

PHINTRACO SEKURITAS Member of Indonesia Stock Exchange

Domestic Macro Flash

Indonesia Inflation| July 1st, 2025

Indonesia's June 2025 Inflation Rises to 1.87% YoY, Exceeding Expectations

Ref. Headline Inflation Core Inflation Volatile Food Inflation Administered Price Inflation Jun-25 0.19% MoM 1.87% YoY 0.07% MoM 2.37% YoY 0.77% MoM 0.57% YoY 0.09% MoM 1.34% YoY

Source : Phintraco Sekuritas Research | BPS

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Indonesia's Consumer Price Index (CPI) experienced inflation of 1.87% YoY in June 2025, up from 1.60% YoY in May 2025. This inflation realization was above the consensus forecast of 1.83% YoY. Core inflation slightly decreased to 2.37% YoY in June 2025 from 2.40% YoY in May 2025. Commodities contributing to core inflation components included jewelry, ground coffee, and cooking oil. Meanwhile, the volatile food component experienced inflation of 0.57% YoY in June 2025. The administered price component experienced inflation of 1.34% YoY, with significant contributions from water utility rates, Machine-Made Kretek Cigarettes and Hand-Rolled Kretek Cigarettes (Figure 1).

Indonesia's monthly inflation decreased to 0.19% MoM in June 2025 from a deflation of 0.37% MoM in May 2025. The highest inflation rate was observed in the volatile food component, at 0.77%, which contributed 0.13% to overall inflation. It coincided with the Eid al-Adha religious holiday. The primary commodities were rice, cayenne chilies, and shallots, which contributed 0.04%, 0.03%, and 0.02% to inflation, respectively. Additionally, core inflation was 0.07% MoM and administered price inflation was 0.09% MoM in June 2025 (Figure 2).

The rising inflation was supported by increases in the personal care and other services group, which saw inflation of 9.30% YoY in June 2025, followed by the food, beverages, and tobacco group at 1.99% YoY. These two groups contributed 1.17% to the total general inflation, with other classifications contributing 1.22% (Figure 3). In the personal care and other services group, gold jewelry was a significant contributor to inflation. Other commodities that significantly contributed to inflation included water utility rates, rice, and cooking oil.

Among Indonesian provinces, the highest inflation rate was recorded in South Papua at 3.00% YoY. In Java, the highest inflation was in DI Yogyakarta at 2.52% YoY, while the lowest was in West Java at 1.78% YoY. The province with the lowest inflation rate in Indonesia was West Papua, which experienced deflation of 0.67% YoY in June 2025 (Figure 4).

Figure 3. Contribution Goods to Inflation

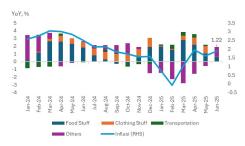
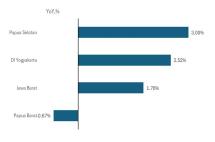


Figure 4. Inflation by Province



Sumber : Phintraco Sekuritas Research | BI, BPS

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Previous Data (Headline Inflation)

| Period | MoM | YoY |
|----------|--------|-------|
| May 2025 | -0.37% | 1.60% |
| Apr 2025 | 1.17% | 1.95% |
| Mar 2025 | 1.65% | 1.03% |

Source : Badan Pusat Statistik (BPS)

Wholesale Trade Price Inflation Index

| Period | Agri WTPI | Minerals WTPI | Industry WTPI |
|--------|--------------|------------------|------------------|
| May 25 | 106.08 | 101.26 | 106.81 |
| Apr 25 | 108.41 | 100.89 | 106.86 |
| Mar 25 | 109.20 | 100.54 | 106.82 |
| | | | |

Source : Badan Pusat Statistik (BPS)

Main Commodities Contributors to Inflation

| Commodities | Price* (IDR/Kg) | MoM |
|----------------|-----------------|-------|
| Rice | Rp 13,995 | 1.70% |
| Cayenne Papper | Rp 45,062 | 0.06% |
| Union | Rp 42,261 | 6.61% |

Source : Bapanas | *30 June 2025

Comparison Inflation by Country

| AEs | Inflation Rate | EMDEs | Inflation Rate |
|-------------------|----------------|----------|----------------|
| Canada | 1.7% | Brazil | 5.3% |
| Euro Area | 1.9% | China | -0.1% |
| Japan | 3.5% | India | 2.8% |
| Singapore | 0.8% | Malaysia | 1.2% |
| Sweden | 0.2% | Mexico | 4.4% |
| United Kingdom | 3.4% | Russia | 9.9% |
| United States | 2.4% | Thailand | -0.6% |

Source : Tradingeconomics with Last Updated (1/7/25)

AEs-Advanced Economics | EMDEs-Emerging Market.

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Sumber : Phintraco Sekuritas Research | BI