

Macroeconomics Indicator

	2024	2025	2026F
GDP growth (%yoy)	5.0	5.1	5.2
Inflation (%yoy)	1.6	2.9	2.8
BI rate (% Year-end)	6.00	4.75	4.25
Rp/US\$ (Average)	15,848	16,475	16,800
CA deficit (% of GDP)	-0.6	-0.1	-0.8
Fiscal deficit (% of GDP)	-2.3	-2.9	-2.9

F: forecast, P: preliminary; all baseline scenario

## Mar26 FX reserve: a -US\$3.7bn mom drop amid Rupiah stabilization effort

- FX Reserve fell to US\$148.2bn (-US\$3.7bn) in Mar26, bringing 1Q26 cumulative drop to -US\$8.3bn qoq amid Rupiah stabilization measures.
- BI intervention slightly declined in Mar26, but FX pressure remained high as seasonal USD demand in 2Q26 may exacerbate current situation.
- Current reserves cover 6 months of imports but narrower trade surplus/FDI and looser monetary operation points to further drop in FX reserve.

### FX reserves declined further to stabilize Rupiah

Indonesia’s FX reserves fell by -US\$3.7bn mom to US\$148.2bn in Mar26. Bank Indonesia attributed the decline to its Rupiah stabilization efforts, as the currency faced persistent depreciation pressure during the US-Iran war and weakened by -1.5% mom in Mar26. This brought the cumulative drop in reserve to -US\$8.3bn qoq in 1Q26, the largest quarterly drop on record as it exceeded even the COVID-19 pandemic (-US\$8.2bn qoq in 1Q20). The decline reflected triple pressures: MSCI-related outflows in Jan26, rating outlook downgrades by two major agencies in Feb–Mar26, and the US-Iran war in Mar26. Despite these shocks, Rupiah depreciation remained relatively moderate at -2.2% qoq, compared to other periods such as the 3Q25 riot (-2.63% qoq) and early 1Q25 under Donald Trump (-2.78% qoq)

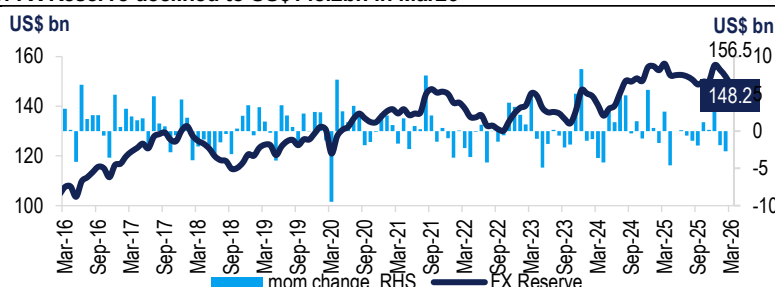
### Rupiah pressure to persist in 2Q26 albeit softer

Based on our estimate, Rupiah intervention edged down slightly to US\$4.2bn in Mar26 from around US\$4.3bn in both Jan26 and Feb26. The decline likely reflected a softer US\$ trend from mid-Mar26, as ceasefire discussions began to emerge. Despite this, our estimate of Exchange Market Pressure (EMP) remained elevated near a two-year high. Looking into 2Q26, Rupiah pressure may persist due to seasonal US\$ demand from dividend repatriation and the hajj period. However, improving conditions in the Middle East and a return of foreign inflows into the bond market from late-Mar26 to early Apr26 (+US\$465.6mn) could help ease depreciation pressure.

### FX Reserve still adequate to buffer Rupiah but external support weakens

Despite the decline, FX reserves still cover around 6.0 months of imports, slightly below the 1Y/3Y averages of 6.3/6.4 months, indicating a relatively strong buffer. However, other balance of payments components offer limited support. The trade surplus narrowed to US\$2.2bn in 2M26 (vs. US\$6.6bn in 2M25), while FDI slowed to US\$2.8bn in 4Q25 (vs. US\$3.6bn in 4Q24). In addition, Bank Indonesia appears to have adopted a looser Rupiah liquidity stance, as the 4-week average of monetary operations outstanding fell to Rp817tr in Mar26 (-Rp68tr mom/-Rp50tr YTD). As a result, we expect FX reserves to decline further toward US\$140–145bn.

Fig. 1: FX Reserve declined to US\$148.2bn in Mar26



Source: Bloomberg, Indo Premier

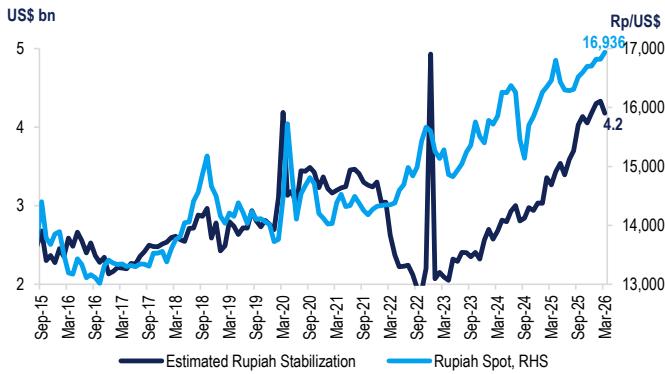
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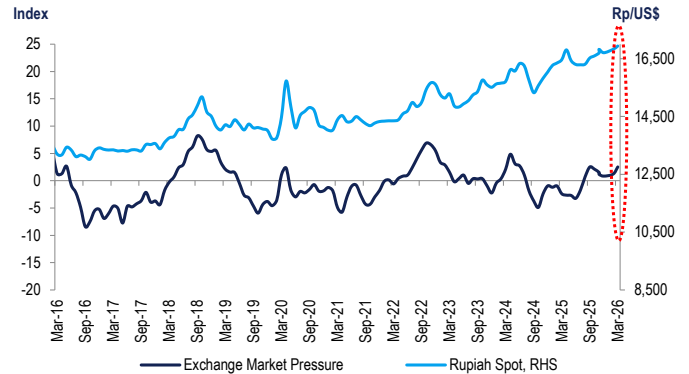
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**Fig. 2: Estimated intervention on Rupiah slightly fell**



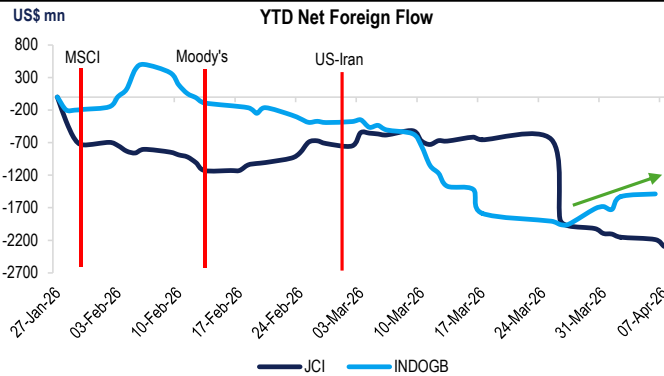
Source: BI, Bloomberg, Indo Premier

**Fig. 3: EMP Index remains high throughout 1Q26**



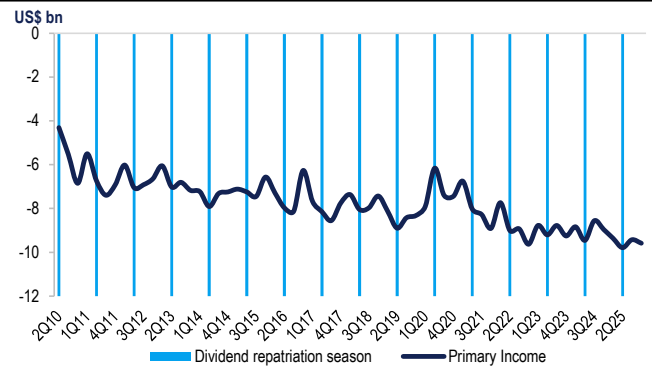
Source: BI, Bloomberg, Indo Premier

**Fig. 4: The return of foreign inflow to INDOGB might help ease the Rupiah depreciation...**



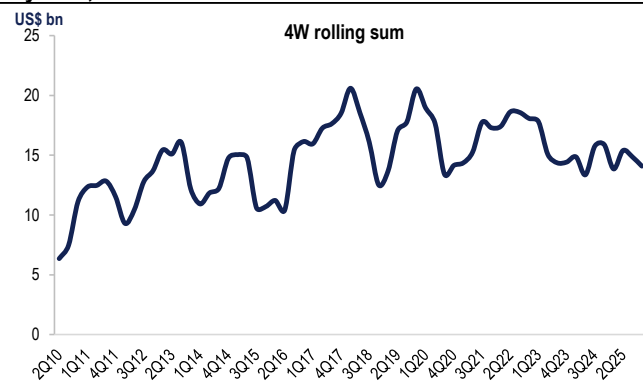
Source: BI, Indo Premier

**Fig. 5: amid the seasonality pressure from dividend repatriation in 2Q26**



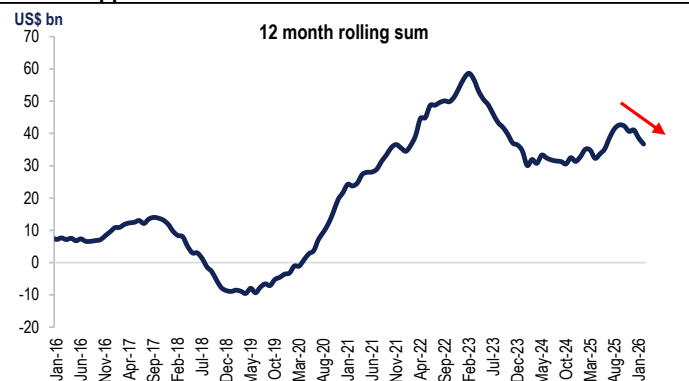
Source: Bloomberg, Indo Premier

**Fig. 6: Inward Direct Investment, a component of Balance of Payment,...**



Source: BI, Indo Premier

**Fig. 7: ...and goods trade balance are trending down, offering limited support for FX Reserve**



Source: Bloomberg, Indo Premier

## **ANALYSTS CERTIFICATION**

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