# The Focal Point



# What's in a price when there's nought to sell

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- Summary
- Higher prices for tropical crops continue to fuel growth in the domestic agriculture sector. However, such growth is limited to nominal terms as production continue to stagnate.
- Stagnant domestic agriculture production will expose Indonesia to the increasingly volatile global food prices, with its effect on inflation may outweigh the positive impact on trade.
- Stagnant agriculture production highlights the urgency to expand the food estate programme, which may also help to improve output in less-productive regions.
- The "Trump trade" mania continues to weigh on Indonesia and other emerging markets. Alas, recent developments have offered little relief for these riskier markets. Robust retail sales growth data (2.8% YoY vs. 1.9% forecast) and an uptick in headline inflation (2.6% YoY, up from 2.4% previously) have dampened the expectation for a December 2024 FFR cut, as reflected in the FFR futures market.
- Unsurprisingly, foreign investors remain hesitant to back the Indonesian financial market, driving the Rupiah to a two-month low of 15,585/USD, while the domestic bond and stock markets again reeling from foreign capital outflows to the tune of USD 141.6 Mn throughout last week.
- Combined with the energised Chinese market following the CNY 10 Tn fiscal

stimulus, the spectre of reflation due to speculations over policy changes in the US may limit the prospect of sustained foreign capital inflows to the Indonesian market (and other Asian markets) in the upcoming months. We have discussed the possible inflationary effect of President-elect Trump's policy agenda, ranging from higher import tariffs and tighter immigration controls that may translate to higher core inflation in the US.

Indonesia may not face the same issue with core inflation, given the feeble domestic demand and watershed of cheap imported goods from Asian manufacturing hubs such as China. Unfortunately, this does not mean that the long shadow of inflation fails to reach Indonesia and the wider global economy.

# Inflation concerns over trade benefits

While President-elect Trump's selection of fossil fuel advocates as US energy czars may ease price pressures in the global energy market, inflationary pressures from the global "bioenergy" market (read: food) may remain beyond control. Indeed, the global economy has faced multiple food price shocks in recent years, including spikes in rice (USD 196.7/MT peak in June 2023), cocoa (USD 9795.1/MT peak in April 2024), and more recently, coffee beans (USD 5332.5/MT peak in September 2024). What unites these agricultural products is their being tropical crops, highlighting the recurring, probably climate-related supply

disruptions against the backdrop of the stillgrowing global demand.

 It should be noted that some previous episodes of tropical crop price spikes tend to benefit the Indonesian economy,

particularly when they involve key export commodities such as CPO, which has been on an upswing again since Q3-2024. As we have discussed in an earlier report on Indonesia's <u>October 2024 trade data</u>, higher CPO prices may eventually translate to accelerating economic activities after a quarter or two, with the impact on economic activities in CPOproducing regions starting to show as indicated by the accelerating motorcycle sales growth (5.4% YoY in October 2024, 3.7% previously).

 However, the Q3-2024 GDP data shows a rather grim picture of the apparent acceleration in Indonesia's agriculture industry. The accelerating GDP deflator growth shows that much of the improvement in the domestic agriculture industry has been

"Growth in the domestic agricultural sector has primarily been driven by higher prices, while real output remains stagnant"

driven by price effect rather than higher real output (see Chart 1 & 2), which is particularly true for CPO producers and other plantation businesses as CPO plantations are entering the re-planting cycle.

The stagnating sectoral GDP growth (in real term) extends to other parts of the domestic agriculture industry, most notably the food crops sector. For instance, the total harvested area for key crops like paddy has been declining in recent years, dropping by -2.7% in 2023 to 10.16 million hectares, particularly in more-dynamic regions like West Java. This

constrained real output growth underscores Indonesia's limited capacity to capitalise on recurring tropical crop price upswings, as domestic producers may struggle to generate the additional supply needed to stabilise the

condition in the export market.

Hence, rather than signalling the dawn of an economy-wide boom cycle, the effect of a continued rally in global CPO prices and other tropical crops may be more universally felt in the form of returning inflationary pressures, akin to what happened in H1-2022 where elevated global prices incentivised CPO producers to prioritise exports over domestic consumers – leading to higher food-driven inflation (cooking oil shortage, anyone?). This period of inflation, as we recall, eventually stifled the upward consumption momentum driven by pent-up demand in 2022. Such a scenario will surely bode ill for the Indonesian economy moving forward, considering

the fragile state of household demand at present.

Attentive to this risk, the government maintained its policy of permitting food imports throughout 2024, with total rice import volumes surging by 80.54% YoY as of September 2024. However, the government's ability to exert greater control over domestic

food crop prices may exacerbate the K-shaped nominal GDP growth within the domestic agriculture industry (see Chart 3).

 This stands in stark contrast to the plantation sector, which could ride on its positive price effect for

longer thanks to the flexibility to redirect its products to the export market. Notably, GDP deflator growth in the food crops sector has continued to decelerate following its peak in Q2-2023, even amidst periods of elevated global rice prices due to India's halting rice exports from July 2023 to October 2024.

- A less significant price effect in the food crops sector, of course, will not increase the incentive for farmers to return and expand their fields. Given this concern, we understand the urgency of the government to expand the food estate programme, as the combination of land conversion and higher population growth may lead to further food inflation problems going forward.
- The government's plan to uproot the food estate programme from Kalimantan to Papua

"The government's tighter control over domestic rice prices and other food crops seem to help aggravate the K-shaped trend in the domestic agriculture sector"

also checks a couple of boxes. First, investments poured to develop the required infrastructure will further close the investment gap between regions, as Kalimantan is already a home for big-ticket projects such as the IKN development. Second, investments in Papua could help to improve productivity in the island-wide agriculture industry, which has

been lagging compared to other regions *(see Chart 4)*.

The question,
then, is who best to
develop and execute the
food estate programme.
While we understand that
the government is
approaching the food

estate question through the perspective of food security and supply chain sovereignty, empowering local farmers to improve their production under the auspices of the food estate programme is also crucial, as it may help to generate the direct spillover effect needed to strengthen local support for the programme.

That being said, the food estate program may not offer much protection to the Indonesian economy against increasingly volatile global food prices in the short term. Ergo, given the constrained real output growth, the household sector and the wider Indonesian economy stand to benefit more from stable global food prices than from another upswing in the global market.

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Chart 1

## **Real term stagnation**

Stagnant production means rising global food prices will generally be felt as higher inflation than a higher trade balance for the Indonesian economy.

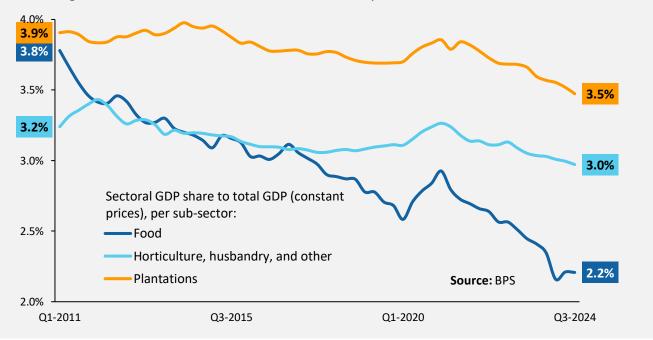
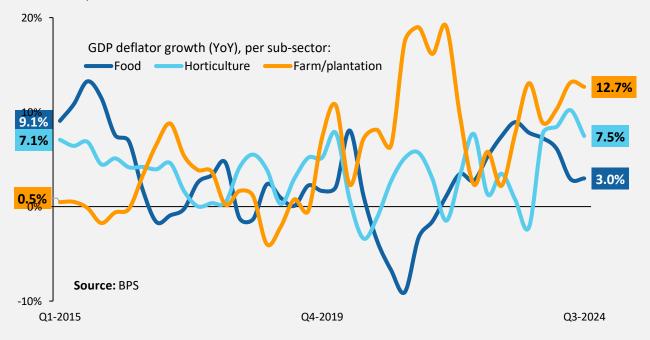


Chart 2

#### Dragged upwards by prices

GDP growth in the agriculture industry has been driven by prices rather than a meaningful increase in production.



# Another K-shaped story The domestic agriculture sector is increasingly concentrated on the plantation sub-sector, as tighter control over domestic prices hamstrung food crop producers 4.5% 4.1% 4.0% 3.5% 3.2% 3.0% Sectoral GDP share to total GDP (current prices), per sub-sector: Food crops 2.5% Horticulture, husbandry, and other Plantations 2.2% 2.0% Q1-2011 Q3-2015 Q1-2020 Q3-2024

Chart 4

# Growing where growth is needed

The government's plan to focus the food estate programme in Papua may help to increase agricultural productivity in the region, which lags other regions

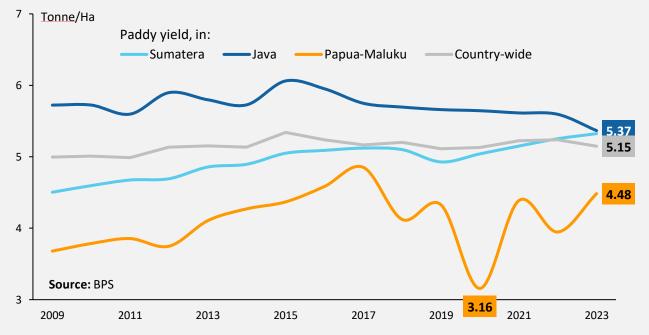


Chart 3

	Economic	Calendar						
		Actual	Previous	Forecast*				
01 November 2024								
ID	S&P Global Manufacturing PMI	49.2	49.2	49.6				
ID	Inflation Rate YoY, %	1.71	1.84	1.7				
ID	Tourist Arrivals YoY, %	19.53	18.3	19.0				
US	Non Farm Payrolls, th	12	223	180				
US	S&P Global Manufacturing PMI	48.5	47.3	-				
05 Nove	mber 2024							
ID	GDP Growth Rate YoY, %	4.95	5.05	5				
US	Balance of Trade, USD Bn	-84.4	-70.8	-82.0				
07 Nove	mber 2024							
ID	Foreign Exchange Reserves, USD Bn	151.2	149.9	-				
CN	Balance of Trade, USD Bn	95.27	81.71	70				
08 Nove	mber 2024							
US	Fed Interest Rate Decision, %	4.75	5	4.75				
ID	Motorbike Sales YoY, %	5.4	3.7	-				
09 Nove	mber 2024							
CN	Inflation Rate YoY, %	0.3	0.4	0.5				
11 Nove	mber 2024							
ID	Consumer Confidence	121.1	123.5	123.2				
ID	Car Sales YoY, %	-3.9	-9.1	-				
12 Nove	mber 2024							
ID	Retail Sales YoY, %	4.8	5.8	2.5				
13 Nove	mber 2024							
US	Inflation Rate YoY, %	2.6	2.4	2.6				
15 Nove	mber 2024							
ID	Balance of Trade, USD Bn	2.47	3.23	3.3				
CN	Retail Sales YoY, %	4.8	3.2	4.0				
19 Nove	mber 2024							
EU	Inflation Rate YoY, %		1.7	2.0				
20 November 2024								
ID	Loan Growth YoY, %		10.85	-				
ID	Interest Rate Decision, %		6.0	-				
22 Nove	mber 2024							
ID	M2 Money Supply YoY, %		7.2	-				
27 Nove	mber 2024							
US	PCE Price Index YoY, %		2.1	-				

\*Forecasts of some indicators are simply based on market consensus Bold indicates indicators covered by the BCA Monthly Economic Briefing report

UK4.75Nov-243.05S&P GSCI Index527.2536.8-1.8EU3.40Oct-241.40Ol (Brent, fylr)71.074.34.3Japan0.25JU-24-2.60Cal(\$/MT)14.3415.064.7China (lending)2.00Sep-244.05Gas (\$/MBtu)1.652.37-30.4Korea3.25Oct-241.95Gold (\$/cz.)2.53.32.62.63.7India6.00Sep-244.29Nckel (\$/MT)15.92.01.01.0412.7Indones6.00Sep-244.29Nckel (\$/MT)15.92.07.54Indones6.00Sep-244.29Nckel (\$/MT)15.92.07.54SNN (1Y)6.646.576.7External Sector0.018.81.99.36.7SVN (10Y)6.676.6822.4Export (\$ hor)21.9422.061.6.59SUN (10Y)6.076.16-9.0Export (\$ hor)21.9422.061.6.59JIBOR IM (Rp)6.678.788.81-2.5117.4021.9422.061.6.59Savings0.874.781.001.6.591.6.591.6.592.332.62.61.6.59Lending (WC)8.788.81-2.51(\$ br)*1.61.21.9.9.6.541.5.2Lending (WC)8.788.81-2.51(\$ br)*1.51.21.4.91.2.11.2.31.2.4Lending (WC)8.788.81	Selected Macroeconomic Indicator								
UK4.75Nov-243.05S&P GSCI Index527.2536.81.8EU3.40OCt-241.40Ol (Brent, fyln)71.074.34.3JapanO.25Jul-24-2.60Cal(s/MT)143.44.3China (lending)2.00Sep-244.05Gals (S/MBtu)1.652.37-30.4Korea3.25Oct-241.95Gold (S/oz.)2.532.662.6-3.7India6.00Sep-244.29Nckel (s/MT)15.92.01.71.621.91.9Indonesia6.00Sep-244.29Nckel (s/MT)15.92.01.71.621.91.9Money Mk Rates15.90-1.1mChg (bb)CPO (S/MT)1.13.901.01.041.2.7SNN (1Y)6.646.576.7External SectorOctSepChg (bb)1.654SNN (10Y)6.646.576.7External SectorOctSepChg (bb)SUN (10Y)6.676.682.2.4External SectorOctSepChg (bb)Bank Rates (Rp)A.32J.1u1.01.41.5.71.01.041.5.81.6.5Savings0.576.79.001.541.6.92.1.941.00.9Savings0.794.781.001.6.91.6.91.6.91.6.9Lending (WC)8.788.81-2.51(bm)*1.5.21.4.91.2.1Lending (WC)8.781.6.6-3.491.00.91.4.	Key Policy Rates	Rate (%)				15-Nov	-1 mth	_	
EU     3.40     0ct-24     1.40     OII (Brent, \$/brl)     71.0     74.3     4.33       Japan     0.25     Jul-24     2.60     Coal (\$/MT)     143.4     150.6     4.77       China (lending)     2.00     Sep-24     4.05     Gas (\$/MMBtu)     1.65     2.37     -30.4       Korea     3.25     0ct-24     1.95     Gold (\$/oz.)     2.563.3     2.662.6     3.7       India     6.50     Feb-23     0.29     Copper (\$/MT)     8.881.9     9.36.7     5.4       Indonesia     6.60     Sep-24     4.29     Nickel (\$/MT)     1,139.0     1.010.0     1.010.1     1.710.2     7.10.9       Money Mk Rates     15.7     6.7     Cfg     External Sector     Oct     Sep     Chg     1.000.1     1.010.0     1.010.1     1.010.9     1.010.9     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059     1.059	US	4.75	Nov-24	2.15	Baltic Dry Index	1,785.0	1,766.0	1.1	
Japan     0.25     Jul-24     -2.60     Coal (\$/MT)     143.4     150.6     4.7       China (lending)     2.00     Sep -24     4.05     Gas (\$/MMBu)     1.65     2.37     -30.4       Korea     3.25     Oct-24     1.95     Gold (\$/oz.)     2,63.3     2,66.3     -5.4       Indonesia     6.00     Sep -24     4.29     Nickel (\$/MT)     15,292.0     17,162.9     -10.9       Money Mkt Rates     15-Nov     -1 mth     Chg (bp)     Chg (bp)     Chg (bp)     Chg (bp)     Chg (bf)     1,31.9     1,01.0     12.7       SNN (10Y)     6.64     6.57     6.7     External Sector     Oct     Sep     Chg (bp)       JIBOR IM (Rp)     6.07     6.16     -9.0     External Sector     Oct     Sep     Chg (bp)     Chg     Chg (bp)     18.82     16.54     16.54       JIBOR IM (Rp)     6.07     6.16     -9.0     External Sector     19.0     8.23     -2.33       Lending (WC)     8.78     8.81     -2.51     (bn)* <td>UK</td> <td>4.75</td> <td>Nov-24</td> <td>3.05</td> <td>S&amp;P GSCI Index</td> <td>527.2</td> <td>536.8</td> <td>-1.8</td>	UK	4.75	Nov-24	3.05	S&P GSCI Index	527.2	536.8	-1.8	
China (lending)     2.00     Sep-24     4.05     Gas (\$/MMBtu)     1.65     2.37     -30.4       Korea     3.25     Oct-24     1.95     Gold (\$/oz.)     2,563.3     2,662.6     -3.7       India     6.50     Feb-23     0.29     Copper (\$/MT)     15,292.0     17,162.9     -10.9       Money Mkt Rates     15-No     -1 mth     Chg     Mokel (\$/MT)     1,139.0     1,010.4     12.7       SPN (1Y)     6.64     6.57     External Sector     Oct.     Sep     (Chg       SUN (10Y)     6.64     6.57     External Sector     Oct.     Sep     (Chg       JIBOR 1M (Rp)     6.67     6.64     -1.1     Import (\$ bn)     24.41     22.06     10.69       JIBOR 1M (Rp)     6.63     6.64     -1.1     Import (\$ bn)     2.48     3.23     2.33       Savings     0.65     0.65     0.09     Tade bal. (\$ bn)     161.9     0.87       Savings     0.65     0.59     1.00     Consumer confidence     121.1     123.5	EU	3.40	Oct-24	1.40	Oil (Brent, \$/brl)	71.0	74.3	-4.3	
Korea     3.25     Oct-24     1.95     Gold (\$/oz.)     2,563.3     2,662.6     -3.7       India     6.50     Feb-23     0.29     Copper (\$/MT)     8,881.9     9,386.7     -5.4       Indonesia     6.00     Sep-24     4.29     Nickel (\$/MT)     1,139.0     1,010.4     12.7       Money Mkt Rates     15-Nov     -1 mth     Chg (bps)     Chg (bps)     Chg (bps)     Chg (\$/MT)     1,139.0     1,010.4     1.2.7       SPN (1Y)     6.64     6.57     6.7     External Sector     Oct     Sep     Chg (%)       JINDONIA (O/N, Rp)     6.63     6.64     -1.1     Import (\$ bn)     21.94     18.82     16.54       Bank Rates (Rp)     Aug     Jul     Chg (bps)     Trade bal. (\$ bn)     2.48     3.23     -23.39       Lending (WC)     8.78     8.81     -2.51     Import (\$ bn)*     16.19     149.9     0.87       Savings     0.65     0.65     -0.09     Import (\$ bn)*     121.1     123.5     124.4       UK Pound	Japan	0.25	Jul-24	-2.60	Coal (\$/MT)	143.4	150.6	-4.7	
India     6.50     Feb-23     0.29     Copper (\$/MT)     8,881.9     9,386.7     -5.4       Indonesia     6.00     Sep-24     4.29     Nickel (\$/MT)     15,292.0     17,162.9     -10.9       Money Mkt Rates     15-Nov     -1 mth     Chg (bps)     CPO (\$/MT)     1,139.0     1,010.4     12.7.7       SPN (1Y)     6.64     6.57     6.7     External Sector     Oct     Sep     (\$/M)       SNN (10Y)     6.64     6.64     -1.1     Indobt (\$/m)     21.94     18.82     16.64       Bank Rates (Rp)     Aug     Jul     (bp)     21.94     18.82     -23.39       Lending (WC)     8.78     8.81     -2.51     Indott Shn'     151.2     149.9     0.87       Savings     0.65     0.65     -0.09     Prompt Indicators     Oct     Sep     Aug       Savings     0.65     0.65     -0.09     Prompt Indicators     Oct     Sep     Aug       Savings     0.65     1.01     Chog (%)     Chog (%)     151.	China (lending)	2.00	Sep-24	4.05	Gas (\$/MMBtu)	1.65	2.37	-30.4	
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Money Mkt Rates     15-Nov     -1 mth     Chg (bps)     CPO (\$/MT) Rubber (\$/kg)     1,139.0     1,01.4     12.7       SPN (1Y)     6.64     6.57     6.7     Rubber (\$/kg)     1.92     2.03     -5.4       SUN (10Y)     6.90     6.68     22.4     External Sector     Oct     Sep     (%)       JIBONI (O/N, Rp)     6.63     6.64     -1.1     Import (\$ bn)     21.94     18.82     16.54       Bank Rates (Rp)     Aug     Jul     Chg (bps)     Trade bal. (\$ bn)     2.48     3.23     -23.39       Lending (WC)     8.78     8.81     -2.51     Trade bal. (\$ bn)     2.48     3.23     -23.39       Savings     0.65     0.65     -0.09     Prompt Indicators     Oct     Sep     Aug       UK Pound     0.793     0.765     -3.49     Car sales (%YoY)     -3.9     -9.1     -14.2       Japanese Yen     154.3     149.2     -3.31     Motorcycle sales (%YoY)     5.4     3.7     7.4       DJA     0.949     0.918	India	6.50	Feb-23	0.29	Copper <mark>(</mark> \$/MT)	8,881.9	9,386.7	-5.4	
Money Mkt Rates     15-Nov     -1 mth     (bps)     Rubber (\$/kg)     1.92     2.03     5.4       SPN (1Y)     6.64     6.57     6.7     External Sector     Oct     Sep     Chg       SUN (10Y)     6.07     6.66     22.4     External Sector     Oct     28.90     (%)       INDONIA (0/N, Rp)     6.63     6.64     -1.1     Impot (\$ bn)     21.94     18.82     16.54       Bank Rates (Rp)     Aug     Jul     Chg     Trade bal. (\$ bn)     2.48     3.23     -23.39       Lending (WC)     8.78     8.81     -2.51     Trade bal. (\$ bn)     2.48     3.23     -23.39       Savings     0.65     0.65     -0.09     Prompt Indicators     0.ct     Sep     Aug       Savings     0.65     0.65     -3.49     Chg     Motorcycle sales     12.11     123.5     124.4       UK Pound     0.793     0.765     -3.49     Motorcycle sales     5.4     3.7     -4       Indenesia Rupiah     15.855     15.80	Indonesia	6.00	Sep-24	4.29	Nickel (\$/MT)	15,292.0	17,162.9	-10.9	
SPN (1Y)     6.64     6.57     6.7     External Sector     Oct     Sep     Chg (%)       SUN (10Y)     6.90     6.68     2.2.4     External Sector     Oct     Sep     Chg (%)       INDONIA (O/N, Rp)     6.07     6.16     -9.0     Export (\$ bn)     24.41     22.06     10.69       JIBOR 1M (Rp)     6.63     6.64     -1.1     Import (\$ bn)     21.94     18.82     16.54       Bank Rates (Rp)     Aug     Jul     Chg (bp)     Trade bal. (\$ bn)     2.48     3.23     -23.39       Lending (WC)     8.78     8.81     -2.51     Trade bal. (\$ bn)     2.48     3.23     -23.39       Savings     0.65     0.65     -0.09     Prompt Indicators     Oct     Sep     Aug       Savings     0.65     0.65     -0.09     Consumer confidence (\$ bn)*     121.1     123.5     124.4       UK Pound     0.793     0.765     -3.49     -3.34     Motorcycle sales (%YoY)     -3.9     -9.1     -14.2       Japanese Yen     154.3	Manay Mit Datas	1E Neur		Chg	CPO (\$/MT)	1,139.0	1,010.4	12.7	
SUN (10Y)     6.90     6.68     22.4     External Sector     Oct     Sep     (%)       INDONIA (O/N, Rp)     6.07     6.16     -9.0     Export (\$ bn)     24.41     22.06     10.69       JIBOR 1M (Rp)     6.63     6.64     -1.1     Import (\$ bn)     24.41     22.06     10.69       Bank Rates (Rp)     Aug     Jul     Chg     Trade bal. (\$ bn)     2.48     3.23     -23.39       Lending (WC)     8.78     8.81     -2.51     Trade bal. (\$ bn)     2.48     3.23     -23.39       Savings     0.65     0.65     -0.09     Prompt Indicators     Oct     Sep     Aug       UK Pound     0.793     0.765     -3.49     Consumer confidence     121.1     123.5     124.4       Japanese Yen     154.3     149.2     -3.31     Motorcycle sales     5.4     3.7     7.4       Capital Mkt     15.855     15.580     -1.73     Motorcycle sales     5.4     3.7     14.2       DIA     7.4     1.61     Sep	Money MKt Rates	12-100	-1 mtn	(bps)	Rubber (\$/kg)	1.92	2.03	-5.4	
INDONIA (0/N, Rp)     6.07     6.16     -9.0     Export (\$ bn)     24.41     22.06     10.69       JIBOR 1M (Rp)     6.63     6.64     -1.1     Import (\$ bn)     21.94     18.82     16.54       Bank Rates (Rp)     Aug     Jul     Chg (bps)     Trade bal. (\$ bn)     2.48     3.23     -23.39       Lending (WC)     8.78     8.81     -2.51     Trade bal. (\$ bn)     2.48     3.23     -23.39       Deposit 1M     4.79     4.78     1.00     Trade bal. (\$ bn)     0ct     Sep     Aug       Savings     0.65     0.65     -0.09     Prompt Indicators     0ct     Sep     Aug       Luronu/USD     15-Nov     -1 mth     Chg (%)     Gonsumer confidence (%10'Y)     121.1     123.5     124.4       UK Pound     0.793     0.765     -3.49     Chg (%)     Gonsumer confidence (%10'Y)     121.1     123.5     124.4       Japanese Yen     154.5     155.80     -1.73     Motorcycle sales (%Y0'Y)     5.4     3.7     7.4       DIJA	SPN (1Y)				External Sector	Oct	Sep	-	
JIBOR 1M (Rp)     6.63     6.64     -1.1     Import (\$ bn)     21.94     18.82     16.54       Bank Rates (Rp)     Aug     Jul     Chg (bps)     Trade bal. (\$ bn)     21.94     18.82     16.54       Lending (WC)     8.78     8.81     -2.51     Trade bal. (\$ bn)     2.48     3.23     -23.39       Deposit 1M     4.79     4.78     8.81     -2.51     Trade bal. (\$ bn)     2.48     3.23     -23.39       Deposit 1M     4.79     4.78     8.81     -2.51     Trade bal. (\$ bn)     2.48     3.23     -23.39       Savings     0.65     0.05     -0.09     Prompt Indicators     Oct     Sep     Aug       Lendong (WC)     15.Nov     -1 mth     Chg (%)     Consumer confidence dex (CCI)     121.1     123.5     124.4       UK Pound     0.793     0.765     -3.49     Consumer confidence dex (CCI)     121.1     123.5     124.4       Japanese Yen     154.3     149.2     -3.31     Motorcycle sales (%YoY)     5.4     3.7     7.4 <tr< td=""><td></td><td></td><td></td><td></td><td>Fun aut (d. hus)</td><td>24.41</td><td>22.00</td><td></td></tr<>					Fun aut (d. hus)	24.41	22.00		
Bank Rates (Rp)     Aug     Jul     Chg (bps)     Trade bal. (\$ bn)     2.48     3.23     -23.39       Lending (WC)     8.78     8.81     -2.51     149.9     0.87       Deposit 1M     4.79     4.78     1.00     Prompt Indicators     Oct     Sep     Aug       Savings     0.65     0.65     -0.09     Prompt Indicators     Oct     Sep     Aug       UK Pound     0.793     0.755     -3.49     Car sales (%YoY)     -3.9     -9.1     -14.2       Japanese Yen     154.3     149.2     -3.31     Motorcycle sales     5.4     3.7     7.4       Indonesia Rupiah     15,855     15,580     -1.73     Manufacturing PMI     Oct     Sep     Chg (bps)       DI     7,161.3     7,627.0     -6.11     USA     48.5     47.3     120       DIA     43,445.0     42,740.4     1.65     Eurozone     46.0     45.0     100       FTSE     8,063.6     8,249.3     -2.25     Japan     49.2     49.3									
Bank Rates (Rp)     Aug     Jul     (bps)     Central bank reserves (\$ bn)*     151.2     149.9     0.87       Lending (WC)     8.78     8.81     -2.51     (\$ bn)*     151.2     149.9     0.87       Deposit 1M     4.79     4.78     1.00     Prompt Indicators     Oct     Sep     Aug       Savings     0.65     0.65     -0.09     Prompt Indicators     Oct     Sep     Aug       UK Pound     0.793     0.765     -3.49     Consumer confidence index (CCI)     121.1     123.5     124.4       UK Pound     0.793     0.765     -3.49     Car sales (%YoY)     -3.9     -9.1     -14.2       Japanese Yen     154.3     149.2     -3.31     Motorcycle sales     5.4     3.7     7.4       Indonesia Ruplah     15,855     15,580     -1.73     Manufacturing PMI     Oct     Sep     Chg (bps)       JCI     7,161.3     7,627.0     -6.11     USA     48.5     47.3     120       DJA     43,445.0     42,740.4	ЛВОК 1М (Кр)	0.03	6.64	-1.1	Import (\$ bn)	21.94	18.82	16.54	
Lending (WC)     8.78     8.81     -2.51     Central bank reserves (\$ bn)*     151.2     149.9     0.87       Deposit 1M     4.79     4.78     1.00     Prompt Indicators     Oct     Sep     Aug       Savings     0.65     0.65     -0.09     Prompt Indicators     Oct     Sep     Aug       Currency/USD     15-Nov     -1 mth     Chg (w)     Consumer confidence (dex (CCI)     121.1     123.5     124.4       UK Pound     0.793     0.765     -3.49     Car sales (% or)     -3.9     -9.1     -14.2       Japanese Yen     154.3     149.2     -3.31     Motorcycle sales     6.4     3.7     7.4       Indonesia Ruplah     15,855     15,580     -1.73     Manufacturing PMI     Oct     Sep     Chg (by)       JCI     7,161.3     7,627.0     -6.11     USA     48.5     47.3     120       JDIA     43,445.0     42,740.4     1.65     Eurozone     46.0     45.0     100       FTSE     8,063.6     8,249.3 <t< td=""><td>Bank Rates (Rp)</td><td>Aug</td><td>Jul</td><td>-</td><td>Trade bal. (\$ bn)</td><td>2.48</td><td>3.23</td><td>-23.39</td></t<>	Bank Rates (Rp)	Aug	Jul	-	Trade bal. (\$ bn)	2.48	3.23	-23.39	
Linking (rely)     Link     Link <thlink< th="">     Link     Link</thlink<>	Londing (M(C)	9.79	Q Q1			151.2	149.9	0.87	
Savings0.650.65-0.09Prompt IndicatorsOctSepAugCurrency/USD15-Nov-1 mthChg (%)Consumer confidence ndex (CCI)121.1123.5124.4UK Pound0.7930.765-3.49Car sales (%YoY)-3.9-9.1124.4UK Pound0.9490.918-3.24Motorcycle sales (%YoY)-3.9-9.1-14.2Japanese Yen154.3149.2-3.31Motorcycle sales (%YoY)5.43.77.4Indonesia Rupiah15.85515.580-1.73Manufacturing PMIOctSepChg (bps)JCI7,161.37,627.0-6.11USA48.547.3120DIA43,445.042,740.41.65Eurozone46.045.0100FTSE8,063.68,249.3-2.25Japan49.249.7-50Nikkei 22538,642.939,910.6-3.18Korea48.348.30Foreign portfolio ownership (Rp Tn)OctSepChg (Rp Tn)Indonesia49.249.20Stock3,573.93,558.215.6614.98Sep49.249.20					(+ /				
Currency/USD     15-Nov     -1 mth     Chg (%)     Consumer confidence ndex (CCI)     121.1     123.5     124.4       UK Pound     0.793     0.765     -3.49     -3.49     -3.9     -3.9     -9.1     -14.2       Japanese Yen     154.3     149.2     -3.31     Motorcycle sales (%YoY)     5.4     3.7     7.4       Indonesia Rupiah     15,855     15,580     -1.73     Motorcycle sales (%YOY)     5.4     3.7     7.4       DIA     15-Nov     -1 mth     Chg (%)     Manufacturing PMI     Oct     Sep     Chg (bps)       JCI     7,161.3     7,627.0     -6.11     USA     48.5     47.3     120       DIA     43,445.0     42,740.4     1.65     Eurozone     46.0     45.0     100       FTSE     8,063.6     8,249.3     -2.25     Japan     49.2     49.7     -50       Nikkei 225     38,642.9     39,910.6     -3.18     Korea     48.3     48.3     0       Indonesia     19,426.3     20,318.8 <t< td=""><td>-</td><td></td><td></td><td></td><td>Prompt Indicators</td><td>Oct</td><td>Sep</td><td>Aug</td></t<>	-				Prompt Indicators	Oct	Sep	Aug	
Euro     0.949     0.918    3.24     Car sales (%YoY)    3.9     -9.1     -14.2       Japanese Yen     154.3     149.2    3.31     Motorcycle sales (%YoY)     5.4     3.7     7.4       Chinese RMB     7.229     7.120     -1.52     Motorcycle sales (%YoY)     5.4     3.7     7.4       Indonesia Rupiah     15,855     15,580     -1.73     Manufacturing PMI     Oct     Sep     Chg (bps)       JCI     7,161.3     7,627.0     -6.11     USA     48.5     47.3     120       DJIA     43,445.0     42,740.4     1.65     Eurozone     46.0     45.0     100       FTSE     8,063.6     8,249.3     -2.25     Japan     49.2     49.7     -50       Nikkei 225     38,642.9     39,910.6     -3.18     China     50.3     49.3     100       Foreign portfolio ownership (Rp Tn)     Oct     Sep     Chg (Rp Tn)     Hodonesia     49.2     49.2     0       Stock     3,573.9     3,558.2     15.66						121.1	123.5	124.4	
Euro0.9490.918-3.24Motorcycle sales (%YOY)0.0000.0000.000Japanese Yen154.3149.2-3.31Motorcycle sales (%YOY)5.43.77.4Chinese RMB7.2297.120-1.52(%YOY)5.43.77.4Indonesia Rupiah15,85515,580-1.73Manufacturing PMIOctSepChg (bps)JCI7,161.37,627.0-6.11USA48.547.3120DJIA43,445.042,740.41.65Eurozone46.045.0100FTSE8,063.68,249.3-2.25Japan49.249.7-50Nikkei 22538,642.939,910.6-3.18China50.349.3100Hang Seng0-3.18China48.348.300Stock3,573.93,558.215.6610.66100100100Stock3,573.93,558.215.6614.98100100Govt. Bond885.6870.614.9815.6614.98	UK Pound	0.793	0.765	-3.49	Car sales (%YoY)	-3.9	-9.1	-14.2	
Chinese RMB   7.229   7.120   -1.52   (%YoY)   5.4   3.7   7.4     Indonesia Rupiah   15,855   15,580   -1.73   Manufacturing PMI   Oct   Sep   Chg (bps)     JCI   7,161.3   7,627.0   -6.11   USA   48.5   47.3   120     DJIA   43,445.0   42,740.4   1.65   Eurozone   46.0   45.0   100     FTSE   8,063.6   8,249.3   -2.25   Japan   49.2   49.7   -50     Nikkei 225   38,642.9   39,910.6   -3.18   China   50.3   49.3   100     Hang Seng   19,426.3   20,318.8   -4.39   Korea   48.3   48.3   0     Stock   3,573.9   3,558.2   15.66   15.66   14.98   14.98	Euro	0.949	0.918	-3.24					
Chinese RMB     7.229     7.120     -1.52     (% 0 Y)     Cold     Cold     Cold     Cold     Chg     Chg <td>Japanese Yen</td> <td>154.3</td> <td>149.2</td> <td>-3.31</td> <td>Motorcycle sales</td> <td>F 4</td> <td>2.7</td> <td>7.4</td>	Japanese Yen	154.3	149.2	-3.31	Motorcycle sales	F 4	2.7	7.4	
Capital Mkt     15-Nov     -1 mth     Chg (%)     Manufacturing PMI     Oct     Sep     Chg (bps)       JCI     7,161.3     7,627.0     -6.11     USA     48.5     47.3     120       DJIA     43,445.0     42,740.4     1.65     Eurozone     46.0     45.0     100       FTSE     8,063.6     8,249.3     -2.25     Japan     49.2     49.7     -50       Nikkei 225     38,642.9     39,910.6     -3.18     China     50.3     49.3     100       Hang Seng     19,426.3     20,318.8     -4.39     Korea     48.3     48.3     0       Foreign portfolio owmership (Rp Tn)     Oct     Sep     Chg (Rp Tn)     Indonesia     49.2     49.2     0       Stock     3,573.9     3,558.2     15.66     14.98     14.98     14.98	Chinese RMB	7.229	7.120	-1.52	(%YoY)	5.4	3.7	7.4	
Capital Mkt15-Nov-1 mthChg (%)Manufacturing PM1OctSep(bps)JCI7,161.37,627.0-6.11USA48.547.3120DJIA43,445.042,740.41.65Eurozone46.045.0100FTSE8,063.68,249.3-2.25Japan49.249.7-50Nikkei 22538,642.939,910.6-3.18China50.349.3100Hang Seng19,426.320,318.8-4.39Korea48.348.30Foreign portfolio owmership (Rp Tn)Oct3,573.93,558.215.6614.98Stock3,85.6870.614.9814.9814.98	Indonesia Rupiah	15,855	15,580	-1.73					
DJIA     43,445.0     42,740.4     1.65     Eurozone     46.0     45.0     100       FTSE     8,063.6     8,249.3     -2.25     Japan     49.2     49.7     -50       Nikkei 225     38,642.9     39,910.6     -3.18     China     50.3     49.3     100       Hang Seng     19,426.3     20,318.8     -4.39     Korea     48.3     48.3     0       Foreign portfolio ownership (Rp Tn)     Oct     Sep     Chg (Rp Tn)     Indonesia     49.2     49.2     0       Stock     3,573.9     3,558.2     15.66     14.98     14.98     14.98	Capital Mkt	15-Nov	-1 mth	Chg (%)	Manufacturing PMI	Oct	Sep	-	
FTSE   8,063.6   8,249.3   -2.25   Japan   49.2   49.7   -50     Nikkei 225   38,642.9   39,910.6   -3.18   China   50.3   49.3   100     Hang Seng   19,426.3   20,318.8   -4.39   Korea   48.3   48.3   0     Foreign portfolio ownership (Rp Tn)   Oct   Sep   Chg (Rp Tn)   Indonesia   49.2   49.2   0     Stock   3,573.9   3,558.2   15.66   14.98   14.98   14.98   14.98	JCI	7,161.3	7,627.0	-6.11	USA	48.5	47.3	120	
Nikkei 225     38,642.9     39,910.6     -3.18     China     50.3     49.3     100       Hang Seng     19,426.3     20,318.8     -4.39     Korea     48.3     48.3     0       Foreign portfolio ownership (Rp Tn)     Oct     Sep     Chg (Rp Tn)     Indonesia     49.2     49.2     0       Stock     3,573.9     3,558.2     15.66     14.98	DJIA	43,445.0	42,740.4	1.65	Eurozone	46.0	45.0	100	
Nikkei 225     38,642.9     39,910.6     -3.18     China     50.3     49.3     100       Hang Seng     19,426.3     20,318.8     -4.39     Korea     48.3     48.3     0       Foreign portfolio ownership (Rp Tn)     Oct     Sep     Chg (Rp Tn)     Indonesia     49.2     49.2     0       Stock     3,573.9     3,558.2     15.66     14.98	FTSE				Japan	49.2			
Foreign portfolio ownership (Rp Tn)     Oct     Sep     Chg (Rp Tn)     Indonesia     49.2     49.2     0       Stock     3,573.9     3,558.2     15.66     14.98	Nikkei 225	38,642.9	39,910.6	-3.18		50.3	49.3	100	
Foreign portfolio ownership (Rp Tn)     Oct     Sep     Chg (Rp Tn)     Indonesia     49.2     49.2     0       Stock     3,573.9     3,558.2     15.66     14.98	Hang Seng			-4.39	Korea	48.3	48.3	0	
Stock     3,573.9     3,558.2     15.66       Govt. Bond     885.6     870.6     14.98	Foreign portfolio			Chg		000000000000000000000000000000000000000	000000000000000000000000000000000000000	000000000000000000000000000000000000000	
Govt. Bond 885.6 870.6 14.98		3 573 0	3 558 2						
		000000000000000000000000000000000000000	000000000000000000000000000000000000000	000000000000000000000000000000000000000					
Corp Bond 1 60 60 -007	Corp. Bond	6.9	6.9	-0.07					

Source: Bloomberg, BI, BPS

Notes:

\*Data from an earlier period

\*\*For changes in currency: Black indicates appreciation against USD, Red otherwise

\*\*\*\*For PMI, **>50** indicates economic expansion, **<50** otherwis

# Indonesia – Economic Indicators Projection

	2019	2020	2021	2022	2023	2024E
Gross Domestic Product (% YoY)	5.0	-2.1	3.7	5.3	5.0	5.0
GDP per Capita (US\$)	4175	3912	4350	4784	4920	5149
Consumer Price Index Inflation (% YoY)	2.7	1.7	1.9	5.5	2.6	1.9
BI 7-day Repo Rate (%)	5.00	3.75	3.50	5.50	6.00	5.50
USD/IDR Exchange Rate (end of the year)**	13,866	14,050	14,262	15,568	15,397	15,947
Trade Balance (US\$ billion)	-3.2	21.7	35.3	54.5	37.0	29.3
Current Account Balance (% GDP)	-2.7	-0.4	0.3	1.0	-0.1	-0.7

\*Estimated number

\*\* Estimation of the Rupiah's fundamental exchange rate

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