WEEKLY ECONOMIC INSIGHTS

3rd Week of July 2026

Highlights

- **Investment momentum remained resilient but external uncertainty persists:** Foreign direct investment (FDI) increased 27.4% YoY in 2Q26, marking the strongest growth since 4Q24. While investment inflows continue to support Indonesia's manufacturing and downstream sectors, sustained global uncertainty could moderate investment momentum going forward.

- **Fiscal credibility remained supportive amid rising external risks:** S&P reaffirmed Indonesia's BBB/A-2 sovereign rating with Stable Outlook, reflecting some confidence in fiscal stabilty. However, higher oil prices, tighter global financial conditions, and rupiah volatility remain key downside risks to the macro outlook.

- **Downstream industrialization progress:** Danantara advanced IDR225tn of strategic downstream projects, while preparations for the B50 biodiesel mandate moved forward. Although these initiatives strengthen long-term structural prospects, their near-term economic impact is likely to materialize gradually.

- **External pressures continued to build:** Elevated geopolitical tensions, firm oil prices, and resilient U.S. economic data reinforced expectations of higher-for-longer global interest rates, maintaining pressure on emerging-market assets and regional currencies.

- **Policy efforts focused on strengthening resilience:** Authorities continued advancing tax reforms, financial market development, and strategic investment initiatives to improve economic resilience, although external uncertainties are likely to keep market sentiment cautious in the near term.

Overview

Indonesia entered the third week of July with macroeconomic fundamentals continuing to demonstrate resilience despite an increasingly challenging global environment. While domestic economic indicators remained broadly supportive, the balance of macroeconomic risks continued to shift toward external developments as geopolitical tensions, higher energy prices, and global financial uncertainty increasingly shaped investor sentiment and policy considerations. This changing risk composition suggests that Indonesia's economic outlook is becoming less dependent on domestic demand management and increasingly influenced by the country's ability to withstand external shocks.

The strongest signal of Indonesia's structural resilience came from investment activity. Foreign direct investment accelerated by 27.4% year-on-year during the second quarter, representing the fastest expansion since late 2024 and confirming that Indonesia continues to attract long-term strategic capital despite elevated global uncertainty. Investment remained concentrated in base metals, mining, and downstream processing industries, reinforcing the government's industrialization agenda and Indonesia's position within regional manufacturing and electric vehicle supply chains. At the same time, Danantara continued accelerating strategic downstream projects while preparations for mandatory B50 implementation reflected broader efforts to strengthen domestic production capacity, improve energy security, and reduce dependence on imported fuels.

Fiscal and financial stability also remained broadly intact. S&P's reaffirmation of Indonesia's investment-grade sovereign rating underscored continued confidence in fiscal management despite higher oil prices and external market volatility. Although the Ministry of Finance acknowledged softer corporate income tax collection could weigh on revenue performance during the second half of the year, fiscal realization remained broadly consistent with annual targets, while ongoing tax administration reform through Coretax and efforts to deepen domestic financial markets demonstrated continued institutional strengthening. These developments collectively reinforce Indonesia's policy credibility at a time when many emerging markets continue facing elevated external financing risks.

Nevertheless, the external environment deteriorated further throughout the week. Escalating tensions around the Strait of Hormuz lifted global oil prices back above USD85 per barrel, reviving concerns over imported inflation, tighter global financial conditions, and renewed exchange-rate pressures across emerging markets. While Indonesian financial markets remained relatively resilient, supported by stronger macro fundamentals and sovereign rating stability, sustained geopolitical uncertainty may increasingly constrain policy flexibility during the second half of the year. Consequently, Indonesia's macroeconomic trajectory is evolving toward one where structural reforms and investment momentum continue supporting medium-term growth, but short-term economic performance will increasingly depend on policymakers' ability to manage externally generated inflation, preserve financial stability, and maintain investor confidence amid a more fragmented global economy.

Key Comments

Economy, Business and Finance

Foreign Direct Investment Rebounds to Multi-Quarter High: Indonesia's investment climate strengthened considerably during the second quarter as foreign direct investment (FDI), excluding the financial and oil & gas sectors, surged 27.4% YoY to a record IDR257.7tn, marking the strongest growth since 4Q24. The acceleration, following an 8.5% increase in the previous quarter, demonstrates that Indonesia continues to attract long-term productive capital despite heightened geopolitical tensions and persistent global economic uncertainty. Unlike short-term portfolio flows that are highly sensitive to financial market volatility, FDI reflects investors' confidence in Indonesia's structural growth prospects, policy consistency, and long-term industrial competitiveness. The latest realization suggests that multinational corporations continue to view Indonesia as a strategic production base within ASEAN, particularly as global manufacturers diversify supply chains amid increasing geopolitical fragmentation.

Investment Composition Reinforces Downstream Industrialization

The composition of investment further strengthens the government's industrial transformation agenda. Base metals remained the largest recipient of foreign investment, followed by mining and services, illustrating that Indonesia's downstream policy continues attracting capital beyond traditional extractive industries. Rather than merely expanding raw commodity production, investment increasingly targets processing capacity and higher value-added manufacturing, supporting Indonesia's ambition to move further up global supply chains. The continued dominance of Singapore, Hong Kong, China, Japan, and Malaysia as principal investment sources also suggests that regional manufacturing integration remains intact despite slowing global trade. Looking ahead, sustained downstream investment should improve export quality, create higher-skilled employment, and gradually reduce Indonesia's dependence on commodity price cycles as the primary driver of external earnings.

S&P Affirms Indonesia's Fiscal Credibility: Indonesia's macroeconomic credibility received further validation after S&P Global Ratings reaffirmed the country's sovereign rating at BBB/A-2 with a Stable Outlook. The affirmation reflects continued confidence that Indonesia's fiscal position remains manageable despite elevated global uncertainty and increasing energy price volatility. S&P acknowledged that fiscal pressures may temporarily increase amid weaker global growth and commodity market normalization, but considered these risks manageable given Indonesia's prudent fiscal framework, relatively low government debt ratio, and continued commitment to structural reforms. From a market perspective, maintaining investment-grade status is particularly important as it supports foreign investor confidence, lowers sovereign borrowing costs, and enhances Indonesia's relative attractiveness compared with other emerging markets facing similar external pressures.

Fiscal Performance Remains Supportive Despite Revenue Risks

Fiscal realization during the first half of 2026 continued to indicate relatively healthy public finances. State revenue reached Rp1,459.4 trillion, equivalent to 46.3% of the annual budget target, supported by resilient tax collection and non-tax revenues.

Nevertheless, authorities acknowledged that weaker corporate profitability—particularly following commodity price normalization—could reduce corporate income tax collection by approximately Rp47 trillion this year. While the anticipated shortfall remains manageable, it highlights Indonesia's continued sensitivity to commodity and corporate earnings cycles. Consequently, expenditure discipline and ongoing tax administration reforms will likely remain important policy priorities during the second half of the year to preserve fiscal credibility without undermining economic growth.

Downstream Strategy Continues to Gather Momentum: The government continued accelerating industrial downstreaming through Danantara, announcing 26 strategic projects worth Rp225 trillion across mining, energy, and food industries. The projects are expected to strengthen domestic processing capacity while generating substantial employment and expanding Indonesia's manufacturing ecosystem. More importantly, the initiative reflects a gradual shift in Indonesia's development strategy—from maximizing commodity exports toward maximizing domestic value added. If successfully implemented, downstream investment should not only improve export competitiveness but also reduce Indonesia's vulnerability to commodity price fluctuations by increasing the contribution of higher value-added manufactured products to economic growth.

Energy Security Becomes an Increasing Policy Priority: Preparations for mandatory B50 biodiesel implementation also advanced during the week as authorities estimated domestic crude palm oil requirements could reach approximately 23.3 million tons annually. The expansion of biodiesel blending reflects broader efforts to reduce dependence on imported diesel while strengthening domestic energy resilience amid heightened geopolitical uncertainty. Although increased domestic CPO utilization could marginally tighten export supply over time, the policy should improve Indonesia's external balance by lowering fuel imports and reducing exposure to volatile international oil prices. Over the medium term, continued improvements in palm oil productivity will become essential to ensure that domestic energy security objectives remain compatible with export competitiveness.

Financial Market Deepening Continues: Financial sector reform also remained an important policy theme throughout the week. OJK proposed fiscal incentives for gold-based exchange-traded funds (ETFs), aiming to deepen Indonesia's capital markets while broadening domestic investment alternatives. Together with continued implementation of Coretax and discussions surrounding Indonesia's International Financial Centre initiative, these measures illustrate policymakers' broader ambition to improve financial intermediation, strengthen domestic investor participation, and reduce long-term dependence on foreign portfolio flows. Deepening domestic capital markets remains particularly important as global financial fragmentation increases the volatility of cross-border capital movements.

Sectoral Investment Continues to Diversify: Beyond heavy industry, several developments highlighted improving investment diversification. Takeda announced a US$30 million commitment to Indonesia's plasma-derived medicine ecosystem, strengthening healthcare manufacturing capacity. Logistics warehouse demand remained resilient as occupancy rates continued improving alongside manufacturing activity and e-commerce expansion. Meanwhile, the government's strategy to substantially increase coffee exports reflects broader efforts to expand higher-value agricultural exports beyond traditional commodities. Collectively, these developments suggest that Indonesia's investment story is gradually broadening beyond mining toward manufacturing, healthcare, logistics, and agribusiness, enhancing the economy's long-term resilience.

External Risks Continue to Dominate the Macro Outlook: Despite encouraging domestic developments, external risks increasingly shaped Indonesia's macroeconomic outlook throughout the week. Escalating tensions around the Strait of Hormuz lifted Brent crude prices above USD85 per barrel, raising concerns over imported inflation, higher transportation costs, and renewed subsidy pressures. Elevated oil prices may also delay monetary easing across major economies, prolonging higher global interest rates and sustaining pressure on emerging-market currencies. While Indonesia's improving investment performance and stable sovereign rating provide important buffers, external developments are likely to remain the principal determinant of short-term market sentiment during the second half of 2026.

Politics and National Affairs

Government Prioritizes Long-Term Investment Competitiveness: The government's policy agenda increasingly shifted toward strengthening Indonesia's long-term investment competitiveness while preserving macroeconomic stability. Discussions surrounding the establishment of the Indonesia International Financial Center (IIFC) continued to gain traction, with policymakers considering fiscal incentives—including a potential 50-year tax holiday—to attract global financial institutions and international capital. Although the initiative remains in its early stages, it signals the government's broader ambition to diversify Indonesia's growth model beyond manufacturing and commodities by developing internationally competitive financial services. Achieving this objective, however, will require not only attractive fiscal incentives but also continued improvements in regulatory certainty, legal infrastructure, and capital market depth to compete with established regional financial hubs.

Village Cooperatives Become a New Engine of Inclusive Growth: The government's Red-and-White Village Cooperative program continued to evolve into one of its flagship inclusive development initiatives. Beyond providing financing support of approximately Rp3 billion for each cooperative, the program is increasingly designed to integrate microfinance, retail distribution, logistics, healthcare, and agricultural commercialization within rural communities. This integrated approach reflects a structural policy shift from conventional social assistance toward strengthening local productive capacity and improving rural economic resilience. If implementation remains effective, the initiative could enhance financial inclusion, reduce regional income disparities, and strengthen domestic consumption while improving efficiency across agricultural supply chains.

Tax Administration Reform Advances Through Coretax: Institutional reform continued through the gradual implementation of Coretax as Indonesia's central tax administration platform. The transition represents one of the most comprehensive modernizations of Indonesia's tax administration system, integrating taxpayer supervision, compliance monitoring, enforcement, collection, and dispute resolution into a unified digital platform. Together with the Directorate General of Taxes' expanding cooperative compliance framework for large state-owned enterprises, Coretax is expected to improve tax administration efficiency, strengthen compliance, and broaden the revenue base over the medium term. These reforms are particularly important as Indonesia seeks to increase fiscal capacity without relying solely on higher tax rates, thereby preserving long-term fiscal sustainability while supporting economic growth.

Governance Reform Remains Central to Policy Credibility: Legislative discussions surrounding the Asset Forfeiture Bill continued during the week despite public speculation regarding potential delays. The government's commitment to advancing the legislation reflects continued efforts to strengthen legal certainty, improve anti-corruption enforcement, and reinforce institutional governance. Meanwhile, continued judicial review of several provisions within the revised financial sector legislation demonstrates that Indonesia's institutional transition remains dynamic as policymakers attempt to balance financial innovation, regulatory oversight, and investor protection. Continued progress in governance reform will remain essential to sustaining investor confidence, particularly as Indonesia seeks to attract larger volumes of long-term foreign direct investment.

Food Security and Social Programs Continue to Support Domestic Demand: The government maintained its emphasis on strengthening household welfare through continued refinement of the Free Nutritious Meals (MBG) program. Following the resumption of school activities, authorities intensified operational monitoring while reviewing beneficiary targeting and budget efficiency to improve overall program effectiveness. Simultaneously, food-price stabilization measures—including support for poultry and egg producers—were expanded to mitigate volatility in staple food prices. These initiatives indicate that social policy continues to serve not only as a welfare instrument but also as a macroeconomic stabilization tool by supporting household purchasing power, reducing food inflation, and sustaining domestic consumption during a period of heightened external uncertainty.

Political Stability Remains Supportive for Investor Confidence: Political developments during the week generally remained conducive to macroeconomic stability. President Prabowo's intervention in resolving institutional tensions among law enforcement agencies underscored the government's commitment to maintaining political stability and minimizing potential disruptions to investor confidence.

At the same time, continued policy coordination with the National Economic Council—including consultations involving senior policymakers and economists—suggests that economic policymaking remains increasingly evidence-based amid growing external uncertainty. Maintaining institutional stability will remain a key prerequisite for preserving Indonesia's investment attractiveness as global geopolitical risks continue to intensify.

Digital Economy, Media and Telecommunications

Indonesia Seeks a Larger Role in the Global AI Value Chain: Indonesia's digital policy debate increasingly shifted from technology adoption toward value capture. The warning that Indonesia remains marginal within the global artificial intelligence supply chain highlights a structural weakness in the country's digital transformation. While domestic demand for AI services, cloud computing, and digital platforms continues to expand, much of the higher-value activity—including advanced chips, foundational models, cloud infrastructure, and intellectual property—remains concentrated abroad. Indonesia therefore risks becoming primarily a consumer of imported digital technology rather than a producer of scalable technological capabilities. Addressing this gap will require a more integrated strategy combining digital infrastructure, research capacity, industry-academia collaboration, and incentives for global technology firms to establish substantive operations rather than merely commercial offices.

Data Centers Become a Strategic Investment Frontier: The government's effort to attract Nvidia investment reflects Indonesia's growing ambition to develop itself as a regional data-center and AI-computing hub. Indonesia has reportedly secured more than USD20 billion in data-center commitments from other investors, suggesting that its large domestic market, expanding internet usage, and strategic location continue to attract global technology capital. Additional investment from a leading AI-chip company could deepen the ecosystem by expanding access to high-performance computing infrastructure and supporting cloud, analytics, and generative-AI applications. Nevertheless, realizing the full economic benefits will depend on electricity reliability, renewable-energy availability, data-governance certainty, and sufficient local technical talent. Without these complementary conditions, Indonesia may attract physical infrastructure while capturing only a limited share of the associated innovation and productivity gains.

Digital Talent Cooperation Supports Long-Term Competitiveness: Indonesia and India's agreement to strengthen cooperation in digital workforce development represents a constructive step toward reducing the country's technology skills gap. The partnership will focus on innovation, talent development, and workforce competitiveness, areas that are increasingly important as automation and AI reshape labor demand. India's experience in software services, engineering education, and technology entrepreneurship could provide relevant lessons for Indonesia as it seeks to expand its pool of programmers, data specialists, cybersecurity professionals, and AI engineers. However, training initiatives will need to be closely linked with industry demand to avoid producing qualifications without employable competencies. Over time, a stronger digital workforce could increase Indonesia's ability to absorb foreign technology investment and ensure that data-center expansion translates into broader domestic productivity gains.

Digital Financial Crime Raises Governance Risks: Rapid digitalization continues to generate substantial regulatory challenges. OJK reported that banking transactions suspected of being associated with online gambling increased by 260% in 2025, highlighting the scale at which digital platforms can facilitate illicit financial flows. The sharp increase does not necessarily indicate that all reported transactions were ultimately criminal, but it underlines the need for stronger transaction monitoring, cross-institutional data sharing, and enforcement across banking, payment, telecommunications, and digital-platform ecosystems. Digital financial growth without equally strong governance could undermine consumer protection, increase money-laundering risks, and weaken confidence in Indonesia's financial system. Consequently, cybersecurity and financial integrity must increasingly be treated as core components of digital economic policy rather than secondary regulatory concerns.

Data Protection Becomes Essential for Public Digitalization: BPS's assurance regarding the confidentiality of information collected during the 2026 Economic Census reflects growing public sensitivity toward personal and commercial data security. As government institutions increasingly digitize administrative, taxation, statistical, and social-program systems, public trust will become a decisive factor determining participation and data quality.

Stronger cybersecurity protocols, transparent data-use rules, and clear institutional accountability are therefore essential to ensure that digital public infrastructure improves state capacity without creating new privacy vulnerabilities. This is particularly relevant as systems such as Coretax, digital identity, social-benefit databases, and financial monitoring become increasingly interconnected. Failure to establish credible data safeguards could reduce public cooperation and ultimately weaken the effectiveness of digital reform.

Environment and Regional Issues

Geopolitical Tensions Reinforce Energy Security Concerns: Environmental and regional developments during the week were increasingly influenced by geopolitical events rather than climate-related disruptions. Escalating tensions surrounding the Strait of Hormuz once again highlighted the vulnerability of global energy supply chains, with Brent crude oil prices temporarily climbing above USD85 per barrel. Although Indonesia is no longer as heavily dependent on imported crude as in previous decades, the country remains a significant net importer of refined petroleum products. Consequently, prolonged disruptions to global shipping routes could raise domestic fuel costs, increase logistics expenses, widen inflationary pressures, and complicate fiscal management through higher energy subsidy requirements. These developments reinforce the importance of strengthening domestic energy resilience as an integral component of macroeconomic stability rather than merely an environmental objective.

B50 Implementation Strengthens the Energy Transition: Against this backdrop, preparations for mandatory B50 biodiesel implementation gained greater strategic significance. Beyond supporting domestic crude palm oil demand, the expansion of biodiesel blending represents a structural effort to reduce Indonesia's dependence on imported diesel fuel and improve long-term energy security. Increased domestic utilization of renewable feedstocks also contributes to lowering exposure to volatile international oil prices while improving the country's current account resilience. Nevertheless, expanding biodiesel consumption must remain accompanied by productivity improvements within the palm oil industry to ensure that rising domestic demand does not materially constrain export competitiveness or generate unintended inflationary pressures through higher edible oil prices.

The effectiveness of the policy will therefore depend on balancing food security, export performance, and renewable energy objectives simultaneously.

Food Security Remains Central to Inflation Management: Food security continued to occupy an important place within the government's macroeconomic strategy. Alongside efforts to stabilize poultry and egg supplies, authorities maintained close coordination with regional governments to monitor staple food availability following seasonal fluctuations earlier in the year. Indonesia's recent success in moderating food inflation has demonstrated the growing importance of supply-side interventions—including improved logistics, production coordination, and market monitoring—in complementing traditional monetary policy. Continued investment in agricultural productivity, cold-chain infrastructure, and regional distribution networks will therefore remain essential for maintaining price stability, particularly as climate variability and external commodity price volatility continue to influence domestic food markets.

Outlook

Growth: Indonesia's growth outlook remains supported by a strong investment pipeline, resilient domestic demand, and continued implementation of strategic government programs. The sharp acceleration in foreign direct investment during 2Q26 suggests that investment may provide an increasingly important counterweight to weakening manufacturing activity and softer consumer sentiment. Downstream projects led by Danantara, healthcare investment, logistics expansion, and the B50 program should sustain capital formation and create additional demand across construction, industrial services, and supporting sectors. However, the growth impulse may become less broad-based if high energy prices, tighter financial conditions, and policy uncertainty weaken corporate margins and household purchasing power. SSI maintains its 2026 GDP growth forecast at 5.3%, although the balance of risks is increasingly dependent on investment execution and the duration of external geopolitical pressures.

Inflation: Inflation is expected to remain within Bank Indonesia's target range, but risks have become increasingly asymmetric to the upside. The government's interventions in volatile food prices, reductions in selected non-subsidized LPG prices, and support for poultry and egg producers should help contain near-term domestic price pressures. Nevertheless, the sharp increase in global oil prices and continued rupiah weakness may gradually transmit into transportation, logistics, industrial input, and administered-price inflation. The B50 mandate could reduce Indonesia's medium-term exposure to imported diesel, but its immediate implementation may also create allocation trade-offs across domestic palm oil consumption, exports, and food-related uses. SSI maintains its 2026 inflation forecast at 3.0%, while acknowledging that a prolonged disruption around the Strait of Hormuz could push inflation above the current baseline.

External Sector: Indonesia's external position is likely to remain under pressure as rising energy import costs interact with weaker export momentum and sustained demand for imported capital and intermediate goods. Strong FDI inflows provide an important source of non-debt external financing and partially offset volatility in portfolio flows. However, the external balance remains vulnerable to higher crude oil and refined-product prices, especially if geopolitical tensions disrupt shipping through the Strait of Hormuz. The B50 policy should gradually lower diesel imports, while downstream industrialization may strengthen manufactured exports over the medium term. In the near term, however, rupiah performance will continue to depend heavily on global interest rates, foreign investor risk appetite, and the credibility of Indonesia's fiscal and monetary policy response. SSI forecasts the 2026 current-account deficit at 1.9% of GDP and the year-end exchange rate at around IDR16,900/USD, although current market conditions indicate substantial downside risks to the currency forecast.

Monetary Policy: Bank Indonesia is expected to maintain a stability-oriented policy stance as external inflation and exchange-rate pressures constrain the scope for near-term monetary easing. Although underlying domestic demand is showing signs of moderation, high global bond yields, elevated oil prices, and persistent rupiah volatility require the central bank to prioritize external stability. The US ten-year Treasury yield remained near 4.6% during the week, supported by stronger US data and growing market expectations of tighter Federal Reserve policy. This environment limits the attractiveness of aggressive domestic easing and increases the importance of foreign-exchange intervention, domestic non-deliverable forwards, and bond-market stabilization measures. SSI expects the policy rate to remain at 4.75% for the next BI's meeting, although the latest external environment suggests that policy normalization may be delayed and that the central bank will retain a cautious bias.

Fiscal Policy: Fiscal conditions remain manageable, supported by relatively strong first-half revenue realization and Indonesia's comparatively low government debt burden. S&P's stable investment-grade assessment confirms that fiscal and external pressures are still viewed as temporary and absorbable within the existing policy framework. Nevertheless, the expected Rp47 trillion tax-revenue shortfall, higher potential energy subsidies, and the expanding financing requirements of strategic social and industrial programs could narrow fiscal flexibility during the second half. The main fiscal challenge will be maintaining productive expenditure while preventing higher oil prices and weaker tax quality from pushing the deficit significantly beyond the government's intended path. SSI forecasts the 2026 fiscal deficit at 2.9% of GDP, remaining below the statutory ceiling but leaving limited room for prolonged external shocks.

Key Risks to Watch

Geopolitical Escalation and Prolonged Oil Shock: Further escalation around the Strait of Hormuz remains the largest immediate downside risk. A sustained disruption could push oil prices materially higher, increase freight and insurance costs, and amplify imported inflation. For Indonesia, the impact would operate simultaneously through the current account, rupiah, energy subsidies, industrial production costs, and household purchasing power.

Rupiah Volatility and Tighter Global Financial Conditions: The rupiah remains highly sensitive to changes in US Treasury yields and expectations surrounding the Federal Reserve. Continued pressure toward the IDR18,000/USD level could accelerate foreign outflows, raise domestic funding costs, and restrict Bank Indonesia's room to support growth. While Indonesia's sovereign rating and domestic bond-market support provide buffers, they may not fully insulate the market from a broad global risk-off episode.

Fiscal Pressure from Energy and Social Programs: Higher energy prices may increase subsidy and compensation requirements at the same time that the government is expanding flagship initiatives such as MBG, village cooperatives, downstream projects, and financial-center incentives. Without careful prioritization, simultaneous commitments could reduce expenditure flexibility and complicate deficit management, particularly if tax collection falls short of target.

Market Movement

On July 17, 2026, the Jakarta Composite Index (JCI) rose 1.10% to 6,175.5, extending its gains on the back of strong advances in banking and blue-chip stocks. The Indonesia Sharia Stock Index (ISSI) also edged up 0.18% to 211.7, reflecting continued resilience in sharia-compliant equities. Foreign investors recorded net buys of IDR 724.3 billion in the regular market, partially offset by net sells of IDR 86.3 billion in the negotiated market, indicating sustained foreign interest in domestic equities.

Regionally, Asian markets came under broad selling pressure, with Kospi falling 6.4%, Nikkei declining 4.0%, Shanghai dropping 3.0%, Hang Seng losing 1.8%, and STI easing 0.5%. In commodities, Brent oil climbed 2.0% to USD 86/bbl, while gold gained 0.5% to USD 3,997/oz amid renewed demand for safe-haven assets. The IDR strengthened 0.5% to 17,895/USD.

Sector-wise, financials (IDXFIN) led the gains, while basic materials (IDXBASIC) was the weakest-performing sector. On the stock level, TLKM (+5.1%), BBCA (+4.0%), BMRI (+3.9%), BBRI (+3.8%), and BYAN (+3.0%) emerged as the leading movers. Meanwhile, DCII (-3.9%), BRMS (-2.7%), BREN (-2.0%), MORA (-1.6%), and UNTR (-1.4%) weighed on the index.

Foreign inflows were concentrated in BBCA (+4.0%), BMRI (+3.9%), BBRI (+3.8%), TLKM (+5.1%), and BRIS (+9.8%), reflecting broad accumulation in banking and telecommunications stocks. Meanwhile, foreign outflows were recorded in ASII (0.0%), DEWA (-1.6%), AMMN (+0.5%), BRMS (-2.7%), and PTRO (-0.2%), suggesting selective profit-taking in commodity-related names.

Trading activity was dominated by BBCA (+4.0%), BBRI (+3.8%), BMRI (+3.9%), TPIA (+0.8%), and BUVA (+8.5%).

Overall, the JCI outperformed regional peers, supported by strong buying in large-cap banking stocks and sustained foreign inflows. However, the sharp decline across Asian markets and weakness in commodity-related shares suggest investors are likely to remain selective despite improving domestic sentiment.

Fixed Income

On Friday, 17 July 2026, the Indonesian bond market closed with a modest gain, as the Indonesia Composite Bond Index (ICBI) rose 5 bps to -2.49. The Fixed Rate (FR) segment showed mixed yield movements: FR0109 fell 1.4 bps to 7.178%, FR0108 rose 2.0 bps to 7.229%, FR0106 increased 0.2 bps to 7.227%, and FR0107 gained 1.0 bps to 7.232%, reflecting selective positioning across benchmark tenors. In the SBSN segment, yields were mixed but mostly lower, with PBS030 down 5.8 bps to 6.934%, PBS040 declining sharply to 5.483%, while PBS034 and PBS038 were unchanged at 7.282% and 7.290%, respectively, indicating uneven demand across Islamic bonds. The rupiah strengthened to IDR 17,921/USD (from IDR 17,986), while the UST 10-year yield stood at around 4.529%, providing a supportive external backdrop.

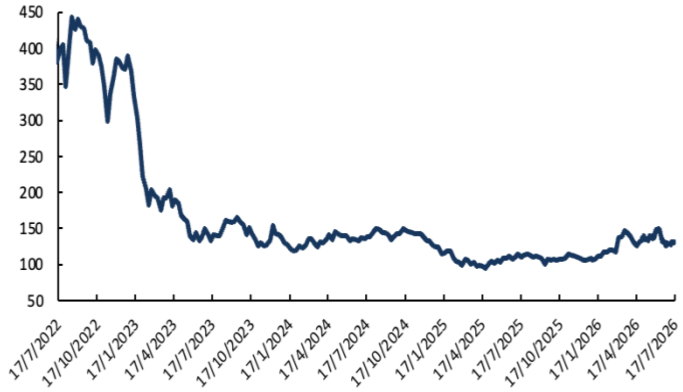
Liquidity conditions softened, with SUN transaction volume declining 19.12% to IDR 18.91 trillion (vs. IDR 23.38 trillion previously), while transaction frequency fell 52.53% to 3,670 trades from 7,731, indicating lighter trading activity and more selective investor participation. In the non-benchmark segment, FR0101, FR0078, and FR0059 were actively traded at yields of 7.096%, 7.134%, and 6.887%, respectively. Corporate bond flows remained selective, with ADIN01A trading at 8.105%, BAFI04ACN1 at 7.140%, and SMPIDL01CN3 at 7.613%, reflecting continued demand for carry-oriented instruments despite softer market activity.

Outlook

The mixed movement in FR yields alongside mostly lower SBSN yields suggests a cautiously constructive market, supported by rupiah appreciation and a slightly lower UST yield. However, weaker trading volume and significantly lower transaction frequency indicate investors remain selective despite the positive price action. In the near term, the market is likely to retain a mildly positive bias, with demand concentrated in liquid benchmark FRs and selective high-carry bonds, while global interest rate expectations and rupiah stability remain the key drivers of market direction.

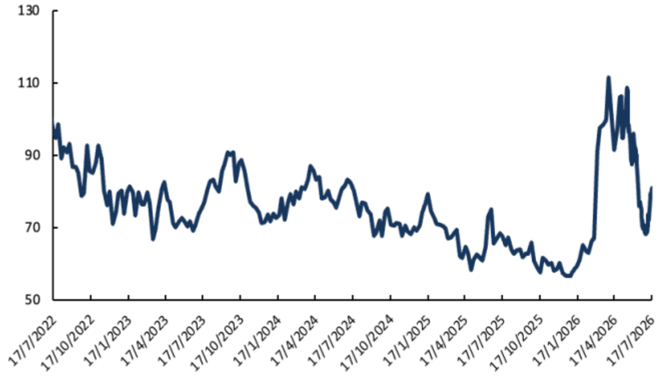
COMMODITY PRICES

Coal Price, USD/ ton



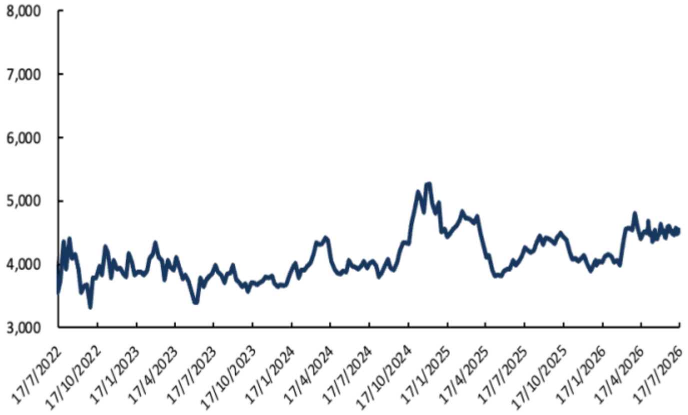
Source: Bloomberg, SSI Research

WTI Price, USD/ barrel



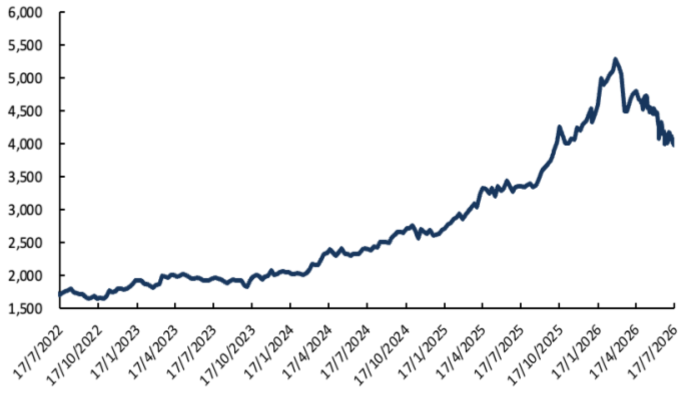
Source: Bloomberg, SSI Research

CPO Price, MYR/ ton



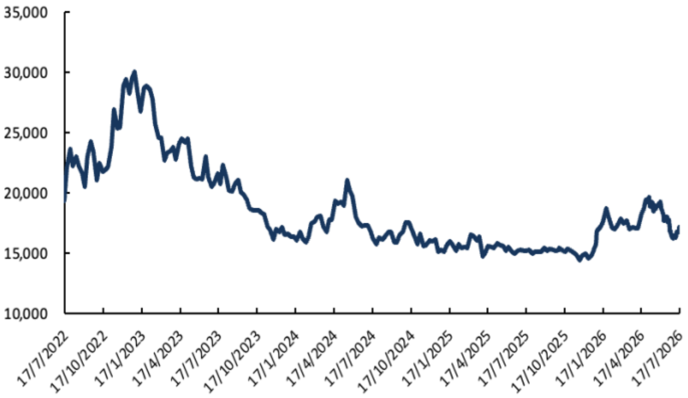
Source: Bloomberg, SSI Research

Gold Price, USD/ toz



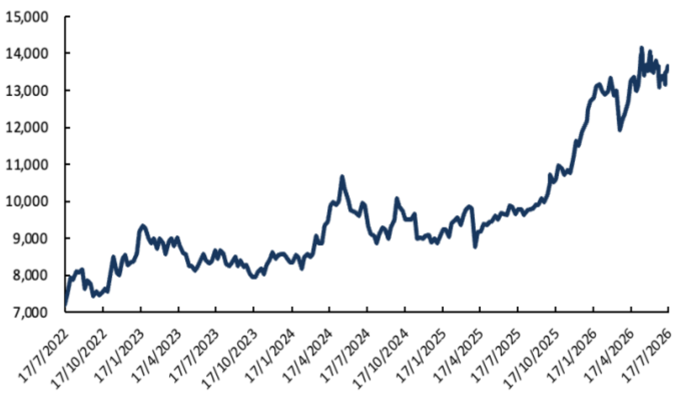
Source: Bloomberg, SSI Research

Nickel Price, USD/ ton



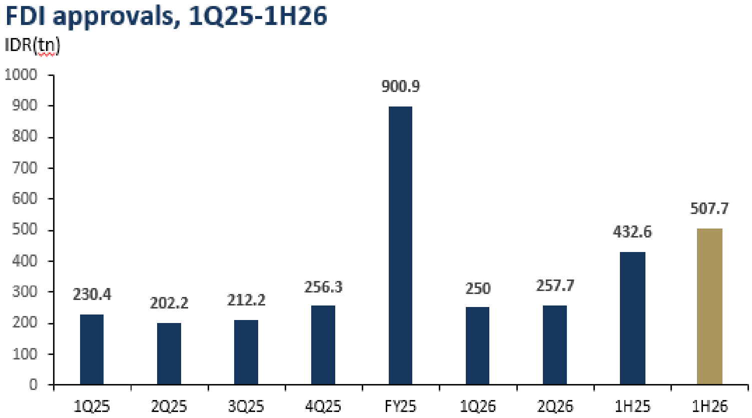
Source: Bloomberg, SSI Research

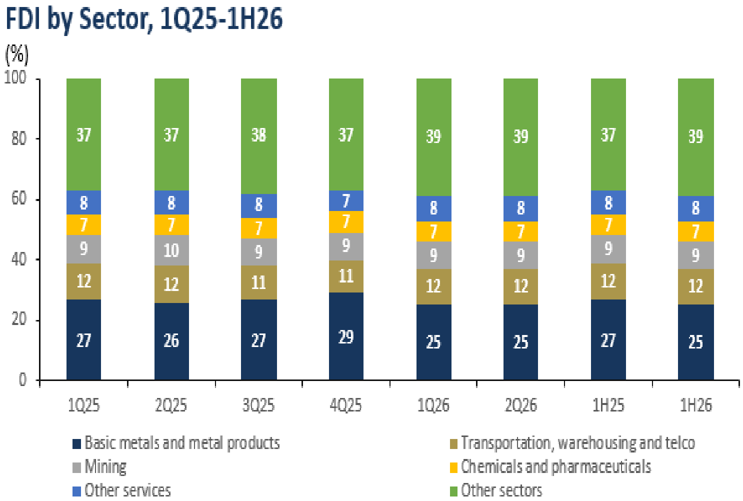
Cooper, USD/ ton

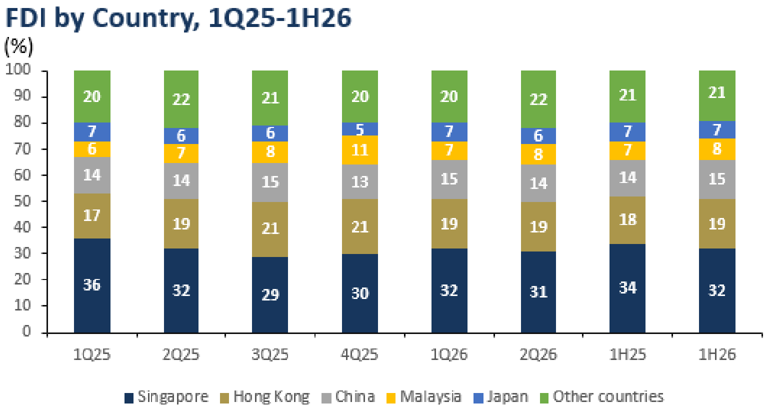


Source: Bloomberg, SSI Research

DATA ECONOMIC







Source: Bloomberg, STAR, SSI Research

Macro Forecast SSI

Macro	2024A	2025F	2026F
GDP (% YoY)	5.02	5.11	5.30
Inflation (% YoY)	1.57	2.92	3.00
Current Account Balance (% GDP)	-0.9	-0.1	-1.90
Fiscal Balance (% to GDP)	-2.29	-2.60	-2.90
BI 7DRRR (%)	6.00	4.75	4.75
10Y. Government Bond Yield (%)	7.00	6.07	6.40-6.80
Exchange Rate (USD/IDR)	16,162	16,470	16,900

Source: SSI Research, *forecasts

GLOBAL, REGIONAL & FIXED INCOME DATA

As of 7 July 2026

Equity Global Markets	Last Price	Daily	5D	1M	3M	6M	YTD
Dow Jones	52,553	-0.20	0.12	2.06	6.28	6.47	9.34
SPX Index	7,534	-0.51	-0.13	1.53	5.72	8.56	10.05
CCMP Index	25,882	-1.47	-1.24	-0.54	5.78	10.06	11.36
KOSPI Index	6,821	-6.37	-6.46	-24.65	10.15	40.90	61.85
NKY Index	64,141	-4.03	-6.44	-8.24	9.69	18.92	27.42
HSI Index	24,562	-1.78	1.60	1.03	-6.11	-8.50	-4.17
JCI Index	6,176	1.10	4.24	-0.73	-19.10	-31.95	-28.58

Source: Bloomberg, SSI Research

Currencies	Last Price	Daily	5D	1M	3M	6M	YTD
USD/IDR	17,895	0.50	0.89	-0.88	4.10	5.98	7.22
USD/CNY	7	-0.08	-0.04	-0.26	-0.59	-2.76	-3.01
EUR/USD	1	-0.10	0.12	-0.62	-2.85	-1.45	-2.69
USD/JPY	162	0.03	-0.41	-1.04	2.33	2.67	3.59
USD/THB	34	-0.18	-0.87	-3.06	4.77	7.03	6.69
USD/MYR	4	-0.58	-0.58	-0.67	3.70	0.97	0.90
USD/INR	96	0.07	-0.99	-1.82	3.61	5.96	7.13
AUD/USD	70	-0.38	0.24	-0.98	-2.68	4.31	4.56

Source: Bloomberg, SSI Research

Fixed Income Indicators	Last Price	Daily	5D	1M	3M	6M	YTD
INDOGB 5Y	97.715	0.02	-0.02	-0.76	-3.17	-5.37	-5.95
INDOGB 10Y	94.969	-0.04	-0.11	-2.42	-4.60	-6.86	-7.93
INDOGB 20Y	98.816	-0.05	0.12	2.41	-5.91	-7.09	-7.67
INDOGB 30Y	94.718	0.19	0.00	-1.81	-5.53	-7.28	-7.44
US Treasury 5Y	4.2359	-0.78	-1.60	-0.62	10.12	11.03	13.71
US Treasury 10Y	4.5174	-0.79	-0.96	0.68	6.34	6.97	8.41
US Treasury 30Y	5.0515	-0.63	-0.14	2.44	3.44	4.45	4.29
INDO CDS 5Y	91.609	1.05	0.79	6.29	11.15	28.88	33.04

Source: Bloomberg, SSI Research

JCI Sectoral	Last Price	Daily	5D	1M	3M	6M	YTD
IDXFIN Index	1,368	2.34	2.73	-1.26	-2.22	-12.16	-11.78
IDXBASIC Index	1,594	-0.50	5.47	-4.87	-31.17	-31.73	-22.55
IDXCYC Index	930	0.80	5.32	1.07	-19.02	-33.73	-24.20
IDXNCYC Index	656	0.27	0.37	1.38	-14.86	-20.12	-17.97
IDXENER Index	2,857	-0.11	4.62	-0.12	-31.70	-41.20	-35.84
IDXINFRA Index	1,786	0.26	4.55	-2.21	-18.10	-35.10	-33.14
IDXHLTH Index	1,445	0.67	1.16	3.56	-19.73	-32.56	-29.98
IDXTRANS Index	1,671	0.11	1.49	-2.16	-20.91	-21.93	-15.01
IDXPROP Index	759	0.38	3.46	0.58	-23.61	-41.15	-35.29
IDXINDUS Index	1,570	-0.45	2.35	-0.08	-28.01	-35.44	-27.16
IDXTECH Index	6,674	-0.25	3.38	0.70	-18.25	-31.64	-29.96

Source: Bloomberg, SSI Research

Interest Rate	June-26	July-26
BI's 7 Day (%)	5.75	5.75
Fed Rate (%)	3.75	3.75

Source: Bloomberg

WEEKLY ECONOMIC INSIGHTS

SAMUEL SEKURITAS INDONESIA

3rd Week of July 2026

Weekly Stock Rank

NO	STOCK	^	PRICE	%CHG	VAL	LOT	FREQ	YTD %	52W %	MTD %
1	BBCA		6,475	3.1	29.0T	47,3...	902,865	-19.8	-24.0	0.0
2	TPIA		1,945	-7.3	19.0T	100,...	1,509,240	-72.2	-79.6	0.0
3	BBRI		2,970	-0.6	19.0T	66,6...	1,165,162	-18.8	-23.4	0.0
4	BMRI		4,480	-0.4	17.2T	41,7...	817,036	-12.1	-4.4	0.0
5	DSSA		800	-1.8	12.6T	155,...	1,013,316	-80.1	-69.0	0.0
6	TLKM		2,660	-9.2	8.6T	34,0...	480,846	-23.5	0.3	0.0
7	BUMI		150	-13.2	7.7T	516,...	1,007,488	-59.0	23.9	0.0
8	BRPT		1,695	-4.2	7.6T	48,4...	813,431	-48.1	-15.6	0.0
9	AMMN		3,940	4.2	7.0T	19,3...	434,418	-38.6	-52.0	0.0
10	ANTM		3,070	-1.9	6.8T	23,5...	615,271	-2.5	2.6	0.0

Source: Bloomberg, STAR, SSI Research

Weekly Foreign Flow Regular Market

Foreign Only | RG | ALL SECTORS | 13-07-2026 | 17-07-2026 | SHOW | SESSION 1

STOCK	%TVAL	LAST	%CHG	%MTD	%YTD	%52W	NVAL	NAVG	BVAL	SVAL	BRD
ASII	1.1	5,100	0.0	12.8	-23.8	7.3	-532.0B	4,965	552.6B	1,084.6B	RG
MAPI	0.2	1,520	0.0	-0.3	30.4	27.7	-187.8B	1,527	76.0B	263.8B	RG
BRMS	0.6	545	0.0	14.9	-50.4	20.5	-102.0B	569	369.6B	471.6B	RG
DEWA	0.3	364	0.0	28.1	-45.6	91.5	-96.4B	358	202.0B	298.5B	RG
PGAS	0.2	1,500	0.0	9.8	-21.4	-4.4	-93.5B	1,498	92.3B	185.8B	RG
INCO	0.1	4,910	0.0	19.1	-5.1	40.2	-67.6B	4,923	56.4B	124.0B	RG
BBNI	0.7	3,580	0.0	13.2	-18.0	-13.3	-63.2B	3,532	482.3B	545.6B	RG
BUMI	0.5	150	0.0	13.6	-59.0	23.9	-60.5B	153	326.9B	387.5B	RG
MDKA	0.2	2,660	0.0	9.9	16.6	24.8	-56.8B	2,640	140.1B	197.0B	RG
DSSA	0.1	800	0.0	0.6	-80.1	-69.0	-51.5B	813	97.4B	149.0B	RG
									18.8T	19.2T	

Source: Bloomberg, STAR, SSI Research

Weekly Sector Summary

13-07-2026 | 17-07-2026 | SHOW

SECTOR	TVAL	%TVAL	FNVAL	FBVAL	DBVAL	FSVAL	DSVAL
IDXINDUST	5.0T	7.1	-513.5B	1.2T	3.7T	1.8T	3.2T
IDXCYCLIC	5.9T	8.4	-200.9B	947.8B	5.0T	1.1T	4.8T
IDXPROPERT	1.5T	2.1	-89.1B	350.9B	1.2T	440.1B	1.1T
IDXTECHNO	1.1T	1.5	-66.7B	325.0B	796.6B	391.7B	729.8B
IDXHEALTH	1.9T	2.7	-42.2B	266.0B	1.7T	308.3B	1.6T
IDXNONCYC	3.1T	4.4	-36.5B	925.9B	2.2T	962.5B	2.2T
IDXTRANS	455.3B	0.6	-181.3M	21.1B	434.1B	21.3B	433.9B
COMPOSITE	69.9T	100.0		24.7T	45.2T	24.2T	45.6T
IDXINFRA	5.3T	7.5	29.1B	1.9T	3.4T	1.8T	3.4T
IDXBASIC	13.4T	19.1	305.7B	4.0T	9.4T	3.7T	9.7T
IDXENERGY	12.6T	18.0	444.6B	3.2T	9.4T	2.7T	9.8T
IDXFINANCE	19.6T	28.0	611.3B	11.4T	8.1T	10.8T	8.7T

Source: Bloomberg, STAR, SSI Research

Economic Calender

Country	Date	Time	Event	Period	Survey	Previous
United States	20-Jul	21:00	Leading Index	Jun	-0.10%	0.10%
	23-Jul	19:30	Initial Jobless Claims	18-Jul	214k	208k
	23-Jul	19:30	Initial Claims 4-Wk Moving Avg	18-Jul	--	214.25k
	23-Jul	19:30	Continuing Claims	11-Jul	--	1805k
	24-Jul	17:00	Bloomberg July United States Economic Survey			
	24-Jul	20:45	S&P Global US Manufacturing PMI	Jul P	54.4	53.9
	24-Jul	20:45	S&P Global US Services PMI	Jul P	--	51.2
	24-Jul	20:45	S&P Global US Composite PMI	Jul P	--	51.9
Japan	22-Jul	6:50	Trade Balance	Jun	-¥119.9b	-¥378.6b
	22-Jul	6:50	Exports YoY	Jun	17.90%	17.00%
	22-Jul	6:50	Imports YoY	Jun	21.10%	12.50%
	22-Jul	6:50	Trade Balance Adjusted	Jun	-¥538.7b	-¥90.4b
	24-Jul	6:30	Natl CPI YoY	Jun	1.70%	1.50%
	24-Jul	6:30	Natl CPI Ex Fresh Food YoY	Jun	1.60%	1.40%
	24-Jul	6:30	Natl CPI Ex Fresh Food, Energy YoY	Jun	1.80%	1.80%
	24-Jul	6:50	Japan Buying Foreign Bonds	17-Jul	--	¥1090.1b
	24-Jul	6:50	Foreign Buying Japan Bonds	17-Jul	--	¥499.8b
	24-Jul	6:50	Japan Buying Foreign Stocks	17-Jul	--	¥196.2b
	24-Jul	6:50	Foreign Buying Japan Stocks	17-Jul	--	¥745.6b
	24-Jul	7:30	S&P Global Japan PMI Composite	Jul P	--	52.8
	24-Jul	7:30	S&P Global Japan PMI Mfg	Jul P	--	54.8
	24-Jul	7:30	S&P Global Japan PMI Services	Jul P	--	52.2
China	17 - 20 Jul		FDI YTD YoY CNY	Jun	--	-8.60%
	20-Jul	8:00	1-Year Loan Prime Rate	20-Jul	3.00%	3.00%
	20-Jul	8:00	5-Year Loan Prime Rate	20-Jul	3.50%	3.50%
	23-Jul	8:00	Swift Global Payments CNY	Jun	--	2.75%
	23-Jul	9:00	Bloomberg July China Economic Survey			
Indonesia	22-Jul	14:20	BI-Rate	22-Jul	6.00%	5.75%

Sources: Bloomberg, SSI Research

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