

Market Movement – Summary

The JCI tumbled last week, falling 3.09% WoW to 6,242-its steepest weekly decline in recent weeks. The sell-off was broad-based, led by industrials (IDXINDUS -5.48%), infrastructure (IDXINFRA -4.10%), and technology (IDXTECH -3.96%), while consumer cyclicals (IDXCYC +0.02%) was the only sector to hold roughly flat amid the widespread correction. Foreign investors booked a net outflow of USD176.1 million in the equity market over the week, widening the year-to-date (YTD) foreign net outflow to USD4.47 billion.

In the bond market, the 10-year US Treasury yield jumped 16 bps to 5.16%, while the 10-year Indonesian government bond (SUN) yield actually fell 9 bps to 7.07%, moving in the opposite direction from US Treasuries. On the flow side, foreign investors recorded a net outflow of USD221.3 million from the Government Securities (SBN) market over the week, though the YTD foreign net inflow remained at USD1.62 billion, with foreign ownership relatively stable at 13%. The rupiah also weakened 0.85% WoW against the dollar to 17,893.

On the monetary policy front, Bank Indonesia issued IDR 15 trillion of SRBI at the 25 September auction, compared with Rp10 trillion at the previous auction on 11 September. Meanwhile, SRBI yields declined, reflecting easing interest-rate pressures in the market. This should continue to support the domestic bond market in the near term, amid more ample liquidity and reduced supply pressure from monetary instruments.

Tenor	28 August 2026	11 September 2026	25 September 2026
6 Months	6.77%	6.80%	6.65%
9 Months	6.85%	6.86%	6.75%
12 Months	7.00%	6.94%	6.76%

Source: Bank Indonesia

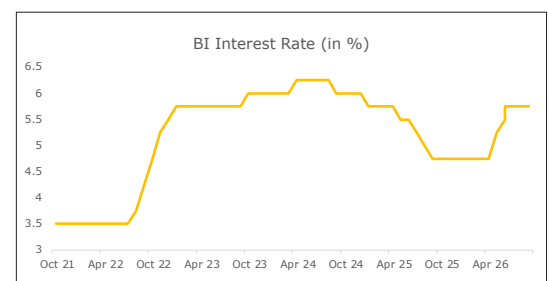
What Happened

Bank Indonesia Rate Decision



Bank Indonesia held the BI-Rate at 5.75% at its September meeting, in line with consensus expectations, while leaving the Deposit Facility and Lending Facility rates at 4.75% and 6.50%, respectively. BI emphasized rupiah stabilization and its aim to keep inflation within the 2.5% $\pm$ 1% target band in 2026–2027. Ahead of the decision, the rupiah stood at IDR17,855 per US dollar, 0.78% weaker than at end-August. The hold balances support for growth against capital-flow and currency risks.

BI also raised premium-reduction incentives for conventional hedging buy swaps backed by portfolio inflows, banks' external borrowing, and foreign direct investment (FDI), from 12.5% across all tenors to 15% (3 months), 20% (6 months), and 25% (12 months). Lower hedging costs could help support foreign-currency inflows and rupiah stability.



Source: Bloomberg

Trump Rejects Iran's Strait of Hormuz Proposal

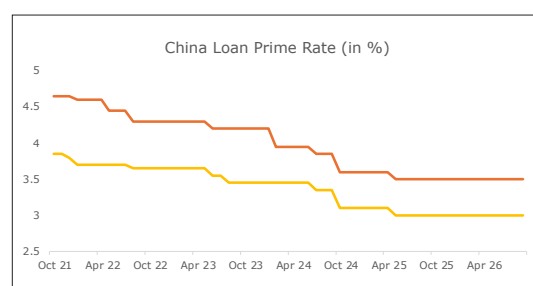


US President Donald Trump said he had rejected Iran's proposal to reopen the Strait of Hormuz and resume nuclear talks within a week if the US lifted its naval blockade and sanctions on Iranian oil sales and reinstated a regional ceasefire. A US official said talks through mediators were continuing despite the rejection. The diplomatic impasse keeps oil-flow disruption and energy-price volatility in focus.

China's Loan Prime Rates



The People's Bank of China (PBoC) kept its one-year loan prime rate (LPR) at 3.00% and its five-year rate at 3.50% in September, unchanged from August and in line with consensus expectations. The one-year rate guides a broad range of corporate loans, while the five-year tenor is relevant to longer-term financing, including mortgages. The hold suggests policymakers remain cautious about rate cuts despite an uneven recovery in domestic demand.

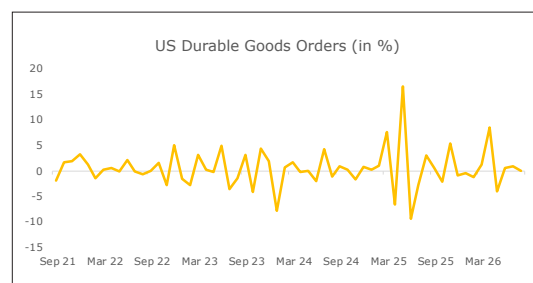


Source: Bloomberg

US Durable Goods Orders



New US durable goods orders were virtually unchanged month on month in August at USD338.6 billion, better than consensus expectations of a 0.5% contraction but slower than July's revised 0.9% increase. Orders excluding transportation rose 0.3%, while transportation orders fell 0.6%. The release suggests manufacturing demand has not weakened sharply, although aggregate momentum has stalled.



Source: Bloomberg

What to Watch

30 September 2026



China NBS Manufacturing PMI in September - Consensus expects 50.0 (Aug'26: 50.1).



US Core PCE Price Index MoM in August - Consensus expects 0.3% (Jul'26: 0.2%).

2 October 2026



US Non-Farm Payrolls in September - Consensus expects 84K (Aug'26: 162K).



US Unemployment Rate in September - Consensus expects 4.1% (Aug'26: 4.1%).

1 October 2026



Indonesia Balance of Trade in August - Consensus expects USD0.6bn (Jul'26: USD0.13bn).



Indonesia Inflation Rate YoY in September - Consensus expects 3.32% (Aug'26: 3.19%).



Indonesia Core Inflation Rate YoY in September - Consensus expects 3.0% (Aug'26: 2.92%).

Key Takeaways

Global markets remain dominated by **elevated US Treasury yields and heightened geopolitical risks**. The 10-year UST yield remained in the **5.1–5.2% range**, as resilient US economic activity and persistent inflationary pressures continued to support expectations of further Fed tightening. Higher real yields have tightened global financial conditions and continued to weigh on emerging market assets.

At the same time, **US–Iran tensions remain a key source of market volatility**. Negotiations over the reopening of the Strait of Hormuz have yet to produce a concrete outcome, keeping Brent crude above **USD100/bbl**. Elevated energy prices add to global inflation risks and could reinforce the higher-for-longer interest rate narrative.

In the domestic market, the JCI remained under pressure amid continued foreign outflows and cautious investor sentiment. Nevertheless, the domestic policy backdrop remains relatively stable, with Bank Indonesia keeping its policy rate unchanged and fiscal discipline broadly maintained. Following the recent market correction, valuations have become more attractive, creating selective entry opportunities.

Next week, investors will focus on **oil price movements**, as well as the release of **US Non-Farm Payrolls (NFP) and the unemployment rate**, which will provide important signals for the Fed's policy direction and broader global market sentiment.

Weekly Update

21-25 September 2026



	Global Indices	25-Sep-26	1W (%)	1M (%)	YTD (%)
	Nikkei 225 - Japan	66,364	2.07	-0.06	31.83
	Kospi - Korea	7,081	2.71	4.30	68.03
	Hang Seng - Hongkong	24,510	-0.97	-4.20	-5.20
	SH Comp - China	3,888	-0.60	-1.61	-1.94
	Nifty 50 - India	23,141	-0.88	-4.28	-10.79
	Strait Times - Singapore	5,711	0.97	0.20	22.68
	SET - Thailand	1,608	1.48	1.22	27.62
	FTSE - Malaysia	1,672	0.36	-3.14	-0.77
	PSEi - Philippines	5,826	-0.51	-2.19	-3.75
	S&P500 - US	7,743	1.21	0.41	12.28
	DAX - Germany	25,409	0.41	-4.37	3.75
	MSCI ex. Japan	1,150	1.61	0.92	26.01

	Indonesia	25-Sep-26	1W (%)	1M (%)	YTD (%)
	JCI Index	6,242	-3.09	-4.24	-27.81
	LQ-45	621	-2.99	-3.23	-26.63
	JII	373	-3.92	-5.26	-35.61
	IDX Sector Energy	3,167	-2.94	-1.83	-28.88
	IDX Sector Basic Industry	1,734	-2.59	-5.73	-15.73
	IDX Sector Industrials	1,610	-5.48	1.66	-25.28
	IDX Sector Consumers Non-cyclical	683	-3.50	-3.93	-14.55
	IDX Sector Consumers Cyclical	947	0.02	-1.78	-22.76
	IDX Sector Healthcare	1,436	-2.37	-6.62	-30.45
	IDX Sector Financial	1,332	-2.41	-2.73	-14.09
	IDX Sector Properties & Real Estate	767	-2.95	-7.06	-34.61
	IDX Sector Technology	6,539	-3.96	-4.51	-31.38
	IDX Sector Infrastructures	1,756	-4.10	-8.04	-34.27
	IDX Sector Transportations & Logistic	1,745	-2.47	-1.41	-11.27

	Foreign Flow	as of	WTD	MTD	YTD
	Equity (million USD)	25-Sep-26	-176.1	-378.0	-4,469.5
	Bonds (million USD)	24-Sep-26	-221.3	40.3	1619.80



	Bonds (price)	25-Sep-26	1W (%)	1M (%)	YTD (%)
	FR0109 5th	95.94	-0.04	-0.58	-5.73
	FR0108 10th	95.99	0.16	-1.00	-6.67
	FR0106 15th	99.73	0.01	-0.99	0.40
	FR0107 20th	99.45	0.08	-1.04	0.44
	US Treasury 5th	99.26	0.05	0.13	1.51
	US Treasury 10th	83.72	-0.55	-2.18	-4.18



	Commodity (USD)	25-Sep-26	1W (%)	1M (%)	YTD (%)
	Oil - WTI	92	-7.87	10.80	59.47
	Coal	146	1.28	11.17	36.76
	CPO	4,475	-4.75	-3.31	11.12
	Nickel	16,329	0.91	-3.16	-2.97
	Gold	4,285	-2.14	-3.82	-1.26



	Currency/Rates	25-Sep-26	1W (%)	1M (%)	YTD (%)
	USD/IDR	17,893	0.85	1.14	6.70
	USD/JPY	157.28	0.25	-1.76	0.56
	USD/EUR	0.88	0.83	1.70	3.14
	USD/CNY	6.71	0.25	-0.23	-4.04
	7DRRR (%)	5.75	0.00	0.00	1.00
	Fed rate (%)	4.00	0.00	0.25	0.25



	Calendar 21-25 September 2026	Results
	China Loan Prime Rate 1Y in September	3.00%
	China Loan Prime Rate 5Y in September	3.50%
	Indonesia Interest Rate Decision in September	5.75%
	US Durable Goods Orders MoM in August	0.0%

Positive Movement Negative Movement

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