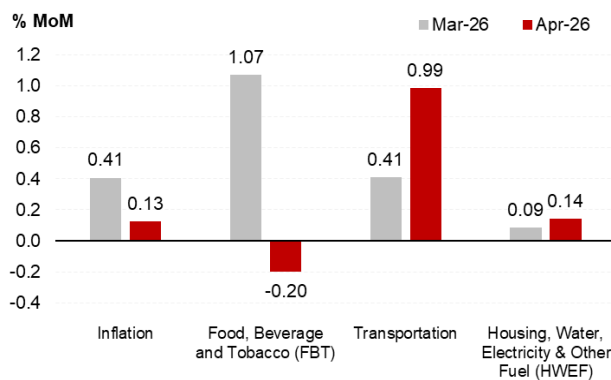


Indonesia Consumer Price Index (Apr 26)

Undershoots, but rupiah pressure puts BI rate hike back in play

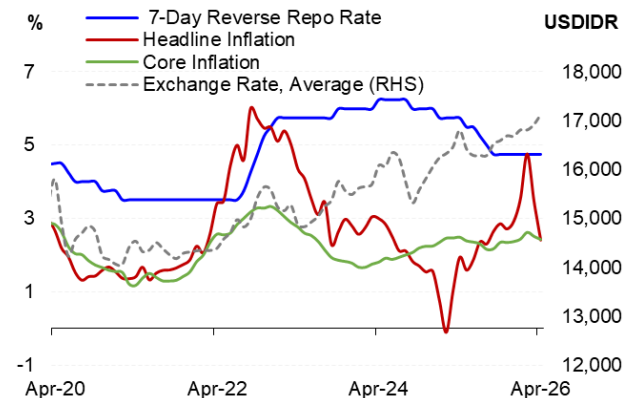
- Indonesia's headline inflation eased to 2.42% YoY in April (Mar: 3.48%), slightly below consensus (2.7%) and within Bank Indonesia's (BI) 1.5% - 3.5% target band for the second straight month**
 - MoM (0.13%; Mar: 0.41%): Moderated after surging for two months, reflecting moderate price pressures.
 - Core inflation (2.44% YoY; Mar: 2.52%): Slowed, suggesting underlying price pressures remained manageable.
- Subdued housing, water, electricity & other fuel prices offset rising transportation costs**
 - Housing, water, electricity & other fuel (0.74%; Mar: 7.24%): Slowed sharply as last year's temporary electricity tariff discount normalised and the base effect faded.
 - Personal care & other services (11.43%; Mar: 15.32%): Moderated further on lower gold jewellery prices.
 - Food, beverage & tobacco (3.06%; Mar: 3.34%): Slowed further amid lower prices for key food items such as red chillies, garlic, shallots, pepper, and potatoes.
 - Transportation (1.61%; Mar: 0.61%): Edged up on higher passenger transport costs.
- Mixed inflation trend across selected Southeast Asian economies in March**
 - Thailand (-0.1%; Feb: -0.9%): Deflation persisted for a 12th straight month. Persistent high energy prices are expected to push inflation back within the Bank of Thailand's 1.0% - 3.0% target.
 - Singapore (1.8%; Feb: 1.2%): Headline inflation picked up but stayed within the Monetary Authority of Singapore (MAS) average target band of 1.5% - 2.5%, driven by firmer retail goods, services, and private transport costs.
- 2026 inflation outlook retained at 3.1% (2025: 1.9%) amid heightened Middle East geopolitical risks**
 - Inflation dynamics:** We expect inflation to rise gradually, driven by residual effects from last year's administered price and fiscal measures, lingering base effects, and higher global energy prices. Renewed volatility in global oil markets poses upside risks to administered fuel prices and transportation costs. In addition, sustained Rupiah weakness is amplifying imported inflation pressures, reinforcing the upside bias in our inflation outlook.
 - Monetary policy outlook:** Despite controlled inflation in April, we now expect BI to raise the policy rate by 25bps at the May Board of Governors meeting, as policymakers prioritise currency stabilisation amid intensified global risk aversion. Heightened geopolitical tensions have pushed up oil prices, strengthened the USD and weighed on risk sentiment, placing renewed pressure on the Rupiah which is hovering at near record low. A rate hike would support the currency, anchor inflation expectations, and preserve external stability.

Graph 1: CPI by Main Categories



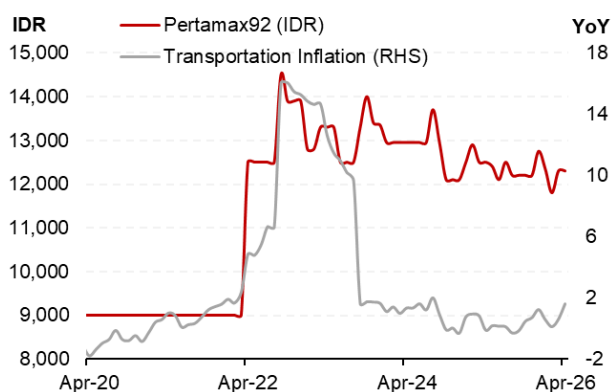
Source: BPS, Macrobond, Kenanga Research

Graph 2: Inflation vs. Policy Rate and Rupiah



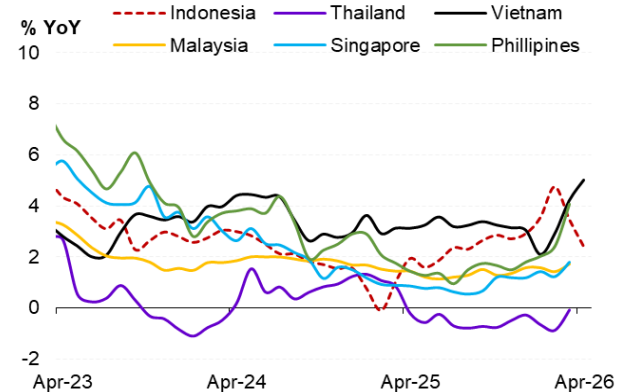
Source: BPS, Macrobond, Kenanga Research

Graph 3: Pertamina92 vs Transportation Inflation



Source: BPS, Bloomberg, Macrobond, Kenanga Research

Graph 4: Regional Inflation Growth Trend



Source: BPS, Macrobond, Kenanga Research

05 May 2026

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

Base 2018=100	weight	2023	2024	2025	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
CPI	100.00	3.73	2.30	1.91	2.72	2.92	3.55	4.76	3.48	2.42
Food, Beverage and Tobacco (FBT)	25.01	4.97	4.45	3.32	4.25	4.58	1.54	3.51	3.34	3.06
Housing, Water, Electricity & Other Fuel (HWEF)	20.45	1.83	0.54	-0.92	1.57	1.62	11.93	16.19	7.24	0.74
Transportation	12.38	8.81	0.96	0.40	0.71	1.23	0.58	0.12	0.61	1.61
Food and Beverage Provision/Restaurant	8.67	3.15	2.38	1.95	1.50	1.46	1.36	1.37	1.42	1.93
Household Equipment & Routine Maintenance (HHE)	5.97	2.38	1.04	0.61	0.23	0.20	0.16	0.21	0.24	0.60
Personal Care and Other Services (PCS)	5.89	4.32	5.29	9.82	12.49	13.33	15.22	16.66	15.32	11.43
Information, Comm & Financial Service (ICFS)	5.83	-0.24	-0.19	-0.31	-0.25	-0.28	-0.19	-0.09	-0.03	0.83
Education	5.62	2.10	1.73	1.65	1.26	1.22	1.11	1.11	1.14	1.14
Clothing and Footwear (CF)	5.41	1.80	1.11	0.96	0.76	0.66	0.56	0.73	0.65	0.79
Health	2.62	1.99	1.82	1.90	2.09	1.83	1.62	1.61	1.49	1.49
Recreation, Sports, and Culture (RSC)	2.15	2.21	1.55	1.15	1.15	1.17	1.05	0.96	1.08	1.19
Core		2.43	1.96	2.36	2.36	2.38	2.45	2.63	2.52	2.44
Administered		7.22	1.35	-0.52	1.58	1.93	9.71	12.66	6.08	1.53
Volatile		5.57	4.88	3.09	5.48	6.21	1.14	4.64	4.24	3.37
Energy		8.02	-0.28	-3.30	0.34	0.66	14.94	22.18	9.08	0.21

Source: BPS, Macrobond, Kenanga Research

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