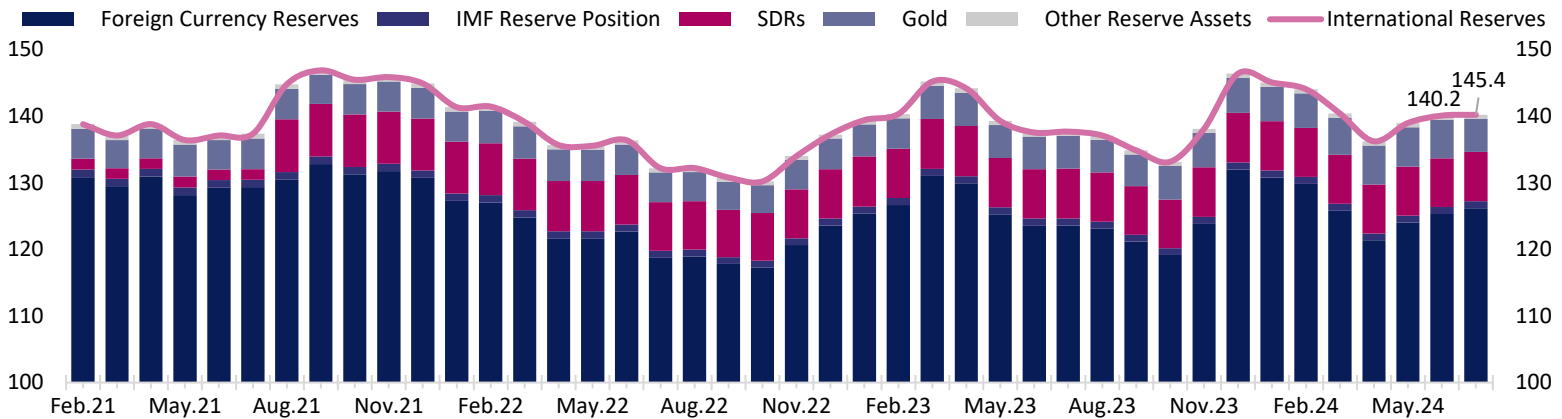
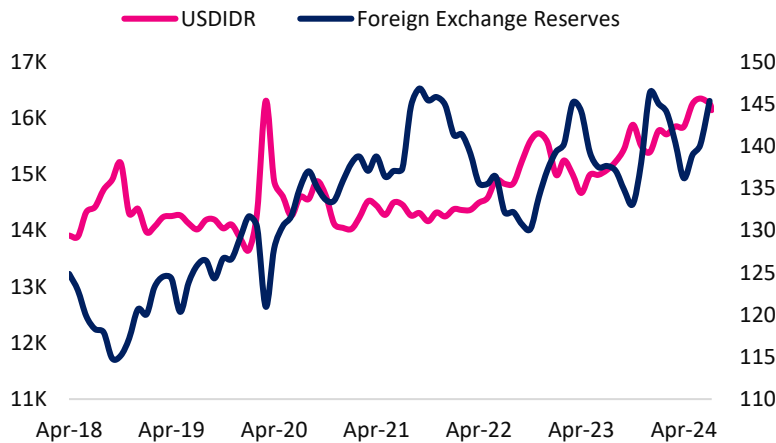


Figure 1. Money Aggregates - International Reserves (USD, Billions)



Source: Bank Indonesia & Kiwoom Research

Figure 2. Foreign Exc. Reserves vs USDIDR



Source: Bank Indonesia & Kiwoom Research

Foreign Exchange Reserves Increased in July 2024

Indonesia's foreign exchange reserves at the end of July 2024 were recorded at USD 145.4 billion, an increase compared to the position at the end of June 2024 of USD 140.2 billion.

The increase in the position of foreign exchange reserves was mainly influenced by **the issuance of government global sukuk as well as tax and service revenues.**

The position of foreign exchange reserves at the end of July 2024 was equivalent to financing 6.5 months of imports or 6.3 months of imports and servicing of government external debt, and was above the international adequacy standard of around 3 months of imports. Bank Indonesia considers the foreign exchange reserves to be able to support external sector resilience and maintain macroeconomic and financial system stability.

Going forward, Bank Indonesia views that foreign exchange reserves remain adequate so that they can continue to support external sector resilience. The export outlook remains positive and the capital and financial account balance is predicted to continue to record a surplus in line with investors' positive perceptions of the national economic outlook and attractive investment returns, supporting the maintenance of external resilience. Bank Indonesia also continues to strengthen synergies with the Government in strengthening external resilience so as to maintain economic stability in order to support sustainable economic growth.

Indonesian Rupiah movement at the close of July was at the level of IDR 16,260 or depreciated 5.60% YTD / up 0.70% m/m. The movement of the rupiah is in accordance with our previous estimates which managed to strengthen to the level of 16,146. Rupiah is expected to continue strengthening below the 16,000 level as foreign exchange reserves increase and the dollar index weakens.

Figure 3. Technical View for USDIDR



Source: Bloomberg & Kiwoom Research

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