

26 April 2025

Macroeconomics Indicator

	2023	2024	2025F
GDP growth (%YoY)	5.05	5.03	5.02
Inflation (%YoY)	2.61	1.57	1.97
BI rate (% Year-end)	6.00	6.00	5.50
Rp/US\$ (Average)	15,244	15,853	16,571
CA deficit (% of GDP)	-0.1	-0.6	-1.5
Fiscal deficit (% of GDP)	1.65	2.3	2.8

Flat M2 growth, but higher CIC from Eid festivity, expect flat GDP in 1Q25

- M2 grew flat at +6.2% yoy in Mar25 while currency in circulation (CIC) rose to +14.1% yoy due to Eid festivity.
- Private loans slowed to +8.7% yoy (+9.7% yoy in Feb25), with construction & trade sector posting the lowest growth of -8.2%/+1.6%.
- We see stable GDP at c.+5.0% in 1Q25 (+5.0% in 4Q24) from higher external trade contribution amid flattish household consumption.

CIC accelerated from Eid festive, but similar with the 10y average

Broad money (M2) growth was unchanged at +6.2% yoy in Mar25 (+6.2% yoy in Feb25). The unchanged growth was supported by higher growth in net foreign assets (NFA) at +6.0% yoy in Mar25 (+4.1% yoy in Feb25) but offset by lesser growth in net domestic asset (NDA) at +6.2% yoy (+6.8% yoy in Feb25). Furthermore, currency-in-circulation (CIC) rose to +14.1% yoy (+10.7% yoy in Feb25), mainly due to the Eid festivity seasonality. However, the acceleration was roughly similar with FY24 and the 10y average CIC during Eid festivity at c.+13.7% (see fig. 11).

Construction sector led the lower private loan growth

In the NDA, net claims on the central government shrank by -8.6% yoy in Mar25 (-5.8% yoy in Feb25), mainly from contraction in the material/capital expenditures at -35.7%/-6.2% yoy in Mar25 (-63%/-76% yoy in Feb25). In the meantime, private loan grew slower to +8.7% yoy (+9.7% yoy in Feb25) from all categories. Investment, working capital and consumption loans decelerated to +12.6%/+6.1%/+9.2% yoy (+13.6%/+7%/+10% yoy in Feb25). Within working capital loan, the construction and trade sector recorded higher contraction of -8.2% yoy (-6.5% yoy in Feb25), likely linked to the postponed infrastructure projects under the new government.

Improved NFA amidst foreign debt withdrawals

In the NFA, the higher growth was supported by the government's foreign debt withdrawal of US\$1.3bn in Mar25. Furthermore, US\$ third party funds and term deposits improved at +0.2%/+8.1% yoy (-0.5%/+7.7% yoy in Feb25), indicating stronger onshore demand for US\$. In the meantime, foreign investors recorded an outflow of -US\$0.4bn in Mar25 in the bond & equity market (-US\$1.2bn in Feb25).

Increasing SRBI yield amid lower foreign holdings

Total SRBI fell by -Rp11.4tr to Rp881.9tr in Apr25 (from Rp893.3tr in Mar25). This marks the fifth straight mom decline in SRBI since Dec24, indicating a shift in BI's open market operation (OMO) stance toward a more dovish approach. Furthermore, foreign ownership in SRBI dropped to 23.8% in Apr25 (26.3% in Mar25), indicating an outflow of -Rp24.3tr. To boost foreign interest, BI has recently increased the average SRBI yield to 6.7% in Apr25 (6.4% in Mar25).

Expect relatively stable GDP growth of c.+5.0% in 1Q25

We project 1Q25 GDP growth to be flat at c.+5.0% yoy (+5.02% yoy in 4Q24). This is largely supported by higher net exports at c.+5.3% yoy (-4.3% yoy in 4Q24) amid larger trade surplus of US\$10.9bn in 1Q25 (US\$9.1bn in 4Q24) and shift in Eid festival. In the meantime, household consumption may remain steady at c.+5.0% yoy (similar with 4Q24). The Ramadan season seems to give only a slight boost to consumption, as the number of homecoming travellers (*mudik*) dropped by -4.7% yoy from 162.2mn to 154.6mn people.

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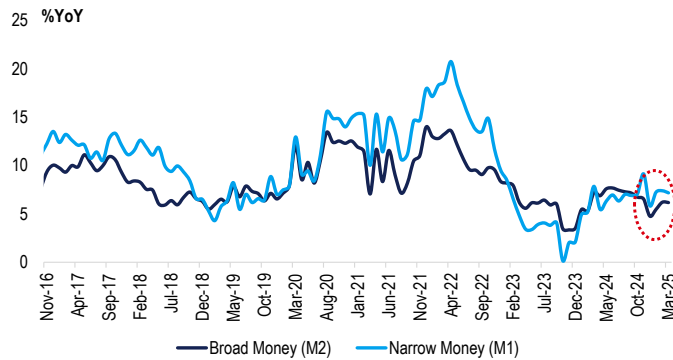
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Fig. 1: Money supply summary: M2 growth remained flattish from slower NDA

	2019	2020	2021	2022	2023	2024	2025	Jan-25	Feb-25	Mar-25	Jan-25	Feb-25	Mar-25
	%YoY							%YoY			%MoM		
Broad Money (M2)	6.5	12.5	14.0	8.4	3.5	4.4	6.2	5.5	6.2	6.2	-0.5	0.9	1.7
Net Foreign Asset	4.4	13.6	5.8	4.9	3.6	0.8	6.0	2.4	4.1	6.0	2.8	0.7	-0.3
Net Domestic Asset	7.2	12.2	16.7	9.4	3.4	5.4	6.2	6.4	6.8	6.2	-1.4	0.9	2.2
Narrow Money (M1)	7.4	14.9	17.9	9.5	2.1	5.8	7.2	7.2	7.4	7.2	-1.3	-0.2	2.5
Deposit	6.4	11.4	12.2	9.4	3.8	3.7	4.7	4.8	5.6	4.7	-0.1	1.0	0.8
Private Loan	5.9	-2.6	4.9	11.0	10.3	9.1	8.7	9.0	9.7	8.7	-1.1	1.2	1.1
L/D Ratio (%)	97.0	84.9	79.4	80.5	85.6	90.1	89.6	89.2	89.4	89.6			

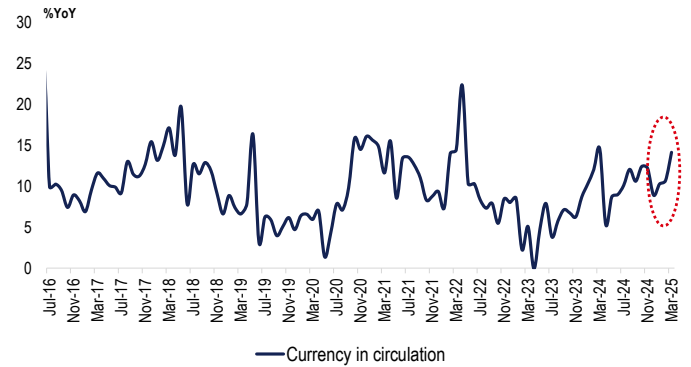
Source: BI, Indo Premier

Fig. 2: M1 remained stable, while M1 slightly declined



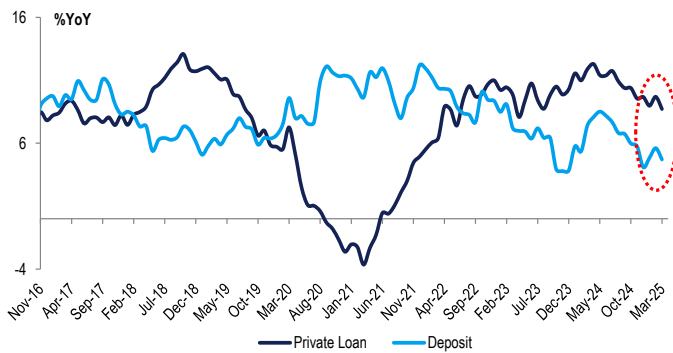
Source: BI, Indo Premier

Fig. 3: Higher currency in circulation from Ramadan festivity



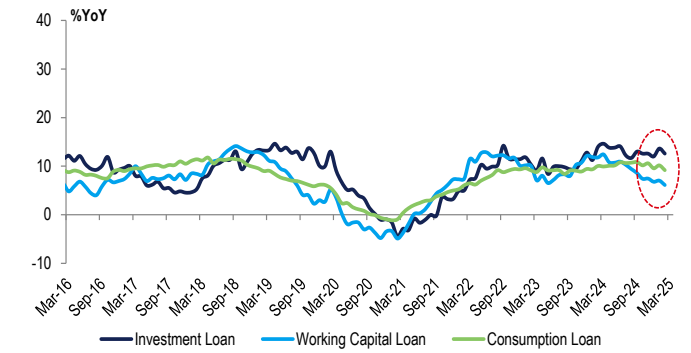
Source: BI, Indo Premier

Fig. 4: Both deposit & private loan growth decreased



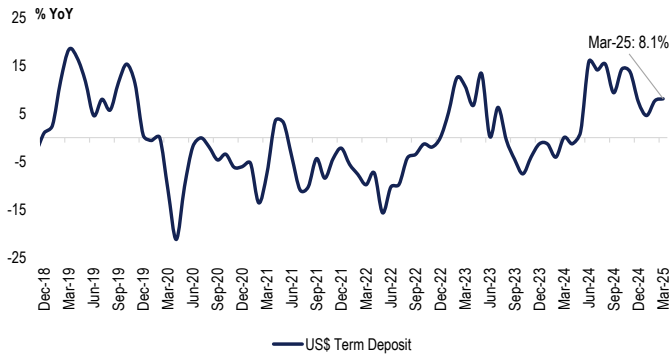
Source: BI, Indo Premier

Fig. 5: Declined in all three loan categories



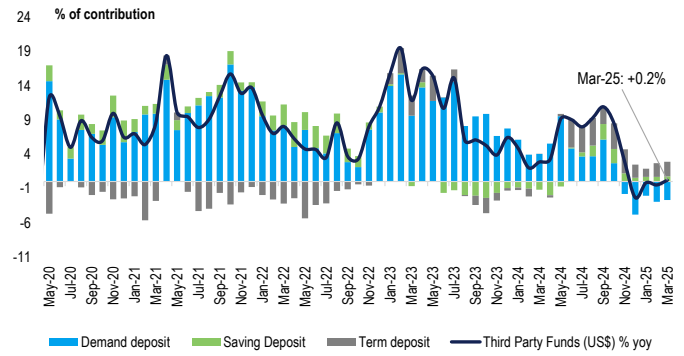
Source: BI, Indo Premier

Fig. 6: On-shore US\$ term deposit rebounded



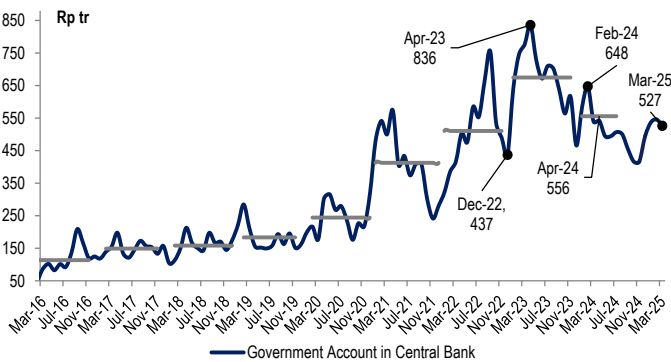
Source: BI, Indo Premier

Fig. 7: Along with overall US\$ third party deposit



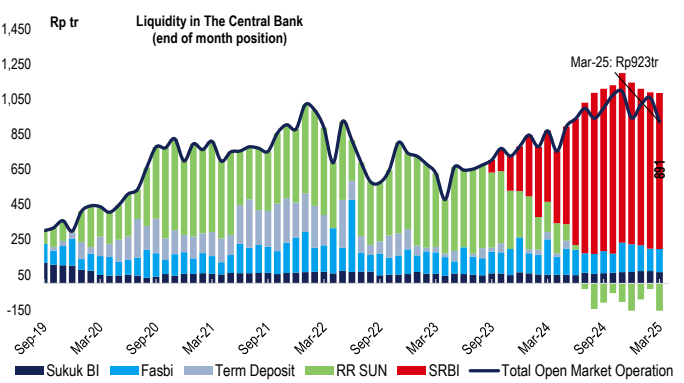
Source: BI, Indo Premier

Fig. 8: Government account in BI fell slightly in Mar25



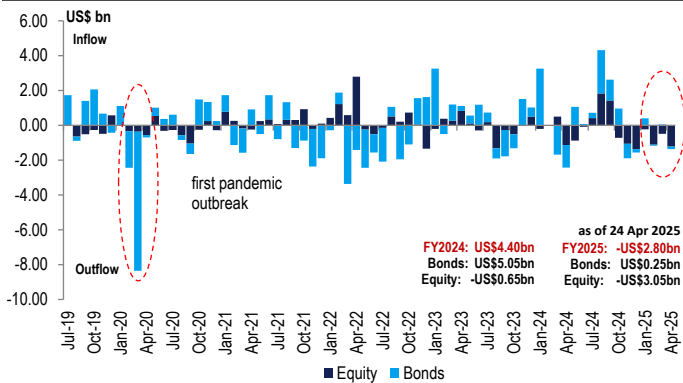
Source: BI, Indo Premier

Fig. 9: Liquidity held in the central bank declined from SUN repo



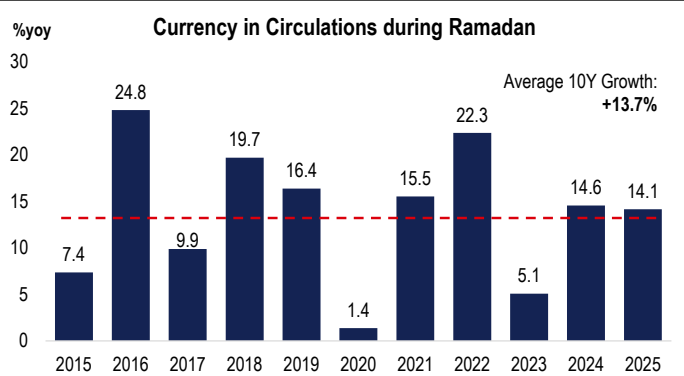
Source: BI, Indo Premier

Fig. 10: April outflows coming from both equity and bonds



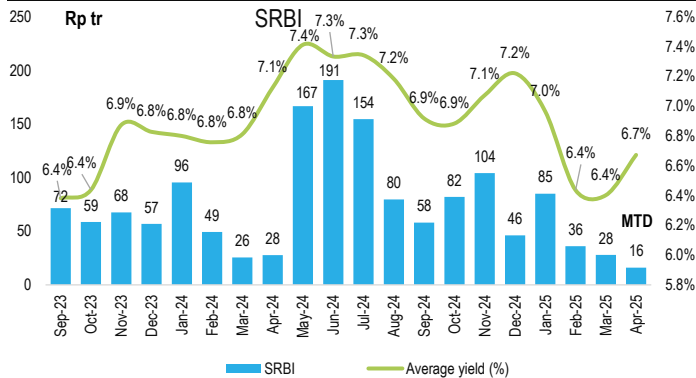
Source: Bloomberg, Indo Premier

Fig. 11: CIC growth slightly above historical average



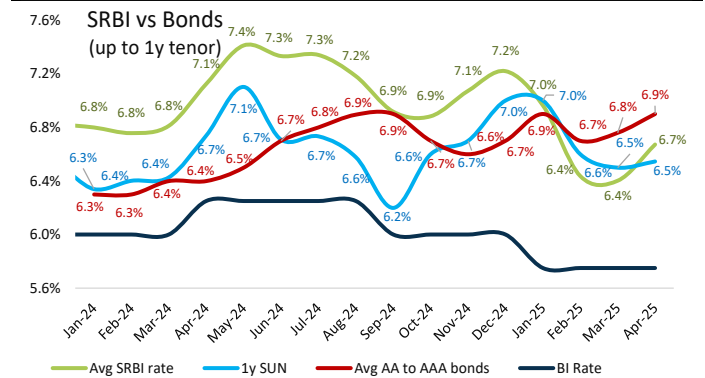
Source: BI, Indo Premier

Fig. 12: SRBI yield increased again



Source: BI, Indo Premier

Fig. 13: But still below corporate bonds



Source: BI, Indo Premier

Fig. 14: SRBI position decreased slightly

SRBI ownership (Rp tr)	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Bank	297.0	311.7	320.3	384.6	461.3	537.7	534.8	552.1	586.3	601.7	560.8	562.3	560.5	526.2
Non bank	87.9	83.4	77.1	159.2	233.9	299.8	327.9	334.1	345.8	328.6	315.2	321.2	312.0	315.9
Resident	0.2	1.0	2.0	7.0	41.4	63.8	77.3	79.9	83.6	84.9	91.1	83.5	81.9	81.7
Non-resident	87.7	82.4	75.2	152.2	192.5	236.0	250.6	254.2	262.2	243.7	224.2	237.7	230.1	234.2
Others	14.5	9.9	13.2	14.5	25.9	22.8	58.1	41.4	28.6	38.9	47.5	10.5	20.9	49.0
Total	399.4	405.0	410.6	558.2	721.1	860.3	920.8	927.6	960.7	969.2	923.5	894.0	893.4	891.1
monthly increase	49.4	5.6	5.7	147.6	162.8	139.2	60.5	6.9	33.0	8.5	-45.6	-29.6	-0.6	-2.3

SRBI ownership (% of total)	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Bank	74.4	77.0	78.0	68.9	64.0	62.5	58.1	59.5	61.0	62.1	60.7	62.9	62.7	59.0
Non bank	22.0	20.6	18.8	28.5	32.4	34.9	35.6	36.0	36.0	33.9	34.1	35.9	34.9	35.5
Resident	0.0	0.3	0.5	1.3	5.7	7.4	8.4	8.6	8.7	8.8	9.9	9.3	9.2	9.2
Non-resident	22.0	20.3	18.3	27.3	26.7	27.4	27.2	27.4	27.3	25.1	24.3	26.6	25.8	26.3
Others	3.6	2.4	3.2	2.6	3.6	2.7	6.3	4.5	3.0	4.0	5.1	1.2	2.3	5.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BI, Indo Premier

ANALYSTS CERTIFICATION

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