

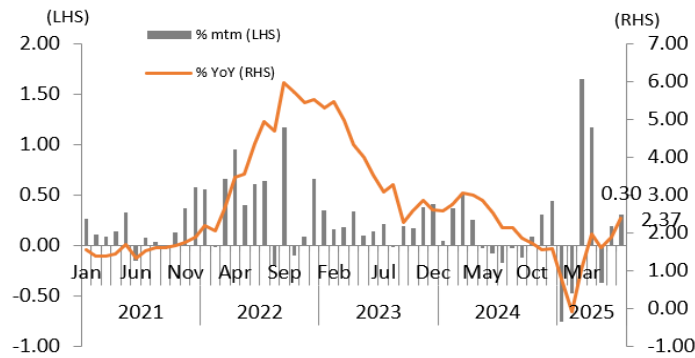
Jul '25 Inflation Driven By Back-to-School and Changing Weather Factors

As projected by KBVS, Indonesia's Consumer Price Index (CPI) inflation in Jul '25 rose to 0.30% MoM or 2.37% YoY (Cons: 0.23% MoM or 2.26% YoY; KBVS forecast: 0.24% MoM or 2.31% YoY; Prev: 0.19% MoM or 1.87% YoY). This increase **was primarily driven by the new academic year cycle that typically occurs in June and July**, resulting in a 0.05% MoM rise in the education expenditure group. The increase was particularly notable across various subgroups, ranging from higher education (1.35% MoM) to early childhood and primary education (3.12% MoM). Additionally, tuition fees for elementary, junior high, and senior high schools, as well as tutoring services, also contributed to this upward trend. Consequently, core inflation rose to 0.08% MoM or 2.32% YoY.

Moreover, the Jul '25 inflation was also driven by an increase in the volatile food component, which rose by 0.20% MoM or 3.82% YoY. This was primarily due to price increases in the food, beverages, and tobacco group, which **recorded inflation of 0.22% MoM or 3.75% YoY**. Key food commodities contributing to inflation during the month included rice (0.06% MoM), tomatoes and shallots (each contributing 0.05% MoM), bird's eye chili (0.04% MoM), chicken eggs (0.02% MoM), and several other items—broiler chicken meat, jengkol, fresh fish, and machine-rolled clove cigarettes (SKM)—each contributing 0.01% MoM. Meanwhile, deflationary contributors included cucumbers, garlic, long beans, oranges, green mustard, and green beans, each subtracting 0.01% MoM from the inflation figure. The administered price component saw only a slight increase in July, rising 0.02% MoM or 1.32% YoY. This was largely driven by inflation in the water supply and other housing services subgroup, in line with increases in regional PDAM clean water tariffs in 18 areas, including Karawang, Buleleng, Sukoharjo, Jailolo, and South Halmahera. From the Wholesale Price Index (WPI) perspective, the increase in consumer food prices appears to have been transmitted from the Wholesale Price Index for Agricultural, Forestry, and Fishery Products, which rose by 0.27% MoM or 4.10% YoY in Jul '25. Commodities experiencing monthly price increases included regular rice, bird's eye chili, tomatoes, shallots, and chicken eggs.

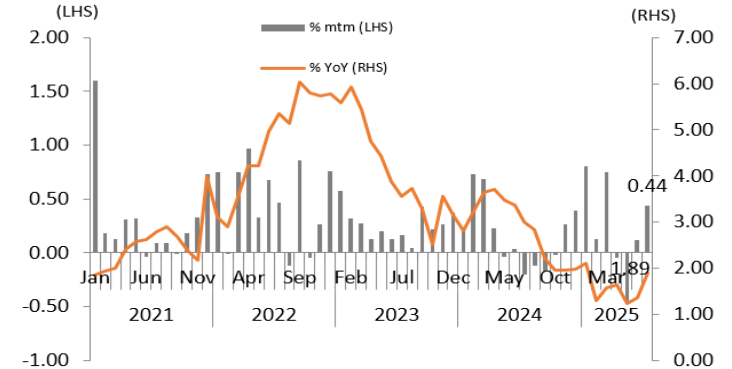
Looking ahead to Aug '25, the impact of PDAM water price adjustments in those 18 regions is expected to continue **driving the administered price component**. In addition, potential extreme weather—ranging from drought and forest fire risk to heavy rain, strong winds, and lightning—is likely to push volatile food prices higher, particularly rice, shallots, and chili, along with fishery-related commodities. **Furthermore, the depreciation of the Rupiah in the final week of July may also lead to increased imported inflation**. Nonetheless, with the end of the holiday season and academic year-related price pressures, coupled with a potential easing of geopolitical risks and global oil prices, **we expect the annual education-related inflation cycle to support further declines in transportation costs, particularly in airfares**.

Fig 1. CPI (Consumer or Headline) Inflation



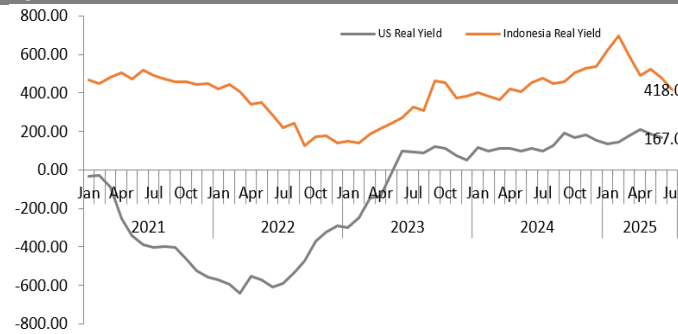
Sources: BPS, KBVS Research - treated (2025)

Fig 2. WPI (Wholesale) Inflation



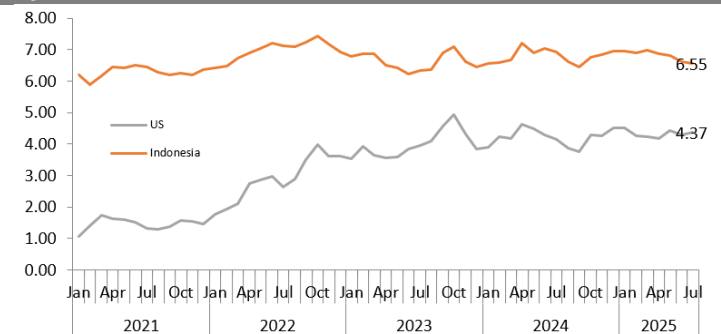
Sources: BPS, KBVS Research - treated (2025)

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



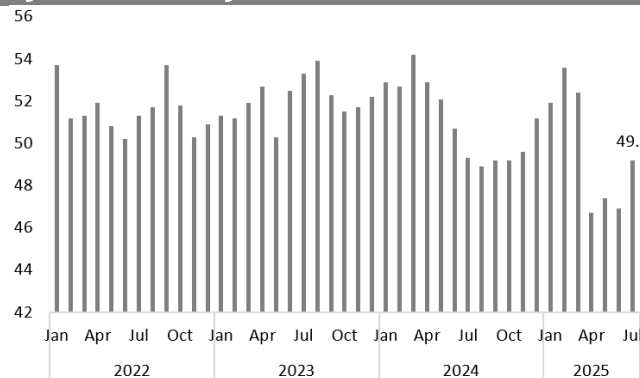
Sources: Bloomberg, KBVS Research - treated (2025)

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



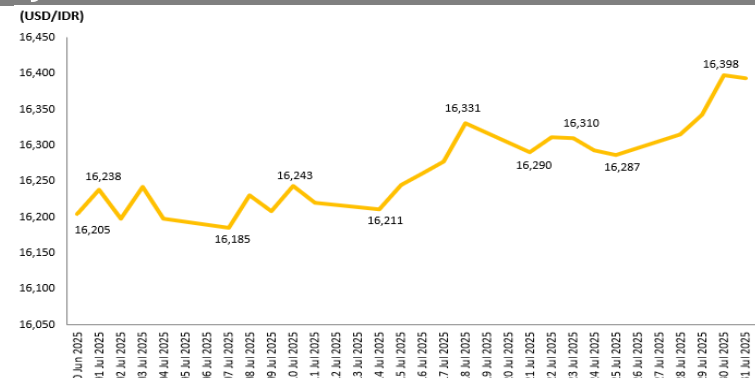
Sources: BI, KBVS Research - treated (2025)

Fig 5. PMI Manufacturing



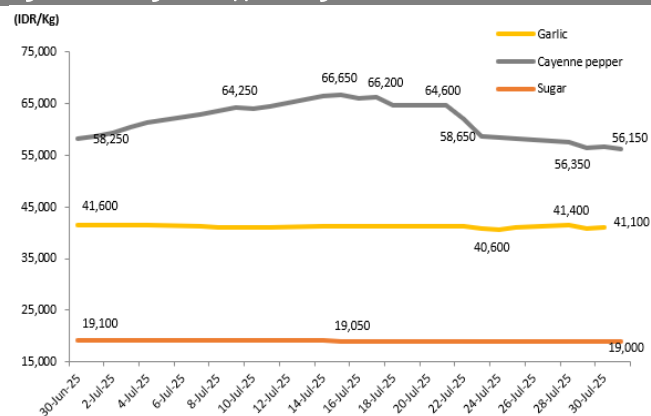
Sources: Market Economics, KBVS Research - treated (2025)

Fig 6. USD/IDR



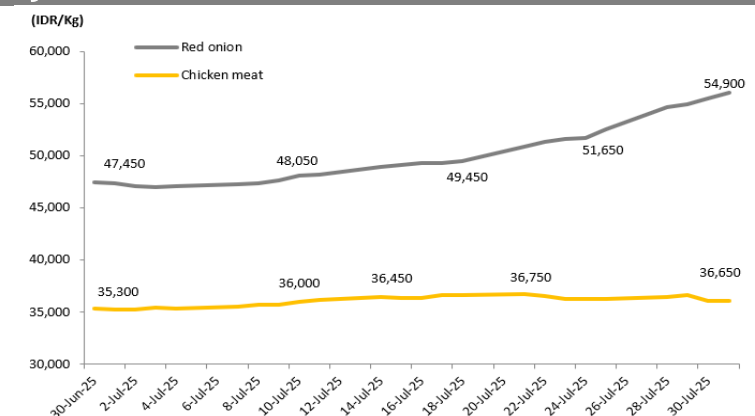
Sources: Bloomberg, KBVS Research - treated (2025)

Fig 7. Garlic, Cayenne Pepper & Sugar Price



Sources: BI, KBVS Research - treated (2025)

Fig 8. Red Onion & Chicken Meat Price



Sources: BI, KBVS Research - treated (2025)

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

Indicators	Index		Inflation	
	Latest	M-1	MoM	YoY
Consumer Price Index (CPI)	108.60	108.27	0.30%	2.37%
Food, Beverages, and Tobacco	113.33	112.50	0.74%	3.75%
Clothing and Footwear	104.10	104.00	0.10%	1.00%
Housing, Water, Electricity, and Household Fuels	104.09	103.98	0.11%	0.67%
Equipment, Tools, and Routine Household Maintenance	104.13	104.06	0.07%	0.52%
Health	105.86	105.68	0.17%	1.94%
Transport	109.97	109.97	0.00%	0.12%
Info, Comm. and Financial Services	99.25	99.29	-0.04%	-0.31%
Recreation, Sport and Culture	105.07	104.96	0.10%	1.05%
Education Services	105.89	105.03	0.82%	1.95%
Food and Beverages Services/Restaurants	107.73	107.65	0.07%	1.86%
Personal Care and Other Services	120.10	120.01	0.07%	9.00%
Core inflation	106.80	106.66	0.13%	2.32%
Administered Price	110.13	110.03	0.09%	1.32%
Volatile Food	114.17	112.76	1.25%	3.82%
Wholesale Price Index (WPI)	105.19	104.73	0.44%	1.89%
Agriculture	108.15	106.60	1.45%	4.10%
Mining and Quarrying	100.14	100.00	0.14%	-1.35%
Manufacturing	107.32	107.04	0.26%	1.37%
Farmer Exchange Rate	121.87	121.72	0.12%	1.89%
Farmers Price Received Index	150.93	150.88	0.03%	4.37%
Farmers Price Paid Index	124.01	123.96	0.04%	2.56%

Sources: BPS, KBVS Research – treated (2025)

Table 2. Commodity Price In Traditional Market

No.	Commodity	Price (Rp per Kg)					Monthly Price Change (%, ptp)
		30/ 06/ 2025	07/ 07/2025	14/ 07/2025	21/ 07/ 2025	31/ 07/ 2025	
I	Rice	15,650	15,750	15,800	15,900	15,950	1.92%
1	Lower Quality Rice I	14,450	14,500	14,550	14,650	14,650	1.38%
2	Lower Quality Rice II	14,250	14,300	14,400	14,400	14,500	1.75%
3	Medium Quality Rice I	15,700	15,800	15,900	16,000	16,000	1.91%
4	Medium Quality Rice II	15,600	15,650	15,750	15,850	15,900	1.92%
5	Super Quality Rice I	17,000	17,050	17,150	17,250	17,250	1.47%
6	Super Quality Rice II	16,550	16,600	16,650	16,700	16,750	1.21%
II	Chicken meat	35,300	35,500	36,450	36,750	36,450	3.26%
1	Fresh Race Chicken Meat	35,300	35,500	36,350	36,750	36,350	2.97%
III	Beef	136,550	136,800	137,150	137,100	137,250	0.51%
1	Quality 1 Beef	139,800	140,050	140,150	140,350	140,200	0.29%
2	Quality 2 Beef	131,650	132,150	132,250	132,450	132,300	0.49%
IV	Chicken eggs	29,950	30,100	30,250	30,400	30,500	1.84%
1	Fresh Chicken Eggs	29,950	30,100	30,200	30,400	30,450	1.67%
V	Red onion	47,450	47,300	48,950	50,850	54,650	15.17%
1	Medium Shallot	47,450	47,300	48,950	50,850	54,650	15.17%
VI	Garlic	41,600	41,250	41,300	41,250	41,400	-0.48%
1	Medium Size Garlic	41,600	41,250	41,100	41,250	41,200	-0.96%
VII	Red chili pepper	46,000	47,450	50,150	49,850	47,300	2.83%
1	Large Red Chili	45,550	46,150	48,500	48,700	47,550	4.39%
2	Curly Red Chili	46,750	48,200	51,550	50,950	47,850	2.35%
VIII	Cayenne pepper	58,250	62,800	66,500	64,600	57,450	-1.37%
1	Green Cayenne Pepper	46,750	49,900	52,900	54,350	49,700	6.31%
2	Red Cayenne Pepper	68,200	73,450	77,200	70,850	63,100	-7.48%
IX	Cooking oil	20,900	20,900	20,900	21,000	21,000	0.48%
1	Bulk Cooking Oil	18,500	18,450	18,450	18,500	18,550	0.27%
2	Branded Packaging Cooking Oil 1	22,300	22,300	22,350	22,450	22,450	0.67%
3	Branded Packaging Cooking Oil 2	21,400	21,400	21,400	21,400	21,400	0.00%
X	Sugar	19,100	19,100	19,100	19,000	19,000	-0.52%
1	Premium Quality Sugar	19,850	19,850	19,850	19,800	19,800	-0.25%
2	Local Sugar	18,500	18,500	18,450	18,400	18,350	-0.81%

Sources: BI, KBVS Research – treated (2025)

Disclaimer

This report is prepared by PT KB Valbury Sekuritas, a member of the Indonesia Stock Exchange, or its subsidiaries or its affiliates ("KBVS"). All the material presented in this report is under copyright to KBVS. None of the parts of this material, nor its contents, may be copied, photocopied, or duplicated in any form or by any means or altered in any way, or transmitted to, or distributed to any other party without the prior written consent of KBVS.

The research presented in this report is based on the information obtained by KBVS from sources believed to be reliable, however KBVS do not make representations as to their accuracy, completeness or correctness. KBVS accepts no liability for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from the use of the material presented in this report and further communication given or relied in relation to this document. The material in this report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. This report is not to be relied upon in substitution for the exercise of independent judgement. Past performance and no representation or warranty, express or implied, is made regarding future performance. Information, valuations, opinions, forecasts and estimates contained in this report reflects a judgement at its original date of publication by KBVS and are subject to change without notice, its accuracy is not guaranteed or it may be incomplete.

The Research Analyst(s) primarily responsible for the content of this research report, in part or as a whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The Analyst also certifies that no part of his/her compensation was, is or will related to specific recommendation views expressed in this report. It also certifies that the views and recommendations expressed in this report do not and will not take into account client circumstances, objectives, needs and no intentions involved as a use for recommendations for sale or buy any securities or financial instruments.

KB Valbury Sekuritas Head Office

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. (021) 25098300
F. (021) 25098400

Branch Office

Jakarta – Sudirman

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Karet Tengsin,
Tanah Abang, Jakarta Pusat 10220
T. (021) 25098300/301

Jakarta – Kelapa Gading

Rukan Plaza Pasifik
Jl. Boulevard Barat Raya Blok A1 No. 10,
Jakarta Utara 14240
T. (021) 29451577

Jakarta – Puri Indah

Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542390

Jakarta – Pluit

Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Bandung

Jl. Abdul Rivai No. 1A, Kel. Pasirkaliki,
Kec. Cicendo Bandung 40171
T. (022) 3003133

Malang

Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Banjarmasin

Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) 3265918

Pekanbaru

Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 859593

Palembang

Komplek PTC Mall Blok I No. 7
Jl. R. Sukanto
Palembang 30114
T. (0711) 2005050

Surabaya

Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 21008080

Padang

Jl. Proklamasi No. 60A
Padang Timur 25121
T. (0751) 8688080

Yogyakarta

Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 8099090

Semarang

Jl. Gajahmada 23A,
Kecamatan Semarang Tengah,
Kelurahan Kembang Sari 50241
T. (024) 40098080

Makassar

Komplek Ruko Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0411) 6000818

Medan

Komplek Golden Trade Center
Jl. Jenderal Gatot Subroto No. 18-19
Medan 20112
T. (061) 50339090

Denpasar

Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 225229

Pontianak

Jl. Prof. M Yamin No. 14
Kotabaru, Pontianak Selatan
Kalimantan Barat 78116
T. (0561) 8069000

Investment Gallery

Jakarta

Citra Garden 6 Ruko Sixth Avenue
Blok J1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 52392181

Tangerang

Ruko Aniva Junction Blok D No. 32
Gading Serpong, Tangerang,
Banten 15334
T. (021) 35293147

Semarang

Jl. Jati Raya No. D6,
Srandol Wetan, Banyumanik,
Semarang 50263
T. (024) 8415195

Salatiga

Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 313007

Solo

Jl. Ronggowarsito No. 34
Surakarta 57118
T. (0271) 3199090

Jambi

Jl. Orang Kayo Hitam No. 48 B
Jambi Timur 36123
T. (0741) 3068533