

# Macroeconomic Monitor April 2026

## Domestic Demand Holds, but External Risks Keep Policy Defensive

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# HIGHLIGHTS

## April 2026

### United States (US)

The US economy showed increasing signs of moderation in March 2026, with diverging sectoral performance and rising inflationary pressures. The S&P Global US Manufacturing PMI remained resilient at 52.3, supported by solid domestic demand and inventory buildup, while the S&P Global US Services PMI fell to 49.8, marking its first contraction in over three years amid weaker new orders and declining business confidence. External demand remained subdued across both sectors, reflecting ongoing tariff pressures and geopolitical uncertainties.

Inflation rebounded sharply, with headline CPI rising to 3.3% (YoY), driven primarily by higher energy prices, while core inflation edged up more moderately to 2.6%, indicating relatively contained underlying pressures. The divergence between headline and core inflation highlights the significant role of external cost shocks, particularly from energy markets. Labor market conditions appeared stable on the surface but showed underlying softness. The unemployment rate declined slightly to 4.3%, largely due to falling labor force participation, while job creation remained uneven and underemployment increased. Amid these dynamics, the Federal Reserve maintained its policy rate at 3.50%–3.75%, signaling a cautious and data-dependent stance as it balances persistent inflation risks with signs of gradual economic cooling.

### Euro Zone

The euro area economy showed a still-fragile expansion in March 2026, with activity remaining above the contraction threshold but losing momentum. S&P Global's final data showed the Eurozone Composite PMI easing to 50.7 from 51.9 in February, indicating that overall output was still growing, but at a much slower pace. The slowdown was concentrated in services, where the Services PMI Business Activity Index fell to 50.2, while manufacturing continued to improve, with the Manufacturing PMI rising to 51.6, its highest level in 45 months. This divergence suggests that the euro area is no longer weakening uniformly, but growth is becoming narrow and less resilient.

At the same time, household sentiment remained soft. The European Commission's flash estimate showed consumer confidence in the euro area falling to -16.3 in March 2026, indicating that households remained cautious and that the recovery in private consumption was still under pressure. This softer demand backdrop is consistent with the broader decline in the Economic Sentiment Indicator for the euro area to 96.6 in March.

### China

China's economy showed a relatively solid start in 2026, with GDP growing 5.0% (YoY) in the first quarter, supported by resilient external conditions and policy support. However, the recovery remains uneven. Industrial performance stayed strong, but consumption remained weak. External trade

slowed, and the labor market weakened, indicating potential moderation ahead.

In the manufacturing sector, activity remained in expansion territory but showed mixed signals. Meanwhile, inflation eased to 1.0% (YoY), driven by weaker post-holiday demand and moderating food prices. The property sector continues to face persistent pressure, with housing prices declining by 3.4% (YoY), reflecting structural issues such as tight regulations, weak household demand, and a shift toward the secondary market.

To maintain stability amid these conditions and ongoing global uncertainty, the People's Bank of China has kept the Loan Prime Rate at 3.0% for an extended period, signalling a cautious policy stance with limited room for aggressive monetary easing.

### Indonesia

Indonesia's economy in the first quarter of 2026 remained relatively resilient, but the latest data suggest that domestic support is becoming less broad-based. On the demand side, household consumption still held up. Bank Indonesia's latest retail sales survey indicated that the Real Sales Index was expected to grow 2.4% YoY in March 2026, while realized February retail sales still posted 6.5% YoY growth, supported by Ramadan and Idulfitri-related spending. Consumer confidence also remained firmly optimistic, with the Consumer Confidence Index at 122.9 in March 2026, although this was lower than 125.2 in February 2026, pointing to some moderation in household sentiment. In other words, domestic demand was still supportive, but no longer strengthening as quickly as earlier in the quarter.

The production side also became more mixed. Indonesia's Manufacturing PMI dropped sharply to 50.1 in March 2026 from 53.8 in February 2026, indicating that the strong February upswing was not sustained. S&P Global noted that output and new orders weakened again in March, while firms faced higher raw material costs and supply disruptions associated with the worsening external environment. Even so, the PMI remained marginally above 50, meaning that manufacturing had not yet fallen into outright contraction. At the same time, inflation moderated materially: headline CPI eased to 3.48% YoY in March 2026 from 4.76% YoY in February 2026, bringing inflation back within Bank Indonesia's target range.

Financial conditions, however, remained more challenging. OJK reported that bank credit growth slowed to 9.37% YoY in February 2026 from 9.96% YoY in January 2026, while asset quality softened slightly, with gross NPL rising to 2.17% and LaR increasing to 9.24%. On the policy side, Bank Indonesia kept the BI-Rate at 4.75% in April 2026, confirming that the central bank still prioritized rupiah stability and macro-financial resilience amid heightened global uncertainty. Meanwhile, fiscal policy remained expansionary: by end-March 2026, state revenue reached Rp574.9 trillion, while the APBN deficit stood at 0.93% of GDP, indicating that the budget continued to act as a shock absorber in a more volatile external environment. Overall, Indonesia's economy still showed resilience through consumption and policy support, but growth conditions became more uneven as manufacturing softened and macro-financial pressures persisted.



**RECENT  
ECONOMIC  
DEVELOPMENT:  
GLOBAL MARKET**

# Recent Economic Development: Global Market

## United States

### MANUFACTURING SECTOR

The S&P Global US Manufacturing Purchasing Managers Index (PMI) held steady at 52.3 in March 2026, indicating continued moderate expansion and marking the eighth consecutive month above the 50 thresholds. This represents an improvement from February's 51.6, supported by solid gains in output and new orders, largely driven by resilient domestic demand. Firms also increased safety stock holdings amid the Middle East conflict, contributing to stronger purchasing activity. However, external demand remained subdued, as tariffs and ongoing shipping disruptions continued to weigh on export performance. Supply chain pressures intensified, with supplier delivery times deteriorating to the greatest extent in nearly three-and-a-half years. Inflationary pressures also picked up, driven by higher energy costs and tariffs, leading to faster increases in both input prices and output charges. Despite sustained growth, employment levels remained broadly unchanged, reflecting cautious hiring trends. Business confidence edged slightly lower due to concerns over energy prices and trade barriers, though overall sentiment toward future demand remained positive.

### SERVICES SECTOR

The S&P Global US Services PMI fell to 49.8 in March 2026 from 51.7 in February 2026, marking the first contraction in over three years and the lowest reading since January 2023. The downturn was

driven by the weakest growth in new business since April 2024, as reduced client confidence and softer demand weighed on activity. External demand also deteriorated, with tariffs and geopolitical tensions further pressuring export performance. The conflict in the Middle East played a central role, contributing to higher energy costs, rising inflation, and increased uncertainty across the sector. Cost pressures intensified, with input price inflation reaching its highest level of the year, while firms passed on these increases to clients, pushing selling price inflation to an eight-month high. Employment declined slightly amid a more cautious outlook. Business confidence weakened to a five-month low, reflecting concerns over inflation, interest rates, and overall economic conditions, though the contraction remained modest.

### INFLATION

The US Bureau of Labor Statistics reported that the annual inflation in the US accelerated in March 2026, with annual CPI rising to 3.3% (YoY) from 2.4% in February, marking the highest level since May 2024. On a monthly basis, consumer prices increased by 0.9%, the fastest pace since June 2022, reflecting a sharp pickup in price pressures. The surge in inflation was primarily driven by higher energy costs, particularly gasoline, amid escalating geopolitical tensions in the Middle East. Over the past year, energy prices rose significantly, highlighting their dominant contribution to headline inflation.

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In contrast, food prices remained relatively stable, while some categories such as used cars and certain goods continued to decline. Shelter costs, however, continued to rise moderately, providing a steady contribution to overall inflation. Core inflation, which excludes food and energy, edged up more gradually to 2.6% (YoY), with a modest monthly increase of 0.2%, indicating that underlying price pressures remain relatively contained. Key contributors to core inflation included shelter and essential services. Overall, the March data indicate a renewed increase in inflationary pressures, largely driven by energy-related shocks, while core inflation remains comparatively stable, suggesting a divergence between headline and underlying inflation trends.

### LABOR MARKET

US labor market conditions showed mixed dynamics in March 2026, as the unemployment rate edged down to 4.3% from 4.4% in the previous month, while total employment declined by 64,000 and the number of unemployed fell by 332,000 to around 7.2 million. The improvement in the headline unemployment rate was largely driven by a contraction in the labor force, which declined by 396,000, pushing the participation rate down to 61.9%. This indicates that the decline in unemployment partly reflected worker exits rather than stronger job absorption. Despite this, nonfarm payrolls increased by 178,000, pointing to continued, though uneven, job creation. Gains were concentrated in sectors such as healthcare, construction, and transportation, while declines in federal government and financial activities highlighted mixed sectoral performance.

Additional indicators signaled emerging softness in labor market conditions. The broader U-6 unemployment rate rose to 8.0%, indicating increased underemployment, while hiring remained cautious overall. Wage growth continued at a

moderate pace, suggesting stable but persistent labor cost pressures. Overall, the March data suggest that while the labor market remains resilient on the surface, underlying indicators point to gradual cooling, particularly through declining participation and uneven employment trends, reinforcing expectations of a cautious monetary policy stance.

### MONETARY POLICY

The Federal Reserve maintained the federal funds rate at 3.50%–3.75% in March 2026 for a second consecutive meeting, reflecting a cautious stance amid persistent economic uncertainty. Recent data indicated that economic activity continued to expand at a moderate pace, while inflation remained above the 2% target and labor market conditions showed signs of gradual softening. At the same time, the overall risk environment has become more complex, with inflationary pressures remaining elevated and external factors adding uncertainty to the outlook. Rising geopolitical tensions in the Middle East have increased the likelihood of higher energy prices, which may contribute to more persistent inflation and potentially feed into core price pressures. In response to these developments, the policy outlook has shifted toward a more flexible and data-dependent approach. While there are still expectations for potential rate reductions over the medium term, the timing remains uncertain given ongoing inflation risks. Overall, the current stance reflects a balance between supporting economic growth and ensuring that inflation returns sustainably to the target, with policymakers remaining prepared to adjust policy as needed.

The US economy showed signs of moderation in March 2026, as resilient manufacturing was offset by a contraction in services, rising inflation, and a gradually cooling labor market, reinforcing the Federal Reserve's cautious stance.

## Euro Zone

### CONSUMER CONFIDENCE INDEX

Euro area consumer sentiment remained weak in the latest available official release. The European Commission's flash estimate showed the euro area consumer confidence indicator falling to -16.3 in March 2026, down 4.0 points from February 2026 and marking the lowest level since October 2023. This indicates that households became materially more cautious, with confidence remaining well below the long-term average. At the EU level, the indicator also deteriorated to -15.2, reinforcing the message that softer sentiment was broad-based rather than country specific.

For the euro area, the latest confidence reading suggests that household demand is being constrained by a combination of still-elevated uncertainty, weaker real income confidence, and a more fragile macro backdrop. In practical terms, this implies that even if labor markets remain relatively resilient, discretionary spending is likely to stay subdued and the recovery in private consumption may remain shallow.

### PURCHASING MANAGERS' INDEX

According to S&P Global, the flash Eurozone Composite PMI Output Index eased to 50.5 in March

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2026 from 51.9 in February 2026, a 10-month low, while remaining marginally above the 50 threshold that separates expansion from contraction. This indicates that aggregate activity continued to grow, but only modestly.

Beneath the headline, the composition of growth became less balanced. Final March 2026 data showed the Eurozone Manufacturing PMI rising to 51.6 from 50.8, a 45-month high, suggesting that manufacturing conditions continued to recover. By contrast, the Eurozone Composite PMI came in at 50.7 and the Services PMI Business Activity Index slowed to 50.2, both at multi-month lows, indicating that services momentum softened materially. Overall, the latest PMI profile suggests that the euro area remained in slight expansion, but with growth losing breadth and becoming increasingly vulnerable to external shocks and weaker domestic demand.

### RETAIL SALES

Retail sales in the euro area showed a slight contraction in February 2026, indicating softer consumption momentum. Based on preliminary estimates from Eurostat, seasonally adjusted retail trade volumes declined by 0.2% (MoM) in February 2026, following a flat performance in January 2026. A similar pattern was observed in the European Union, where retail sales fell by 0.3% (MoM). Despite the monthly decline, retail activity remained positive on an annual basis, with the calendar-adjusted retail sales index increasing by 1.7% (YoY) in February 2026 in both the euro area and the EU.

By category, retail performance was mixed across sectors. In the euro area, sales of food, drinks, and tobacco declined by 0.5% (MoM), while non-food products (excluding automotive fuel) remained stable and automotive fuel increased by 0.7%. In the EU, food-related sales also fell by 0.5%, alongside a

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0.2% decline in non-food products, while automotive fuel rose by 1.0%. On an annual basis, all major categories recorded growth, led by non-food products, which increased by 2.3% (YoY) in both regions. Across member states, performance varied, with the largest monthly declines recorded in Lithuania (-2.5%), Poland (-2.4%), and Slovenia (-2.0%), while Malta (+2.0%), Bulgaria (+1.0%), and Cyprus and Portugal (both +0.8%) posted the strongest increases. Overall, the data suggest that while retail activity moderated in February 2026, underlying demand remained supported by steady year-on-year growth.

### INFLATION

The euro area's annual inflation rate rose to 2.6% (YoY) in March 2026, up from 1.9% (YoY) in February 2026 and higher than 2.2% (YoY) in March 2025. The increase indicates a renewed acceleration in headline inflation following a relatively moderate trend in the previous month. At the European Union level, inflation also increased to 2.8% (YoY) in March 2026, highlighting a broad-based rise in price pressures across the region.

The rise in inflation was primarily driven by the services sector, which remained the largest contributor, adding 1.49% to the overall rate. Energy prices also contributed positively by 0.48%, marking a shift from earlier periods of declining energy inflation. Meanwhile, food, alcohol, and tobacco contributed 0.45%, while non-energy industrial goods added 0.13%, suggesting that both volatile and underlying components supported the March 2026 increase.

Across member states, inflation trends were predominantly upward in March 2026 compared to February 2026, with increases recorded in most countries. However, disparities remain evident, as inflation stayed relatively low in Denmark (1.0%) and

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Sweden (1.5%), while significantly higher rates were observed in Romania (9.0%), Croatia (4.6%), and Lithuania (4.4%). This divergence highlights uneven inflationary pressures across the region despite the overall strengthening in euro area price growth.

The euro area remained in slight expansion in March 2026, but momentum weakened as the Composite PMI fell to 50.7, consumer confidence stayed depressed, and broader sentiment softened. Manufacturing improved, but services slowed materially.

## China

### ECONOMIC GROWTH

China's GDP grew by 5.0% (YoY) in the first quarter of 2026, up from 4.5% (YoY) in the fourth quarter of 2025. This improvement was supported by relatively resilient external conditions and responsive government policies. Such resilience enabled the economy to absorb geopolitical shocks, including the Iran conflict, with limited impact. This was underpinned by adequate energy reserves, a diversified energy mix, and government-led price stabilization measures.

However, economic conditions in March 2026 indicate that the recovery remains uneven. Industrial production stayed relatively strong, growing by 5.7% (YoY), exceeding expectations of 5.5% but slowing from 6.3% in January-February 2026. This suggests a loss of momentum amid external pressures. At the same time, retail sales growth also moderated to 1.7% (YoY), down from 2.8% (YoY), reflecting still-subdued household

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consumption. Labor market conditions weakened as well, with the unemployment rate rising to 5.4% from 5.3% in February 2026. Meanwhile, export performance slowed significantly, while imports increased sharply. Fixed asset investment continued to grow in the January-March 2026 period, albeit at a more moderate pace.

Overall, first-quarter data suggest that China's economy entered 2026 on a relatively solid footing, supported mainly by the resilience of the industrial sector and policy support. However, the quality of growth remains uneven, with consumption and external trade showing signs of weakness. Looking ahead, growth momentum is expected to slow further amid rising external pressures, particularly if geopolitical tensions in the Middle East persist. On the domestic side, weak demand and slowing retail consumption may continue to weigh on overall economic expansion.

### MANUFACTURING SECTOR

China's Caixin China General Manufacturing PMI fell to 50.8 in March 2026 from 52.1 in February 2026, signaling a moderation in manufacturing expansion. This was driven by slower growth in output and new orders, although both remained in expansion territory, allowing production to continue growing for a fourth consecutive month at a slower pace. In addition, cost pressures intensified, as reflected in input price inflation rising to its highest level since March 2022, while output prices reached a four-year high due to higher energy costs amid ongoing Middle East tensions.

In contrast, official data from the National Bureau of Statistics (NBS) showed that China's manufacturing PMI rose by 1.4 points to 50.4 in March 2026, indicating a recovery in manufacturing conditions and a return to expansion territory. This rebound was mainly driven by the rapid normalization of

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production following the extended Lunar New Year holiday, which had previously disrupted industrial activity.

Overall, the March 2026 data suggest that China's manufacturing sector remains in an expansion phase, supported by resilient demand and post-holiday production recovery, with differences in coverage and sensitivity between the two indices. The NBS PMI represents large and state-owned enterprises, while the Caixin PMI reflects small and medium-sized enterprises, making it more responsive to changes in real economic activity.

### INFLATION

China's inflation eased to 1.0% (YoY) in March 2026 from 1.3% (YoY) in February 2026, reflecting moderating price pressures following the Lunar New Year period. The decline was primarily driven by weaker post-holiday demand and a significant slowdown in food inflation, which rose only 0.3% (YoY), down from 1.7% (YoY) in the previous month. This moderation was in line with the normalization of fresh vegetable and fruit prices as seasonal supply improved, along with a deeper decline in pork prices. On the other hand, non-food inflation remained relatively stable at 1.2% (YoY), slightly down from 1.3% (YoY) in February 2026, with price pressures still evident in key components such as clothing, healthcare, and education. However, core inflation, which excludes food and energy, eased to 1.1% (YoY) from 1.8% (YoY) in the previous month, indicating that underlying price pressures are beginning to soften.

On a monthly basis, the consumer price index (CPI) contracted by 0.7%, reversing a 1.0% increase in February 2026. This reinforces the view that the previous spike in inflation was largely temporary and driven by seasonal factors. Overall, these dynamics suggest that inflationary pressures in China are

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gradually easing as seasonal effects fade, while domestic demand remains subdued.

### HOUSING PRICES

New home prices across 70 cities in China fell by 3.4% (YoY) in March 2026, deeper than the 3.2% (YoY) decline recorded in February 2026. This deterioration underscores that pressure in the property sector remains persistent, with no clear signs of a strong recovery. The sharpest decline was observed in Shenzhen (-5.5%), while Shanghai (3.7% to 4.2%) remained the only major city still recording positive growth increase continued to moderate.

On the “drivers” side, the weakness in the property sector is mainly due to tighter debt regulations since 2020. These policies have constrained developers’ liquidity and increased the inventory of unsold homes. In addition, weaker labor market conditions have weighed on household purchasing power. A shift in buyer preference toward the secondary housing market has also reduced demand for new homes. On the external side, uncertainties such as geopolitical tensions and rising trade protectionism have further pressured market sentiment.

Overall, despite some short-term signs of stabilization, China’s property sector remains in a prolonged contraction phase. The adjustment process is not yet complete, meaning a sustained recovery will largely depend on stronger domestic demand and the effectiveness of government stabilization policies.

### MONETARY POLICY

The People’s Bank of China kept the Loan Prime Rate (LPR) unchanged at 3% for ten consecutive months, remaining at a record low level. This reflects a cautious wait-and-see stance, indicating that monetary authorities are prioritizing macroeconomic stability amid persistently high global uncertainty.

On the external side, inflationary pressures driven by rising energy prices and geopolitical tensions in the Middle East have limited room for further monetary easing. In addition, a stronger US dollar has put pressure on the yuan, meaning that any rate cuts could increase the risk of capital outflows. This helps explain why the PBoC has opted to keep interest rates unchanged, despite economic growth targets being set at a relatively moderate range of 4.5%–5%.

Domestically, although there were signs of resilience in the early part of the year, the recovery remains uneven. A still-weak property sector, subdued consumer sentiment, and cautious hiring by firms continue to constrain the recovery in domestic demand. This environment suggests that monetary policy transmission may be less effective if implemented too aggressively in the near term, leading to expectations that China will likely maintain Loan Prime Rate (LPR) at 3% going forward.

China's GDP grew 5.0% YoY in Q1 2026, supported by resilient external conditions and policy support, but the recovery remained uneven amid strong industrial activity, weak consumption, slowing trade, and a softer labor market.



**RECENT  
ECONOMIC  
DEVELOPMENT:  
DOMESTIC  
MARKET**

# Recent Economic Development: Domestic Market

## INFLATION

Indonesia's inflation moderated in March 2026, with annual CPI easing to 3.48% (YoY) from 4.76% in February, remaining within Bank Indonesia's target range of 2.5%±1%. On a monthly basis, inflation stood at 0.41%, slowing from the previous month but still reflecting continued price increases amid seasonal demand during the Eid-ul-Fitr period. The moderation in headline inflation was primarily driven by easing price pressures across several key components. Core inflation remained well-anchored at 2.52% (YoY), supported by stable inflation expectations and lower global commodity prices, particularly gold. Meanwhile, volatile food inflation decelerated to 4.24% (YoY), as supply-side measures and government coordination helped contain price increases in key staples despite heightened festive demand.

Administered prices continued to contribute to inflation, although at a slower pace, with annual growth declining to 6.08% (YoY) from a significantly higher level in the previous month. Monthly increases in this component were mainly linked to adjustments in non-subsidized fuel prices and rising transportation costs during the holiday period. Sectorally, inflation showed broad-based moderation, particularly in housing and food-related categories, although some pressures persisted in transportation and services. Overall, the March data indicate that inflation remains under control, supported by effective policy coordination, and is expected to stay within the target range in the near term.

## EXCHANGE RATE

In April 2026, the rupiah remained under depreciation pressure, trading in the range of 16,850–17,150 (USD/IDR), weaker than in March 2026. The movement was primarily driven by heightened geopolitical tensions, which intensified global risk aversion and strengthened demand for safe-haven assets, particularly the US dollar. As a result, capital flows to emerging markets became more volatile, with the rupiah showing increased sensitivity to external shocks relative to some regional peers.

Geopolitical developments in April 2026 also contributed to fluctuations in global commodity prices, especially energy, raising concerns over Indonesia's external balance and import costs. At the same time, persistent uncertainty surrounding global trade and financial conditions reinforced expectations of prolonged tight monetary policy in advanced economies, further supporting the US dollar. Amid these pressures, Bank Indonesia continued its stabilization measures, helping to limit excessive volatility, although external risks remained the dominant driver of rupiah movements.

## RETAIL SALES INDEX

Indonesia's retail sales backdrop remained supportive, although the latest official profile points to some moderation in annual momentum alongside strong seasonal monthly demand. Bank Indonesia's latest Retail Sales Survey indicates that the Real Sales Index (IPR) was estimated to grow 2.4% YoY in March 2026, while on a monthly basis it was projected to rise 9.3% MtM, faster than the 4.1% MtM increase in February 2026. The monthly pickup

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was driven primarily by stronger sales in information and communication equipment, automotive fuel, and clothing, in line with Ramadan and Idulfitri-related spending.

At the same time, February 2026 data still showed a relatively firm retail environment. BI reported that the IPR grew 6.5% YoY in February 2026, up from 5.7% YoY in January 2026, while monthly growth reached 4.1% MtM after a contraction of 2.7% MtM in January. Taken together, the latest release suggests that household consumption remains a key support for domestic growth, especially through seasonal spending, but the slowdown in the March annual figure implies that the pace of underlying demand may be less strong than the February rebound initially suggested.

#### CONSUMER CONFIDENCE INDEX (CCI)

Indonesian consumer confidence remained solid in the latest survey, although it softened further from the previous month. Bank Indonesia reported that the Consumer Confidence Index (CCI) stood at 122.9 in March 2026, still comfortably above the 100 threshold that signals optimism, but lower than 125.2 in February 2026. The March reading was supported by both the Current Economic Condition Index at 115.4 and the Consumer Expectation Index at 130.4, indicating that households continued to view both present and future conditions positively.

Even so, the decline from February suggests that consumers became somewhat more cautious at the end of the first quarter. This softening is consistent with a backdrop of higher external uncertainty, rupiah pressure, and more visible inflation and financial-market volatility. The broader implication is that Indonesia's consumption outlook remains constructive rather than weak, but it is no longer improving as quickly as earlier in the year. In other words, confidence is still supportive of household

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spending, yet the direction of change warrants closer monitoring because it may signal a more selective and less broad-based consumption pattern going forward.

#### PURCHASING MANAGER INDEX (PMI)

Indonesia's manufacturing sector lost momentum materially in the latest release. S&P Global reported that the Indonesia Manufacturing PMI fell to 50.1 in March 2026 from 53.8 in February 2026. While the index remained marginally above the 50 threshold, indicating that operating conditions were broadly stagnant rather than sharply contractionary, the drop was substantial and marked a clear cooling from the strong February reading. S&P Global also noted that output and new orders declined again in March.

The softer PMI suggests that the manufacturing upswing seen in February was not fully sustained into the end of the first quarter. Respondents cited disruptions related to the Middle East conflict, including higher raw-material prices and supply constraints, which in turn affected demand and production. Input cost inflation also accelerated to its highest level since March 2024, and output charges rose at the fastest pace since June 2022. Overall, the latest PMI points to a manufacturing sector that has not yet entered outright contraction, but is clearly facing a more difficult operating environment, with weaker demand conditions and renewed cost pressure beginning to weigh on industrial momentum.

#### CREDIT GROWTH AND QUALITY

Indonesia's banking sector continued to record positive loan expansion, but the latest data show that growth moderated while asset-quality indicators weakened slightly. OJK reported that bank credit grew 9.37% YoY in February 2026 to Rp8,559 trillion, slower than 9.96% YoY in January

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2026. By type of use, investment credit remained the main growth driver at 20.72% YoY, followed by consumer credit at 6.34% YoY and working-capital credit at 3.88% YoY. Corporate lending also remained relatively strong at 14.74% YoY.

However, the latest quality metrics indicate some mild deterioration. The gross NPL ratio rose to 2.17% in February 2026 from 2.14% in January 2026, while net NPL edged up to 0.83% from 0.82%, and the Loan at Risk (LaR) ratio increased to 9.24% from 9.01%. Although these levels still point to a banking system with manageable stress and strong capital buffers, the direction of change matters: intermediation is still expanding, but with slower growth and slightly higher embedded risk. That combination suggests that credit conditions remain supportive for the economy, though no longer as cleanly benign as they appeared at the start of the year.

### STATE BUDGET (APBN)

As of end-March 2026, Indonesia's state budget (APBN) remained solid but clearly more expansionary than a year earlier, underscoring its role as a fiscal shock absorber amid rising global uncertainty. The Ministry of Finance reported that state revenue reached Rp574.9 trillion in Q1 2026, increasing 10.5% YoY relative to the same period last year. The improvement was supported by stronger tax performance, with overall tax-related revenue benefiting from a firmer tax base at the start of the year. At the same time, non-tax state revenue (PNBP) reached Rp112.1 trillion, equivalent to 24.4% of the full-year APBN target.

Indonesia's economy remained relatively resilient in early 2026, supported by still-positive consumption and an expansionary fiscal stance. However, momentum became more mixed as PMI softened to 50.1, credit growth slowed, and external pressures kept monetary policy defensive. Inflation moderated in March, helping preserve overall macro stability.

On the expenditure side, the government recorded a much faster pace of spending execution. According to the latest official update, state spending in Q1 2026 grew 31.4% YoY, indicating a pronounced front-loading of expenditure to support the economy and priority programs amid a more difficult external backdrop. As a result, the APBN deficit through Q1 2026 was maintained at 0.93% of GDP.

While wider than the early-year position seen previously, the deficit remained comfortably within Indonesia's statutory fiscal ceiling, suggesting that fiscal management was still prudent even as the budget stance became more supportive.

Taken together, the latest March 2026 fiscal data suggest that the APBN continued to perform its stabilisation function effectively. Revenue growth remained positive, but expenditure growth was materially stronger, implying that fiscal policy was being deployed more actively to cushion the economy against external volatility. In practical terms, the Q1 2026 profile points to a budget that remains credible and manageable, while also providing a stronger near-term fiscal impulse than in the same period a year earlier.

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## MONETARY POLICY

The latest Bank Indonesia policy decision was released following the 21–22 April 2026 Board of Governors Meeting. BI kept the BI-Rate at 4.75%, while maintaining the Deposit Facility rate at 3.75% and the Lending Facility rate at 5.50%. This means BI extended its hold from the March meeting into April, confirming that the central bank still sees policy stability as necessary amid heightened global uncertainty and rupiah pressure.

The policy message remains clearly defensive. BI stated that the decision was aimed at preserving rupiah stability and safeguarding domestic resilience amid intensified financial-market, commodity-price, and trade pressures linked to the escalation of conflict in the Middle East. Read together with the March 2026 communication, the April 2026 rate-hold suggests that Bank Indonesia is still prioritizing exchange-rate stability and macro-financial resilience over near-term monetary easing. In practical terms, that implies that although inflation remains within target and growth support remains part of the policy narrative, the reaction function is currently dominated by external stability considerations.



# ASSET ALLOCATION

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## MACROECONOMIC MONITOR

### GLOBAL MARKET

Global markets in April 2026 were initially under pressure amid escalating tensions between the US, Israel, and Iran, particularly following disruptions in the Strait of Hormuz. The conflict led to a sharp spike in oil prices and heightened volatility across markets, as investors priced in risks of supply disruptions and rising inflation. However, sentiment improved after Iran signaled the reopening of the Strait of Hormuz during a temporary ceasefire, easing concerns over global supply disruptions and helping stabilize financial markets. Despite this, global bond yields remained elevated and market sentiment stayed cautious, as uncertainties around inflation, monetary policy direction, and geopolitical developments continued to persist.

### DOMESTIC EQUITY MARKET

The JCI remained under pressure in April 2026, extending the consolidation seen in previous months. Market performance was mixed across sectors, with selective strength in commodity-related names, while several large-cap sectors showed more subdued movement. Foreign investor activity remained cautious and selective, reflecting sensitivity to external developments and currency dynamics. Overall, the market lacks a strong directional catalyst in the near term and continues to be driven by global sentiment and MSCI assesment update on Indonesian equity market.

### DOMESTIC BOND MARKET

Indonesia bond market showed signs of stabilization in April 2026, despite ongoing external pressures. The SBN yield curve remained relatively tight following earlier bear flattening, with short- to mid-tenor yields staying elevated. This was partly driven

by the increase in SRBI 12 months yields for 31 bps since the last BI board meeting, which contributed to upward pressure on short-tenor SBN yields, reflecting a repricing in the front end of the curve. While Bank Indonesia maintained its policy rate at 4.75%, long-end yields declined, with the SBN 10Y yield falling from 6.87% to 6.60%, supported by Bank Indonesia's purchases of government bonds. The overall tone remains cautious as markets continue to assess the direction of global rates, and the recent rating outlook downgrades Indonesia sovereigns, which prompted investors to reassess fiscal risks and positioning in SBN.

### DOMESTIC MONEY MARKET

Money market conditions remained stable but gradually tightening at the margin, as short-term rates continued to adjust higher. The scope for further policy rate cuts appears limited, with recent BI communication indicating a more neutral stance. Yields on SRBI and short-tenor SBN remained elevated, reflecting both global rate movements and a BI's preference to maintain Rupiah stability. Banking liquidity remains adequate, but the trend suggests a less accommodative environment compared to earlier periods.

### ASSET ALLOCATION TAKEAWAY

Current environment continues to call for a defensive and patient approach, as elevated global yields, geopolitical risks and recent rating agency developments add to market uncertainty. In fixed income, the combination of bear flattening, rising short-term rates and sensitivity of long-end yields to global factors suggests that duration exposure should be managed cautiously. Meanwhile, equities remain under pressure and cautious foreign flows, indicating limited conviction in the near term.



# COMMODITIES OUTLOOK

Commodities have been impacted asymmetrically by the geopolitical crisis, as the shock has primarily operated through supply disruption and energy security concerns. Oil and CPO appear to be the clearest beneficiaries, supported by tighter supply conditions and structurally resilient demand, while nickel may gain selectively from domestic supply enforcement despite softer end-demand. Coal, by contrast, remains more vulnerable, as potential quota-driven upside is constrained by domestic market obligations, concentrated regional supply, and limited pricing power.

### NICKEL

We remain bullish on nickel players, particularly those with captive mines, as this provides flexibility to either supply ore internally as feedstock for smelters (lowering cash costs) or sell to third parties (capturing market premiums). We believe players with more ownership in the mine side compared to the refinery side could benefit as well. We also maintain our focus on supply enforcement. Recent RKAB cuts for certain companies have been broadly in line with earlier guidance, with some private players seeing mining quota reductions of up to 70%, while an SOE also experienced a 70% cut for external ore sales.

From the demand side, we are still neutral given stainless-steel demand is expected to remain soft given China slower than expected recovery in construction, property, and infrastructure sector. For battery, we still see demand at risk given nickel-based battery dominance market share is consistently eroding due to the emergence of a cheaper technology from LFP.

### COAL

We believe the potential price uplift from Indonesia's proposed RKAB quota adjustment is likely to be more muted than in nickel and tin,

given coal supply remains structurally concentrated in China and India. We forecast Newcastle coal prices to hover around USD120/ton in FY26–27E. Under our base case of a 600mn-tonne RKAB ceiling with no cuts for IUPK holders and SOE IUPs, the remaining miners would face c.36% implied reductions versus FY25 levels. With domestic demand likely fixed at ~254mn tonnes, a 25% quota cut could mechanically raise the DMO burden for non-IUPK miners, thereby capping blended ASP upside due to the USD70/tonne DMO price ceiling, even if seaborne prices strengthen.

### OIL

The closure of the Strait of Hormuz, which handles c.20% of global oil supply, has materially tightened the global oil balance and repriced the crude curve. We estimate the pre-war oversupply of c.2.8–3.7 mmbopd could narrow sharply to c.0.9 mmbopd (-71–77%), driven by c.9.7 mmbopd of Gulf shut-ins (c.36% of OPEC production). While some recovery may begin in May, production is likely to normalize only gradually to c.90–95% of pre-war levels by 4Q26, keeping supply structurally constrained through 2026. On the demand side, the impact remains limited as gasoline and gasoil (c.54% of global consumption) are relatively inelastic in the short term, reinforcing a supply-driven tightening that we expect to lift Brent crude oil to an average of c.USD85/boe in 2026E (+25% y-y).

### CPO

Indonesia's B50 rollout is likely to reduce exports by c.10% y-y and tighten global inventories by c.9% in 2026, supporting CPO prices at MYR4,500–4,700/tonne with further upside risk from Malaysia's potential B15 biodiesel plan, while 2H26 drought and El Niño risks could pressure 2027–28 yields and extend the structural supply tightening story.



# WHAT TO EXPECT AHEAD

### FORWARD OUTLOOK AND STRATEGIC RISKS

The global economy is entering a phase that appears stable on the surface but is structurally fragile underneath. The IMF World Economic Outlook (April 2026) makes this tension explicit. Prior to the war, global growth was running at around 3.4%, supported by temporary drivers such as technology investment, fiscal expansion, and accommodative financial conditions. The outbreak of conflict immediately forced a downward revision to 3.1% for 2026 (IMF, April 2026), reversing what would have been an upgrade. More revealing than the revision itself is the trajectory ahead: medium-term growth is expected to settle at 3.1–3.2%, well below the 3.7% historical average (2000–2019) (IMF, April 2026). This is not cyclical weakness. It reflects structural forces including geopolitical fragmentation, uneven productivity gains outside AI-driven sectors, and imbalanced demand across major economies. The burden is also unevenly distributed. Emerging markets face a –0.3 percentage point downgrade, while advanced economies remain broadly stable, reinforcing a widening asymmetry in global resilience (IMF, April 2026).

The real risk lies not in the baseline, but in the scenarios. The IMF is unusually blunt about the downside. If the conflict persists, global growth could fall to 2.5% with inflation rising to 5.4%, and under a severe disruption scenario, growth could drop to around 2% with inflation approaching 6% (IMF, April 2026). At 2% global growth, the world is effectively in borderline recession territory. Inflation dynamics make this more dangerous. Instead of continuing along a disinflation path, global inflation is projected to rise from 4.1% in 2025 to 4.4% in 2026 (IMF, April 2026), driven by energy shocks feeding into food, transport, and production costs. This creates a structural squeeze: slowing growth

combined with persistent price pressure, increasing the likelihood of tighter monetary policy at precisely the wrong moment.

Commodities sit at the center of this shift. The IMF (April 2026) projects energy prices to rise by about 19% in 2026, reversing earlier expectations of decline, with oil averaging around \$82 per barrel and potentially rising to \$100–125 under stress scenarios. This is not an isolated energy shock. It propagates across the entire production chain, raising fertilizer costs, transportation expenses, and ultimately food prices. Commodities have therefore shifted from a stabilizing force to a system-wide inflation amplifier (IMF, April 2026). The risk extends beyond price increases to second-round effects: wage pressures, de-anchored inflation expectations, and tighter financial conditions. In the IMF's own framing, this shock carries the potential to evolve into the largest energy crisis in modern times if disruptions persist.

The trade sector reflects the same paradox of strength and fragility. According to the UNCTAD Global Trade Update (April 2026), global trade expanded by \$2.5 trillion in 2025, reaching a record \$35 trillion, with goods growing by ~7% and services by ~8% (UNCTAD, April 2026). Yet beneath this headline strength, fragmentation is accelerating. Trade between the United States and China fell by roughly 25% (about \$170 billion), forcing a reconfiguration of global supply chains (UNCTAD, April 2026). At the same time, rising energy prices, higher logistics costs, and geopolitical disruptions are eroding efficiency. Trade is not collapsing; it is being re-priced and re-routed. This is reinforced by logistics data. The Drewry World Container Index (April 2026) shows global freight rates at \$2,232 per 40ft (–1% week-on-week), with Asia–Europe routes declining –8% while Transatlantic routes increased +15% (Drewry, April 2026). Capacity remains largely intact, with 92% of sailings still operating (Drewry,

April 2026), indicating that supply chains are adapting. But the inability to pass rising costs into prices reveals a deeper issue: margin compression across the global trade and logistics system.

For Indonesia, this landscape presents both opportunity and vulnerability. The UNCTAD (April 2026) report identifies Indonesia as part of a group of “connector economies,” benefiting from trade diversion as supply chains shift away from China. This creates real opportunities in manufacturing assembly, logistics, and regional supply chains, particularly as South–South trade expands at around 9% (UNCTAD, April 2026). However, the exposure on the downside is equally clear. As highlighted in the IMF (April 2026), commodity-importing emerging markets face currency pressure, imported inflation, and tighter financial conditions simultaneously. Indonesia’s commodity export base provides only a partial buffer in a volatile environment. The implication is straightforward: Indonesia is not at the center of the crisis, but it is structurally exposed to its transmission channels. In a baseline scenario, it can navigate and capture gains from reconfiguration. In a downside scenario, it absorbs disproportionate pressure.

### **For Businesses, the Implications are Immediate and Unforgiving**

First, cost structures are becoming fundamentally unstable. Energy volatility, fragmented trade routes, and shifting supply chains mean that input costs will be more volatile and harder to hedge. Second, pricing power is weakening. As seen in freight markets where rates are falling despite rising fuel costs, companies are increasingly unable to pass cost increases downstream, leading to margin compression (Drewry, April 2026). Third, demand itself is becoming uneven. While growth may hold at 3.1%, downside scenarios suggest rapid deterioration

toward 2.5% or even 2% (IMF, April 2026), which would materially affect volumes, investment, and capital flows. The operating environment is no longer about maximizing efficiency, but about surviving volatility.

Strategically, this requires a fundamental shift in how businesses operate. Supply chains must be redesigned for resilience over efficiency, incorporating multi-country sourcing, redundancy, and regional diversification. Energy exposure must be actively managed, not only through financial hedging but through operational efficiency and alternative inputs. Balance sheets need to be stronger, as tighter financial conditions will penalize leverage and reward liquidity. Most critically, firms must identify their position in the new trade architecture. Those aligned with reconfigured supply chains, particularly in connector economies like Indonesia, can capture new flows. Those dependent on legacy global integration models will face declining margins and rising risks. The message from the data is clear: this is not yet a crisis, but it is a pre-crisis configuration. And in such an environment, delay is the most expensive strategy.

# EXHIBITS

## EXHIBIT 1 • INDONESIA MACROECONOMICS INDICATOR

Indicator	Unit	2025												2026			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
GDP Growth	% YoY	-	-	4,87	-	-	5,12	-	-	5,04	-	-	5,39	-	-		
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	3,48	
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	2,52	
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	50,1	
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	3,39	1,01	-	
Imports	% YoY	-2,67	2,30	18,92	21,80	4,14	4,28	-5,86	-6,56	7,17	-	0,46	10,8	18,21	10,85	-	
Foreign Currency Reserves	USD bn	140	138	140	134	134	134	134	132	128	129	129	135	130	127	126	
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	10,00	8,70	-	
Commercial Banking Total Deposits and Securities	% YoY	3,82	4,60	4,03	3,74	3,29	6,19	6,54	7,61	8,01	7,82	8,37	9,96	10,35	8,78	-	
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	-2,68	-		

## EXHIBIT 2 • EXCHANGE RATE

Exhibit 2.1 Difference of Spot and Forward IDR

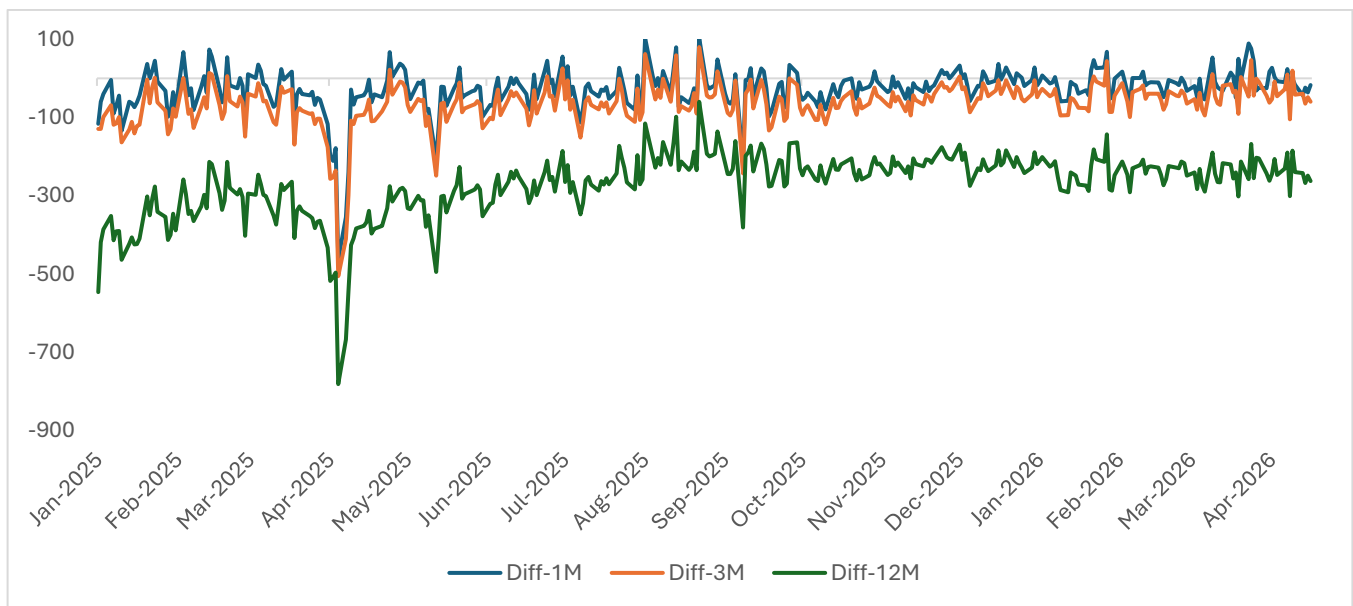


Exhibit 2.2 BI-Rate & Exchange Rate (IDR/USD)

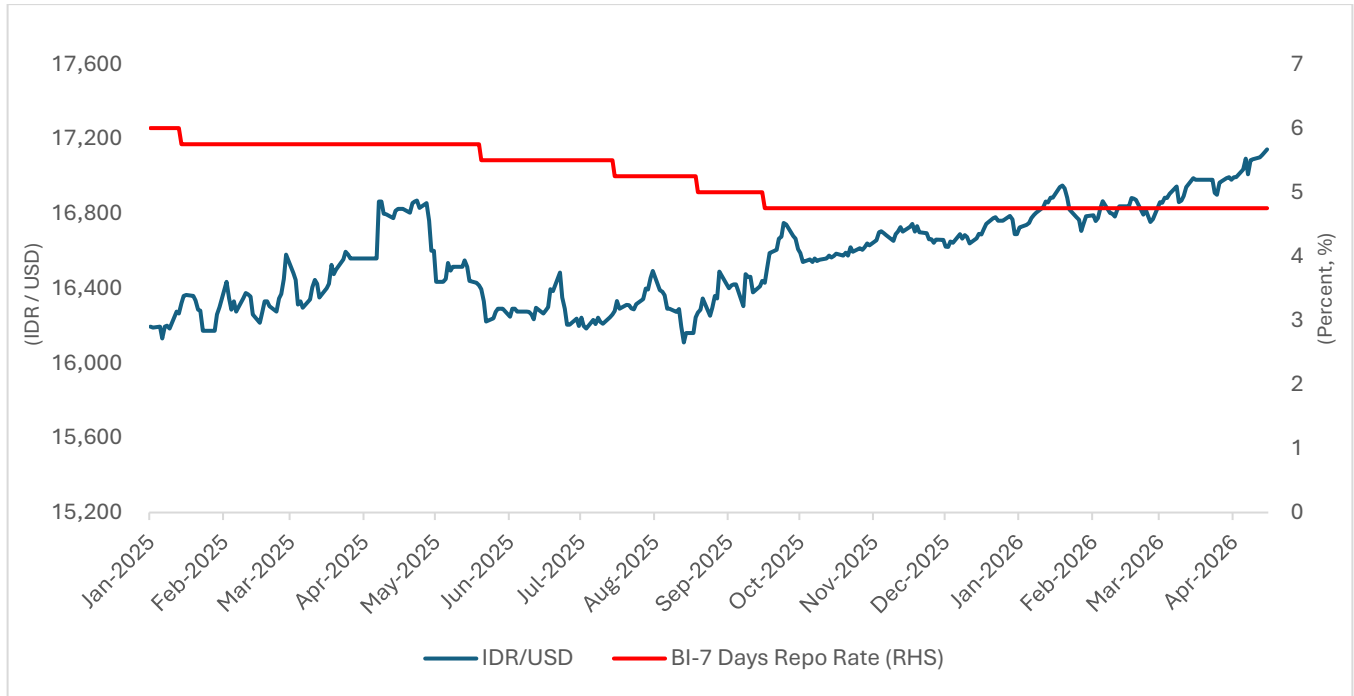


Exhibit 2.3 EM's Exchange Rate Against USD Index (01/01/2025 = 100)

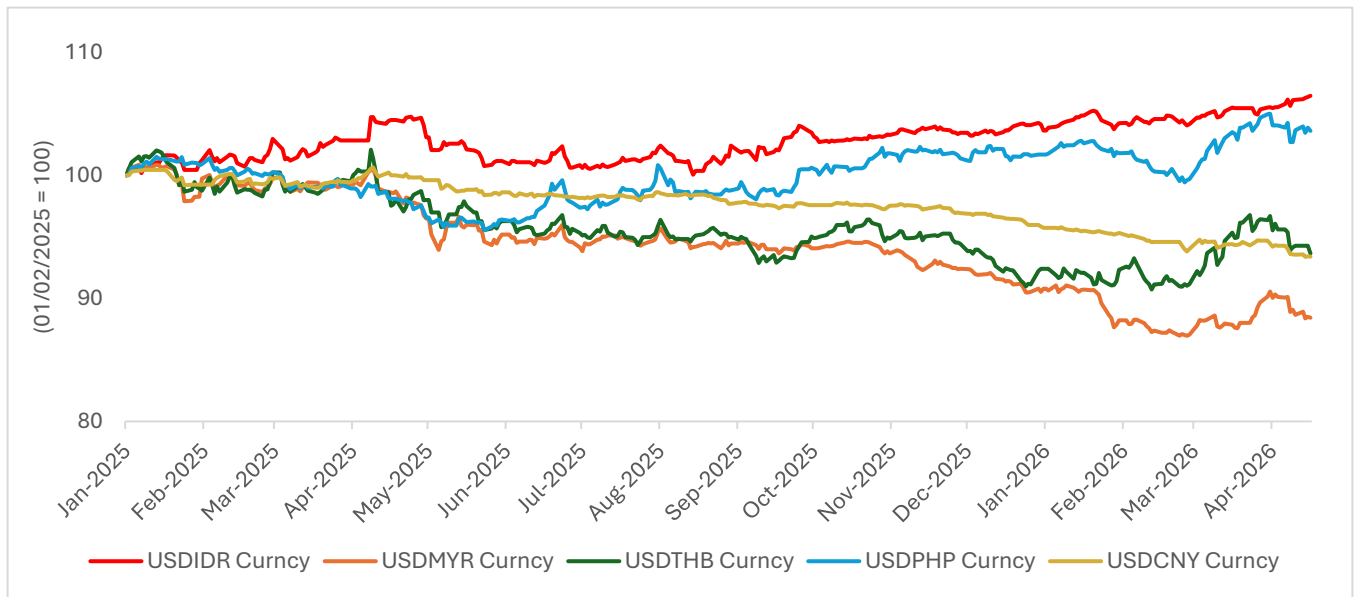


EXHIBIT 3 • INDONESIA'S LIQUIDITY

Exhibit 3.1 JIBOR 1 & 3 M and BI-Rate

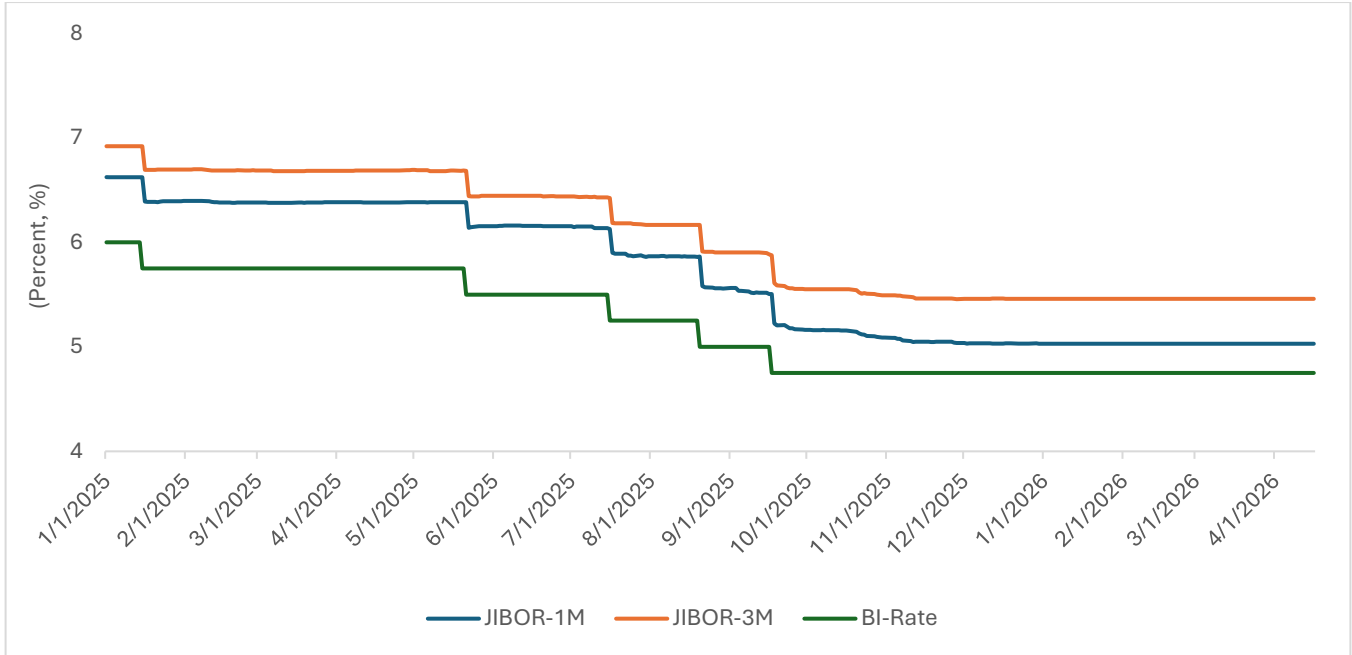


Exhibit 3.2 Monetary Operations of BI

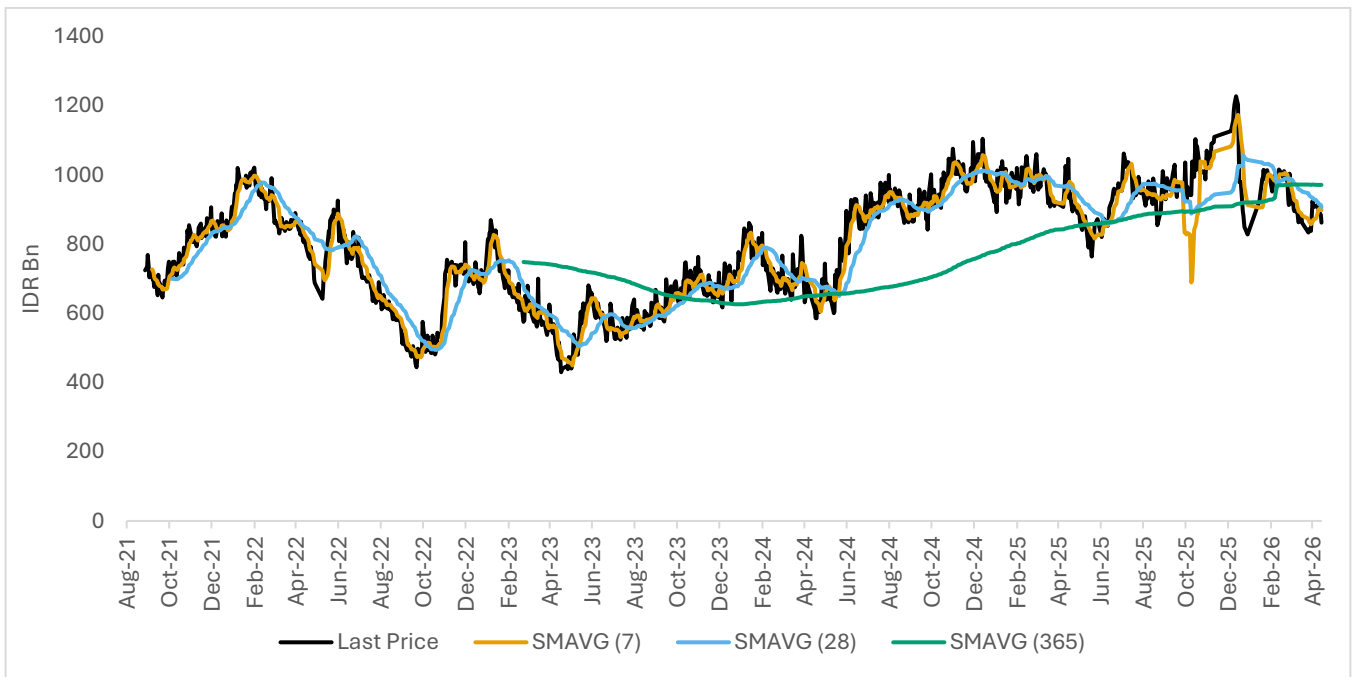


Exhibit 3.3 Indonesia's Foreign Exchange Reserves USD

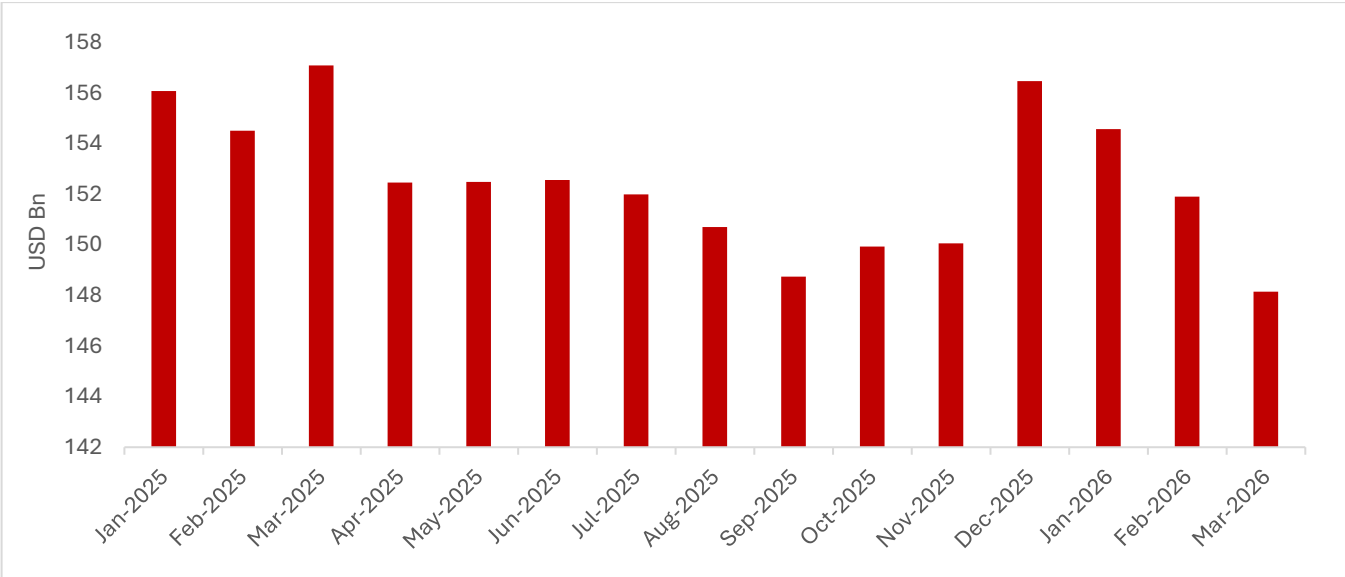


EXHIBIT 4 • FINANCIAL MARKET

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

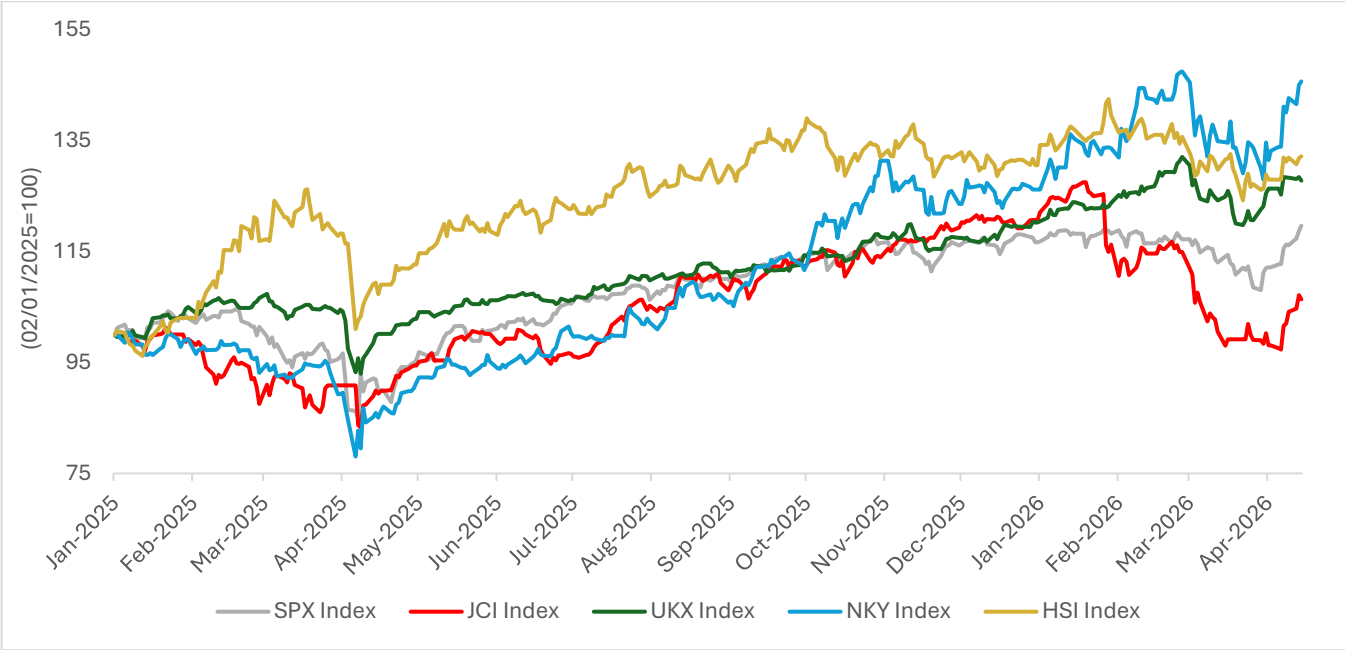


Exhibit 4.2 Indonesia Bond Yield Curve

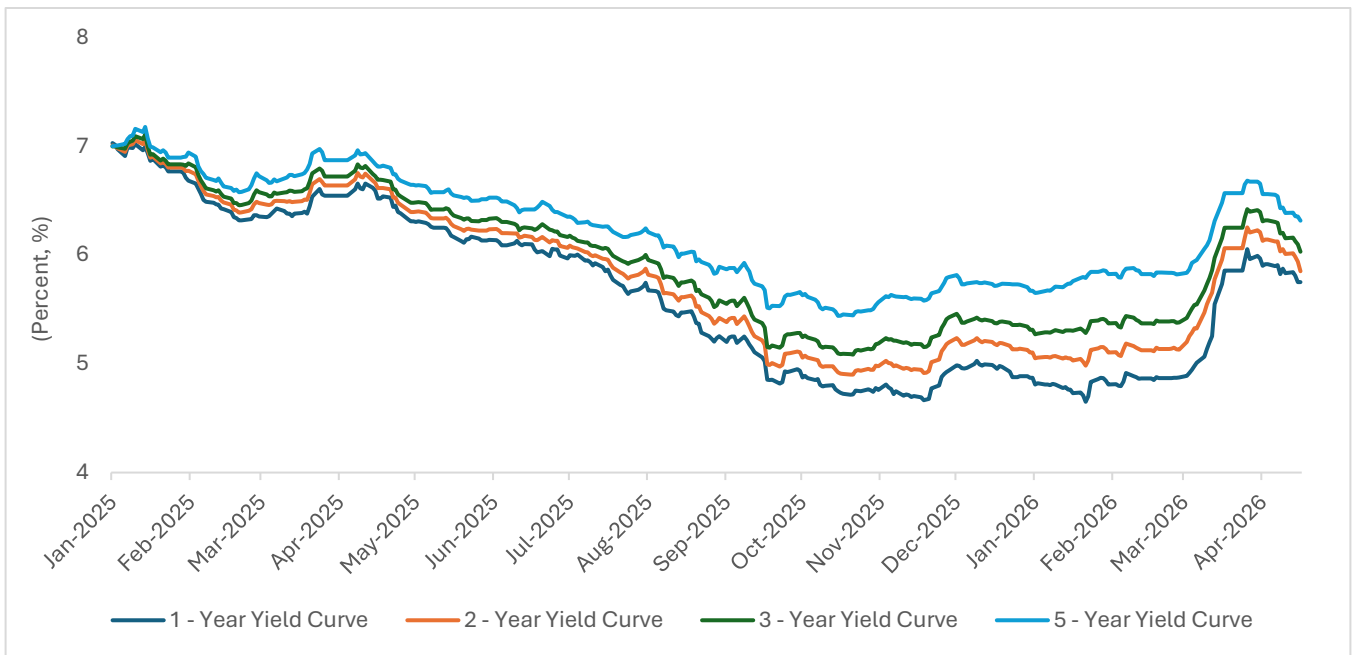


Exhibit 4.3 Indonesia Stock Market & Survivor

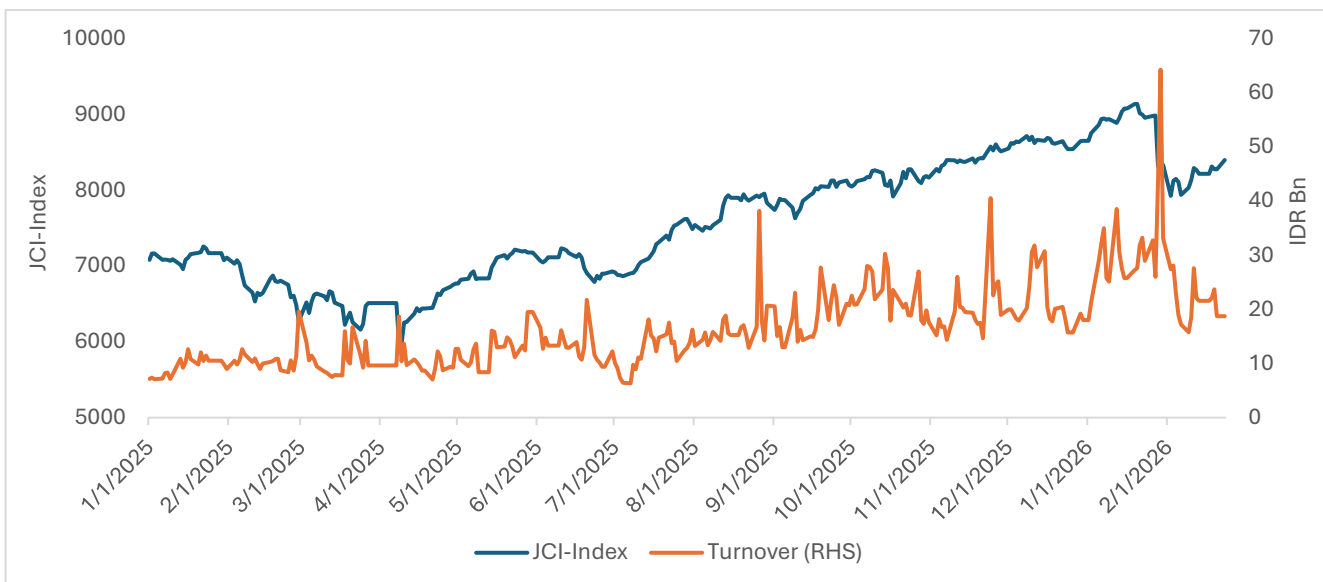


Exhibit 4.4 Indonesia CDS & Government Bond 5Y

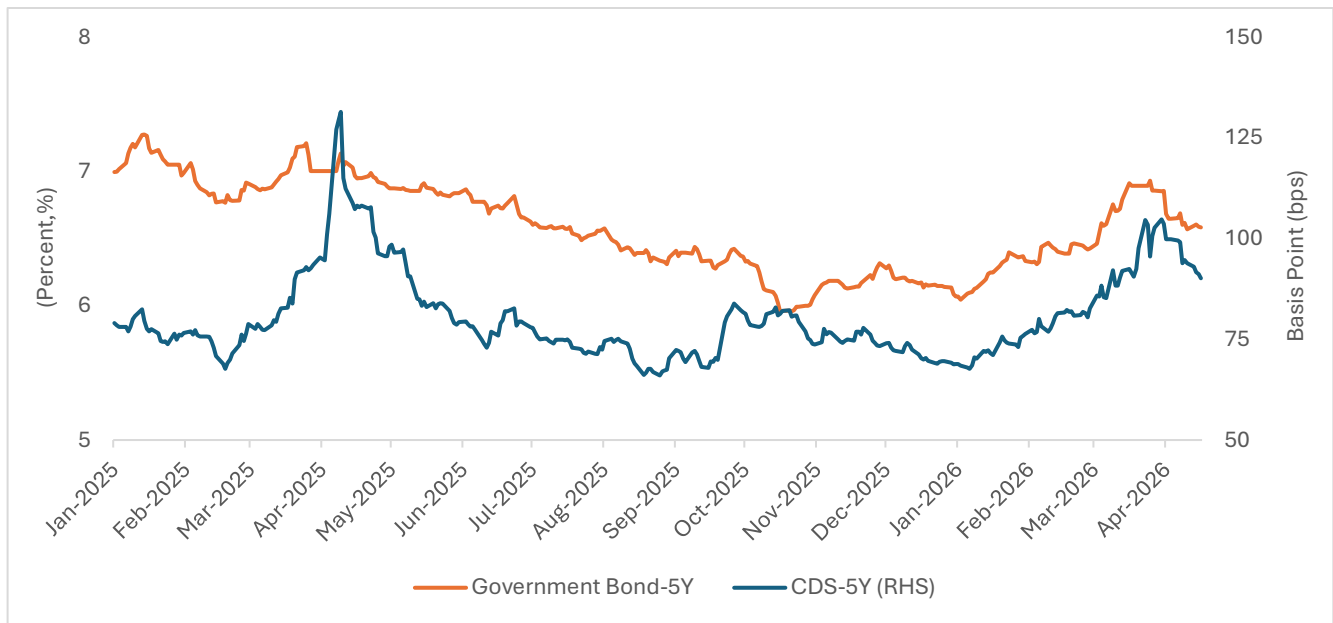


EXHIBIT 5 • REGIONAL STATISTICS

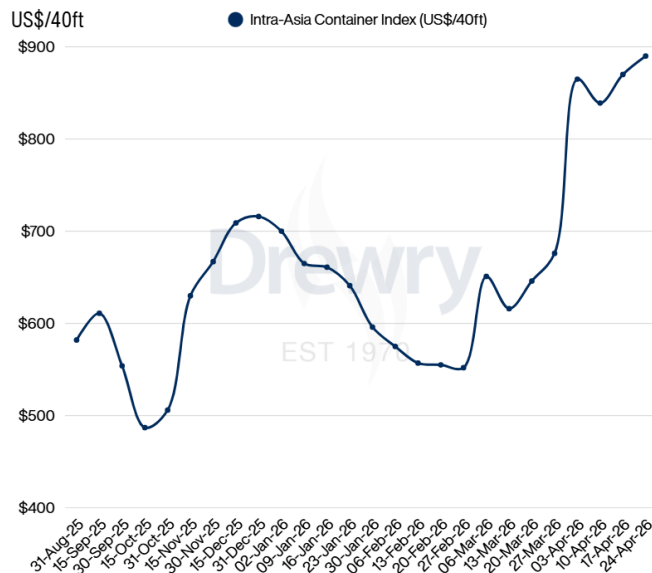
Exhibit 5.1 Monthly Inflation Rate

Provinsi	Inflasi Tahunan (Y-on-Y) 38 Provinsi (2022=100) (Persen)													
	2025											2026		
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Aceh	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	5,31
Sumatera Utara	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	3,86
Sumatera Barat	-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	3,37
Riau	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	3,65
Jambi	-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	3,55
Sumatera Selatan	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	3,09
Bengkulu	-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	2,85
Lampung	-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	1,16
Kepulauan Bangka Belitung	-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	1,87
Kepulauan Riau	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	3,23
Dki Jakarta	-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	3,37
Jawa Barat	-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	3,6
Jawa Tengah	-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	3,54
Di Yogyakarta	-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	4,08
Jawa Timur	-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	3,79
Banten	-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	3,55

## MACROECONOMIC MONITOR

Bali	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	2,81
Nusa Tenggara Barat	-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	4,09
Nusa Tenggara Timur	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	2,4
Kalimantan Barat	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	2,89
Kalimantan Tengah	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	3,86
Kalimantan Selatan	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	4,83
Kalimantan Timur	-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	3,31
Kalimantan Utara	-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	3,12
Sulawesi Utara	-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	2,2
Sulawesi Tengah	-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	2,83
Sulawesi Selatan	-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	4,5
Sulawesi Tenggara	-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	3,37
Gorontalo	-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	2,6
Sulawesi Barat	-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	2,94
Maluku	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	3,4
Maluku Utara	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	2,6
Papua Barat	-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	3,51
Papua Barat Daya	-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	4,09
Papua	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	3,5
Papua Selatan	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	3,6
Papua Tengah	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	2,54
Papua Pegunungan	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	3,14
Indonesia	-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	3,48

## EXHIBIT 6 • DREWRY INTRA-ASIA CONTAINER INDEX



# FOOTNOTES AND REFERENCES

*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.

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

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