WEEKLY ECONOMIC UPDATE

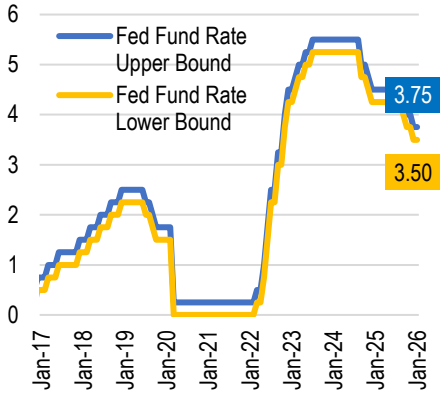
Period of January 26-30, 2026

Economic Research Division, PT Pemeringkat Efek Indonesia (PEFINDO)

Scan here for our other publications

Data Highlights of the Week

Fed Fund Rate (%)



Source: The Federal Reserve, 2026

Euro Zone Economic Growth

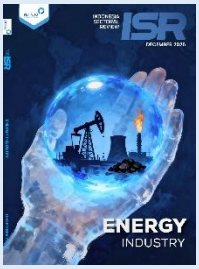
Source: Bloomberg

Get Our Other Publications

Indonesia Rating Highlight

Published every 6 months. Including a rating report from active companies rated by PEFINDO.

Indonesia Sectoral Review



Published every 2 months. Containing economic, bond markets, sectoral review, and company review.

To subscribe, contact:
Marketing Team PEFINDO:
(+62) 21 50968469

Risks Remain High, Global Monetary Policy Direction Remains Stable at the End of January 2026.

Global Economic

- **Geopolitical tensions remained high throughout the week.** The focus for the week was on the military purge (The Purge) in China following reports of investigations into two high-ranking Chinese military generals. This situation has created a perception of instability internationally. In the Middle East, tensions escalated after a United States (US) aircraft carrier headed towards Iran. The deployment of this "large fleet" was said to be intended to exert coercive deterrence against Iran, particularly following the crackdown on protesters within Iran and the escalating nuclear tensions. In response, Iran itself began live-fire military exercises in the Strait of Hormuz and deployed hundreds of fast-missile boats to patrol near the entrance to the Persian Gulf, demonstrating its readiness to blockade global oil trade routes in the event of an attack.
- **The Federal Reserve held its benchmark interest rate at 3.50%-3.75% after cutting it three times in 2025.** Jerome Powell stated that despite the solid economy, US inflation remains stuck at 3% (above the 2% target), so there is no sign of an imminent rate cut. Governors Stephen Miran and Christopher Waller opposed the decision and advocated a 25 bps cut. Nevertheless, the current interest rate remains at its lowest level since 2022. In addition to the Fed, the Bank of Canada and Sveriges Riksbank also held monetary policy meetings that same week, both of which left their interest rates unchanged at 2.25% and 1.75%, respectively. Meanwhile, the Monetary Authority of Singapore, which uses the exchange rate as its monetary policy instrument, also maintained the slope, width, and midpoint of its effective exchange rate (S$NEER) policy band.
- **President Trump nominated Kevin Warsh as the next Governor of the Federal Reserve**. Kevin Warsh's nomination sparked optimism, but caution, among market participants. Trump stated that Warsh "certainly wants to lower interest rates," but he did not want to question his commitment to doing so. The nomination was met with positive market confidence, signaled by a strengthening US dollar, as Warsh was previously seen as having a hawkish view on interest rate policy. With Trump consistently advocating for rate cuts, analysts will be watching to see whether Warsh will defend the central bank's independence. However, Warsh's nomination still needs to be officially confirmed by the US Senate.
- **The Eurozone reported a preliminary estimate of its economic growth in Q4-2025, which slowed slightly to 1.3% YoY (Q3-2025: 1.4%) but exceeded market expectations (1.2%).** This realization brings the Eurozone economy to 1.5% growth throughout 2025 (2024: 0.9%) and exceeds the European Commission's projection (1.3%). Throughout 2025, economic activity is supported by resilient household consumption, supported by lower borrowing costs and inflation, a surge in exports to the US due to front-loading before the implementation of Trump's tariffs, and stronger-than-expected investment in both equipment and intangible assets. Looking ahead, both the European Commission and the ECB expect growth to slow to 1.2% in 2026. The same week also saw the release of **Eurozone unemployment data (seasonally adjusted) for Dec'25, which fell to 6.2% from a record low since late 2024 (Nov'25: 6.3%),** providing a good basis for the central bank to maintain interest rates further.
- **The minutes of the Bank of Japan's December 2025 meeting showed that board members favored continued interest rate hikes if growth and price prospects remained stable, while maintaining an overall accommodative stance**. They assessed that the economy had recovered moderately, although manufacturing profits faced pressure from US tariffs. However, the impact has not yet spread widely to investment, employment, or wages. Private consumption was assessed as remaining resilient, supported by rising incomes and employment (Dec'25: steady at 2.6% for the fourth consecutive month), although higher prices weighed slightly. Council members agreed that financial conditions would remain accommodative even with the policy rate at 0.75%, noting that real interest rates remained deeply negative.

Upcoming Week Economic Calendar

Date	Development Releases
Feb 02	Manufacturing PMI Various Countries Jan'26
	Bank of Japan Opinion Summary Jan'26
	Indonesia Inflation Jan'26
	Indonesia Trade Balance Dec'25
Feb 03	South Korea Inflation Jan'26
Feb 04	Initial Estimation of Euro Zone Inflation Jan'26
Feb 05	Indonesia GDP Growth Q4-2025
	Bank of England Interest Rate Decision
	European Central Bank Interest Rate Decision
Feb 06	US Labour Market Data Jan'26

- **China faced internal political turmoil following investigations into generals accused of serious disciplinary and legal violations.** The investigations involved Generals Zhang Youxia (Vice Chairman of the Central Military Commission) and Liu Zhenli. Despite rumors of "nuclear treason," some saw this as Xi Jinping's move to conduct a drastic internal purge of the military and strengthen his absolute control over the government. However, the incident did not impact the economy or trigger mass panic.
- **China's NBS Composite PMI Output Index fell to 49.8 in January 2026, reversing from a six-month high of 50.7 in December 2025**. Service sector activity contracted to 49.4 after expanding in December (50.2), weighed down by post-holiday demand normalization and tighter cost conditions. Meanwhile, manufacturing output also contracted to 49.3 after expanding last month (50.1) due to a loss of momentum in factory activity due to declining demand and business sentiment. The National Bureau of Statistics stated that overall economic activity slowed at the start of the year, noting that parts of the manufacturing sector were entering their traditional off-season. Meanwhile, unusually low temperatures ahead of the Spring Festival also affected the services sector.
- **International rating agencies took several rating actions for developing countries.** Fitch Ratings revised Turkey's sovereign credit rating outlook to 'positive' from 'stable' and affirmed the debt rating at 'BB-', reflecting increased confidence in the country's economic trajectory, with significant strengthening of foreign exchange reserves, reduced external vulnerabilities, continued moderately tight macroeconomic policies, and some reduction in the risk of significant policy easing as key drivers. Meanwhile, S&P Global Ratings upgraded Ukraine's sovereign credit rating to 'CCC+' from 'Selective Default' with a 'stable' outlook, following the successful swap of USD2.6 billion of GDP warrants for new securities maturing in 2032 at the end of December 2025. This upgrade mirrored Fitch Ratings', with both agencies highlighting the importance of the restructuring. S&P noted that while a small portion of Ukraine's commercial debt (less than 2.5%) remains in default, this is unlikely to materially impact its ability to service its other obligations.

Domestic Economy

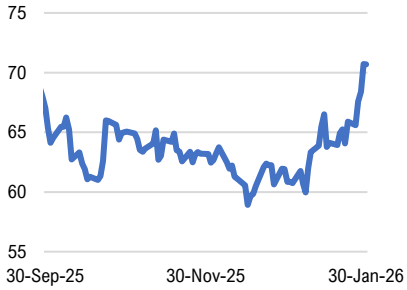
- **Morgan Stanley Capital International (MSCI) temporarily froze increases in the Foreign Inclusion Factor and Number of Shares, delayed the addition of Indonesian stocks to its Investable Market Index, and prevented companies from moving to higher index segments during the latest rebalancing.** MSCI highlighted the level of transparency and structure of Indonesia's capital market, particularly the opaque nature of share ownership data (including low free float), as well as concerns about coordinated trading behavior that does not reflect fair price formation. This incident triggered market panic and led to the resignation of officials from the Financial Services Authority and the Indonesian Stock Exchange. MSCI has given a deadline of May 2026 to improve market transparency. Failure to do so could result in Indonesia's weighting being downgraded in the Emerging Market Index or even reduced to a Frontier Market.
- **The Minister of Finance stated that the Indonesian economy is expected to achieve its 5.2% growth target for 2025 despite the floods at the end of last year**, with economic momentum expected to strengthen in Q4-2025. However, confirmation of this statement will be pending, as Q4-2025 figures will not be released until late next week. For 2026, the government is still maintaining a growth target of 5.4%.

Week Ahead Highlights

Entering the first week of February, market attention will remain focused on unusual movements in global markets, particularly the unprecedented volatility in metal commodity prices and concerns about a weakening dollar following US President Trump's appointment of Kevin Warsh as the new Federal Reserve Chairman. US employment data will be released in Jan'26, along with other economic indicators such as the Composite PMI. The Eurozone will release its inflation data. In Asia, China and various other countries will release official PMI data, while South Korea will release its Jan'26 inflation data. In Japan, the Bank of Japan will release its latest Summary of Opinions, in which policymakers emphasize that benchmark interest rates will continue to rise if economic activity and inflation are in line with projections. Meanwhile, various central banks such as the European Central Bank, the Bank of England, the Reserve Bank of Australia, and the Reserve Bank of India will set new policy interest rates. Domestically, data on Q4-2025 economic growth, inflation, Manufacturing PMI, and foreign exchange reserves in Jan'26 will be released, as well as the Dec'5 trade balance.

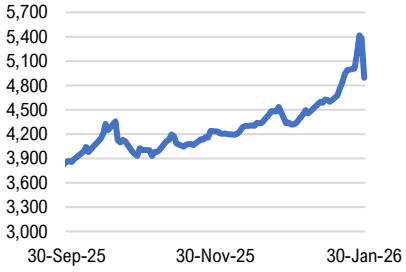
Spotlight on Commodity Price Trends
(as of January 30, 2026)

Brent Crude Oil (USD/Barrel)



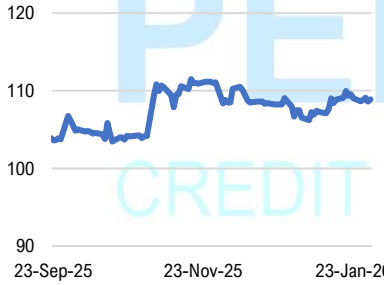
Closing (USD/Brl)	(% Change)			
	WoW	MoM	YoY	YTD
70.69	7.30	14.16	-8.04	16.17

Gold (USD/troy oz)



Closing (USD/t Oz)	(% Change)			
	WoW	MoM	YoY	YTD
4,894.23	-1.87	12.78	75.13	13.31

Steam Coal (USD/MT)



Closing (USD/Ton)	(% Change)			
	WoW	MoM	YoY	YTD
108.90	-0.09	2.11	-5.18	1.30

Commodity prices moved in a mixed direction with elevated volatility, supported by a surge in crude oil driven by geopolitical risks, while gold and coal corrected, and CPO posted a moderate gain.

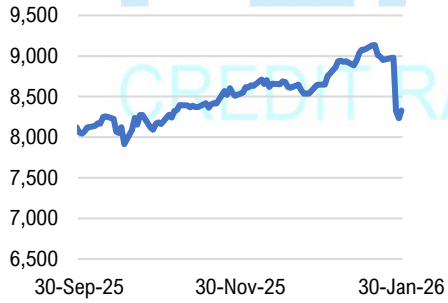
- **Brent crude oil prices recorded a sharp increase of around 7.30% over the past week,** holding at approximately USD70.69 per barrel, the highest level in nearly six months, amid rising geopolitical risk premiums in the global energy market. The rally was mainly driven by concerns over potential supply disruptions following escalating tensions between the United States and Iran, after reports that Washington is considering pressure options, including the possibility of limited strikes. The risk of Iranian retaliation—particularly against the strategic Strait of Hormuz, which carries about 20% of global oil supply—prompted market participants to build speculative long positions. Although sentiment was briefly tempered by signals of US–Iran dialogue, a stronger US dollar, and the prospect of additional supply from the US and Kazakhstan, markets continue to view geopolitical risks as dominant. As a result, volatility remains elevated, even as analysts expect prices to stabilize in the medium term.
- **Gold prices weakened by approximately 1.87% over the past week,** as selling pressure intensified toward the end of the week after the precious metal previously reached an all-time high. Negative sentiment was primarily driven by a strengthening US dollar and rising market speculation surrounding the appointment of a new Federal Reserve Chair, with Kevin Warsh—perceived as more hawkish—emerging as a strong candidate. Expectations of potentially tighter US monetary policy prompted investors to take profits following gold's aggressive rally in recent weeks. Overbought technical conditions accelerated the correction, while the dollar rebound made gold relatively more expensive for global investors. Nevertheless, on a monthly basis, gold still posted significant gains, reflecting persistent safe-haven demand amid global uncertainty. Spot gold was last seen around USD4,894.23 per troy ounce.
- **Global coal prices continued to trend lower, posting a modest weekly correction of 0.09%,** indicating a market still lacking strong catalysts for a reversal. Throughout the week, price pressure mainly stemmed from loose market fundamentals, particularly in China, where ample supply and weak demand from power utilities and industrial sectors kept inventories elevated. The decline in domestic thermal coal prices in China suggests buyers are holding back purchases, forcing sellers to adjust prices downward. On the other hand, sentiment was briefly supported by extreme weather conditions in the United States, which drove coal-fired power generation up 31% week-on-week, though the impact was insufficient to offset weak Asian demand. Ahead of the Lunar New Year holiday, Chinese buyers also remained cautious, limiting the scope for price recovery. By the end of the week, coal prices stood at USD108.90 per ton, signaling that the market remains in a consolidation phase with a weak bias.
- **Malaysian CPO prices posted a weekly gain of around 1.29%,** despite daily movements marked by volatility and limited corrections due to profit-taking. Over the past week, CPO futures fluctuated in line with the price dynamics of competing vegetable oils, particularly soyoil in Chicago, as well as palm oil and soyoil on the Dalian exchange, which at times pressured prices. Nevertheless, overall market sentiment remained relatively positive, supported by rising global crude oil prices that strengthened CPO's appeal as a biodiesel feedstock. Fundamental factors also provided support, including relatively weaker production and a solid Malaysian export performance throughout January. Externally, fluctuations in the Malaysian ringgit—alternating between strength and weakness—also influenced CPO's price competitiveness in the global market. The combination of energy market sentiment, global vegetable oil trends, and export data kept CPO on a positive weekly trajectory despite lingering short-term pressures.

Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Commodities	Closing Price	WoW (%)	MoM (%)	YoY (%)	YTD (%)
Natural Gas (USD/MMBtu)	4.35	-17.46	9.62	42.89	18.12	Crude Palm Oil (MYR/Ton)	4,229.00	1.29	3.91	-1.17	4.42
Nickel (USD/MT)	17,783.91	-4.46	6.02	10.41	7.20	Rubber (USD/Kg)	187.00	0.65	3.95	-5.22	3.95
Copper (USD/MT)	13,157.50	0.32	4.77	44.14	5.91	Wheat (cents/bu)	538.00	1.61	5.34	-5.03	6.11
Aluminium (USD/MT)	3,144.00	-0.79	5.50	19.70	4.96	Corn (cents/bu)	428.25	-0.52	-2.78	-12.65	-2.73
Iron Ore (USD/MT)	106.15	-0.66	-0.91	1.92	-0.64	Sugar (c/lb)	14.27	-3.12	-3.84	-26.71	-4.93

Global and domestic equity markets came under pressure amid rising monetary policy uncertainty and foreign capital outflows, with Wall Street posting mixed performance and the JCI falling sharply on MSCI-related sentiment. The U.S. Dollar Index plummeted to its lowest level, driving the Rupiah's appreciation despite capital outflows.

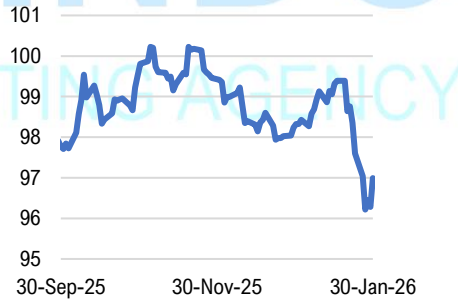
- **Over the past week, Wall Street posted weaker and mixed performance**, with the S&P 500 edging up 0.34%, while the Nasdaq Composite declined 0.17% and the Dow Jones Industrial Average fell 0.42%. These movements reflect investor caution amid rising uncertainty over monetary policy, driven by concerns surrounding the potential appointment of Kevin Warsh as Federal Reserve Chair, who is viewed as having a more hawkish stance at a time of persistently high inflation. Additional negative sentiment came from sharp volatility in technology stocks, following mixed earnings reports from megacap companies such as Microsoft, Meta, and Tesla, alongside corrective moves after earlier rallies. Further pressure stemmed from the plunge in gold and silver prices, which weighed on the materials sector and signaled cooling speculation in precious metals. Nonetheless, markets found some support from the defensive performance of consumer staples and optimism that monetary policy credibility will be maintained.
- **During the 23–30 January 2026 trading week, JCI posted a sharply negative performance, plunging 6.94% to close at 8,329.61, down significantly from 8,951.01 in the previous week**. The steep decline was driven by strong negative sentiment following MSCI's decision to temporarily freeze index rebalancing in the Indonesian equity market, triggering massive selling pressure, particularly from foreign investors. Foreign selling remained dominant, reflected in a daily net sell of IDR1.53 trillion and cumulative year-to-date 2026 net outflows of IDR9.88 trillion. This environment severely dented market sentiment and heightened volatility, even forcing the Indonesia Stock Exchange to impose two trading halts within the week. The combination of MSCI-related external shocks and heavy foreign capital outflows was the key factor weighing on IHSG performance over the past week.
- **The U.S. Dollar Index declined to a four-year low**. The U.S. Dollar Index (DXY) recorded a 0.62% decrease to 96.99 for the week ending January 30, 2026, accumulating a weakening of more than 3% since mid-January. This depreciation was triggered by market concerns regarding the threat of new tariffs from the Trump administration, the risk of a government shutdown, and political pressure on the Federal Reserve to cut interest rates aggressively. Furthermore, President Trump's January 27 statement, welcoming a decline in the currency's value to boost exports, strengthened speculation that the White House prefers a weaker USD, triggering a "Sell America" trend in which investors shifted to safe-haven assets such as gold.
- **The Rupiah strengthened amid capital outflows**. The Rupiah exchange rate appreciated by 0.20% to IDR16,786 per USD, although transaction data for January 26–29, 2026, indicated a non-resident net sell of IDR12.55 trillion. Pressure from the stock market and Government Securities (SBN), amounting to IDR12.40 trillion and IDR2.77 trillion, respectively, was partially offset by a net purchase of Bank Indonesia Rupiah Securities (SRBI) of IDR2.61 trillion. A weaker dollar provided positive sentiment for the rupiah, alongside central bank interventions amid stock market volatility.

Jakarta Composite Index (JCI)



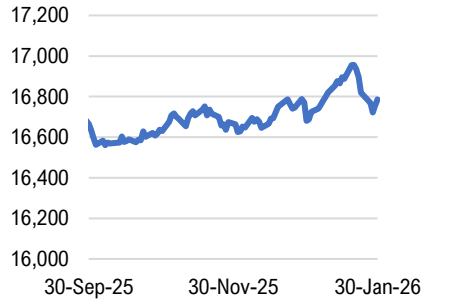
Closing	(% Change)			
	WoW	MoM	YoY	YTD
8,329.61	-6.94	-3.67	17.76	-3.67

US Dollar Index (DXY)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
96.99	-0.62	-1.35	-10.02	-10.60

Rupiah Exchange Rate (USD/IDR)



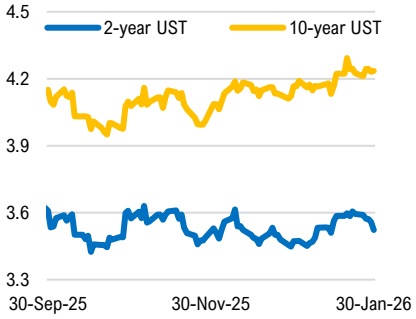
Closing	(% Change)			
	WoW	MoM	YoY	YTD
16,786	-0.20	0.64	3.26	4.05

Financial Market Development

Other Stock Indices	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)	Other Exchange Rates	Closing	WoW (%)	MoM (%)	YoY (%)	YTD (%)
S&P500 (AS)	6,939.03	0.34	0.62	14.29	1.37	Euro (EUR/USD)	1.19	0.19	0.89	14.05	14.46
Dow Jones (AS)	48,892.47	-0.42	1.09	8.94	1.73	Canadian Dollar (USD/CAD)	1.36	-0.63	-0.81	-6.03	-5.36
Nasdaq (AS)	23,461.82	-0.17	0.18	19.21	0.95	Poundsterling (GBP/USD)	1.37	0.32	1.57	10.20	9.35
Euro Stoxx 50 (Zona Euro)	5,947.81	-0.01	2.62	12.60	2.70	Japanese Yen (USD/JPY)	154.78	-0.59	-1.23	0.32	-1.54
FTSE100 (Inggris)	10,223.54	0.79	2.85	18.23	2.94	Chinese Yuan (USD/CNY)	6.96	-0.09	-0.46	-3.97	-4.69
Nikkei225 (Jepang)	53,322.85	-0.97	5.93	34.95	5.93	Singapore Dollar (USD/SGD)	1.27	-0.19	-1.17	-6.09	-6.99
Shanghai (Tiongkok)	4,117.95	-0.44	3.85	26.68	3.76	Malaysian Ringgit (USD/MYR)	3.95	-1.48	-2.78	-10.17	-11.74
Hang Seng (Hong Kong)	27,387.11	2.38	5.93	35.41	6.85	Thailand Baht (USD/THB)	31.57	1.63	0.26	-6.17	-8.08

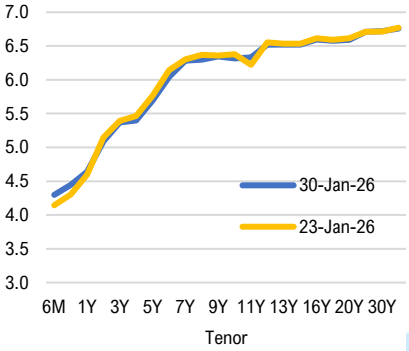
Key Data Developments in Global and National Bond Markets

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



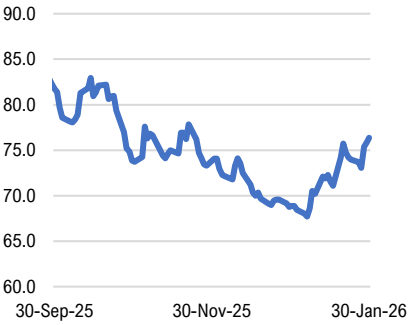
Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 3.522	-7	5	-68	-72
5Y: 3.788	-4	6	-53	-59
10Y: 4.236	1	7	-28	-33

Weekly Development of Government Bond Yield (%)



Closing (%)	(bps Change)			
	WoW	MoM	YoY	YTD
2Y: 5.149	-7	15	-170	-189
5Y: 5.724	-6	17	-113	-131
10Y: 6.334	-6	26	-64	-66

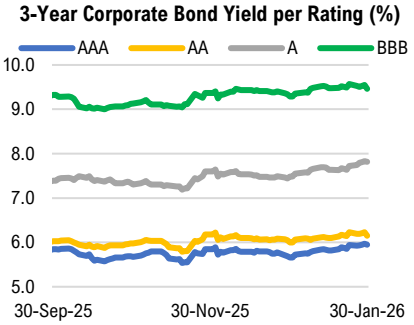
5 Year Credit Default Swap (CDS)



Closing	(% Change)			
	WoW	MoM	YoY	YTD
76.36	3.26	10.90	0.60	-3.20

The government and corporations are intensively raising funds amid global market volatility and liquidity normalization.

- **U.S. Treasury yields moved diversely**. The 2-year U.S. Treasury yield fell 7 bps to 3.522%, and the 5-year yield fell 4 bps to 3.788%, while the 10-year yield rose 1 bps to 4.236% for the week ending January 30, 2026. This market movement was influenced by President Donald Trump's appointment of Kevin Warsh as Federal Reserve Chairman, whom market participants believe can maintain the credibility of monetary policy and central bank independence. Although Warsh is expected to push for short-term rate cuts, his track record as a former Federal Reserve Governor who was firm on inflation provides market certainty about the future direction of monetary policy.
- **Rising Japanese bond yields risk-pressuring emerging markets**. The rise in Japanese Government Bond (JGB) yields to record highs triggered the potential for capital repatriation by Japanese investors from total overseas placements worth USD5 trillion. This condition increases the risk of a carry-trade reversal that could pressure financial markets in developing countries, particularly in bond markets in Malaysia, Chile, and Mexico, and in stock markets in Taiwan, India, and South Africa. Additionally, the surge in JGB yields could drive global bond yields higher and trigger volatility ahead of the Japanese elections on February 8, 2026, and Prime Minister Sanae Takaichi's fiscal expansion plans.
- **Indonesian government bond yields decreased**. All benchmark tenors of Indonesian government bonds recorded a decrease in yield, with the 2-year tenor falling 7 bps to 5.149%, and the 5-year and 10-year tenors each falling 6 bps to 5.724% and 6.334%. This movement occurred amid non-resident net selling in the SBN market, totaling IDR2.77 trillion during the period January 26–29, 2026. Simultaneously, the risk premium measured through Indonesia's 5-year Credit Default Swap (CDS) increased by 3.26% to 76.36 at the end of last week.
- **State Sukuk auctions show normalization of demand**. Incoming bids at the State Sharia Securities (SBSN) auction on January 27, 2026, corrected by 30.16% to IDR38.59 trillion compared to the previous auction. This decline was influenced by domestic liquidity adjustments following Bank Indonesia's increased frequency of SRBI auctions to mitigate capital outflows. Nevertheless, the Government absorbed funds amounting to IDR12 trillion, exceeding the indicative target of IDR11 trillion, with the PBS030 series as the most sought-after instrument. The auction results reflect a selective stance by investors who requested higher risk premiums on long tenors amid Government efforts to maintain financing discipline and extend the average debt maturity.
- **Bank Indonesia continues SBN purchases to support liquidity and fiscal programs**. Bank Indonesia (BI) recorded purchases of Government Securities (SBN) totaling IDR332.1 trillion in 2025, of which IDR246.6 trillion was undertaken through a debt-switching scheme to fund priority programs such as public housing and the Red and White Village Cooperatives. This trend continued in early 2026, with SBN acquisitions totaling IDR23.7 trillion through January 23. This liquidity expansion step is reflected in the SRBI position decreasing to IDR730.9 trillion at the end of 2025, as a form of monetary-fiscal policy synergy to maintain domestic market stability in accordance with market mechanisms.
- **The Government targets retail SBN issuance of up to IDR170 trillion**. The Ministry of Finance, through the DJPPR, plans to issue eight retail Government Securities (SBN) throughout 2026, targeting a volume of IDR150-170 trillion. The program began with the ORI029 offering from January 26 to February 19, 2026, followed by other instruments, including Retail Sukuk, Savings Sukuk, and SBR, with a tentative schedule through December 2026. This strategy aims to provide a sustainable investment environment for domestic investors while meeting state budget (APBN) financing needs through both primary and secondary markets.
- **The Government targets IDR25 trillion from the ORI029 issuance**. The Ministry of Finance opened the offering period for Retail State Bonds series ORI029T3 (3-year tenor) and ORI029T6 (6-year tenor) from January 26 to February 19, 2026, through the e-SBN system. ORI029T3 offers a fixed coupon of 5.45% per annum with a maximum order limit of IDR5 billion, while ORI029T6 offers a fixed coupon of 5.8% per annum with a maximum order limit of IDR10 billion. These instruments are tradable in the secondary market



Source: Bloomberg

between domestic investors after a one-period waiting period following a coupon payment, aiming to meet the 2026 first-quarter APBN financing target.

- **The Government plans to issue domestic Forex SBN to accommodate Natural Resources Export Proceeds (DHE SDA)**. The Ministry of Finance will issue foreign-currency-denominated Government Securities in the domestic market as a placement instrument for Natural Resources Export Proceeds (DHE SDA), following rule revisions requiring exporters to deposit 50% of their USD proceeds with Himbara banks for 12 months. This policy aims to strengthen national foreign exchange reserves, which grew by only USD0.8 billion to USD156.5 billion at the end of 2025, despite a trade surplus of USD38.5 billion. The implementation of Forex SBN will be flexible, contingent on liquidity conditions and market risks, to ensure Rupiah exchange rate stability and strengthen domestic financial market resilience.
- **SRBI auction results record the highest absorption**. Bank Indonesia won the Bank Indonesia Rupiah Securities (SRBI) auction, worth IDR39.72 trillion, on January 23, 2026, the largest weekly value since June 2024. The average SRBI interest rate for all tenors increased by 9 bps from the previous week, with the 12-month tenor recorded at 4.84%. The optimization of this instrument aims to attract foreign capital flows to maintain Rupiah exchange rate stability in the range of IDR16,880 to IDR16,980 per USD, amid a trend of capital outflows from the domestic financial market worth IDR5.96 trillion in the third week of January 2026 and an increase in the 5-year CDS premium to 73.28 bps.
- **SRBI issuance is considered to limit the optimization of economic growth**. The Institute for Development of Economics and Finance (Indef) stated that reliance on SRBI instruments to achieve exchange rate stability could dilute the effectiveness of monetary policy in driving the real sector. The attractive SRBI yield offerings in the 4% to 5% range risk-reducing banking incentives to channel credit, potentially hindering the achievement of economic growth targets above 5%. Nevertheless, Bank Indonesia reported that it had reduced the SRBI position from IDR916.97 trillion in early 2025 to IDR694.04 trillion as of January 20, 2026, as part of its rupiah liquidity expansion strategy.
- **Danantara secured a global loan facility amid market pressure**. Danantara obtained a USD1 billion loan facility with a three-year tenor at an interest rate of approximately 4.61%, 95 basis points above the USD SOFR. The cost of funds was recorded at more than double the 2% patriot bond coupon previously raised from domestic investors. This funding, involving 29 banks, was completed amid volatility in the Indonesian equity market and served as an indicator of commercial borrowing costs for the state asset management institution in its support of national economic growth targets.
- **Energi Mega Persada issued bonds to repay debt**. PT Energi Mega Persada Tbk (ENRG) issued Shelf-Registered Bond I Phase II-2026 worth IDR1.15 trillion with an $_{id}$A+ rating from PEFINDO, consisting of Series A (7.5% coupon, 3-year tenor) and Series B (8.6% coupon, 5-year tenor). Most of the proceeds are allocated to refinancing subsidiaries' debt with PT Bank Mandiri (Persero) Tbk: 73.69% to PT Imbang Tata Alam and 11.11% to PT Energi Maju Abadi. The public offering is scheduled for February 9–10, 2026, and listing on the Indonesia Stock Exchange will take place on February 18, 2026.
- **Jasa Marga issued bonds to strengthen subsidiary capital.** PT Jasa Marga (Persero) Tbk (JSMR) offered Shelf-Registered Bond III Phase III-2026 worth IDR2.07 trillion with an $_{id}$AA rating from PEFINDO, divided into four series with interest rates between 5.7% and 6.75% for tenors of 3 to 10 years. The proceeds are planned for capital injections into subsidiaries, with IDR1.3 trillion allocated to PT Jasamarga Japek Selatan and the remainder to PT Jasamarga Jogja Bawen. The public offering period is scheduled for February 12–13, 2026, with a listing target on the Indonesia Stock Exchange on February 23, 2026.
- **Indah Kiat completed bond and sukuk repayments.** PT Indah Kiat Pulp & Paper Tbk (INKP) has repaid the principal of Shelf-Registered Bond III Phase IV Year 2023 Series A worth IDR909.325 billion and Shelf-Registered Mudharabah Sukuk II Phase IV Year 2023 Series A worth IDR501.585 billion on January 27, 2026. The total payment of IDR1.41 trillion was made in full and on time through PT Kustodian Sentral Efek Indonesia. This corporate action is part of the company's liability management to maintain its capital structure and meet obligations to holders of debt instruments.
- **Tower Bersama conducted refinancing through bond and sukuk issuances**. PT Tower Bersama Infrastructure Tbk (TBIG) offered Shelf-Registered Bond VII Phase III-2026 worth

IDR1.06 trillion and Shelf-Registered Ijarah Sukuk I Phase III-2026 worth IDR210.1 billion. The bonds are divided into three series, with interest rates ranging from 4.85% to 6%, and the net proceeds from these instruments are allocated entirely to the principal repayment of Shelf-Registered Bond VI Phase V-2025 Series A, which matures on February 22, 2026. The offering period is scheduled for February 6 and 9, 2026, with a listing target on the Indonesia Stock Exchange on February 13, 2026.

- **Bumi Resources issued bonds for accelerated debt repayment.** PT Bumi Resources Tbk (BUMI) plans to issue Shelf-Registered Bond I Phase IV Year 2026 worth IDR612.75 billion with a fixed interest rate of 7.25% and a three-year tenor. The proceeds will be used to make accelerated payments on the loan principal to Indies Special Opportunities III Ltd and Indies Special Opportunities IV Ltd, amounting to USD20.45 million, with the remainder allocated to operational working capital. The public offering is scheduled for February 9–13, 2026, amid the company's stock market conditions, which recorded foreign net selling of IDR1.34 trillion in the last week.

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	13,000.00	100.62	5.73	18,115,344
PBS030	5.88	07/15/28	6,000.00	101.50	5.21	12,329,662
FR0108	6.50	04/15/36	159,500.00	101.45	6.30	9,909,939
FR0103	6.75	07/15/35	5,000.00	102.74	6.36	9,892,393
FR0087	6.50	02/15/31	4,000.00	102.81	--	5,988,380

Corporate Bonds

Instruments	Rating	Coupon (%)	Matured (mm/dd/yy)	Size (IDR Mio)	Price	Yield (%)	Volume (Mio Unit)
Shelf Registration Sukuk Mudharabah I Lontar Papyrus Pulp & Paper Industry Phase I Year 2024	idA(sy)	11.00	10/04/29	3,400	109.44	8.00	622,000
Shelf Registration Sukuk Mudharabah II OKI Pulp & Paper Mills Phase II Year 2025 Series A	idA+(sy)	10.00	07/29/28	5,000	101.78	9.19	575,860
Sukuk Ijarah I Integrasi Jaringan Ekosistem Year 2025 Series B	idA(sy)	11.50	07/08/28	5,000	103.67	9.78	457,000
Shelf Registration Bond V Chandra Asri Pacific Phase I Year 2025 Series C	idAA-	7.50	01/13/33	350,000	100.03	7.49	370,000
Bond III BUMA Year 2025 Series B	idA+	8.00	10/10/28	5,000	98.75	8.52	313,570

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 January 26–30, 2026, domestic sectoral sentiment was influenced by performance during 2025, forward-looking prospects, corporate actions, as well as the implementation and planning of policies.

Industries	Sentiment & Significance	News Highlights
Automotive	○	**EV Policy Direction Shifts from Subsidies to Structural Regulation.** The discontinuation of electric-vehicle incentives marks a shift in strategy from fiscal subsidies toward more sustainable structural regulations. Observers note that incentives are inherently accelerative, and Indonesia has now reached around 60% EV ecosystem readiness—indicated by incoming manufacturing investment and foundational regulations—although the remaining 40% still requires strengthening in the supply chain, financing, and charging infrastructure. He encourages a shift toward supply-side mandates through increased local production and progressive domestic-content requirements, accompanied by reforms to emission-based vehicle taxes and vehicle-age limits to accelerate fleet renewal and curb fuel consumption. Accelerating EV adoption must proceed alongside fuel-subsidy reform, as subsidized fuel consumption will continue to rise in the absence of EVs. He also underscores the importance of non-fiscal incentives—such as streamlined licensing, regulatory certainty for charging-infrastructure development, and harmonized battery regulations—which are seen as having a longer-term impact compared with tax incentives. To maintain momentum, the government is still advised to provide targeted support for the mass-market segment through financing subsidies, green-credit schemes, and acceleration of public charging-station development, with policy focus shifting from the size of subsidies to the strength of market structure.
Banking	●●	**SAL Funds Maturing in March 2026, Bank Liquidity Projected to Remain Safe.** The government has begun withdrawing the placement of SAL funds from Himbara banks totaling IDR276 trillion, consisting of IDR200 trillion placed since September 2025 and an additional IDR76 trillion in November. A portion of the funds amounting to IDR75 trillion was already withdrawn in December 2025. The funds are in the form of on-call deposits with an interest rate of 80.476% of the BI 7-DRR and a six-month tenor, requiring repayment in March 2026 along with the accrued interest. BTN assesses that the short tenor poses a liquidity risk because the funds have already been channeled into long-term loans, prompting the bank to propose an extension of the tenor and a reduction in interest rates to avoid liquidity competition and the potential for higher lending rates. Meanwhile, BSI states that the SAL funds remain placed until March 2026 and continue to support liquidity in line with solid third-party fund growth following the placement. However, economists view the impact on banking liquidity as relatively limited, as overall liquidity conditions remain loose, and the main issue in lending lies more on the demand side (credit growth in 2025 reached around 9.6% YOY), with the primary challenge being the incomplete recovery of credit demand.
Insurance and Guarantee	●●	**Planned Consolidation of State-Owned Insurance Companies into Three Core Entities.** Danantara Indonesia assesses that the state-owned insurance sector continues to face fundamental challenges, ranging from governance and risk management to an inefficient industry structure. Discussions with the Financial Services Authority (OJK) indicate that the existence of around 15 state-owned insurance companies—with small business scales and overlapping functions across insurance, guarantees, and credit risk coverage—is considered suboptimal. The government aims

		to consolidate these entities into three main groups: life insurance, general insurance, and credit insurance, including a streamlining of the number of reinsurance companies, which is also viewed as excessive. The consolidation process begins with clustering all insurance and reinsurance companies under IFG Holding, given that not all entities are currently incorporated within it. Further restructuring remains possible if needed. With a more focused structure, each entity is expected to possess more effective risk-management capacity, stronger capitalization, and a greater role in maintaining national financial system stability.
Mining	🔴	**Coal Export Duty Reaches Finalization Stage.** The government is finalizing the regulation on coal export duties (BK) with a tiered tariff estimated to range between 5–8%, adjusted to the benchmark price level. Minister of Finance Purbaya Yudhi Sadewa indicated the possibility that this policy may apply retroactively starting January 2026, as part of efforts to optimize state revenue and maintain fiscal balance amid high coal-sector VAT restitution, which reaches IDR25 trillion per year. He emphasized that the government is under no obligation to follow industry objections, while the export duty is viewed as an instrument to improve natural-resource governance and encourage downstreaming and decarbonization. The Minister of Energy and Mineral Resources stated that the export duty will only be imposed when coal prices are high, so as not to burden companies during low-price periods. Meanwhile, the Indonesian Coal Mining Association (APBI) stressed the need to consider price sensitivity and industry margins, given that companies are facing pressures from weakening global prices, fluctuating demand, and rising regulatory-compliance costs.
Multifinance	🟢🟢	**Multifinance Firms Becoming More Aggressive in Issuing Bonds in 2026.** The multifinance industry is expected to remain the main driver of corporate bond issuance in 2026 amid high funding needs and substantial maturing debt obligations. PEFINDO has recorded receiving rating mandates from three multifinance companies planning bond issuances of around IDR4 trillion to maintain liquidity and meet refinancing requirements. Multifinance bonds maturing in 2026 amount to IDR33.93 trillion, with the peak maturity occurring in the second quarter at IDR13.68 trillion. Amid these pressures, the bond market offers more competitive funding costs compared with bank loans—5.4%–6.9% for AAA to A-rated bonds, versus bank lending rates of around 8.36%. Issuers are also beginning to opt for longer tenors, with five-year bonds accounting for 30.63% of total issuance. Several companies, such as ACC and Adira Finance, have stated that they remain open to issuing bonds and sukuk in 2026, but will continue to adjust their plans based on funding needs, market conditions, and prudent liquidity strategies.
Oil and Gas	🟢🟢	**BPH Migas Cuts Subsidized Fuel Quota for 2026.** BPH Migas has set adjustments to the subsidized fuel quota for 2026, with Pertalite reduced by 6.28% to 29.27 million kiloliters and subsidized diesel reduced by 1.32% to 18.64 million kiloliters. Conversely, the kerosene quota was slightly increased by 0.19% to 526 thousand kiloliters to maintain supply in certain regions. This reduction aligns with efforts to improve targeting accuracy and control national energy consumption. Previously, tighter oversight of subsidized fuel distribution generated savings of IDR4.9 trillion, including efficiencies from diesel, kerosene, and Pertalite, all of which were distributed below the 2025 state budget quota. In addition to setting quotas, BPH Migas targets the construction of 55 additional One-Price Fuel distribution points and the development of natural gas infrastructure, including 50 km of new pipeline networks. The government has also changed the compensation payment mechanism for fuel and electricity to a monthly schedule to provide greater cash-flow certainty for businesses.
Plantation and Agriculture	🟢🟢	**New Trade Ministry Regulation Tightens Governance of SIR Natural Rubber Exports.** The Ministry of Trade has issued Regulation No. 1/2026 governing the export management of technically specified natural rubber (SIR) to maintain quality, strengthen global competitiveness, and stabilize producer prices. SIR exports may now only be conducted by producers holding SIR-TPP status, must comply with SNI 1903:2017, and must meet product-labeling requirements and technical limits such as contaminants, dry-rubber content, and coagulating agents. All SIR-TPP processes are conducted digitally through INATRADE–SINSW with a maximum processing time of three working days and no fees. This policy also aligns with Indonesia's commitments within the International Tripartite Rubber Council (ITRC), including collaboration in responding to the implementation of the EU Deforestation-Free Regulation (EUDR).
Toll Road	🔴	**JSMR's Performance Supported by Tariff Increases, but Leverage Risks Continue to Weigh.** Jasa Marga's (JSMR) performance this year still has room to improve, supported by continued toll-tariff adjustments that help sustain revenue and cash flow, even though January–September 2025 revenue declined 6.1% year-on-year to IDR21.08 trillion. Core toll revenue grew 5.3% YOY, driven by an approximately 5% tariff increase, while operating margins strengthened despite net profit falling 17% due to non-operational expenses. Medium-term prospects remain supported by the 2025 tariff adjustments, which range from 3.5% to 11.4% across various toll segments. However,

		investors should pay close attention to leverage risks and the potential acquisition of Waskita's toll-road portfolio, which continues to incur losses and could add to JSMR's debt burden.
Transportation and Vehicle Rental	🟢	**GIAA Projected to Enter a Turning Point in Its Recovery in 2026.** Danantara projects 2026 as the turning point for Garuda Indonesia's (GIAA) recovery, reflected in the 9.76% surge in share price in early January, indicating improved investor sentiment following changes in the ownership structure. Performance recovery is supported by significant funding assistance in the form of shareholder loans and a capital injection of IDR23.63 trillion for aircraft maintenance, fleet reactivation, and increased production capacity, as well as a potential integration with Pelita Air to enhance efficiency and synergy. Nevertheless, analysts caution that the success of the transformation must be accompanied by operational efficiency—from route optimization and the use of more fuel-efficient aircraft to process digitalization—without compromising safety. These corporate actions are expected to strengthen Garuda's fundamentals as a group and create opportunities for the company to record net profit and positive equity by the end of 2026, after still posting losses through the third quarter of 2025.

Source: APBI-ICMA, Bloomberg Technoz, CNBC Indonesia, Harian Ekonomi Neraca, Harian Kontan, Indo Premier, Investor Daily, MetroTV News, Navigasi.co.id, Tabloid Kontan, Tempo, TradingView, Tribunnews (2026).

Weekly Economic Update

Presented by the Economic Research Division of PEFINDO

pef-economic@pefindo.co.id

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

Disclaimer:

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fair value of debt securities and/or the value of the entity assigned a rating by PEFINDO.

All the data and information needed in the rating process are obtained from the party requesting the rating, which is considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every piece of information and data received and used as the basis for the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them.

PEFINDO and every one of its members of Board of Directors, Commissioners, Shareholders, and Employees are not responsible to any party for losses, costs, and expenses suffered or that arise because of the use of the contents and/or information in this rating report or publication, either directly or indirectly.

PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process.

PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process.

Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publications and publish the results of the review of the published ratings, both periodically and specifically, in case there are material facts or important events that could affect the previous ratings.