

Market Movement – Summary

The JCI (Jakarta Composite Index) closed the week ending August 1 with a slight correction of -0.08% WoW at the 7,538 level. Sectoral performance was mixed, with gains in IDXTECH (+4.99%), IDXCYC (+4.00%), and IDXBASIC (+3.60%), while IDXFIN posted a notable decline of -4.70%. During the week, the JCI recorded foreign net outflows amounting to USD -142.4 million, bringing the year-to-date (YTD) total to a net outflow of USD -3,752.9 million.

In the bond market, the US 10-year Treasury yield declined by 17 bps to 4.21% by the end of the week. In contrast, Indonesia's 10-year government bond yield (benchmark FR0103) rose by 6 bps to 6.58%. As of July 30, foreign investors recorded a net outflow of USD 181.4 million from Indonesia's government bond market, with foreign ownership in government securities (SUN) standing at 14.58%.

At the SRBI auction on August 1, total sales dropped sharply to IDR 5 trillion, significantly lower than the IDR 30 trillion recorded in the previous auction on July 25. SRBI yields saw a modest increase of 1–2 bps across all tenors, with the 6-month at 5.53%, 9-month at 5.56%, and 12-month at 5.58%. This marked the first yield increase since May, reflecting market adjustment to BI's reduced absorption volume. Nevertheless, SRBI yields remain below the 10-year government bond yield. Looking ahead, there is potential for further yield compression, supported by Bank Indonesia's pro-market stance and expectations of additional rate cuts in the second half of 2025.

What Happened?

GLOBAL

US ECONOMIC DATA



Based on the advance estimate, the U.S. Gross Domestic Product (GDP) grew at an annualized rate of 3% in the Q2 2025,

rebounding from a 0.5% contraction in the previous quarter. This growth was driven by a normalization in imports, which had previously surged as businesses and consumers stockpiled goods amid concerns over rising prices following a series of tariff announcements. In addition, consumer spending and government expenditure also increased, while investment slowed and exports declined.

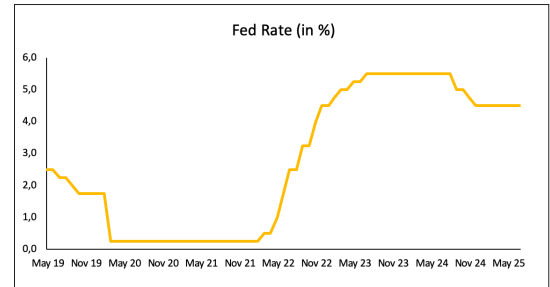
| Category | 2Q25 (Est.) | 1Q25 |
|------------------------|-------------|-------|
| Consumer Spending | 1.4% | 0.5% |
| Investment | 0.4% | 7.6% |
| Government Expenditure | 0.4% | -0.6% |
| Export | -1.8% | 0.4% |
| Import | -30.3% | 37.9% |

Source: U.S. Bureau of Economic Analysis



The Fed maintained its benchmark interest rate in the range of 4.25%–4.50% at the July FOMC meeting, in line with market expectations.

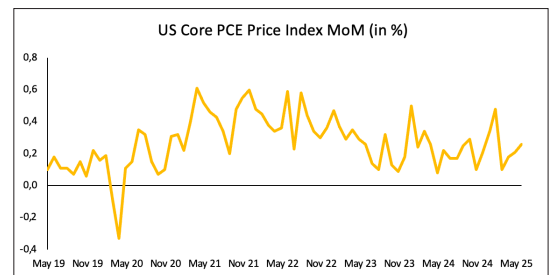
The decision was made amid a moderation in U.S. economic growth during the first half of the year, even as the labor market remained solid and inflation relatively elevated. The Fed reaffirmed its commitment to maintaining inflation at the 2% level and supporting a resilient labor market, and will continue its policy of reducing asset holdings, including government bonds and mortgage-backed securities. The Fed also maintained a wait-and-see approach, emphasizing that future interest rate policy will depend heavily on incoming economic data, the evolving economic outlook, and the balance of risks.



Source: Bloomberg



The U.S. core PCE price index, which excludes food and energy prices, increased by 0.3% in June (May'25: 0.2% MoM), in line with consensus expectations of 0.3% MoM. Service prices rose by 0.2% MoM (May'25: 0.2% MoM), while goods prices rose by 0.4% MoM (May'25: 0.1% MoM).

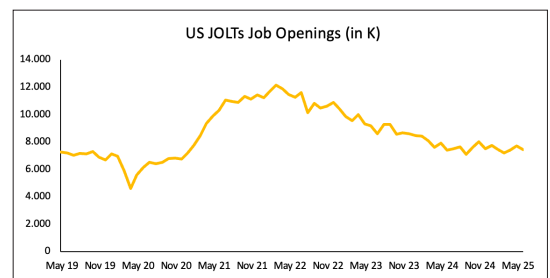


Source: Bloomberg



The number of job openings in the U.S., based on the Job Openings and Labor Turnover Survey (JOLTS), fell by 275K to 7.44 million in June (May'25: 7.71 million), below the

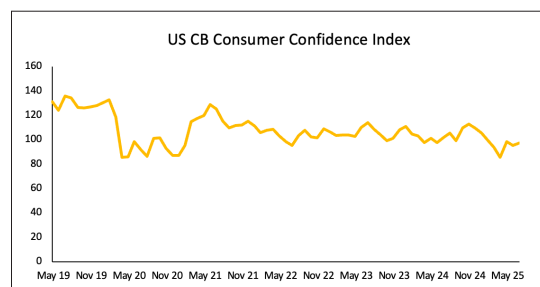
consensus expectations of 7.55 million. The number of job openings decreased in accommodation and food services (-308K), health care and social assistance (-244K), and finance and insurance (-142K). On the other hand, job openings increased in retail trade (+190K), information (+67K), and local and state government education (+61K). Meanwhile, the number of hires decreased to 5.20 million (May'25: 5.47 million) and total separations declined to 5.06 million (May'25: 5.21 million).



Source: Bloomberg



The U.S. Consumer Confidence Index released by The Conference Board (CB) rose to 97.2 in July (Jun'25: 95.2), exceeding the consensus expectations of 95.8. The increase was driven by improved consumer expectations regarding future business conditions, job prospects, and income, although perceptions of current job availability continued to weaken.



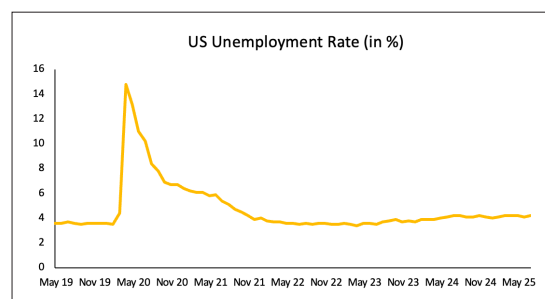
Source: Bloomberg



The U.S. labor market added 73K jobs in July (Jun'25: 14K), below consensus expectations of 110K. Figures for May and June were significantly revised down, with total downward revisions amounting to 258K from previously reported levels. This indicates that the labor market may be cooling more rapidly than initially expected. In July, job growth was mainly driven by the health care sector (+55K) and social assistance (+18K). Meanwhile, there were no significant changes in employment across other major sectors, and government employment declined by 12K.



The U.S. unemployment rate rose to 4.2% in July (Jun'25: 4.1%), in line with consensus expectations. The number of unemployed individuals increased by 221K to 7.236 million, while employment fell by 260K to 163.106 million. The labor force participation rate declined to 62.2% (Jun'25: 62.3%) and the employment-population declined to 59.6% (Jun'25: 59.7%).



Source: Bloomberg

CHINA ECONOMIC DATA



China's NBS Manufacturing PMI fell to 49.3 in July (Jun'25: 49.7), below the consensus expectations of 49.7. This marked the sharpest contraction since January, as production growth slowed and both new orders and foreign sales dropped sharply. The data indicates that the surge in exports ahead of the U.S. tariff increase is starting to slow down, while domestic demand remains weak. A similar pattern was observed in purchasing activity, which declined again after a small increase in the previous month. Meanwhile, employment continued to fall, though the pace was slightly slower. On prices, input price rose, while the drop in selling prices was not as steep as the month before. Nevertheless, business sentiment improved, reaching its highest level in the past four months.

| Category | Jul'25 | Jun'25 |
|---------------------|--------|--------|
| Production | 50,5 | 51,0 |
| New Orders | 49,4 | 50,2 |
| Foreign Sales | 47,1 | 47,7 |
| Purchasing Activity | 49,5 | 50,2 |
| Employment | 49,0 | 47,9 |
| Input Prices | 51,5 | 48,4 |
| Selling Prices | 48,3 | 46,2 |
| Delivery Times | 50,3 | 50,2 |
| Business Sentiment | 52,6 | 52,0 |

Source: NBS China

DOMESTIC



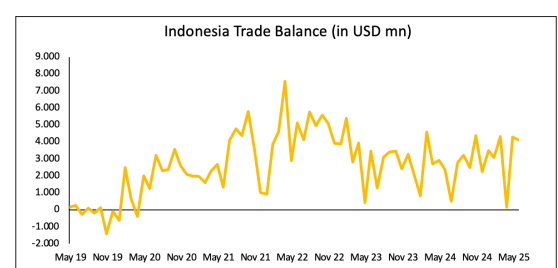
Indonesia's annual inflation rate, based on the Consumer Price Index (CPI), rose by 2.37% YoY in June (May'25: 1.87% YoY), exceeding consensus expectations of 2.24% YoY but remaining within Bank Indonesia's target range of 1.5%–3.5%. This marked the highest inflation rate since June 2024, mainly driven by rising prices in the food, housing, and education sectors. On the other hand, inflation slowed in the transportation, clothing, accommodation and restaurant, as well as household supplies sectors. Inflation in the health sector remained stable, while prices in the communication sector continued to decline.

| Sector | Jul'25 | Jun'25 |
|------------------------------|--------|--------|
| Food | 3.75% | 1.99% |
| Housing | 1.65% | 1.54% |
| Education | 1.95% | 1.82% |
| Transportation | 0.12% | 0.18% |
| Clothing | 1.94% | 2.01% |
| Accommodation and Restaurant | 1.86% | 1.95% |
| Household Supplies | 0.52% | 0.57% |
| Health | 1.84% | 1.84% |
| Communication | -0.31% | -0.27% |

Source: BPS Indonesia



Indonesia's trade balance surplus increased to USD 4.11 billion in June (May'25: USD 4.30 billion), surpassing consensus expectations of USD 3.55 billion. Exports grew by +11.29% YoY and imports grew by +4.28% YoY.



Source: Bloomberg

What to Watch?

5 August 2025



Indonesia GDP Growth Rate YoY in Q2 – Consensus expects 4.8% (Q1: 4.87%)



US Balance of Trade in June – Consensus expects -USD 67.6 bn (May'25: -USD 71.5 bn)



ISM Services PMI in July - Consensus expects 51.5 (Jun'25: 50.8)

7 August 2025



China Balance of Trade in July – Consensus expects USD 103.5 bn (Jun'25: USD 114.7 bn)

9 August 2025



China Inflation Rate YoY in July - Consensus expects -0.1% (Jun'25: 0.1%)

Key Takeaways

On the global front, last week was marked by the Federal Reserve's decision to keep interest rates unchanged for the fifth consecutive meeting. Fed Chair Jerome Powell signaled that it is still too early to commit to a rate cut in September, citing the need for additional data. The decision was supported by a resilient labor market, with the unemployment rate holding steady at 4.1% in June. Powell reiterated the Fed's focus on controlling inflation, rather than easing borrowing costs as advocated by President Donald Trump. The Fed is also continuing to assess the impact of recent tariffs and policy changes.

One of the key economic data points last week was the U.S. Q2 GDP report, which showed an annualized expansion of 3%, rebounding from a -0.5% contraction in Q1 and surpassing expectations. While this headline figure suggests continued economic strength despite tariff-related headwinds, a closer look paints a less optimistic picture. The growth was largely driven by a 30.3% drop in imports, following a Q1 surge in stockpiling ahead of Trump's tariff hikes. Consumer spending rose 1.4% in Q2, up from 0.5% in Q1, but both quarters represent the weakest back-to-back performance since the pandemic. Economists caution that the headline GDP figure may overstate the economy's underlying health, given the ongoing pressure from tariffs.

Domestically, last week marked the peak of Indonesia's corporate earnings season, with most results coming in below market expectations. Muted consumer spending continues to weigh on revenue and earnings across the retail, consumer staples, and telecommunications sectors. In addition, banks have begun revising down their FY25 guidance, reflecting weaker confidence in the economic outlook. Consequently, the economic consensus now projects Indonesia's GDP growth to ease to 4.8% YoY in 2Q25, slightly below the 4.9% recorded in 1Q, driven by softening private consumption and net exports.

Weekly Update

28 July – 1 August 2025



| | Global Indices | 1-Aug-25 | 1W (%) | 1M (%) | YTD (%) |
|--|--------------------------|----------|--------|--------|---------|
| | Nikkei 225 - Japan | 40,800 | -1.58 | 2.61 | 2.27 |
| | Kospi - Korea | 3,119 | -2.40 | 1.44 | 30.00 |
| | Hang Seng - Hongkong | 24,508 | -3.47 | 1.18 | 22.29 |
| | SH Comp - China | 3,560 | -0.94 | 3.04 | 4.48 |
| | Nifty 50 - India | 24,565 | -1.09 | -3.49 | 3.89 |
| | Strait Times - Singapore | 4,154 | -2.52 | 3.57 | 9.43 |
| | SET - Thailand | 1,218 | 0.10 | 9.20 | -12.99 |
| | FTSE - Malaysia | 1,533 | -0.03 | -1.09 | -6.37 |
| | PSEi - Philippines | 6,306 | -1.67 | -1.76 | -3.41 |
| | S&P500 - US | 6,238 | -2.36 | 0.17 | 5.60 |
| | DAX - Germany | 23,426 | -3.27 | -1.53 | 17.66 |
| | MSCI ex, Japan | 802 | -2.77 | 0.03 | 13.50 |





| Indonesia | 1-Aug-25 | 1W (%) | 1M (%) | YTD (%) |
|---------------------------------------|----------|--------|--------|---------|
| JCI Index | 7,538 | -0.08 | 9.54 | 6.47 |
| LQ-45 | 797 | 0.29 | 3.99 | -3.61 |
| JII | 538 | 2.41 | 9.11 | 11.04 |
| IDX Sector Energy | 2,963 | 0.63 | 10.44 | 10.17 |
| IDX Sector Basic Industry | 1,664 | 3.60 | 14.03 | 32.95 |
| IDX Sector Industrials | 1,017 | 1.25 | 11.68 | -1.78 |
| IDX Sector Consumers Non-cyclical | 713 | 3.07 | 6.77 | -2.25 |
| IDX Sector Consumers Cyclical | 736 | 4.00 | 1.04 | -11.83 |
| IDX Sector Healthcare | 1,559 | 0.10 | 3.51 | 7.06 |
| IDX Sector Financial | 1,374 | -4.70 | 2.43 | -1.31 |
| IDX Sector Properties & Real Estate | 777 | 2.00 | 8.49 | 2.69 |
| IDX Sector Technology | 9,378 | 4.99 | 45.23 | 134.57 |
| IDX Sector Infrastructures | 1,888 | -0.20 | 33.08 | 27.65 |
| IDX Sector Transportations & Logistic | 1,495 | -1.44 | 5.00 | 14.94 |

| Foreign Flow | as of | WTD | MTD | YTD |
|----------------------|-----------|--------|-------|----------|
| Equity (million USD) | 1-Aug-25 | -142.4 | -4.5 | -3,752.9 |
| Bonds (million USD) | 30-Jul-25 | -181.4 | 820.1 | 3,363.3 |



| Bonds (price) | | 1-Aug-25 | 1W (%) | 1M (%) | YTD (%) |
|---------------|------|----------|--------|--------|---------|
| FR0104 | 5th | 101.40 | -0.42 | 0.31 | 3.80 |
| FR0103 | 10th | 101.40 | -0.33 | 0.33 | 3.50 |
| FR0106 | 15th | 102.73 | -0.48 | 1.02 | 3.30 |
| FR0107 | 20th | 102.49 | -0.01 | 1.02 | 3.34 |
| US Treasury | 5th | 96.54 | 0.36 | 0.34 | 2.35 |
| US Treasury | 10th | 85.98 | 1.22 | 0.83 | 4.92 |



| Commodity (USD) | | 1-Aug-25 | 1W (%) | 1M (%) | YTD (%) |
|---|-----------|----------|--------|--------|---------|
|  | Oil - WTI | 67 | 3.33 | -0.18 | -5.16 |
|  | Coal | 115 | 4.26 | 2.13 | -7.75 |
|  | CPO | 4,193 | -0.66 | 3.94 | -14.86 |
|  | Nickel | 14,987 | -2.17 | -2.06 | -2.78 |
|  | Gold | 3,363 | 0.78 | 0.18 | 29.04 |



| Currency/Rates | 1-Aug-25 | 1W (%) | 1M (%) | YTD (%) |
|----------------|----------|--------|--------|---------|
| USD/IDR | 16,493 | 1.09 | 1.55 | 2.22 |
| USD/JPY | 147.40 | -0.20 | 2.60 | -6.02 |
| USD/EUR | 0.86 | 1.34 | 1.84 | -10.18 |
| USD/CNY | 7.19 | 0.33 | 0.42 | -1.45 |
| 7DRRR (%) | 5.25 | 0.00 | -0.25 | -0.75 |
| Fed rate (%) | 4.50 | 0.00 | 0.00 | 0.00 |



| Calender 28 Jul'25 - 01 Aug'25 | Results |
|-------------------------------------|--------------|
| US JOLTs Job Openings in June | 7.44 million |
| US CB Consumer Confidence in July | 97.2 |
| US Fed Interest Rate Decision | 4.25%-4.5% |
| China NBS Manufacturing PMI | 49.3 |
| US Core PCE Price Index MoM in June | 0.3% |
| US Non-Farm Payrolls in July | 73 K |
| US Unemployment Rate in July | 4.1% |

■ Positive Movement ■ Negative Movement

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