

Market Movement – Summary

The JCI extended its decline last week, falling 4.55% WoW to 5,896, led by weakness in the Basic Materials (IDXBASIC -11.19%), Industrials (IDXINDUST -7.41%), and Energy (IDXENER -6.34%) sectors. Foreign investors remained net sellers, recording USD191.8 million of net outflows during the week, bringing cumulative year-to-date equity outflows to USD4.14 billion.

In the fixed income market, the US 10-year Treasury yield declined 8 bps to 4.36%, while the yield on Indonesia's 10-year government bond (FR0108) rose 11 bps to 7.16%, reflecting persistent domestic risk premiums. Despite the rise in yields, foreign investors recorded USD353.4 million of net inflows into the government bond market as of 25 June, lifting foreign ownership to 12.64%.

On the monetary front, Bank Indonesia issued Rp15 trillion of SRBI at its 26 June auction, broadly in line with the previous auction. SRBI yields remained stable across all tenors, reflecting the central bank's efforts to balance rupiah stability with domestic bond market conditions. Looking ahead, the direction of the rupiah is expected to remain the key driver of SRBI yield dynamics.

Tenor	12 June 2026	19 June 2026	26 June 2026
6 Months	7.26%	7.43%	7.36%
9 Months	7.41%	7.56%	7.54%
12 Months	7.65%	7.74%	7.70%

Source: Bank Indonesia

What Happened

MSCI Review Result



On the MSCI 24 June review, MSCI maintained Indonesia's status within the Emerging Markets (EM) index, in line with market expectations. However, MSCI extended its monitoring period to November 2026, with a threat of downgrade to Frontier Market status should reforms on shareholding transparency and free float fail to show credible progress.

Government Boosts Banking Liquidity



After previously withdrawing the Saldo Anggaran Lebih (SAL) fund from Himbara banks in stages, leaving a remaining balance of Rp170 trillion, on 26 June the Government will instead reverse course by returning and increasing the fund placement to Rp400 trillion, to be carried out in stages through the end of the year. This measure is expected to boost banking liquidity, support bond market stability, and underpin economic growth amid global uncertainty.

US-Iran Conflicts



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Although the US-Iran ceasefire was signed the previous week, tensions flared again after Iran fired a drone at a cargo vessel in the Strait of Hormuz on 25 Jun'26, prompting US retaliatory strikes on several Iranian military targets. This escalation raised concerns over potential disruptions to global energy supply.

Nevertheless, Brent crude only posted a limited increase to USD73/bbl, indicating that the market views the risk to physical supply as still relatively contained.

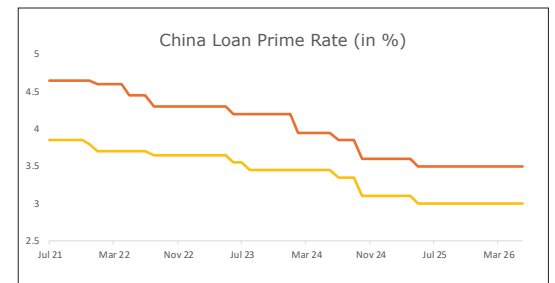
China's Loan Prime Rate



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The People's Bank of China (PBoC) kept its benchmark lending rates unchanged in June 2026, extending the stabilization trend for the 13th consecutive month, in line with market expectations. The 1-year loan prime rate (LPR) was maintained at 3.0%, while the 5-year LPR remained at 3.5%.

The decision reflected the monetary authority's cautious stance toward the impact of the Middle East conflict, amid slowing economic growth momentum due to mixed economic data releases.



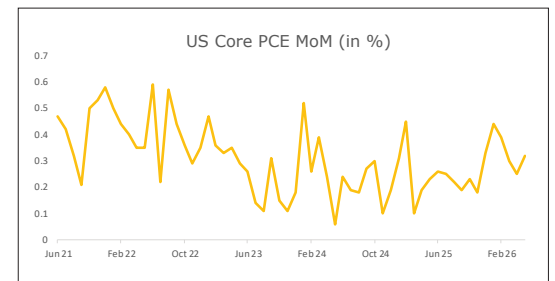
Source: Bloomberg

US Core PCE Price Index



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The US core PCE (Personal Consumption Expenditures) price index, which excludes food and energy components, rose 0.3% MoM in May (Apr'26: 0.3% MoM), in line with consensus expectations. The increase was supported by goods prices climbing 0.5% MoM (Apr'26: -0.4% MoM), while services prices grew 0.2% MoM (Apr'26: 0.2% MoM).



Source: Bloomberg

US Durable Goods Orders



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New orders for US-manufactured durable goods fell by 4.5% MoM in May (Apr'26: 8.5% MoM), in line with consensus expectations.

The decline ended a two-month consecutive growth trend and marked the steepest drop since June 2025, driven by a decrease in transportation equipment orders.

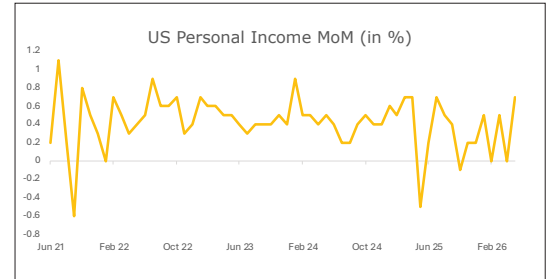
Sector	May'26	Apr'26
Transportation equipment	-14.0%	22.4%
Capital goods	-13.6%	22.2%
All other durable goods	0.8%	0.1%
Machine	1.9%	1.3%
Primary metals	3.0%	2.6%
Computer and electronic products	0.3%	-0.4%
Electrical equipment	0.3%	-0.2%

Source: U.S. Census Bureau

US Personal Income



US personal income increased by 0.7% MoM in May (Apr'26: 0% MoM), exceeding the consensus expectation of a 0.4% MoM increase. The rise was mainly driven by a surge in farm income following government relief payments, along with higher employee compensation. Meanwhile, real disposable personal income increased by 0.3% (Apr'26: -0.5%), reflecting an improvement in consumers' purchasing power.

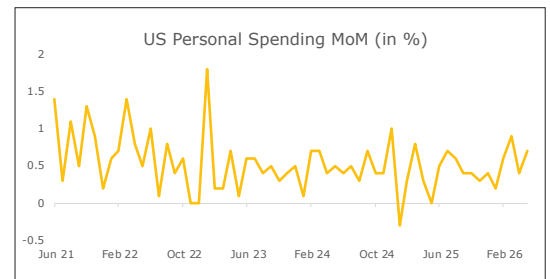


Source: Bloomberg

US Personal Spending



US personal spending increased by 0.7% MoM in May (Apr'26: 0.4% MoM), exceeding the consensus expectation of a 0.6% MoM increase. The rise was driven by a USD 61.8 billion increase in goods spending, particularly on energy products due to higher oil prices, as well as a USD 94.3 billion increase in services spending.



Source: Bloomberg

What to Watch

30 June 2026



US CB Consumer Confidence in June - Consensus expects 94.2 (May'26: 93.1).

1 July 2026



Indonesia Balance of Trade in May - Consensus expects USD 1.1 bn (Apr'26: 0.1 bn).



Indonesia Inflation Rate YoY in June - Consensus expects 3.2% (May'26: 3.08%).

2 July 2026



US Non-Farm Payrolls in June - Consensus expects 110K (May'26: 172K).



US Unemployment Rate in June - Consensus expects 4.3% (May'26: 4.3%).

Key Takeaways

Brent crude fell below USD75/bbl, slipping beneath its pre-conflict level as markets increasingly priced in a normalization of global oil supply amid easing geopolitical tensions. For Indonesia, lower oil prices would reduce fiscal pressures by narrowing the gap with the government's USD70/bbl ICP assumption, creating additional fiscal space while supporting the decision to maintain subsidized fuel prices and helping keep inflation contained.

The improving fiscal outlook is further supported by the government's reported plan to reduce the Free Nutritious Meals (MBG) budget by at least 15%, or around Rp40–50tn, with the number of beneficiaries expected to decline from 82 million to approximately 49 million by year-end (Reuters).

On the equity market, MSCI maintained Indonesia's Emerging Market (EM) classification while setting November 2026 as the deadline before initiating consultations on a potential reclassification to Frontier Market status. Although this extends the MSCI overhang for another five months, market view the decision as broadly constructive as it provides regulators with additional time to implement capital market reforms. Importantly, MSCI acknowledged that Indonesia's reform agenda is moving in the right direction, with the key challenge now being consistent implementation and sustained improvements in market accessibility.

Weekly Update

22-26 June 2026



Global Indices	26-Jun-26	1W (%)	1M (%)	YTD (%)
Nikkei 225 - Japan	69,361	-2.65	4.57	37.79
Kospi - Korea	8,411	-7.08	-0.77	99.59
Hang Seng - Hongkong	22,672	-5.24	-9.97	-12.31
SH Comp - China	4,027	-1.55	-1.02	1.57
Nifty 50 - India	24,056	0.18	2.16	-7.26
Strait Times - Singapore	5,192	-0.02	3.05	11.52
SET - Thailand	1,542	-1.92	-1.66	22.44
FTSE - Malaysia	1,668	-2.59	-0.91	-1.00
PSEI - Philippines	6,072	-1.03	5.26	0.32
S&P500 - US	7,354	-1.95	-2.98	6.64
DAX - Germany	24,671	-1.26	-1.73	0.74
MSCI ex. Japan	1,130	-4.77	-2.67	23.86

Indonesia	26-Jun-26	1W (%)	1M (%)	YTD (%)
JCI Index	5,896	-4.55	-3.77	-31.81
LQ-45	584	-4.21	-4.49	-31.05
JII	342	-7.08	-10.37	-40.82
IDX Sector Energy	2,682	-6.34	-7.90	-39.78
IDX Sector Basic Industry	1,498	-11.19	-9.66	-27.24
IDX Sector Industrials	1,449	-7.41	-12.34	-32.75
IDX Sector Consumers Non-cyclical	650	-0.55	-3.12	-18.75
IDX Sector Consumers Cyclical	871	-6.09	-6.40	-28.96
IDX Sector Healthcare	1,433	2.22	-6.33	-30.59
IDX Sector Financial	1,318	-2.83	2.45	-14.97
IDX Sector Properties & Real Estate	716	-2.65	-10.90	-38.93
IDX Sector Technology	6,311	-3.83	-9.32	-33.77
IDX Sector Infrastructures	1,749	-3.90	-8.46	-34.54
IDX Sector Transportations & Logistic	1,627	-5.21	-10.24	-17.25

Foreign Flow	as of	WTD	MTD	YTD
Equity (million USD)	26-Jun-26	-191.8	-986.1	-4,140.6
Bonds (million USD)	25-Jun-26	353.4	836.1	-80.30



Bonds (price)		26-Jun-26	1W (%)	1M (%)	YTD (%)
FR0109	5th	95.18	-0.78	-1.48	-6.51
FR0108	10th	95.65	-0.49	-2.94	-7.16
FR0106	15th	99.07	-0.54	-3.39	-0.38
FR0107	20th	99.03	-0.74	-3.71	-0.14
US Treasury	5th	98.69	0.06	0.14	0.93
US Treasury	10th	86.70	0.59	0.35	-0.77



Commodity (USD)		26-Jun-26	1W (%)	1M (%)	YTD (%)
Oil - WTI		69	-9.62	-20.75	19.47
Coal		143	-0.42	9.26	34.46
CPO		4,504	-1.96	0.76	11.85
Nickel		16,699	-5.01	-12.40	-0.77
Gold		4,089	-1.61	-9.94	-5.78



Currency/Rates		26-Jun-26	1W (%)	1M (%)	YTD (%)
USD/IDR		17,918	0.72	0.25	6.85
USD/JPY		161.74	0.27	1.55	3.41
USD/EUR		0.88	0.76	2.41	3.20
USD/CNY		6.80	0.48	0.51	-2.79
7DRRR (%)		5.75	0.00	0.50	1.00
Fed rate (%)		3.75	0.00	0.00	0.00



Calendar 22-26 Jun 2026	Results
China Loan Prime Rate 1Y in June	3.0%
China Loan Prime Rate 5Y in June	3.5%
US Core PCE Price Index MoM in May	0.3%
US Durable Goods Orders MoM in May	-4.5%
US Personal Income MoM in May	0.7%
US Personal Spending MoM in May	0.7%

■ Positive Movement ■ Negative Movement

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