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WEEKLY ECONOMIC UPDATE

Period of December 29, 2025-January 2, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

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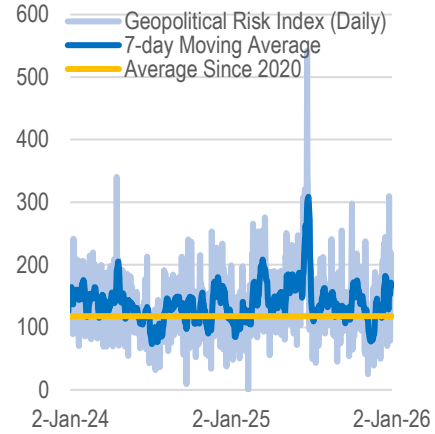
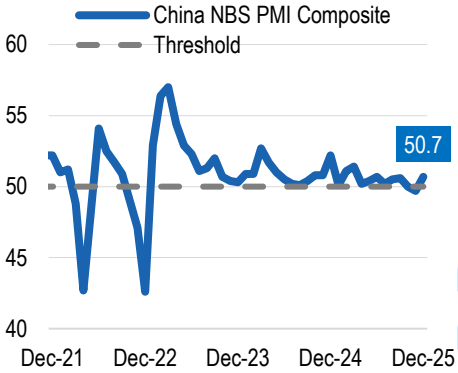
Data Highlights of the Week

Daily Geopolitical Risk Index



Source: Caldara, Dario and Matteo Iacoviello

China NBS PMI Composite



Source: Bloomberg

Geopolitical Risks Takes a Center Stage Following the US Attack on Venezuela, Requiring Heightened Vigilance

Global Economic

- **Geopolitical risks have heated up again after the United States (US) launched a large-scale attack on Venezuela and arrested President Nicolas Maduro and his wife**. Trump accused the Venezuelan government of using oil revenues to fund transnational crimes such as terrorism, drug trafficking, human trafficking, murder, and kidnapping. The US has imposed economic sanctions on Venezuela since 2017, and oil sector sanctions two years later. Last year, Trump revoked the operating permits of various multinational companies in Venezuela, except for Chevron. They also imposed a complete blockade of tankers entering and leaving Venezuela as a form of economic pressure. Following the attack, Trump stated that the US would control Venezuela and allow US companies to enter to improve oil infrastructure and generate income for the Venezuelan people. This attack is expected to cause volatility in gold and oil prices.
- **The minutes of the Dec'25 FOMC meeting stated that most meeting members believed that an interest rate cut would likely be appropriate next year if inflation subsides over time.** However, policymakers were divided on their assessment of the risks between higher inflation and unemployment, with some FOMC members expressing greater concern that entrenched inflation could require higher borrowing costs, while others favored a larger interest rate cut to curb signs of labor market weakness.
- **The minutes of the Bank of Japan (BoJ) meeting on Dec'25 showed that BoJ officials generally agreed that further interest rate hikes and a gradual reduction in accommodative monetary policy were appropriate steps to achieve sustainable price stability**. Policymakers were increasingly confident that Japan could maintain a positive cycle in which moderate wage and price increases strengthened the underlying prospects for economic growth and inflation. Some policymakers warned that delaying action until the next meeting would pose significant risks, as real interest rates remained well below their equilibrium levels.
- **China's NBS Composite PMI Output Index edged up to 50.7 in Dec'25 (Nov'25: 49.7), the highest since Jun'25**. Manufacturing activity grew toward the end of the year after declining in the previous eight months. Meanwhile, the services sector expanded at its fastest pace in four months, supported by Beijing's continued efforts to boost domestic demand through targeted fiscal spending, consumption support measures, and accommodative policy settings. China's economic activity picked up toward the end of the year, with production improving after recent weakness and the business climate in the services sector becoming more favorable.
- **The Chinese government announced its initial investment plan for 2026**, signaling a renewed push to boost China's economic growth through infrastructure spending. The National Development and Reform Commission (NDRC) announced two major construction projects supported by approximately CNY295 billion from the central budget, along with approvals for several large-scale initiatives, including the new Guangzhou airport, a water resources facility, and a scientific research platform, with total planned investment exceeding CNY400 billion. This initial rollout underscores the government's intention to prioritize investment to maintain momentum amid ongoing economic challenges.
- **China reportedly tightened silver export controls starting January 1, 2026**, expanding restrictions on a commodity now considered vital to U.S. manufacturing and defense supply chains. China's Ministry of Commerce confirmed that 44 companies will be licensed to export silver in 2026–2027, two more than last year. The move also covers tungsten and antimony, materials vital to defense and advanced technology. While not a blanket ban, the policy officially elevates these metals from common commodities to strategic materials, like rare earths.
- **Singapore's initial economic estimate for Q4-2025 reported accelerated growth of 5.7% YoY** (Q3-2025: 4.3%), the strongest growth since Q3-2024. This accelerated growth was primarily supported by the manufacturing sector, which surged 15% YoY (Q3-2025: 4.9%), driven by production expansion in the biomedical and electronics manufacturing clusters.

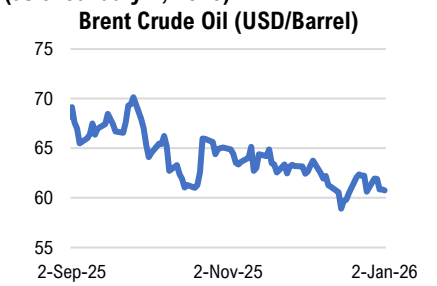
Indonesia S&P Global PMI Manufacturing

Source: S&P Global

Upcoming Week Economic Calendar

Waktu	Rilis Perkembangan
Jan 05	Indonesia Inflation Rate Dec'25
	Indonesia Foreign Tourist Visit Nov'25
	Indonesia Trade Balance Nov'25
	2025 Indonesia State Budget Realization
Jan 07	Initial Estimate of Euro Zone Inflation Rate Dec'25
	India FY2025 GDP Growth
Jan 08	Euro Zone Unemployment Rate Nov'25
	US Initial Jobless Claims Jan 03, 2026
	Indonesia Foreign Reserve Dec'25
Jan 09	China Inflation Rate Dec'25
	US Non-farm Payroll Dec'25
	US Unemployment Rate Dec'25
	Indonesia Consumer Survey Dec'25

Spotlight on Commodity Price Trends (as of January 2, 2026)



Closing (USD/Brl)	(% Change)			
	WoW	MoM	YoY	YTD
60.75	0.18	-2.72	-19.99	-0.16

Meanwhile, construction sector growth slowed to 4.2% YoY (Q3-2025: 5.1%). Among the service sectors, wholesale and retail trade and transportation and storage grew 3.9% YoY (Q3-2025: 3.7%). For the full year, Singapore's GDP accelerated to 4.8% (FY2024: 4.4%).

- **Several major ASEAN countries demonstrated solid manufacturing sector conditions throughout the end of 2025**. It was noted that during December 2025, the Manufacturing PMIs for Singapore (50.3), Malaysia (50.1), the Philippines (50.2), Vietnam (53.0), Thailand (57.4), and Myanmar (51.5) all recorded expansion. The strength of the ASEAN manufacturing sector at the end of the year was driven by strong demand for new orders, improved labor utilization, and increased raw material purchases in line with positive sentiment regarding the expected future conditions.

Domestic Economy

- **The S&P Global Indonesia Manufacturing PMI for Dec'25 continued its fifth consecutive month of expansion, although it fell to 51.2 from a nine-month high (53.3 in Nov'25).** New orders and employment growth slowed, while overseas sales fell for a fourth month. Capacity pressures persisted, driving a second consecutive increase in pending orders. Production rebounded but was constrained by raw material shortages. Purchasing activity increased moderately as companies worked to build pre-production inventories, while post-production stocks rose to their second-highest level in six years. Delivery times lengthened for a third month, partly due to bad weather. Input cost inflation remained sharp, although it eased to a four-month low due to supply shortages. Companies raised production costs again, but at a lower rate than in Nov'25. Finally, confidence strengthened to its highest level since Sep'25, supported by expectations of new product launches and stronger customer demand.

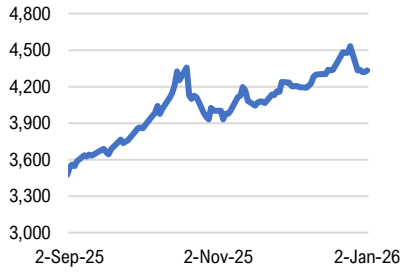
Week Ahead Highlights

The first week of 2026 will present several important data points, but geopolitical conditions will remain the primary focus following the escalation of the US attack on Venezuela. The US will release a series of labor market surveys for Dec'25. Meanwhile, in the Eurozone, preliminary information will be released on the Dec'25 inflation rate and unemployment rate. China will also release its Dec'25 inflation data. Meanwhile, India will release its FY2025 GDP data. Indonesia itself will release several updates that were delayed due to the long holiday, such as inflation, the trade balance, and foreign tourist visits. In addition, there will be information released on the FY2025 state budget realization, Dec'25 foreign exchange reserves, and the Dec'25 consumer survey report.

Commodities edged lower amid supply pressures, with geopolitical support helping to limit deeper declines.

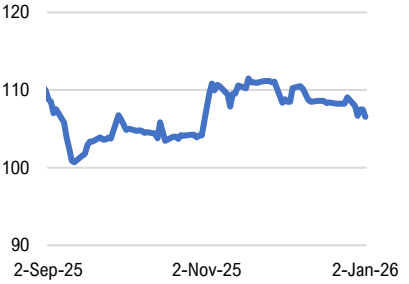
- **Brent crude oil prices posted a limited weekly gain of around 0.18%,** trading in the range of USD60–61 per barrel, reflecting a tight balance between geopolitical risks and still-loose global supply conditions. Early in the week, Brent briefly strengthened to USD60.92 per barrel, up 17 cents day-on-day, driven by geopolitical sentiment after Venezuela's political crisis raised concerns over potential export disruptions. However, these risks proved relatively contained as PDVSA's production and refining facilities continued to operate normally, while U.S. sanctions were not seen as materially curbing supply. By the end of the week, Brent closed at USD60.75 per barrel. On the supply side, OPEC+'s decision to maintain production quotas reinforced a surplus outlook, with market projections indicating global supply in 2026 could increase by more than 1 million barrels per day. Tensions involving Iran provided some psychological support, but have yet to affect physical oil flows. Overall, Brent's movement largely reflected short-term risk premiums, while structural oversupply pressures capped further upside.
- **Gold prices recorded a sharp weekly correction of around 4.43%,** marking a consolidation phase after an extraordinary rally that pushed prices to a record USD4,533.21 per ounce the previous week. The decline was mainly driven by profit-taking, triggering the steepest daily drop since October as investors locked in gains following the aggressive price surge. Nevertheless, volatility eased toward the end of the

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,332.29	-4.43	3.01	63.00	0.30

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
106.55	-2.29	-2.07	-14.49	-0.88

week, with spot gold stabilizing in the USD4,360–4,380 per ounce range, while U.S. futures settled at USD4,332.29 per ounce. Fundamentally, medium-term sentiment remains constructive. Expectations of lower Fed interest rates, aggressive central bank purchases, ETF inflows, and elevated global geopolitical risks continue to provide key support. With annual gains exceeding 60%, the weekly pullback appears more like a technical adjustment than a trend reversal, although short-term volatility is expected to remain high.

- **Global coal prices weakened by around 2.29% over the past week**, reflecting ongoing demand-side pressure despite supply-side adjustment efforts. Negative sentiment was largely driven by sluggish domestic demand in India, as coal-fired power generation declined amid rising penetration of renewable energy. Coal India's move to open electronic auctions to buyers in Bangladesh, Nepal, and Bhutan was seen as insufficient to support global prices, as it mainly represents a redistribution of supply channels rather than the creation of new demand. Meanwhile, higher coal prices in Rotterdam highlighted regional divergence, but were unable to offset pressure in Asian markets. Overall, market sentiment remains weighed down by excess supply, logistical challenges, and intense competition from lower-cost suppliers such as Indonesia, limiting room for a price recovery.
- **Crude palm oil (CPO) prices fell by around 2.40% over the past week,** primarily due to elevated inventory levels in Malaysia, which resurfaced as the key negative sentiment despite early signs of improving demand. Early in the week, CPO contracts on Bursa Malaysia Derivatives declined across all tenors as the market responded to short-term stock surpluses. However, downside pressure was partially cushioned by expectations of seasonal production slowdowns and indications that exports rose by 1.6–3% toward the end of December, offering hope for a better supply-demand balance. Externally, weaker prices of competing vegetable oils weighed on sentiment, although higher crude oil prices and a weaker ringgit provided limited support through biodiesel prospects and export competitiveness. CPO prices closed at MYR3,991 per ton.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	3.62	-17.13	-25.25	-1.15	-1.84	Crude Palm Oil (MYR/Ton)	3,991.00	-2.40	-4.04	-7.89	-1.46
Nickel (USD/MT)	16,718.15	6.51	13.61	5.98	1.04	Rubber (USD/Kg)	181.70	-0.76	5.39	-6.15	1.00
Copper (USD/MT)	12,469.50	2.52	11.88	41.66	0.37	Wheat (cents/bu)	506.50	-2.41	-5.81	-7.19	-0.10
Aluminium (USD/MT)	3,015.50	1.86	5.23	19.24	0.67	Corn (cents/bu)	437.50	-2.78	-0.11	-4.79	-0.62
Iron Ore (USD/MT)	108.12	1.25	-0.14	6.54	1.21	Sugar (c/lb)	14.60	-3.76	-2.54	-26.00	-2.73

Global equities corrected, while Indonesia's benchmark index (IHSG) strengthened sharply, supported by strong foreign inflows. The Rupiah strengthened slightly, supported by foreign capital inflows despite a strengthening US Dollar.

- **Wall Street recorded a moderate correction over the past week,** with the S&P 500 down 1.03%, the Nasdaq Composite falling 1.52%, and the Dow Jones slipping 0.67%, marking the failure of the Santa Claus rally despite limited early-2026 rebounds. Pressure mainly stemmed from declines in mega-cap technology stocks such as Apple, Microsoft, Amazon, and Tesla, which weighed on the Nasdaq amid growing investor caution over elevated valuations in AI-themed stocks. On the other hand, gains in semiconductor stocks—reflected by a nearly 4% jump in the Philadelphia Semiconductor Index—and rallies in industrial names such as Boeing and Caterpillar helped limit losses in the Dow. Market sentiment was also shaped by a "buy on dips, sell on rallies" strategy amid short-term volatility, while investors closely monitored the Fed's policy outlook and upcoming U.S. labor market data to gauge expectations for interest rate cuts in the second half of 2026.
- **Over the trading week of December 29, 2025, to January 2, 2026, Indonesia's Jakarta Composite Index (JCI) delivered a strong performance, rising 2.46% point-to-point** and reaching a new all-time high of 8,748.1. The rally was driven by robust bullish sentiment, particularly strong foreign capital inflows into the domestic equity market. Foreign investors recorded aggressive net buying of IDR2.4 trillion across all markets, including IDR1.28 trillion in the regular market. Solid foreign interest reflects confidence in Indonesia's equity outlook at the start of the year, supported by expectations of macroeconomic stability and improving corporate earnings.
- **The US Dollar Index rose 0.41% over the week to close at 98.42, breaking its steepest annual decline in eight years.** Rising geopolitical tensions have helped strengthen the US Dollar. However, the US Dollar fell about 9% last year, weighed down by policy uncertainty following President Donald Trump's tariff measures, rising expectations of Federal Reserve policy easing, a narrowing yield advantage over other currencies, and investor concerns about the fiscal deficit and the Fed's autonomy. Markets are currently watching key US economic data, including the labor market outlook and the interest rate outlook. Attention is also turning to Fed

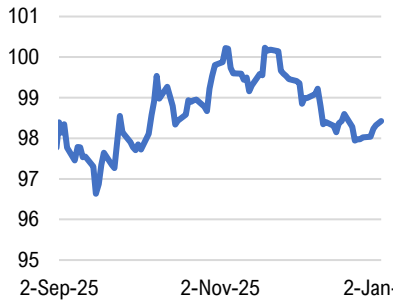
leadership, with President Donald Trump expected to appoint a successor to Jerome Powell early this year, as markets speculate on a more lenient candidate. Currently, markets are pricing in two rate cuts this year, compared to the Fed's own projection of just one.

- **The Rupiah strengthened slightly against the US Dollar on the first trading day of 2026.** The Rupiah exchange rate against the US Dollar (USD/IDR) closed at IDR16,725/USD on January 2, 2026, or a 0.12% increase compared to the previous week. Although the US Dollar strengthened relatively, foreign capital inflows were a catalyst for the Rupiah's performance last week. Based on transaction data from December 29-31, 2025, non-resident investors recorded net purchases of IDR2.43 trillion, consisting of net purchases of IDR1.23 trillion in the stock market, IDR0.46 trillion in Bank Indonesia Rupiah Securities (SRBI), and IDR1.66 trillion in the SBN market.

Jakarta Composite Index (JCI)

Closing	(% Change)			
	WoW	MoM	YoY	YTD
8,748.13	2.46	1.52	22.13	1.17

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
98.42	0.41	-0.94	-10.03	0.10

Rupiah Exchange Rate (USD/IDR)

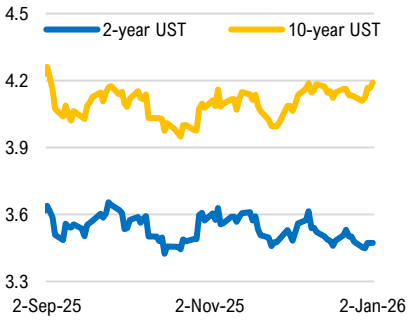
Closing	(% Change)			
	WoW	MoM	YoY	YTD
16,725	-0.12	0.60	3.25	0.27

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	6,858.47	-1.03	0.43	16.87	0.19	Euro (EUR/USD)	1.17	-0.45	0.81	14.16	-0.23
Dow Jones (AS)	48,382.39	-0.67	1.91	14.13	0.66	Canadian Dollar (USD/CAD)	1.37	0.45	-1.70	-4.65	0.07
Nasdaq (AS)	23,235.63	-1.52	-0.76	20.51	-0.03	Poundsterling (GBP/USD)	1.35	-0.30	1.84	8.69	-0.14
Euro Stoxx 50 (Zona Euro)	5,850.38	1.81	2.89	18.96	1.02	Japanese Yen (USD/JPY)	156.84	0.17	0.62	-0.42	0.08
FTSE100 (Inggris)	9,951.14	0.82	2.57	20.47	0.20	Chinese Yuan (USD/CNY)	6.99	-0.24	-1.16	-4.25	-
Nikkei225 (Jepang)	50,339.48	-0.81	2.10	26.18	0.00	Singapore Dollar (USD/SGD)	1.29	0.14	-0.82	-6.17	0.05
Shanghai (Tiongkok)	3,968.84	0.13	1.82	21.65	0.00	Malaysian Ringgit (USD/MYR)	4.05	0.09	-1.85	-9.48	-0.15
Hang Seng (Hong Kong)	26,338.47	2.01	0.93	34.22	2.76	Thailand Baht (USD/THB)	31.52	1.58	-1.60	-8.36	0.10

Key Data Developments in Global and National Bond Markets

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

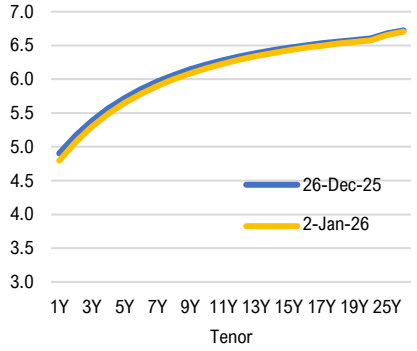


Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3,473	-1	-3	-77	0
5Y: 3,743	5	9	-63	2
10Y: 4,191	6	10	-37	2

Short-Term Bond Yields Decline as Risk Premiums Ease

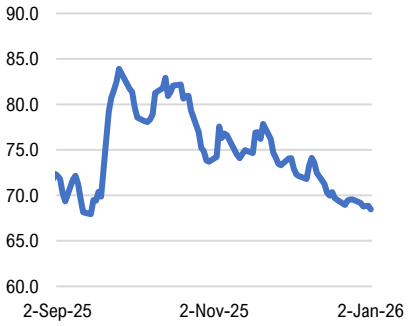
- **US Treasury bond yields remained largely unchanged amidst market activity still in a post-holiday mood**. The 10-year US Treasury yield held around 4.2% on the first trading day of 2026. Investors continue to weigh the direction of Federal Reserve interest rates this year, with a focus on upcoming economic data releases, including data on the labor market and its implications for interest rates. The minutes of the December FOMC meeting showed growing openness among policymakers to easing monetary policy if inflation continues to cool, although officials remain divided on the timing and scale of potential rate cuts. The market expects two rate cuts, compared with the Fed's projection of only one.
- **Indonesian government bond yields showed contrasting movements across short-term and medium-to-long-term tenors**. The yield on two-year Government Securities (SBN) rose 4 basis points to 5.126% on January 2, 2026. Meanwhile, the yields for the five-year and 10-year tenors decreased by 10 basis points to 5.519% and 9 basis points to 6.046%, respectively, compared to the previous week's close. Indonesia's investment risk premium decreased. Indonesia's five-year Credit Default Swap (CDS) fell 1.59% to 68.45 in the week ending January 2, 2026. This movement indicates a decrease in hedging costs against the risk of government debt default compared to the previous week's position.
- **Credit spreads nearing their lowest levels have prompted bond issuers in Asia to boost sales of US dollar-denominated bonds**. Asian issuers are increasingly engaging in US dollar-denominated debt issuance as funding costs become relatively low. This activity marks the start of what is expected to be a record year for global issuance, as companies meet their various strategic funding needs. Issuers are capitalizing on credit spreads nearing their lowest levels in recent years, both for corporations and governments, enabling them to access the US dollar bond market. Investment-grade US dollar bonds

Weekly Development of Government Bond Yield (%)



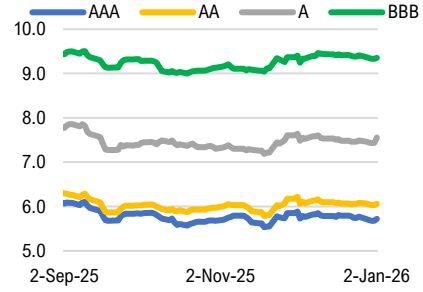
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 5,126	4	1	-193	13
5Y: 5,519	-10	-24	-151	-4
10Y: 6,046	-9	-26	-95	-2

5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
68.45	-1.59	-7.59	-12.78	-0.59

3-Year Corporate Bond Yield per Rating (%)



Source: Bloomberg

performed solidly last year, with a risk-based yield of 8.7%, making them one of the best performers in the global income market. In terms of issuance value, US dollar bonds issued in 2025 reached USD330 billion, a 25% increase and a four-year high. Declining US interest rates, increased AI spending, and a potential surge in mergers and acquisitions are expected to drive dollar bond issuance in the Asia-Pacific region throughout 2026.

- **PT Samudera Indonesia Tbk (SMDR) has spent all of the proceeds generated from its 2025 Shelf-Registered Sukuk Ijarah I Phase II public offering**. The IDR500 billion raised, or IDR495.97 billion after deducting public offering costs, has been successfully used as planned for the construction of supporting facilities such as offices, workshops, hangars, and a waste management system. The corporate action, which involved issuing 5-year EBUS, was rated $_{id}A+_{(sy)}$ by PEFINDO with a yield equivalent to 8.85%.
- **PT Medco Energi Internasional Tbk (MEDC), which previously successfully issued a Sustainable Public Offering Bond (PUB) VI Phase I Year 2025 worth IDR1 trillion** (after deducting public offering costs to IDR989.93 billion), **reported that the funds obtained have not been allocated by the company**. In reports submitted to the Financial Services Authority (OJK) and the IDX, the funds were still placed in several banks at an interest rate of 6-6.25% until the end of the year. The funds are planned to be used to repay several bonds maturing in 2026.

The Most Traded Bonds During the Week

Government Bonds

Series	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
FR0104	6.500	07/15/30	30,000	104.02	5.484	9,793,867
FR0103	6.750	07/15/35	100	105.05	6.044	4,805,484
FR0101	6.875	04/15/29	10,000	104.70	5.287	4,043,108
PBS030	5.875	07/15/28	456	102.10	4.979	3,628,880
PBS032	4.875	07/15/26	150,000	100.07	4.735	3,529,334

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sustainability Bond I Bank Mandiri Phase I Year 2025 Series A	idAAA	4.85	12/29/26	10,000	100	4.848	716,780
Shelf Registration Bond VI Pegadaian Phase IV Year 2025 Series A	idAAA	5.25	11/23/26	202,000	100.79	4.328	444,000
Sukuk Ijarah I BUMA Year 2025 Series A	idA+(sy)	7.50	04/06/26	80,000	101.52	1.396	440,000
Shelf Registration Sukuk Mudharabah II Wijaya Karya Phase II Year 2022 Series A	idD(sy)	6.50	02/18/25	50,000	98.10	--	434,700
Shelf Registration Bond III Lontar Papyrus Pulp & Paper Industry Phase I Year 2024 Series B	idA	11.00	10/04/29	5,000	106.84	8.834	356,960

Corporate Bonds Maturity for February 2026 Reaches IDR9.52 Trillion.

No.	Company	Instruments	Maturity Date	Amount [IDR Billion]	Coupon [%]	Tenor [Years]	Rating
1	PT Sinar Mas Multifinance	Shelf Registration Bond III Phase I Year 2023 Series B	7-Feb-26	851.85	10.25	3	irA+
2	PT Barito Pacific Tbk.	Shelf Registration Bond III Phase I Year 2023 Series A	8-Feb-26	52.52	8.25	3	idA+
3	PT CIMB Niaga Auto Finance	Sukuk Wakalah Bi Al-Istitsmar I Year 2023 Series B	8-Feb-26	300.00	7.15	3	AA+(idn)
4	PT Danareksa (Persero)	Bond VII Year 2023 Series A	8-Feb-26	255.00	7.50	3	idAA
5	PT XL Axiata Tbk	Shelf Registration Sukuk Ijarah II Phase II Year 2019 Series D	8-Feb-26	15.00	9.70	7	AAA(idn)(sy)
6	PT Agro Sejahtera Abadi	MTN Year 2020 Phase I Series B	10-Feb-26	50.00	10.50	3	-
7	PT Pembangunan Jaya Ancol Tbk.	Shelf Registration Bond II Phase II Year 2021 Series C	10-Feb-26	65.40	9.60	5	idA+
8	PT Sinar Mas Multifinance	Shelf Registration Bond II Phase II Year 2021 Series C	11-Feb-26	51.00	11.50	5	irA+
9	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Bond III Phase III Year 2019 Series C	19-Feb-26	183.00	9.35	7	idAAA
10	PT Perusahaan Listrik Negara (Persero)	Shelf Registration Sukuk Ijarah III Phase III Year 2019 Series C	19-Feb-26	204.00	9.35	7	idAAA(sy)
11	PT Sinar Mas Agro Resources and Technology Tbk.	Shelf Registration Bond II Phase III Year 2021 Series C	19-Feb-26	220.00	9.50	5	idAA-
12	PT Provident Investasi Bersama Tbk.	Shelf Registration Bond II Phase IV Year 2025 Series A	20-Feb-26	353.53	8.25	1	idA
13	PT Lontar Papyrus Pulp and Paper Industry	Shelf Registration Bond III Phase II Year 2025 Series A	21-Feb-26	129.21	7.25	1	idA
14	PT Lontar Papyrus Pulp and Paper Industry	Shelf Registration Sukuk Mudharabah I Phase II Year 2025 Series A	21-Feb-26	520.82	7.25	1	idA(sy)
15	PT Tower Bersama Infrastructure Tbk	Shelf Registration Bond VI Phase V Year 2025 Series A	22-Feb-26	2,045.19	6.80	1	AA+(idn)
16	PT Adira Dinamika Multi Finance Tbk.	Shelf Registration Bond VI Phase V Year 2025 Series A	24-Feb-26	997.10	6.75	1	idAAA
17	PT Agro Sejahtera Abadi	MTN Year 2020 Phase I Series C	24-Feb-26	50.00	10.50	3	-
18	PT Federal International Finance	Shelf Registration Bond V Phase V Year 2023 Series B	24-Feb-26	1,964.78	6.80	3	idAAA
19	PT Sarana Multigriya Finansial (Persero)	Shelf Registration Bond VII Phase VIII Year 2025 Series A	24-Feb-26	453.67	6.55	1	idAAA
20	PT Sarana Multigriya Finansial (Persero)	Sukuk Musyarakah Berkelanjutan I Phase IV Year 2025	24-Feb-26	362.81	6.55	1	idAAA(sy)
21	PT Pyridam Farma Tbk	Shelf Registration Bond I Phase III Year 2024	27-Feb-26	400.00	9.50	2	irA-
Total				9,524.87			

Weekly Sector Highlights

From December 29, 2025, to January 2, 2026, domestic sectoral sentiment was influenced by sectoral performance throughout 2025, planned policies and corporate actions, as well as the sectoral performance outlook in 2026.

Industries	Sentiment & Significance	News Highlights
Automotive		**Automotive Industry Needs Incentives to Keep Moving Forward in 2026.** The performance of the national automotive industry slowed throughout 2025, with car sales projected at only around 775,000–780,000 units, down from 865,723 units in 2024. Gaikindo recorded wholesale sales up to November 2025 at just 739,977 units, a 10% YoY decline. The main factors behind the drop

		include economic conditions, excise tax policies, and tight financing. To stimulate growth, industry players are requesting government incentives. Proposals include a government-covered luxury tax (PPnBM) for entry-level and hybrid cars, tax incentives for BEVs with high local content (TKDN), regional tax relaxation, and interest subsidies for lower-middle consumers. Additionally, tax cuts for manufacturers, increasing TKDN, and support for SME spare parts suppliers have also been proposed. Currently, the government is reviewing these incentive proposals with the Ministry of Finance, focusing on environmentally friendly vehicles and strengthening the industrial ecosystem.
Banking		**Credit Growth in 2026 Likely to Improve, but Still Constrained.** Entering 2026, national banks remain optimistic, although credit demand recovery is not yet fully robust. As of November 2025, credit growth stood at 7.9% YoY, driven by corporate lending (+11.5%), while personal loans slowed (+6.2%). Banking resilience remains solid with a CAR of around 25% and NPL at 2.2%, but challenges arise from weak purchasing power and restrained business expansion. Perbanas projects credit growth in 2026 to be higher than in 2025, though still short of double-digit levels as demand faces a "double hit": weak consumer purchasing power and delayed investment. Fiscal stimulus, tax incentives, and a IDR200 trillion liquidity injection from Bank Indonesia are expected to strengthen monetary transmission and open credit channels to the real sector. The BI rate is projected to gradually decline to 4.25% by end-2026, supporting intermediation. Additionally, a dual-track economy policy is needed to ensure labor-intensive sectors—absorbing 75% of the workforce—receive balanced incentives, enabling purchasing power and credit demand to recover.
Hotel and Tourism		**Hotel Business Expected to Remain Challenging in 2026.** The outlook for the hotel business in 2026 is projected to remain under pressure due to low occupancy rates and restrictions on government spending, which have been the main drivers of demand. Based on BPS data, hotel room occupancy rates up to October 2025 fell by 4.43% YoY, with an average occupancy of only 48.07%, lower than 52.50% in 2024. The Indonesian Hotel and Restaurant Association (PHRI) estimates that government market contribution to hotel revenue reaches 40%-60%, and even up to 80% in some regions, making reduced activity significantly impactful. PHRI hopes for accelerated realization of government spending and strengthening of the MICE segment (meetings, incentives, conferences, exhibitions) to support the tourism industry. In addition, high airline ticket prices are considered to hinder interregional mobility, which is crucial for equitable domestic tourism. Cushman & Wakefield emphasizes that hotel operators must diversify markets and innovate services, no longer relying on government guests but instead attracting private corporate segments.
Insurance and Guarantee		**Spin-Off of Sharia Business Units as a Growth Momentum for the Sharia Industry.** The Financial Services Authority (OJK) requires the separation of sharia business units (UUS) from insurance and reinsurance companies no later than the end of 2026, in accordance with POJK No.11/2023. This policy is expected to drive the growth of the sharia insurance industry, in line with increasing demand for products based on sharia principles. OJK notes that 29 companies will carry out spin-offs, raising the number of sharia players from 17 to around 45 entities. The spin-off is considered to deepen the market and accelerate industry growth. However, most will only be fully operational in early 2027 due to complex business processes. The Indonesian Sharia Insurance Association (AASI) reminds that each company's readiness varies, particularly regarding human resources and supporting systems. Meanwhile, industry players believe this policy will encourage innovation, although in the short term, companies must adjust capital and business strategies.
Metal and Gold		**Metal Commodities to Remain Dominant in 2026.** Gold, silver, and copper prices recorded significant surges throughout 2025, driven by a combination of safe-haven status, industrial supply deficits, and demand from the renewable energy and artificial intelligence sectors. As of December 26, 2025, gold prices rose 72.7% YTD to USD4,552.7 per troy ounce, marking yet another record high. Meanwhile, silver soared 173% to USD77.19, and copper climbed 45% to USD12,162.5 per ton, with both silver and copper setting new price records. The sharp rise in gold and silver prices in 2025 was fueled by their safe-haven appeal and industrial supply shortages. Copper also posted significant gains amid the investment boom in AI infrastructure and electric vehicles. Analysts project the positive trend to continue in 2026, supported by the Federal Reserve's interest rate cuts, a weaker US dollar, and optimism over China's property recovery. Silver is expected to remain attractive due to structural deficits and surging demand for solar panels, while copper is emerging as the "new gold" for the digital economy.
Mining		**Coal Industry Challenges in 2026.** Indonesia's coal industry is expected to face price pressures, rising compliance costs, and new policies such as the implementation of export duties (BK) of 1%-5% starting January 2026. APBI emphasizes that coal's contribution to non-tax state revenue (PNBP) remains significant, although growth prospects now depend more on global prices and export demand rather than production volume alone. Throughout 2025, the mineral and coal subsector contributed IDR124.63 trillion out of a total energy PNBP of IDR228.05 trillion, making it

		the largest contributor. Key challenges include global demand fluctuations, additional fiscal burdens, and domestic policy dynamics. IMA criticizes the export duty, arguing it could reduce export competitiveness and increase operational costs amid moderate price trends. Domestic consumption remains low, around 30% of total production, leaving exports as the mainstay. The government has also signaled a reduction in the 2026 coal production target to below 700 million tons, down from 735 million tons in 2025, even as domestic consumption rises to 300 million tons per year, primarily for coal-fired power plants.
Oil and Gas		**National Oil Lifting in 2025 Achieves State Budget Target.** SKK Migas reported that national oil lifting throughout 2025 reached the State Budget target of 605,000 barrels per day, despite facing challenges such as aging infrastructure, operational disruptions, and natural disasters. SKK Migas described this achievement as the result of concerted efforts to prevent production decline and increase output compared to the previous year. Key challenges included corroded pipelines, pump shutdowns in the Rokan Block, pipeline leaks in Banyu Urip, and damage caused by disasters in Aceh and North Sumatra. Government policy support, including the establishment of a Downstream Task Force and accelerated permitting, was a crucial factor in meeting the lifting target.
Plantation and Agriculture		**Palm Oil Export Burden Rises Alongside Mandatory B50 Implementation.** The government targets the implementation of mandatory B50 in 2026, following the previous increase in biodiesel blending from B35 to B40. This policy aims to reduce fuel imports, save foreign exchange, and create added value for the domestic palm oil industry. However, this move may push crude palm oil (CPO) export levies up by more than 10%, after rates rose from 7.5% to 10% in May 2025 under PMK No. 30/2025. POPSI projects further levy increases before mid-2026 to support biodiesel subsidies and the smallholder palm oil replanting program (PSR). For B50, biodiesel demand is estimated at 20 million kiloliters, equivalent to 16 million tons of CPO, driving domestic consumption up to 26 million tons. With national CPO production at around 49 million tons, exports could decline if output does not rise significantly. The price disparity between diesel and CPO—reaching IDR5,400–6,400 per liter—adds to the need for biodiesel subsidies, prompting BPDP to request additional subsidy funding.
Power and Energy		**BPBL Program Accelerates Household Electricity Access.** The government, through the Ministry of Energy and Mineral Resources (ESDM), is accelerating nationwide electricity access through the 2025 New Electricity Installation Assistance Program (BPBL). This program targets low-income households without independent electricity connections, with a goal of reaching 215,000 households. As of December 27, 2025, implementation has reached 199,593 households, or 93% of the target. BPBL provides complete electrical installations, connections to the PLN network, and an initial prepaid token free of charge. This initiative is part of the electrification strategy for underdeveloped, frontier, and outermost regions (3T), which still include 10,068 priority locations. The government emphasizes that electricity is a basic need for education, health, and the economy. In addition to BPBL, electrification acceleration is also carried out through the Rural Electricity Program (Lisdes) and the utilization of new and renewable energy (EBT). With the current electrification ratio at 98.54%, the government targets 100% electricity access by 2030.
Property		**FLPP Disbursement in 2025 Reaches IDR34.64 Trillion.** BP Tapera recorded the disbursement of the Housing Financing Liquidity Facility (FLPP) throughout 2025 at 278,868 housing units worth IDR34.64 trillion, or 79.68% of the 350,000-unit target. This achievement marks the highest since the program was launched in 2010, involving 40 distributing banks and 8,113 developers across 401 regencies/cities. Of the total disbursement, 99.99% were landed houses. Private-sector workers dominated beneficiaries (73.63%), followed by entrepreneurs (14.06%), civil servants (7.46%), and military/police personnel (1.94%). The civil servant segment recorded the highest growth at 145.7% YoY. West Java was the province with the largest absorption (62,591 units), followed by Central Java and South Sulawesi. BTN led disbursement with 132,744 units (47.6%), followed by BSN, BRI, BNI, and Mandiri.

Source: Harian Ekonomi Neraca, Harian Kontan, Investor Daily, and Tabloid Kontan (2025).

Weekly Economic Update

Presented by the Economic Research Division of PEFINDO
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Macroeconomic Development	: Suhindarto
Commodity and Stock Market Development	: Yollanda Nalita
Exchange Rates and Bond Market Development	: Ahmad Nasrudin
Issuance and Maturity Corporate Debt Securities	: Wasis Kurnianto
Sectoral Highlights	: Anindita Budi Rahmayani

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