FIXED INCOME & MACRO RESEARCH · INDONESIA

Inflation, Trade & PPI Update

Oct26 CPI · Sep26 Trade & PPI · BPS Release · 3 November 2026

aldiracita SEKURITAS INDONESIA

October inflation eases to 3.23% YoY, but producer prices surge 6.94% YoY while trade surplus narrows.

Headline Inflation (YoY)	Core Inflation (YoY)	Trade Balance (Sep)	Producer Prices (Q3 YoY)
+3.23%	**+2.56%**	**+USD3.36Bn**	**+6.94%**
vs cons. +3.30% · prior +3.28%	vs cons. +2.70% · prior +2.84%	vs cons. +USD1.79Bn · prior +USD3.55Bn	prior +5.62% · QoQ +1.50%

KEY TAKEAWAYS

- **October headline inflation eased to 3.23% YoY (0.22% MoM), below the 3.30% consensus and down from 3.28% in September**, comfortably inside Bank Indonesia's 1.5-3.5% target band, while **core inflation slowed to 2.56% YoY from 2.84%**, below the 2.70% consensus, with BPS noting a continued downtrend in world gold prices. Calendar year-to-date inflation stands at 2.40%.
- Volatile food again set the MoM tone, rising 0.77% (0.13 percentage point contribution) on chili, tomato and leafy greens after lower chili output in several production centres, **pushing its YoY rate to 5.81%, the highest of the three components**. Administered prices added 0.09% MoM, led by airfares even though the transport ministry capped the domestic economy fuel surcharge at 40% from 1 October. Core rose 0.12% with no dominant commodity and still carries the largest weight in the annual print at 1.64 percentage points of the 3.23% headline.
- **Producer prices are running far hotter** than consumer prices. **BPS's Producer Price Index rose 1.50% QoQ in Q3 2026 and 6.94% year-on-year, up from 5.62% in Q2 and the highest of the last 11 quarters**, about 3.7 percentage points above CPI. Mining and quarrying (+22.19% YoY) is the engine, while manufacturing (+6.12%) and agriculture (+4.71%) also run well ahead of core CPI, and the wholesale price index is up 7.00% YoY in October. The desk's read: commodity-led input costs have not yet reached the consumer basket, so the wedge is a margin squeeze or a lagged pass-through, not a sign of weak costs.
- **Indonesia's trade surplus narrowed marginally to USD3.36 billion in September from USD3.55 billion in August** (USD4.20 billion in Sep '25) but well above the USD1.79 billion consensus, as imports outran exports. Exports rose 3.7% MoM to USD27.59 billion (+11.87% YoY, manufacturing +16.78%), beating the 6.54% consensus, but imports rose 5.1% to USD24.23 billion (+18.41% YoY), below the 21.00% consensus and led by raw materials (+24.65%). The migas deficit eased to USD2.31 billion, yet the **cumulative 9M26 surplus has shrunk to USD10.61 billion from USD33.54 billion a year ago**. Prices matter on both sides: coal export value rose 4.86% despite a 10.58% fall in volume, so higher producer prices inflate export values while lifting import costs.
- Soft consumer inflation and a still-positive external balance leave **Bank Indonesia room to stay on hold**, but the producer-price wedge and an import bill growing 19.67% year-to-date against exports' 5.58% are the risks to that benign reading. ***Key watch: whether the 6.94% producer-price surge feeds into core CPI through manufacturers' margins, or whether falling gold prices and soft core keep inflation inside the target band and the policy stance on hold.***

Indonesia CPI Scorecard · October 2026 (%)

Indicator	Actual	Consensus	Previous	Δ	Note
Headline Inflation MoM (Oct)	0.22%	0.25%	0.30%	-0.08pp	Below consensus; food-led
Core Inflation YoY (Oct)	2.56%	2.70%	2.84%	-0.28pp	Below consensus; gold down
Volatile Food YoY (Oct)	5.81%	—	5.03%	+0.78pp	Highest component
Headline Inflation YoY (Oct)	**3.23%**	**3.30%**	**3.28%**	**-0.05pp**	**Below consensus; in BI band**

Indonesia Trade & PPI Scorecard · September 2026 (USD Bn / % YoY)

Indicator	Actual	Consensus	Previous	Δ	Note
Exports YoY (Sep)	11.87%	6.54%	6.72%	+5.15pp	Beat cons.; manufacturing-led
Imports YoY (Sep)	18.41%	21.00%	19.09%	-0.68pp	Below cons.; raw mat. +24.65%
Cumulative Jan-Sep Balance (USD Bn)	10.61	—	7.25	+3.36	vs 33.54 a year ago
PPI YoY (Q3 2026)	6.94%	—	5.62%	+1.32pp	Mining +22.19% YoY
Trade Balance (Sep, USD Bn)	**3.36**	**1.79**	**3.55**	**-0.19**	**1.9x consensus**

Source: BPS, Berita Resmi Statistik No. 102/11/Th. XXIX (2 November 2026). Previous = September 2026 (CPI), August 2026 (trade), Q2 2026 (PPI); consensus: Various Source.

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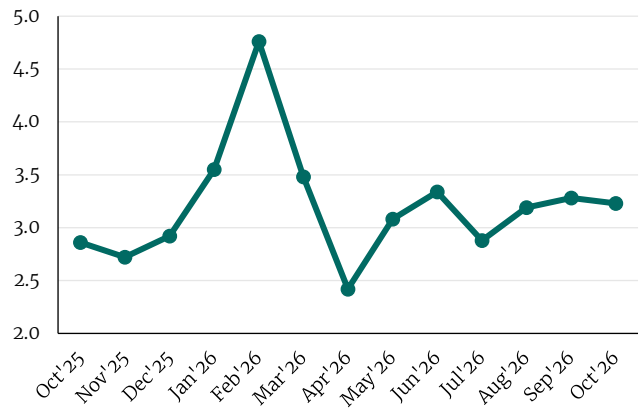
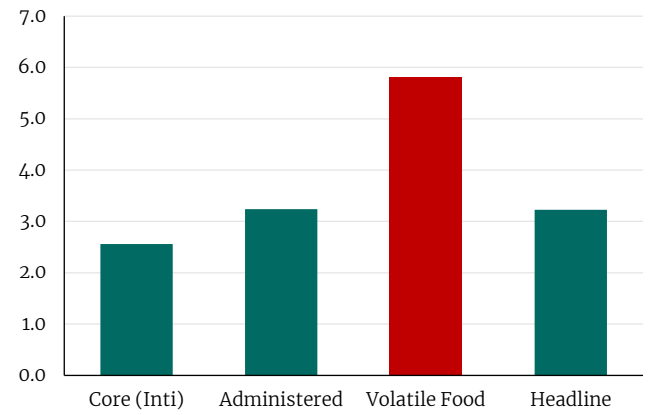
Charts · October 2026 CPI, September 2026 Trade & Q3 2026 PPI

Headline Inflation YoY Trend



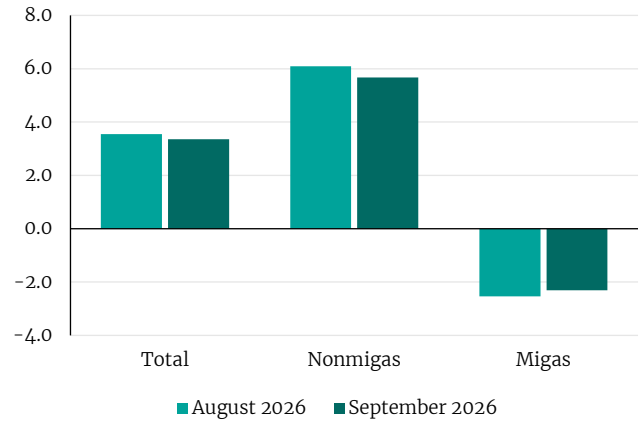
Headline has held at 3.2–3.3% for three months, inside the 1.5–3.5% target band.

CPI by Component YoY · Oct 2026



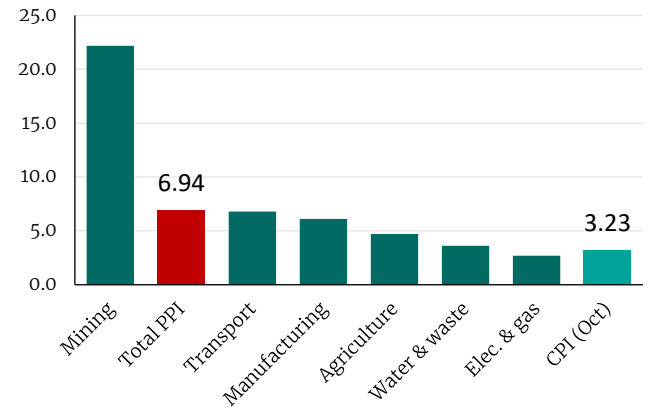
Volatile food remains the outlier at 5.8%; core slips to 2.6%.

Trade Balance · Aug vs Sep 2026



The nonmigas surplus eased to USD5.67 billion; the migas deficit narrowed to USD2.31 billion.

PPI by Sector YoY · Q3 2026



Mining (+22.2%) drives producer inflation; manufacturing runs at 6.1% against CPI at 3.2%.

Source: BPS, Berita Resmi Statistik No. 102/11/Th. XXIX (2 November 2026).

Analysis · Market Implications

Channel	Assessment	Analysis
Bank Indonesia Policy	Neutral-to-Dovish	**October's softer core print (2.56% YoY, below the 2.70% consensus)** and a 0.22% MoM headline keep inflation inside the 1.5–3.5% target band, with calendar year-to-date inflation at 2.40%. That supports the desk's post-Warjiyo "on hold" thesis, although volatile food at 5.81% YoY remains the component to monitor.
Trade & Rupiah Buffer	Neutral	September's USD3.36 billion surplus, well above the USD1.79 billion consensus, still cushions the current account, with the nonmigas surplus at USD5.67 billion. But the cumulative January–September surplus of USD10.61 billion is less than a third of last year's USD33.54 billion, and imports are up 19.67% year-to-date against exports' 5.58%, consistent with the desk's growth hand-off thesis that capex and MBG-linked demand are leaking into imports.
Producer Price Pass-Through	Watch	**The 6.94% YoY producer price index sits about 3.7 points above CPI**, led by mining (+22.19%). If manufacturers pass rising input costs through, core CPI could re-accelerate from 2.56%; if not, margins compress. This is an Aldiracita view; BPS publishes the PPI quarterly, so the next read is Q4 2026.

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

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