Indonesia's Oct '25 Inflation: Price Movements Across Various Domestic Commodities

Indonesia's core inflation rose to 0.39% MoM and 2.36% YoY in Oct '25 (Prev: 2.19% YoY), pushing headline CPI inflation higher to 0.28% MoM (Prev: 0.21% MoM). On an annual basis, headline inflation climbed to 2.86% YoY (Prev: 2.65% YoY)—the highest level since Apr'24 and now above the mid-point of Bank Indonesia's 2.5% ±1% target range.

The Oct price increase was mainly driven by higher costs of several food and non-food commodities, including red chili, chicken eggs, broiler meat, carrots, oranges, machine-made clove cigarettes (SKM), gold jewelry, airfares, and higher college tuition fees. Meanwhile, price declines in shallots, bird's eye chili, tomatoes, rice, long beans, green chili, eggplants, and jengkol helped offset some of the monthly inflationary pressure.

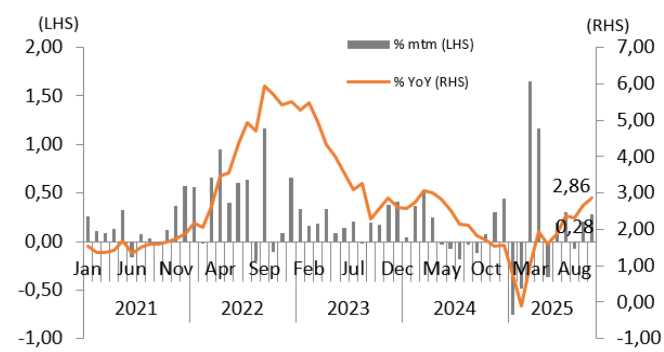
From the expenditure group perspective, the largest inflation contribution came from Personal Care and Other Services, which rose 3.05% MoM or 10.86% YoY—reflecting higher grooming and personal services prices. The Health group followed with 0.25% MoM or 2.11% YoY, particularly from the "other health services" subcategory, which increased by 2.46% YoY. The Transportation group also recorded an increase of 0.10% MoM or 0.48% YoY, mainly due to a 2.20% YoY rise in vehicle purchases.

The inflation trend was consistent with findings from the S&P Global (Nikkei) Indonesia Manufacturing PMI, which showed firms facing the sharpest increase in input costs in eight months, mainly due to rising raw material prices. Despite this, the PMI remained in expansionary territory at 51.2 in Oct '25 (Prev: 50.4), signaling continued but cautious growth momentum. However, many manufacturers refrained from fully passing on cost increases to consumers, opting for only marginal price adjustments to maintain competitiveness amid restrained household purchasing power.

Looking ahead, with inflation now hovering near the upper bound of Bank Indonesia's target range, there is a growing risk of higher input costs for manufacturers, potentially squeezing corporate margins. At the same time, given elevated inflation and persistent Rupiah volatility, we expect Bank Indonesia to keep its policy rate unchanged at 4.75% in Nov '25.

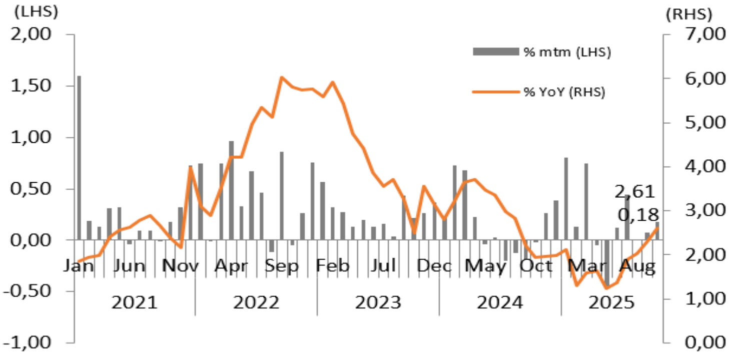
Furthermore, this environment is likely to limit the downside for government bond yields, with the 10-year benchmark (SUN 10Y) expected to remain in the 5.85%–6.15% range through the end of 2025, as investors weigh inflationary pressures against stable policy settings and global market risks.

Fig 1. CPI (Consumer or Headline) Inflation



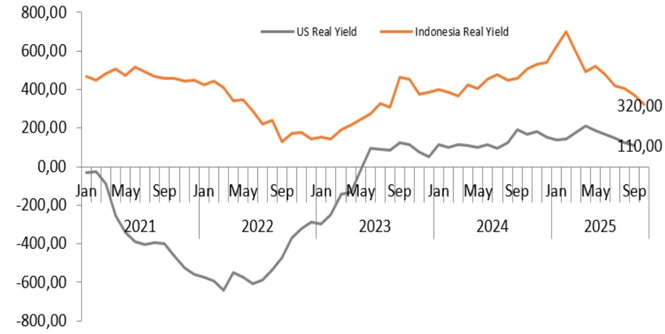
Sources: BPS, KBVS Research – treated (2025)

Fig 2. WPI (Wholesale) Inflation



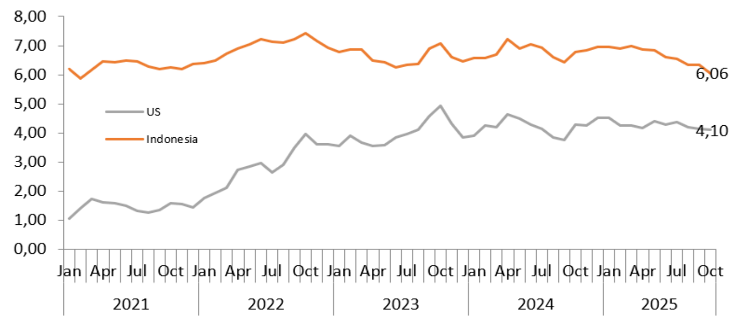
Sources: BPS, KBVS Research – treated (2025)

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



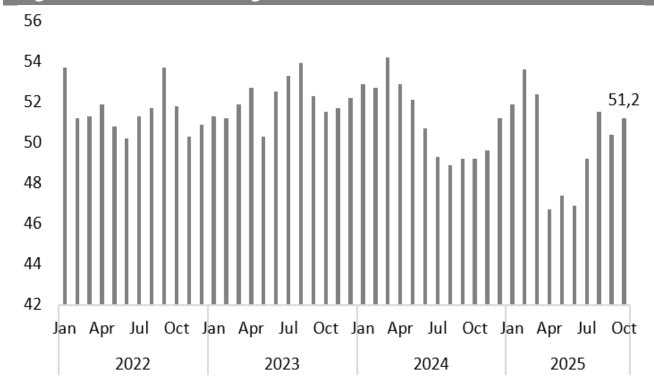
Sources: Bloomberg, KBVS Research – treated (2025)

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



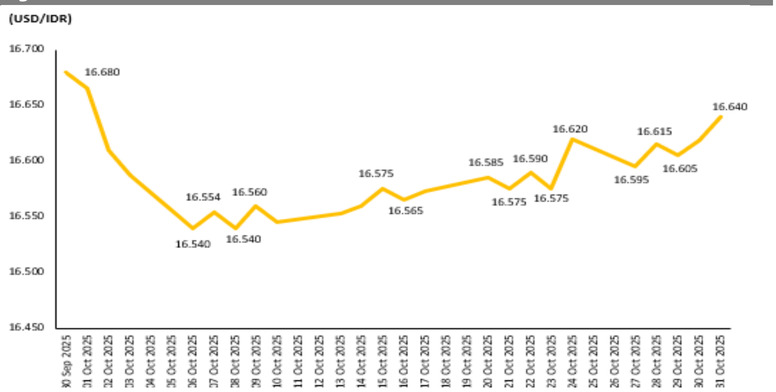
Sources: BI, KBVS Research – treated (2025)

Fig 5. PMI Manufacturing



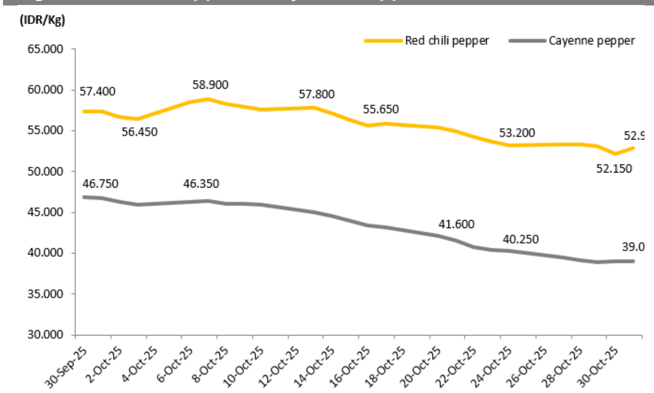
Sources: Market Economics, KBVS Research – treated (2025)

Fig 6. USD/IDR



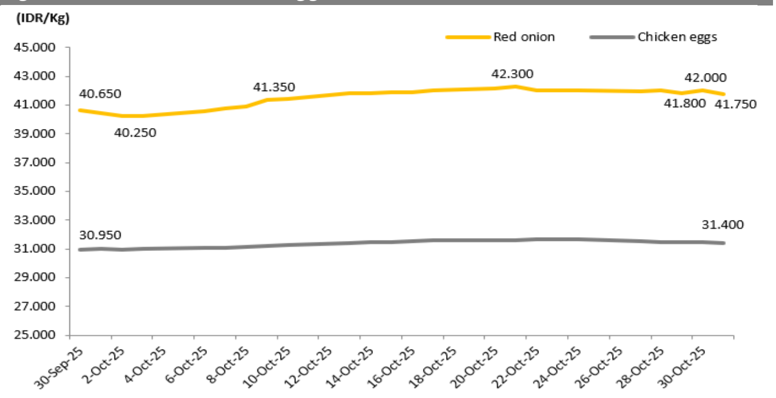
Sources: Bloomberg, KBVS Research – treated (2025)

Fig 7. Red Chili Pepper & Cayenne Pepper Price



Sources: BI, KBVS Research – treated (2025)

Fig 8. Red Onions & Chicken Eggs Price



Sources: BI, KBVS Research – treated (2025)

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

Indicators	Index		Inflation	
	Latest	M-1	MoM	YoY
Consumer Price Index (CPI)	**109,04**	**108,74**	**0,28%**	**2,86%**
Food, Beverages, and Tobacco	113,52	113,43	0,08%	4,99%
Clothing and Footwear	104,03	104,03	0,00%	0,75%
Housing, Water, Electricity, and Household Fuels	104,18	104,15	0,03%	1,59%
Equipment, Tools, and Routine Household Maintenance	104,05	104,06	-0,01%	0,23%
Health	106,32	106,05	0,25%	2,11%
Transport	109,85	109,74	0,10%	0,48%
Info, Comm. and Financial Services	99,25	99,22	0,03%	-0,25%
Recreation, Sport and Culture	105,35	105,18	0,16%	1,18%
Education Services	106,19	106,04	0,14%	1,26%
Food and Beverages Services/Restaurants	107,99	107,93	0,06%	1,61%
Personal Care and Other Services	125,52	121,81	3,05%	11,87%
Core inflation	107,47	107,05	0,39%	2,36%
Administered Price	110,22	110,11	0,10%	1,45%
Volatile Food	114,09	114,06	0,03%	6,59%
Wholesale Price Index (WPI)	**105,46**	**105,27**	**0,18%**	**2,61%**
Agriculture	107,96	107,46	0,47%	-2,60%
Mining and Quarrying	100,06	99,67	0,39%	-0,65%
Manufacturing	107,82	107,63	0,18%	2,12%
Farmer Exchange Rate	**124,33**	**124,36**	**-0,02%**	**3,01%**
Farmers Price Received Index	115,13	155,04	-25,74%	-20,91%
Farmers Price Paid Index	124,77	124,67	0,08%	3,47%

Sources: BPS, KBVS Research - treated (2025)

Table 2. Commodity Price In Traditional Market

No.	Commodity	Price (Rp per Kg)					Monthly Price Change
		30/09/2025	07/10/2025	14/10/2025	21/10/2025	31/10/2025	(%, ptp)
I	**Rice**	**15,900**	**15,850**	**15,800**	**15,800**	**15,800**	**-0,63%**
1	Lower Quality Rice I	14,550	14,550	14,500	14,450	14,450	-0,69%
2	Lower Quality Rice II	14,450	14,400	14,350	14,350	14,350	-0,69%
3	Medium Quality Rice I	16,050	16,000	15,950	15,950	15,950	-0,62%
4	Medium Quality Rice II	15,800	15,800	15,800	15,750	15,750	-0,32%
5	Super Quality Rice I	17,200	17,200	17,200	17,150	17,150	-0,29%
6	Super Quality Rice II	16,700	16,700	16,650	16,600	16,600	-0,60%
II	**Chicken meat**	**38,850**	**38,150**	**38,500**	**38,650**	**38,300**	**-1,42%**
1	Fresh Race Chicken Meat	38,850	38,150	38,500	38,650	38,300	-1,42%
III	**Beef**	**137,250**	**137,250**	**136,400**	**137,300**	**137,350**	**0,07%**
1	Quality 1 Beef	140,450	140,450	139,750	140,500	140,500	0,04%
2	Quality 2 Beef	132,300	132,300	131,200	132,400	132,450	0,11%
IV	**Chicken eggs**	**30,950**	**31,100**	**31,500**	**31,600**	**31,500**	**1,78%**
1	Fresh Chicken Eggs	30,950	31,100	31,500	31,600	31,500	1,78%
V	**Red onion**	**40,650**	**40,800**	**41,800**	**42,300**	**42,000**	**3,32%**
1	Medium Shallot	40,650	40,800	41,800	42,300	42,000	3,32%
VI	**Garlic**	**39,350**	**39,250**	**39,100**	**38,950**	**39,000**	**-0,89%**
1	Medium Size Garlic	39,350	39,250	39,100	38,950	39,000	-0,89%
VII	**Red chili pepper**	**57,400**	**58,900**	**57,150**	**54,950**	**53,350**	**-7,06%**
1	Large Red Chili	52,300	53,550	51,900	50,650	49,400	-5,54%
2	Curly Red Chili	58,200	59,700	57,850	55,250	53,700	-7,73%
VIII	**Cayenne pepper**	**46,850**	**46,350**	**44,550**	**41,600**	**39,150**	**-16,44%**
1	Green Cayenne Pepper	42,050	40,950	40,200	38,300	36,650	-12,84%
2	Red Cayenne Pepper	49,600	49,800	47,500	43,450	40,300	-18,75%
IX	**Cooking oil**	**21,000**	**21,000**	**21,000**	**21,050**	**21,050**	**0,24%**
1	Bulk Cooking Oil	18,600	18,600	18,650	18,650	18,600	0,00%
2	Branded Packaging Cooking Oil 1	22,400	22,400	22,450	22,500	22,450	0,22%
3	Branded Packaging Cooking Oil 2	21,400	21,400	21,400	21,400	21,400	0,00%
X	**Sugar**	**18,800**	**18,800**	**18,800**	**18,800**	**18,750**	**-0,27%**
1	Premium Quality Sugar	19,800	19,800	19,750	19,750	19,700	-0,51%
2	Local Sugar	18,100	18,050	18,050	18,050	18,050	-0,28%

Sources: BI, KBVS Research - treated (2025)

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