

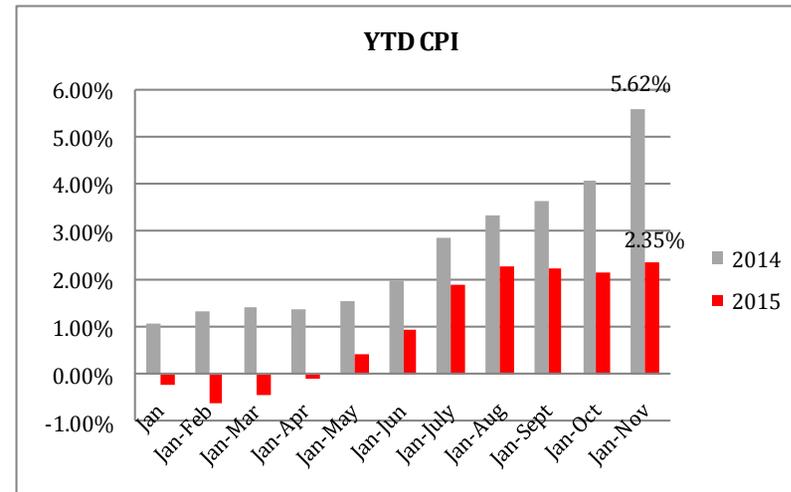
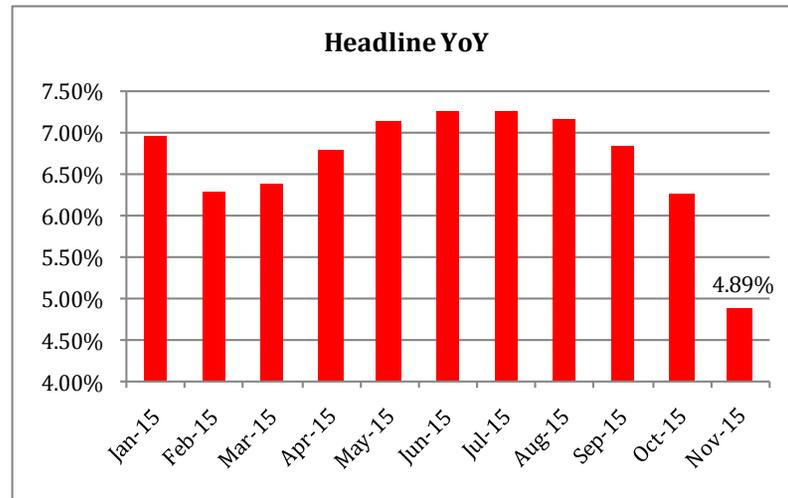
November Inflation

What happened on November inflation:

1. The most significant contribution to the November inflation was coming from two categories which are processed food and beverages, tobaccos and raw food. Both categories posted a month on month inflation of 0.33% and 0.47% respectively.
2. A sub-category of tobacco and alcoholic beverages recorded the highest inflation which increase by 1.13% on a month to month basis.
3. Meanwhile, a sub-category of personal stuff contributed a single deflation to the overall November CPI number, which fell by 1.52% month on month.
4. The November Inflation number came out slightly above the consensus estimate which is 4.85%.

Our Comment:

All in all, we see the inflation number is still very much within the Bank Indonesia comfortable range of +/- 4%. Therefore, we see the inflation number has been running on the very right path to support a loosening monetary action from the regulator. Has the current inflation trend continued, the BI Rate decrease is only a matter of time until it finally materializes.



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