

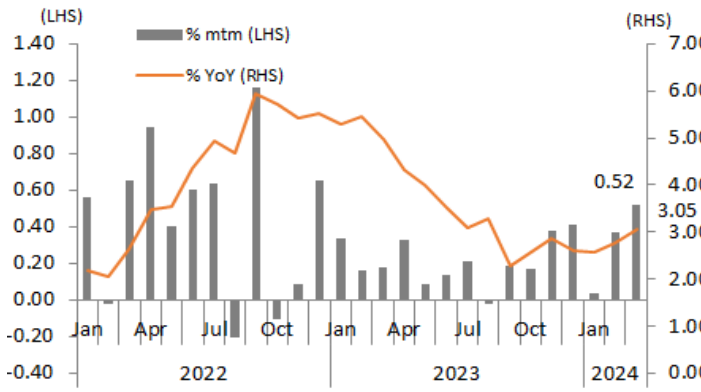
Inflation in Mar'24 Driven Again by Volatile Food Prices

The surge in prices of essential commodities, particularly volatile foods reaching 2.16% MoM or 10.33% YoY, continues to drive headline inflation, which stands at 0.52% MoM or 3.05% YoY (Cons: 0.39% MoM or 2.91% YoY, KBVS: 0.50% MoM or 2.85% YoY, Prev: 0.37% MoM or 2.75% YoY), marking a 7-month high. On a monthly basis, commodities contributing to inflation in Mar '24 include rice, chili peppers, garlic, shallots, chicken eggs, chicken meat, live chickens, fresh fish, spinach, green beans, cooking oil, papayas, machine-made clove cigarettes, tutoring services, rice with side dishes, and gold jewelry. Conversely, commodities contributing to monthly deflation include red chili peppers, tomatoes, and air transportation fares. In terms of inflation groups, core inflation in Mar '24 increased to 0.23% MoM or 1.77% YoY (Cons: 1.70% YoY, KBVS: 1.80% YoY, Prev: 1.68% YoY). Meanwhile, administered price inflation remained stable at 0.08% MoM or 1.39% YoY in the period.

In Mar '24, data from S&P Global Indonesia Manufacturing PMI rose again, reaching 54.2 (Prev: 52.7), marking the highest value since Oct '21. Output increased to a 27-month high, driven by new order growth hitting a seven-month high ahead of the Eid al-Fitr festival. Additionally, purchasing levels expanded steeply, reaching the strongest rate in over two years. Employment remained broadly stable, continuing the trend observed since Sep '23. However, there was also an increase in costs due to higher prices from suppliers and depreciation of the Rupiah.

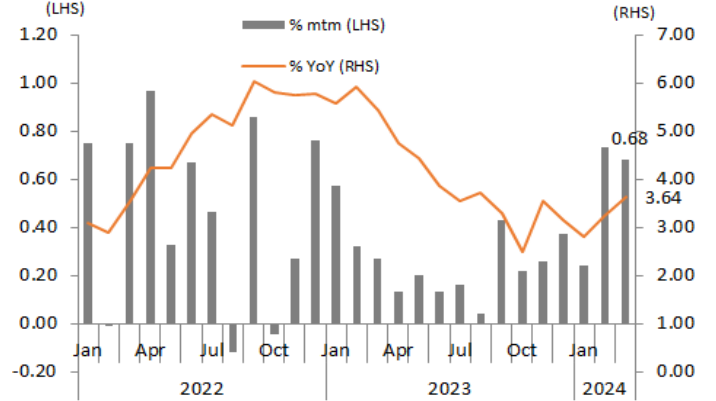
The anticipated increase in demand for goods and the rise in population mobility ahead of the Eid al-Fitr festivities are expected to drive higher inflation in Apr '24, although it is projected to be lower than that of Apr '23, given the abundant harvests in March and April '24. Moreover, the steady airline fares are expected to help contain inflation, keeping it from exceeding 0.33% MoM, similar to what occurred during the 2023 Eid al-Fitr period.

Fig 1. CPI (Consumer or Headline) Inflation



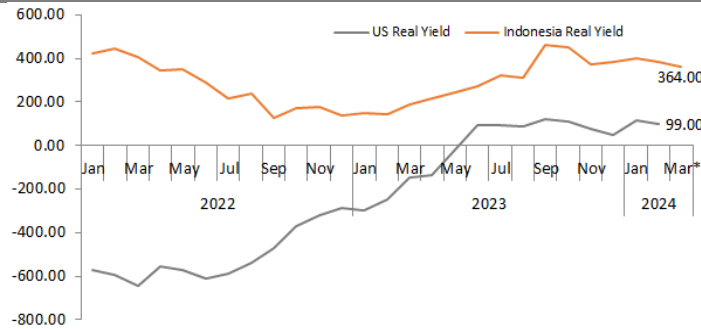
Sources: Bloomberg, KBVS Research - treated (2024)

Fig 2. WPI (Wholesale) Inflation



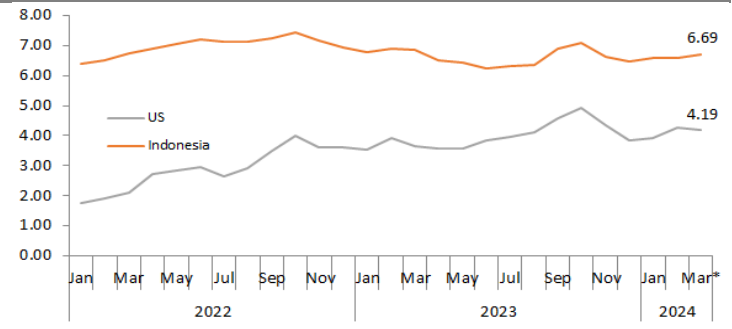
Sources: Bloomberg, KBVS Research - treated (2024)

Fig 3. Real Yield US vs Indonesia (in bps)



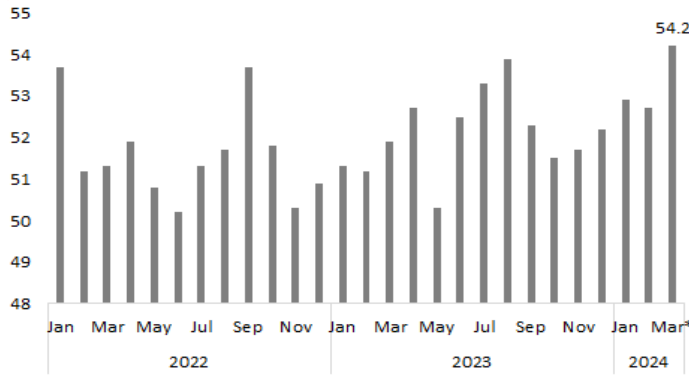
Sources: Bloomberg, KBVS Research - treated (2024)

Fig 4. Yield of 10Yr Government Bond (in %)



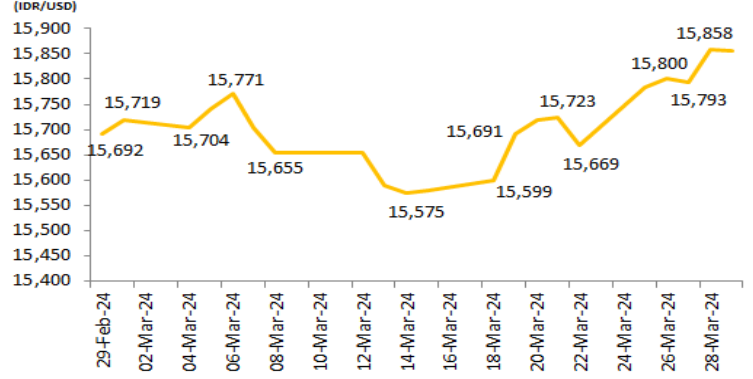
Sources: Bloomberg, KBVS Research - treated (2024)

Fig 5. PMI Manufacturing



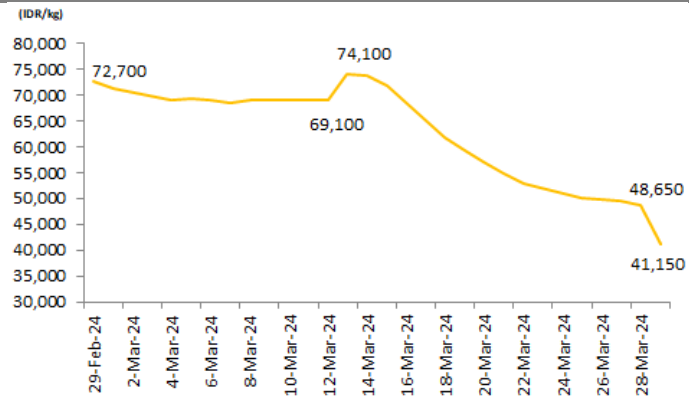
Sources: Market Economics, KBVS Research – treated (2024)

Fig 6. USD/IDR



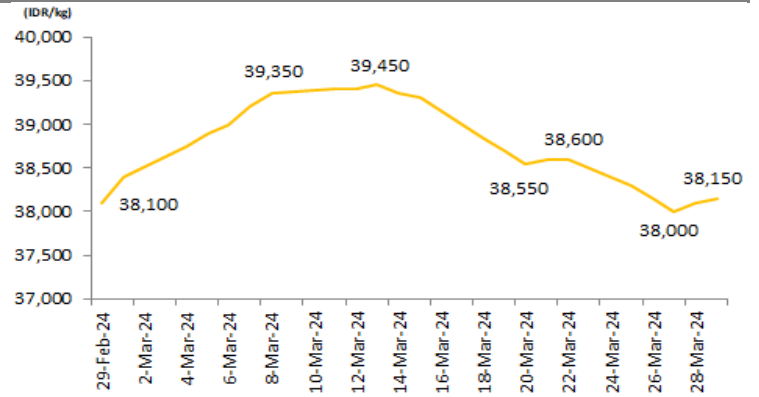
Sources: Investing, KBVS Research – treated (2024)

Fig 7. Chili Price



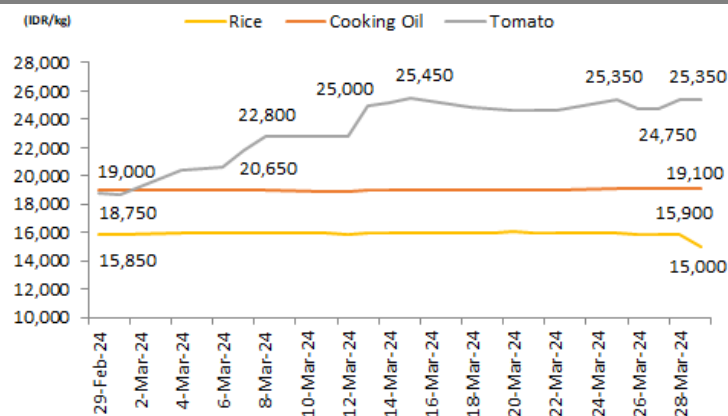
Sources: BI, KBVS Research – treated (2024)

Fig 8. Chicken Meat Price



Sources: BI – treated (2024)

Fig 9. Rice, Tomato and Cooking Oil Price



Sources: Jakarta Pangan, KBVS Research – treated (2024)

Table 1. CPI, WPI & Farmer Exchange Rate Mar'24

Indicators	Index		Inflation	
	Latest	M-1	MoM	YoY
Consumer Price Index (CPI)	106.13	105.58	0.52%	3.05%
Food, Beverages, and Tobacco	111.19	109.63	1.42%	7.43%
Clothing and Footwear	102.51	102.28	0.22%	0.89%
Housing, Water, Electricity, and Household Fuels	102.22	102.20	0.02%	0.55%
Equipment, Tools, and Routine Household Maintenance	103.04	102.96	0.08%	1.03%
Health	103.61	103.39	0.21%	2.17%
Transport	109.08	109.04	0.04%	0.99%
Info, Comm. and Financial Services	99.65	99.67	-0.02%	-0.13%
Recreation, Sport and Culture	103.42	103.41	0.01%	1.62%
Education Services	103.12	102.97	0.15%	1.70%
Food and Beverages Services/Restaurants	104.90	104.56	0.33%	2.51%
Personal Care and Other Services	107.14	106.40	0.70%	3.56%
Core inflation	103.61	103.37	0.23%	1.77%
Administered Price	107.92	107.83	0.08%	1.39%
Volatile Food	114.38	111.96	2.16%	10.33%
Wholesale Price Index (WPI)	119.41	118.60	0.68%	3.65%
Agriculture	116.72	114.64	1.81%	8.56%
Mining and Quarrying	126.06	125.36	0.56%	0.65%
Manufacturing	120.00	119.50	0.42%	2.58%
Farmer Exchange Rate	119.39	120.97	-1.31%	12.76%
Farmers Price Received Index	145.11	145.86	-0.51%	18.95%
Farmers Price Paid Index	120.92	119.89	0.86%	4.96%

Sources: BPS, KBVS Research - treated (2024)

Table 2. Commodity Price In Traditional Market

No.	Commodity	Price (Rp per Kg)					Monthly Price Change (% ptp)
		29/02/2024	07/03/2024	14/03/2024	21/03/2024	31/03/2024	
I	Rice	15,800	15,950	16,000	15,950	15,900	0.63%
1	Lower Quality Rice I	14,550	14,700	14,800	14,750	14,750	1.37%
2	Lower Quality Rice II	14,350	14,500	14,500	14,500	14,450	0.70%
3	Medium Quality Rice I	15,850	16,000	16,000	16,050	16,000	0.95%
4	Medium Quality Rice II	15,700	15,800	15,800	15,800	15,750	0.32%
5	Super Quality Rice I	17,200	17,300	17,350	17,300	17,250	0.29%
6	Super Quality Rice II	16,650	16,750	16,800	16,750	16,750	0.60%
II	Chicken meat	37,800	39,200	39,350	38,600	38,100	0.79%
1	Fresh Race Chicken Meat	37,800	39,200	39,350	38,600	38,100	0.79%
III	Beef	134,600	134,900	135,700	135,250	134,650	0.04%
1	Quality 1 Beef	138,150	138,450	139,250	138,800	138,500	0.25%
2	Quality 2 Beef	129,200	129,350	130,400	129,750	128,800	-0.31%
IV	Chicken eggs	31,000	31,950	32,550	32,700	32,150	3.71%
1	Fresh Chicken Eggs	31,000	31,950	32,550	32,700	32,150	3.71%
V	Red onion	37,350	36,650	36,750	36,700	37,000	-0.94%
1	Medium Shallot	37,350	36,650	36,750	36,700	37,000	-0.94%
VI	Garlic	40,800	41,450	42,550	43,700	43,700	7.11%
1	Medium Size Garlic	40,800	41,450	42,550	43,700	43,700	7.11%
VII	Red chili pepper	73,300	68,550	73,600	54,850	48,650	-33.63%
1	Large Red Chili	76,800	73,100	74,250	58,650	51,200	-33.33%
2	Curly Red Chili	70,950	66,150	72,500	53,000	46,600	-34.32%
VIII	Cayenne pepper	61,100	61,150	64,300	54,450	50,750	-16.94%
1	Green Cayenne Pepper	52,450	53,500	56,800	50,800	47,900	-8.67%
2	Red Cayenne Pepper	69,200	67,450	70,450	56,800	51,950	-24.93%
IX	Cooking oil	19,000	19,000	19,050	19,050	19,100	0.53%
1	Bulk Cooking Oil	16,250	16,300	16,400	16,450	16,500	1.54%
2	Branded Packaging Cooking Oil 1	20,750	20,700	20,700	20,750	20,800	0.24%
3	Branded Packaging Cooking Oil 2	19,350	19,300	19,300	19,350	19,400	0.26%
X	Sugar	17,950	18,050	18,150	18,200	18,300	1.95%
1	Premium Quality Sugar	18,300	18,450	18,500	18,600	18,650	1.91%
2	Local Sugar	17,650	17,800	17,900	17,950	18,000	1.98%

Sources: BPS, KBVS Research - treated (2024)

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