

Market Movement – Summary

The JCI closed lower last week, declining 1.43% WoW to 6,541. The weakness was led by the consumer cyclical sector (IDXCYC -3.17%), technology (IDXTECH -3.14%), and property & real estate (IDXPROP -2.62%), while industrials (IDXINDUS +2.03%) and healthcare (IDXHLTH +1.49%) were the main outperformers amid broad-based sectoral weakness. Foreign investors recorded a USD191 million net outflow from the equity market during the week, widening YTD foreign equity net outflows to USD4.13 billion.

In the bond market, the 10-year US Treasury yield jumped 19 bps to 4.97%, **driven by stronger expectations of a Fed rate hike, firmer US inflation and labor data, and rising oil prices that revived inflation concerns**, while the 10-year Indonesian government bond yield rose more moderately by 2 bps to 7.15%. In terms of fund flows, foreign investors posted a USD116.1 million net outflow from the government bond market during the week. Nevertheless, YTD foreign net inflows remained at USD2.03 billion, with foreign ownership of government bonds relatively stable at 13.1%.

On the monetary side, Bank Indonesia issued IDR10 trillion of SRBI at the September 11 auction, down from IDR24 trillion at the previous auction on August 28. SRBI yields were relatively stable, reflecting easing interest-rate pressures in the market. The lower issuance amount, together with the reduced auction frequency, could help limit liquidity absorption by Bank Indonesia. This should remain supportive for the domestic bond market in the near term, underpinned by looser liquidity conditions and reduced supply pressure from monetary instruments.

Tenor	14 August 2026	28 August 2026	11 September 2026
6 Months	7.06%	6.77%	6.80%
9 Months	7.21%	6.85%	6.86%
12 Months	7.37%	7.00%	6.94%

Sumber: Bank Indonesia

What Happened

Indonesia's Finance Minister Reshuffle



On September 14, 2026, President Prabowo Subianto dismissed Purbaya Yudhi Sadewa and appointed Suhasil Nazara, who had served as Deputy Finance Minister since 2019, as the new Finance Minister. Following his inauguration, Suhasil reaffirmed his commitment to maintaining the credibility of the state budget, keeping the fiscal deficit below the 3% of GDP ceiling, and ensuring that government spending supports the administration's priority programs.

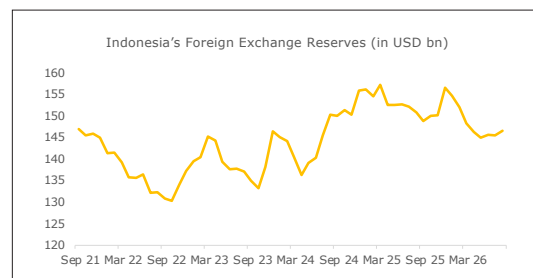
The announcement helped improve market sentiment. The JCI, which closed the first trading session 1.70% lower at 6,429.88, rebounded in the second session and briefly entered positive territory before ending the day marginally lower by 0.10% at 6,534.69. Going forward, investors will closely monitor fiscal policy continuity, the quality of government communication, and the administration's commitment to fiscal discipline, as these will remain key factors underpinning confidence in Indonesian assets.

Indonesia's Foreign Exchange Reserves



Indonesia's foreign exchange reserves increased to USD146.5 billion at the end of August 2026 from USD145.3 billion in July. The

increase was mainly driven by tax and services receipts as well as the government's external loan withdrawals, amid government external debt repayments and Bank Indonesia's Rupiah stabilisation measures. The position was equivalent to 5.4 months of imports and remained well above the international adequacy standard of around three months, supporting resilience amid external turmoil and Bank Indonesia's capacity to stabilise the Rupiah amid global market volatility.



Source: Bloomberg

China's Trade Balance



China recorded a trade surplus of USD119.1 billion in August 2026, up from USD112.5 billion in July and in line with consensus expectations.

The performance was supported by 25.0% YoY export growth, while imports rose at a faster pace of 28.2% YoY. The data indicate that China's trade activity remained robust, although elevated energy prices also contributed to the nominal increase in trade values.



Source: Bloomberg

China's Inflation



China's consumer inflation rose to 0.8% YoY in August 2026 from 0.5% in July, but remained slightly below the 0.9% consensus

forecast. The increase was mainly driven by higher energy prices and several food items. Nevertheless, relatively subdued inflation suggests that China's domestic demand has yet to fully recover.

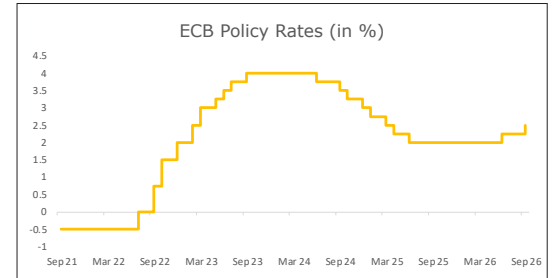
Category	Aug'26 (YoY)	Jul'26 (YoY)
Food, beverages, dan tobacco	-0.7%	-0.8%
Clothing	1.3%	1.4%
Residence	-0.3%	-0.3%
Household facilities, articles, and services	0.7%	0.8%
Transportation and telecommunication	2.5%	0.4%
Education, culture, and recreation	1.4%	1.3%
Healthcare and medical services	2.7%	2.9%
Miscellaneous good and services	7.3%	5.8%

Source: NBS China

ECB Policy Rates



The European Central Bank (ECB) raised its policy rates by 25 bps at its September meeting, in line with market expectations. The deposit facility rate was increased to 2.50%, the main refinancing operations rate to 2.65%, and the marginal lending facility rate to 2.90%. The decision reflected rising inflation risks stemming from higher energy prices. The ECB reiterated that future decisions would remain data-dependent.

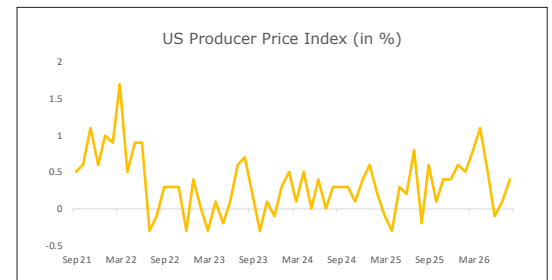


Source: Bloomberg

US Producer Price Index



The US Producer Price Index (PPI) rose 0.4% MoM in August, accelerating from July's revised reading of 0.1% MoM and exceeding the 0.3% MoM consensus forecast. The increase was driven mainly by goods prices, which rose 1.1% MoM, including a 4.2% increase in energy and a 24.1% surge in diesel fuel. Services costs rose 0.1%, largely due to a 2.0% increase in freight services. Higher producer costs raise the risk of pass-through to consumers and could reinforce expectations of a more hawkish Fed policy stance.



Source: Bloomberg

US Inflation



US headline inflation held at 3.4% YoY in August 2026, in line with consensus and unchanged from July. While core inflation, which excludes food and energy, eased to 2.4% YoY from 2.5% YoY, also matching expectations. On a monthly basis, however, headline inflation accelerated to 0.4% MoM from 0.1% MoM, while core inflation increased to 0.3% MoM from 0.2% MoM. The rise was mainly driven by gasoline, energy, shelter, communication, education, and airfares. The data indicate renewed momentum in price pressures, thereby inflation risks remain a key concern despite the moderation in annual core inflation.

Category	Aug'26 (MoM)	Jul'26 (MoM)
Food	0,1%	0,1%
Energy	2,1%	-1,5%
Shelter	0,3%	0,1%
Transportation services	0,5%	0,3%
Apparel	0,0%	0,1%
Medical care services	-0,2%	0,6%

Source: U.S BLS

Escalation of Geopolitical Conflict in the Middle East



Global oil prices surged during the week amid mounting risks of supply disruptions from the Middle East, gaining more than 8% on a weekly basis. WTI closed at USD100.05 per barrel, while Brent settled at USD104.61 per barrel. The rally was driven by escalating attacks between the United States and Iran around the Strait of Hormuz, as well as strikes on vessels and energy infrastructure across the region.

Supply risks intensified after a drone attack temporarily halted Saudi Arabia's East-West pipeline, which had been transporting around 4 million barrels per day as an alternative route bypassing the Strait of Hormuz. Tensions escalated further after an Iranian cargo ship was attacked near Qeshm Island on September 13. Although diplomatic efforts have begun through talks in Oman, the outlook for restoring shipping routes and oil supplies remains highly uncertain.

What to Watch

15 September 2026



China Industrial Production YoY in August - Consensus expects growth at 4.8% (Jul'26: 4.5%).



China Retail Sales YoY in August - Consensus expects growth at 0.8% (Jul'26: 0.6%).

16 September 2026



US Retail Sales MoM in August - Consensus expects growth at 0.9% (Jul'26: -0.6%).

17 September 2026



Fed Interest Rate Decision - Consensus expects the Fed Funds Rate at 4.0% (Previous: 3.75%).

Key Takeaways

This week, **attention will centre on the Fed's September policy decision**, with markets pricing in roughly an 86.5% probability of a 25bp rate increase (as of 14/9). The rationale for another rate hike has strengthened following firmer macroeconomic data, persistently hawkish Fed communication, and a renewed rise in oil prices to around USD105 per barrel amid escalating geopolitical tensions in the Middle East. Stronger-than-expected core inflation and payrolls have added to concerns that higher energy costs could broaden into more persistent inflation pressures.

The larger risk, however, may be that oil remains higher for longer. Disruptions to Saudi pipeline infrastructure and renewed threats to shipping through the Bab al-Mandeb have widened the IEA's estimated 2026 oil market deficit to around 1.7mn barrels per day. **For Indonesia, sustained high oil prices would be an unfavourable macro development.** As a net oil importer, Indonesia is exposed to a deterioration in the trade and fiscal balance as the import bill rises and fuel-related subsidy pressures increase. Higher energy costs would also risk feeding into domestic inflation, potentially narrowing the room for monetary easing and complicating the policy outlook for both Bank Indonesia and the government.

On the domestic front, a major cabinet reshuffle saw Suhasil Nazara appointed as the new Minister of Finance, replacing Purbaya Yudhi Sadewa. The market responded positively immediately following the announcement, suggesting that investors are interpreting the change as constructive for fiscal policy credibility and policy continuity. The appointment could help ease concerns over the government's fiscal direction, particularly as markets remain focused on budget discipline and the sustainability of government spending.

Weekly Update

7-11 September 2026



	Global Indices	11-Sep-26	1W (%)	1M (%)	YTD (%)
	Nikkei 225 - Japan	64,011	-1.55	-6.84	27.16
	Kospi - Korea	6,910	3.33	-0.97	63.97
	Hang Seng - Hongkong	24,806	-3.30	-1.24	-4.06
	SH Comp - China	3,888	-1.07	-0.99	-1.94
	Nifty 50 - India	23,398	-2.09	-3.97	-9.80
	Strait Times - Singapore	5,696	-1.83	-0.83	22.35
	SET - Thailand	1,605	0.56	-0.28	27.38
	FTSE - Malaysia	1,687	-1.25	-2.35	0.13
	PSEi - Philippines	6,062	-0.47	-3.74	0.15
	S&P500 - US	7,657	-0.80	-1.65	11.03
	DAX - Germany	25,569	-1.83	-3.30	4.40
	MSCI ex. Japan	1,135	-0.50	0.51	24.33

	Indonesia	11-Sep-26	1W (%)	1M (%)	YTD (%)
	JCI Index	6,541	-1.43	2.18	-24.35
	LQ-45	650	-1.20	2.76	-23.25
	JII	396	-0.15	3.71	-31.59
	IDX Sector Energy	3,360	-0.36	7.00	-24.56
	IDX Sector Basic Industry	1,821	0.22	4.41	-11.54
	IDX Sector Industrials	1,722	2.03	10.60	-20.11
	IDX Sector Consumers Non-cyclical	712	-1.32	1.99	-10.93
	IDX Sector Consumers Cyclical	955	-3.17	1.34	-22.14
	IDX Sector Healthcare	1,541	1.49	0.31	-25.35
	IDX Sector Financial	1,391	-1.54	2.57	-10.23
	IDX Sector Properties & Real Estate	820	-2.62	0.29	-30.13
	IDX Sector Technology	6,901	-3.14	-0.44	-27.58
	IDX Sector Infrastructures	1,886	-1.33	1.01	-29.38
	IDX Sector Transportations & Logistic	1,828	0.18	2.75	-7.03

	Foreign Flow	as of	WTD	MTD	YTD
	Equity (million USD)	11-Sep-26	-191.0	-36.0	-4,127.6
	Bonds (million USD)	7-Sep-26	-116.1	446.8	2026.30



	Bonds (price)		11-Sep-26	1W (%)	1M (%)	YTD (%)
	FR0109	5th	95.81	-0.24	-0.16	-5.86
	FR0108	10th	95.53	-0.36	-0.57	-7.12
	FR0106	15th	99.37	-0.23	-0.17	0.03
	FR0107	20th	99.48	-0.33	-0.02	0.47
	US Treasury	5th	99.18	-0.01	0.13	1.43
	US Treasury	10th	84.44	-1.08	-1.74	-3.35



Commodity (USD)		11-Sep-26	1W (%)	1M (%)	YTD (%)
	Oil - WTI	100	9.37	21.42	72.65
	Coal	147	-1.28	13.54	37.60
	CPO	4,550	-1.26	0.49	12.99
	Nickel	16,469	-2.24	-2.06	-2.13
	Gold	4,349	-1.83	-0.62	0.22



Currency/Rates	11-Sep-26	1W (%)	1M (%)	YTD (%)
USD/IDR	17,600	-0.21	-1.26	4.96
USD/JPY	153.61	-1.70	-3.58	-1.79
USD/EUR	0.86	0.13	-0.25	1.28
USD/CNY	6.71	-0.03	-0.54	-4.12
7DRRR (%)	5.75	0.00	0.00	1.00
Fed rate (%)	3.75	0.00	0.00	0.00



	Calendar 7-11 September 2026	Results
	China Balance of Trade in August	USD 119.1 bn
	China Inflation Rate YoY in August	0.8%
	ECB Interest Rate Decision in September	2.5%
	US Producer Price Index (PPI) MoM in August	0.4%
	US Core Inflation Rate YoY in August	2.4%
	US Inflation Rate YoY in August	3.4%

Positive Movement Negative Movement

PT Trimegah Asset Management
Gedung Artha Graha 19th Floor
Jl. Jend. Sudirman Kav. 52 - 53
Jakarta 12190, Indonesia
t. +62-21 2924 8030
f. +62-21 2924 8040
e. cs_tram@trimegah.com
www.trimegah-am.com

Disclaimer:

This report is presented by PT Trimegah Asset Management for informational purposes only and cannot be used as the basis for an offer to sell or buy. This report was prepared based on the circumstances that have occurred and has been carefully prepared by PT Trimegah Asset Management, however, PT Trimegah Asset Management does not guarantee the accuracy or completeness of the report. PT Trimegah Asset Management nor its officers or employees are responsible for any direct or indirect losses as a result of any use of this report. Past performance does not reflect future performance. Prospective investors must understand the risks of investing in the Capital Market, therefore prospective investors must read and understand the Prospectus before deciding to invest.