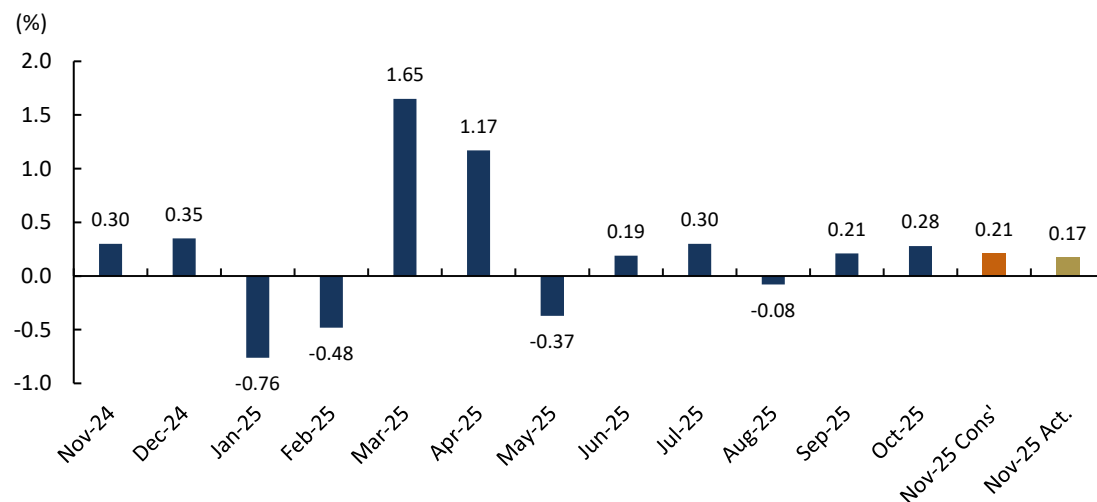


# Indonesia November Inflation: 1 December 2025

- Indonesia's headline inflation eased to 2.72% YoY in Nov-25, down from 2.86% MoM and still comfortably within BI's 1.5%–3.5% target range. The reading undershot expectations, below SSI's forecast of 2.92% and market consensus of 2.75%, reflecting softer price pressures after the recent upward spike. The primary drag came from easing food inflation (4.25% vs 4.99% in October), supported by improving harvest flow and stabilization in distribution costs. Housing, accommodation, and restaurant inflation also slowed marginally, contributing to more temperate headline profile. Monthly momentum eased to 0.17% MoM, marking the mildest increase in 3M and signalling more controlled price environment as supply-side bottlenecks gradually ease.
- The composition of inflation, however, reveals a more balanced but still evolving picture. Core inflation remained steady at 2.36% YoY—its second consecutive month at this level—indicating that underlying demand remains intact despite slowing headline momentum. Meanwhile, clothing, health, and transport inflation firmed slightly, hinting at selective demand recovery and cost pass-through in non-food categories. Communication costs continued to decline (-0.25%), providing a counterweight to price pressures and helping keep inflation anchored near the lower mid-range of BI's band.
- Looking deeper, the stability in core inflation suggests household consumption remains resilient, avoiding sharp demand slowdown despite softer headline readings. The rise in transport costs—likely reflecting gradual recovery in mobility and logistics activities—alongside faster health-sector inflation, may indicate nascent upward pressures that could re-emerge if energy or service-sector pricing accelerates. At the same time, modest increases in clothing and furnishings point to a consumption recovery that is measured, not overstretched, aligning with broader macro signals of steady but unspectacular domestic demand expansion. The basket structure, therefore, reveals disinflation without demand stagnation—a favorable position in the current cycle.
- From policy perspective, November result improves near-term inflation narrative, helping reduce volatility risks following previous months' upward drift. The softer monthly print suggests easing pass-through from commodity and FX fluctuations, while stable core inflation reduces pressure on BI to tighten. Still, persistence of elevated health inflation and gradual transport cost recovery warrants monitoring, particularly as holiday consumption, year-end spending, and potential adjustments in administered pricing could add cyclical upside.
- We expect inflation to remain well-anchored heading into year-end, with headline readings likely to track within—or potentially slightly below—the mid-point of BI's target range barring major food or fuel shocks. Risks remain two-sided: upside from seasonal demand and healthcare inflation persistence, and downside from improved harvest supply and strong policy coordination on food stabilization.

## Inflation MoM



## Inflation Based on Spending Category YoY

Number	Details	Inflation	Contribution to Inflation
	<b>Headline Inflation</b>	<b>2.72</b>	<b>2.72</b>
1	Food, Beverages and Tobacco	4.25	1.22
2	Personal care and other services	12.49	0.82
3	Housing, water, electricity and household fuels	1.57	0.25
4	Food beverages services/restaurants	1.50	0.15
5	Transportation	0.71	0.09
6	Education services	1.26	0.07
7	Health	2.09	0.06
8	Clothing and Footwear	0.76	0.04
9	Recreation, sport and culture	1.15	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

