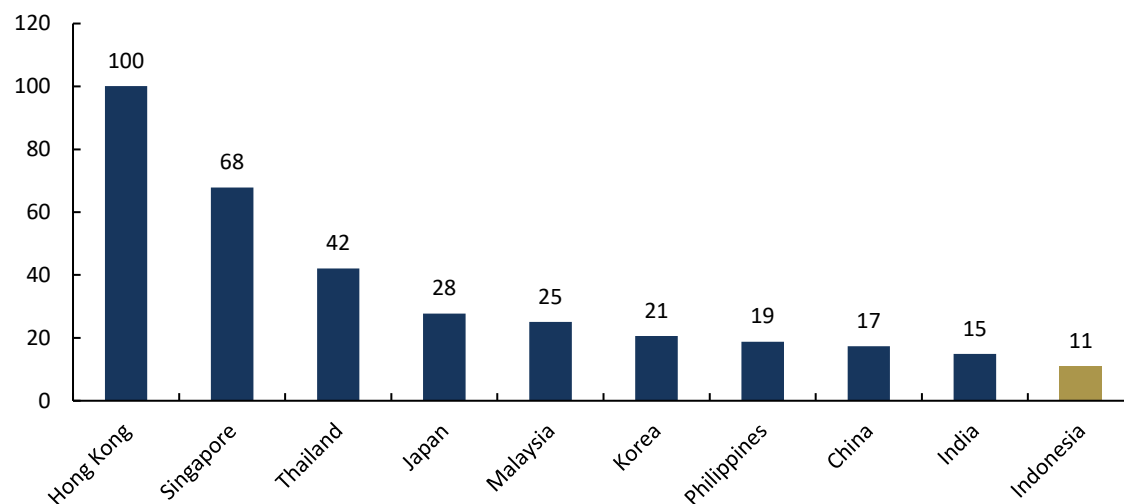


Indonesia Foreign Exchange Reserves: 7 July 2025

- In line with our estimate, Indonesia's foreign exchange (FX) reserves remained flat at USD 152.6 bn in June 2025, from USD 152.5 bn in May, marking stable continuation of the country's external buffer amidst ongoing global volatility. This figure is in line with Samuel Sekuritas Indonesia's (SSI) forecast of USD 152 bn, reflecting consistent reserve management by Bank Indonesia (BI), helped by inflows from tax revenues and service receipts.
- The stable reserves position comes at a time when BI has been actively intervening in the forex and bond markets to dampen rupiah volatility, particularly amid a weak DXY environment.
- At the current level, Indonesia's forex reserves cover 6.4 months of imports or 6.2 months when including government external debt servicing, which is more than double the international adequacy benchmark of three months. This reflects ample external liquidity cushion and provides BI room to continue its targeted interventions without compromising reserve sustainability.
- In addition to the government's bond issuance and revenue flows, the reserve position also reflects Indonesia's resilient external sector performance, despite weaker manufacturing PMI and some signs of softening commodity prices. That said, the country current healthy trade surpluses may face challenges ahead when Trump's higher tariffs come into effect, applying pressure to our IDR.
- Looking ahead, FX reserves are expected to remain broadly adequate, bolstered by ongoing government financing efforts and prudent central bank policy. However, short-term capital outflows remain a risk amidst volatility on the back of Trump's tariffs as well as fluctuating global yield dynamics and Fed rate repricing. Thus, the outlook for reserves remains neutral for now, bolstered by BI's proactive liquidity and currency management, which should help preserve stability, provided the global environment does not deteriorate significantly.

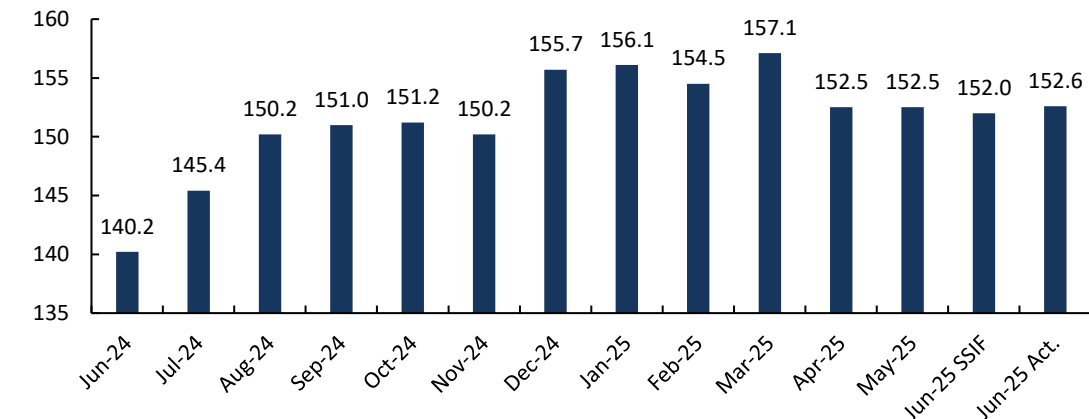
Regional FX Reserves to GDP, YTD

(%)



Indonesia Foreign Reserves, June 2024-25

(USD bn)



Quarterly USD/IDR Rate, 1Q24 – 3Q25 MTD

(IDR)

