



Domestic Macro Flash

Money Supply | April 25th, 2025

Indonesia's M2 Money Slowing Growth in March 2025

Previous Data

Period	M2 (YoY)	M1 (YoY)	Loan Growth (YoY)
Feb 2025	6.2%	7.4%	10.3%
Jan 2025	5.5%	7.2%	10.3%
Dec 2024	4.4%	5.8%	10.4%

Source : Bank Indonesia

Headline Inflation

Period	MoM	YoY
Mar 2025	1.65%	1.03%
Feb 2025	-0.48%	-0.09%
Jan 2025	-0.76%	0.76%

Source : Badan Pusat Statistik

Loan by Usage

Usage	Feb 25 (YoY)	Mar 25 (YoY)
Working Capital	6.2%	6.1%
Investment	13.4%	12.6%
Consumer	9.4%	9.2%

Source : Bank Indonesia

Comparison M2 by Country

AEs	Money Supply M2 (MoM)	EMDEs	Money Supply M2 (MoM)
Canada	0.37%	Brazil	0.94%
Euro Area	0.30%	China	1.75%
Japan	0.09%	India	-0.20%
Singapore	0.21%	Malaysia	-0.36%
Switzerland	2.05%	Mexico	0.61%
UK	-0.18%	Russia	0.97%
US	0.42%	Thailand	0.18%

Source : Tradingeconomics – last updated (25/4)

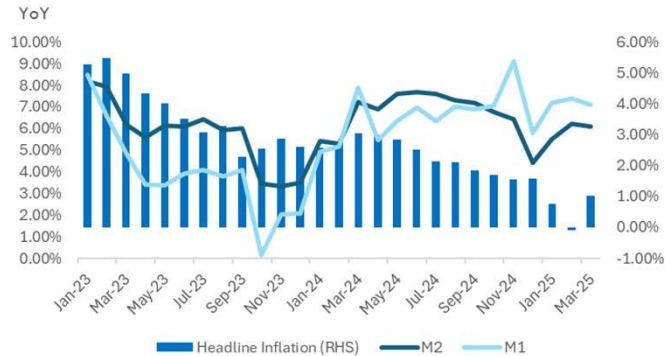
AEs–Negara Maju | EMDEs–Negara Berkembang

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Period	M2 (YoY)	M1 (YoY)	Loan Growth (YoY)
March 2025	6.1%	7.1%	9.16%

Figure 1. M2, M1 and Inflation

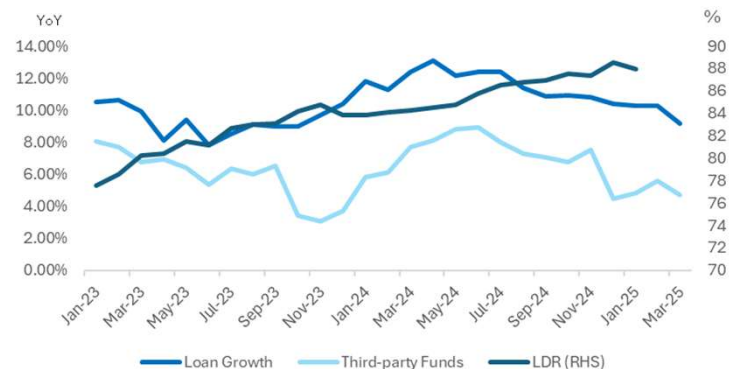


Source : Phintraco Sekuritas Research | Bank Indonesia (BI)

Indonesia's Money supply in broad terms (M2) slowed to 6.1% Year-over-Year (YoY), reaching IDR 9,436.4 trillion in March 2025, from 6.2% YoY in February 2025 (**Figure 1**). By component, the expansion of M2 was driven by the growth of narrow money (M1) at 7.1% YoY and quasi-money at 3.0% YoY in March 2025. The development of M2 was supported by the 55.9% growth in M1, which consisted of an 11.5% increase in currency outside commercial banks and rural banks (BPR) and a 44.4% rise in rupiah demand deposits, encompassing electronic money and withdrawable rupiah savings. Meanwhile, on a monthly basis, the broad money supply (M2) increased by 1.7% (MoM), in line with inflation in March 2025, which coincided with the month of Ramadan and the end of the 50% electricity tariff discount for customers with power connections below 2,200 VA.

The deceleration in the broad money supply (M2) was influenced by the slowdown in bank loan growth to a single digit of 9.16% YoY in March 2025, down from 10.3% in January 2025. This resulted from persistently high banking interest rates, which made the public more inclined to refrain from taking out credit facilities. Third-party funds (DPK) also experienced a slowdown, growing by 4.7% YoY in March 2025, compared to 5.6% YoY in February 2025. Furthermore, the Loan-to-Deposit Ratio (LDR) decreased to 87.97% in January 2025 from 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)