

Weekly Update

4-8 August 2025

Market Movement

The JCI (Jakarta Composite Index) closed the week ending August 8 with a slight correction of -0.06% WoW at the 7,533 level. Sectoral performance was mixed, with gains in IDXCYC (+6.41%), IDXINDUST (+5.19%), and IDXHEALTH (+2.76%), while IDXTECH posted a notable decline of -5.20%. During the week, the JCI recorded foreign net inflows amounting to USD 7.5 million, bringing the year-to-date (YTD) total to a net outflow of USD -3,745.4 million.

In the bond market, the US 10-year Treasury yield rose by 7 bps to 4.28% by the end of the week. In contrast, Indonesia's 10-year government bond yield (benchmark FR0103) fell by 17 bps to 6.41%. As of August 7, foreign investors recorded a net outflow of USD 139.3 million from Indonesia's government bond market, with foreign ownership in government securities (SUN) standing at 14.57%.

At the SRBI auction on August 8, total sales reached IDR 10 trillion, higher than the IDR 5 trillion recorded in the previous auction on August 1. SRBI yields declined further by 16–17 bps across all tenors, with the 6-month at 5.36%, 9-month at 5.40%, and 12-month at 5.42%. This continued yield decline reflects Bank Indonesia's pro-market stance and expectations of additional rate cuts in the second half of 2025.

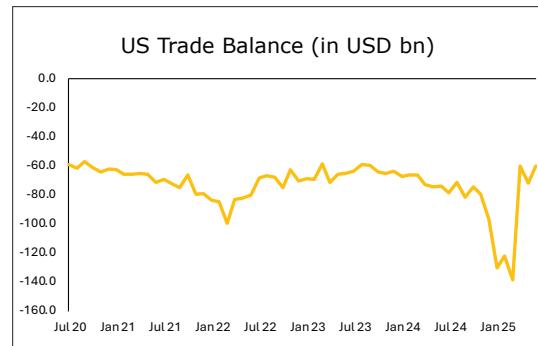
What Happened

GLOBAL

U.S. ECONOMIC DATA



The U.S. trade deficit narrowed to USD 60.2 billion in June (May'25: USD -71.1 billion), lower than the forecast deficit of USD 61.1 billion. Imports fell 3.7% to USD 337.5 billion, while exports declined 0.5% to USD 277.3 billion.



Source: Bloomberg



The Services Purchasing Managers' Index (PMI) released by the Institute for Supply Management (ISM) unexpectedly fell to 50.1 in July (Jun'25: 50.8), below the consensus expectations of 51.5. The reading signaled that the services sector was nearly stagnant, with seasonal and weather factors negatively impacting business activity. Slowdowns were recorded in business activity, new orders, inventories, and supplier deliveries. Meanwhile, employment contracted at a faster pace.

Index	Jul'25	Jun'25
Business Activity	52.6	54.2
New Orders	50.3	51.3
Inventories	51.8	52.7
Supplier Deliveries	51.3	50.3
Employment	46.4	47.2

Source: Institute for Supply Management (ISM)

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CHINA ECONOMIC DATA



China's trade surplus fell to USD 98.24 billion in July (Jun'25: USD 114.77 billion), below the consensus estimate of USD 105 billion. Exports grew 7.2% YoY to USD 321.8 billion, while imports rose 4.1% YoY to USD 223.5 billion.



Source: Bloomberg



China's annual inflation rate based on the Consumer Price Index (CPI) was flat at 0.0% YoY in July (Jun'25: 0.1% YoY), beating consensus expectations of a 0.1% decline. This stable data was supported by rising costs in housing, clothing, healthcare, and education sectors, while transportation prices fell at a slower pace and food prices declined more sharply. This situation reflects persistently weak domestic demand, keeping inflationary pressures under control despite targeted policy support.

Sector	Jul'25	Jun'25
Housing	0.1%	0.1%
Clothing	1.7%	1.6%
Healthcare	0.5%	0.4%
Education	0.9%	1.0%
Transportation	-3.1%	-3.7%
Food	-1.6%	-0.3%

Source: NBS China

DOMESTIC



Indonesia's Gross Domestic Product (GDP) grew by 5.12% YoY in Q2 2025 (Q1 2025: 4.87% YoY), exceeding market expectations of 4.8% YoY. This increase was mainly driven by stronger investment and household consumption. On the external front, export growth accelerated as factories rushed shipments ahead of the new U.S. tariff deadline in August, while import growth also surged. Meanwhile, government spending contracted at a slower pace, helping to ease downward pressure on GDP growth. For 2025, the government has maintained its GDP growth target at 5.2%, despite facing challenges from the new U.S. tariff of 19%.

Category	2Q25	1Q25
Consumer Spending	+4.96%	+4.95%
Investment	+6.99%	+2.12%
Government Expenditure	-0.33%	-1.37%
Export	+10.67%	+6.46%
Import	+11.65%	+4.17%

Source: BPS Indonesia



In the MSCI (Morgan Stanley Capital International) August 2025 Index Review announced on August 7, Dian Swastika Sentosa (DSSA) and Petrindo Jaya Kreasi (CUAN) will be added to the MSCI Global Standard Index List, while Alamtri Resources Indonesia (ADRO) will be removed. Meanwhile, in the MSCI Small Cap Index List, additions will include Adaro Andalan Indonesia (AADI), ADRO, MNC Land (KPIG), Petrosea (PTRO), Raharja Energi Cepu (RATU), and Triputra Agro Persada (TAPG), with Merdeka Battery Materials (MBMA) and Panin Financial (PNLF) being deleted. All these changes will take effect after market close on August 26, 2025, and become effective starting August 27, 2025.

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What to Watch

12 August 2025



US Core Inflation Rate YoY in July - Consensus expects 3% (Jun'25: 2.9%).



US Inflation Rate YoY in July - Consensus expects 2.8% (Jun'25: 2.7%).

15 August 2025



China Retail Sales YoY in July - Consensus expects 4.6% (Jun'25: 4.8%).



US Retail Sales MoM in July - Consensus expects 0.5% (Jun'25: 0.6%).

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US PPI MoM in July - Consensus expects 0.2% (Jun'25: 0%).

Key Takeaways

From a global macro perspective, **the U.S. will release its inflation data next week, which will be a key market focus as it could determine the direction of the Federal Reserve's interest rate decision in September**. Recent labor market data has shifted market expectations, with the CME FedWatch Tool showing a **strong consensus that the Fed will cut interest rates by 25 bps at its September 17, 2025 meeting**.

MEETING DATE	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES										
	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450
9/17/2025						0.0%	0.0%	0.0%	0.0%	88.4%	11.6%
10/29/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	56.7%	39.2%	4.2%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	46.4%	42.3%	10.5%	0.8%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.5%	44.7%	28.9%	6.4%	0.4%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.0%	9.6%	31.9%	37.0%	17.9%	3.5%	0.2%
4/29/2026	0.0%	0.0%	0.0%	0.0%	2.8%	16.0%	33.4%	31.4%	13.7%	2.5%	0.2%
6/17/2026	0.0%	0.0%	0.0%	1.4%	9.7%	25.0%	32.4%	22.2%	7.9%	1.3%	0.1%
7/29/2026	0.0%	0.0%	0.5%	4.1%	14.6%	27.4%	29.1%	17.6%	5.8%	0.9%	0.1%
9/16/2026	0.0%	0.2%	1.7%	7.8%	19.1%	28.0%	25.1%	13.5%	4.1%	0.6%	0.0%
10/28/2026	0.0%	0.4%	2.8%	9.8%	20.7%	27.5%	23.0%	11.8%	3.5%	0.5%	0.0%
12/9/2026	0.2%	1.2%	5.0%	13.2%	22.8%	26.1%	19.5%	9.2%	2.5%	0.4%	0.0%

Source: CME Group

The U.S. labor market is showing increasingly clear signs of slowing. July's Non-Farm Payrolls data (released on August 2) showed an increase of only 73,000 jobs, down from 147,000 in June and well below the consensus forecast of 115,000. The unemployment rate rose to 4.2% from 4.1%. Key drivers of this weakness include tariff-related uncertainty prompting companies to delay hiring and expansion, post-pandemic adjustments, AI-related layoffs, and immigration restrictions that are slowing labor force growth. **Therefore, any weak data reported could support the Federal Reserve's decision-making at the September meeting.**

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On the domestic front, President Prabowo Subianto is scheduled to present the 2026 State Budget Bill (RUU APBN) and Budget Statement (Nota Keuangan) to the DPR on August 15, 2025. The RAPBN 2026 is being prepared based on macroeconomic assumptions—including inflation and GDP growth projections—while considering global economic conditions, domestic demand, and public purchasing power. Its framework also incorporates several ongoing priority programs, including Makan Bergizi Gratis (MBG), Sekolah Rakyat, Koperasi Desa Merah Putih, free health checks, school renovations, regional road projects (Inpres Jalan Daerah), and various food security infrastructure improvements. **This moment also marks the preparation of President Prabowo Subianto's inaugural budget proposal**, focusing on welfare and food security programs. On this occasion, **the market will closely observe indications regarding spending priorities, revenue assumptions, subsidy policies, and the overall direction of economic policy.**

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Global Indices	8-Aug-25	1W (%)	1M (%)	YTD (%)
Nikkei 225 - Japan	41,820	2.50	5.37	4.83
Kospi - Korea	3,210	2.90	3.05	33.78
Hang Seng - Hongkong	24,859	1.43	2.94	24.04
SH Comp - China	3,635	2.11	3.94	6.69
Nifty 50 - India	24,363	-0.82	-4.54	3.04
Strait Times - Singapore	4,240	2.07	4.74	11.70
SET - Thailand	1,259	3.34	12.86	-10.08
FTSE - Malaysia	1,557	1.54	1.75	-4.93
PSEi - Philippines	6,339	0.53	-1.46	-2.90
S&P500 - US	6,389	2.43	2.63	8.17
DAX - Germany	24,163	3.15	-0.18	21.37
MSCI ex. Japan	818	1.98	1.97	15.74

Indonesia	8-Aug-25	1W (%)	1M (%)	YTD (%)
JCI Index	7,533	-0.06	9.11	6.41
LQ-45	793	-0.49	4.00	-4.08
JII	527	-1.95	6.69	8.88
IDX Sector Energy	3,024	2.05	10.29	12.43
IDX Sector Basic Industry	1,667	0.18	12.50	33.19
IDX Sector Industrials	1,070	5.19	16.32	3.32
IDX Sector Consumers Non-cyclical	700	-1.83	4.29	-4.04
IDX Sector Consumers Cyclical	783	6.41	7.30	-6.19
IDX Sector Healthcare	1,602	2.76	6.51	10.01
IDX Sector Financial	1,395	1.48	4.06	0.15
IDX Sector Properties & Real Estate	793	1.98	9.64	4.72
IDX Sector Technology	8,886	-5.24	36.52	122.27
IDX Sector Infrastructures	1,873	-0.78	32.08	26.66
IDX Sector Transportations & Logistic	1,499	0.30	5.62	15.28

Foreign Flow	as of	WTD	MTD	YTD
Equity (million USD)	8-Aug-25	7.5	3.0	-3,745.4
Bonds (million USD)	7-Aug-25	-139.3	-20.9	3,569.6



Bonds (price)	8-Aug-25	1W (%)	1M (%)	YTD (%)
FR0104	5th	102.35	0.95	1.12
FR0103	10th	102.55	1.19	1.27
FR0106	15th	103.26	0.77	1.05
FR0107	20th	103.29	0.76	1.63
US Treasury	5th	96.50	-0.04	0.41
US Treasury	10th	85.68	-0.35	1.16



Commodity (USD)	8-Aug-25	1W (%)	1M (%)	YTD (%)
Oil - WTI	64	-5.12	-6.51	-10.02
Coal	113	-1.48	3.28	-9.11
CPO	4,214	0.50	3.87	-14.44
Nickel	15,156	1.13	0.76	-1.68
Gold	3,398	1.02	2.90	30.36



Currency/Rates	8-Aug-25	1W (%)	1M (%)	YTD (%)
USD/IDR	16,291	-1.22	0.51	0.97
USD/JPY	147.74	0.23	0.79	-5.80
USD/EUR	0.86	-0.48	0.72	-10.60
USD/CNY	7.18	-0.18	0.02	-1.63
7DRRR (%)	5.25	0.00	-0.25	-0.75
Fed rate (%)	4.50	0.00	0.00	0.00



Calendar 4-8 Aug '25	Results
Indonesia GDP Growth Rate YoY in Q2	5.12%
US Balance of Trade in June	USD 60.2 billion
US ISM Services PMI in July	50.1
China Balance of Trade in July	USD 98.24 billion
China Inflation Rate YoY in July	0.0%

Positive Movement

Negative Movement

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