



Domestic Macro Flash

Money Supply | May 26th, 2025

Indonesia's Money Supply Slows: What's Behind the Dip?

Previous Data

Period	M2 (YoY)	M1 (YoY)	Loan Growth (YoY)
Mar 2025	6.1%	7.1%	9.16%
Feb 2025	6.2%	7.4%	10.3%
Jan 2025	5.5%	7.2%	10.3%

Source : Bank Indonesia

Headline Inflation

Period	MoM	YoY
Apr 2025	1.17%	1.95%
Mar 2025	1.65%	1.03%
Feb 2025	-0.48%	-0.09%

Source : Badan Pusat Statistik

Loan by Usage

Usage	Mar 25 (YoY)	Apr 25 (YoY)
Working Capital	6.1%	4.4%
Investment	12.6%	15.3%
Consumer	9.2%	8.9%

Source : Bank Indonesia

Comparison M2 by Country

AEs	Money Supply M2 (MoM)	EMDEs	Money Supply M2 (MoM)
Canada	0.21%	Brazil	0.33%
Euro Area	0.19%	China	-0.27%
Japan	0.90%	India	1.19%
Singapore	0.61%	Malaysia	0.35%
Switzerland	2.05%	Mexico	0.45%
UK	0.20%	Russia	-1.01%
US	0.42%	Thailand	0.27%

Source: Tradingeconomics – last updated (26/5)

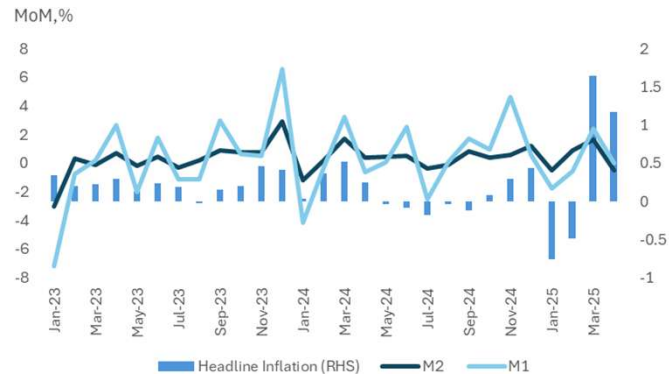
AEs–Negara Maju | EMDEs–Negara Berkembang

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Period	M2 (YoY)	M1 (YoY)	Loan Growth (YoY)
April 2025	5.2%	6.0%	8.88%

Figure 1. M2, M1 and Inflation

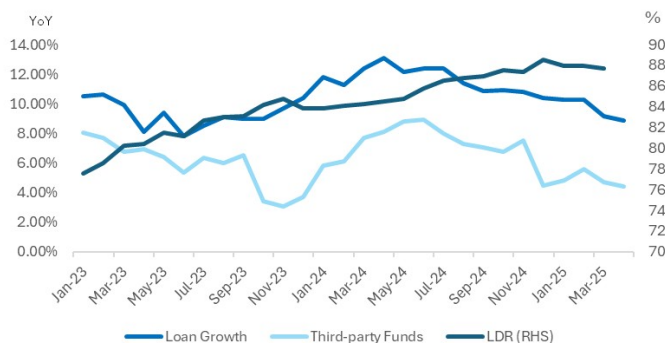


Source : Phintraco Sekuritas Research | Bank Indonesia (BI)

Broad money supply (M2) growth slowed to 5.2% YoY, reaching Rp9,390.0 trillion in April 2025, down from 6.1% YoY in May 2025. By component, M2 growth was driven by narrow money (M1) growth of 6.0% YoY and quasi-money growth of 2.4% YoY in March 2025. M2 growth was supported by M1 growth of 55.6%, consisting of 8.7% MoM growth in currency outside commercial banks and rural banks and 5.9% MoM growth in rupiah demand deposits, including electronic money and rupiah savings that can be withdrawn at any time, in April 2025. Meanwhile, on a monthly basis, M2 experienced a slight decrease of 0.49% MoM (Figure 1), in line with declining inflation in April 2025 following the normalization after the Religious Holiday (HBKN) was Hari Raya Idul Fitri.

The decrease in M2 growth was also influenced by the deceleration of bank credit to single digits, reaching 8.88% YoY in March 2025 from 9.16% in January 2025. It was due to weakening consumer purchasing power and a slowdown in the automotive industry, resulting in slower growth in consumer credit and motor vehicle financing. Third-party funds (TPF) experienced a decline to 4.4% YoY in April 2025 from 4.7% YoY in March 2025. Additionally, the Loan to Deposit Ratio (LDR) decreased to 87.7% in March 2025 from 87.9% in February 2025 (Figure 2).

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



Source : Phintraco Sekuritas Research | Bank Indonesia