



Domestic Macro Flash

BI Board of Governors Meeting | December 18th, 2025

Previous Data (BI Rate)

Period	Actual	Change
Nov 2025	4.75%	-
Oct 2025	4.75%	-
Sep 2025	4.75%	-25 bps

Source : Bank Indonesia

Headline Inflation

Period	MoM	YoY
Nov 2025	0.17%	2.72%
Oct 2025	0.28%	2.86%
Sep 2025	0.21%	2.65%

Source : Badan Pusat Statistik (BPS)

Exchange Rate USD-IDR and Dollar Index (EoM)

Period	USD-IDR	Dollar Index
Dec 2025*	16,695	98.32
Nov 2025	16,703	100.23
Oct 2025	16,630	99.80

Source : Investing.com | * As of - December 17th, 2025

Comparison by Country

AEs	Interest Rate*	EMDEs	Interest Rate*
Canada	2.25%	Brazil	15.00%
Euro Area	2.15%	China	3.00%
Japan	0.50%	India	5.25%
Singapore	1.16%	Malaysia	2.75%
Switzerland	0.00%	Mexico	7.25%
UK	4.00%	Russia	16.50%
US	3.75%	Thailand	1.50%

Source : Tradingeconomics | *As of - December 17th, 2025

AEs-Negara Maju | EMDEs-Negara Berkembang

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

Indyra Reisya
research@phintracosekuritas.com

BI Keeps Rate at 4.75% to Maintain Rupiah Stability and Attract Foreign Portfolio Inflows

Period	BI Rate	Deposit Facility	Lending Facility
RDG BI (17/12/25)	4.75%	3.75%	5.50%

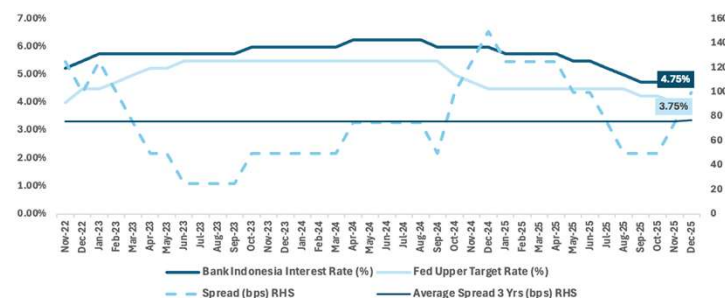
Bank Indonesia Board of Governors' Meeting (BGM) on December 17, 2025, decided to maintain its policy rate at 4.75%, with the Deposit Facility Rate at 3.75% and the Lending Facility Rate at 5.50%. This decision is consistent with BI's short-term policy focus on maintaining rupiah stability against the US dollar and supporting foreign portfolio inflows amid heightened global uncertainty. Such uncertainty is also influenced by indications of more limited room for further rate cuts by the Federal Reserve, alongside persistently high US Treasury yields and a strong US dollar index (DXY), which continue to constrain capital inflows to emerging markets.

Bank Indonesia continues to strengthen its policy mix of monetary, macroprudential, and payment system measures to preserve stability while supporting sustainable economic growth. These efforts include reinforcing a pro-market monetary operations strategy to enhance the effectiveness of monetary policy transmission in lowering interest rates and expanding liquidity. In addition, macroprudential easing is being intensified by improving the effectiveness of liquidity provision to banks to accelerate interest rate reductions and boost credit and financing growth to the real sector, particularly government priority sectors. Payment system policies are also geared toward fostering inclusive economic growth by expanding digital payments, strengthening industry structures, and enhancing the resilience of payment system infrastructure.

The interest rate differential between Bank Indonesia and the Federal Reserve currently stands at 100 basis points, above the three-year average of 77 basis points (**Figure 1**). This wider differential enhances the attractiveness of domestic assets to foreign investors by offering higher expected returns. On a Year to Date (YtD) basis through December 11, 2025, foreign capital flows in Indonesia's financial markets remain in net outflow across the equity, bond, and SRBI markets. Bond market outflows have persisted since September 2025 through mid-December, while inflows into the SRBI market rose in December 2025, reflecting stronger demand driven by higher yields, larger issuance volumes, and an increased auction frequency to twice weekly since end of November 2025, encouraging investors to shift from government bonds (SBN) to SRBI. Meanwhile, the equity market has recorded net inflows since October 2025, indicating improving investor sentiment toward Indonesia's economic growth outlook (**Figure 2**).

Looking ahead, scope for further BI rate cuts remains open, supported by expectations that inflation will remain well anchored within the target range of 2.5% \pm 1% and that rupiah stability will be maintained. At the same time, BI will continue to closely monitor global economic developments and outlooks while further strengthening its monetary and macroprudential policy mix to support Indonesia's long-term economic growth.

Figure 1. Spread between BI Rate and Fed Rate



Source : Phintraco Sekuritas Research | BI, Bloomberg

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Figure 1 is a bar chart illustrating the trillion IDR of Stock, Bond, and SRBI from Dec-23 to Dec-25. The Y-axis represents the trillion IDR, ranging from -150.0 to 200.0. The X-axis shows the time period in quarters. The chart also includes a line for the total IDR, which remains relatively flat around 0.0.

Quarter	Stock (trillion IDR)	Bond (trillion IDR)	SRBI (trillion IDR)	Total IDR (trillion IDR)
Dec-23	0.0	0.0	0.0	0.0
Jan-24	-10.0	0.0	0.0	-10.0
Feb-24	0.0	0.0	0.0	0.0
Mar-24	30.0	0.0	0.0	30.0
Apr-24	0.0	0.0	78.92	78.92
May-24	-100.0	0.0	0.0	-100.0
Jun-24	0.0	0.0	0.0	0.0
Jul-24	0.0	0.0	0.0	0.0
Aug-24	157.76	0.0	0.0	157.76
Sep-24	0.0	0.0	0.0	0.0
Oct-24	0.0	0.0	0.0	0.0
Nov-24	0.0	0.0	0.0	0.0
Dec-24	0.0	0.0	0.0	0.0
Jan-25	0.0	0.0	0.0	0.0
Feb-25	0.0	0.0	0.0	0.0
Mar-25	0.0	0.0	0.0	0.0
Apr-25	0.0	0.0	0.0	0.0
May-25	0.0	0.0	0.0	0.0
Jun-25	0.0	0.0	0.0	0.0
Jul-25	0.0	0.0	0.0	0.0
Aug-25	0.0	0.0	0.0	0.0
Sep-25	0.0	19.76	0.0	19.76
Oct-25	0.0	0.0	0.0	0.0
Nov-25	0.0	0.0	0.0	0.0
Dec-25	0.0	0.0	0.0	0.0

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