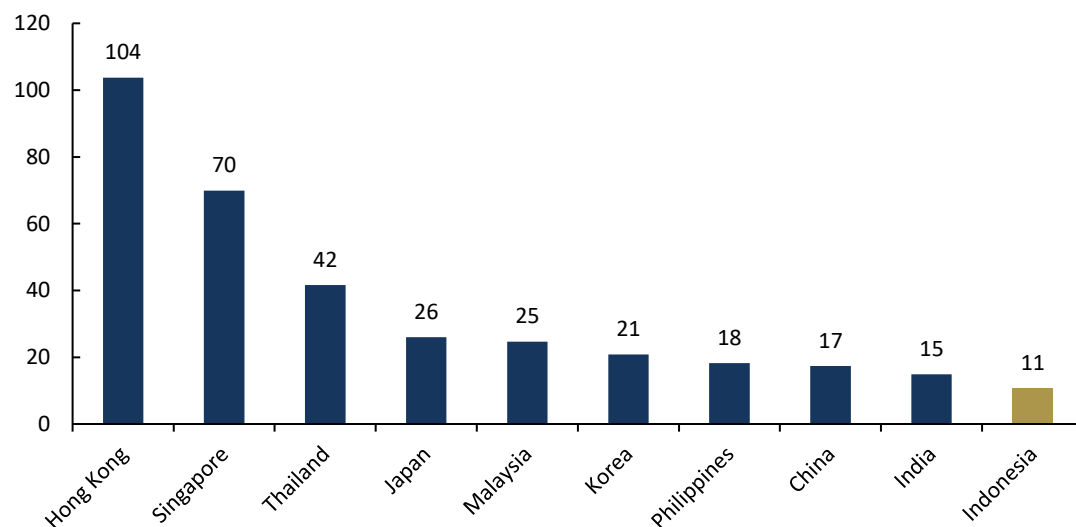


Indonesia Foreign Exchange Reserves: 8 September 2025

- Indonesia's FX reserves declined to USD 150.7 bn in Aug-25, down from USD 152.0 bn in July, marking a nine-month low and coming in below SSI's forecast of USD 151.0 bn. The drop was largely driven by government external debt repayments and Bank Indonesia (BI)'s proactive foreign exchange interventions to stabilize IDR amid persistent global and local volatilities.
- Despite the drop, Indonesia's reserves remain solid, reflecting the strength of the country's external buffers and BI's commitment to maintaining macroeconomic stability. At the current level, reserves are sufficient to cover 6.3 months of imports or 6.1 months when combined with servicing the government's external debt, well above the international adequacy benchmark. Bank Indonesia emphasized that the current reserve position remains more than adequate to safeguard external sector resilience and to reinforce macroeconomic and financial system stability.
- Looking ahead, Indonesia's reserves outlook remains stable, supported by multiple positive factors. A key driver is the country's solid export performance, which continues to underpin the balance of payments, with trade surplus averaging around USD 4.1 bn per month since May-25. In addition, sustained capital inflows—driven by Indonesia's relatively attractive yield environment—are expected to bolster reserve accumulation further.
- In late 2025, another important factor is the anticipated normalization of global financial markets, which could reduce the scale of BI's FX interventions and help preserve reserves. If US monetary tightening slows and volatility in global capital flows eases, Indonesia may see some IDR support, which could act as a cushion in the coming months.
- Overall, while August's decline highlights some pressure from external repayments and FX stabilization measures, Indonesia's FX reserves remain ample and are expected to remain within adequacy thresholds in the coming months. BI's commitment to maintaining financial stability, coupled with external buffers, positions Indonesia to navigate global uncertainties, despite recent socio-political domestic challenges.

Regional FX Reserves to GDP, YTD

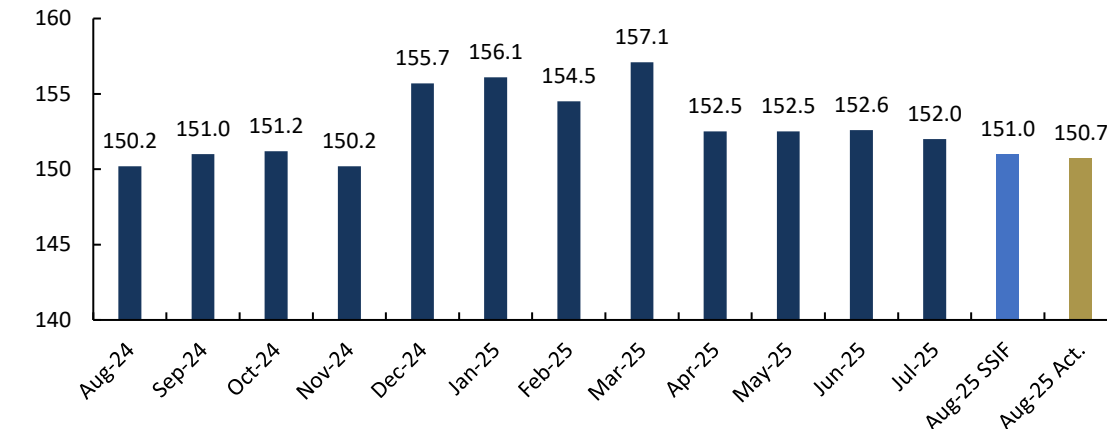
(%)



Sources: Bloomberg, SSI Research

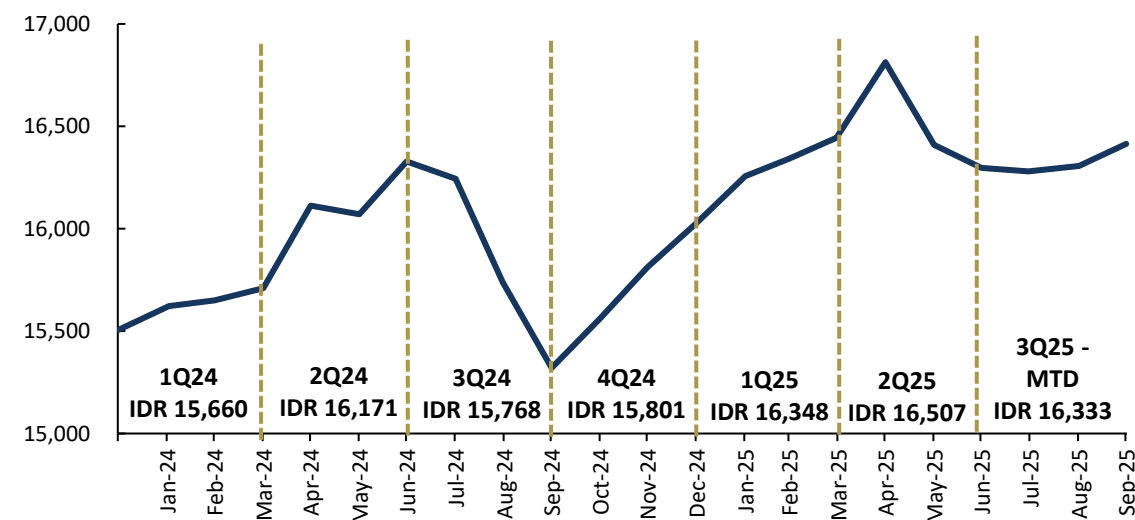
Indonesia Foreign Reserves, August 2024-25

(USD bn)



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

(IDR)



Macro Strategy Team