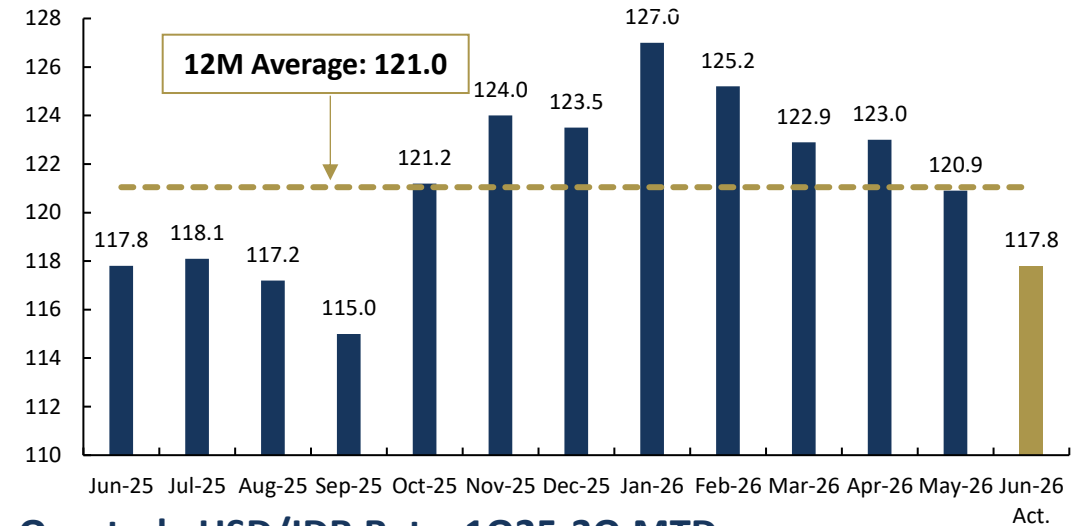


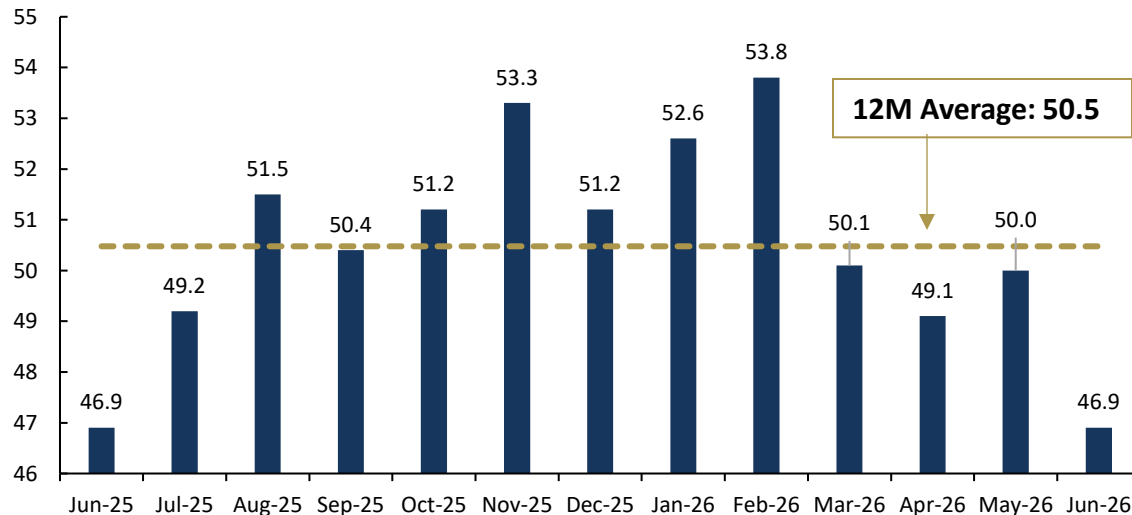
Indonesia Consumer Confidence Index: 8 July 2026

- Indonesia's Consumer Confidence Index fell further from 120.9 in May to 117.8 in Jun-26, marking the third consecutive monthly drop and the lowest reading since Sep-25. Although the index remains above the 100-point threshold separating optimism from pessimism, the latest decline signals cautious household sentiment amid rising inflation, tighter conditions, and weakening labor market. The decline was broad-based with Current Economic Condition Index and Consumer Expectation Index deteriorating. Households reported weaker perceptions of current/future income, business activity, employment, and goods purchases, suggesting that consumers are becoming less optimistic about the economic outlook over the next six months.
- The deterioration in confidence is consistent with recent macroeconomic indicators pointing to softer domestic demand. Manufacturing PMI fell into contraction territory in June, trade performance weakened sharply with the first deficit since 2020, while BI has raised policy rates cumulatively by 100bps since May to stabilize the IDR and contain inflation. Although higher rates have helped macroeconomic stability and provided some IDR support, tighter financials will weigh on household borrowing and discretionary spending. The decline in confidence towards durable goods purchases reflects consumers' increasing caution on big-ticket expenditures as financing costs rise.
- At this stage of this business cycle, consumers still anticipate income growth and business activity to expand, albeit at a slower pace than previously expected as we head into 2H26, despite government spending, ongoing infrastructure projects, and recent stabilization measures.
- Looking ahead, we expect consumer confidence to remain under modest pressure over the coming months as households adjust to higher borrowing costs and elevated inflation, particularly given continued IDR weakness. We expect local consumption to moderate, and this outlook is consistent with SSI's view that Indonesia's economic growth is slowing in 2H26 on the back of near-term headwinds stemming from: financial markets volatility, continued fiscal and trade deficits as well as potential sovereign rating downgrade.

Indonesia Consumer Confidence Index



Indonesia Manufacturing PMI



Quarterly USD/IDR Rate, 1Q25-3Q MTD

