

Snap | 15 November 2023

INDONESIA

Indonesia's exports fall less than expected

Exports and imports fell less than expected leading to a better-than-expected trade surplus



Sudirman Central Business District in Jakarta, Indonesia

\$3.48bn October trade balance

Better than expected

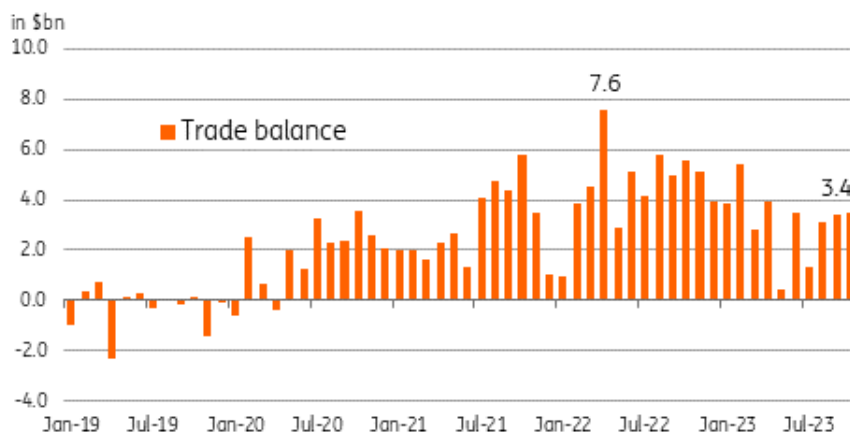
Trade surplus beats expectations

Indonesia's exports and imports fell as expected in October although both slipped at a less pronounced pace. Exports fell 10.4% year-on-year compared to the drop of 16.2% YoY in September. Lower global prices for mainstay exports of coal, nickel and palm oil contributed to the lower export performance. Meanwhile, imports were down a modest 2.4% YoY compared to -12.5% YoY reported in the previous month.

This resulted in the trade balance staying largely unchanged from the previous month at

roughly \$3.5bn, much lower than the record high in 2022 but better than the lows of less than a billion recorded earlier in this year.

Another decent trade surplus to help support the IDR



Source: Badan Pusat Statistik

Better than expected trade surplus supports a BI pause next week

November's better-than-expected trade surplus indicates that there will be less pressure on Bank Indonesia (BI) to hike rates next week. BI increased policy rates at its most recent meeting in a bid to steady the rupiah, which was under significant pressure prior to the hike last 19 October. With the trade surplus beating market expectations of a \$3.0bn level, we believe the improved external balance should be enough to stabilise the IDR with BI likely keeping rates untouched at the 23 November meeting.

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