FIXED INCOME & MACRO RESEARCH · INDONESIA

BI Rate Update

RDG 17-18 Nov 2026 · Monetary Policy · BI Release · 18 November 2026

aldiracita SEKURITAS INDONESIA

BI hikes benchmark rate 25 bps to defend the Rupiah and pre-empt inflation

BI Rate	Rupiah / USD (17 Nov)	CPI, October YoY	Loan Growth, October YoY
6.00%	IDR 18,245	3.23%	13.21%
+25 bps · first hike since June 2026	-0.66% ptp vs end-October	within 2.5±1% target · prior 3.28%	prior 13.26% · KLM-supported

KEY TAKEAWAYS

- **Bank Indonesia raised the BI Rate by 25 bps to 6.00% at the 17-18 November RDG, lifting the Deposit Facility to 5.25% and the Lending Facility to 6.75%.** It is the first hike since the +100 bps of May-June 2026 and ends four straight holds at 5.75%. BI framed the move as strengthening rupiah stability against rising global uncertainty and as a pre-emptive step to keep 2026-2027 inflation within the 2.5±1% target, and said policy will stay consistently geared to rupiah stability.
- **The rupiah is the trigger: it stood at IDR 18,245 per USD, 0.66% weaker point-to-point than at end-October.** BI describes a hawkish global backdrop, with tight monetary policy expected to continue, including a further US Fed Funds Rate hike, high US Treasury yields and AI valuation concerns pushing investors out of emerging-market portfolios. Foreign investors sold USD 0.9 billion of Indonesian equities in 4Q to 16 November, although total 4Q capital flows remain a net inflow of USD 4.80 billion on government global bond and sukuk issuance and SBN purchases. Reserves of USD 146.8 billion cover 5.3 months of imports.
- **The rate hike is paired with a wider hedging subsidy.** BI raised the premium discount on DNDF hedging through partner banks (VASTRA) to 45% for 6-month and 50% for 12-month tenors, from 40% and 45%, will keep intervening in spot, DNDF and NDF markets, and will add cross-currency repo liquidity backed by foreign-currency SVBI and SUVBI by March 2027. Hedging transactions have reached about USD 14.10 billion since the policy began in June.
- **Domestic data do not call for a defensive hike: 3Q26 GDP grew 5.47% YoY, October CPI eased to 3.23% and core inflation to 2.56%,** so we read this as a currency defence rather than a response to price pressure. Volatile food is the exception at 5.81% YoY on weather-hit supply. Loan growth of 13.21% YoY and a 24.30% capital adequacy ratio leave banks well placed, and BI is keeping macroprudential policy loose, with the KLM financing channel (up to 3% of deposits) starting on 1 December. ***Key watch: whether a 6.00% policy rate and the larger hedging discount stabilise the rupiah, with a further Fed hike as the main external risk.***

Policy Mix · Rate Corridor, FX Hedging Incentive and Macroprudential Liquidity (%)

Instrument	Prior	New	Effective	Δ	Note
Deposit Facility (%)	5.00	5.25	18-Nov-26	+25 bps	Corridor floor raised again
Lending Facility (%)	6.50	6.75	18-Nov-26	+25 bps	Corridor ceiling raised
VASTRA DNDF discount, 6M (%)	40	45	18-Nov-26	+5 pp	Hedging cheaper for investors
VASTRA DNDF discount, 12M (%)	45	50	18-Nov-26	+5 pp	Hedging cheaper for investors
KLM financing / PPU (≤ % of DPK)	-	3 / 2	1-Dec-26	-	Financing channel starts
BI Rate (%)	**5.75**	**6.00**	**18-Nov-26**	**+25 bps**	**First hike since June 2026**

Source: Bank Indonesia. Prior values are the levels before this meeting (Deposit Facility and VASTRA discounts as set in October). Δ = change vs prior.

Key Macro Indicators

Indicator	Period	Latest	Prior	Assessment
GDP growth (YoY)	3Q26	5.47%	5.29%	Accelerating, above 5%
CPI (YoY)	Oct-26	3.23%	3.28%	Eased, within 2.5±1% target
Core CPI (YoY)	Oct-26	2.56%	2.84%	Easing
Volatile food (YoY)	Oct-26	5.81%	5.03%	Rising, weather-hit supply
Manufacturing PMI	Oct-26	53.98	52.40	Expanding, accelerating
Loan growth (YoY)	Oct-26	13.21%	13.26%	Strong, KLM-supported
FX reserves (USD Bn)	Oct-26	146.8	-	5.3 months of imports
Rupiah / USD	**17-Nov**	**IDR 18,245**	**IDR 17,985 (20 Oct)**	**-0.66% ptp vs end-October**

Source: Bank Indonesia, RDG press release No.28/254/DKom (18 November 2026); BPS. Prior = previous period; prior rupiah level as at the October RDG (20 Oct).

For informational purposes only. Aldiracita Equity Research.

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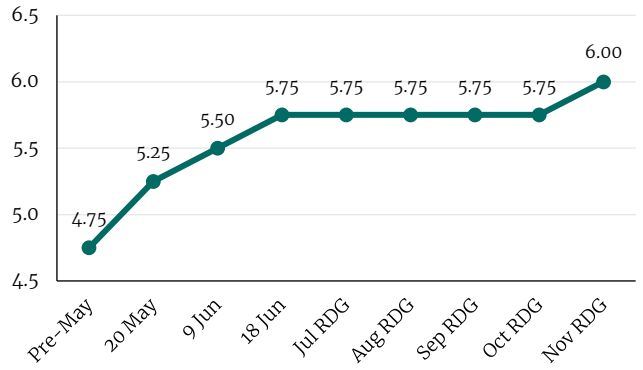
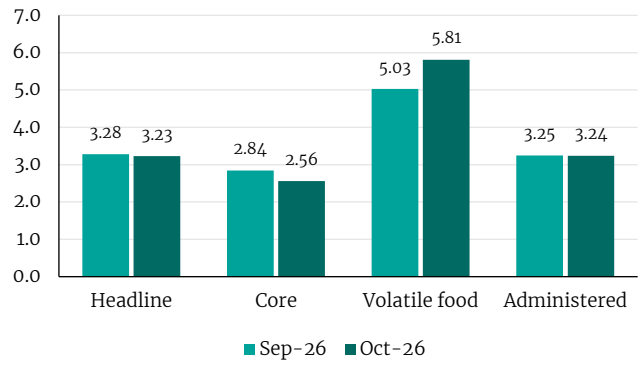
Charts · BI Rate Path, CPI Components, Policy Corridor and Loan Growth

BI Rate Path · cumulative +125 bps since May 2026 (%)



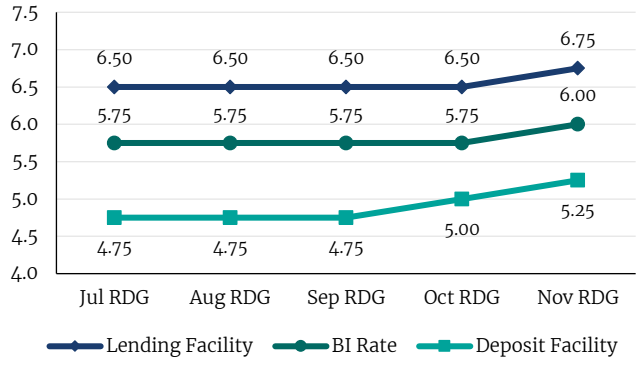
The BI Rate rose 25 bps to 6.00%, ending four straight holds at 5.75%.

CPI by Component YoY · Sep vs Oct 2026 (%)



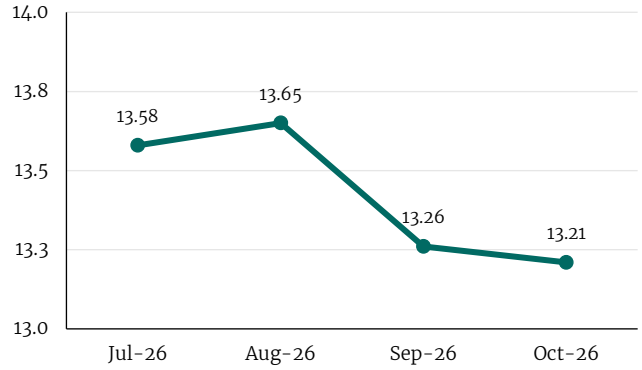
Volatile food rose to 5.81% while core eased to 2.56%.

Policy Corridor at Each RDG · Jul-Nov 2026 (%)



October raised the floor; November lifted the whole corridor by 25 bps.

Loan Growth YoY · Jul-Oct 2026 (%)



Loan growth has eased for two months but stays above 13%.

Source: Bank Indonesia (RDG releases, July-November 2026); BPS; Aldiracita Research.

Analysis · Market Implications

Channel	Assessment	Rationale
Rupiah (IDR)	Supportive	A 25 bps rise in the BI Rate and a larger VASTRA discount raise the return on holding rupiah assets on a hedged basis, and BI keeps intervening in spot, DNDF and NDF markets. The rupiah is still 0.66% weaker than at end-October and BI itself expects a further Fed hike, so the pressure is external and stabilisation depends on foreign portfolio flows rather than on domestic demand.
Bonds (IndoGB)	Mixed	A higher policy rate lifts front-end yields, but the wider hedging discount and 4Q net inflows into SBN (part of the USD 4.80 billion net inflow to 16 November) support foreign demand. We expect SRBI and shorter INDOGB tenors to reprice first, with the long end driven by US Treasury yields. This is an Aldiracita view.
Equities (JCI)	Cautious	Foreign investors sold USD 0.9 billion of equities in 4Q to 16 November, and a higher policy rate raises funding costs for rate-sensitive sectors such as property and consumer finance. Banks gain from 13.21% loan growth and a 24.30% capital adequacy ratio but face deposit cost pressure. This is an Aldiracita view.

Source: Aldiracita Research, based on Bank Indonesia data. For informational purposes only.

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