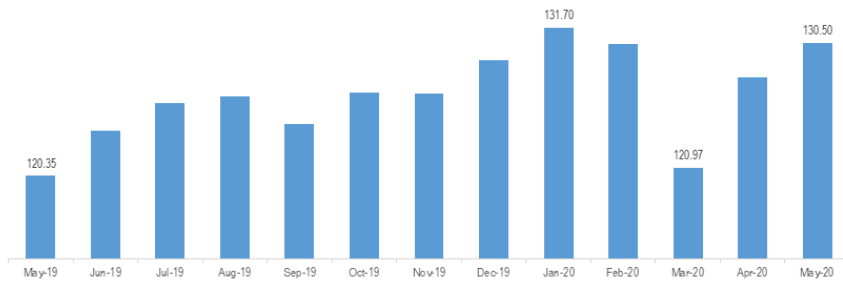


Indonesia Foreign Reserves

Capital Inflow from Government Bond reaches IDR 9.5 Trillion

Indonesia's Foreign Reserves (USD Bn)



Source: Bloomberg, NHKS Research

Lower Than January Position of USD 131.7 Billion

The Central Bank announced Indonesia foreign reserve for the period May 2020 at USD 130.5 Billion. The number improved from April position of IDR 127.9 Billion. However, this number is still lower than January 2020 period of USD 131.7 Billion. The main reason for this was due to massive foreign capital outflow in March 2020. During the period, government repaid foreign debt and carried out an intervention for IDR in the midst of market turmoil in March 2020. At that month, Indonesia Foreign Reserve reached a low of USD 121 Billion.

Capital Inflow from Government Bond reaches IDR 9.5 Trillion

Foreign Investors showed increasing confidence in May 2020. This was evident in Government Bond purchases by foreigners which reached IDR 9.5 Trillion. The benchmark government bond was able to attract outside money by recording increased yields at a range of 160 bps –180 bps between February to March 2020. Some of the bonds that attracted foreign investment were: 10-year FR0082 at 8.30%; 15-year FR0080 at 8.64%, and 20-year FR0083 at 8.69%. On the other hand, the uncertainties regarding coronavirus handling in Indonesia have created high volatility on short-term government bond. This caused foreign investors to be less interested in 5-year FR0081.

Closing in on Record-High Foreign Reserve of USD 131.98 Billion

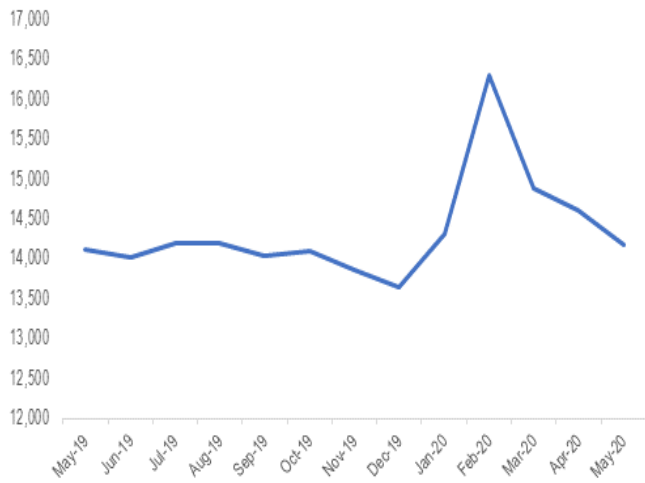
The increase in May 2020 foreign reserve by USD 2.62 Billion to USD 130.5 Billion is a continuation of a trend since April. Moreover, this position level is also closing in the highest foreign reserve record of USD 131.98 Billion in January 2018. The surge in May 2020 Foreign Reserve was supported by increases in: Other Reserve Assets by 2.54% to USD 640.26 Million, Foreign Currency Reserves by 2.18% to USD 120.34 Billion, and Monetary Gold by 0.69% to USD 4.32 Billion.

Arief Machrus

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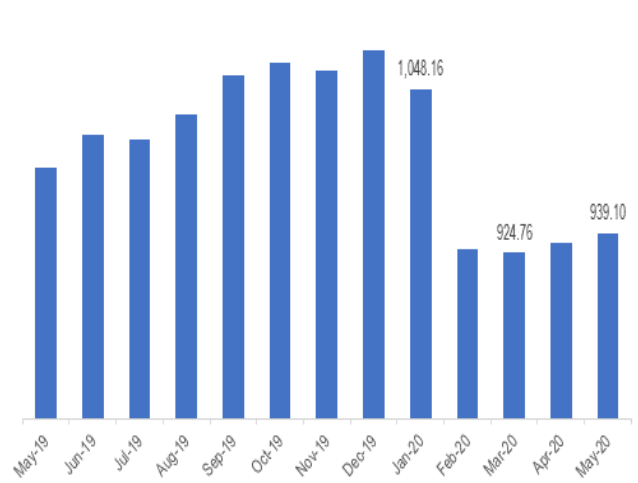
Please consider important disclaimer

USD/IDR Movement | May 19 - May 20



Source: Bloomberg, NHKS Research

Foreign Ownership in Govt. Securities | May 19 - May 20



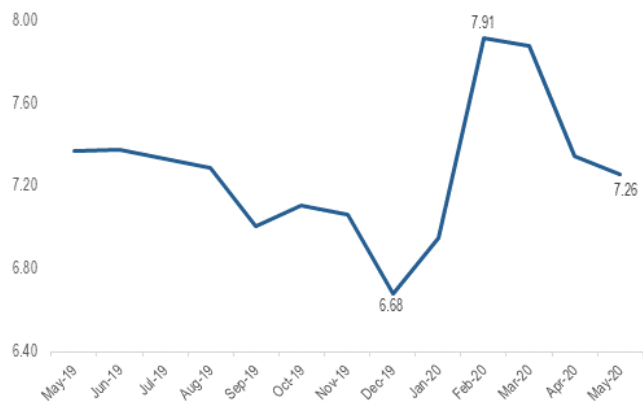
Source: Bloomberg, NHKS Research

Indonesia 5Y Govt. Bond Yield (%) | May 19 - May 20



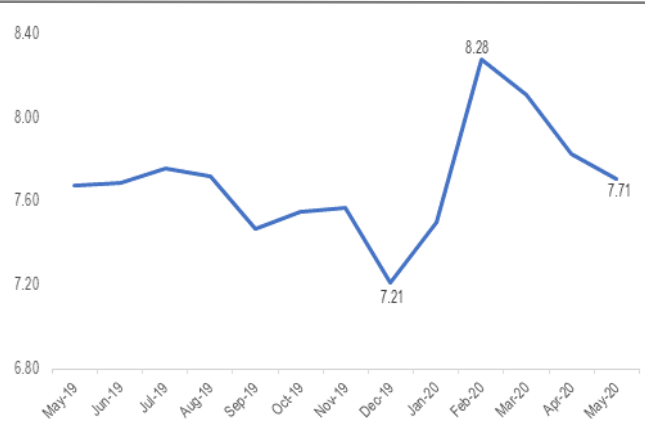
Source: Bloomberg, NHKS Research

Indonesia 10Y Govt. Bond Yield (%) | May 19 - May 20



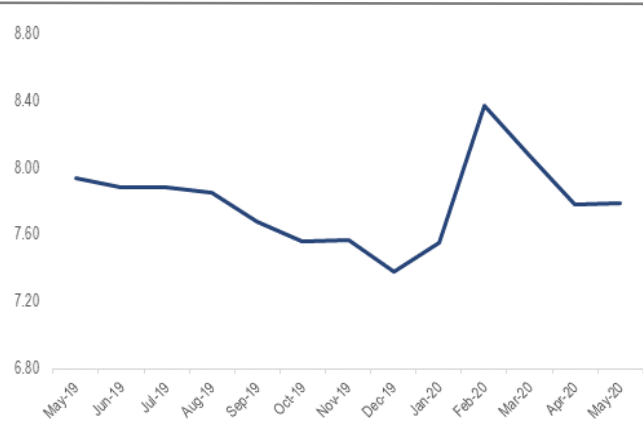
Source: Bloomberg, NHKS Research

Indonesia 15Y Govt. Bond Yield (%) | May 19 - May 20



Source: Bloomberg, NHKS Research

Indonesia 20Y Govt. Bond Yield (%) | May 19 - May 20



Source: Bloomberg, NHKS Research

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