Indonesia BI Rate Update

August 2026 · Monetary Policy · RDG 18-19 Aug · 19 August 2026

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Bank Indonesia holds the BI Rate at 5.75% for a second meeting, anchoring Rupiah stability.

BI Rate	Rupiah / USD	CPI (Jul, YoY)	FX Reserves (Jul)
5.75%	IDR17,855	2.88%	USD145.3bn
Held · second straight hold	+0.78% ptp vs end-July	Within the 2.5±1% target	~5.5 months of imports

KEY TAKEAWAYS

- Bank Indonesia held the BI Rate at 5.75%, the Deposit Facility at 4.75% and the Lending Facility at 6.50% at the 18-19 August 2026 Board of Governors' Meeting, chaired by acting Governor Destry Damayanti and in line with consensus. It is the second consecutive hold, extending the pause that followed a cumulative 100 bps of hikes in May-June 2026 (from 4.75% to 5.75%); the meeting carried no hawkish surprise.
- The hold is consistent with strengthening Rupiah stability amid elevated global volatility from the Middle East conflict, while keeping inflation within the 2.5±1% target for 2026-2027. The Rupiah firmed to IDR17,855 per USD (+0.78% ptp versus end-July) and July CPI eased to 2.88% year-on-year, with core at 2.76%, giving room to stand pat while BI widens FX-swap incentives (Swap Jual 12.5%, DNDF 15%) to draw inflows.
- The domestic backdrop stays firm: 2Q26 GDP grew 5.29% year-on-year (after 5.61%), with 2026 growth seen at 4.9-5.7%; FX reserves held at USD145.3bn (5.5 months of imports) and loan growth accelerated to 13.58% on a strong 23.70% CAR. Offsetting this, global risks persist · soft world growth near 3.0%, sticky global inflation around 4.5%, and an expected Fed Funds Rate hike in 4Q26 that keeps the US dollar firm.
- For equities the read is neutral-to-positive for the JCI, as the absence of a hawkish surprise adds certainty on the domestic policy path. Focus now shifts to BI's Rupiah-stabilisation measures, foreign fund flows, and the scope for eventual easing if exchange-rate and inflation pressures stay contained. We read the stance as pro-stability rather than pre-emptively dovish. *Key watch: the Rupiah's trajectory and Fed policy direction into year-end · including 4Q26 FFR-hike risk · which will set the timing of any BI easing window.*

Policy Rate Corridor (%)

Instrument	19 Aug 2026	Prev. Meeting	Δ (bps)
BI Rate	5.75	5.75	0
Deposit Facility (DF)	4.75	4.75	0
Lending Facility (LF)	6.50	6.50	0

Source: Various Source (Bank Indonesia, RDG 18-19 August 2026). Corridor unchanged (DF -100 bps, LF +75 bps around the BI Rate).

Key Macro Indicators

Indicator	Period	Latest	Prior	Assessment
GDP growth (yoy)	2Q26	5.29%	5.61%	Robust, above 5%
CPI (yoy)	Jul 26	2.88%	3.34%	Eased, within target
Core CPI (yoy)	Jul 26	2.76%	–	Well anchored
Loan growth (yoy)	Jul 26	13.58%	12.67%	Accelerating
Rupiah / USD	18 Aug	IDR17,855	–	+0.78% ptp
FX reserves	Jul 26	USD145.3bn	–	~5.5 months imports
Bank CAR	Jun 26	23.70%	–	Strong buffer
NPL, gross	Jun 26	2.09%	–	Low (net 0.82%)

Source: BPS, Various Source. Latest prints as of the August 2026 RDG.

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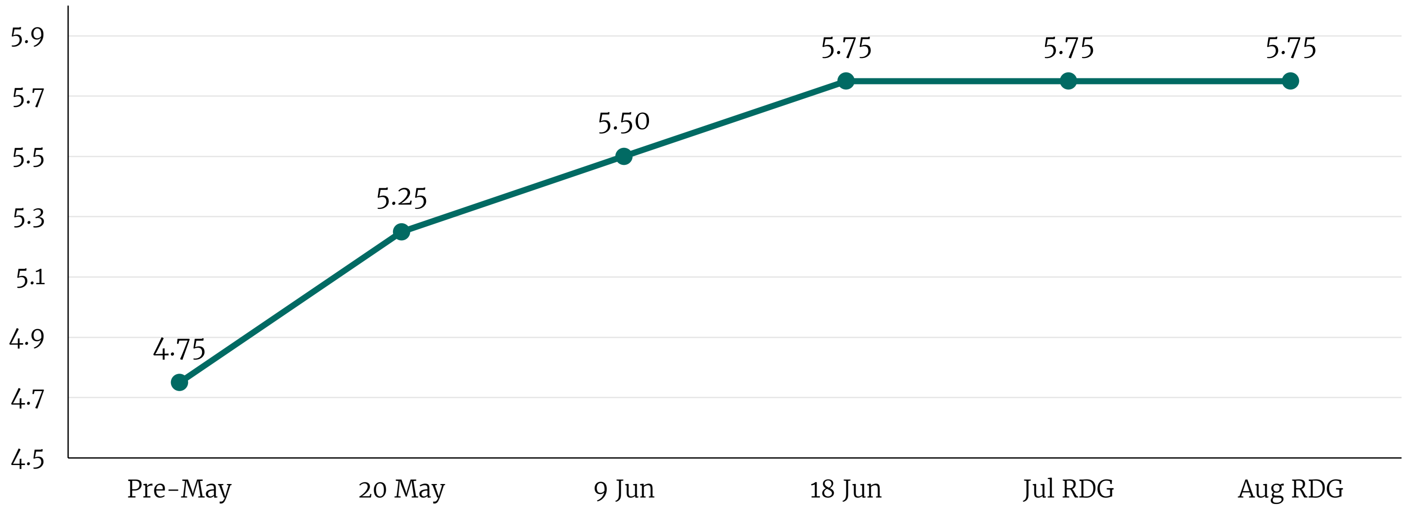
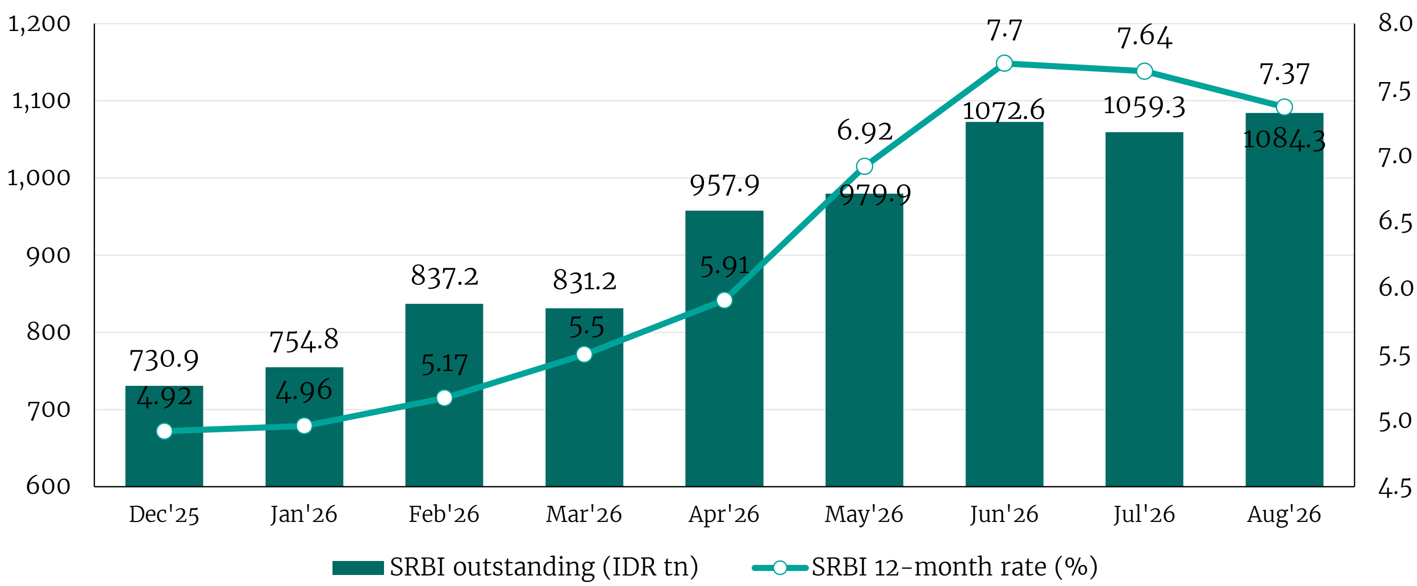
BI Rate Path · cumulative +100 bps in May-June 2026, held since (%)



The BI Rate rose 100 bps across May-June 2026 to 5.75% and has been held for two straight meetings. Source: Various Source.

SRBI · Total Outstanding vs 12-Month Rate, monthly since Dec 2025



Bars: SRBI total outstanding (IDR tn, left; through 31 Jul 2026). Line: SRBI 12-month rate (%, right axis, ascending); latest 14 Aug 2026 auction 12-month weighted-average winning yield 7.37%. Source: Various Source, Bloomberg, Aldiracita Research.

Market Implications

Channel	Assessment	Rationale
Equities (JCI)	Neutral-Positive	No hawkish surprise removes a near-term overhang; certainty on the policy path supports risk appetite, notably rate-sensitive banks and property.
Bonds (IndoGB)	Positive	A stable corridor, BI's push to lift Rupiah-asset appeal and ample liquidity underpin SBN and SRBI demand; 3Q26 portfolio inflows already net USD1.8bn.
Rupiah (IDR)	Stable	IDR17,855 (+0.78% ptp); wider FX-swap incentives (Swap 12.5%, DNDF 15%) and a rebuilt rate buffer support the currency as the USD stays firm.

Source: Aldiracita Research. For informational purposes only.

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