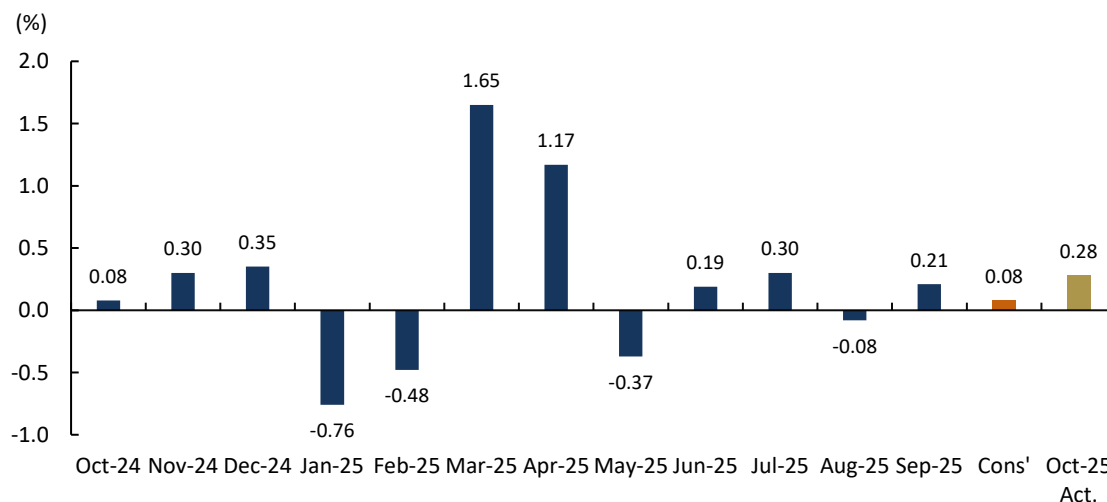


# Indonesia October Inflation: 1 November 2025

- Indonesia's annual inflation rate rose to 2.86% in October 2025 from 2.65% in September, marking the highest level since April 2024. The increase was largely driven by stronger consumer demand amid seasonal spending and higher food and transport costs. Despite the pickup, inflation remained within Bank Indonesia's target range of 1.5% to 3.5%, indicating that price pressures remain manageable. The figure also came slightly above SSI Research's forecast of 2.8%, suggesting a mild upside surprise.
- Core inflation, which excludes administered and volatile food prices, rose to 2.36% from 2.19% in the previous month, the highest level in four months. This increase reflects a modest pass-through of cost pressures into core consumer goods and services, consistent with improving domestic demand and gradually strengthening labor market.
- On monthly basis, consumer prices gained 0.28%, up from 0.21% in September, marking the second consecutive monthly increase and the fastest pace since July, driven mainly by higher food and transportation prices.
- In financial markets, a contained inflation outlook, coupled with Bank Indonesia's likely preference for stability over further tightening, is broadly constructive for bond sentiment and currency stability. With inflation dynamics still viewed as manageable and broadly aligned with expectations, investors can continue to price in a policy stance that prioritizes growth support while guarding against external shocks. This balance matters for portfolio flows and sovereign yields: benign inflation reduces the risk of a sudden hawkish pivot, which helps anchor government bond yields, while also limiting pressure on the IDR through the inflation channel. The key risk to monitor is imported inflation—particularly via energy and food—as any sustained pickup there could challenge both currency stability and bond appetite. For now, however, October's inflation print reinforces a narrative of controlled domestic pressures rather than broad-based acceleration.
- Looking ahead, inflation is expected to remain well-anchored around the midpoint of Bank Indonesia's target range for the remainder of 2025. While food price volatility and seasonal transport costs could exert temporary pressure, core inflation should stay contained, supported by stable exchange rates, moderate wage growth, and government efforts to maintain price stability in key commodities such as rice and fuel. From policy perspective, Bank Indonesia is likely to maintain its accommodative monetary stance, as both headline and core inflation remain within the comfort zone, but will remain alert to potential external risks, including global commodity price swings and geopolitical disruptions that could feed into imported inflation.

## Inflation MoM



## Inflation Based on Spending Category YoY

Number	Details	Inflation	Contribution to Inflation
	<b>Headline Inflation</b>	<b>2.86</b>	<b>2.86</b>
1	Food, Beverages and Tobacco	4.99	1.43
2	Personal care and other services	11.87	0.77
3	Housing, water, electricity and household fuels	1.59	0.25
4	Food beverages services/restaurants	1.61	0.16
5	Education services	1.26	0.07
6	Health	2.11	0.06
7	Transportation	0.48	0.06
8	Clothing and Footwear	0.75	0.04
9	Recreation, sport and culture	1.18	0.02
10	Furnishings, household equipment and routine household maintenance	0.23	0.01
11	Information, communication and financial services	-0.25	-0.01

## Inflation YoY

