

Indonesia's foreign exchange reserves declined in August 2025

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Indonesia's foreign exchange reserves stood at USD 150.7 billion at the end of August 2025, down from USD 152.0 billion at the end of July. Encouragingly, the August 2025 level was still comparable to August 2024 at USD 150.2 billion. The August 2025 position was equivalent to financing 6.3 months of imports or 6.1 months of imports and government external debt payments, well above the international adequacy standard of around three months of imports. This development was accompanied by a relatively stable rupiah, with the USD/IDR (JISDOR) at 16,461 at the end of August, close to 16,459 at the end of July.

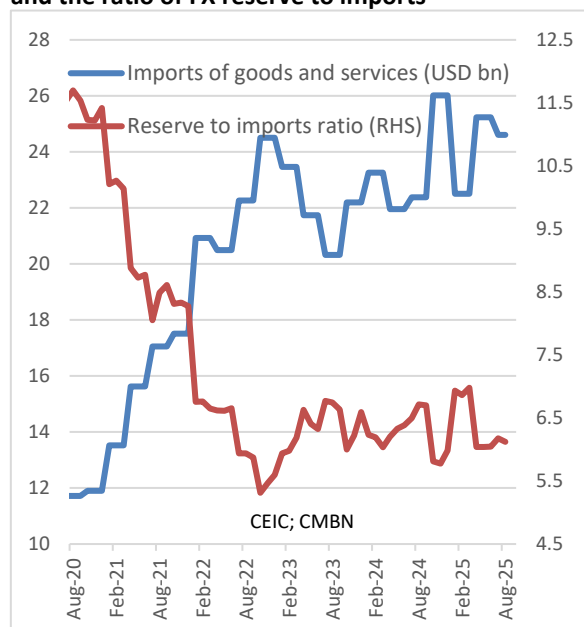
Foreign Flow in Indonesia Capital Market (USD bn)

	Stock market	Bond market	FX reserve	USD/IDR
Mar-24	\$0.49	-\$1.66	\$140.4	15,873
Jun-24	-\$0.09	\$0.07	\$140.2	16,394
Sep-24	\$1.45	\$1.21	\$149.9	15,144
Dec-24	-\$0.31	\$0.26	\$155.7	16,157
Mar-25	-\$0.48	\$0.10	\$157.1	16,566
Jun-25	-\$0.52	-\$0.47	\$152.6	16,231
Jul-25	-\$0.51	\$1.03	\$152.0	16,459
Aug-25	\$0.67	\$1.10	\$150.7	16,461
CEIC				

Bank Indonesia (BI) stated that the decline in reserves during August was attributable to **government external debt repayments** and rupiah exchange rate stabilization measures. Encouragingly, the ratio of reserves to Indonesia's external debt (government and private) remained sound at 35.2% in June 2025, significantly higher than pre-pandemic levels. For comparison, the average ratio in 2019 was 32.0%.

By contrast, foreign exchange reserves in several **ASEAN countries** rose in August 2025. Thailand's reserves increased by USD 2.6 billion to USD 267.4 billion, while Malaysia's rose by USD 1.1 billion to USD 122.0 billion.

Indonesia imports of goods and services (USD bn) and the ratio of FX reserve to imports



In August 2025, **net foreign inflows** into Indonesia's equity market reached USD 0.67 billion, while inflows into IDR government bonds totaled USD 1.10 billion. However, foreign holdings of SRBI fell to IDR 117.8 trillion in early September 2025, from IDR 146.8 trillion at the end of July. Meanwhile, the Jakarta Composite Index (JCI) rose to 7,830 from 7,484 at the end of July, and the 10-year government bond yield declined to 6.36% from 6.57% over the same period.

The relatively stable rupiah against the US dollar and Indonesia's still-high reserves could help reduce volatility in domestic financial markets. These developments open the possibility of further rupiah **interest rate cuts** to support domestic consumption. BI has already reduced the BI Rate by a cumulative 125 bps (25 bps each in January, May, July, and August 2025, as well as September 2024). In addition, the 12-month SRBI rate declined to 5.13% in early September 2025, from 7.30% at the end of December 2024.

The average USD/IDR exchange rate year-to-date (September 2025) stood at 16,392, 3.30% higher than the same period in 2024. On the other hand, the standard deviation of the USD/IDR rate fell to 177 pips, down from 351 pips in the same period.

The Ratio of Indonesia FX Reserves to External Debt



Macroeconomic forecasts

Variables	Jul25	Aug25 E	Sep25 F
Trade balance (USD bn)	4.17	2.80	2.80
Inflation rate (% mom)	0.30	-0.08	-0.03
Inflation rate (% yoy)	2.37	2.31	2.40
BI Rate (%)	5.25	5.00	5.00
Variables	2Q25	3Q25 E	2025 F
GDP (% yoy)	5.12	5.06	5.00
CPI (% yoy)	1.87	2.40	2.16
BI Rate (%)	5.50	5.00	4.75
10Y INDOGB (%)	6.63	6.30	6.20
USD/IDR	16,231	16,000	15,800

Yellow-shaded cells are CIMBN Economist's Forecasts

In August 2025, **the goods trade balance** was estimated to record a surplus of USD 2.8 billion, while the services trade balance was estimated at a deficit of USD 1.8 billion. Net dividend and bond coupon payments to foreign investors, which reduced reserves in August, were estimated at USD 3.1 billion. Offsetting inflows included an estimated USD 500 million in net transfers from abroad and USD 1.0 billion in net foreign direct investment. Meanwhile, government external debt repayments and rupiah stabilization interventions were estimated at USD 2.0 billion, while net placements of Indonesian funds abroad reached an estimated USD 0.5 billion. Both factors also weighed on the reserves position.

Looking ahead, Indonesia's foreign exchange reserves are **projected to rise** to USD 157 billion by end-2025, assuming a current account deficit of USD 4 billion and a financial account surplus of USD 6 billion this year.

The forecast of Indonesia current account balance and FX reserve

		2024	2025 F
Trade balance (goods)	USD bn	31.04	35.00
Current account	USD bn	-8.86	-4.00
Current account	% GDP	-0.64	-0.30
FX reserves	USD bn	155.72	157.00

CEIC; Yellow shaded cells are economist estimate

Indonesia external debt, 10Y bond yield, stock index and USDIDR

	External debt (USD bn)	12M SRBI (%)	10Y INDOGB (%)	JCI	USD/IDR
Dec-23	\$408.52	6.90	6.48	7,273	15,439
Dec-24	\$426.15	7.30	6.96	7,080	16,157
Jan-25	\$428.27	6.74	6.97	7,109	16,312
Feb-25	\$427.88	6.44	6.90	6,271	16,575
Mar-25	\$430.86	6.43	7.00	6,511	16,566
Apr-25	\$432.15	6.56	6.88	6,767	16,679
May-25	\$436.13	6.27	6.84	7,176	16,300
Jun-25	\$433.34	6.19	6.63	6,928	16,231
Jul-25	\$432.00	5.57	6.57	7,484	16,459
Aug-25	\$431.00	5.11	6.36	7,830	16,461

Bloomberg; CEIC; Yellow shaded cells are CIMBN economist estimate

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