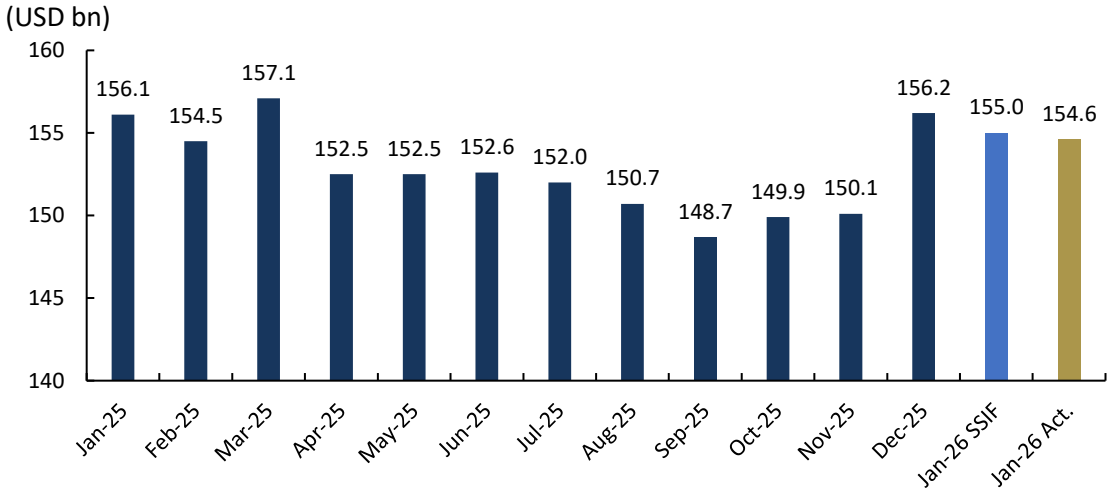
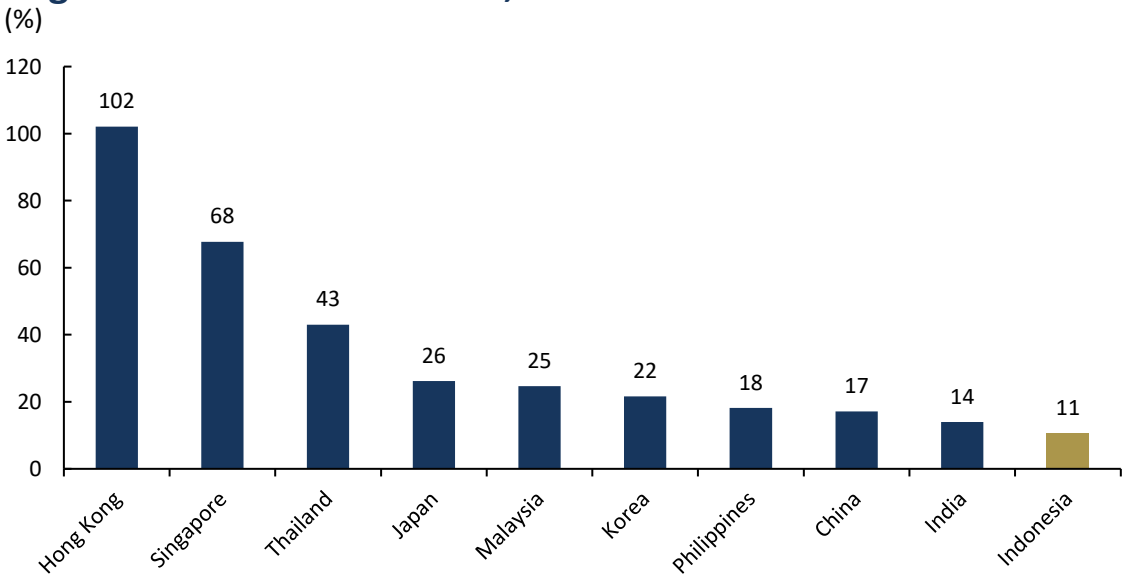
Indonesia Foreign Exchange Reserves: 6 February 2026

- Driven by scheduled government external debt repayments alongside active rupiah stabilization measures by the central bank, Indonesia's FX reserves fell to USD 154.6 bn in January 2026, slipping slightly below SSI's forecast of around USD 155 bn and retreating from a nine-month high of USD 156.5 bn in December. In an environment marked by Indonesia's stock market rout due to MSCI warning, shifting Fed expectations, elevated US Treasury yields, and intermittent risk-off sentiment, BI's intervention reflects a deliberate strategy to smooth currency fluctuations and anchor market confidence.
- Despite the monthly decline, reserve adequacy remains solid with current stockpile covering around 6.3 months of imports, or 6.1 months when factoring in government external debt servicing— above the international prudential benchmark of roughly three months.
- Looking ahead, this ample buffer is needed to retain macroeconomic stability, particularly as Moody's has recently downgraded Indonesia's outlook from stable to negative, which has resulted in capital-flow volatility.
- From a market perspective, the January drawdown should be viewed as a tactical deployment of reserves, required in supporting IDR performance, which has been the weakest in the region, down 1.1% against the USD in the last IDR 16,866.
- Going forward, reserve dynamics must be carefully managed by Bank Indonesia as the local currency's strength remains as an important determinant towards Indonesia's sentiment by both local and overseas investors. That said, near-term fluctuations are likely as BI continues to manage IDR volatility amid government execution of external obligations. Downside risks would primarily stem from sharp risk-off episodes to temporarily intensify FX intervention needs.

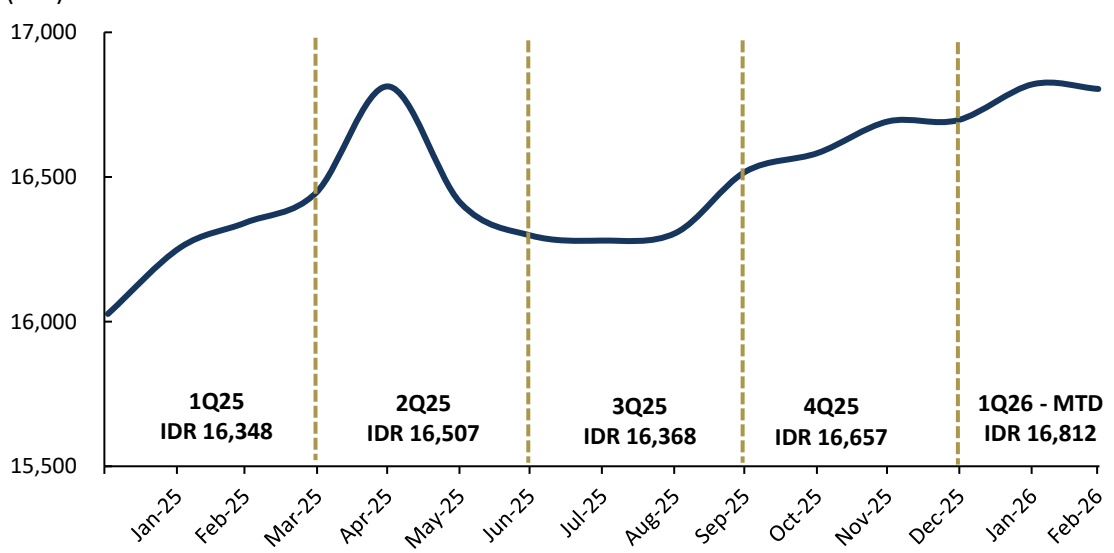
Indonesia Foreign Reserves, January 2025-26



Regional FX Reserves to GDP, YTD



Quarterly USD/IDR Rate, 1Q25 – 1Q26 MTD



Sources: Bloomberg, SSI Research

Macro Strategy Team