Indonesia CPI & Trade Update

Jul 2026 CPI · Jun 2026 Trade · Inflation · External Balance · BI Policy · 3 August 2026

aldiracita SEKURITAS INDONESIA

Cooler July ’26 inflation, but cheaper oil fails to shrink Indonesia’s structural energy trade deficit.

CPI (Jul, YoY)	CPI (Jul, MoM)	Trade Balance (Jun)	Migas Balance (Jun)
2.88%	**-0.14%**	**-USD0.45bn**	**-USD3.49bn**
Cooled from 3.34% · below 3.20% consensus	First deflation since Jan · volatile food -1.68%	2nd straight deficit · narrower than May’s -USD1.61bn	Flat vs May despite oil -17.7% MoM · structural

KEY TAKEAWAYS

- July CPI cooled to 2.88% year-on-year, below the 3.20% Bloomberg consensus and down from June’s 3.34%, while the monthly print swung to a 0.14% deflation, versus a +0.09% consensus and June’s +0.44% · the first monthly deflation since January. The deflation was driven entirely by volatile food, down 1.68% and subtracting 0.28 percentage points, as shallots, red and bird’s-eye chili, eggs and tomatoes corrected lower on supply. Core inflation stayed positive at 0.14% month-on-month and 2.76% year-on-year, and administered prices rose 0.25%, so both cushioned rather than caused the fall.
- This is a benign, supply-led disinflation, not a demand signal. July deflation is not a seasonal norm · July 2025 was a +0.30% inflation · and the monthly optics were flattered by June’s one-off Pertamax RON 92 price rise of about 32% on 10 June, an administered-price shock that lifted June’s base and did not repeat in July. With core still sticky, the print does not by itself clear the way for policy easing.
- June’s goods trade posted a deficit of USD0.45 billion, the second straight, though narrower than May’s USD1.61 billion and better than the USD0.78 billion consensus, as both sides beat sharply · exports rose 8.84% year-on-year (versus a -1.15% consensus) and imports surged 34.27% (versus +23.30%). But the month-on-month improvement is misleading: of the USD1.16 billion narrowing, 77% came from a nonmigas surplus recovery, and only 23% from migas · and that migas gain was higher gas exports, not lower imports. The energy deficit itself stayed stuck near USD3.5 billion.
- For Bank Indonesia after Warjiyo’s exit, the prints pull opposite ways. Cooler, below-consensus inflation opens theoretical easing room, but a structural energy-import deficit and a record-weak rupiah past IDR18,000 argue against it, and neither driver of the import surge · structural energy volume and investment-linked capital and raw-material imports · is rate-sensitive. Consensus sees the current-account deficit widening to roughly 1.1 to 2.2% of GDP in 2026. *Key watch: second-quarter GDP on 5 August (consensus 5.10% yoy versus 5.61% in the first quarter) and whether the energy-import bill persists into the second half.*

June Trade Balance · Month-on-Month Decomposition (USD million)

Component	May 2026	Jun 2026	MoM Change
Migas balance	-3,756.6	-3,490.0	+266.6
Nonmigas balance	+2,146.4	+3,040.0	+893.6
Total balance	**-1,610.2**	**-450.0**	**+1,160.2**
Memo: Migas imports	4,514.7	4,560.0	+1.0%
Memo: Energy price (MoM)	—	-17.7%	—

Source: BPS; Aldiracita Research. Migas imports = crude + oil products; energy price = World Bank energy index via BPS.

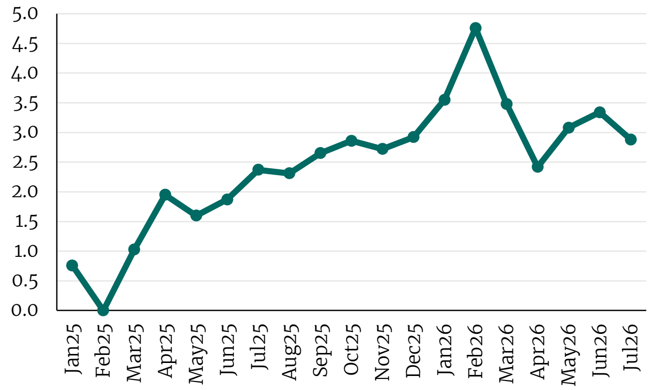
Market Implications

Dimension	Assessment	Analysis
Inflation / Rates	Neutral	July’s below-consensus print is a benign, supply-led deflation with core still sticky at 2.76%; it opens theoretical easing room but does not, by itself, justify a cut while external accounts and the rupiah remain under strain.
Trade / CAD / Rupiah	Cautious	The energy deficit is structural and volume-driven, holding near USD3.5 billion a month regardless of oil prices; with consensus seeing the current-account deficit widening to roughly 1.1 to 2.2% of GDP in 2026, the rupiah stays pressured and the import surge is not rate-sensitive.
Sovereign / Growth	Watch	A widening current-account gap corroborates S&P’s earlier caution, while second-quarter GDP (due 5 August, consensus 5.10% versus 5.61% in the first quarter) and a manufacturing PMI back in expansion at 50.2 will test whether import-heavy investment is translating into growth.

Source: BPS Berita Resmi Statistik (3 August 2026); Bloomberg (consensus); Aldiracita Research. For informational purposes only.

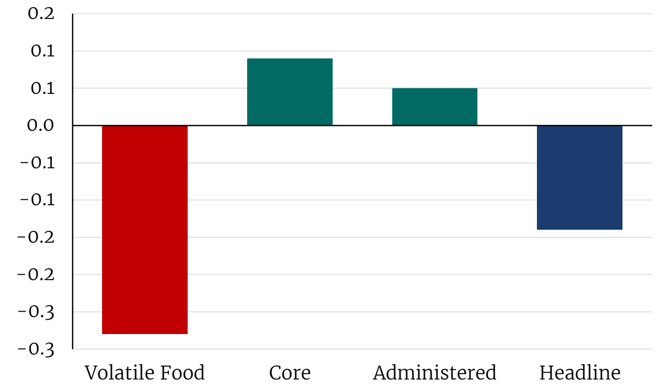
THE PRINTS IN FOUR CHARTS

Headline CPI (YoY %), Jan 2025 – Jul 2026



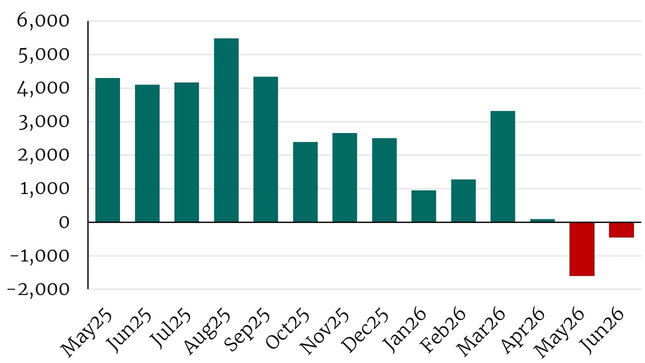
Headline inflation has cooled to 2.88% from a February peak of 4.76%, easing back below June's 3.34%. Source: BPS.

July CPI · MoM Contribution by Component



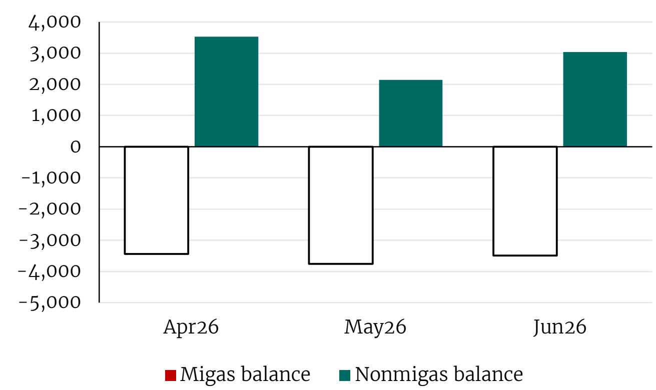
July's deflation was driven entirely by volatile food; core and administered prices stayed positive. Source: BPS.

Monthly Trade Balance, May 2025 – Jun 2026



The trade balance swung to deficit in May 2026 for the first time in over a year; June's deficit narrowed but stayed negative. Source: BPS, Aldiracita research.

Migas vs Nonmigas Balance, Apr – Jun 2026



The migas deficit has held near USD3.5 bn regardless of oil-price swings, while a volatile nonmigas surplus does the work of the headline balance. Source: BPS, Aldiracita research.

THE IMPORT PUZZLE: WHY CHEAPER OIL DID NOT SHRINK THE ENERGY DEFICIT

Oil prices fell about 17.7% month-on-month in June on the Iran ceasefire, yet Indonesia's oil-and-gas imports were essentially flat, edging from USD4.51 billion in May to USD4.56 billion in June, a rise of 1.0%. Had this been a price story, an 18% price drop should have cut the bill by roughly USD800 million; instead the value held, implying import volume rose about 20% month-on-month to offset the price relief.

The structure behind it has been visible since May: crude-oil exports collapsed to near zero, oil-product imports nearly doubled year-on-year as domestic refining and lifting could not meet demand, and crude imports stayed flat. Indonesia is buying high volumes of refined fuel regardless of price, and a cheaper barrel simply financed more of it.

This is why the month-on-month lens matters. The year-on-year figure · migas imports up 105% · overstates the shift, because June 2025 predates the energy crisis and carries an artificially low base. Read month-on-month, the energy deficit is a structural, volume-driven vulnerability that holds the migas balance near negative USD3.5 billion a month independent of short-term oil moves · feeding the subsidy bill and rupiah pressure, and a gap no interest-rate move can close.

Indonesia CPI & Trade Update

aldiracita SEKURITAS INDONESIA

Release Scorecard: Actual vs Bloomberg Consensus

Indicator	Actual	Consensus	Prior	Read
CPI (Jul, YoY)	2.88%	3.20%	3.34%	Cooler than expected
CPI Core (Jul, YoY)	2.76%	2.79%	2.76%	In line
CPI (Jul, MoM)	-0.14%	+0.09%	+0.44%	Surprise deflation
Exports (Jun, YoY)	+8.84%	-1.15%	-5.73%	Strong upside beat
Imports (Jun, YoY)	+34.27%	+23.30%	+22.16%	Well above forecast
Trade Balance (Jun)	-USD0.45bn	-USD0.78bn	-USD1.61bn	Narrower deficit

Source: BPS Berita Resmi Statistik (3 August 2026); Bloomberg (consensus survey).

PT Aldiracita Sekuritas Indonesia
Menara Tekno Lt. 9,
Jl. H. Fachrudin No.19, Kampung Bali, Tanah Abang,
Jakarta Pusat, 10250
Indonesia
Phone: +61 21 39705858

Contact
Research: research@aldiracita.com
Phone: +62 21 39705860

ANALYST CERTIFICATION & DISCLAIMER