



Domestic Macro Flash

BI Board of Governors Meeting | April 23rd, 2025

Bank Indonesia Holds Rate Steady at 5.75%, focuses on Rupiah Stability

Previous Data (BI Rate)

Period	Actual	Change
Mar 2025	5.75%	-
Feb 2025	5.75%	-
Jan 2025	5.75%	- 25 bps

Source : Bank Indonesia

Headline Inflation

Period	MoM	YoY
Mar 2025	-0.48%	-0.09%
Feb 2025	-0.48%	-0.09%
Jan 2025	-0.76%	0.76%

Source : Badan Pusat Statistik (BPS)

Exchange Rate USD-IDR and Dollar Index (EoM)

Period	USD-IDR	Dollar Index
Apr 2025*	16,575	107.61
Mar 2025	16,575	107.61
Feb 2025	16,575	107.61

Source : Investing.com | * As of

Comparison by Country

AEs	Interest Rate*	EMDEs	Interest Rate*
Canada	2.75%	Brazil	14.25%
Euro Area	2.40%	China	3.10%
Japan	0.50%	India	6.00%
Singapore	2.20%	Malaysia	3.00%
Switzerland	0.25%	Mexico	9.00%
UK	4.50%	Russia	21.00%
US	4.50%	Thailand	2.00%

Source : Tradingeconomics | *As of: 22 April 2025

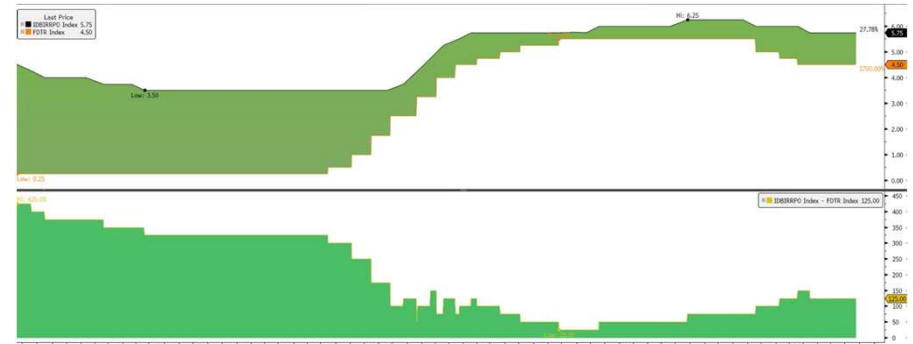
AEs–Negara Maju | EMDEs–Negara Berkembang

Macro & Fixed Income Analyst
Nur Ryshalti
+62 21 255 6138 Ext. 8302
nur.ryshalti@phintracosekuritas.com

Head of Research & Education
Valdy Kurniawan
+62 21 255 6138 Ext. 8302
valdy@phintracosekuritas.com

Period	BI Rate	Deposit Facility	Lending Facility
RDG BI (23/04/25)	5.75%	5.00%	6.50%

Figure 1. Spread between BI Rate and Fed Rate



Source : Phintraco Sekuritas Research | BI, Bloomberg

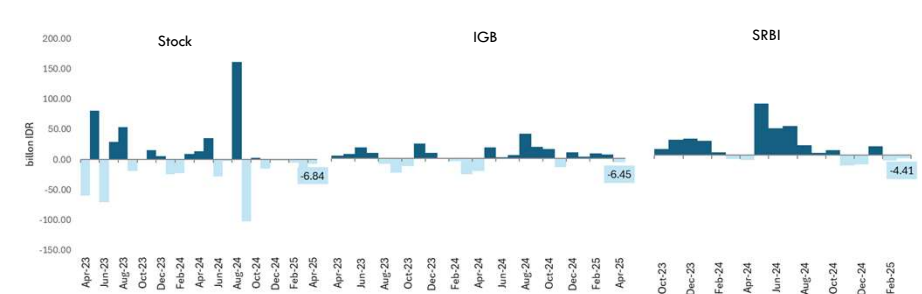
Bank Indonesia's Board of Governors Meeting (BGM) held the BI rate at 5.75% on March 23, 2025. The Deposit Facility (DF) rate remains at 5.00%, and the Lending Facility (LF) rate stands at 6.50%. This decision ensures inflation remains controlled within the target range of 2.5±1% for 2025 and 2026. Bank Indonesia also focuses on maintaining a stable and market-friendly Rupiah exchange rate. It involves open market operations in the spot market, the domestic non-deliverable forward (DNDF) market, and Government Securities (SBN) purchases in the secondary market to safeguard financial market stability and ensure adequate banking liquidity. Furthermore, the decision seeks to enhance the effectiveness of pro-market policies in money and foreign exchange market transactions. It also encourages foreign capital inflows by maintaining an attractive interest rate structure and FX swap framework for investment in domestic financial assets. Additionally, Bank Indonesia is strengthening its Macroprudential Liquidity Policy (KLM) to boost credit and financing growth, particularly for Micro, Small, and Medium Enterprises (MSMEs) and labor-intensive sectors. This initiative aims to create jobs and support sustainable economic growth.

The current interest rate differential between Bank Indonesia's policy rate and The Fed rate is 125 basis points (bps). It is significantly below the five-year average spread of 192 bps (Figure 1). As this interest rate spread between BI and The Fed narrows, the appeal of domestic Indonesian assets to foreign investors diminishes, thereby increasing the risk of capital outflows.

Based on foreign investor activity, net capital outflows occurred across Indonesian capital markets—including equities (stocks), government bonds (SBN), and Bank Indonesia Rupiah Securities (SRBI)—throughout March and April 2025 (Figure 2). These outflows are attributed to heightened global uncertainty stemming from potential US tariffs under President Donald Trump, which are anticipated to slow the global economy. Consequently, investors are shifting towards perceived safe-haven assets, such as gold and government bonds in Japan and Europe.

We anticipate that Bank Indonesia will still have room for potential interest rate cuts in 2025, even though its current priority is maintaining the Rupiah's exchange rate stability and relative value compared to the currencies of Indonesia's major trading partners. One factor allowing for rate cuts is the relatively low inflation environment, including core inflation reaching 2.5% year-on-year (YoY), which could support measures to boost Indonesia's economic growth.

Figure 2. Foreign Flow in Indonesia Capital Market (Apr 23-Apr 25)



Source : Phintraco Sekuritas Research | Bank Indonesia