aims to bridge the crypto world with traditional finance while providing defensive assets to help users balance their portfolios amid global market volatility. The products presented include exposure to various tenors, ranging from iShares 0–3 Month Treasury Bond for low risk, iShares 20+ Year Treasury Bond for long tenors, to iShares Core US Aggregate Bond, which diversifies US government and corporate bonds.

### 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	20,000.00	100.45	5.77	14,902,272
FR0106	7.13	08/15/40	10,000.00	104.66	6.62	9,408,543
FR0107	7.13	08/15/45	35,000.00	104.91	6.67	4,516,980
FR0087	6.50	02/15/31	50,000.00	103.15	--	4,037,846
FR0082	7.00	09/15/30	300.00	106.50	5.37	3,729,974

#### Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sukuk Ijarah II Moratelindo Phase I Year 2023 Series A	idA+(sy)	10.00	07/13/26	50,000	100.12	9.66	850,000
Shelf Registration Bond I Bumi Phase IV Year 2026	idA+	7.25	02/20/29	700	100.00	--	471,091
Bond III BUMA Year 2025 Series A	idA+	6.75	10/20/26	5,000	100.41	6.10	410,000
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA(sy)	11.00	10/04/29	5,000	109.82	7.85	360,000
Shelf Registration Sustainability Sukuk Mudharabah I Bank BSI Phase II Year 2025 Series A	idAAA(sy)	6.45	07/06/26	50,000	99.82	6.94	350,000

#### Corporate Bonds Issuance

Throughout the third week of February 2026, there was the issuance of corporate debt securities from 1 company with a value reaching IDR1.150 billion.

No.	Companies	Instruments	Issuance Date	Value [IDR Billion]	Interest Rate [%]	Tenor [Year]	Rating
1	PT Energi Mega Persada Tbk	Shelf Registration Bond I Phase II Year 2026 Series A	Feb-18-2026	280.40	7.50	3	idA+
2	PT Energi Mega Persada Tbk	Shelf Registration Bond I Phase II Year 2026 Series B	Feb-18-2026	869.80	8.60	5	idA+
<b>Total</b>				<b>1,150.20</b>			

Source: KSEI, IDX, database PEFINDO.


#### Corporate Bonds Maturity for March 2026 Reaches IDR13.13 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Merdeka Copper Gold Tbk.	Shelf Registration Bond V Phase II Year 2025 Series A	2-Mar-26	856.00	7.25	1	idA+
2	PT TBS Energi Utama Tbk.	Bond I Year 2023 Series A	3-Mar-26	425.00	8.80	3	idA
3	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Bond I Phase II Year 2021 Series A	3-Mar-26	495.00	8.50	5	idCCC
4	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Bond I Phase II Year 2021 Series B	3-Mar-26	745.50	9.10	5	idCCC
5	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Sukuk Mudharabah I Phase II Year 2021 Series A	3-Mar-26	134.30	8.50	5	idCCC(sy)
6	PT Wijaya Karya (Persero) Tbk.	Shelf Registration Sukuk Mudharabah I Phase II Year 2021 Series B	3-Mar-26	211.60	9.10	5	idCCC(sy)

7	PT Bank Rakyat Indonesia (Persero) Tbk.	Shelf Registration Commercial Paper I Year 2025 Phase I Series B	4-Mar-26	30.30	4.60	1	idA1+
8	PT Indosat Tbk.	Shelf Registration Bond III Phase I Year 2019 Series D	5-Mar-26	45.00	10.10	7	idAAA
9	PT Indosat Tbk.	Shelf Registration Sukuk Ijarah III Phase I Year 2019 Series D	5-Mar-26	11.00	10.10	7	idAAA <sub>(sy)</sub>
10	PT Eagle High Plantation Tbk.	Shelf Registration Bond I Phase II Year 2025 Series A	6-Mar-26	23.92	9.75	1	idA-
11	PT Toyota Astra Financial Services	Shelf Registration Bond IV Phase V Year 2025 Series A	8-Mar-26	371.52	6.50	1	AAA(idn)
12	PT Bank Victoria International Tbk.	Shelf Registration Bond III Phase I Year 2023 Series A	9-Mar-26	300.00	9.25	3	idA-
13	PT Pupuk Indonesia (Persero)	Shelf Registration Bond II Phase II Year 2021 Series B	10-Mar-26	1,600.00	6.20	5	idAAA
14	PT Surya Artha Nusantara Finance	Shelf Registration Bond IV Phase II Year 2023 Series B	16-Mar-26	900.00	7.00	3	idAA+
15	PT Permodalan Nasional Madani	Shelf Registration Bond III Phase V Year 2021 Series C	17-Mar-26	339.20	8.25	5	idAAA
16	PT Prime Agri Resources Tbk.	Shelf Registration Bond I Phase II Year 2021 Series B	17-Mar-26	46.95	10.35	5	idA
17	PT Prime Agri Resources Tbk.	Shelf Registration Sukuk Ijarah I Phase II Year 2021 Series B	17-Mar-26	158.25	10.35	5	idA <sub>(sy)</sub>
18	PT Bank Rakyat Indonesia (Persero) Tbk.	Shelf Registration Green Bond I Phase III Year 2024 Series B	20-Mar-26	879.43	6.25	2	idAAA
19	PT Agro Sejahtera Abadi	MTN Year 2020 Phase I Series D	21-Mar-26	50.00	10.50	3	-
20	PT Profesional Telekomunikasi Indonesia	Shelf Registration Bond III Phase II Year 2023 Series B	21-Mar-26	145.35	6.60	3	AAA(idn)
21	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond V Phase III Year 2025 Series A	22-Mar-26	570.79	7.00	1	idA+
22	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Sukuk Mudharabah IV Phase III Year 2025 Series A	22-Mar-26	532.94	7.00	1	idA <sub>(sy)</sub>
23	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond USD II Phase II Year 2025 Series A	22-Mar-26	USD0.13 million/ IDR2.03 billion	5.75	1	idA+
24	PT CIMB Niaga Auto Finance	Shelf Registration Sukuk Wakalah Bi Al-Istitsmar I Phase II Year 2025 Series A	23-Mar-26	1,200.00	6.70	1	AA+(idn)
25	PT Indah Kiat Pulp and Paper Tbk.	Shelf Registration Bond I Phase IV Year 2021 Series C	23-Mar-26	277.08	10.25	5	idA+
26	PT Astra Sedaya Finance	Shelf Registration Bond VI Phase V Year 2025 Series A	24-Mar-26	1,500.00	6.45	1	AAA(idn)
27	PT Indomobil Finance Indonesia	Shelf Registration Bond V Phase II Year 2023 Series B	28-Mar-26	279.59	7.50	3	idAA-
28	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase I Series A	28-Mar-26	51.60	7.00	3	irAA-
29	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase I Series B	28-Mar-26	33.95	7.00	3	irAA-
30	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase I Series C	28-Mar-26	14.98	7.00	3	irAA-
31	PT Pindo Deli Pulp and Paper Mills	MTN I Year 2023 Phase I Series D	28-Mar-26	4.49	7.00	3	irAA-
32	PT Provident Investasi Bersama Tbk.	Shelf Registration Bond I Phase I Year 2023 Series B	28-Mar-26	482.00	8.50	3	idA
33	PT Hino Finance Indonesia	Shelf Registration Bond I Phase I Year 2025 Series A	30-Mar-26	410.94	6.50	1	idAA+
<b>Total</b>				<b>13,128.70</b>			

## Weekly Sector Highlights

During 16–20 February 2026, domestic sectoral sentiment was influenced by early-2026 developments, industry strategies, and government policies.

Industries	Sentiment & Significance	News Highlights
<b>Banking</b>		<b>Decline in Lending Rates Begins to Materialize.</b> Bank Indonesia recorded a 75-bps decline in new lending rates in January 2026, marking increased effectiveness of the macroprudential liquidity incentive (KLM) policy in supporting the transmission of the BI Rate, which had been cut by a total of 125 bps throughout 2025. The decline in lending rates had previously been slow, prompting BI to optimize KLM through both the lending channel and the interest channel, which has now been absorbed by the banking industry, amounting to IDR427.5 trillion. With remaining capacity for KLM utilization, BI is encouraging credit distribution to priority sectors to achieve its 2026 credit-growth

	<p>target of 8–12%. Solid banking liquidity and the easing of credit requirements are expected to strengthen supply-side conditions, while credit demand is supported by prospects of rising commodity prices and improving industrial sales. Nonetheless, BI underscores the need for a reduction in special-rate deposits, which continue to hinder the decline in lending rates, while the government highlights high banking NIM as an indicator of a market structure that tends toward oligopolistic behavior.</p>
<p><b>Construction</b></p>	<p><b>The Merger Process of Seven State-Owned Construction Firms Still Faces Obstacles.</b> Danantara’s plan to finalize the merger of seven state-owned construction companies in the second half of 2026 continues to face constraints related to each firm’s financial readiness. State-owned enterprises such as WIKA are working to improve operational performance and governance to support the consolidation process. However, analysts view that proceeding with the merger at this stage is not ideal, as healthier entities may end up absorbing the burdens of companies with high debt and tight cash flow. The merger is considered effective only after debt restructuring and project-portfolio consolidation are completed, ensuring that benefits such as efficiency, larger business scale, and stronger bargaining power can be realized. While consolidation could strengthen funding structures in the long term, integration risks may still weigh on performance in the early stages. Prospects for improvement among state-owned construction firms in 2026 remain, but stock recommendations have not yet been issued due to their high dependence on disciplined execution and debt management.</p>
<p><b>Insurance and Guarantee</b></p>	<p><b>The Guarantee Industry Improves Efficiency Amid Profit Pressure.</b> The guarantee industry recorded a 21.87% decline in net profit in 2025, falling to IDR968.24 billion, accompanied by an increase in the OPEX ratio (BOPO) to 67.73% from 49.08% in the previous year. Asippindo assesses that intensifying competition is pressuring guarantee rates and business margins, resulting in higher operational costs. To improve performance, the industry will strengthen risk selection, enhance efficiency to bring the BOPO ratio back to a healthy level, and optimize its portfolio in productive segments and government programs with risk-mitigation schemes. Performance this year is expected to gradually improve, with moderate profit-growth potential, although it is not yet projected to fully return to pre-economic-pressure levels.</p>
<p><b>Metal and Gold</b></p>	<p><b>PT Krakatau Steel Tbk (KRAS) Receives Mandate for Downstreaming.</b> KRAS has received a mandate from Danantara to accelerate mining downstreaming, particularly in the steel industry. The company now holds two strategic projects: processing iron sand and iron ore into carbon steel, and processing nickel ore into stainless steel. KRAS targets steel production of 4.5 million tons in 2026, an increase of one million tons compared with the previous year, supported by the reactivation of the Hot Strip Mill 1 facility. The company is also collaborating with PT PAL in the national shipbuilding project as the main supplier of steel plates. In addition, KRAS supports the Free Nutritious Meals program by providing modular kitchens for SPPG.</p>
<p><b>Mining</b></p>	<p><b>Adjustment of Mining Work Plan and Budget.</b> The government is undertaking a comprehensive reform of the approval process for the 2026 mineral and coal (minerba) Work Plan and Budget (RKAB) to balance supply and demand in order to maintain price stability and ensure long-term energy reserve availability. Indonesia’s dominant position in the global market—supplying 514 million tons, or 43% of global coal trade—is considered to have contributed to market imbalance, prompting the government to reduce its production target from 790 million tons in 2025 to around 600 million tons. In addition to preventing oversupply, the adjustment is intended to avoid excessive production when prices are inadequate. The government also plans to reclaim licensing authority for quartz-sand mining from regional governments to improve governance and prevent permit misuse. The tightening of RKAB approvals has already had an impact on the market, as reflected in the increase in nickel prices following the December 2025 announcement of production cuts. Through more selective RKAB policies, the government aims to maintain price stability and safeguard future energy reserves.</p>
<p><b>Multifinance</b></p>	<p><b>LCGC Sales Under Pressure, Financing Shifts to Electric Vehicles.</b> LCGC sales came under renewed pressure in early 2026 because most of its customers are first-time buyers who rely heavily on credit, while the multifinance industry is tightening lending amid rising NPF levels. Industry practitioners view this segment as highly sensitive to price, installment plans, and down payments, which immediately suppresses demand when credit tightens. A shift in consumer preferences may also occur as long as alternative vehicle options offer low maintenance costs, spacious cabins, and high resale value — although BEVs are still viewed as less competitive in terms of resale value. On the other hand, APPI assesses that declining LCGC sales more accurately reflect a shift toward electric cars, whose prices have become increasingly competitive and have gained consumer acceptance as charging infrastructure improves. Gaikindo data show that LCGC wholesale and retail sales fell 22% and 25% YoY, respectively, in January 2026, underscoring demand pressure in this segment.</p>

**Oil and Gas**



**Indonesia is Required to Import USD15 Billion in Energy from the United States.** Indonesia and the United States have officially agreed on a reciprocal tariff arrangement that obligates Indonesia to import USD15 billion worth of energy commodities from the U.S., consisting of USD3.5 billion in LPG, USD4.5 billion in crude oil, and USD7 billion in refined fuel products. The government must also facilitate state-owned enterprises and private companies in increasing purchases of U.S. energy, including through long-term contracts. In return, the U.S. will lower import tariffs on Indonesian products by up to 19%, with a 0% tariff applied to commodities such as palm oil, coffee, and cocoa, while Indonesia is required to eliminate tariff barriers on more than 99% of U.S. products. The government stated that these oil and gas imports could commence in 2026, but the Ministry of Energy and Mineral Resources and the Corruption Eradication Commission (KPK) are currently assessing potential governance risks related to Pertamina’s assignment, including the plan for a non-tender scheme. Pertamina itself has signed MoUs for feedstock procurement with several U.S. energy companies, while private-sector imports will also be involved to help maintain a trade-balance surplus.”

**Plantation and Agriculture**



**Target for B50 Biodiesel Implementation at Risk of Delay.** The government’s target to implement 50% biodiesel (B50) in 2026 is at risk of being missed because road-test progress has reached only around 20,000 km out of the required 50,000 km for the automotive segment, while testing for railways, power plants, mining vehicles, marine vessels, and agricultural machinery remains delayed or has only just begun. Industry players assess that technical readiness remains low, particularly because most imported heavy equipment is not designed for biodiesel use, which could potentially void engine warranties. POPSI urges the biodiesel policy to adopt a flexible-blending concept with B30 as the minimum threshold, adjusting to price disparities between CPO and diesel that could affect subsidy burdens. On the other hand, CPO prices are projected to weaken moderately, but the price gap with diesel remains wide, as seen in July 2025 when it reached IDR6,400 per liter. Experts also warn that the biodiesel subsidy scheme, which is funded through palm-oil export levies, has limitations, and increasing the levy risks undermining the competitiveness of the national palm-oil industry.

Source: Bloomberg Technoz, Bisnis Indonesia, CNBC Indonesia, Harian Ekonomi Neraca, Harian Kontan, Investor Daily, MSN, and SWA (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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