

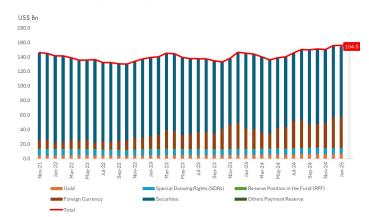
Domestic Macro Flash

Indonesia Foreign Exchange Reserves | March 7th, 2025

Indonesia's Forex Reserves Decline Amid Global Uncertainties

Period	FX Reserves	ΜοΜ	YoY
Feb 2025	US\$154.5 Bn	-1.02%	7.26%

Figure 1. Indonesia Foreign Exchange Reserves by Asset Classes



Source : Phintraco Sekuritas Research | Bl

Indonesia's foreign exchange reserves declined by 1.02% MoM to US\$154.5 billion in February 2025 from US\$156.1 billion in January 2025. It was influenced by government foreign debt payments and rupiah exchange rate stabilization policies in response to persistently high global financial market uncertainties. Nevertheless, the current level of foreign exchange reserves remains high, equivalent to 6.6 months of imports or 6.4 months of imports and government foreign debt payments. It stands above the international adequacy standard of approximately 3 months of imports.

Indonesia's foreign exchange reserves position in December 2024 consisted of monetary gold (7.1% MoM), special drawing rights (0.1% MoM), reserves held at the IMF (0.1% MoM), foreign currency (1.2% MoM), securities (-0.6% MoM), and other claims (-1.2% MoM) (Figure 1). The increase in foreign exchange reserves in the form of monetary gold aligns with the impact of global economic uncertainties, leading to asset allocation in gold.

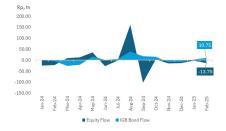
The foreign exchange reserve position aligns with the weakening exchange rate. At the end of February 2025, the Rupiah weakened against the US dollar by 3.0% YTD (Figure 2). It was mainly due to several global factors, including retaliatory tariffs from US trading partners such as Canada, Mexico, and China. Additionally, domestic factors like deflation in February 2025 put pressure on the exchange rate.

Meanwhile, foreign fund flows in Indonesia's capital market experienced asset switching, as evidenced by outflows in the stock market of IDR 13.75 trillion and inflows in the government bond market of IDR 10.75 trillion in February 2025 (Figure 3), indicating that investors prefer lower-risk asset classes due to uncertainties arising from US import tariff policies increasing stock market risks. Companies face potential increases in raw material costs and supply chain disruptions, which may reduce profitability. Furthermore, we assess that Indonesia's bond market remains attractive as it offers relatively higher real yields compared to other countries in the Asia-Pacific region.

Figure 2. FX and Indonesia Reserve



Figure 3. Foreign Capital Flow



Source : Phintraco Sekuritas Research | BI, Investing.com

Source : Phintraco Sekuritas Research | BI

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Previous Data

Period	FX Reserves	MoM
Jan 2025	US\$156.1Bn	0.24%
Dec 2024	US\$155.7Bn	3.63%
Nov 2024	US\$150.2Bn	-0.68%

Source : Bank Indonesia

USD-IDR FX Rate

Period (EoM*)	Rate	MoM
Feb 2025	16,575	1.69%
Jan 2025	16,295	1.27%
Dec 2024	16,090	1.58%

Source : Investing.com | End of Month

Indonesia 10 Year Bond Yield

Period (EoM*)	Yield (%)	MoM (bps)
Feb 2025	6.925	-5.9
Jan 2025	6.984	-1.3
Dec 2024	6.997	14.9

Source : Investing.com | *End of Month

FX Reserves by Country

AEs	FX Reserves*	EMDEs	FX Reserves*	
Canada	US\$119.6Bn	Brazil	US\$328.3Bn	
Euro Area	US\$103Bn	China	US\$3,209Bn	
Japan	US\$1,253Bn	India	US\$640.5Bn	
Singapore	SG\$510.8Bn	Malaysia	US\$116.4Bn	
Switzerland	CHF736.4Bn	Mexico	US\$240.8Bn	
UK	US\$185.8Bn	Russia	US\$620.8Bn	
US	US\$35.2Bn	Thailand	US\$242.1Bn	
Source : Tradingeconomics *Last Updated (7/3)				

AEs-Advanced Economics | EMDEs-Emerging Market.

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