

## Jun '25 Inflation Fueled by Eid al-Adha and School Holiday Seasonality

The Inflation in June 2025 was largely driven by seasonal factors, particularly Eid al-Adha and school holidays. This is evident in the primary inflation-contributing components during the month, most notably the increase in air transportation fares, which contributed 0.04 percentage points to overall inflation. In addition to airfare, Statistics Indonesia (BPS) reported that inflationary pressures also stemmed from rising prices of rice, bird's eye chili, shallots, tomatoes, broiler eggs, broiler chicken, long beans, green beans, Chinese cabbage (bok choy/petsai), machine-made clove cigarettes (SKM), household fuel, and gold jewelry. On the other hand, several transportation-related components recorded deflation, offsetting some of the upward pressure. These included gasoline (-0.02%), railway fares, and sea transport fares (each contributing -0.01%). Other items that helped curb inflation were red chili, garlic, and high school tuition fees. As a result, **headline inflation in Jun '25 stood at 0.19% MoM or 1.87% YoY (Cons: 0.12% MoM or 1.80% YoY; KBVS: -0.35% MoM or 1.33% YoY; Prev: -0.37% MoM or 1.60% YoY).**

From a component perspective, the largest contributor to monthly inflation was the Volatile Food Component, which rose by **0.77% MoM or 0.57% YoY**. Meanwhile, Core Inflation came in at 0.07% MoM or 2.37% YoY (Cons: 0.12% MoM or 2.42% YoY; KBVS: -0.34% MoM or 1.95% YoY; Prev: 0.07% MoM or 2.40% YoY). Administered Prices recorded an inflation rate of 0.09% MoM or 1.34% YoY, while the Energy Component experienced deflation of -0.12% MoM or -0.26% YoY (*see Table 1, page 3*).

In parallel, the **Wholesale Price Index (WPI)** in Jun '25 registered inflation of **0.12% MoM or 1.36% YoY**. The largest increases were seen in the Agriculture, Forestry, and Fishery sector, which posted inflation of 0.49% MoM or 0.94% YoY; followed by the Food, Beverage, and Tobacco Products; and the Textiles, Apparel, and Leather Goods sector, which recorded 0.22% MoM or 1.38% YoY. In contrast, deflation was observed in the sectors of Metal Ores and Minerals, and Electricity, Gas, and Water, which fell by -1.24% MoM or -1.03% YoY.

Looking ahead, the appreciation of the Rupiah and the continued decline in global commodity prices — including energy and agricultural goods — are expected to alleviate imported inflationary pressures in the coming months. However, at the same time, the start of the new academic year may lead to rising education costs, which could contribute to inflation through the Education component. On the downside, there is continued concern about the weakening performance of the manufacturing sector, with the Manufacturing PMI remaining in contraction for three consecutive months. This ongoing softness may eventually spill over to household income and spending, potentially dampening demand for both domestic and imported goods.

Fig 1. CPI (Consumer or Headline) Inflation

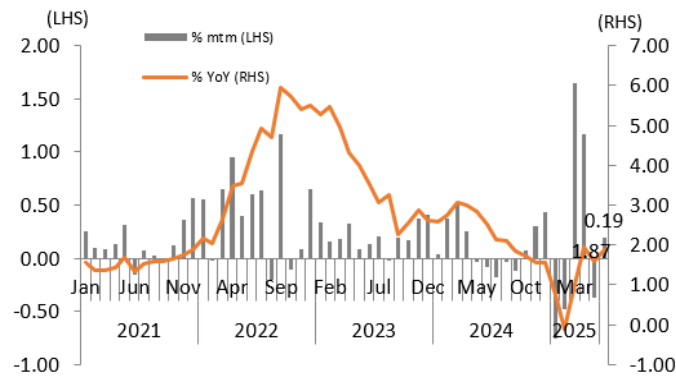


Fig 2. WPI (Wholesale) Inflation

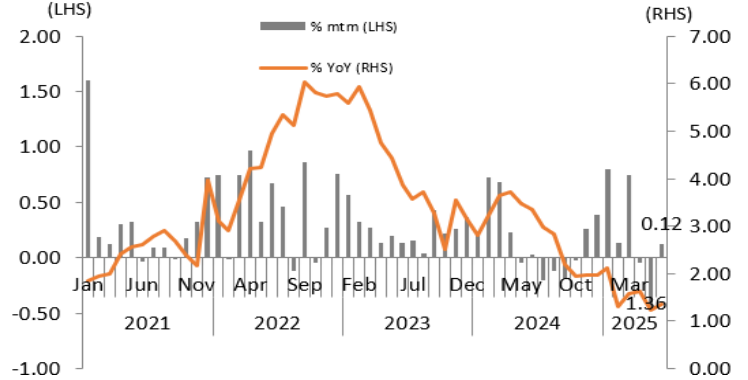


Fig 3. Real Yield US vs Indonesia (in bps)

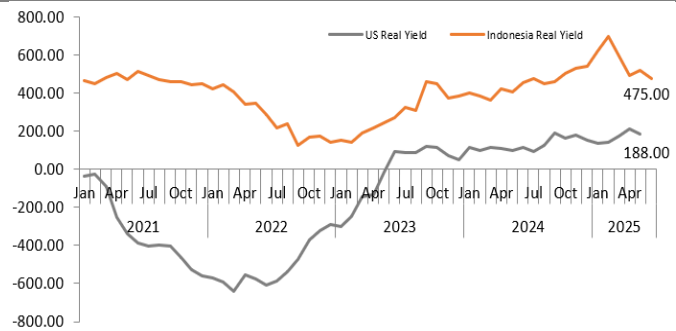


Fig 4. Yield of 10Yr Government Bond (in %)

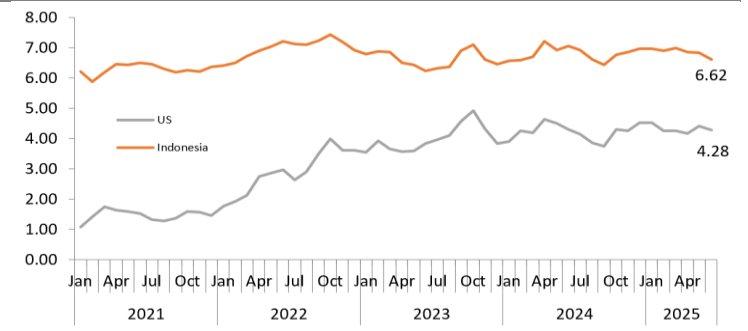


Fig 5. PMI Manufacturing

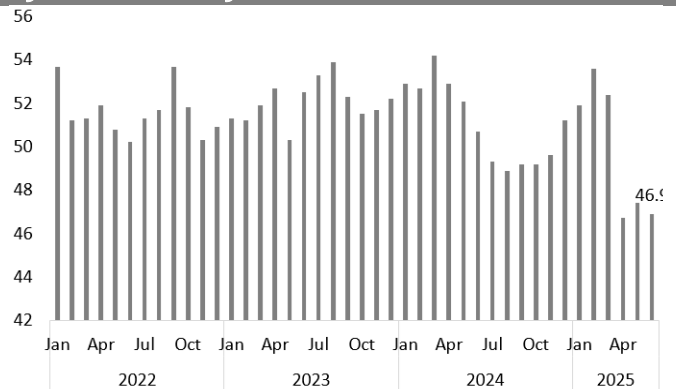


Fig 6. USD/IDR

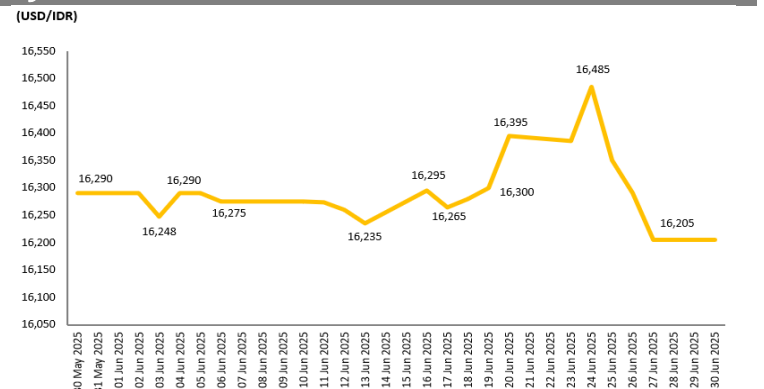


Fig 7. Red Chilli Pepper & Garlic Price

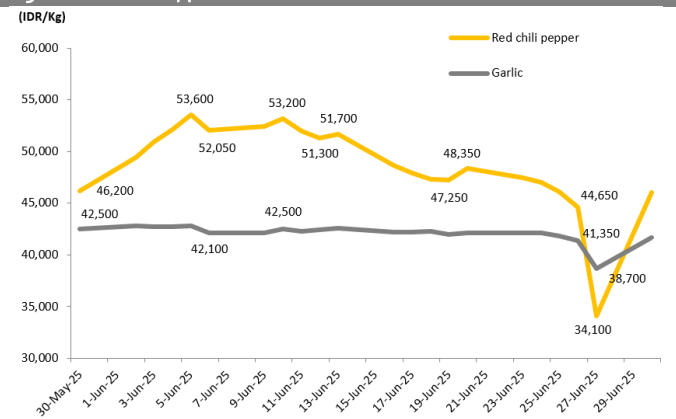


Fig 8. Red Onion & Cayenne Pepper Price



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

Indicators	Index		Inflation	
	Latest	M-1	MoM	YoY
<b>Consumer Price Index (CPI)</b>	<b>108.27</b>	<b>108.07</b>	<b>0.19%</b>	<b>1.87%</b>
Food, Beverages, and Tobacco	112.50	111.98	0.46%	1.99%
Clothing and Footwear	104.00	103.95	0.05%	1.01%
Housing, Water, Electricity, and Household Fuels	103.98	103.89	0.09%	1.59%
Equipment, Tools, and Routine Household Maintenance	104.06	104.07	-0.01%	0.57%
Health	105.68	105.58	0.09%	1.84%
Transport	109.97	109.89	0.07%	0.15%
Info, Comm. and Financial Services	99.29	99.30	-0.01%	-0.27%
Recreation, Sport and Culture	104.96	104.87	0.09%	1.23%
Education Services	105.03	105.08	-0.05%	1.82%
Food and Beverages Services/Restaurants	107.65	107.57	0.07%	1.95%
Personal Care and Other Services	120.01	119.62	0.33%	9.30%
Core inflation	106.66	106.59	0.07%	2.37%
Administered Price	110.03	109.93	0.09%	1.34%
Volatile Food	112.76	111.90	0.77%	0.57%
<b>Wholesale Price Index (WPI)</b>	<b>104.73</b>	<b>104.60</b>	<b>0.12%</b>	<b>1.36%</b>
Agriculture	106.60	106.08	0.49%	0.94%
Mining and Quarrying	100.00	101.26	-1.24%	-1.03%
Manufacturing	107.04	106.81	0.22%	1.38%
<b>Farmer Exchange Rate</b>	<b>121.72</b>	<b>121.15</b>	<b>0.47%</b>	<b>2.48%</b>
Farmers Price Received Index	150.88	149.84	0.69%	4.65%
Farmers Price Paid Index	123.96	123.68	0.23%	2.13%

Sources: BPS, KBVS Research - treated (2025)

**Table 2. Commodity Price In Traditional Market**

No.	Commodity	Price (Rp per Kg)					Monthly Price Change (%, ptp)
		30/ 05/ 2025	06/ 05/2025	13/ 05/2025	20/ 05/ 2025	30/ 05/ 2025	
<b>I</b>	<b>Rice</b>	<b>15,400</b>	<b>15,400</b>	<b>15,500</b>	<b>15,600</b>	<b>14,900</b>	<b>-3.25%</b>
1	Lower Quality Rice I	14,150	14,200	14,250	14,350	13,550	-4.24%
2	Lower Quality Rice II	13,900	13,950	14,050	14,150	13,550	-2.52%
3	Medium Quality Rice I	15,500	15,500	15,550	15,650	14,800	-4.52%
4	Medium Quality Rice II	15,350	15,400	15,400	15,500	14,350	-6.51%
5	Super Quality Rice I	16,750	16,750	16,850	16,900	16,200	-3.28%
6	Super Quality Rice II	16,300	16,300	16,350	16,500	15,550	-4.60%
<b>II</b>	<b>Chicken meat</b>	<b>35,600</b>	<b>36,300</b>	<b>34,950</b>	<b>35,050</b>	<b>35,500</b>	<b>-0.28%</b>
1	Fresh Race Chicken Meat	35,600	36,300	35,050	35,050	35,500	-0.28%
<b>III</b>	<b>Beef</b>	<b>135,800</b>	<b>138,050</b>	<b>137,650</b>	<b>136,600</b>	<b>128,250</b>	<b>-5.56%</b>
1	Quality 1 Beef	139,300	141,350	139,550	139,800	133,400	-4.24%
2	Quality 2 Beef	131,100	133,150	131,800	131,700	123,150	-6.06%
<b>IV</b>	<b>Chicken eggs</b>	<b>29,450</b>	<b>29,650</b>	<b>29,900</b>	<b>29,900</b>	<b>28,800</b>	<b>-2.21%</b>
1	Fresh Chicken Eggs	29,450	29,650	29,900	29,900	28,800	-2.21%
<b>V</b>	<b>Red onion</b>	<b>39,850</b>	<b>41,050</b>	<b>44,750</b>	<b>48,850</b>	<b>42,300</b>	<b>6.15%</b>
1	Medium Shallot	39,850	41,050	44,500	48,850	42,300	6.15%
<b>VI</b>	<b>Garlic</b>	<b>42,500</b>	<b>42,100</b>	<b>42,550</b>	<b>42,150</b>	<b>38,700</b>	<b>-8.94%</b>
1	Medium Size Garlic	42,500	42,100	42,250	42,150	38,700	-8.94%
<b>VII</b>	<b>Red chili pepper</b>	<b>46,200</b>	<b>52,050</b>	<b>51,700</b>	<b>48,350</b>	<b>34,100</b>	<b>-26.19%</b>
1	Large Red Chili	45,700	52,500	51,550	48,250	35,150	-23.09%
2	Curly Red Chili	46,150	51,300	50,900	48,650	33,700	-26.98%
<b>VIII</b>	<b>Cayenne pepper</b>	<b>45,000</b>	<b>50,100</b>	<b>53,650</b>	<b>56,550</b>	<b>52,350</b>	<b>16.33%</b>
1	Green Cayenne Pepper	39,600	43,050	47,550	48,300	30,750	-22.35%
2	Red Cayenne Pepper	48,200	54,700	56,700	63,750	64,050	32.88%
<b>IX</b>	<b>Cooking oil</b>	<b>21,000</b>	<b>20,950</b>	<b>21,000</b>	<b>20,950</b>	<b>20,800</b>	<b>-0.95%</b>
1	Bulk Cooking Oil	18,600	18,450	18,450	18,450	18,600	0.00%
2	Branded Packaging Cooking Oil 1	22,300	22,350	22,300	22,300	22,200	-0.45%
3	Branded Packaging Cooking Oil 2	21,450	21,500	21,400	21,400	20,600	-3.96%
<b>X</b>	<b>Sugar</b>	<b>19,150</b>	<b>19,150</b>	<b>19,300</b>	<b>19,150</b>	<b>18,500</b>	<b>-3.39%</b>
1	Premium Quality Sugar	19,850	19,850	19,900	19,900	19,150	-3.53%
2	Local Sugar	18,550	18,550	18,600	18,600	17,850	-3.77%

Sources: BI, KBVS Research - treated (2025)

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