



Domestic Macro Flash

BI Board of Governors Meeting | October 23rd, 2025

Previous Data (BI Rate)

Period	Actual	Change
Sep 2025	4.75%	-25 bps
Aug 2025	5.00%	-25 bps
Jul 2025	5.25%	-25 bps

Source : Bank Indonesia

Headline Inflation

Period	MoM	YoY
Sep 2025	0.21%	2.65%
Aug 2025	-0.08%	2.31%
Jul 2025	0.30%	2.37%

Source : Badan Pusat Statistik (BPS)

Exchange Rate USD-IDR and Dollar Index (EoM)

Period	USD-IDR	Dollar Index
Oct 2025*	16,590	98.93
Sep 2025	16,665	97.78
Aug 2025	16,490	97.77

Source : Investing.com | * As of – October 22nd, 2025

Comparison by Country

AEs	Interest Rate*	EMDEs	Interest Rate*
Canada	2.50%	Brazil	15.00%
Euro Area	2.15%	China	3.00%
Japan	0.50%	India	5.50%
Singapore	1.34%	Malaysia	2.75%
Switzerland	0.00%	Mexico	7.50%
UK	4.00%	Russia	17.00%
US	4.25%	Thailand	1.50%

Source : Tradingeconomics | *As of – October 22nd, 2025

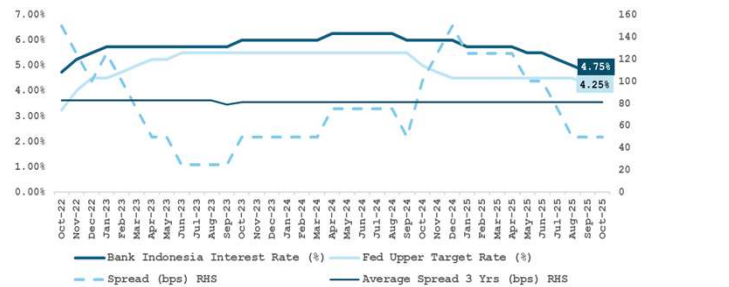
AEs–Negara Maju | EMDEs–Negara Berkembang

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Bank Indonesia Holds Rate at 4.75% to Support Rupiah Stability Amid Global Uncertainty

Period	BI Rate	Deposit Facility	Lending Facility
RDG BI (22/10/25)	4.75%	3.75%	5.50%

Figure 1. Spread between BI Rate and Fed Rate



Source : Phintraco Sekuritas Research | BI, Bloomberg

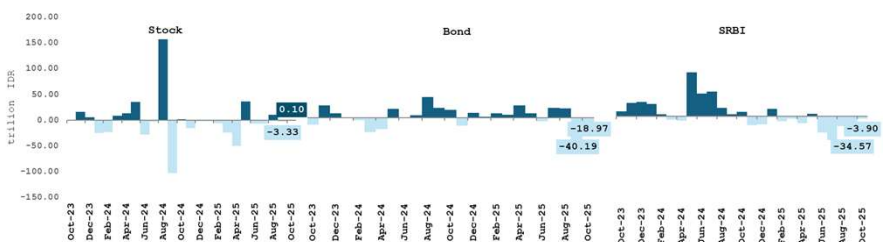
The Bank Indonesia (BI) in Board of Governors Meeting (BGM) decided to hold the interest rate at 4.75%, with the Deposit Facility Rate at 3.75% and the Lending Facility Rate at 5.50% on October 22, 2025. This decision is consistent with the inflation outlook, which is expected to remain low within the target range of 2.5±1% in both 2025 and 2026. In addition, the decision reflects BI's efforts to maintain rupiah stability amid persistently high global uncertainty. Globally, the world economy is showing signs of a slowdown due to the impact of U.S. tariffs. The United States reimposed additional tariffs on the pharmaceutical, furniture, and automotive sectors starting October 1, 2025, and announced plans to impose an additional 100% tariff on Chinese origin's products.

Bank Indonesia continues to strengthen its policy mix to support economic growth while maintaining macroeconomic stability. Indonesia's economic growth remains below its potential capacity, indicating the need for domestic demand stimulus. The government is pursuing a more expansive fiscal policy, including transferring government funds from Bank Indonesia to state-owned banks (BUMN) to boost banking liquidity and strengthen economic growth. Furthermore, BI has enhanced its accommodative Macprudential Liquidity Policy (KLM) to stimulate credit growth and provide greater flexibility in liquidity management across the banking sector, thereby supporting sustainable economic growth.

The interest rate differential between Bank Indonesia's policy rate and the U.S. Federal Reserve (The Fed) currently stands at 50 bps, below the three-year average spread of 81 bps (Figure 1). The narrowing spread has reduced the attractiveness of domestic assets for foreign investors, as the expected returns have declined. However, the negative impact of the U.S. tax cuts is expected to push the U.S. government's debt levels higher as it seeks to cover fiscal deficits. In Year to Date (YTD), foreign fund flows into Indonesia's financial markets show an inflow into the bond market, while the stock market and SRBI experienced outflows. Nevertheless, the bond market recorded a significant outflow from early September to mid October 2025 (Figure 2), driven by profit-taking actions from foreign investors as bond asset prices continued to rise, indicated by declining yields and a weakening rupiah exchange rate in recent periods.

Looking ahead, we expect room for further rate cuts by Bank Indonesia, as inflation expectations remain low within the 2.5±1% target range, and rupiah stability is likely to be maintained amid expectations of a weaker U.S. dollar. Moreover, BI will continue to closely monitor recent developments, global economic prospects, and the strengthening of its monetary and macroprudential policy mix to sustain Indonesia's economic growth momentum.

Figure 2. Foreign Flow in Indonesia Capital Market (Oct 23 – Oct 25)



Source : Phintraco Sekuritas Research | BI