



Macroeconomic Monitor March 2026

Rising Geopolitical Tensions amid Cyclical Domestic Consumption Surge

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HIGHLIGHTS

March 2026

US – Iran War and Shocks to Energy Prices

The United States (US) - Iran war transmits globally through large-scale disruptions in energy and trade flows. The Strait of Hormuz carries around 20 million barrels of oil per day, about one-third of global seaborne crude, plus one-quarter of natural gas liquids and one-fifth of LNG flows. With traffic disrupted, oil prices rose above USD 100 per barrel on March 2026, with relevant benchmarks around USD 91.8 (+27%) and gas at EUR 55.8 (+74%), pushing global inflation and costs upward. Financial markets weakened, volatility increased, and Asia, absorbing around 80% of Hormuz oil flows, faced the strongest pressure.

Scenario-wise, the quantitative divergence is substantial. A baseline scenario assumes oil prices remain elevated through Q3 2026 before gradually easing, implying manageable inflation and limited growth damage. However, a prolonged disruption scenario, especially if Hormuz remains constrained, risks sustained oil prices well above baseline, amplifying inflation and potentially triggering a broader global slowdown. Conversely, a ceasefire or negotiated settlement would reduce risk premia, normalize oil flows, and stabilize growth. The key variable across all scenarios is not the initial shock size, but the duration and persistence of supply disruption and uncertainty.

Energy Price Volatility and Ramadan Spending Surge

For Indonesia, exposure of the ongoing geopolitical tensions in Middle East is indirect but systemic. Direct oil imports from Iran are minimal at USD 0.42 million out of USD 891.8 million, but reliance on suppliers like Saudi Arabia (USD 267.4 million; 8.84%) and the UAE (USD 200.6 million; 6.34%) transmits potential shocks. Rising energy costs drive inflation, capital outflows pressure the rupiah, and liquidity tightens, while exports and investment weaken and fiscal burdens rise. Domestically, Ramadan spending shows resilience, with Mandiri Spending Index (MSI) at 123.5 (W+3) growing 0.94% Week over Week, supported by middle (8.2% YoY) and upper-income groups (7.3% YoY). However, this is insufficient to offset the broader macro squeeze from external shocks and tightening financial conditions.

Regionally, spending growth is increasingly driven by areas outside Java. Weekly growth in Java stands at 0.88%, while Sumatra (1.25%) and Sulawesi (1.19%) outperform on March 2026, reflecting a stronger impact of THR disbursement in these regions. However, growth in Balnusra remains relatively limited at 0.31%, while overall momentum shows a gradual shift toward eastern Indonesia, even though some regions still lag behind their 2025 performance. From a sectoral perspective, spending is becoming more broad-based. Consumer goods remain the main driver with 1.4% WoW growth, followed by electronics and leisure at 0.9% WoW,

Euro Zone

The Euro Zone entered early 2026 with signs of weakening momentum. Consumer confidence declined sharply to -16.3 in March 2026, the lowest level since October 2023, while PMI eased to 50.5 from 51.9, indicating only marginal expansion and the slowest growth in ten months. The softer outlook reflects weakening demand, declining new orders, and continued contraction in employment. Household spending also showed mixed trends, as retail trade volumes fell slightly by 0.1% (MoM) in January 2026, although annual retail sales remained positive at 2.0% (YoY), suggesting that consumption remains cautious but relatively resilient.

At the same time, price pressures showed a modest increase. Inflation edged up to 1.9% (YoY) in February 2026 from 1.7%, driven mainly by higher services and non-energy goods inflation, while core inflation rose to 2.4%. Despite this, inflation remains close to the target, although underlying pressures persist. In response, the European Central Bank kept its key interest rates unchanged, maintaining a cautious stance amid rising uncertainty linked to the Middle East conflict, which poses risks to both inflation and economic growth.

China

China's economy in 2026 is directed toward more moderate but higher-quality growth, with a GDP target of 4.5-5.0%. This shift reflects a new focus on economic resilience driven by innovation and domestic consumption. While exports remain strong (+21.8% YoY), challenges such as weak domestic demand, an aging population, and pressure in the property sector continue to persist.

In the manufacturing sector, performance shows mixed signals: the Caixin PMI remains in expansion

and household spending at 0.5% WoW. This indicates a transition from essential to more discretionary spending during Ramadan. However, mobility-related spending grows only 0.4% WoW, signaling that travel activity remains subdued.

United States (US)

The US economy showed softer but still stable momentum in February 2026, as business activity continued to expand at a slower pace. The US Manufacturing PMI declined to 51.6 from 53.4 in January 2026, while the Services PMI eased to 51.7 from 52.7, marking the slowest expansion in several months. The moderation was driven by slower growth in new orders amid high prices, tariff-related uncertainty, and weaker external demand, with exports declining again. Despite softer activity, business sentiment improved slightly on expectations of stronger demand ahead. Inflation remained relatively contained, with headline CPI steady at 2.4% (Year-on-Year/YoY) and core inflation at 2.5%. Monthly gains were still supported by shelter and energy, indicating gradual easing in underlying price pressures.

Labor market conditions showed signs of cooling, as employment declined by 92,000 jobs and the unemployment rate rose to 4.4%. Hiring slowed across both goods and services sectors, pointing to softer labor demand, although overall conditions remained relatively balanced. In response to moderating growth, easing inflation, and elevated uncertainty, the Federal Reserve kept its policy rate unchanged at 3.50%–3.75%, emphasizing a data-dependent approach as risks to inflation and growth become more balanced.

MACROECONOMIC MONITOR

(52.1), while the official PMI is still in contraction (49.0). This suggests that the sector is still supported by exports, but its sustainability depends on the stability of global demand. In addition, inflation rose to 1.3% (YoY), driven by the Lunar New Year. Meanwhile, the property sector remains under pressure, with housing prices declining by 3.2% (YoY), reflecting unresolved structural issues. To maintain economic stability amid these conditions, the People's Bank of China kept interest rates unchanged at 3.0% for the ninth consecutive month, signaling a cautious approach and suggesting that the central bank is not rushing into broad monetary easing.

Indonesia

Indonesia's domestic economy in early 2026 showed a mixed but still relatively resilient pattern, with private consumption and manufacturing providing support, even as inflation, fiscal pressures, and external vulnerability became more visible. Headline inflation accelerated to 4.76% YoY in February 2026 from 3.55% YoY in January 2026, moving above Bank Indonesia's target range, mainly due to higher administered prices, energy costs, and volatile food prices. Nevertheless, core inflation remained moderate at 2.63% YoY, suggesting that underlying demand-side pressures were still fairly contained.

Domestic demand indicators remained constructive. Retail sales strengthened, with the Real Sales Index growing 6.9% YoY and 4.4% mom in February 2026, supported by Ramadan-related spending, particularly in clothing, household equipment, and spare parts. Consumer confidence

also stayed firmly in optimistic territory, with the CCI at 125.2 in February 2026, although slightly lower than 127.0 in January 2026, indicating that households remained positive but somewhat more cautious. At the same time, manufacturing conditions improved materially, as the PMI rose to 53.8 in February 2026 from 52.6 in January 2026, marking the strongest improvement since March 2024 and reflecting stronger domestic and export orders.

On the financial side, pressures were more evident. The rupiah remained weak in March 2026, trading around 16,700–16,980 per US dollar, while the 10-year SBN yield trended higher through February 2026 amid geopolitical risk and softer foreign participation in the bond market. In banking, credit growth reached 9.96% YoY in January 2026, but asset quality softened modestly, with the gross NPL ratio rising to 2.14% and LaR to 9.01%. Fiscal conditions also became more expansionary, as the APBN deficit widened to IDR135.7 trillion, or 0.53% of GDP, by end-February 2026, driven by expenditure growth that outpaced revenue collection. Overall, the domestic economy remained supported by consumption and manufacturing, but macro-financial risks became more pronounced.



**RECENT
ECONOMIC
DEVELOPMENT:
GLOBAL MARKET**

Recent Economic Development: Global Market

United States

MANUFACTURING SECTOR

The S&P Global US Manufacturing PMI fell to 51.6 in February 2026, compared with the previous month's 53.4 in January. Although this is slightly lower than market expectations, the US manufacturing sector has still experienced growth for the seventh consecutive month. New orders continued to rise but at a slower rate as companies reported that high prices, tariff pressures, and unfavorable weather conditions had an impact on customer demand. There was also an increase in the dependency of sales on the domestic market. On the other hand, there was a fall in exports for the eighth consecutive month. This was attributed to the impact of tariff disputes and retaliatory trade flows with major trade partners. Employment also decreased, with only a marginal increase in hiring. However, there was an improvement in business sentiment, driven by expectations of improved demand in the coming months, despite high input prices.

SERVICES SECTOR

The S&P Global US Services Purchasing Managers Index declined to 51.7 in February 2026 from 52.7 in January. This is the lowest rate of expansion in ten months. The index is below the forecasted rate. Growth in new orders slowed down, driven by a decrease in export orders as external clients became cautious about the trade policies and the retaliatory measures. However, there is a strong rate of employment growth, driven by an improved ability

to fill existing labor gaps. The increase in labor costs contributed to a rise in input price inflation, leading to an increase in output price inflation. However, there is an increase in business optimism about the future, driven by expectations of tax incentives and improved overall economic sentiment.

INFLATION

The US Bureau of Labor Statistics reported that the annual inflation in the US stood at 2.4% as of February 2026. This was the same as the previous month and the lowest since May 2025. Energy prices increased slightly due to a lesser decrease in the prices of gasoline and increases in fuel oil and natural gas. On the other hand, decreases in the prices of used vehicles helped cushion the upward pressure. The inflation for food and shelter remained unchanged at 3.1% and 3.0%, respectively. On the other hand, the monthly increase in the CPI stood at 0.3%, slightly higher than the previous month. In addition, shelter contributed the most to the increase, followed by gasoline and food.

Core inflation, which excludes food and energy, remained stable at 2.5% (YoY), unchanged from January, near its lowest level since 2021. This indicated that underlying inflationary pressures continued to ease. Shelter inflation remained the largest contributor to core inflation, while other components such as medical care, household furnishings, recreation, and personal care posted moderate price growth. On a monthly basis, core

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inflation increased by 0.2%, lower than the previous month, indicating a further moderation in underlying inflation dynamics.

LABOR MARKET

US labor market conditions weakened in February 2026, as total employment declined by 92,000 jobs while the unemployment rate edged up to 4.4% from 4.3% in the previous month. The three-month average job gain slowed sharply to around 6,000, indicating a clear loss of momentum compared with earlier periods of stronger hiring. Job losses were broad-based across several major industries, with health care shedding 28,000 jobs and manufacturing losing 12,000, signaling cooling in both service-providing and goods-producing sectors. Employment also declined in construction and restaurants, industries that had previously supported job growth, suggesting softer labor demand across the overall economy.

Additional indicators pointed to a weaker labor market environment, as recent months have shown subdued hiring and limited job creation outside a small number of sectors. These developments suggest that the labor market is shifting from a previously tight condition toward a more balanced but softer phase, with employers appearing more cautious in expanding payrolls. Overall, the February data indicate moderating labor market strength, which may support expectations that the Federal Reserve will maintain a cautious monetary policy stance while waiting for clearer evidence on the persistence of the slowdown.

MONETARY POLICY

The Federal Reserve decided to keep the federal funds target range unchanged at 3.50% to 3.75%, as recent economic data indicated that economic activity continued to expand at a moderate but

stable pace, while inflation remained slightly above the target. Policymakers also noted that labor market conditions were relatively stable, with modest employment gains and a steady unemployment rate. During the meeting, officials acknowledged that uncertainty surrounding the economic outlook remained elevated, although the risks to both sides of the Federal Reserve's dual mandate had become more balanced compared to previous months. While inflation was still above the 2% target, recent data did not indicate a significant weakening in labor market conditions.

Most members supported maintaining the current policy stance, while a few participants expressed a preference for a 25basis point rate cut. Looking ahead, the Federal Open Market Committee emphasized that future policy decisions will depend on incoming economic data and the evolving outlook. The Committee reiterated its commitment to achieving maximum employment and returning inflation to its 2% target, while remaining prepared to adjust the policy stance if necessary.

The US economy remained relatively solid in February, with manufacturing and services still expanding despite softer momentum, inflation close to the Fed's target, and labor market conditions moderating, supporting expectations that the Federal Reserve will maintain its current policy stance amid ongoing uncertainty.

Euro Zone

CONSUMER CONFIDENCE INDEX

Eurozone consumer confidence declined in March 2026, falling by 4 points from February 2026 to -16.3. This marks the lowest level since October 2023 and also worse than market expectations of -14.4. The decline suggests that households are becoming more worried about the economic outlook, especially as rising tensions in the Middle East have pushed up energy prices and increased inflation. This situation has reduced real purchasing power and made households more cautious in managing their spending. In addition, uncertainty over future price developments and income stability is likely to weigh further on consumption decisions.

In the wider European Union, consumer confidence also decreased, dropping by 3.4 points to -15.2. This shows that weaker sentiment is not limited to the euro area but is occurring across the region. Overall, confidence levels in both the euro area and the EU remain below their long-term averages, indicating that consumers are still cautious about spending.

PURCHASING MANAGERS' INDEX

Eurozone PMI eased to 50.5 in March 2026, down from 51.9 in February 2026 and below market expectations of 51. This indicates that private sector activity continued to expand, but only at a very modest pace, marking the weakest growth in ten months. The slowdown was largely driven by a near-stagnation in the services sector, while overall demand conditions weakened, as reflected by a decline in new orders for the first time in eight months. At the same time, employment continued to contract, highlighting cautious business responses amid elevated uncertainty linked to the ongoing Middle East conflict. Cost pressures also intensified, with input prices rising at the fastest

pace since February 2023 and output prices increasing at the quickest rate since February 2024. Supply chain conditions also worsened, as delivery times lengthened significantly. As a result, business confidence fell to its lowest level in nearly a year, reflecting growing concerns over the economic outlook.

RETAIL SALES

Retail sales in the euro area showed limited movement at the start of 2026. Based on preliminary estimates from Eurostat, seasonally adjusted retail trade volumes declined by 0.1% (MoM) in January 2026, while the European Union recorded a marginal increase of 0.1%. This followed a modest expansion in December 2025. Despite the subdued monthly performance, retail sales continued to grow on an annual basis, increasing by 2.0% (YoY) in the euro area and 2.3% in the EU.

By category, retail performance was mixed. In the euro area, sales of food, drinks, and tobacco rose by 0.3% (MoM), while non-food products (excluding automotive fuel) declined by 0.2% and automotive fuel fell by 1.1%. A similar pattern was observed in the EU, where food-related sales increased by 0.4%, while non-food products and automotive fuel decreased by 0.1% and 1.0%, respectively. This indicates that essential consumption remained relatively stable, while discretionary spending softened. On an annual basis, all major categories recorded growth across both regions, led by non-food products. Across member states, performance varied, with the strongest monthly increases recorded in Estonia (+4.4%) and Latvia (+2.8%), while Slovakia (-3.5%), Slovenia (-1.9%), and Croatia (-1.3%) posted the largest declines.

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INFLATION

The euro area's annual inflation rate stood at 1.9% (YoY) in February 2026, slightly higher than 1.7% (YoY) in January 2026. The increase was mainly driven by rising prices in the services sector, where inflation climbed to 3.4% (YoY) from 3.2%, along with a pickup in non-energy industrial goods to 0.7% (YoY) from 0.4%. Meanwhile, inflation for food, alcohol, and tobacco eased slightly to 2.5% (YoY), while energy prices continued to decline, although at a slower pace than in the previous month.

Core inflation, which excludes more volatile components such as energy and food, increased to 2.4% (YoY) from 2.2%. Across major euro area economies, inflation trends were mixed, with price growth accelerating in France to 1.1%, Spain to 2.5%, and Italy to 1.5%, while Germany recorded a slight moderation to 2.0%. Overall, this indicates that underlying price pressures remain present despite some easing in headline components.

MONETARY POLICY

The European Central Bank (ECB) kept its key interest rates unchanged at its March 2026 meeting, with the deposit facility rate at 2.00%, the main refinancing rate at 2.15%, and the marginal lending rate at 2.40%, in line with market expectations. The decision reflects the ECB's continued commitment to bring inflation back to the 2% target over the medium term. The latest projections suggest that inflation will remain elevated in 2026, mainly due to higher energy prices, before gradually easing in the following years, while economic growth is expected to remain subdued in the near term.

However, the outlook has become more uncertain due to the ongoing conflict in the Middle East, which poses upside risks to inflation and downside risks to growth. Higher energy prices are expected to push

up inflation in the short term while weighing on real incomes and economic activity. The ECB emphasised that the overall impact will depend on the duration and intensity of the conflict, as well as its effect on energy markets. This suggests that policy will remain cautious as the ECB assesses how these risks evolve.

The Euro Zone showed signs of weakening momentum in early 2026, as declining consumer confidence and softer PMI pointed to growing caution among households and businesses. At the same time, slightly higher inflation and increased external uncertainty led the European Central Bank to maintain its policy rates unchanged.

China

ECONOMIC GROWTH

The Chinese government has set its economic growth (GDP) target in the range of 4.5-5.0% for 2026, marking the first time it falls below the 5% threshold. This lower target reflects a strategic shift in the country's development model from one traditionally driven by exports and investment toward a more resilience-oriented approach. This new direction emphasizes innovation, the development of high-tech industries, and the strengthening of domestic consumption to build a more robust economic structure amid rising global uncertainties.

Nevertheless, China's economic outlook continues to face several structural challenges, including an aging population, a prolonged downturn in the

property sector, and relatively weak domestic demand. This is reflected in the decline of new home prices, which fell by 3.2% (YoY) in February 2026. The transition toward high-tech industries may also exert pressure on the labor market, particularly for workers in traditional sectors. In this context, the government targets an urban unemployment rate of around 5.5% and aims to create more than 12 million new urban jobs. From the external side, strong trade performance including a high surplus in previous periods, continues to support growth. This is evident in export performance, which surged by 21.8% (YoY), a sharp increase from 6.6% in the previous December 2025. This marks the fastest growth since October 2021, driven by robust global demand and solid early-year momentum.

Looking ahead, China's economic growth is expected to remain stable, supported by strong export performance and sustained, well-calibrated policy measures. Nonetheless, pressures from the property sector and ongoing global uncertainties will continue to weigh on the growth outlook.

MANUFACTURING SECTOR

China's RatingDog General Manufacturing PMI rose to 52.1 in February 2026 from 50.3 in January 2026, marking the third consecutive month of expansion and indicating a solid strengthening in industrial activity. This improvement was primarily driven by stronger demand, particularly from export markets. This is reflected in export growth of 21.8% (YoY) during the January-February 2026 period. Strong external demand led to an increase in new orders, which in turn supported higher production output. On the cost side, input price inflation reached its highest level since June 2022, mainly driven by rising metal prices, although it remained below its long-term average.

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In contrast, data from the National Bureau of Statistics of China (NBS) showed that manufacturing PMI stood at 49.0 in February, down from 49.3 in January 2026, indicating a contraction in manufacturing activity. This divergence is partly explained by seasonal factors, particularly disruptions caused by the extended Lunar New Year holiday, which weighed on production activity. Nevertheless, some segments remained resilient. Large enterprises in the manufacturing sector continued to operate in expansion territory, with a PMI reading of 51.5 in February 2026.

Overall, the February data suggest that the manufacturing sector continued to grow strongly, mainly supported by external demand. However, the sustainability of this growth will depend on the stability of demand as well as the realization of further increases in investment and employment amid ongoing global uncertainty.

INFLATION

China's inflation rose sharply to 1.3% (YoY) in February 2026, up from 0.2% in January 2026, marking the highest level since January 2023. The increase largely reflects the impact of the Lunar New Year, which fell in mid-February this year. Food prices recorded the steepest increase since October 2024, rising 1.7% year-on-year, driven by faster increases in fresh vegetable costs and a softer decline in pork prices. Non-food inflation also strengthened to 1.3% year-on-year from 0.4%, with upward price pressures coming from clothing, healthcare, and education.

Core inflation in February 2026, which excludes food and energy, rose 1.8% year-on-year, the strongest since March 2019. On a monthly basis, the CPI increased by 1.0%, up from 0.2% in January 2026,

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marking the largest monthly gain since February 2024. Overall, the spike in February inflation was largely driven by seasonal factors (Lunar New Year), but the rise in core inflation and non-food components suggests early signs of a recovery in domestic demand.

HOUSING PRICES

China's housing market in February 2026 continued to show persistent pressure. New home prices across 70 cities declined by 3.2% (YoY), slightly deeper than the 3.1%(YoY) drop in January 2026. This marks the 32nd consecutive month of contraction, highlighting the ongoing challenges faced by the government in stabilizing the property sector. The sharpest drop was recorded in Shenzhen (-5.5% YoY), while Beijing saw the mildest decline (-2.3% YoY). Meanwhile, Shanghai was the only city to post positive growth, with prices rising 4.2% YoY.

However, on MoM basis, conditions showed slight improvement, with 17 out of 70 cities recording price increases, up from only 8 cities in January 2026. Despite these short-term improvements, the property sector still faces structural challenges, particularly due to oversupply. In response, the Chinese government has strengthened targeted policies, including limiting new projects, reducing housing inventory, improving housing quality, and providing housing support for young couples and families to boost real demand in the market.

MONETARY POLICY

In February 2026, the People's Bank of China, kept its benchmark lending rates unchanged for the ninth consecutive month. The one-year Loan Prime Rate (LPR) remained at 3.0%, while the five-year LPR, which is used as a reference for mortgage rates, stayed at 3.5%. This steady policy suggests that the

central bank is not in a hurry to implement broad monetary easing.

Although China achieved around 5% economic growth in 2025, supported by strong export performance, the outlook remains uncertain. The economy still faces structural challenges such as economic imbalances, global trade tensions, and rising geopolitical uncertainty. In addition, industrial overcapacity and weak domestic consumption continue to weigh on business confidence. In response, the central bank signaled that it will strengthen support for domestic demand, including the possibility of lowering the reserve requirement ratio (RRR) and implementing broader monetary easing later this year. However, instead of cutting interest rates immediately, the approach is expected to be gradual and cautious.

Overall, the policy direction in February 2026 reflects coordinated policy efforts to strengthen domestic demand, safeguard economic stability, and support more sustainable and higher-quality growth.

China's economy targets growth of 4.5-5.0% in 2026 amid various structural challenges. Strong export performance supports the manufacturing sector, while inflation increases due to the seasonal effect of the Lunar New Year. Meanwhile, the property sector remains weak, and the government maintains a cautious monetary policy.

The background features a bold, abstract geometric pattern. It consists of a grid of squares, each bisected by a diagonal line from the top-left to the bottom-right. The colors are a vibrant red and a clean white. The pattern is partially obscured by the central text, which is set against a solid red rectangular area.

**RECENT
ECONOMIC
DEVELOPMENT:
DOMESTIC
MARKET**

Recent Economic Development: Domestic Market

INFLATION

In February 2026, Indonesia's inflation rate rose further to 4.76% (YoY) from 3.55% (YoY) in January 2026, moving further above Bank Indonesia's inflation target range of 2.5% \pm 1%. The increase was driven by higher prices across most expenditure groups, particularly housing, water, electricity, and household fuel, which recorded a sharp increase of 16.19% (YoY). Prices of personal care and other services also increased significantly by 16.66% (YoY).

On a monthly basis, inflation reached 0.68% (MoM) in February 2026, mainly due to rising prices of volatile food commodities, including broiler chicken meat, bird's eye chili, fresh fish, rice, shallots, and cooking oil. In terms of components, inflation was largely driven by administered prices and energy-related items. Administered prices increased by 12.66% (YoY), while the energy component rose by 22.18% (YoY), reflecting adjustments in regulated prices and higher utility costs.

Meanwhile, core inflation remained moderate at 2.63% (YoY), indicating that underlying demand pressures were still relatively contained. Volatile food inflation reached 4.64% (YoY), showing that headline inflation continued to be sensitive to movements in food prices. Looking ahead, Inflationary pressures may remain elevated in the near term, mainly due to increases in administered prices and energy components, although stable core inflation suggests that demand-side pressures remain manageable.

GOVERNMENT BOND MOVEMENT

The movement of the SBN 10Y yield in early 2026 through February 2026 shows a gradual upward trend with moderate volatility. Based on daily data, the yield increased from around 6.046% in early January 2026 to 6.47% on February 9, 2026, before correcting and stabilizing at around 6.42–6.43% by the end of February 2026. This increase reflects market adjustments to rising external and domestic risks and uncertainties. Globally, emerging market sentiment became more cautious due to geopolitical tensions, including the conflict between the United States and Iran, as well as pressure on exchange rates, which contributed to the depreciation of the rupiah and increased the risk premium demanded by investors.

The IBPA Composite Bond Index (ICBI) and the INDOBeX Government Total Return Index each posted a 0.45% gain in February, bringing their year-to-date returns to 0.29% and 0.27%, respectively. Across emerging markets, the average yield on 10-year government bonds generally declined from the start of the year. Mexico recorded the largest decline, with yields falling by 49 basis points, while Indonesia stood out as the exception, with its 10-year government bond yield rising by 34 basis points.

In February 2026, foreign investors reduced their holdings of Indonesian government securities (SBN) by IDR3 trillion, bringing total foreign ownership down to IDR875 trillion. In contrast, holdings by the banking sector increased by IDR10 trillion, while ownership by other investor groups rose by IDR20

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trillion. Overall, this suggests that domestic investors continued to absorb bond supply even as foreign participation softened during the month.

EXCHANGE RATE

In March 2026, the rupiah stayed relatively stable but at a weaker level, trading in the range of 16,700–16,980 USD/IDR, broadly unchanged from January 2026. The current level is still in line with the weakening trend seen in Q4 2025, when the rupiah moved lower gradually alongside other regional currencies such as the Korean won and Malaysian ringgit, amid a stronger US Dollar Index and cautious global sentiment.

On the domestic side, seasonal factors during Ramadan and the period leading up to Eid al-Fitr contributed to higher demand for foreign currency. Imports of food and consumer goods increased to meet rising consumption, while demand for United States dollars also rose for corporate payments and outbound travel during the holiday season. At the same time, market activity declined during the long holiday period, resulting in lower liquidity in the foreign exchange market. With fewer transactions taking place, the rupiah became more sensitive to external pressures, leading to more noticeable daily fluctuations despite relatively stable domestic fundamentals.

RETAIL SALES INDEX

According to the latest Bank Indonesia Retail Sales Survey, Indonesia's Real Sales Index (*Indeks Penjualan Riil*/ IPR) points to a firmer retail backdrop in February 2026. BI estimates that retail sales grew by 6.9% year on year and 4.4% month on month in February, indicating a clear improvement from the previous month. The pickup was driven mainly by stronger sales in spare parts and accessories, other

household equipment, and clothing, supported by rising consumer demand during Ramadan and in the run-up to Idul Fitri 1447 H.

This follows a still-solid, though softer, performance in January 2026, when the IPR increased by 5.7% year on year but contracted 2.7% month on month as household spending normalized after the year-end holiday period. In level terms, BI reported that the January 2026 IPR stood at 223.6, suggesting that the February rebound was not merely seasonal noise, but rather a reacceleration in retail activity from an already relatively firm base.

From a macro perspective, the latest retail sales data suggest that private consumption remained resilient early in 2026, even as the economy continued to face a challenging external environment. BI also noted that near-term price pressures were expected to ease after the Idul Fitri period, with the general price expectations index for April 2026 declining relative to March 2026, although expectations for July 2026 were seen edging up on the back of the new school year. Overall, the February 2026 retail sales release signals that household demand remained a key pillar of domestic growth at the start of the year.

CONSUMER CONFIDENCE INDEX (CCI)

According to the latest Bank Indonesia Consumer Survey, Indonesia's Consumer Confidence Index (CCI / IKK) stood at 125.2 in February 2026, remaining firmly in optimistic territory, as readings above 100 indicate that consumers are broadly positive on economic conditions. While still strong, the headline index eased from 127.0 in January 2026, suggesting that household sentiment moderated slightly after the start of the year.

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PURCHASING MANAGER INDEX (PMI)

According to the latest S&P Global Manufacturing PMI release, Indonesia's PMI rose to 53.8 in February 2026, up from 52.6 in January 2026. This marked the seventh consecutive month of expansion and the strongest improvement in operating conditions since March 2024, underscoring a further strengthening in manufacturing momentum at the start of 2026.

The improvement in February 2026 was driven primarily by stronger demand conditions. S&P Global reported that new orders in February 2026 increased at the fastest pace since November 2025, supported mainly by firmer domestic demand, while output in February 2026 also expanded at its

quickest rate since April 2024. External demand improved as well, with export orders in February 2026 rising for the first time in six months and posting their strongest increase since May 2022.

On the cost side, firms in February 2026 continued to face some supply-side frictions, including shipping delays and flooding, which extended supplier delivery times for a fifth consecutive month. Even so, input cost inflation in February 2026 eased to a six-month low, allowing companies to raise selling prices only modestly. Overall, the latest PMI data suggest that Indonesia's manufacturing sector entered February 2026 on a firmer footing than in January 2026, with stronger output, demand, and hiring dynamics, although business confidence softened somewhat from the previous month.

CREDIT GROWTH AND QUALITY

Indonesia's banking sector showed moderately firmer credit growth in January 2026. Total bank credit in January 2026 grew 9.96% year on year to IDR8,557 trillion in January 2026, up from 9.63% year on year in December 2025. By loan type, investment credit in January 2026 posted the strongest growth at 22.38% YoY, followed by consumer credit in January 2026 at 6.58% YoY and working-capital credit in January 2026 at 4.13% YoY. By borrower segment, corporate credit in January 2026 grew 16.07% YoY, while lending by state-owned banks in January 2026 increased 13.43% YoY. On that basis, it is more accurate to describe credit conditions in January 2026 as still strengthening slightly relative to December 2025, rather than weakening.

Credit quality, however, was slightly softer in January 2026 than in December 2025, even though it remained broadly manageable. OJK reported that the gross NPL ratio in January 2026 stood at 2.14%, compared with 2.05% in December 2025, while the

net NPL ratio in January 2026 rose to 0.82% from 0.79% in December 2025. Meanwhile, the Loan at Risk (LaR) ratio in January 2026 increased to 9.01%, from 8.77% in December 2025. This means the latest data do not support a narrative of improving asset quality on a month-to-month basis; rather, they suggest that credit risk metrics deteriorated modestly in January 2026, although the overall level of stress still appears contained by historical standards.

STATE BUDGET (APBN)

As of 28 February 2026, Indonesia's state budget (APBN) recorded a deficit of IDR135.7 trillion, equivalent to 0.53% of GDP. This was materially wider than the IDR30.7 trillion deficit, or 0.13% of GDP, recorded in the same period a year earlier, reflecting a sharp early-year deterioration in the fiscal balance. Even so, the deficit remained well below the statutory ceiling of 3% of GDP set under Indonesia's State Finance Law, indicating that the fiscal position was still within the government's formal guardrails.

The wider deficit was driven by a pronounced acceleration in expenditure relative to revenue collection. State revenue reached IDR358.0 trillion, or 11.4% of the full-year budget target, rising 12.8% year on year. Meanwhile, state spending came in at IDR493.8 trillion, or 12.8% of the annual allocation, surging 41.9% year on year. Official commentary suggests that the government deliberately front-loaded spending early in the year to strengthen the fiscal impulse and support economic activity, while tax revenue remained relatively solid.

On the financing side, the government had realized IDR164.2 trillion in budget financing by end-February, while the primary balance posted a deficit of IDR35.9 trillion. In practical terms, this indicates

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that the fiscal deterioration was not solely a function of interest costs but also reflected the pace of core expenditure execution at the start of the fiscal year. Taken together, the February 2026 data point to a budget stance that was more expansionary than a year earlier: revenues were still growing, but expenditure growth was substantially faster, resulting in one of the larger two-month opening deficits in recent years.

MONETARY POLICY

According to the latest Bank Indonesia Board of Governors Meeting held on 16–17 March 2026, BI kept the BI-Rate unchanged at 4.75% in March 2026, while also maintaining the Deposit Facility rate at 3.75% in March 2026 and the Lending Facility rate at 5.50% in March 2026. Bank Indonesia stated that the decision was aimed at reinforcing rupiah stability amid worsening global conditions linked to the war in the Middle East, while remaining consistent with the effort to keep inflation within the 2026–2027 target corridor of 2.5% ±1%.

In policy terms, the March 2026 decision signals that Bank Indonesia remains in a holding pattern, prioritizing external stability over near-term monetary easing. That characterization is consistent with the fact that the BI-Rate in March 2026 was unchanged from the prior setting, rather than lowered further, even as BI continued to frame the stance as supportive of economic growth. Put differently, the latest release suggests that BI still sees exchange-rate stability and inflation control in March 2026 as the dominant policy considerations under elevated global uncertainty.

The tone of the statement also indicates a more cautious external backdrop than in prior months. Bank Indonesia explicitly linked its decision in March 2026 to the need to shield the rupiah from spillovers

associated with deteriorating global conditions, especially the Middle East conflict, rather than emphasizing domestic demand management alone. As a result, the latest monetary policy release points to a central bank that, in March 2026, was still balancing support for growth with a clear bias toward preserving macro-financial stability.

A particularly notable development was the rebound in Indonesia's Manufacturing PMI to 53.8 in February 2026, the highest reading since March 2024. This suggests that the industrial sector was not merely expanding, but accelerating, helped by stronger domestic demand, improving export orders, and easing input-cost pressures.

REGIONAL TRANSFER

The Ministry of Finance reported that regional transfer disbursements (Transfer to Regions/ *Transfer ke Daerah* - TKD) reached IDR147.7 trillion as of 28 February 2026. This represents 8.1% year-on-year growth and is equivalent to 21.3% of the FY2026 State Budget ceiling, which has been set at IDR693 trillion. The stronger disbursement performance in February 2026 was driven primarily by higher transfers of Revenue-Sharing Funds (DBH), General Allocation Funds (DAU), and non-physical Special Allocation Funds (DAK Non-fisik). Ministry of Finance also noted, however, that administrative bottlenecks at the regional government level remain a constraint to smoother fund distribution.



ASSET ALLOCATION

GLOBAL MARKET

Global markets in March 2026 remained cautious as geopolitical tensions involving Iran continued to persist, particularly around key oil supply routes in the Middle East. This has kept global oil prices elevated, reinforcing concerns over renewed inflationary pressures. At the same time, global bond yields stayed high, especially at the long end, as markets repriced inflation risks. While global market sentiment has become more selective, with investors increasingly sensitive to energy prices, policy outlook, and geopolitical developments.

DOMESTIC EQUITY MARKET

The JCI remained under pressure in March, moving within a relatively narrow range following earlier gains at the start of the year. Market performance appeared mixed across sectors, with some support from commodity-related and cyclical names, while other large-cap sectors showed more moderate movement. Foreign investor activity remained selective, reflecting a cautious stance amid global volatility and currency pressures. Overall, near-term market direction is likely to remain influenced by external developments.

DOMESTIC BOND MARKET

Indonesia's bond market remained under pressure in March, in line with elevated global yields and persistent external risks. While Bank Indonesia maintained its policy rate at 4.75%, movements in the secondary market reflected a shift in curve dynamics. The SBN yield curve experienced bear flattening, with SBN 5Y yield rising by 87 bps, while SBN 10Y yield increased by 41 bps over the month.

This indicates a sharper adjustment at the short to mid-end of the curve, while the long end remained relatively more anchored. Nonetheless, external factors particularly global yield movements and inflation expectations continue to shape bond market direction.

DOMESTIC MONEY MARKET

Money market conditions remained relatively stable in March, supported by Bank Indonesia's policy rate at 4.75%. However, further BI-Rate cuts has become increasingly limited, as recent BI meeting has no longer emphasizes the search for additional rate cuts, indicating a more hawkish stance going forward. Reflecting this shift, short term instruments have started to reprice higher, with yields on SRBI and short tenor SBN trending upward alongside global *yield* movements. While overall liquidity conditions remain supportive, the recent uptick in money market rates suggests a more cautious outlook for short term funding costs.

ASSET ALLOCATION TAKEAWAY

The current environment calls for a more defensive and patient approach, as elevated global yields and geopolitical risks particularly from higher oil prices continue to put pressure on the outlook. In fixed income, the recent bear flattening in the SBN curve and rising short term rates suggest that duration exposure should be approached cautiously, with a preference to stay selective. Meanwhile, equities have shown recent pressure indicating that market conviction remains limited. In this context, it may be prudent to wait for clearer signals on geopolitics, global *yield*, policy direction, and capital flows before taking more decisive positioning.



WHAT TO EXPECT AHEAD

FORWARD OUTLOOK AND STRATEGIC RISKS

This month, economic progress across the globe is being materially shaped by geopolitical tensions, with the Iran conflict evolving into a systemic shock to energy, trade, and financial stability. The Strait of Hormuz, which carries 25% of global oil and 20% of LNG, has seen disruptions of up to 95% of traffic, effectively converting a regional conflict into a global supply constraint. What was initially expected to last 4 days has instead become a prolonged engagement, with cumulative costs already reaching \$30–40 billion for the US and \$300 million per day for Israel, underscoring how quickly geopolitical risk is translating into sustained economic pressure.

The macro transmission channel is not growth first, but inflation persistence combined with policy constraint. The global economy now faces three paths: expansion (50%), stagnation (30%), and recovery (20%), but critically, even the base case assumes inflation remains sticky. In the downside scenario, energy-driven supply shocks risk unanchoring expectations, potentially pushing US 10-year yields above 5% and forcing renewed tightening in 2026. This is fundamentally different from past shocks because inflation is already elevated, meaning central banks cannot respond with aggressive easing without risking credibility.

The shock is systemic because it propagates across production systems, not just energy markets. The Middle East accounts for over 30% of global seaborne urea fertilizer exports, linking energy disruption directly to agricultural output and food inflation. At the same time, Iran's ability to disrupt 10–13 million barrels per day of oil supply, combined with potential revenue extraction of up to \$80 billion annually through strategic control of transit routes, signals a structural shift toward economic warfare via chokepoints. This is not a temporary disruption,

but a repricing of geopolitical risk embedded into supply chains.

The direct impact of these uncertainties is being transmitted through rising logistics costs. The Drewry World Container Index highlights the critical role of container shipping, which accounts for more than 60% of global cargo movement. The index provides one of the clearest real-time signals of how global trade is reacting to geopolitical stress, and right now it is flashing volatility, not stability. The index, which tracks actual spot freight rates across 8 major East–West routes, moved from around \$1,899 per 40ft container in late February 2026 to \$2,123 by mid-March, an 8% weekly increase driven largely by sharp spikes on Asia–Europe and Transpacific routes. This is critical because container rates are not just logistics data, they are a leading indicator of supply chain stress and global demand conditions. The recent increase is not demand-driven, but disruption-driven, with Drewry explicitly noting that the ongoing Middle East conflict is already supporting higher freight rates through supply chain disturbances. In practical terms, this means shipping costs are no longer following normal cyclical patterns but are being distorted by geopolitical risk, making them less predictable and more prone to sudden spikes.

What makes this more concerning is not the level of the index itself, but its instability and underlying drivers. The WCI is constructed from eight major global routes (e.g., Shanghai–Rotterdam, Shanghai–Los Angeles) and reflects real transactions reported by freight forwarders, meaning it captures actual market stress rather than theoretical pricing. The recent movements show divergence across routes, for example Shanghai–Rotterdam rates jumped 19% to \$2,443, while others increased more moderately, signaling route-specific bottlenecks rather than broad-based recovery. At the same time, capacity

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adjustments such as blank sailings and carrier-led rate hikes (FAK increases) indicate that shipping lines are actively managing supply in response to disruption, not demand growth. The implication is blunt: global logistics is entering a phase where prices are driven more by disruption and risk management than by trade fundamentals, meaning businesses can no longer rely on historical cost trends or averages, they must assume freight cost volatility as a structural feature, not a temporary anomaly.

These global dynamics are already reflected domestically in Indonesia, where sentiment has deteriorated in a broad and consistent manner. The Institute for Economic and Social Research (LPEM FEBUI) has conducted surveys that concluded that 48% of experts (41 of 85) report that economic conditions have worsened, while only 14% see improvement, resulting in a negative overall assessment of -0.39. Inflation pressure is the dominant concern, with 67% reporting rising inflation and expectations worsening sharply to +0.91, with 75% anticipating further increases. Labor market conditions remain weak (-0.55) and business sentiment is more negative (-0.67), indicating that the slowdown is not cyclical or sector-specific, but systemic.

Looking forward, Indonesia is not entering a crisis, but it is clearly moving into a low-growth, high-inflation equilibrium with weak policy traction. Growth expectations are near flat (-0.11, with 42% expecting no change), while policy credibility is limited: 52 of 85 experts judge fiscal policy ineffective (-0.62) and monetary policy only marginally effective (-0.14). This combination is dangerous because it removes the usual adjustment mechanisms, leaving the economy exposed to external shocks without strong internal stabilizers.

The structure of this shock creates three simultaneous pressures that rarely occur together:

1. Margin compression is structural, not cyclical

Energy exposure is obvious, but second-round effects are the real issue. Fertilizer costs, logistics, insurance premiums, and working capital requirements will all rise together. For sectors like manufacturing, food processing, and logistics, this is not a +5–10% cost increase story, this is multi-layered cost escalation across the entire value chain. If pricing power is weak, the margins will be squeezed from multiple directions simultaneously.

2. Demand is weakening in a non-linear way

This is not a demand collapse, but demand erosion under inflation pressure. With inflation expectations at +0.91 and rising, households will not stop spending, but they will downtrade, delay, and reprioritize. That kills premium segments first, then discretionary consumption. If the business model depends on volume growth or middle-class expansion, the revenue stream are exposed. The key shift is from growth to resilience of demand composition.

3. The effectiveness of the (fiscal) policy might be limited

With fiscal policy seen as ineffective (-0.62) and monetary policy constrained (-0.14), the usual playbook of stimulus, subsidies, or rate cuts will be limited, delayed, or inefficient. That means businesses must operate under the assumption of policy lag, not policy support. If the strategy depends on government cushioning shocks, it is fragile.

4. External vulnerability is higher than what people think

Indonesia's dependence on Hormuz-linked energy is not trivial: 20.5% of crude oil and 37.1% of LPG

imports. Under a 20% disruption scenario, GDP could slow to 4.88% and inflation rise to 3.16%. That's the baseline stress test, not a worst case. Any escalation beyond that creates second-order effects in exchange rate, subsidies, and corporate financing costs.

5. The logistics dimension adds a critical layer of risk that has not been fully accounted for.

Freight rates are becoming volatile rather than simply increasing, making costs unpredictable and disrupting planning. At the same time, supply chain delays and higher inventory needs are increasing working capital pressure and operational risk. This ultimately weakens export competitiveness and disproportionately affects smaller firms, amplifying structural vulnerabilities.

6. The real game is balance sheet strength, not growth strategy

In this environment, winners are not those who expand fastest, but those who survive volatility best. That means:

- Strong cash buffers and liquidity management
- Flexible supply chains, not just cheapest suppliers
- Ability to pass through cost increases selectively
- Tight control over inventory and working capital
- Strategic hedging where possible

EXHIBITS

EXHIBIT 1 • INDONESIA MACROECONOMICS INDICATOR

Indicator	Unit	2025												2026	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
GDP Growth	% YoY	-	-	4.87	-	-	5.12	-	-	5.04	-	-	5.39	5.02	-
CPI Inflation	% YoY	0.76	-0.09	1.03	1.95	1.60	1.87	2.37	2.31	2.65	2.86	2.72	2.92	3.55	4.76
Core Inflation	% YoY	2.48	2.36	2.48	2.50	2.40	2.37	2.32	2.17	2.19	2.36	2.36	2.38	2.45	2.63
Manufacturing PMI	Level	51.9	53.6	52.4	46.7	47.4	46.9	49.2	51.5	50.4	51.2	53.3	51.2	52.6	53.8
Exports	% YoY	4.68	14.05	23.25	5.76	9.68	11.29	9.86	5.78	11.41	-2.31	-6.06	11.6	-	-
Imports	% YoY	-2.67	2.30	18.92	21.80	4.14	4.28	-5.86	-6.56	7.17	-	0.46	10.8	-	-
Foreign Currency Reserves	USD bn	140	138	140	134	134	134	134	132	128	129	129	135	130	127
Money Supply (M2)	% YoY	5.46	6.20	6.13	5.19	4.9	6.4	6.6	7.6	8	7.7	8.3	9.6	-	-
Commercial Banking Total Deposits and Securities	% YoY	3.82	4.60	4.03	3.74	3.29	6.19	6.54	7.61	7.95	7.82	8.37	8.37	-	-
Commercial Banking Credit	% YoY	10.3	10.3	9.2	8.9	8.4	7.8	7.0	7.6	7.7	7.36	7.74	9.69	9.96	9.37
Fiscal Surplus/Deficit	% GDP	-	-	-2.76	-	-	-2.77	-	-	-2.73	-	-	-2.92	-0.21	-

EXHIBIT 2 • EXCHANGE RATE

Exhibit 2.1 Difference of Spot and Forward IDR

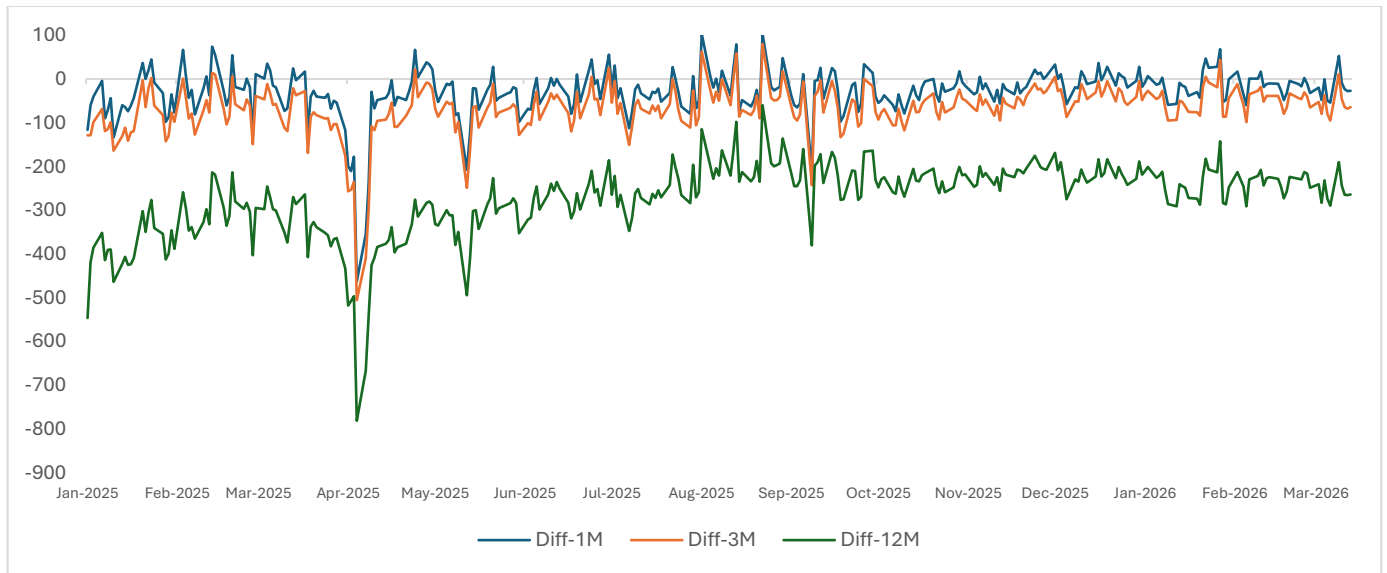


Exhibit 2.2 BI-Rate & Exchange Rate (IDR/USD)

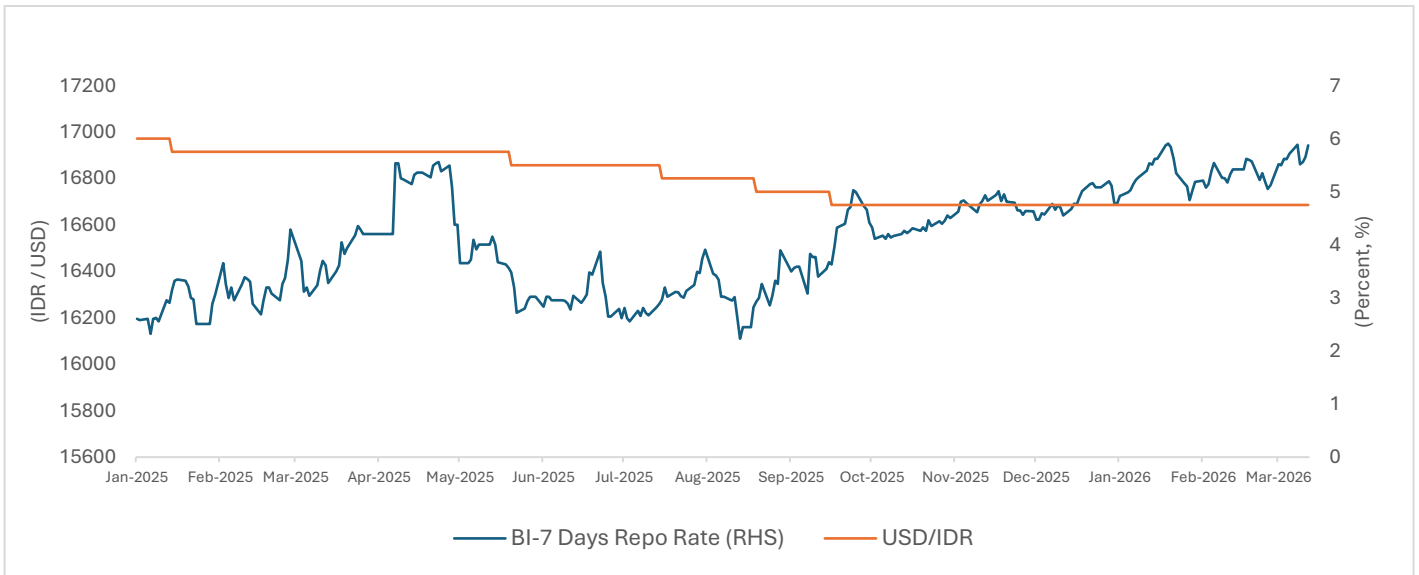


Exhibit 2.3 EM's Exchange Rate Against USD Index (01/01/2025 = 100)

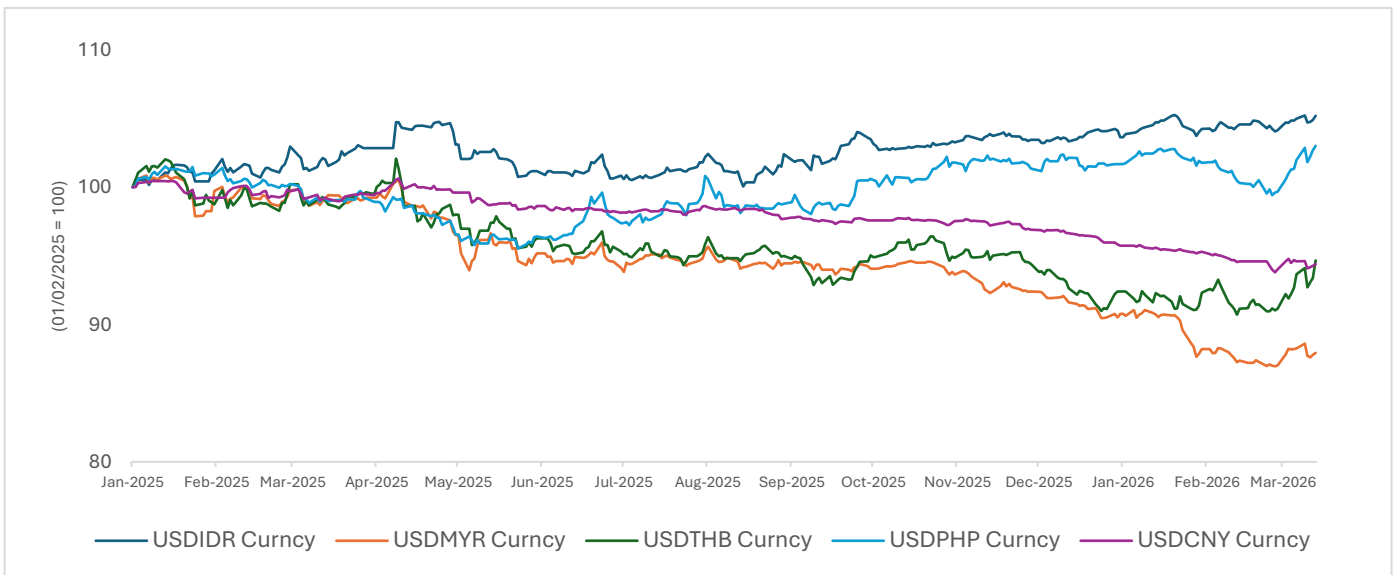


EXHIBIT 3 • INDONESIA'S LIQUIDITY

Exhibit 3.1 JIBOR 1 & 3 M and BI-Rate

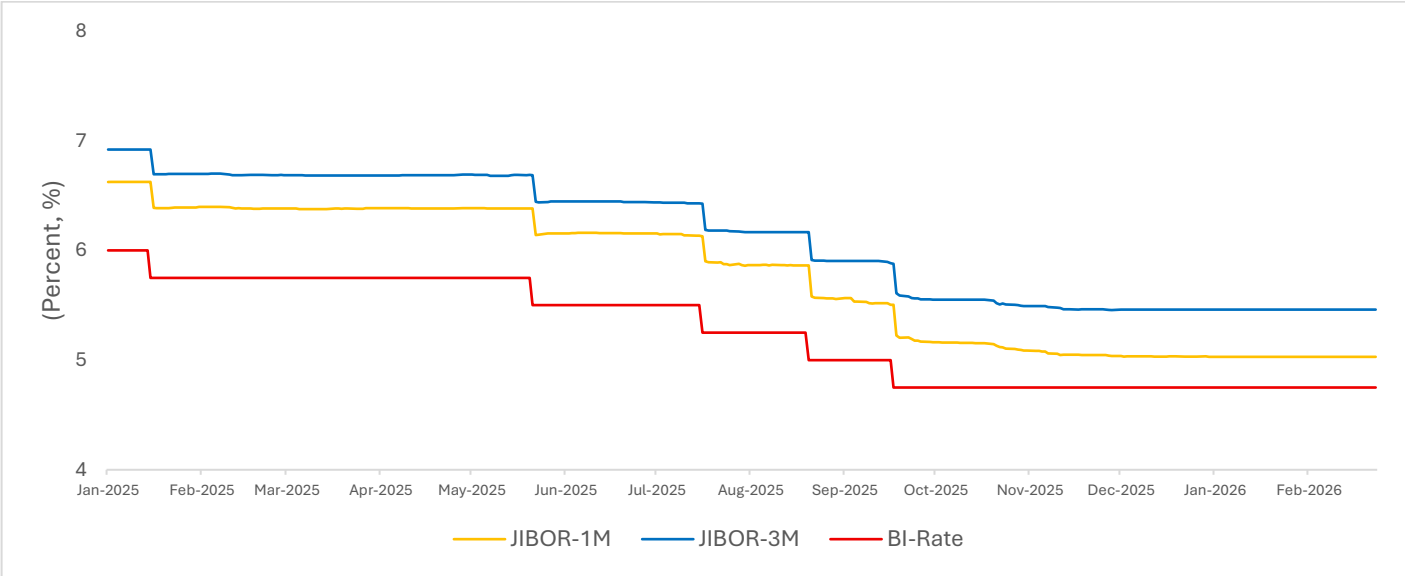


Exhibit 3.2 Monetary Operations of BI

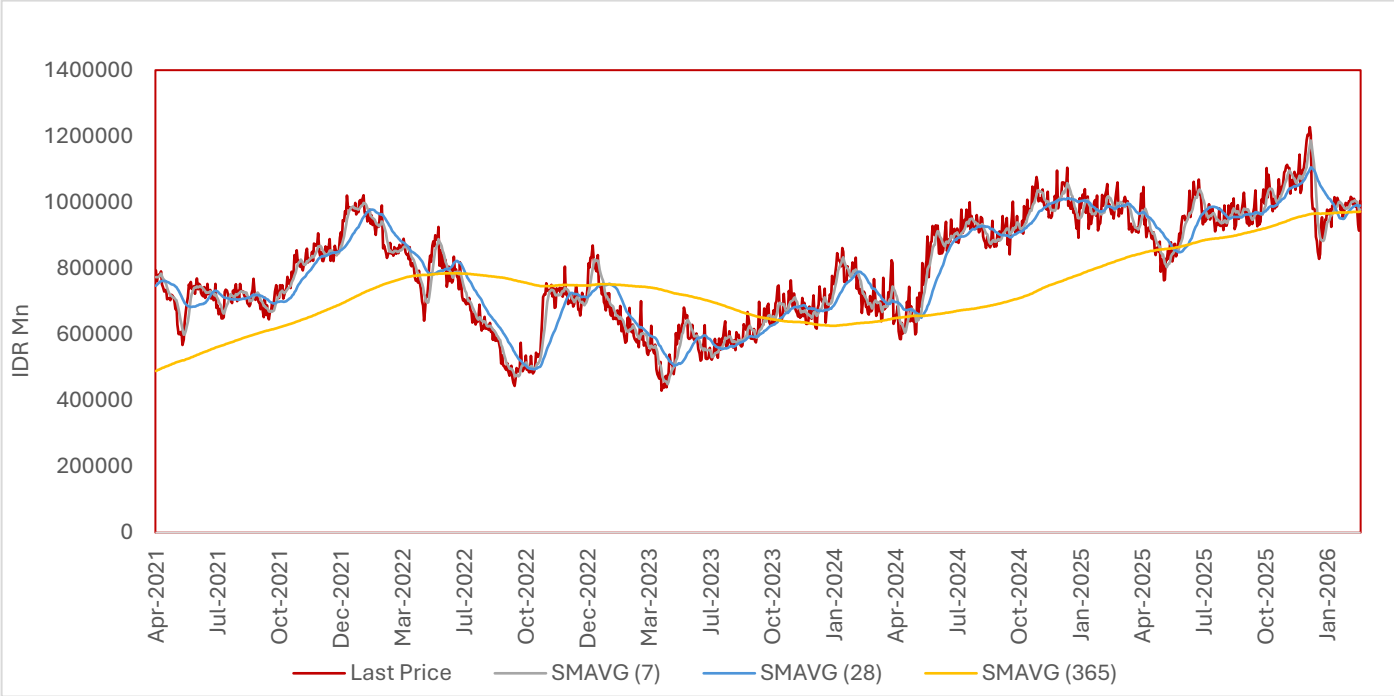


Exhibit 3.3 Indonesia's Foreign Exchange Reserves USD

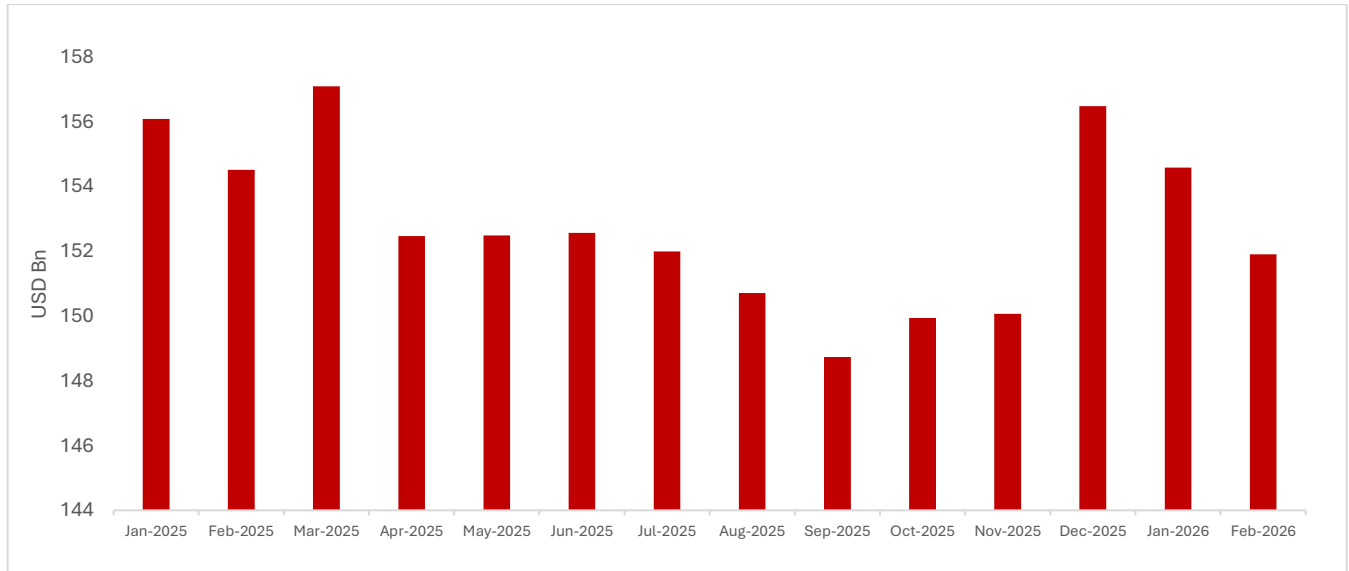


EXHIBIT 4 • FINANCIAL MARKET

Exhibit 4.1 Stock Market Index (02/01/2025 = 100)

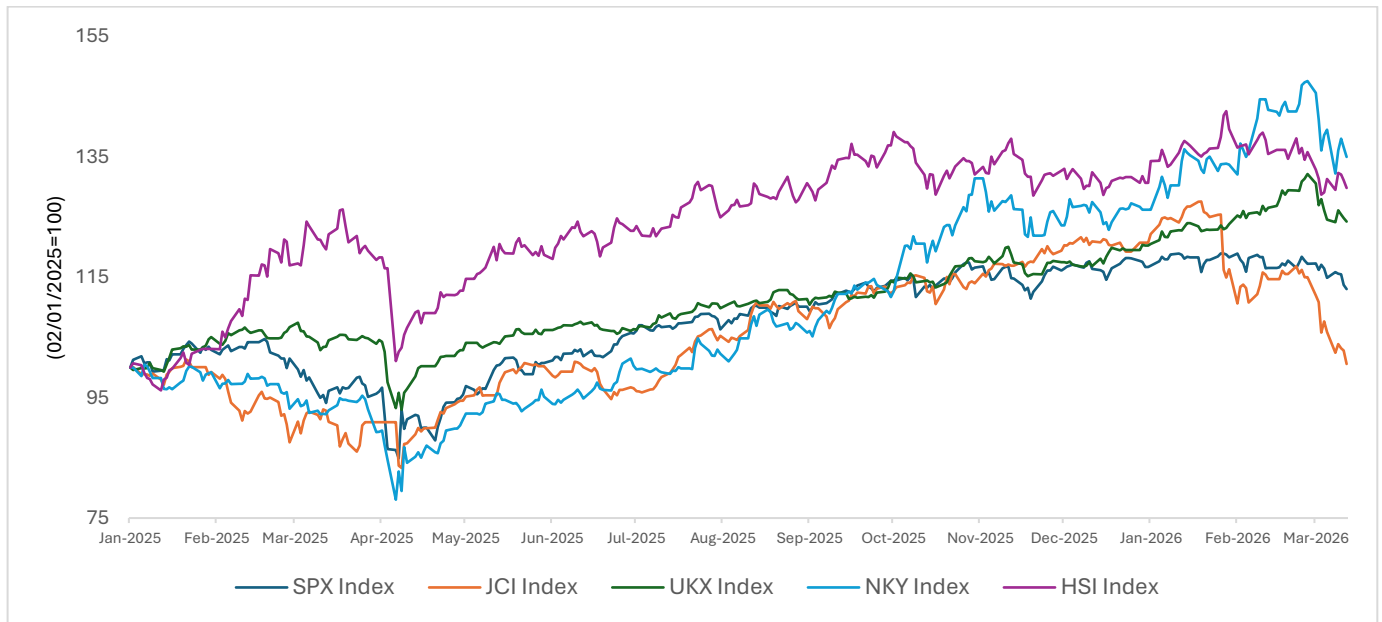


Exhibit 4.2 Indonesia Bond Yield Curve

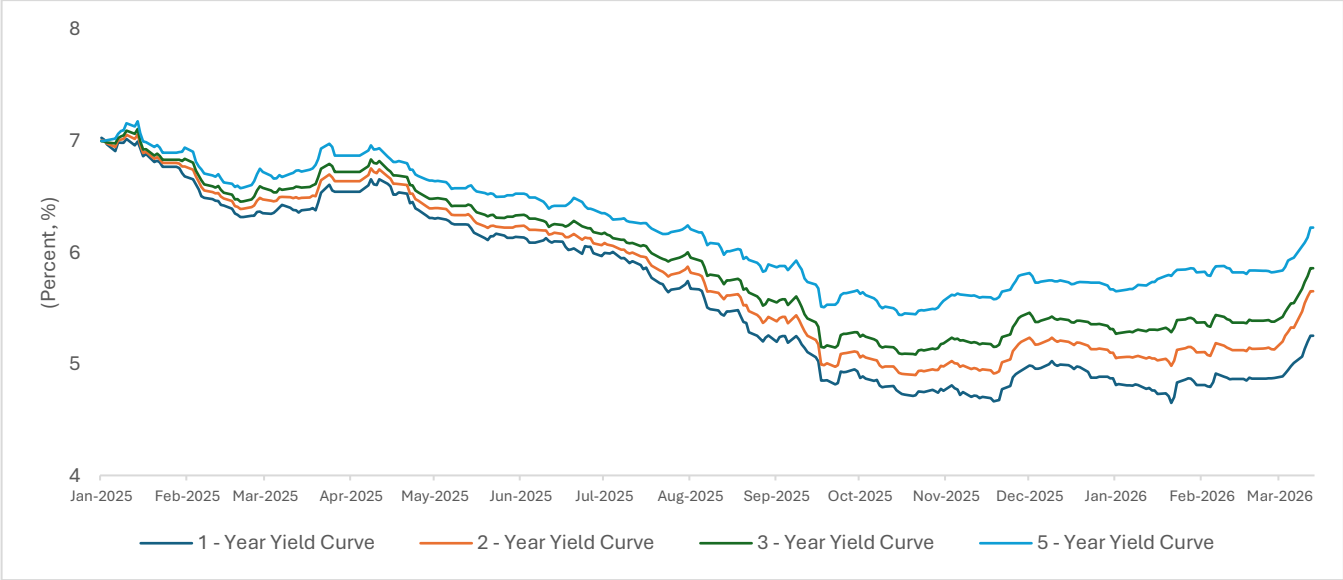


Exhibit 4.3 Indonesia Stock Market & Survivor

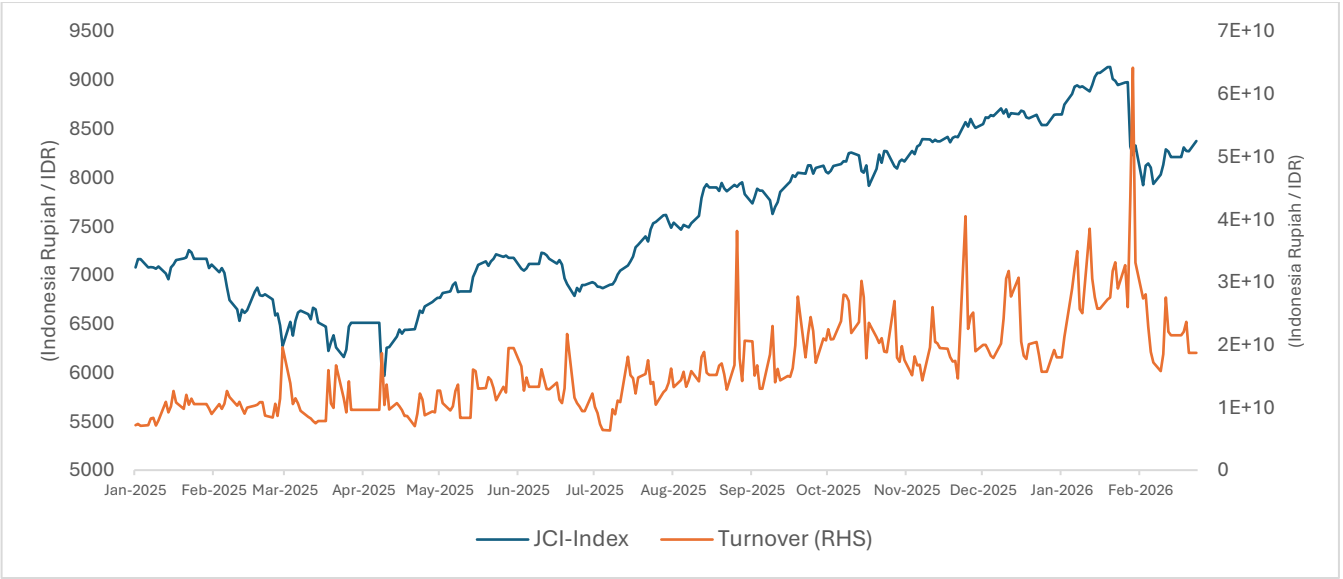


Exhibit 4.4 Indonesia CDS & Government Bond 5Y

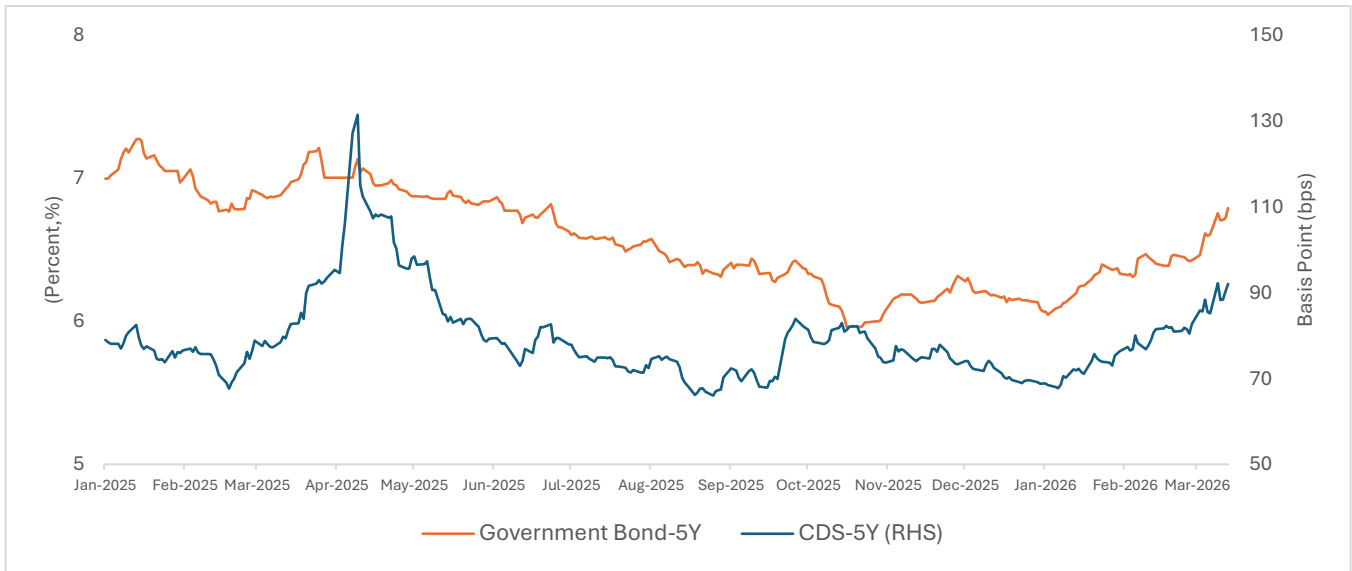


EXHIBIT 5 • REGIONAL STATISTICS

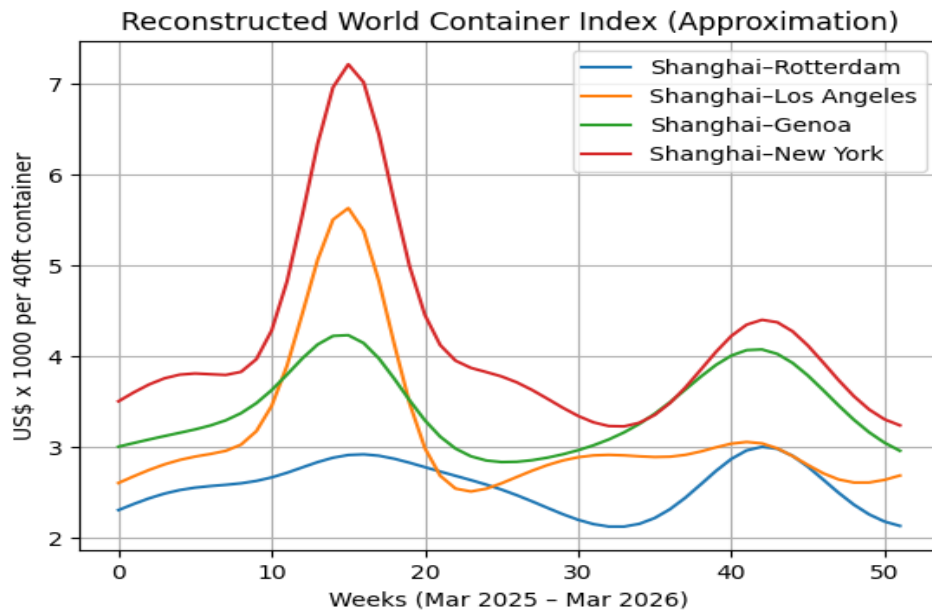
Exhibit 5.1 Monthly Inflation Rate

Provinsi	Inflasi Tahunan (Y-on-Y) 38 Provinsi (2022=100) (Persen)													
	2025												2026	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Aceh	1.61	0.41	1.53	3.11	2.35	2.19	3	3.7	4.45	4.66	3.58	6.71	6.69	6.94
Sumatera Utara	1.78	0.73	0.69	2.09	1.11	1.25	2.86	4.42	5.32	4.97	3.96	4.66	3.81	4.71
Sumatera Barat	1.24	-0.09	0.3	2.38	0.85	0.45	2.19	2.89	4.22	4.52	3.98	5.15	3.92	4.39
Riau	1.12	0.02	0.68	2.07	0.98	0.98	2.42	3.58	5.08	4.95	4.27	4.88	4.43	5.3
Jambi	0.46	-0.27	0.32	1.84	0.96	1.34	2.71	2.76	3.77	3.71	3.55	3.71	3.35	4.59
Sumatera Selatan	0.92	0.49	1.77	2.74	2.33	2.44	2.88	3.04	3.44	3.49	2.91	2.91	3.33	4.36
Bengkulu	0.09	-1.26	-0.22	0.96	0.39	-0.1	1.01	1.3	2.57	2.85	2.68	2.77	2.61	3.88
Lampung	1.04	-0.02	1.58	2.8	2.12	2.27	2.63	1.05	1.17	1.2	1.14	1.25	1.9	2.95
Kepulauan Bangka Belitung	-0.23	-0.64	1.13	1.37	0.79	0.99	2.05	1.34	1.82	2.51	2.87	2.77	3.95	3.31
Kepulauan Riau	2.01	2.09	2.01	2.56	1.73	1.32	1.97	2.19	2.7	3.01	3	3.47	2.94	3.54
Dki Jakarta	0.14	-0.59	1.02	2.21	2.07	2.07	2.25	2.16	2.4	2.69	2.67	2.63	3.96	4.91
Jawa Barat	0.79	-0.27	0.81	1.67	1.47	1.78	2.03	1.77	2.19	2.63	2.54	2.63	3.24	4.71
Jawa Tengah	1.28	0.08	0.75	1.94	1.66	2.2	2.52	2.48	2.65	2.86	2.79	2.72	2.83	4.43
Di Yogyakarta	0.95	-0.3	0.52	2.1	2.04	2.52	2.6	2.3	2.56	2.9	2.92	3.11	3.3	4.91
Jawa Timur	1.06	-0.03	0.77	1.35	1.22	2.02	2.21	2.17	2.53	2.69	2.63	2.93	3.29	4.88
Banten	0.85	-0.33	0.7	1.59	1.57	1.83	2.29	1.95	2.31	2.75	2.56	2.74	3.48	5.14
Bali	2.41	1.21	1.89	2.3	1.92	2.94	3.16	2.65	2.51	2.61	2.51	2.91	2.58	3.89
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	3.01	3.86	5.37
Nusa Tenggara Timur	-0.06	0.47	1.86	1.77	1.6	1.72	3.03	2.71	2.3	2	2.4	2.39	3.34	3.42
Kalimantan Barat	0.15	0.04	0.94	1.2	0.59	1.2	2.14	2.13	1.94	2.07	2.04	1.85	3.33	3.9
Kalimantan Tengah	0.28	0.28	1.33	1.21	0.46	1.06	2.13	2.08	2.35	2.73	2.56	3.13	4.09	5.06
Kalimantan Selatan	0.62	0.25	1.2	1.57	1.25	1.81	2.48	2.68	2.91	3.11	3.35	3.66	4.66	5.97
Kalimantan Timur	0.21	-0.3	1.36	1.57	1.03	1.62	2.08	1.79	1.77	1.94	2.28	2.68	3.76	4.64
Kalimantan Utara	-0.12	-0.49	1.24	1.3	1.24	1.38	1.99	2.24	2.32	2.23	2.47	2.57	4.08	4.75
Sulawesi Utara	-0.25	-0.15	1.41	2.27	1.53	1.71	2.04	0.94	1.57	1.48	0.65	1.23	3.04	4.64
Sulawesi Tengah	0.02	-0.38	1.88	2.97	2.61	2.47	3.69	4.02	3.88	3.92	3.5	3.31	4.55	5.33
Sulawesi Selatan	0.1	-1.09	0.67	2.28	2.04	2.24	3.05	3.12	3.03	2.98	2.73	2.84	4.11	6.13
Sulawesi Tenggara	-0.39	-0.22	1.53	1.96	1.71	2.52	3.72	3.75	3.68	3.26	2.94	2.86	5.1	5.41
Gorontalo	-1.52	-0.29	1.76	2.3	0.28	0.8	3.12	2.51	1.99	2.44	2.21	2.52	4.53	5.3
Sulawesi Barat	0.32	-0.24	1.55	3.36	3.21	2.57	3.57	3.52	3.04	2.64	2.56	2.48	4.34	5.15
Maluku	0.76	1.33	3.54	3.34	2.24	1.88	2.99	3.25	3.01	2.3	2.33	3.58	4.7	5.97
Maluku Utara	-0.15	0.16	2.32	3.23	1.89	2.01	2.46	0.43	-0.17	1.18	1.89	1.63	4.86	5.85
Papua Barat	0.44	-1.98	-0.23	0.15	-1.51	-0.67	0.43	-0.87	1.02	1.42	1.33	2.59	5.02	5.83
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	2.15	3.75	4.16
Papua	0.6	0.81	2.15	1.64	1.33	1.07	1.4	0.54	0.99	0.53	0.8	2.54	3.33	3.94

MACROECONOMIC MONITOR

Papua Selatan	0.45	0.31	2.68	3.57	2.19	3	5.45	3.78	3.42	3.43	3.39	2.95	4.83	5.5
Papua Tengah	0.99	2.09	3.7	3.71	2.26	2.33	2.89	1.86	2.28	2.11	2.53	3.28	4.85	4.93
Papua Pegunungan	4.55	7.99	8.05	5.96	5.75	2.01	4.15	3.71	3.55	3.32	4.05	3.22	2.93	0.63
Indonesia	0.76	-0.09	1.03	1.95	1.6	1.87	2.37	2.31	2.65	2.86	2.72	2.92	3.55	4.76

EXHIBIT 6 • WORLD CONTAINER INDEX



FOOTNOTES AND REFERENCES

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Data Sources: CEIC, Bloomberg, BI, BPS, Drewry, 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 (HSI) 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.

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

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