

Apr '25 Inflation: Yearly Inflation Surges Beyond Eid al-Fitr Seasonal Trend

In a departure from typical seasonal patterns, Apr '25 inflation rose more sharply than expected following the Eid al-Fitr holiday. **This is reflected in the headline inflation, which stood at 1.17% MoM and 1.95% YoY (Cons: 1.02% MoM or 1.50% YoY, KBVS: 0.21% MoM or 0.98% YoY, Prev: 1.65% MoM; 1.03% YoY).** The main driver behind this surge was the continued impact of electricity tariff normalization. This effect was initially expected to materialize only in Mar '25, but its persistence pushed the Administered Prices category to rise significantly by 5.21% MoM or 1.25% YoY. Core inflation also rose 0.31% MoM and 2.50% YoY, while Volatile Food Prices recorded a slight deflation of -0.04% MoM and 0.64% YoY, providing partial offset.

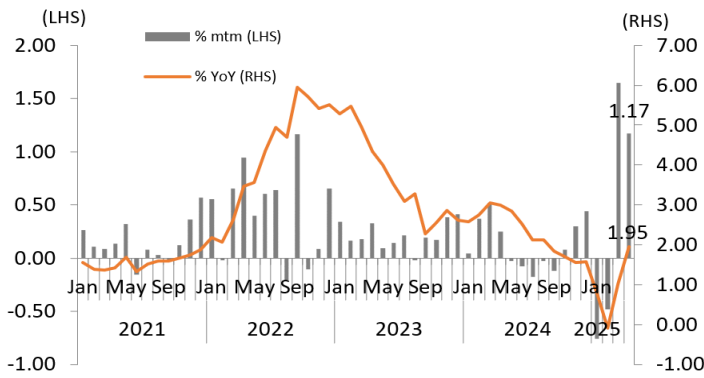
From an expenditure group perspective, **the electricity tariff adjustment notably pushed the Housing, Water, Electricity, and Household Fuels category to surge 6.60% MoM.** This was followed by Personal Care and Other Services, which increased by 2.46% MoM, in line with rising prices of gold jewelry commodities. Conversely, **the Information, Communication, and Financial Services category posted a deflation of -0.42% MoM,** driven by widespread discounts on internet data packages. Similarly, Clothing and Footwear recorded a mild deflation of -0.04% MoM in Apr '25.

Interestingly, **the Food, Beverage, and Tobacco group—typically a key driver of inflation—was relatively flat in Apr '25, rising only 0.07% MoM.** This was largely due to a 6.38% YoY increase in the non-alcoholic beverage sub-category. While the Statistics Indonesia (BPS) recorded higher prices for commodities such as shallots, red chili, tomatoes, and garlic, data from the Strategic Food Price Information Center (PIHPS) under Bank Indonesia (*see Table 2, p.3*) indicated that these commodity prices had declined on a *point-to-point* (ptp) basis by the end of Apr '25 compared to Mar '25.

We are concerned that this upward trend in annual inflation in Apr '25 could lead to a continued increase in household consumption expenditure (*see Fig. 4, p.2*), thereby reducing disposable income, weakening purchasing power—especially for durable goods—and shrinking the space for household savings and investments. These dynamics may serve as an early signal of weakening domestic economic growth. **We estimate that GDP growth for both 1Q and 2Q25 will likely fall below the 5.0% threshold.** This concern is further supported by a weakening in the domestic S&P Global Manufacturing PMI during the same period (*see Fig. 5, p.2*).

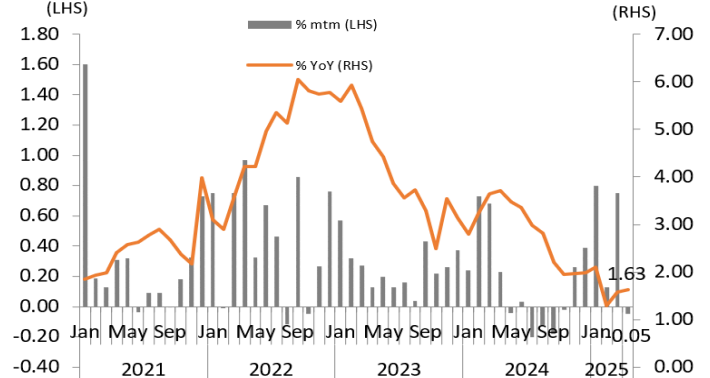
Looking ahead, we expect monthly inflation to moderate, supported by a decline in gold prices, Rupiah appreciation (which helps suppress imported inflation), lower energy commodity prices, and a continued drop in rice prices in line with increased domestic rice production. However, the lingering effects of electricity tariff normalization remain a key upside risk to future inflation.

Fig 1. CPI (Consumer or Headline) Inflation



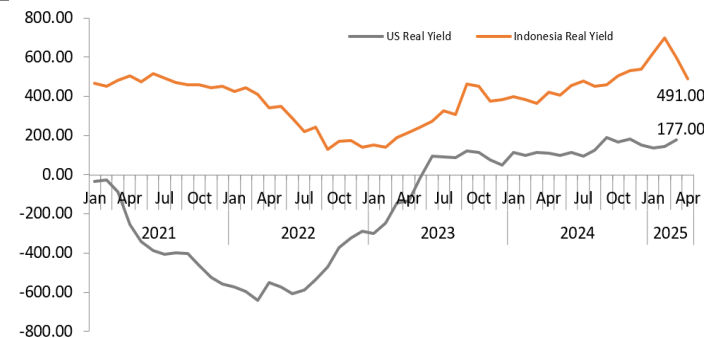
Sources: BPS, KBVS Research – treated (2025)

Fig 2. WPI (Wholesale) Inflation



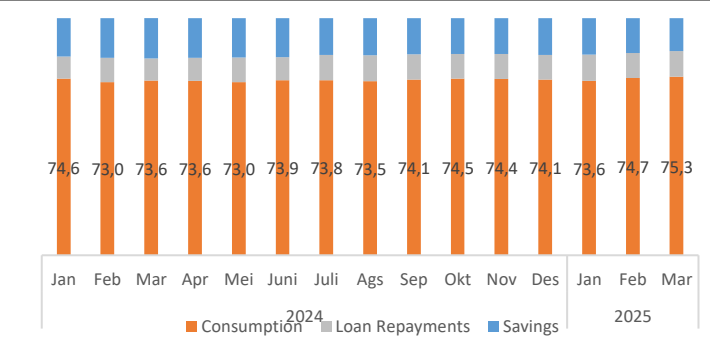
Sources: BPS, KBVS Research – treated (2025)

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



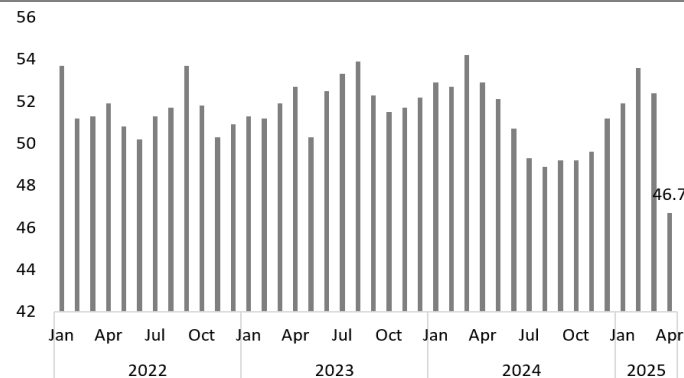
Sources: Bloomberg, KBVS Research – treated (2025)

Fig 4. Respondent of Indonesia's Consumer Expenditure Proportion (%)



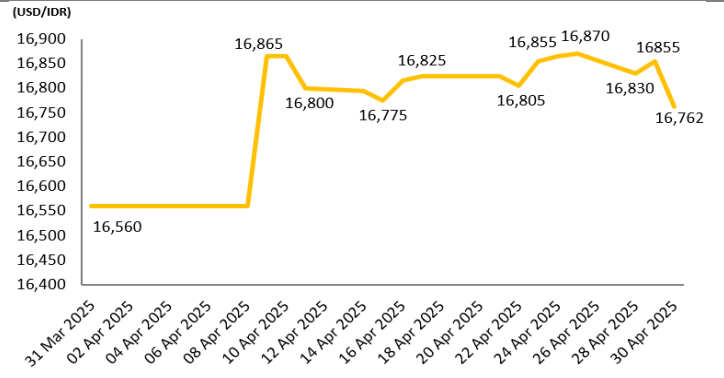
Sources: BI, KBVS Research – treated (2025)

Fig 5. PMI Manufacturing



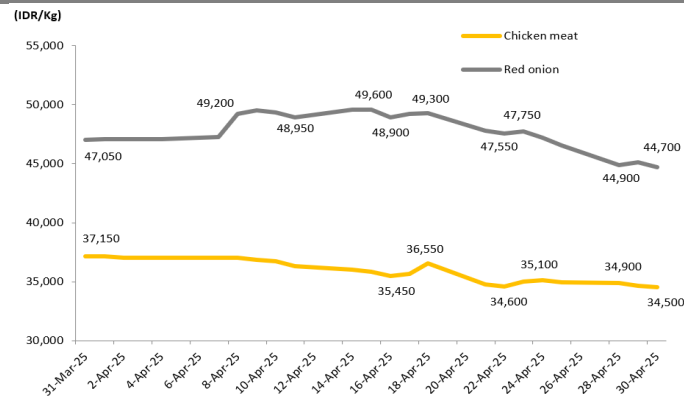
Sources: Market Economics, KBVS Research – treated (2025)

Fig 6. USD/IDR



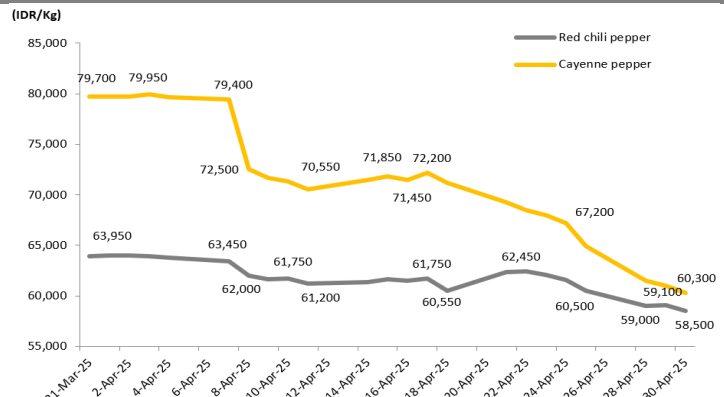
Sources: Bloomberg, KBVS Research – treated (2025)

Fig 7. Chicken Meat & Red Onion Price



Sources: BI, KBVS Research – treated (2025)

Fig 8. Red Chili Pepper & Cayenne Pepper Price



Sources: BI, KBVS Research – treated (2025)

Table 1. CPI, WPI & Farmer Exchange Rate April '25

Indicators	Index		Inflation	
	Latest	M-1	MoM	YoY
Consumer Price Index (CPI)	108.47	107.22	1.17%	1.95%
Food, Beverages, and Tobacco	113.57	113.49	0.07%	2.17%
Clothing and Footwear	103.92	103.96	-0.04%	0.91%
Housing, Water, Electricity, and Household Fuels	103.87	97.44	6.60%	1.60%
Equipment, Tools, and Routine Household Maintenance	104.11	104.02	0.09%	0.88%
Health	105.58	105.47	0.10%	1.83%
Transport	109.97	109.98	-0.01%	-0.11%
Info, Comm. and Financial Services	98.99	99.41	-0.42%	-0.64%
Recreation, Sport and Culture	104.78	104.63	0.14%	1.25%
Education Services	105.08	105.07	0.01%	1.88%
Food and Beverages Services/Restaurants	107.47	107.27	0.19%	2.14%
Personal Care and Other Services	119.34	116.47	2.46%	9.93%
Core inflation	106.51	106.18	0.31%	2.50%
Administered Price	109.95	104.51	5.21%	1.25%
Volatile Food	114.75	114.80	-0.04%	0.64%
Wholesale Price Index (WPI)	105.07	105.12	-0.05%	1.63%
Agriculture	108.41	109.20	-0.72%	2.62%
Mining and Quarrying	100.89	100.54	0.35%	-0.10%
Manufacturing	106.86	106.82	0.04%	0.79%
Farmer Exchange Rate	121.06	123.72	-2.15%	3.66%
Farmers Price Received Index	150.19	152.24	-1.35%	5.93%
Farmers Price Paid Index	124.07	123.05	0.83%	2.20%

Sources: BPS, KBVS Research - treated (2025)

Table 2. Commodity Price In Traditional Market

No.	Commodity	Price (Rp per Kg)					Monthly Price Change (%, ptp)
		31/ 03/ 2025	07/ 04/2025	14/ 04/2025	21/ 04/ 2025	30/ 04/ 2025	
I	Rice	15,200	15,200	15,300	15,250	15,300	0.66%
1	Lower Quality Rice I	13,950	13,950	14,100	14,100	14,100	1.08%
2	Lower Quality Rice II	13,700	13,700	13,900	13,750	13,900	1.46%
3	Medium Quality Rice I	15,200	15,250	15,400	15,350	15,400	1.32%
4	Medium Quality Rice II	15,100	15,100	15,300	15,250	15,250	0.99%
5	Super Quality Rice I	16,550	16,550	16,700	16,650	16,700	0.91%
6	Super Quality Rice II	16,200	16,200	16,300	16,200	16,300	0.62%
II	Chicken meat	37,150	37,050	36,000	34,750	34,900	-6.06%
1	Fresh Race Chicken Meat	37,150	37,050	36,000	34,750	34,750	-6.46%
III	Beef	139,150	138,650	136,850	136,650	136,600	-1.83%
1	Quality 1 Beef	142,350	141,850	140,150	140,050	139,850	-1.76%
2	Quality 2 Beef	134,150	133,700	132,000	131,900	131,650	-1.86%
IV	Chicken eggs	30,200	30,200	29,800	29,500	30,000	-0.66%
1	Fresh Chicken Eggs	30,200	30,200	29,800	29,500	30,050	-0.50%
V	Red onion	47,050	47,250	49,550	47,800	44,900	-4.57%
1	Medium Shallot	47,050	47,250	49,550	47,800	45,350	-3.61%
VI	Garlic	46,700	46,800	47,650	46,900	46,600	-0.21%
1	Medium Size Garlic	46,700	46,800	47,650	46,900	46,600	-0.21%
VII	Red chili pepper	63,950	63,450	61,350	62,350	59,000	-7.74%
1	Large Red Chili	62,250	61,950	57,150	56,700	54,600	-12.29%
2	Curly Red Chili	64,100	63,550	62,750	64,350	61,300	-4.37%
VIII	Cayenne pepper	79,700	79,400	71,450	69,250	61,500	-22.84%
1	Green Cayenne Pepper	63,250	63,200	55,250	52,550	50,350	-20.40%
2	Red Cayenne Pepper	95,200	94,950	86,500	83,100	71,950	-24.42%
IX	Cooking oil	21,000	21,050	21,000	20,950	21,100	0.48%
1	Bulk Cooking Oil	18,850	18,850	18,850	18,800	18,800	-0.27%
2	Branded Packaging Cooking Oil 1	22,300	22,300	22,300	22,250	22,350	0.22%
3	Branded Packaging Cooking Oil 2	21,400	21,450	21,300	21,300	21,350	-0.23%
X	Sugar	19,150	19,150	19,300	19,250	19,300	0.78%
1	Premium Quality Sugar	19,700	19,700	19,900	19,900	19,850	0.76%
2	Local Sugar	18,700	18,700	18,800	18,750	18,800	0.53%

Sources: BI, KBVS Research - treated (2025)

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