



Macroeconomic Monitor December 2025: Soft Landings, Hard Choices: A Year-End Macro Reflection and Global Economy in 2026

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HIGHLIGHTS

December 2025

United States

Recent indicators show the US economy remains on an expansionary path but is gradually losing momentum. The S&P Global Manufacturing PMI eased to 52.2 in November 2025 from 52.5 in October 2025, while the Services PMI declined to 54.1 from 54.8, both still signalling moderate growth. Manufacturing output stayed firm but was increasingly supported by inventory accumulation as new orders weakened, while services activity continued to benefit from relatively steady domestic demand. Cost pressures persisted due to tariffs, higher metal prices, and rising labor costs. However, strong competition limited firms' ability to raise selling prices, putting pressure on profit margins. Inflation showed signs of easing, with headline CPI moderating to 2.7% YoY in November 2025 and core inflation at 2.6% YoY, although price pressures remained uneven across components, particularly in shelter and energy. Meanwhile, the labor market continued to cool. The unemployment rate rose to 4.6% in November, the highest since September 2021, while the broader U-6 measure signaled rising underemployment. Against this backdrop, the Federal Reserve cut the policy rate by 25 bps in December 2025 to 3.50–3.75% to balance moderating growth, easing inflation, and rising employment risks.

Euro Zone

Economic conditions in the Euro Zone continued to point to a fragile and uneven recovery at the end of 2025. Consumer confidence held at -14.2 in November 2025, the highest level in eight months but still firmly negative, indicating continued household caution. Manufacturing activity stayed in contraction, with the PMI at 49.2 in December 2025, down from 49.6 in the previous month, reflecting weak demand despite improving expectations. Retail sales stabilized, posting 0.0% MoM growth in October 2025 and rising 1.5% YoY, signalling a gradual recovery in consumer demand. Inflation edged higher, with headline CPI increasing to 2.2% YoY in November 2025, driven by stronger services inflation at 3.5%, while core inflation remained steady at 2.4%.

China

China's November 2025 data point to weak stabilization rather than a strong recovery. Manufacturing PMI edged up to 49.2 in November 2025, but remained in contraction, with uneven performance across sectors, where state-linked and high-tech industries stayed relatively resilient, while small private firms continued to face pressure from weak domestic demand. The labor market remained stable, with the unemployment rate at 5.1% in November 2025, but longer working hours reflected efficiency gains rather than an expansion in employment. The rise in headline CPI inflation to 0.7% year-on-year in November 2025 was temporary

and largely driven by food prices, while core inflation remained subdued, indicating that deflation risks persist. Demand weakness was most evident in the sharp slowdown in retail sales growth to 1.3% year-on-year in November 2025, reflecting cautious household behavior amid income uncertainty. Overall, China's economy is stabilizing on a low-growth trajectory, supported by policy measures and exports, but it has yet to achieve a sustainable domestic recovery.

Indonesia

Indonesia's macro indicators at the end of 2025 point to resilient but increasingly uneven growth dynamics. GDP growth is expected to remain stable at around 5.0% in 2025, with a modest uptick in 2026 supported by domestic demand, fiscal support, and accommodative monetary conditions, although near-term momentum may soften due to natural disaster disruptions and external headwinds. Inflation moderated to 2.72% YoY in November, staying comfortably within the target range as food price pressures eased, while core inflation remained steady, suggesting contained underlying demand pressures despite lingering cost increases in services and logistics.

Activity indicators were mixed: manufacturing strengthened notably, with the PMI rising to 53.3 on robust domestic orders and output gains, but foreign demand weakened and cost pressures intensified; retail sales growth also accelerated ahead of year-end holidays, reflecting improved consumer sentiment, which climbed to its highest level since February. Externally, the trade surplus narrowed sharply as exports contracted, particularly in oil and gas, underscoring vulnerability to global demand and tariff effects despite a still-large cumulative surplus. Against this backdrop, Bank Indonesia kept the policy rate unchanged at 4.75%,

prioritizing rupiah stability amid global financial volatility, while fiscal policy is becoming more constrained by revenue shortfalls even as spending pressures remain rigid. Overall, Indonesia enters 2026 with a stable growth base and strong domestic buffers, but execution risks, external sensitivity, and tightening fiscal space suggest a shift from cyclical support toward policy credibility, efficient implementation, and productivity-enhancing reforms.

The image features a solid red background with white geometric patterns in the corners. In the top-right and bottom-left corners, there are squares divided into four quadrants by a diagonal line from the top-left to the bottom-right. The top-left and bottom-right quadrants are white, while the top-right and bottom-left quadrants are red. In the bottom-left corner, there is also a thin vertical orange line.

THE GLOBAL ECONOMY AHEAD

The Global Economy Ahead

GLOBAL FIXED INCOME

Into 2026, fixed income is no longer a “return-free risk” asset class: the post-pandemic reset in yields has materially rebuilt carry, but duration remains hostage to term-premium and fiscal narratives. Market pricing implies a continuation of policy easing in the US and parts of Developed Markets, yet the more structural issue is sovereign balance-sheet fatigue (investors are increasingly differentiating fiscal credibility), not just growth and inflation. From a portfolio-construction lens, the implication is barbelled: (i) stay disciplined on duration exposure given episodic “fiscal stress” risk, while (ii) monetising carry in high-quality credit and selective Emerging Markets where a softer dollar and Fed easing can improve funding conditions. In short: higher starting yields improve expected returns, but the path will be volatile.

BUSINESS TRENDS

The 2026 business backdrop is characterised by “late-cycle adaptation”: companies and policymakers prioritise resilience over efficiency, while capital allocators become more selective on execution risk. The Artificial Intelligence (AI) capex wave continues to reshape investment and labour allocation, but monetisation dispersion stays high, leaders consolidate economics of scale while laggards absorb cost without pricing power. Moreover, fragmentation becomes operational, not theoretical: rules-of-origin, localisation, and compliance burdens raise the fixed-cost base of cross-border business. Meanwhile, demand is steady but not exuberant. Consumers remain price sensitive, and corporates focus on margin

protection via automation, supply-chain redesign, and disciplined capex hurdles. Expect outperformance in “picks-and-shovels” enablers (power, data infrastructure, cyber, defence supply chains) and relative pressure on globally integrated business models that cannot reprice tariffs, logistics, and regulatory complexity quickly enough.

COMMODITIES

Commodities in 2026 set up as a two-track market: cyclical softness in broad inputs versus structurally supported pockets tied to electrification, energy security, and safe-haven demand. On the cyclical side, subdued global growth and trade frictions can cap upside in fuel and several industrial complexes, especially where supply expansions (notably gas/LNG) remain in motion. Structurally, however, “strategic commodities” retain a bid: electrification and AI-linked capex keep long-run demand for critical minerals intact, even if spot pricing is noisy. Gold’s role as geopolitical hedge remains relevant in a world of sanctions risk and policy unpredictability, while copper and battery materials are pulled between tariff distortions and secular demand. In summary: expect higher dispersion and more event-driven price action than a clean beta rally.

GEOPOLITICAL RISK

Geopolitics in 2026 is not a tail risk, it is a persistent source of risk premia and macro volatility. The estimated conflicts underscore a crowded landscape that raises the probability of shipping disruptions, sanctions spillovers, and commodity supply shocks, even if any single conflict de-

INFLATION TREND

Inflation into 2026 looks less like a straight line back to the old regime and more like a lower-level, higher-variance process. Base effects and easing supply constraints have helped bring headline measures down, but tariff-related goods pressure, services stickiness, and the interaction of wages, housing, and geopolitics keep “inflation shocks” on the table. The market-relevant message is that central banks may cut, but they will likely remain data-reactive and credibility-protective, creating stop-start easing cycles rather than a one-way glide path. For portfolios, this reinforces the case for diversification across quality, selective real assets, and hedges that perform in inflation re-acceleration scenarios. The most important shift is behavioural: after the post-pandemic episode, firms and households are quicker to reprice, which can make inflation more reflexive when catalysts (tariffs, energy, FX) appear.

escalates. The market transmission mechanism typically runs through liquidity first (USD strength, risk-off, EM outflows), then into real activity via higher energy/logistics costs and deferred capex. A practical investment lens is correlation management: add hedges that monetize volatility regimes (quality duration, selective gold, defensives), while avoiding concentrated exposures to single-route trade and geopolitically sensitive inputs. In this environment, policy credibility becomes an asset: countries with predictable rules and stable institutions attract capital; the rest pay up in currency and funding costs.

GLOBAL TRADE

Global trade in 2026 increasingly operates under “managed globalisation”: volumes keep moving, but routes, partners, and product mixes are being rewired by tariffs, industrial policy, and national-security screening. The key dynamic is diversion rather than collapse. Firms re-optimize supply chains around rules-of-origin, friend-shoring, and local content, which sustains trade activity while raising costs and extending lead times. Parallel to this, regional and bilateral arrangements gain importance as the multilateral system struggles to keep pace with techno-geopolitics. For investors, the implication is uneven: logistics, ports, and “compliance infrastructure” (customs tech, traceability, legal services) benefit, while sectors reliant on frictionless cross-border scale face margin and valuation pressure. Trade winners will be those with flexible footprints and pricing power; losers will be those anchored to a single market or corridor.



**RECENT
ECONOMIC
DEVELOPMENT:
GLOBAL MARKET**

Recent Economic Development: Global Market

United States

MANUFACTURING SECTOR

US manufacturing continued to expand in November 2025, marking the fourth consecutive month of growth. S&P Global Manufacturing PMI eased to 52.2 from 52.5 in October 2025 yet remained solidly above the expansion level 50-point growth threshold. Growth mainly came from strong production, which hit its highest level since August. However, demand showed clear weakness. New orders grew slowly and lost momentum compared with October. Export orders fell for the fifth month in a row, held back by tariffs and weak overseas demand. This gap between production and demand led to excess inventories. Finished goods stocks rose at the fastest pace in the survey's history.

Input costs stayed high, especially for metals, as tariffs pushed prices up. Firms tried to raise selling prices, but weak demand and strong competition limited their ability to do so. As a result, price increases were among the lowest this year. Business confidence and hiring improved after the government shutdown ended, supported by hopes for better policies and lower interest rates.

SERVICES SECTOR

The US services sector kept growing in November 2025, although momentum softened slightly. Services PMI fell to 54.1 from 54.8 in October 2025, its lowest since June 2025 but remains strong. This

figure still signaled a solid expansion. This growth was fueled by the largest increase in new business since late 2024, along with modest gains in exports. The strong workload prompted firms to boost hiring at the fastest pace since June. Furthermore, business confidence improved significantly following the end of the government shutdown, with companies expecting further support from lower interest rates and increased spending.

Cost pressures, however, became more intense. Labor costs rose, and tariffs pushed input prices higher. Selling prices also increased, reaching a six-month high. Still, competition and efforts to boost sales limited how much firms could raise prices. If high costs persist, profit margins may come under pressure. Overall, PMI data suggests the US economy grew at an annualized pace of around 2.5% in the fourth quarter.

INFLATION

US inflation continued to moderate in November 2025, though price pressures remained uneven across components. The Consumer Price Index (CPI) for all urban consumers rose by 0.2% on a seasonally adjusted basis between September and November 2025, reflecting a two-month comparison as October inflation data were unavailable due to the federal government shutdown. On a year-on-year basis, headline inflation eased to 2.7% in November, down from 3.0% in September, indicating a gradual

disinflation trend. Core inflation, excluding food and energy, also increased by 0.2% over the same period, with the 12-month core CPI at 2.6%, suggesting moderate underlying price pressures.

Shelter costs rose by 0.2% and remained a key contributor to inflation, while energy prices increased by 1.1% over two months and were 4.2% higher year-on-year. Food prices recorded modest gains. At the component level, price increases were seen in household furnishings, communication, and personal care, while prices declined in lodging away from home, recreation, and apparel. Overall, the data suggest inflation is easing gradually but unevenly, supporting the Federal Reserve's cautious, data-dependent policy stance amid slowing economic momentum.

LABOR MARKET

Based on US Bureau of Labor Statistics (BLS) data, the unemployment rate rose to 4.6% in November 2025 from 4.4% in September, exceeding market expectations and marking the highest level since September 2021. The rate was also higher than a year earlier (4.2% in November 2024), signaling a gradual cooling in labor market conditions. Unemployment rates across most demographic groups remained broadly stable, with adult men and women both at 4.1%. Youth unemployment stayed elevated, particularly among teenagers aged 16–19 (16.3%), while prime-age workers (25–54) recorded a lower rate of 3.9%. The number of unemployed stood at 7.8 million, little changed from September, and the labor force participation rate was steady at 62.5%. Meanwhile, the broader U-6 unemployment rate increased, reflecting a rise in involuntary part-time employment and indicating emerging underemployment pressures.

MONETARY POLICY

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On December 10 2025, The Federal Open Market Committee (FOMC) cut the federal funds rate by 25 basis points (bps), lowering it to 3.50%–3.75%. The Fed made this cut because recent data showed the economy was growing only moderately, while the job market was slowing down with fewer new jobs and rising unemployment through September. Although inflation had picked up slightly, it remained at moderate levels. The overall economic outlook stayed highly uncertain.

The Fed said the cut was needed to balance risks to both employment and inflation, noting that downside risks to jobs had grown recently. The Committee kept its data-dependent approach, meaning future policy changes will rely entirely on incoming reports about jobs, inflation, spending, and global events. While the Fed remains strongly committed to bringing inflation back to its 2% target, it is ready to adjust policy further if conditions worsen. To ensure smooth financial market operation, the Fed will also continue to purchase short-term Treasury securities as needed to maintain high levels of banking system reserves.

US growth is moderating, with resilient services offsetting weak manufacturing demand, uneven disinflation, a cooling labor market, and the Fed beginning cautious policy easing.

2026 US OUTLOOK

The US in 2026 is best framed as “slower growth with pockets of exceptionalism.” AI-related investment and productivity initiatives can cushion activity, but

the macro picture remains constrained by affordability (housing), late-cycle labour normalisation, and a noisy policy backdrop. Any perception of weakened policy credibility (or politicisation of institutions) would likely show up first in long-end yields and USD volatility, tightening financial conditions even if the Fed cuts rate further. In base case, easing supports a soft-landing-style expansion; in bear case, a fiscal or confidence shock drives higher real rates and weaker risk sentiment. Positioning should respect both outcomes.

Euro Zone

CONSUMER CONFIDENCE INDEX

Euro Zone consumer confidence stood at -14.2 in November 2025, its highest reading in eight months, unchanged from October 2025 and consistent with the preliminary estimate. The flat monthly outcome points to a pause in the recovery of sentiment, with confidence levels remaining firmly negative and indicating that households continued to assess economic conditions unfavorably. In the broader European Union, the confidence index was largely stable at -13.6, compared with -13.5 in October 2025, reflecting offsetting developments within the survey components. A marginal improvement in assessments of the general economic environment was counterbalanced by a weaker evaluation of household financial conditions over the past year, reflecting ongoing cost-of-living pressures. At the same time, expectations for future household finances and intentions regarding major purchases remained broadly unchanged, underscoring a continued preference for caution and limited appetite for increased spending.

PURCHASING MANAGERS' INDICES

Manufacturing activity in the Euro Zone weakened further toward the end of 2025, with the

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Manufacturing Purchasing Managers' Index (PMI) declining to 49.2 in December 2025, down from 49.6 in November 2025. The latest reading indicates a continued deterioration in sector conditions, driven primarily by softening demand. In response, manufacturers intensified workforce reductions and accelerated the drawdown of inventories to better align capacity with lower order volumes. Despite these pressures, output continued to expand, though at a slower pace, and business sentiment improved, suggesting cautious optimism about future conditions. While actual production growth remained below its historical average, expectations strengthened and moved above long-term norms. On the cost side, input prices rose more sharply, marking the strongest increase since March 2025, yet output prices edged lower, highlighting ongoing constraints on manufacturers' pricing power.

RETAIL SALES

Retail trade activity in the Euro Zone stabilized in October 2025, with seasonally adjusted volumes unchanged from September 2025, following modest growth in the previous month. On an annual basis, retail sales increased by 1.5% in the euro area and 1.6% in the EU, pointing to a gradual recovery in consumer demand. At the monthly level, sales of food, drinks, and tobacco rose, while non-food retail declined slightly and automotive fuel recorded modest gains. Country-level performance was uneven, with the strongest monthly increases recorded in Luxembourg (+3.6%), Estonia (+1.7%), and Croatia (+1.4%), while the sharpest declines occurred in Belgium (-1.3%), Austria (-0.6%), and Ireland and Sweden (both -0.4%). On a year-on-year basis, retail growth was led by Cyprus (+9.9%), Bulgaria (+7.4%), and Malta (+6.2%), while contractions were observed in Luxembourg (-0.8%), Austria (-0.6%), and Belgium (-0.1%).

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INFLATION

Euro Zone inflation increased modestly in November 2025, with the headline Consumer Price Index (CPI) rising to 2.2%, compared with 2.1% in October 2025, slightly surpassing market expectations and remaining above the European Central Bank (ECB)'s medium-term objective. The uptick was primarily driven by firmer services inflation, which accelerated to 3.5%, its highest level since April 2025, reflecting sustained cost pressures in labor-intensive sectors, particularly wages and operating expenses. Energy prices continued to decline, although at a slower pace, reducing their disinflationary impact on the overall index. In contrast, price growth for non-energy industrial goods and food, alcohol, and tobacco remained unchanged, pointing to stable conditions in these components. Core inflation was steady at 2.4%, indicating broadly unchanged underlying pressures. Inflation trends across member states remained uneven, with Germany recording firmer price growth while several other large economies continued to see subdued inflation.

ECONOMIC GROWTH

Euro Zone GDP growth for the third quarter of 2025 was adjusted upward to 0.3%, from an earlier estimate of 0.2%, and strengthened from the 0.1% expansion recorded in the previous quarter. The upward adjustment reflected a rebound in fixed investment, which rose 0.9% after a sharp contraction in Q2 2025, alongside firmer growth in government expenditure, increasing 0.7%. Inventory accumulation also made a positive contribution of 0.1 percentage point to overall growth. In contrast, household consumption moderated to 0.2%, while net trade exerted a drag on growth, subtracting 0.2 percentage points, as import growth outpaced exports. Among major economies, Spain (+0.6%) and

France (+0.5%) led the expansion, followed by the Netherlands (+0.4%), while Italy recorded modest growth (+0.1%). Germany's economy remained flat over the quarter.

MONETARY POLICY

The European Central Bank (ECB) kept interest rates unchanged for the fourth consecutive meeting in December 2025, maintaining the main refinancing rate at 2.15% and the deposit facility rate at 2.0%, in line with market expectations. Policymakers reaffirmed a data-dependent, meeting-by-meeting approach, while ECB President stated during the press conference that neither rate increases nor reductions were discussed. The President also emphasized that the ECB does not operate with a predetermined interest-rate path and, given the elevated level of uncertainty, is unable to provide forward guidance.

Euro Zone momentum is improving but remains uneven, with weak confidence, PMIs still in contraction, modest retail recovery, and inflation slightly above target keeping the ECB cautious and on hold.

2026 EURO OUTLOOK

Europe enters 2026 with a pragmatic macro mix: growth is subdued, but policy is increasingly oriented around security, energy resilience, and defence-industrial capacity, shifting parts of fiscal policy from welfare to "conflict capex." Energy strategy continues to prioritise security of supply (including LNG diversification), which improves tail-risk management but can embed a higher cost base than the pre-2022 model. The investment

opportunity set is therefore more idiosyncratic: corporate balance sheets in higher-quality segments can look more robust than certain sovereign trajectories, making credit selection central. Rate cuts (where they occur) may support cyclical pockets, but the structural story is re-industrialisation and strategic autonomy, not a return to the pre-pandemic low-volatility equilibrium. Investors should focus on exporters with resilient end demand, beneficiaries of defence and grid capex, and financials that can navigate regulation while protecting net interest income.

China

MANUFACTURING SECTOR

China's official manufacturing PMI released by the National Bureau of Statistics (NBS) edged up to 49.2 in November 2025, rising by 0.2 points from 49.0 in the previous month. This indicates a gradual improvement in manufacturing activity, although the sector remains in contraction territory as the index has yet to surpass the 50-point threshold. The increase in the production sub-index to a neutral level, along with a rise in new orders, points to an early recovery in factory activity and market demand. Amid these developments, high-tech manufacturing remains a key source of support for the sector. Overall, the data suggest that China's manufacturing sector is entering a phase of stabilization, with the recovery outlook still contingent on stronger domestic demand and continued policy support.

In contrast, the RatingDog General Manufacturing PMI compiled by S&P Global declined slightly into contractionary territory to 49.9 in November 2025 from 50.6 in the previous month. This reflects a weakening of manufacturing activity in the private sector, driven by stagnant production and subdued

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domestic new orders. These conditions prompted firms to implement workforce efficiencies and restrain input purchasing. Nevertheless, external sector performance improved, as export orders grew at the fastest pace in eight months. On the cost front, input prices continued to rise due to higher metal prices, while output prices declined amid intensifying competition, underscoring manufacturers' limited ability to pass higher costs on to consumers.

INDUSTRIAL PRODUCTION

China's industrial production grew by 4.8% in November 2025, slightly slower than 4.9% in October 2025, marking the weakest growth pace since August 2024. The slowdown was mainly driven by softer manufacturing growth (4.6% from 4.9% in October 2025) and weaker performance in the electricity, heat, gas, and water sector (4.3% from 5.4%), indicating that downstream industrial activity remains constrained by subdued domestic demand. By contrast, the acceleration in mining output (6.3% from 4.5%) reflects strengthening upstream activity aimed primarily at maintaining energy security and the supply of strategic raw materials, rather than signaling a broad-based recovery in demand.

Fixed asset investment contracted by 2.6% through November 2025, with property investment plunging 15.9%, underscoring the continued drag from the property sector on overall economic sentiment. Spending patterns remain defensive, with consumers favoring essential goods and selective discretionary items. On a cumulative basis, industrial production growth of 6.0% in the first eleven months of 2025 suggests that China's industrial fundamentals remain relatively resilient. The 0.44% MoM increase indicates that industrial activity is still in expansionary territory, albeit with moderating momentum. Looking ahead, industrial growth will

depend on a recovery in domestic demand, improved profitability, and sustained policy support to ensure that upstream strength translates into a more balanced and broad-based recovery.

UNEMPLOYMENT RATE

The surveyed urban unemployment rate in China was 5.1% in November 2025, unchanged from the previous month and in line with market expectations. The latest figure remained at its lowest level since June 2025. The stability in local (5.3%) and migrant (4.7%) unemployment rates, with rural migrant workers even lower at 4.4%, indicates that labor-intensive segments remain relatively well-supported. Those holding agricultural household registrations recorded an unemployment rate of 4.4% in November 2025.

Meanwhile, the average weekly working hours for enterprise employees nationwide reached 48.6 hours, reflecting an intensification of workload rather than strong hiring expansion. Overall, China's economy remained broadly stable in November 2025, alongside government efforts to maintain steady development in employment, businesses, markets, and expectations. China aims to keep the surveyed urban unemployment rate around 5.5% in 2025, while creating more than 12 million new urban jobs throughout the year.

INFLATION

The In November 2025, China's consumer inflation rose to 0.7% YoY, up from 0.2% in October and marking its highest level since February 2024. The increase was mainly driven by higher prices for fresh vegetables and fresh fruits, alongside a moderation in the pace of pork price declines compared with earlier months. These developments point to a

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gradual improvement in food price dynamics following a period of deflationary pressure.

Non-food inflation remained relatively firm at 0.8% YoY, supported by the continued implementation of consumer trade-in programs that helped sustain demand across selected goods categories. Price pressures were most evident in the clothing sector, where inflation rose to 1.9% from 1.7%, as well as in healthcare (1.6% from 1.4%) and education (0.8% from 0.9%). In contrast, housing prices were broadly flat after a modest increase in the previous month, while transportation costs fell more sharply to -2.3% from -1.5%.

Meanwhile, on a month-on-month basis, headline CPI recorded a 0.1% decline in November 2025, reflecting uneven inflation momentum. Price increases remained largely concentrated in food components, while non-food and service prices continued to face downward pressure, underscoring persistent weakness in domestic demand. With CPI remaining broadly flat on average over the January-November 2025 period, inflationary pressures appear limited, suggesting that policy should remain oriented toward mitigating deflation risks.

RETAIL SALES

China's retail sales grew by only 1.3% in November 2025, slowing sharply from 2.9% in October 2025, despite ongoing consumption subsidy programs. The slowdown was broad-based across nearly all consumer goods categories. Within essentials, sales growth of food, cooking oil, and beverages eased to 6.1% from 9.1% in October 2025. The most pronounced weakness was seen in non-essential items: sports and entertainment goods rose just 0.4% from 10.1%, clothing, footwear, hats, and textiles slowed to 3.5% from 6.3%, while cosmetics decelerated to 6.1% from 9.6%. Sales of gold, silver,

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and jewelry also fell sharply to 8.5% from 37.6%, signaling a pullback in high-value discretionary spending.

Cumulatively, retail sales rose by 4.0% in the first eleven months of 2025, pointing to limited resilience. However, the consumption mix remains defensive, with households restraining spending on durable and discretionary items. Overall, the data underscore that weak domestic demand driven in particular by property-sector stress and cautious household sentiment continues to be a key drag on China's consumption recovery.

HOUSING PRICES

New home prices in China across 70 cities fell 2.4% YoY in November 2025, deepening from a 2.2% decline in the previous two months. The latest figure marks 29 consecutive months of price declines, underscoring the continued difficulty China faces in addressing the prolonged weakness in the property sector. In addition, rising financial stress among major developers, including China Vanke, has renewed concerns over sector-wide balance sheet risks.

Home prices are expected to continue declining for at least the next two years if liquidity conditions fail to improve. Although authorities are considering more targeted measures, such as mortgage support and policies to absorb excess housing inventory, the effectiveness of these efforts has so far been limited. Absent a decisive turnaround in housing demand and developer financing, the property sector will continue to weigh on consumption through negative wealth effects and remain a persistent risk to financial stability.

TRADE BALANCE

In November 2025, the trade surplus reached USD 111.60 billion, alongside a rebound in exports of 5.9% YoY. China's trade surplus exceeded USD 1 trillion in the first eleven months of the year, reflecting the resilience of its external sector amid a global slowdown and increasing trade fragmentation. This performance was primarily driven by solid export growth +5.4% YoY while imports remained weak at -0.6% YoY, indicating that growth is increasingly reliant on the external sector as domestic demand has yet to recover firmly.

However, the export recovery has been uneven. Shipments to the United States continued to contract sharply -28.6% YoY in November 2025, while exports to non-US markets particularly ASEAN and the European Union rose strongly. It is supported by market diversification efforts to mitigate the risks of US protectionism. The modest rise in imports of +1.9% YoY points in November 2025 to a still-fragile domestic demand recovery and has further widened the trade surplus. Going forward, trade stabilization policies, stronger growth in intermediate goods trade, and support for new models such as cross-border e-commerce are expected to underpin exports. Nonetheless, medium-term sustainability will depend on rebalancing toward stronger domestic demand to prevent external resilience from generating new trade frictions.

China's economy is stabilizing but remains fragile, as manufacturing stays in contraction despite a mild improvement, while a stable labor market and rising inflation are offset by persistently weak domestic demand and slowing retail sales.

2026 CHINA OUTLOOK

China's 2026 setup remains a balance between state-directed stabilization and private-sector confidence constraints. Policy emphasis is likely to lean toward resilience (technology capability, supply security, and strategic industries) while attempting to contain property and local-government spillovers. Trade and investment are increasingly shaped by external controls and screening, which encourages import substitution and domestic innovation but can reduce efficiency and foreign risk appetite at the margin. The growth pattern therefore skews toward "manufacturing and state-supported capex plus selective consumption," rather than a broad-based re-acceleration. For global markets, China's influence transmits through two channels: (i) commodity demand elasticity (critical minerals versus bulk inputs), and (ii) export re-routing as tariffs and sanctions reshape end markets.



**RECENT
ECONOMIC
DEVELOPMENT:
DOMESTIC
MARKET**

Recent Economic Development: Domestic Market

ECONOMIC GROWTH

Indonesia's GDP growth is expected to remain stable at around 5.0% for 2025, with a slight improvement to 5.1% in 2026, driven by strong domestic demand, fiscal stimulus, and continued accommodative monetary policies from Bank Indonesia. For Q4 2025 specifically, growth may face slight moderation due to disruptions from natural disasters, which could affect key sectors such as agriculture and manufacturing. Looking into 2026, the outlook is more optimistic, with GDP growth projected between 5.2% and 5.8%, bolstered by improved export performance, particularly in commodities and manufactured goods, and stronger demand from China, Indonesia's largest trading partner. The government's focus on infrastructure development, Special Economic Zones (SEZs), and trade agreements is expected to further support the economy. However, there are external risks, including global trade tensions, fluctuations in commodity prices, and currency volatility, which could impact the growth trajectory. While fiscal policies remain supportive, concerns over global financial market volatility and US tariffs may limit the extent of further easing from Bank Indonesia.

INFLATION

In November 2025, Indonesia's headline inflation moderated to 2.72% YoY, down from 2.86% in October 2025, remaining within Bank Indonesia's 1.5%-3.5% target range. This decline was mainly driven by a reduction in food inflation, which eased to 4.25% YoY from 4.99% in October 2025, supported by better harvests and stabilized distribution costs.

While core inflation remained steady at 2.36% YoY, reflecting stable underlying demand, categories like personal care and transportation saw slight increases, indicating ongoing price pressures in services and logistics. The softer headline inflation reduces immediate concerns, though persistent inflation in health services and transport costs still warrants monitoring.

PURCHASING MANAGER INDEX (PMI)

As of November 2025, Indonesia's manufacturing sector showed significant improvement, as the S&P Global Manufacturing PMI rose to 53.3 from 51.2 in October 2025, marking the fourth consecutive month of expansion and the highest reading since February. This upturn was primarily driven by stronger domestic demand, reflected by a sharp increase in new orders, the fastest since August 2023. Firms responded by ramping up production, with output growth reaching the strongest pace in nine months. Job creation continued for a fourth month, though at a slightly slower rate, indicating cautious optimism among manufacturers. However, the sector faced challenges, including a drop in foreign orders, the steepest in 14 months, pointing to an uneven external recovery. Supply chain disruptions, including extended delivery times and raw material price increases, added to cost pressures, leading manufacturers to raise factory-gate prices at the fastest pace in 19 months. While domestic demand supports ongoing growth, external demand weakness, rising costs, and logistical challenges pose risks to the sector's momentum.

RETAIL SALES INDEX

Retail sales in November 2025 are projected to increase significantly, with the Real Sales Index (IPR) expected to grow by 5.9% year-on-year (YoY), up from 4.3% YoY in October. This growth is driven by higher sales across most categories, particularly in Other Household Equipment, Cultural and Recreational Goods, Spare Parts and Accessories, and Food, Beverages, and Tobacco. The strongest growth came from Other Household Equipment, which saw a 4.0% YoY increase, reversing a 2.3% contraction the previous month. Similarly, Cultural and Recreational Goods, Spare Parts and Accessories, and Food, Beverages, and Tobacco recorded increases of 12.8%, 15.4%, and 8.2%, respectively, surpassing their October growth figures on yearly basis. On a monthly basis, retail sales are expected to rise by 1.1% compared to October's 0.6%, reflecting increased consumer demand ahead of the Christmas and New Year holidays, along with smooth distribution processes. However, inflationary pressures are expected to increase in the short term, with the General Price Expectation Index (IEH) for January 2026 standing at 163.2, driven by anticipated rises in raw material costs, wages, VAT, and demand ahead of Ramadan.

TRADE BALANCE

Indonesia's trade surplus narrowed to USD 2.39 billion in October 2025, a slight decrease from the previous month's surplus of USD 4.34 billion. This marks the smallest trade surplus since April, as exports fell by 2.31% year-on-year (YoY), reversing a positive trend from the previous month. Oil and gas exports suffered a steep decline of 33.60%, while non-oil and gas exports saw a smaller decrease of 0.51%. Key export destinations such as Japan and India showed weaker demand, with exports to Japan dropping by 5.36% and to India by 35.70%. Exports to the United States also moderated,

MACROECONOMIC MONITOR

showing slower growth due to the imposition of new tariffs. On the import side, the growth of imports slowed to 1.15% YoY, following a stronger increase in the previous month. Despite the narrower surplus, Indonesia maintained a cumulative trade surplus of USD 35.88 billion for the first ten months of 2025, supported by a significant surplus in non-oil and gas sectors

MONETARY POLICY

Bank Indonesia has maintained its policy rate at 4.75% as of December 2025, aligning with market expectations. Despite a challenging global economic environment and persistent uncertainty, BI continues to prioritize the stability of the rupiah while carefully managing inflation and growth. The central bank is mindful of the potential risks to the rupiah, particularly due to global factors such as the strength of the US dollar and the Federal Reserve's stance. These external factors have led to continued pressure on the rupiah, as well as concerns over the adequacy of foreign investment in government bonds, given the low yield differential compared to US Treasuries

Looking ahead, BI's inflation target remains within the range of 1.5% to 3.5% for 2026, with growth projections ranging between 4.9% and 5.7% for the same year. This cautious growth outlook is underpinned by the government's social agenda, which is expected to bolster consumption in the medium term, though fiscal and monetary discipline will be key in maintaining stability. The central bank's decision to keep rates steady comes amid slower capital outflows and a focus on enhancing the transmission of previous rate cuts. However, challenges remain, particularly the risk of further rupiah depreciation and the ongoing need for monetary intervention to support exchange rate stability

CONSUMER CONFIDENCE INDEX

Consumer confidence in November 2025 stands at 124.0, marked as its highest level since February. This increase from October's 121.2 reflects an optimistic outlook among consumers, driven by improvements across all six main sub-indices. The Economic Conditions Index (IKE) rose to 111.5, up from 109.1 in October 2025, indicating more favorable perceptions of the current economic situation. Similarly, the Consumer Expectations Index (IEK) improved to 136.6 from 133.4, fueled by higher expectations for income and job availability in the coming months. Key components, including current income levels, job availability, and purchasing conditions for durable goods, all showed positive trends. The index for current income reached 121.5, up from 117.1, while the index for job availability rose to 103.7. Additionally, expectations for job availability and business activity also saw gains, with job availability expectations climbing to 135.3. The highest confidence levels were reported among consumers with higher monthly expenditures, particularly those above Rp 5 million, reflecting an overall positive sentiment in the economy.

FISCAL POLICY

Indonesia's fiscal stance is tightening as revenue underperforms while the government seeks to preserve headline discipline. Recent reporting indicates a likely tax-revenue shortfall in 2025, with projected realisation around Rp1,947.2 trillion versus the APBN target of Rp2,076.9 trillion, implying continued end-year collection pressure to keep the deficit safely below the 3% of GDP ceiling. This points to a credibility test for the budget framework: maintaining deficit control increasingly depends on incremental revenue measures and restraint in non-

priority outlays, rather than relying on buoyant tax intake. Against this backdrop of constrained fiscal space, the government has also turned to regulatory and quasi-fiscal instruments, such as the Domestic Export Proceeds (DHE) policy, to support macroeconomic stability without widening the budget deficit.

On the expenditure side, the budget remains exposed to rigid and shock-responsive spending needs. Disaster recovery support is being routed through intergovernmental transfers and budget arrangements for 2026, signalling that contingency demands will continue to compete with baseline programmes. Meanwhile, the RAPBN 2026 spending profile highlights large allocations to core priorities, most notably Badan Gizi Nasional (Rp268 trillion) alongside defence, policing, infrastructure, and health, underscoring a policy mix that is expansionary in composition even as fiscal space narrows. With subsidy provisioning framed as a continuing instrument to protect access through year-end 2025, expenditure pressures are likely to remain sticky. In this context, reliance on measures such as DHE reflects an effort to stabilise external conditions without additional fiscal outlays, but it also shifts adjustment pressures onto the financial system, reinforcing the need for stronger revenue mobilisation and sharper spending efficiency to prevent fiscal slippage and rising macro-financial risks.

FOREIGN EXCHANGE RESERVES

Indonesia's foreign exchange reserves rose to USD 150.1 billion in November 2025, slightly up from USD 149.9 billion in October 2025. This increase marked the highest level since August, driven by strong tax and services revenue, along with the government's foreign loan withdrawals. The rise in reserves also

MACROECONOMIC MONITOR

2026 DOMESTIC OUTLOOK

reflects Bank Indonesia's efforts to stabilize the rupiah amidst global financial market uncertainties. The current reserves are sufficient to cover 6.2 months of imports or 6.0 months when accounting for government external debt repayments, well above the international adequacy standard of around three months of imports. Looking ahead, Bank Indonesia remains optimistic about Indonesia's external resilience, buoyed by a stable export outlook and continued foreign investment inflows, supported by positive investor sentiment regarding the domestic economic prospects and attractive investment returns.

Indonesia's economy grows steadily at around 5.0%, supported by strong domestic demand and accommodative policy from Bank Indonesia, while inflation remains within target and consumer confidence strengthens. Domestic activity improves through expanding manufacturing and rising retail sales. Ample foreign exchange reserves and cautious monetary and fiscal management help maintain overall macroeconomic stability throughout the year.

Indonesia's 2026 outlook is fundamentally a credibility-and-execution story. Baseline macro can remain resilient, yet the binding constraints are institutional: regulatory consistency, implementation capacity, and the effectiveness of monetary/fiscal transmission. Recent evidence points to limited pass-through from policy easing into lending rates and credit growth, implying that "lower rates" alone may not unlock private demand without parallel reforms that reduce risk premia and improve intermediation. On the fiscal side, the challenge is not just headline deficit targets, but revenue strength and spending quality; weak revenue collection and underspending in priority programs can dilute stimulus impact. Externally, portfolio outflows have been a material swing factor in the balance of payments, keeping FX sensitivity elevated. In summary: 2026 will reward policy predictability, credible reform signals, and targeted productivity-enhancing capex over broad, execution-heavy agendas.



ASSET ALLOCATION

Asset Allocation

GLOBAL MARKET

Global markets experienced some volatility in mid-December as central banks took diverging actions. The Federal Reserve cut its benchmark rate by 25 bps in December 2025, though the Fed emphasized a cautious and data-dependent approach going forward. In contrast, the Bank of Japan raised its short-term interest rate by 25 bps, signalling the beginning of a gradual normalization from its ultra-loose monetary policy. These policy shifts combined with uncertainty around global growth and fiscal policy triggered a broad rise in global bond yields, especially at the long end of the curve, as investors repriced term premiums and recalibrated inflation expectations. On the other side, equity markets reacted mixed while US tech stocks continued to attract flows while broader indices faced pressure from rate volatility.

DOMESTIC EQUITY MARKET

The JCI rose 2.01% MoM, supported primarily by gains in the mining, energy, industrials, and technology sectors, which saw strong performance across several large and mid cap names. On the other hand, banking and consumer sectors broadly underperformed, with notable declines in some of the largest constituents weighing on the index. Modest foreign inflows provided some support, with net purchases of around IDR 1.37 trillion MTD, although market participation remained selective. Heading into early 2026, sector rotation may continue as investors position ahead of earnings season and macro policy developments.

DOMESTIC BOND MARKET

Indonesia's bond market saw stable performance as yields on benchmark SBNs 10Y traded around 6.12%. Bank Indonesia held its policy rate at 4.75% in December meeting to support Rupiah stability and optimize the monetary transmission of previous rate cuts. Despite overall stability, the yield curve structure and term premiums continue to reflect caution toward potential inflation and fiscal expansion, while foreign flows in SBN remained selective. External drivers including US rate expectations and global risk appetite remain key determinants of SBN yield direction.

DOMESTIC MONEY MARKET

Bank Indonesia maintained its BI-Rate at 4.75% in December 2025, reinforcing its accommodative stance following a series of rate cuts earlier this year. The decision reflects continued efforts to support domestic demand and ensure sufficient banking system liquidity. As a result, short-term money market rates continued to trend lower, with average 3-month deposit rates hovering around 3.88% in the last 1 month. Loan-to-Deposit Ratio (LDR) happen to increase slightly from 88.57% in October 2025 to 88.92% in November 2025. With the current monetary stance and liquidity dynamics, short-term interest rates are expected to remain subdued entering 2026.

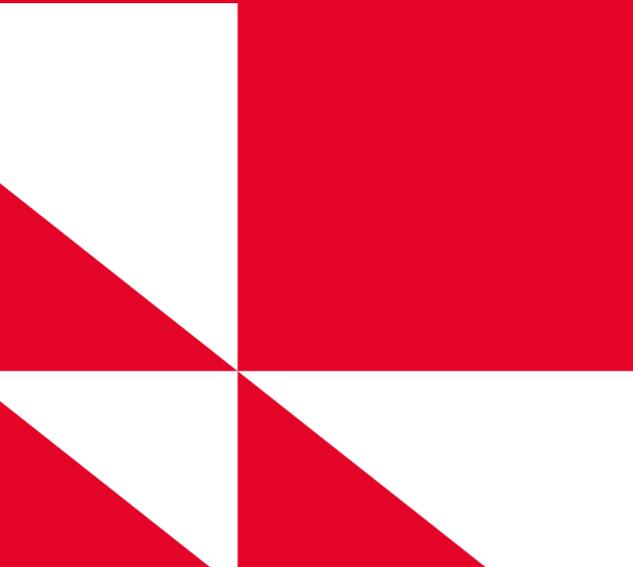
ASSET ALLOCATION TAKEAWAY

The overall environment supports a cautiously constructive approach to Indonesian assets. While domestic bonds face risks from global yield shifts and fiscal expansion, excess liquidity condition will provide a supportive backdrop for mid-duration SBN on a risk adjusted basis. Equities continue to offer

opportunities especially in rate sensitive large caps with strong fundamentals backed by positive outlook for domestic demand, though some challenges coming from currency volatility and external policy uncertainty.



**WHAT TO EXPECT
IN 2026**



What to Expect in 2026

Global growth slows, but the real issue is fragmentation, not recession

2026 is unlikely to be a crisis year. Growth does not collapse, but it becomes more uneven and harder to rely on. Trade policy uncertainty, geopolitics, and supply chain re-routing keep firms cautious. The global economy keeps moving, but with more friction, more stops and starts, and fewer clear engines of momentum.

Rate cuts happen, but money is no longer cheap in the old sense

The JCI rose 2.01% MoM, supported primarily by gains in the mining, energy, industrials, and technology sectors, which saw strong performance across several large and mid cap names. On the other hand, banking and consumer sectors broadly underperformed, with notable declines in some of the largest constituents weighing on the index. Modest foreign inflows provided some support, with net purchases of around IDR 1.37 trillion MTD, although market participation remained selective. Heading into early 2026, sector rotation may continue as investors position ahead of earnings season and macro policy developments.

Indonesia grows steadily, but stimulus is no longer the answer

Indonesia enters 2026 on a stable footing. Growth around 5 percent is achievable and realistic. Domestic demand holds, manufacturing shows improvement, and investment continues. The constraint is no longer demand support. It is how well policies are executed, how credible reforms are, and how productivity improves. Growth can be maintained, but acceleration is not automatic.

External buffers are strong, but confidence matters more than reserves

Foreign exchange reserves are sufficient and provide comfort. However, external stability is now driven less by trade surpluses and more by portfolio behaviour. Capital can move quickly in and out. The rupiah remains sensitive to global sentiment. What matters most in 2026 is policy consistency and predictability, not just buffer size.

Fiscal discipline holds, but effectiveness becomes the real test

Debt levels and deficits remain under control, but fiscal space is tight. Tax revenue improves but remains structurally low. At the same time, underspending in priority programs shows that the issue is often implementation capacity, not budget availability. In 2026, fiscal policy success depends on execution quality, revenue strength, and spending discipline, not headline numbers.

The financial system is stable, but risk is increasingly selective

Banks are liquid and the system is stable. There is no systemic stress. However, risks are not evenly distributed. Some sectors face tighter credit and higher borrowing costs. Lending increasingly favours investment and lower-risk segments. The story is not financial instability, but more selective credit and sharper risk pricing.

2026 is not about surviving shocks. It is about proving credibility. Stability is there, but outcomes depend on execution, consistency, and the ability to turn stability into productive growth.

EXHIBITS

EXHIBIT 1 • INDONESIA MACROECONOMICS INDICATOR

Indicator	Unit	2024					2025								
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	
GDP Growth	% YoY	-	5.02	-	-	4.87	-	-	5.12	-	-	5.04	-	-	
CPI Inflation	% YoY	1.55	1.57	0.76	-0.09	1.03	1.95	1.60	1.87	2.37	2.31	2.65	2.86	2.72	
Core Inflation	% YoY	2.26	2.26	2.48	2.36	2.48	2.50	2.40	2.37	2.32	2.17	2.19	2.36	2.36	
Manufacturing PMI	Level	49.6	51.2	51.9	53.6	52.4	46.7	47.4	46.9	49.2	51.5	50.4	51.2	53.3	
Exports	% YoY	9.14	4.78	4.68	14.05	23.25	5.76	9.68	11.29	9.86	5.78	11.41	-2.31	-	
Imports	% YoY	0.01	11.07	-2.67	2.30	18.92	21.80	4.14	4.28	-5.86	-6.56	7.17	-1.15	-	
Foreign Reserves	USD bn	134	140	140	138	140	134	134	134	134	132	128	129	129	
Money Supply (M2)	% YoY	6.53	4.35	5.46	6.20	6.13	5.19	4.9	6.4	6.6	7.6	8	7.7	-	
Deposit	% YoY	4.74	3.04	3.82	4.60	4.03	3.74	3.29	6.19	6.54	7.61	8.01	7.81	-	
Commercial Banking Credit	% YoY	10.8	10.5	10.3	10.3	9.2	8.9	8.4	7.8	7.0	7.6	7.7	7.36	-	
Fiscal Surplus/Deficit	% GDP	-	-2.30	-	-	-2.76	-	-	-2.77	-	-	-2.73	-	-	

Source: Bloomberg, CEIC, Various Sources

EXHIBIT 2 • EXCHANGE RATE

Exhibit 2.1 Difference of Spot and Forward IDR

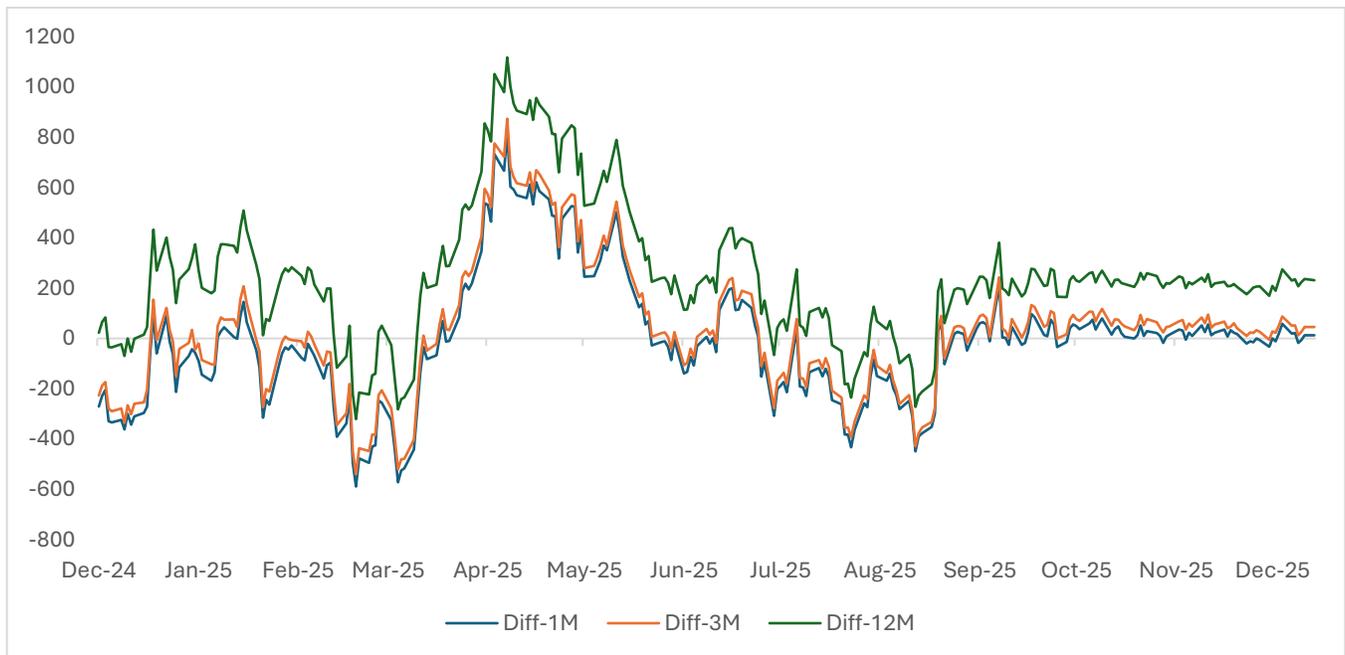


Exhibit 2.2 BI-Rate & Exchange Rate (IDR/USD)

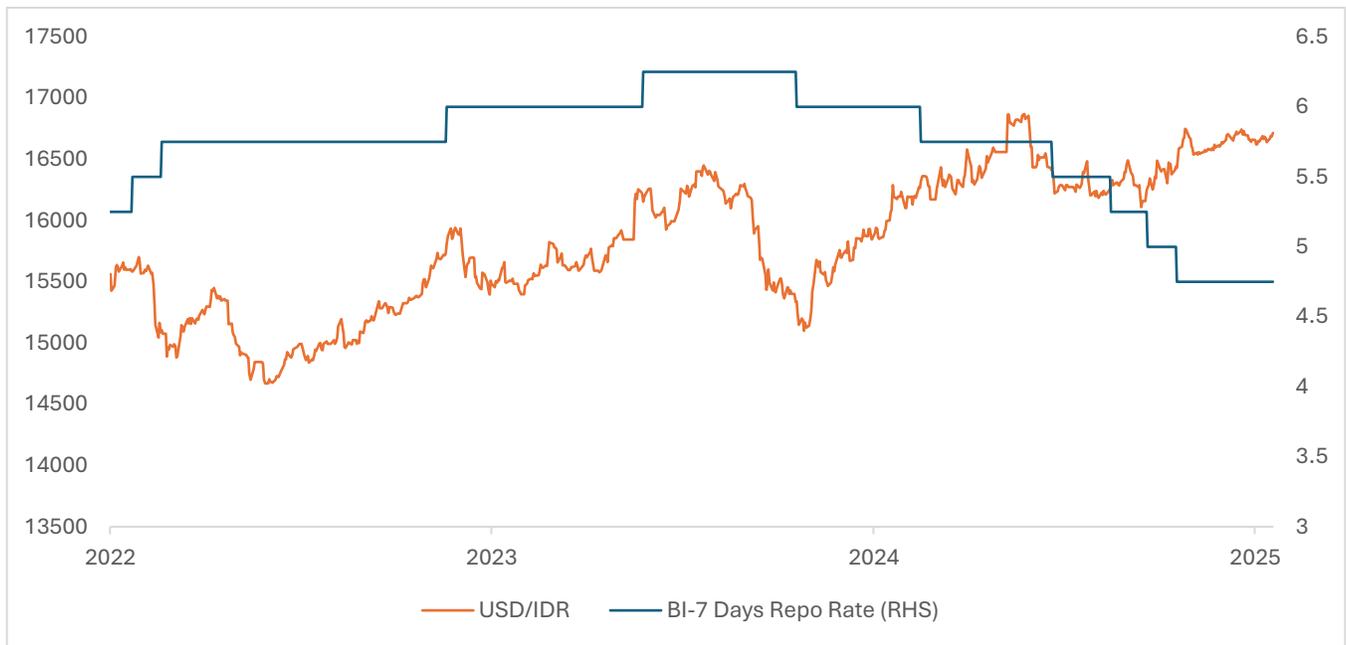


Exhibit 2.3 EM's Exchange Rate Against USD

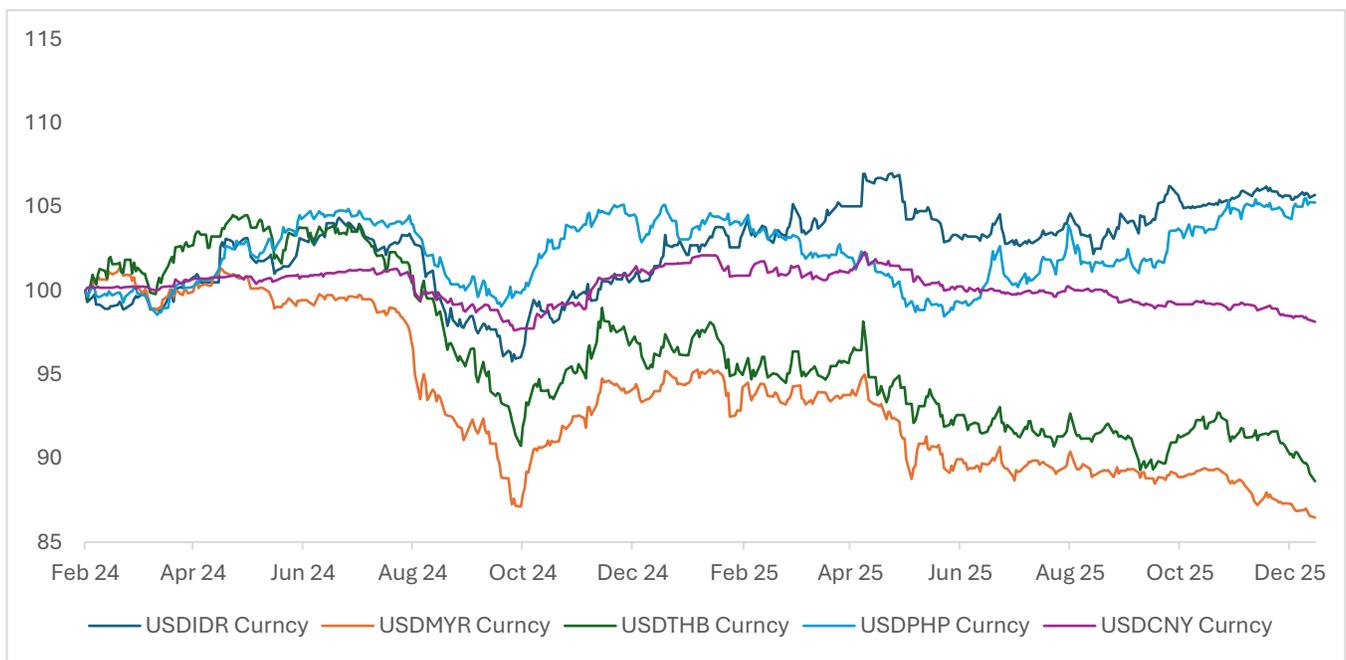


EXHIBIT 3 • INDONESIA'S LIQUIDITY

Exhibit 3.1 JIBOR 1 & 3 M and BI-Rate

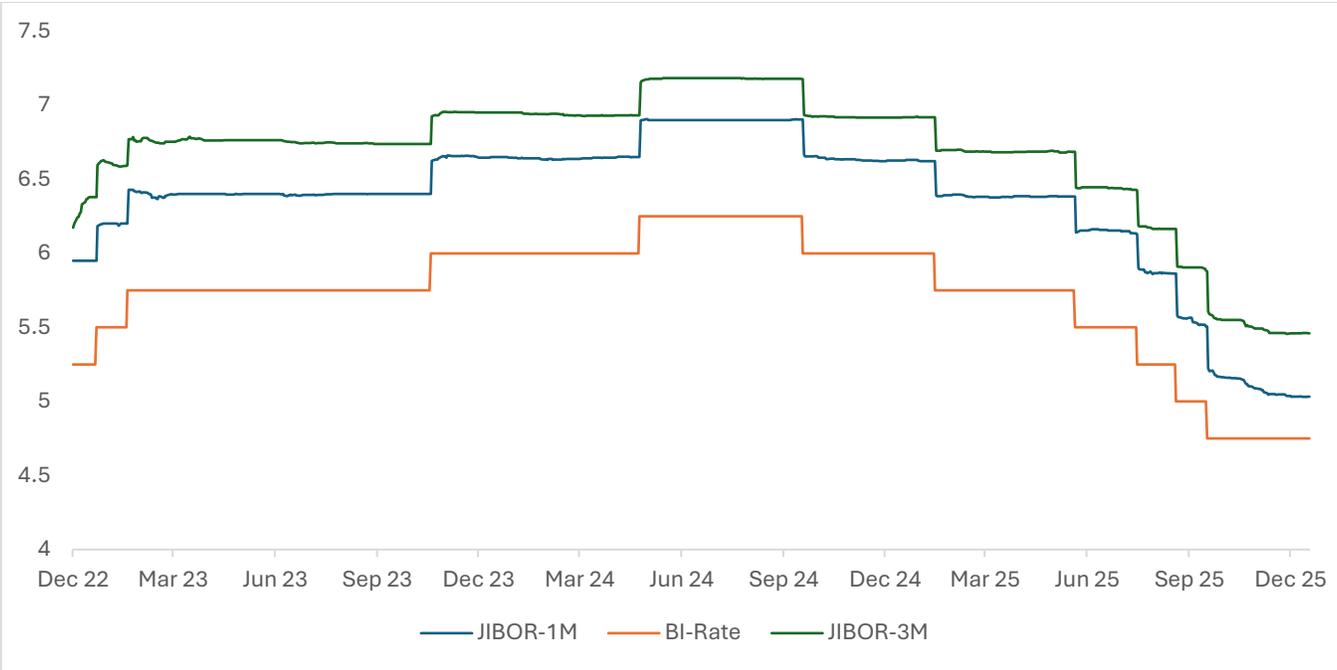


Exhibit 3.2 Monetary Operations of BI

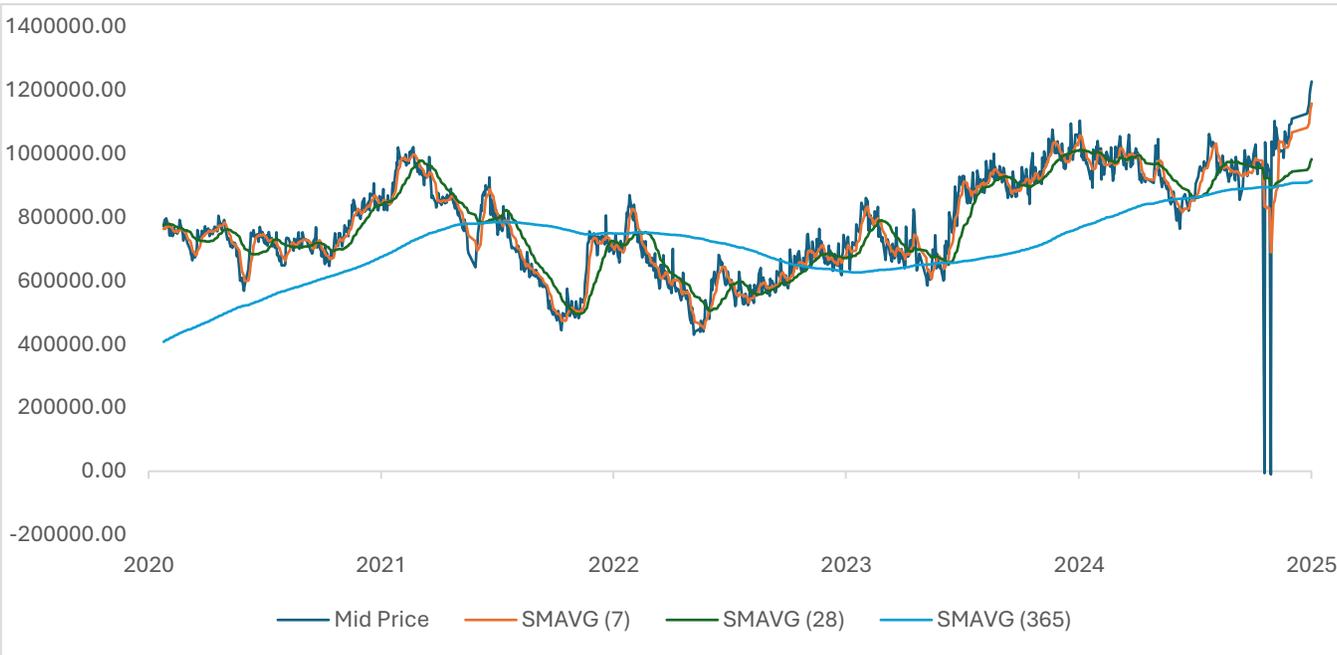


Exhibit 3.3 Indonesia's Net International Reserves USD

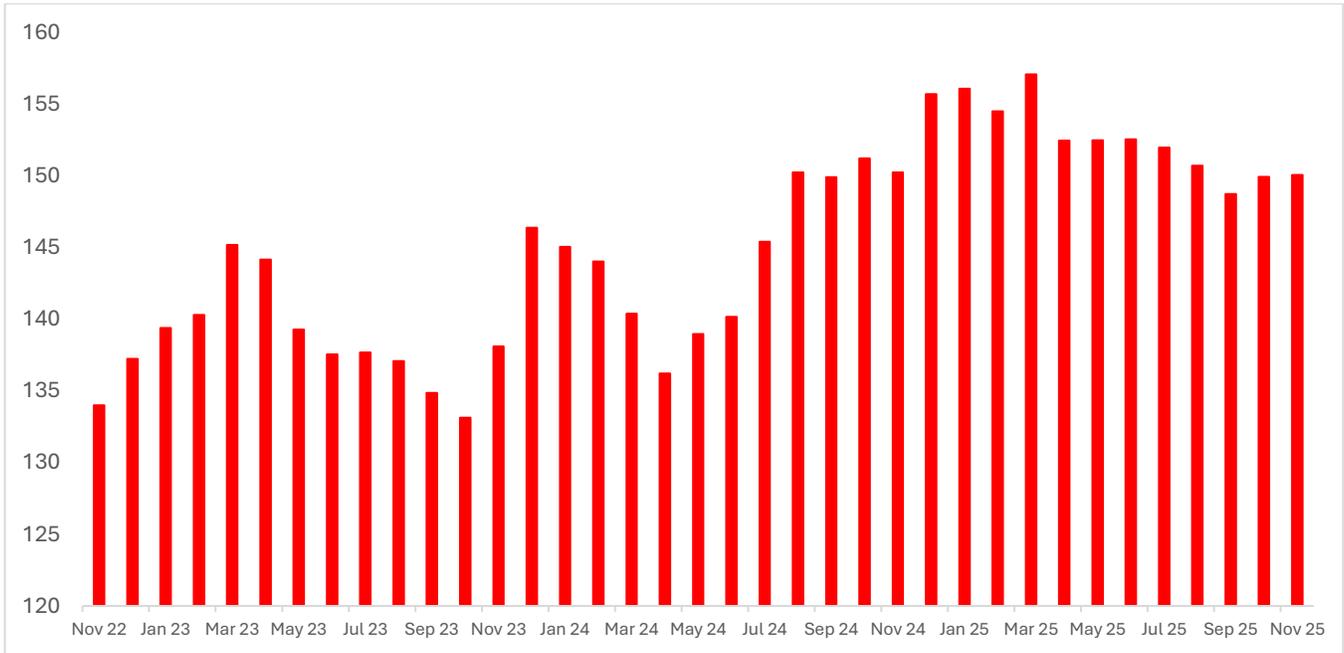


EXHIBIT 4 • FINANCIAL MARKET

Exhibit 4.1 Stock Market Index

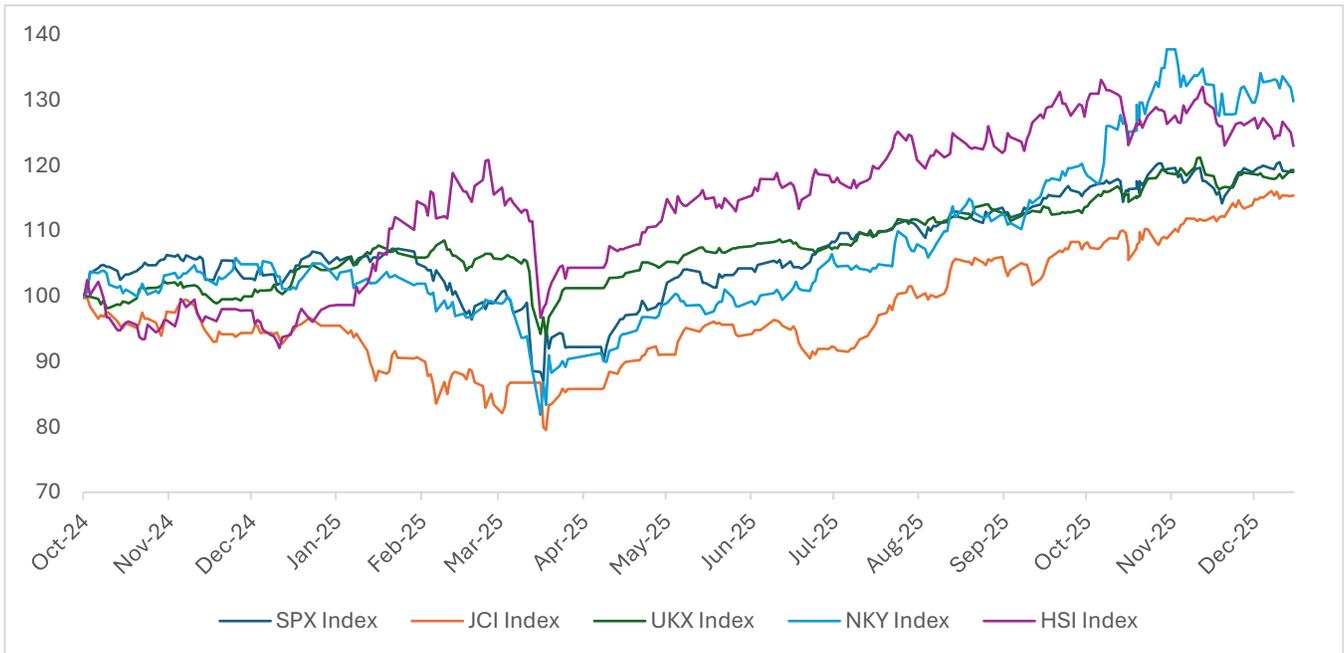


Exhibit 4.2 Indonesia Bond Yield Curve

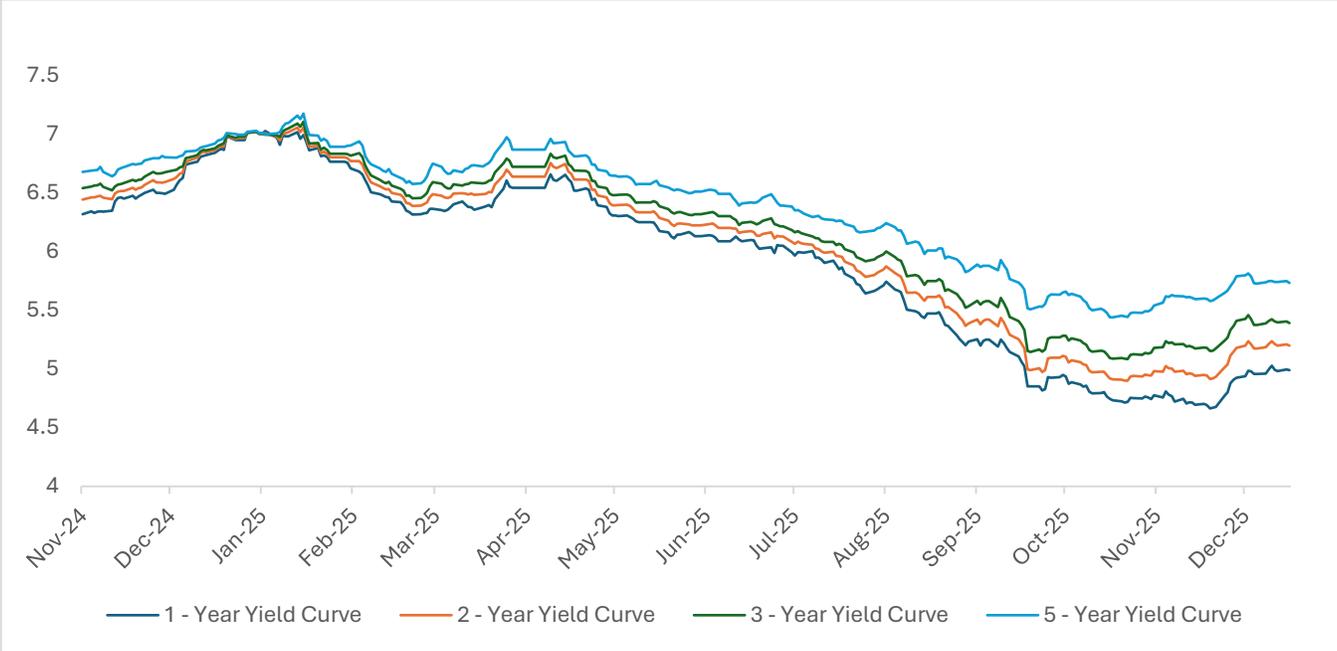


Exhibit 4.3 Indonesia Stock Market & Survivor

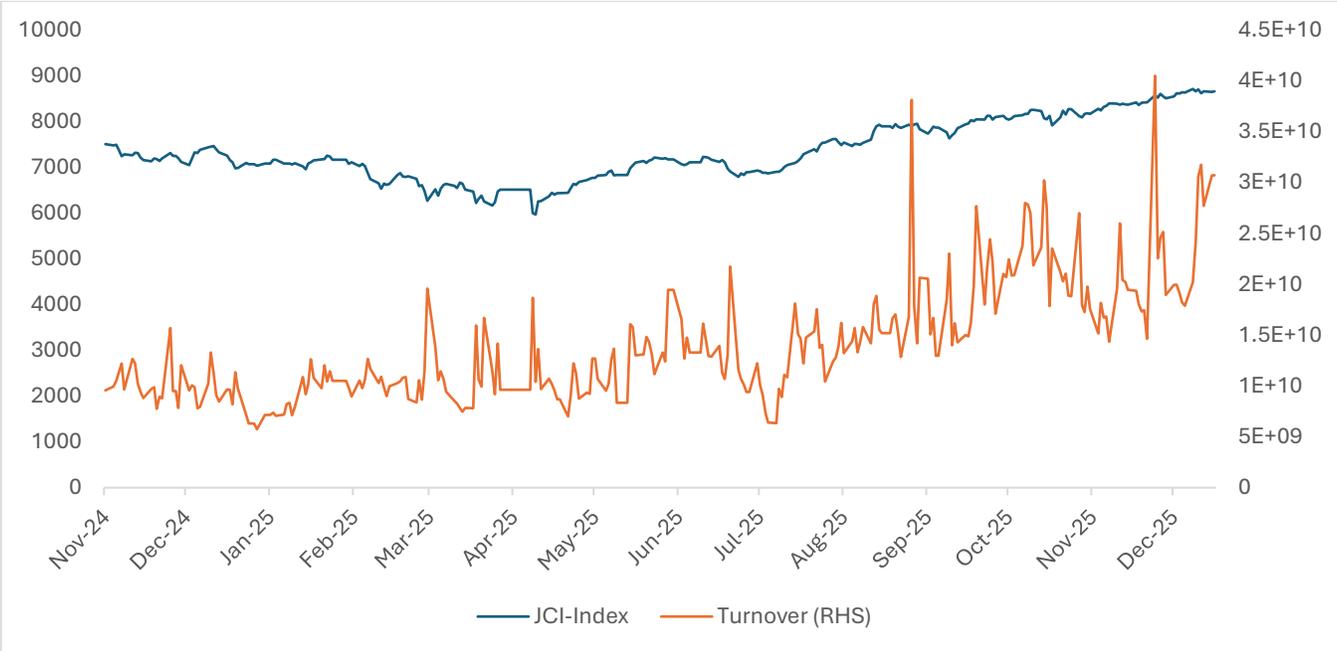


Exhibit 4.4 Indonesia CDS & Government Bond 5Y

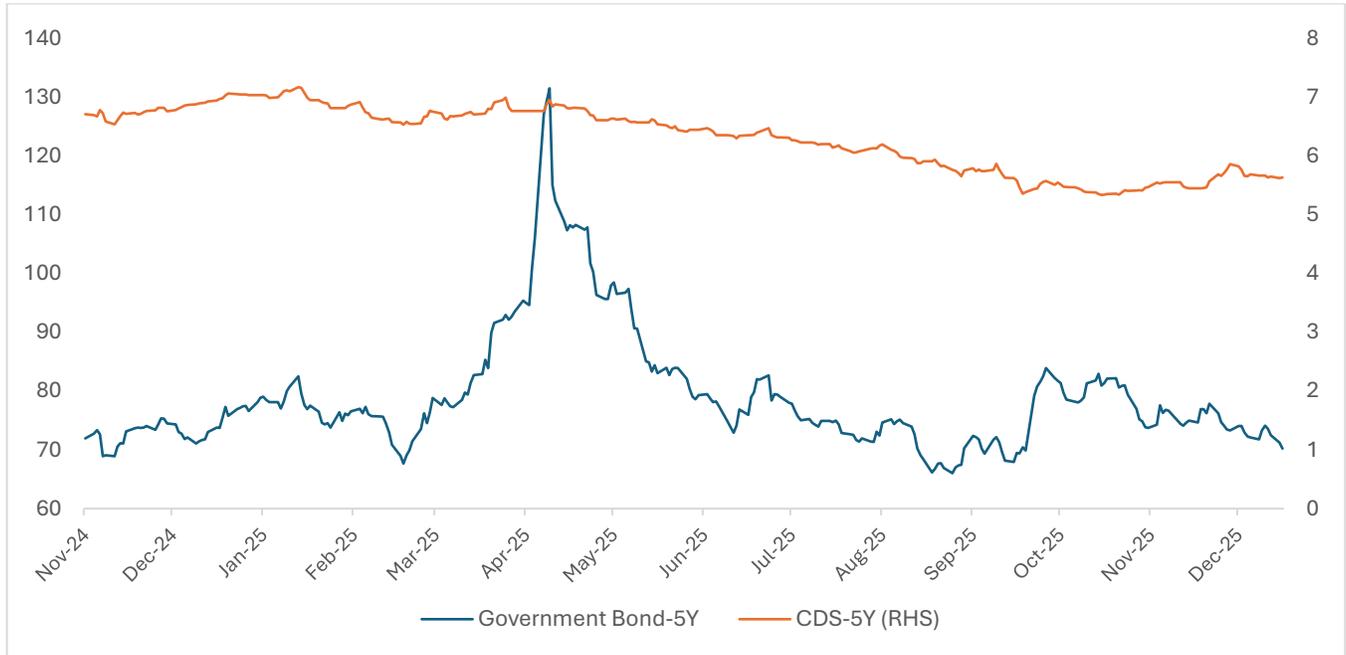


EXHIBIT 5 • REGIONAL STATISTICS

Exhibit 5.1 Monthly Inflation Rate

Annual Inflation Rate (YoY), 38 Provinces (2022=100), 2025 (percent)											
Province	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
Aceh	1.61	0.41	1.53	3.11	2.35	2.19	3	3.7	4.45	4.66	3.58
Sumatera Utara	1.78	0.73	0.69	2.09	1.11	1.25	2.86	4.42	5.32	4.97	3.96
Sumatera Barat	1.24	-0.09	0.3	2.38	0.85	0.45	2.19	2.89	4.22	4.52	3.98
Riau	1.12	0.02	0.68	2.07	0.98	0.98	2.42	3.58	5.08	4.95	4.27
Jambi	0.46	-0.27	0.32	1.84	0.96	1.34	2.71	2.76	3.77	3.71	3.55
Sumatera Selatan	0.92	0.49	1.77	2.74	2.33	2.44	2.88	3.04	3.44	3.49	2.91
Bengkulu	0.09	-1.26	-0.22	0.96	0.39	-0.1	1.01	1.3	2.57	2.85	2.68
Lampung	1.04	-0.02	1.58	2.8	2.12	2.27	2.63	1.05	1.17	1.2	1.14
Kep. Bangka Belitung	-0.23	-0.64	1.13	1.37	0.79	0.99	2.05	1.34	1.82	2.51	2.87
Kep. Riau	2.01	2.09	2.01	2.56	1.73	1.32	1.97	2.19	2.7	3.01	3
DKI Jakarta	0.14	-0.59	1.02	2.21	2.07	2.07	2.25	2.16	2.4	2.69	2.67
Jawa Barat	0.79	-0.27	0.81	1.67	1.47	1.78	2.03	1.77	2.19	2.63	2.54
Jawa Tengah	1.28	-0.08	0.75	1.94	1.66	2.2	2.52	2.48	2.65	2.86	2.79
DI Yogyakarta	0.95	-0.3	0.52	2.1	2.04	2.52	2.6	2.3	2.56	2.9	2.92
Jawa Timur	1.06	-0.03	0.77	1.35	1.22	2.02	2.21	2.17	2.53	2.69	2.63
Banten	0.85	-0.33	0.7	1.59	1.57	1.83	2.29	1.95	2.31	2.75	2.56
Bali	2.41	1.21	1.89	2.3	1.92	2.94	3.16	2.65	2.51	2.61	2.51
Nusa Tenggara Barat	0.68	-0.01	1.15	1.8	1.63	2.51	3.05	2.56	2.69	2.96	2.74
Nusa Tenggara Timur	-0.06	0.47	1.86	1.77	1.6	1.72	3.03	2.71	2.3	2	2.4
Kalimantan Barat	0.15	0.04	0.94	1.2	0.59	1.2	2.14	2.13	1.94	2.07	2.04
Kalimantan Tengah	0.28	0.28	1.33	1.21	0.46	1.06	2.13	2.08	2.35	2.73	2.56
Kalimantan Selatan	0.62	0.25	1.2	1.57	1.25	1.81	2.48	2.68	2.91	3.11	3.35

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Kalimantan Timur	0.21	-0.3	1.36	1.57	1.03	1.62	2.08	1.79	1.77	1.94	2.28
Kalimantan Utara	-0.12	-0.49	1.24	1.3	1.24	1.38	1.99	2.24	2.32	2.23	2.47
Sulawesi Utara	-0.25	-0.15	1.41	2.27	1.53	1.71	2.04	0.94	1.57	1.48	0.65
Sulawesi Tengah	0.02	-0.38	1.88	2.97	2.61	2.47	3.69	4.02	3.88	3.92	3.5
Sulawesi Selatan	0.1	-1.09	0.67	2.28	2.04	2.24	3.05	3.12	3.03	2.98	2.73
Sulawesi Tenggara	-0.39	-0.22	1.53	1.96	1.71	2.52	3.72	3.75	3.68	3.26	2.94
Gorontalo	-1.52	-0.29	1.76	2.3	0.28	0.8	3.12	2.51	1.99	2.44	2.21
Sulawesi Barat	0.32	-0.24	1.55	3.36	3.21	2.57	3.57	3.52	3.04	2.64	2.56
Maluku	0.76	1.33	3.54	3.34	2.24	1.88	2.99	3.25	3.01	2.3	2.33
Maluku Utara	-0.15	0.16	2.32	3.23	1.89	2.01	2.46	0.43	-0.17	1.18	1.89
Papua Barat	-0.44	-1.98	-0.23	0.15	-1.51	-0.67	0.43	-0.87	1.02	1.42	1.33
Papua Barat Daya	0.36	-0.49	0.24	0.41	0.36	0.5	0.96	1.88	1.3	1.36	1.38
Papua	0.6	0.81	2.15	1.64	1.33	1.07	1.4	0.54	0.99	0.53	0.8
Papua Selatan	0.45	0.31	2.68	3.57	2.19	3	5.45	3.78	3.42	3.43	3.39
Papua Tengah	0.99	2.09	3.7	3.71	2.26	2.33	2.89	1.86	2.28	2.11	2.53
Papua Pegunungan	4.55	7.99	8.05	5.96	5.75	2.01	4.15	3.71	3.55	3.32	4.05

Source: Badan Pusat Statistik (BPS), IFG Progress analysis

FOOTNOTES AND REFERENCES

Data Sources: CEIC, Bloomberg, BI, BPS, and various sources

The conversion rate from US dollars to the local currency unit is shown by the exchange rates that are used, which stated as USD/LCU

The stock market indexes being taken into account are the S&P 500 (US), Jakarta Composite Index (JCI), FTSE 100 (UKX), Nikkei 225 (NKKY), and Hang Seng Index (HIS) which serve as regional benchmarks.

Ten-year US Treasury bill yield differential and Indonesian Government Bond denominated in USD serve as a proxy for Indonesia's sovereign risk.

The oil prices listed are based on the NYMEX current month futures price.

The natural gas prices listed are based on the NYMEX current month futures price.

The coal prices listed are based on the ICE Newcastle current month futures price.

A higher turnover index in the stock market typically indicates a higher level of trading activity.

Indonesia Financial Group (IFG)

Indonesia Financial Group (IFG) adalah BUMN Holding Perasuransian dan Penjaminan yang beranggotakan PT Asuransi Kerugian Jasa Raharja, PT Jaminan Kredit Indonesia (Jamkrindo), PT Asuransi Kredit Indonesia (Askrindo), PT Jasa Asuransi Indonesia (Jasindo), PT Bahana Sekuritas, PT Bahana TCW Investment Management, PT Bahana Artha Ventura, PT Bahana Kapital Investa, PT Graha Niaga Tata Utama, dan PT Asuransi Jiwa IFG. IFG merupakan holding yang dibentuk untuk berperan dalam pembangunan nasional melalui pengembangan industri keuangan lengkap dan inovatif melalui layanan investasi, perasuransian dan penjaminan. IFG berkomitmen menghadirkan perubahan di bidang keuangan khususnya asuransi, investasi, dan penjaminan yang akuntabel, prudent, dan transparan dengan tata kelola perusahaan yang baik dan penuh integritas. Semangat kolaboratif dengan tata kelola perusahaan yang transparan menjadi landasan IFG dalam bergerak untuk menjadi penyedia jasa asuransi, penjaminan, investasi yang terdepan, terpercaya, dan terintegrasi. IFG adalah masa depan industri keuangan di Indonesia. Saatnya maju bersama IFG sebagai motor penggerak ekosistem yang inklusif dan berkelanjutan.

Indonesia Financial Group (IFG) Progress

The Indonesia Financial Group (IFG) Progress adalah sebuah Think Tank terkemuka yang didirikan oleh Indonesia Financial Group sebagai sumber penghasil pemikiran-pemikiran progresif untuk pemangku kebijakan, akademisi, maupun pelaku industri dalam memajukan industri jasa Keuangan.