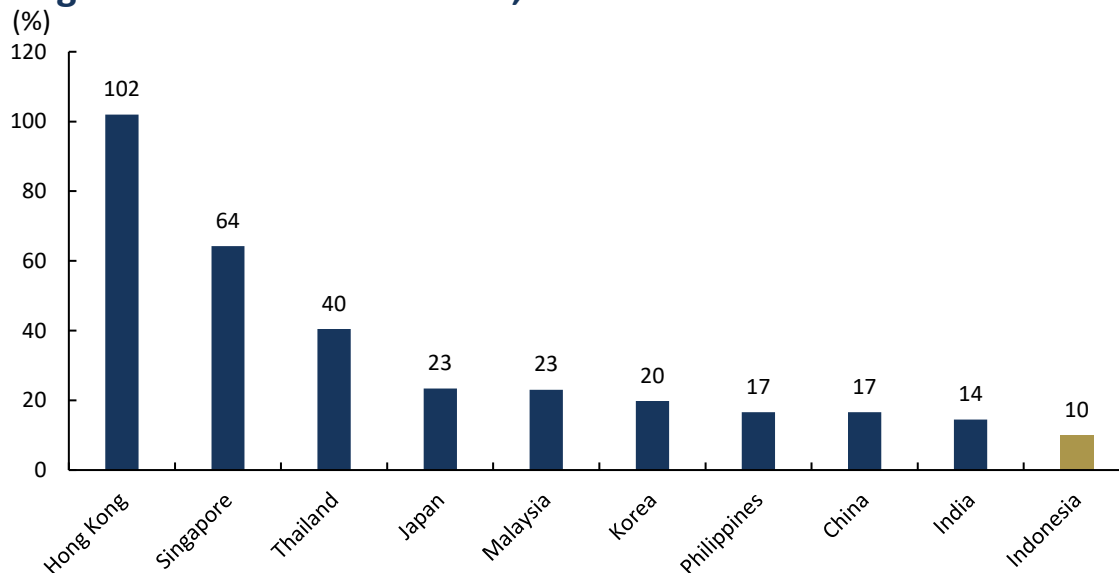


Indonesia Foreign Exchange Reserves: 7 October 2026

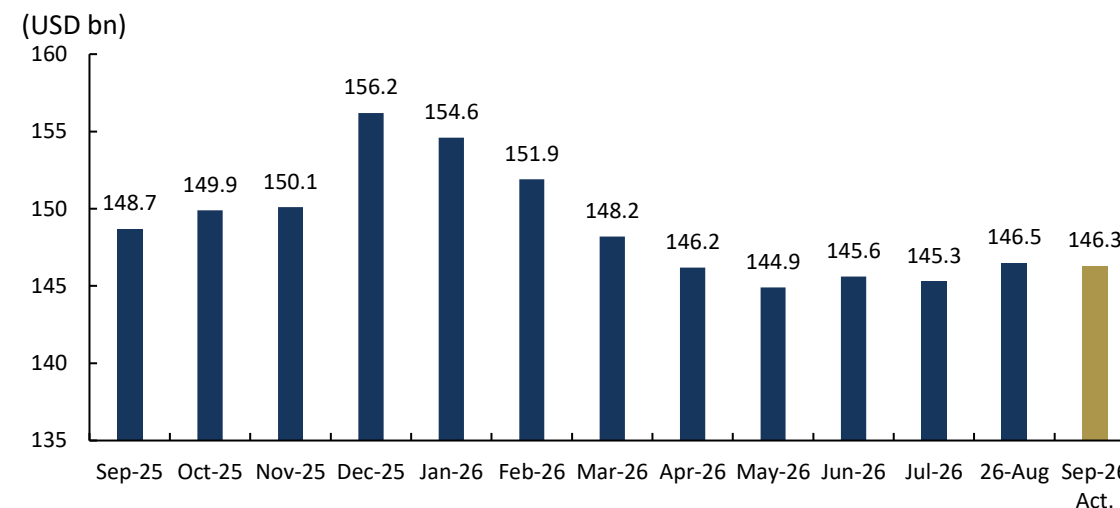
- Despite government external loan withdrawals coupled with tax and services receipts, Indonesia's FX reserves declined from USD 146.5bn in Aug-26 to USD 146.3bn in Sep-26 (SSI: USD 144.3bn), eroded by maturing government external debt repayments and BI's IDR stabilization measures. While the decrease was modest, support from external borrowings suggests that reserve stability does not necessarily signal improving underlying FX conditions.
- Although reserves covered 5.3 months of imports, or 5.2 months of imports and government external debt servicing (above c. 3M international adequacy benchmark), elevated oil prices and prolonged IDR weakness could raise FX demand and gradually erode reserve coverage. High global interest rates, US dollar strength and geopolitical uncertainty could sustain portfolio outflows, while elevated energy prices increase Indonesia's import bill.
- We note that the headline figure does not reveal the scale of BI's intervention while continued government financing may support reserves even despite persistent underlying depreciation pressures. Prolonged intervention would draw on reserves without necessarily reversing the currency's underlying trend.
- Looking ahead, we see limited room for sustained reserve accumulation and maintain a cautious outlook on the IDR. Reserves should remain adequate in the near term, although portfolio inflows remain uncertain while downside risks would increase on continued intervention requirements.

Regional FX Reserves to GDP, YTD

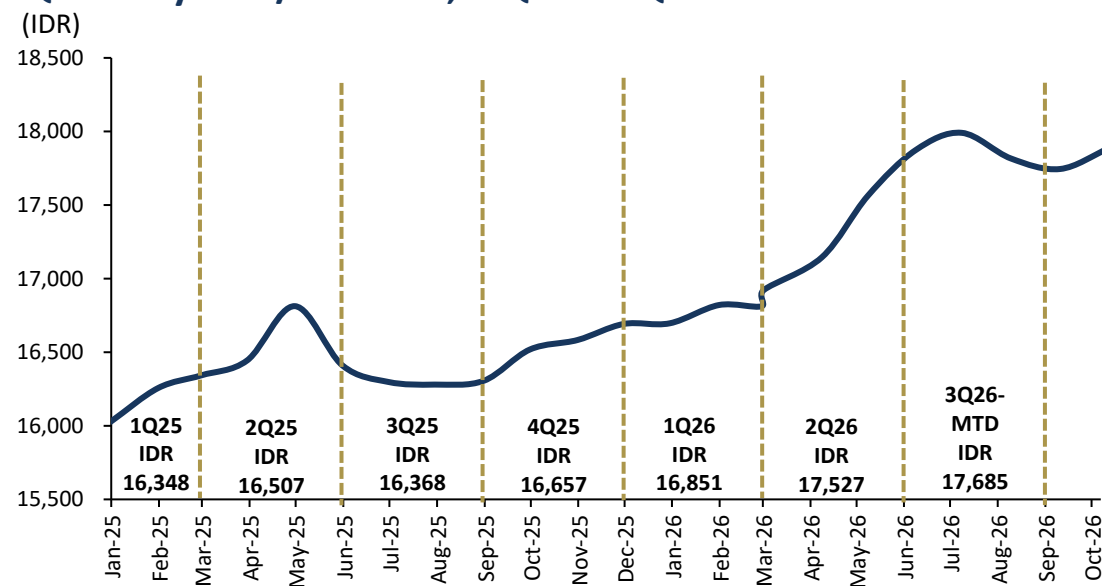


Sources: Bloomberg, SSI Research

Indonesia Foreign Reserves, Sep-26



Quarterly USD/IDR Rate, 1Q25 – 3Q26 MTD



Macro Strategy Team