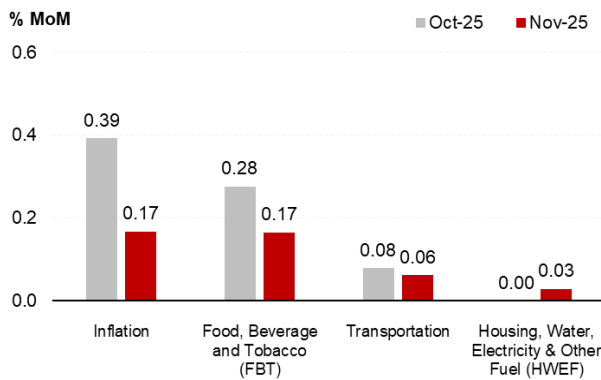


Indonesia Consumer Price Index

November inflation shows mild relief but policy easing still distant

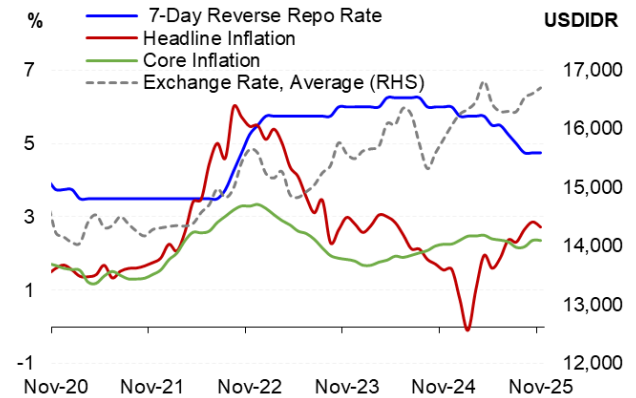
- Indonesia’s headline inflation eased slightly to 2.72% YoY (Oct: 2.86%), remaining within Bank Indonesia’s (BI) 1.5% - 3.5% target range**
 - MoM (0.17%; Oct: 0.28%): Slowed to a three-month low as price momentum faded.
 - Core inflation (2.36% YoY; Oct: 2.36%): Held steady for the second straight month, reflecting stable domestic demand.
- Weaker food prices pulled headline inflation lower, though higher personal care & other services capped the slowdown**
 - Food, beverage & tobacco (4.25%; Oct: 4.99%): Slowed sharply to a two-month low on lower prices for red chilies, rice, fresh fish and chicken eggs.
 - Personal care & other services (12.49%; Oct: 11.87%): Surged to a record high, driven by rising gold price.
 - Transportation (0.71%; Oct: 0.48%): Accelerated to an eight-month high despite lower Brent crude oil prices.
- Subdued inflation across selected Southeast Asia in October**
 - Philippines (1.7%; Oct: 1.7%): Unchanged for the second straight month. Subdued food prices kept inflation within Bangko Sentral ng Pilipinas’ 1.4% – 2.2% target range for the month.
 - Thailand (-0.8%; Oct: -0.7%): Deflation persisted for the seventh straight month amid weak energy prices, keeping inflation below Bank of Thailand’s 1% – 3% target band.
- 2025 Inflation forecast likely to settle around 1.9% (2024: 2.3%) before rising to 2.5% in 2026**
 - Inflation dynamics:** Headline inflation averaged 1.8% year-to-date (Jan-Oct: 1.7%), slightly below our latest projection. If current price pressures persist into December, inflation should end the year close to our target.
 - Monetary policy outlook:** Higher inflation expectations and a fragile Rupiah amid global economic uncertainty, narrow the scope for further easing. However, if the US Fed resume monetary easing and adopts a dovish stance, we expect BI to resume its rate cuts. For now, we maintain that BI will keep its policy rate at 4.75%. The current rate is already below the estimated neutral rate of 4.93%, and BI continues to prioritise Rupiah stability, its primary mandate.

Graph 1: CPI by Main Categories



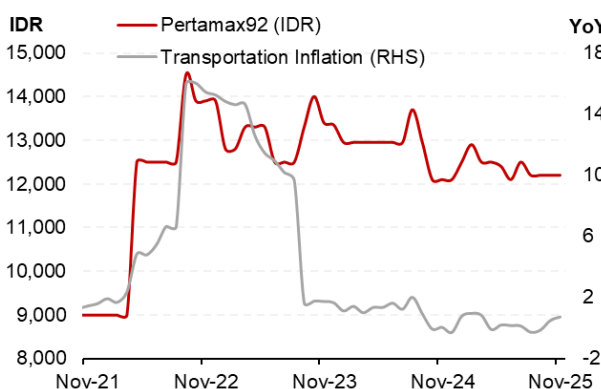
Source: BPS, Macrobond, Kenanga Research

Graph 2: Inflation vs. Policy Rate and Rupiah



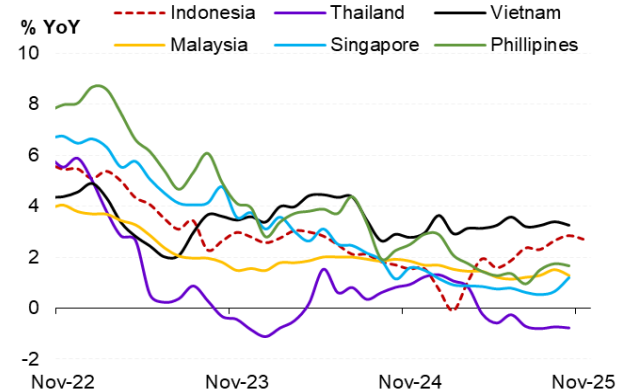
Source: BPS, Macrobond, Kenanga Research

Graph 3: Pertamina92 vs Transportation Inflation



Source: BPS, Bloomberg, Macrobond, Kenanga Research

Graph 4: Regional Inflation Growth Trend



Source: BPS, Macrobond, Kenanga Research

02 December 2025

Table 1: Indonesia Consumer Price Index Growth Trend (% YoY)

Base 2018=100	weight	2023	2024	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
CPI	100.00	3.73	2.30	1.87	2.37	2.31	2.65	2.86	2.72
Food, Beverage and Tobacco (FBT)	25.01	4.97	4.45	1.99	3.75	3.99	5.01	4.99	4.25
Housing, Water, Electricity & Other Fuel (HWEF)	20.45	1.83	0.54	1.59	1.65	1.65	1.64	1.59	1.57
Transportation	12.38	8.81	0.96	0.15	0.12	-0.29	-0.15	0.48	0.71
Food and Beverage Provision/Restaurant	8.67	3.15	2.38	1.95	1.86	1.85	1.80	1.61	1.50
Household Equipment & Routine Maintenance (HHE)	5.97	2.38	1.04	0.57	0.52	0.42	0.30	0.23	0.23
Personal Care and Other Services (PCS)	5.89	4.32	5.29	9.30	9.00	8.66	9.59	11.87	12.49
Information, Comm & Financial Service (ICFS)	5.83	-0.24	-0.19	-0.27	-0.31	-0.33	-0.31	-0.25	-0.25
Education	5.62	2.10	1.73	1.82	1.95	1.43	1.15	1.26	1.26
Clothing and Footwear (CF)	5.41	1.80	1.11	1.01	1.00	0.81	0.79	0.75	0.76
Health	2.62	1.99	1.82	1.84	1.94	1.91	2.01	2.11	2.09
Recreation, Sports, and Culture (RSC)	2.15	2.21	1.55	1.23	1.05	1.10	1.07	1.18	1.15
Core		2.43	1.96	2.37	2.32	2.17	2.19	2.36	2.36
Administered		7.22	1.35	1.34	1.32	1.00	1.10	1.45	1.58
Volatile		5.57	4.88	0.57	3.82	4.47	6.44	6.59	5.48
Energy		8.02	-0.28	-0.26	0.07	-0.40	-0.11	0.36	0.34

Source: BPS, Macrobond, Kenanga Research

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