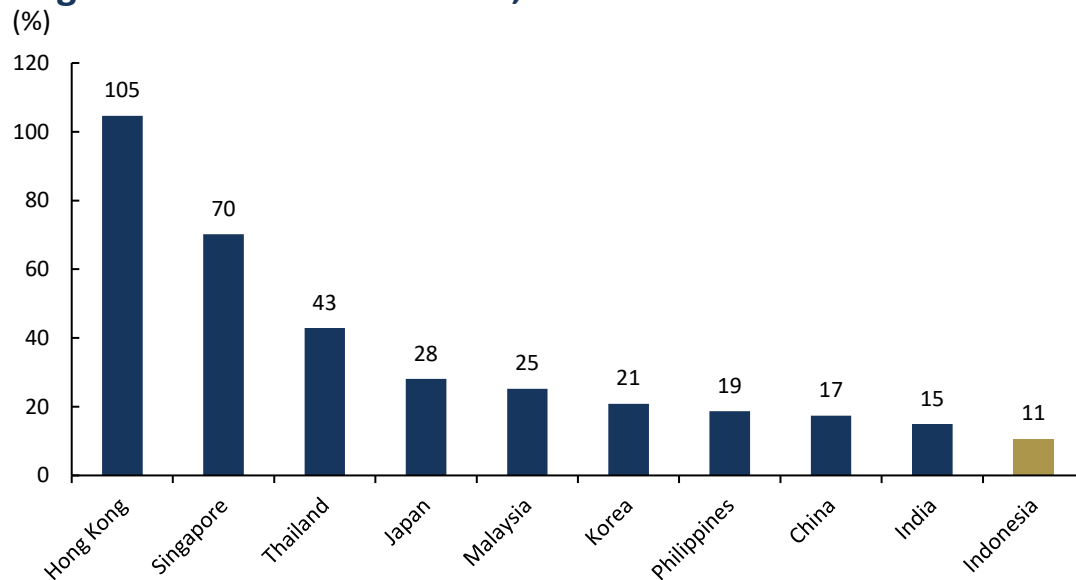


# Indonesia Foreign Exchange Reserves: 7 August 2025

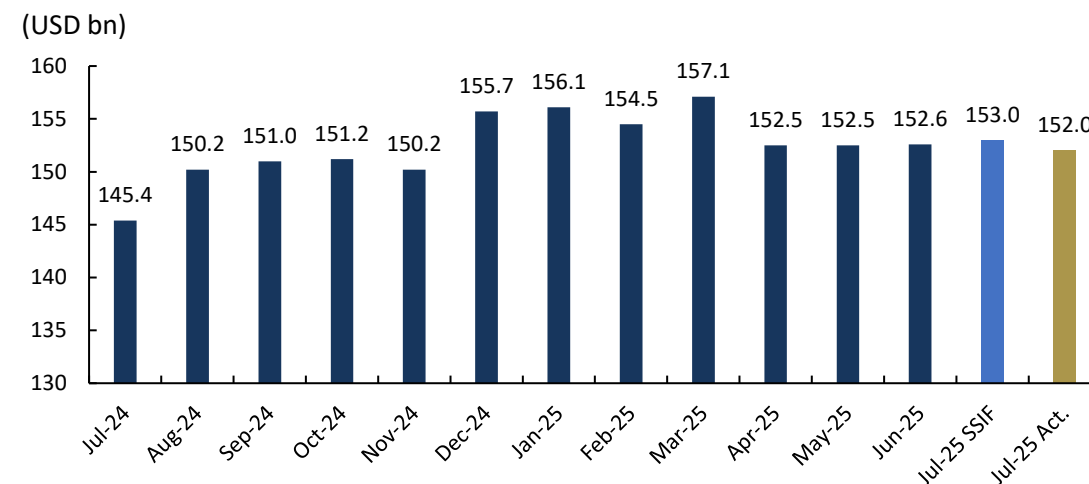
- Indonesia's foreign exchange reserves declined slightly to USD 152.0 bn in Jul-25, marking an eight-month low and down from USD 152.6 bn in the previous month. This figure is slightly below SSI's forecast of USD 153 bn, but still reflecting manageable and expected adjustment amidst on-going external volatility. The slight dip was primarily driven by government external debt repayments and Bank Indonesia's interventions to stabilize the IDR, which has faced pressures due to continued global financial market gyrations.
- Despite the marginal decline, the overall reserve position remains fundamentally strong and well above international adequacy standards. The current level is sufficient to finance 6.3 months of imports, or 6.2 months when including the government's external debt obligations, well exceeding the IMF benchmark of three months, positioning Indonesia with healthy external buffer to withstand external shocks.
- Looking ahead, Bank Indonesia expects foreign exchange reserves to remain adequate, supported by two main factors. First, export performance is expected to stay resilient. Second, investor sentiment toward Indonesia remains positive backed by BI's accommodative monetary policy.
- Nevertheless, several downside risks could pressure reserves in the coming months. These include volatility in U.S. interest rate policy, which could reverse capital inflows, as well as slowing Chinese demand, which may weigh on commodity exports. Additionally, continued geopolitical uncertainties and currency volatility in regional markets could increase the burden on Bank Indonesia to maintain stability.
- In sum, the dip in reserves warrants monitoring, but our concerns are cushioned by broader macroeconomic fundamentals remaining sound, allowing for relatively stable USD/IDR exchange rates.

## Regional FX Reserves to GDP, YTD

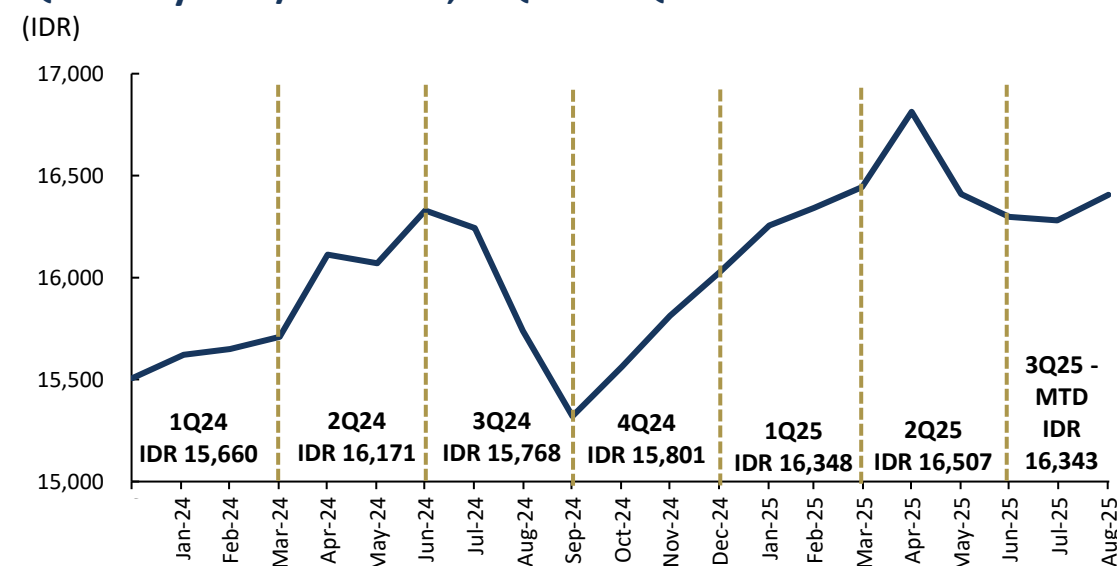


Sources: Bloomberg, SSI Research

## Indonesia Foreign Reserves, July 2024-25



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



Macro Strategy Team