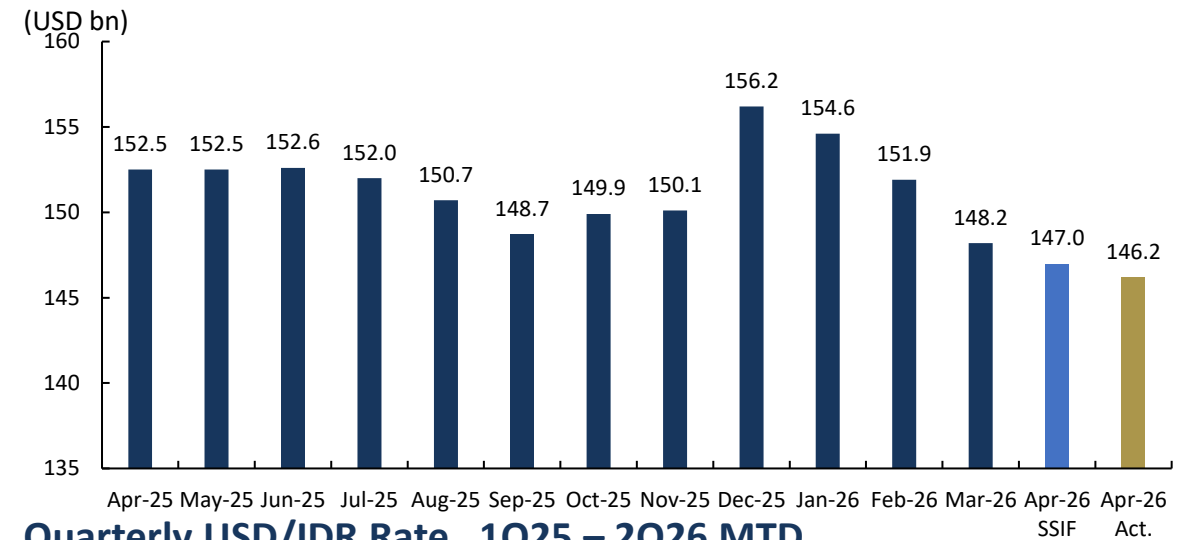


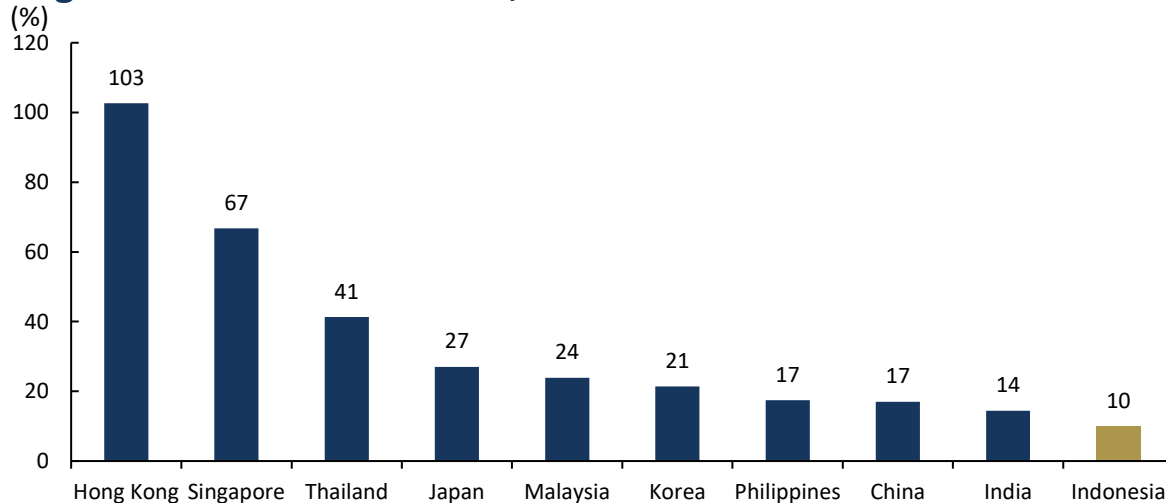
# Indonesia Foreign Exchange Reserves: 8 May 2026

- Slightly below SSI's forecast of USD 147 bn and the lowest level since Jul-24, Indonesia's FX reserves fell further to USD 146.2 bn in Apr-26, down USD 2bn MoM and USD 10bn YTD. The drop largely reflected BI intervention to support IDR weakness, external debt repayments as well as policy driven pressures, including tax and services payment outflows. Amid elevated geopolitical tensions in the Mid-East, fluctuating US Treasury yields, and stronger demand for safe-haven assets, the IDR has been the region's second worst performing currency, having depreciated c.4.5% YTD, dragged down by Indonesia's widening budget deficit.
- Despite the decrease, Indonesia's reserve adequacy remains relatively solid. The current reserve position covers around 5.8 months of imports, or 5.6 months when accounting for imports and government external debt servicing, still above the international adequacy benchmark of around three months. This indicates that while reserve depletion has become more visible over recent months, as part of the reduction reflects active policy management by Bank Indonesia to contain excessive currency volatility and preserve market confidence during periods of heightened uncertainty and outflows.
- From a macroeconomic perspective, the reserves trend also translates to Indonesia's evolving external dynamics, including portfolio outflows and global risk aversion. While the country continues to record trade surpluses, moderating export momentum amid softer global demand and geopolitical disruptions has reduced the pace of reserve accumulation.
- Furthermore, Indonesia may have to contend with challenges stemming from narrowing real yields ahead, as current manageable inflation begin to spiral up on the back of higher prices stemming from energy prices and El Nino. However, for now we take comfort in the recent issuance of global bonds, although temporarily reducing reserve levels due to settlement and liability management flows, still demonstrates the government's continued market access amid volatile global conditions.
- Looking ahead, reserve dynamics will remain tied to global risk sentiment and IDR trajectory. We expect BI to continue deploying a mix of spot intervention, domestic non-deliverable forward operations, and monetary stabilization measures to maintain orderly market conditions. However, reserve losses may escalate, particularly if the Fed does not move toward policy easing in 2026 as per consensus prediction while geopolitical tensions remain high. Indonesia's positive carry attractiveness will hinge on foreign capital inflows, which depend on improving investment climate and maintenance of budget deficit in the medium term.

## Indonesia Foreign Reserves, April-26



## Regional FX Reserves to GDP, YTD



## Quarterly USD/IDR Rate, 1Q25 – 2Q26 MTD

