



Domestic Macro Flash

Money Supply | March 21st, 2025

Indonesia's M2 Money Supply Surges 5.7% in February 2025

Previous Data

Period	M2 (YoY)	M1 (YoY)	Loan Growth (YoY)
Jan 2025	5.5%	7.2%	10.3%
Dec 2024	4.4%	5.8%	10.4%
Nov 2024	6.5%	9.1%	10.7%

Source : Bank Indonesia

Headline Inflation

Period	MoM	YoY
Feb 2025	-0.48%	-0.09%
Jan 2025	-0.76%	0.76%
Dec 2024	0.44%	1.57%

Source : Badan Pusat Statistik

Loan by Usage

Usage	Jan 25 (YoY)	Feb 25 (YoY)
Working Capital	6.8%	6.2%
Investment	12.0%	13.4%
Consumer	9.5%	9.4%

Source : Bank Indonesia

Comparison M2 by Country

AEs	Money Supply M2 (MoM)	EMDEs	Money Supply M2 (MoM)
Canada	0.96%	Brazil	-0.79%
Euro Area	0.05%	China	0.65%
Japan	-0.50%	India	-0.20%
Singapore	0.66%	Malaysia	0.09%
Switzerland	-0.22%	Mexico	-1.96%
UK	0.84%	Russia	-0.57%
US	0.06%	Thailand	0.69%

Source : Tradingeconomics – last updated (21/3)

AEs–Advanced Economy | EMDEs–Developing Economy

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Period	M2 (YoY)	M1 (YoY)	Loan Growth (YoY)
February 2025	5.7%	7.4%	10.3%

Figure 1. M2, M1 and Inflation

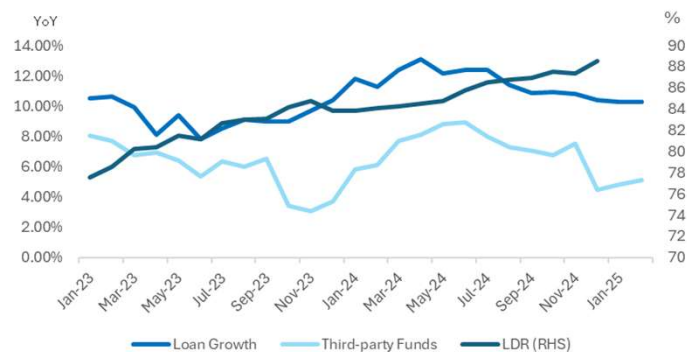


Source : Phintraco Sekuritas Research | Bank Indonesia (BI)

Money supply (M2) grew by 5.7% YoY to IDR 9,240 trillion in January 2025, up from 5.5% YoY in January 2025. By component, M2 money growth was driven by narrow money (M1) growth of 7.4% YoY and quasi-money growth of 1.8% YoY in February 2025. M2 money growth was supported by M1 money supply growth of 55.7%, consisting of currency outside commercial banks growth of 10.9% and rural banks, as well as rupiah demand deposits comprising electronic money and rupiah savings that can be withdrawn at any time of 44.8%. While M2 money supply growth increased in February 2025, deflation occurred (Figure 1) due to PLN's 50% electricity discount for customers with power capacity below 2,200 VA and declining food commodity prices.

M2 money supply growth was influenced by bank lending, which recorded a slight increase of 10.30% YoY in February 2025 from 10.27% in January 2025. Net foreign assets also grew by 4.1% YoY in February 2025 from 2.4% YoY in January 2025. It resulted from the ongoing reallocation of liquid assets to credit by banks. Third-party funds (TPF) grew by 5.1% YoY to IDR 8,612.5 trillion in February 2025, in line with M2 money growth. Additionally, the Loan Deposit Ratio (LDR) increased by 1.41% MoM to 88.57% in December 2024 (Figure 2).

Figure 2. Loan Growth, Third-party Funds, Loan to Deposit Ratio



Source : Phintraco Sekuritas Research | Indonesia Financial Regulatory Authority (OJK)