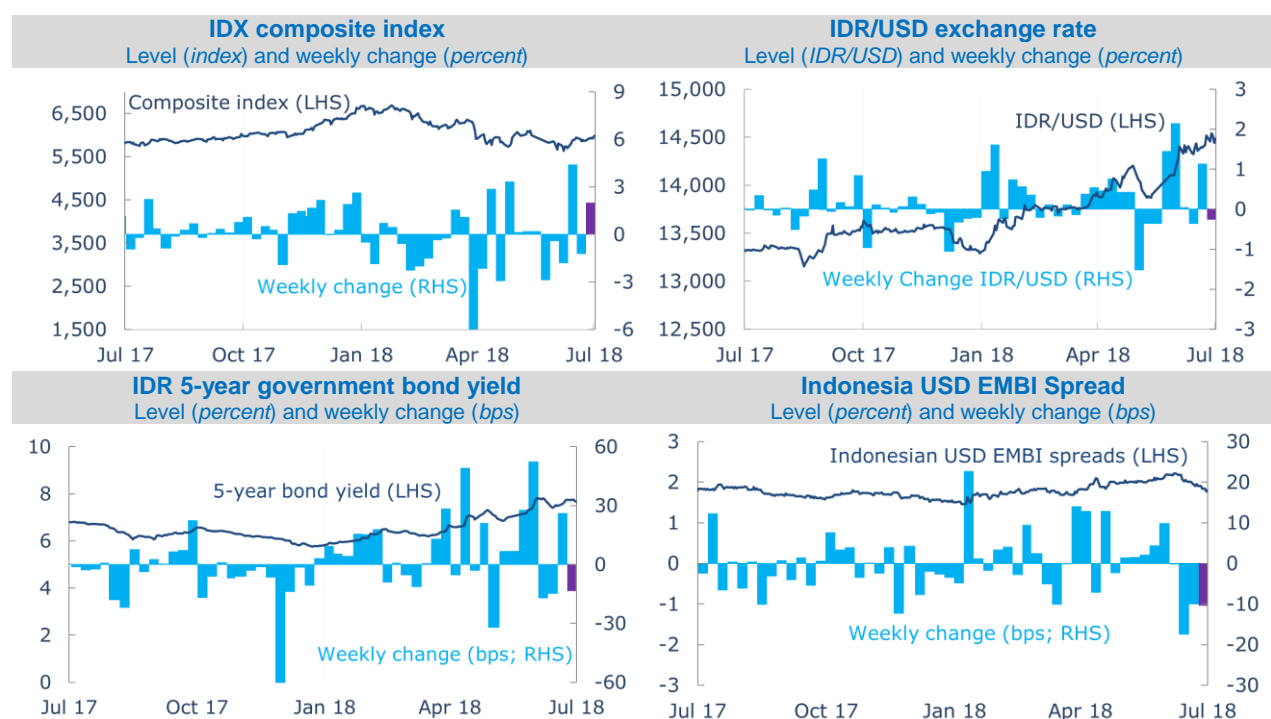


# INDONESIA ECONOMIC WEEK IN REVIEW<sup>1</sup>

## July 23 - 27, 2018

### WEEKLY ECONOMIC HIGHLIGHTS

- ▶ The Jakarta Composite Index rose 2.0 percent over the week, in line with major markets in the region.
- ▶ The Rupiah appreciated against the US Dollar and Euro by 0.3 percent and 0.2 percent, respectively, but depreciated against the Japanese Yen by 1.0 percent over the week.
- ▶ The Government raised IDR 4.8 trillion from the issuance of Rupiah-denominated Sharia bonds on 24 July.
- ▶ Bank Indonesia (BI) is to launch a new interest rate mechanism called **INDONIA** as a benchmark of Jakarta Interbank Offered Rate (JIBOR) overnight. However, JIBOR overnight will still be effective until December 2018 before **INDONIA** being fully effective in January 2019.
- ▶ BI raised IDR 5.97 trillion in total from the issuance of 9- and 12-month Bank Indonesia Certificates (SBI) with rates at 6.25 percent and 6.35 percent, respectively.
- ▶ The House of Representatives (DPR RI) has ratified the amendment of Regulation No. 20/1997 on Non-tax State Revenue.
- ▶ The government is revising a presidential regulation on biodiesel incentives in a bid to expand the use of vegetable oil in biodiesel. The current mix, called B20, is a blend comprising 20 percent vegetable oil.



### FINANCIAL MARKET INDICATORS

Indicator	Latest value	Date of latest value	Unit	Change or total:			Year to date
				7 days*	30 days*	90 days	
<b>Stock market</b>							
Jakarta Composite Index	5,989	27 Jul		2.0%	2.8%	1.2%	-5.5%
Net purchases by foreign investors	0.12	27 Jul	IDR, tn	1.9	-0.8	-16.0	-48.9
Exchange rate: USD/IDR	14,483	27 Jul		-0.3%	2.3%	4.4%	6.9%
<b>Government bonds</b>							
Yield: 1 year IDR bond	6.5%	27 Jul	bps	34.8	31	59	144
Yield: 5-year IDR bond	7.7%	27 Jul	bps	-10	17	101	108
Yield: 10-year IDR bond	8.0%	27 Jul	bps	4	6	75	203
Foreign investor holdings of IDR government bonds	836	27 Jul	IDR, tn	-5.9	0.8	-12.4	-1.2
Indonesia USD bonds stripped spread	180	27 Jul	bps	-10	-32	-3	19
Asia USD bonds stripped spread	178	27 Jul	bps	-9	-25	4	27
<b>Interest rates</b>							
JIBOR overnight	5.0%	27 Jul	bps	-2	58	23	111
Spread relative to policy rate	-25	27 Jul	bps	-2	8	-77	11
International reserves	119.8	30 Jun	USD, bn	--	-5.0	-8.2	-10.4

\* One week and month prior to the latest observation

<sup>1</sup> **DISCLAIMER** This is an internal document and is not for wider circulation. All data and information are from third party sources unless otherwise noted (full list of sources provided at the end of the document). The accuracy of data, statistics or events presented in this document are not independently verified and the document reflects staff interpretation of recent economic developments.

## INTERNATIONAL FINANCIAL MARKET INDICATORS

	Value on	Change since	Year on year	Change over earlier period			Year to date
	27-Jul-18	8-Nov-16 US Election		7 days	30 days	90 days	
<b>STOCK MARKET</b>							
<b>Indonesia</b>							
Composite Index	5,989	11.2%	2.9%	2.0%	2.8%	1.2%	-5.5%
Agriculture	1,447	-17.2%	-17.8%	-0.7%	-1.5%	-11.6%	-10.3%
Mining	2,116	51.5%	43.3%	4.9%	8.1%	18.9%	31.0%
Finance	1,046	29.5%	7.4%	1.9%	4.0%	-0.2%	-7.7%
Basic industry	800	49.8%	31.2%	3.4%	0.0%	3.6%	14.1%
Consumer	2,467	0.3%	-0.9%	2.1%	2.9%	2.4%	-13.8%
Manufacturing	1,520	7.4%	3.7%	2.7%	1.9%	1.9%	-7.5%
Infras., utilities & trans	1,086	0.2%	-9.0%	-0.3%	5.4%	3.9%	-7.6%
Australia	6,392	19.9%	9.6%	0.2%	1.6%	5.8%	3.7%
H.K.	28,804	26.3%	6.2%	2.1%	-0.3%	-4.9%	-5.6%
Japan	22,614	31.7%	12.6%	-0.4%	1.2%	0.7%	-3.8%
Malaysia	12,337	8.9%	0.7%	1.0%	5.9%	-3.7%	-1.2%
Philippines	7,666	6.5%	-4.7%	3.6%	9.4%	-0.7%	-12.1%
Singapore	3,325	18.7%	-0.9%	0.8%	1.3%	-7.1%	-3.1%
Thailand	1,702	13.3%	7.6%	1.8%	4.8%	-4.0%	-4.3%
U.S. S&P 500	2,819	32.2%	13.9%	0.6%	3.5%	5.6%	4.6%
<b>FOREIGN EXCHANGE RATES</b>							
USD exchange rates:							
IDR	14,483	10.7%	8.8%	-0.3%	2.3%	4.4%	6.9%
Euro	0.86	-4.8%	0.6%	0.4%	0.4%	3.8%	3.8%
Singapore Dollar	1.36	-1.9%	0.5%	-0.5%	0.1%	2.7%	2.2%
Thai Baht	33.23	-5.1%	-0.3%	-0.7%	0.8%	5.1%	2.4%
Korean Won	1,118.10	-2.2%	0.5%	-1.4%	0.3%	3.9%	5.4%
Japanese Yen	111.02	6.3%	-0.2%	-1.3%	1.3%	1.5%	-1.4%
IDR cross rates:							
Euro	16,871	16.4%	7.9%	-0.2%	1.7%	0.4%	3.7%
100 Yen	13,047	4.0%	8.7%	1.0%	0.8%	2.6%	8.6%

## UPCOMING EVENTS AND DATA RELEASES

- ▶ BI International Reserves, July data (August 6, 2018)
- ▶ BI Consumer Confidence Index, July data (August 6, 2018)
- ▶ BI Retail Sales Survey, July data (August 6, 2018)

**DATA SOURCES** Data are taken from CEIC, with the following exceptions: the latest Jakarta Stock Exchange and Indonesian government IDR bond yield data are taken from the Indonesian Stock Exchange ([www.idx.co.id](http://www.idx.co.id)), and IDR mid exchange rates from Bank Indonesia ([www.bi.go.id](http://www.bi.go.id)), after 5 pm each day. BI reports international reserves data directly, with a lag of approximately two weeks. CEIC provides the latest BI JIBOR rates via a special direct data service. The Directorate General of Debt Management at the Indonesian Ministry of Finance provides data on the foreign holdings of IDR government bonds ([www.dmo.or.id](http://www.dmo.or.id) contains the most recent observation). Indonesian government USD bond spreads are sourced from DEC's GEM dataset.