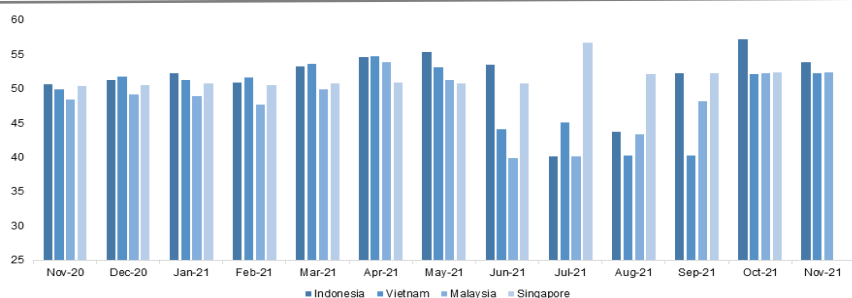


Macroeconomy Report

Manufacturing PMI Maintained in the Expansion Zone

Indonesia's PMI Manufacture



Source: Bloomberg, NHKS Research

Manufacturing PMI Continues Expansion

IHS Markit recorded Indonesia's Manufacturing Purchasing Managers Index (PMI) for November 2021 at 53.9. Indonesia's manufacturing continued its expansion in September and October which booked 52.2 and 57.2 respectively. This indicates that there is still an increased domestic demand. We also saw the recovery from Covid-19 to continue in November. Meanwhile, the declining rate of November's manufacturing industry in line with declining foreign demand and low inventory rate.

Rupiah Depreciates Approaching FOMC Meeting

The rupiah exchange rate was closed at IDR 14,343/USD on Wednesday (02/12), depreciating 0.3% from weekend's closing. The pressure on Rupiah was influenced by the Chief of Fed's statement who will discuss the plan for tapering off acceleration in the Federal Open Market Committee (FOMC) Rate Decision Meeting on the upcoming December 14-15, 2021. As a note, the Fed started tapering off with reducing asset purchases by USD 15 billion since the end of November from a total of USD 120 billion. Assuming the purchase is reduced by USD 15 billion per month, tapering off will be completed in June 2022.

Highest Inflation in 2021

Statistics Indonesia (BPS) recorded November Consumer Price Index (CPI) to experience an inflation of 0.37% MoM or 1.75% YoY. This figure is higher than the previous month which booked inflation of 0.12% MoM or 1.66% YoY, even the highest in 2021. In more detail, the inflation increase was boosted by the food, beverage, and tobacco that booked a price increase of 0.84%. Meanwhile, the commodity that contributed most to the group is oil with 0.08%. Furthermore, another main contributor to the inflation is the transportation group which recorded an inflation of 0.51%, in line with the increase of air transport tariff. We see that the inflation in November follows the seasonal pattern of the end of the year, supported by the increased mobility and consumption.

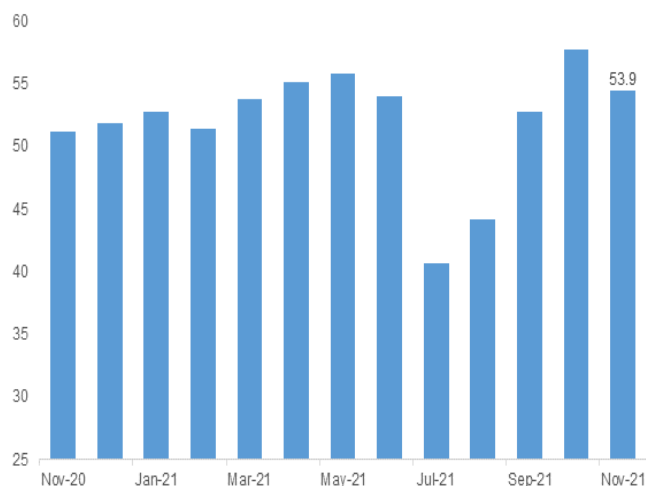
Arief Machrus

arief.machrus@nhsec.co.id

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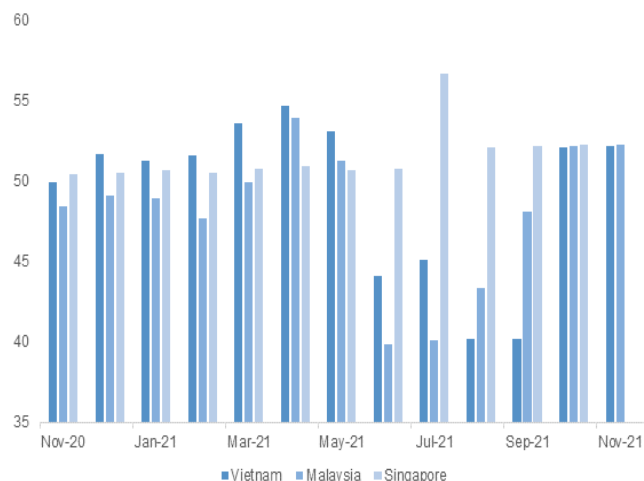
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Indonesia PMI Manufacture | Nov. 2020 - Nov. 2021



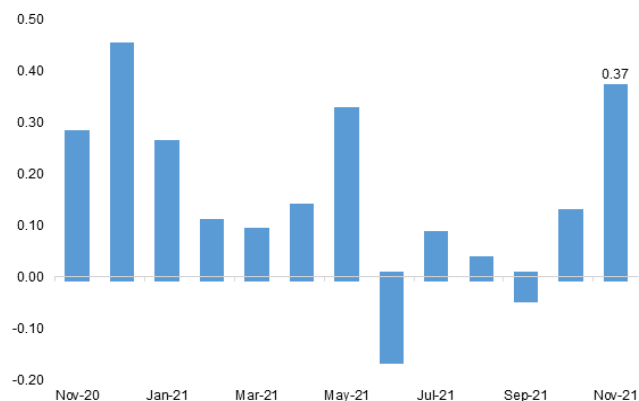
Source: Bloomberg, NHKS Research

Regional PMI Manufacture | Nov. 2020 - Nov. 2021



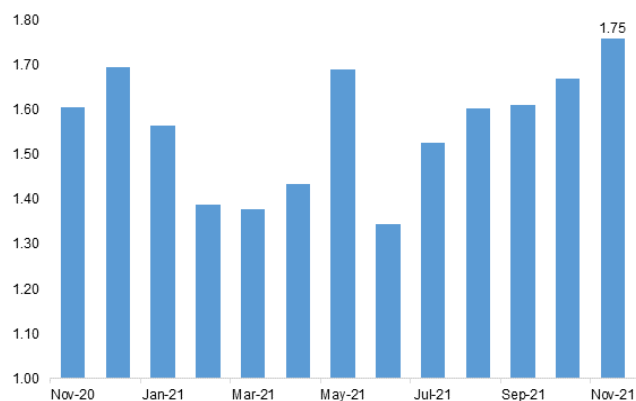
Source: Bloomberg, NHKS Research

Indonesia CPI MoM (%) | Nov. 2020 - Nov. 2021



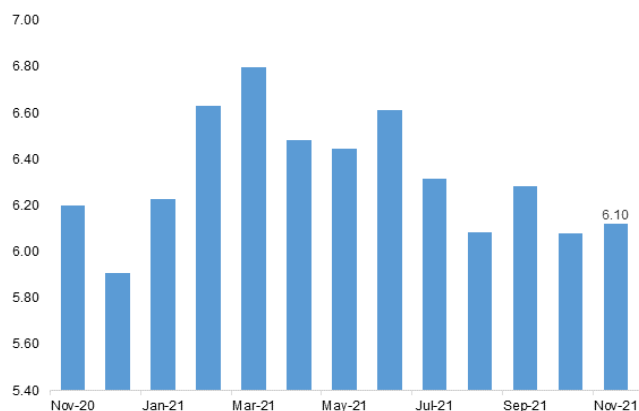
Source: Indonesia Statistics, NHKS Research

Indonesia CPI YoY (%) | Nov. 2020 - Nov. 2021



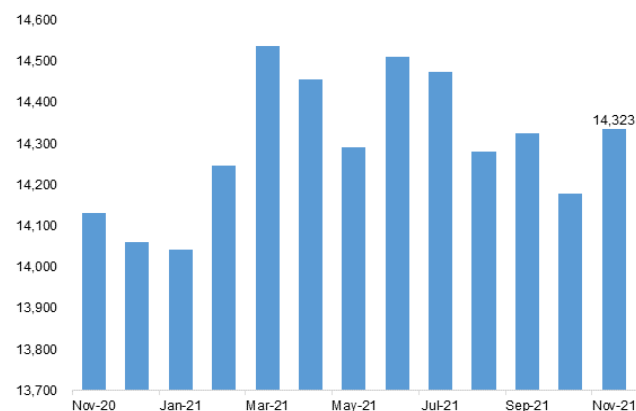
Source: Bloomberg, NHKS Research

GIDN10Y Yield | Nov. 2020 - Nov. 2021



Source: Bloomberg, NHKS Research

USD/IDR | Nov. 2020 - Nov. 2021



Source: Bloomberg, NHKS Research

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