SYAILENDRA

MARKET INSIGHT

September 17th, 2025

The Paradox of Interest Rate Cut

Lower rates don't always heal the market easily!

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The Paradox of Rate Cut

September 2025

Key Summary

- **The Fed cenderung tertinggal dibandingkan bank sentral lain dalam memangkas suku bunga acuan.** Mengacu pada konsensus, investor tengah *pricing in* potensi 2x *rate cut* dengan target akhir 3,78% (akhir 2025) dan 2,5% (akhir 2026).
- **Efek pemangkasan BI Rate sebanyak 4x sejak awal 2025 belum terasa** pada saham-saham yang sensitif terhadap *rate cut* (perbankan, properti & telco) terutama karena kondisi likuiditas di pasar yang belum pulih, terutama perputaran uang (M2).
- *Rate cut* memang merupakan kebijakan moneter ekspansif yang positif, **namun ekspektasi investor harus diimbangi dengan perbaikan ekonomi riil di lapangan.**

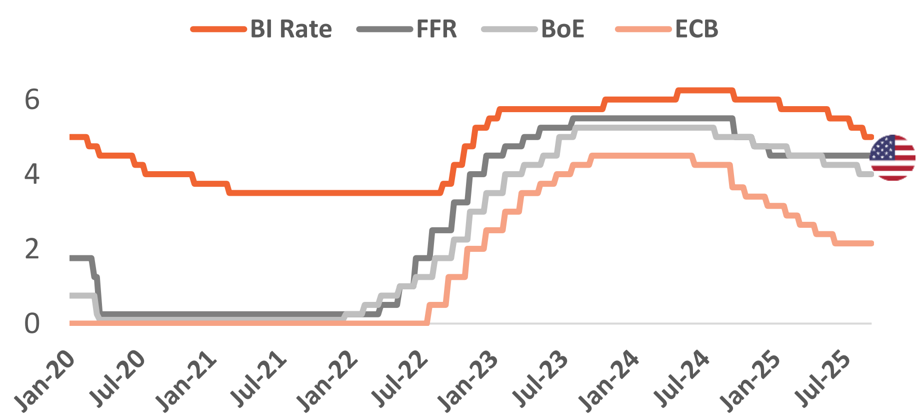
Syailendra's View

Masalah utama yang hingga kini dihadapi ekonomi domestik adalah **lemahnya likuiditas dan perputaran uang** sehingga efek BI *Rate Cut* belum terlihat optimal.

Sebaliknya, pasar saham global sudah mencetak rekor/ATH, didorong oleh **ekspektasi investor** atas *rate cut* masif untuk mendukung pemulihan ekonomi.

The Fed falls behind on rate cut

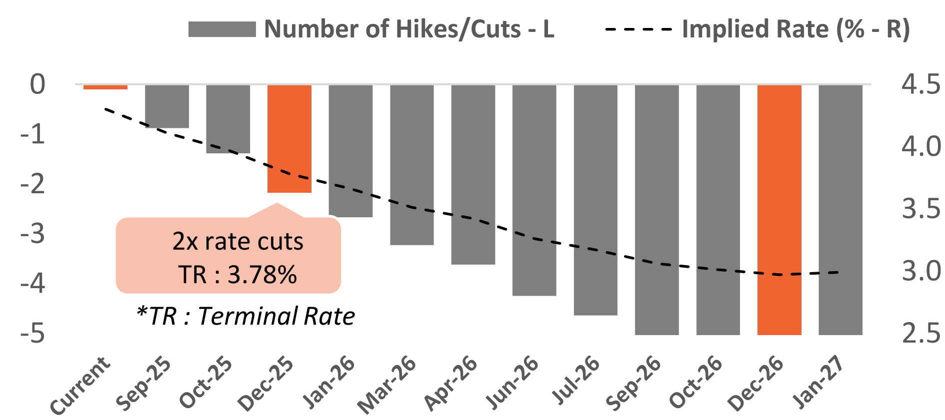
Rising pressure mounts on Powell to deliver deeper easing



Source : Bloomberg, Syailendra Research

Implied FFR seen at 3.78% by end of 2025

Signals room for 2 more rate cuts ahead



Source : Bloomberg, Syailendra Research (as per Aug 31st, 2025)

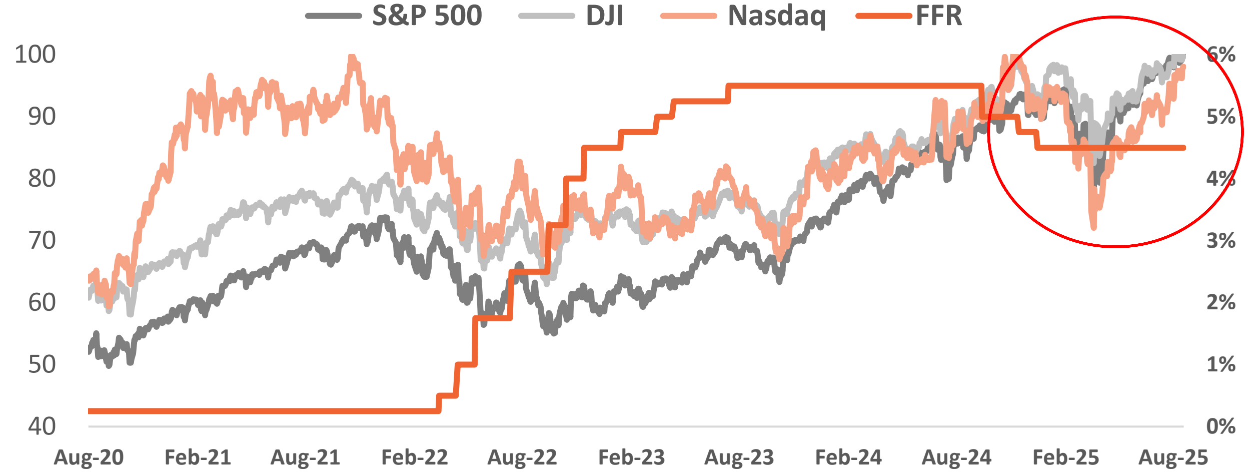
What's Behind the Wall St.Rally?

Walaupun The Fed belum sekalipun memangkas suku bunga acuan sejak awal 2025, **ketiga indeks saham AS terus cetak rekor.**

Hal ini didorong oleh **ekspektasi tinggi** investor bahwa *Fed rate cut* akan segera terjadi. *Rate cut* pertama diperkirakan terjadi pada **FOMC 17 Sept dengan probabilitas ~96% untuk 25bps *rate cut*.**

Wall Street still hits all-time high despite FFR stays high

History shows rate cuts can fuel rallies if recession is avoided



Source : Bloomberg, Syailendra Research (as of September 4th)

Slower M2 + Slower Jobs

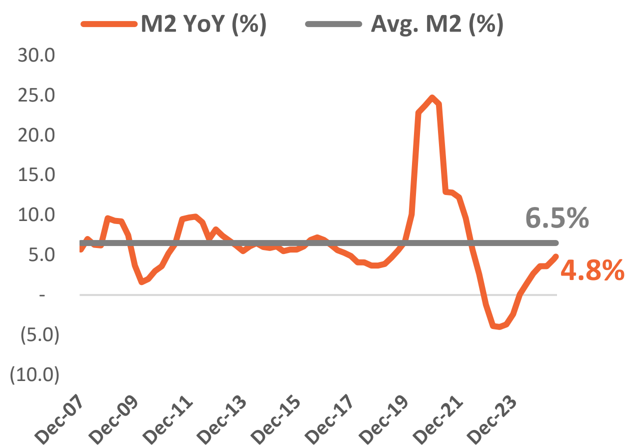
Dua masalah utama yang kini dihadapi AS adalah:

- **Perlambatan M2 sejak 2022**, berada di bawah rata-rata (2007–Sep'25) sebesar 6,5%
- **Perlambatan *job openings*** dan beberapa kali revisi negatif.

Hal ini membuat urgensi Fed *rate cut* naik = ekspektasi investor naik.

US M2 Growth Shrinks

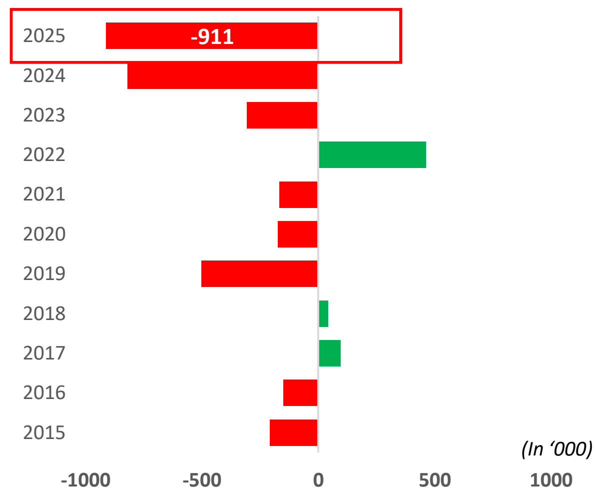
Smaller liquidity = Bigger market risk



Source : Bloomberg, Syailendra Research

Massive US Payroll Revisions

Latest adj. : March'25 jobs cut by 911k



Source : Bloomberg, Syailendra Research

Lessons in 2019

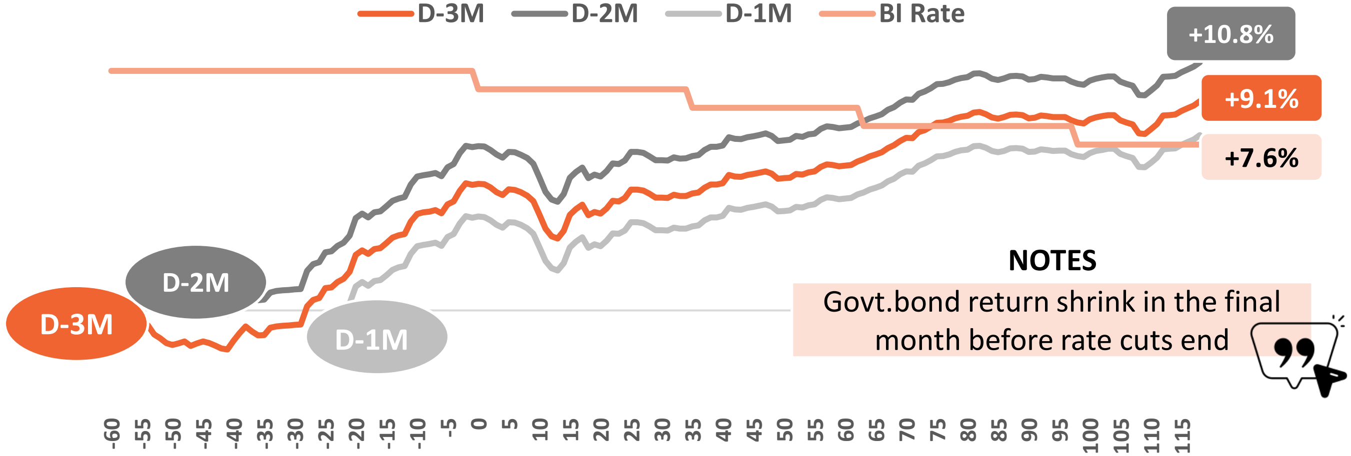
BI *Rate Cut* sepanjang Juli – Okt 2019 membuat **yield SBN 10Y turun dari level 7,5% ke 7,0%** (artinya : harga obligasi naik).

Reli ini bahkan **mulai terjadi 3 bulan** sebelum *rate cut* pertama (Juli'19) saat BI Rate di level 6%.

In fact, **'kekuatan' reli makin mengecil** mendekati *rate cut* terakhir pada 2019 ketika BI Rate sudah di level 5%.

Bank Indonesia's 2019 rate cuts were positive for Govt. Bonds, but…

… when easing is fully priced in, the impact gradually fades



Source : Bloomberg, Syailendra Research

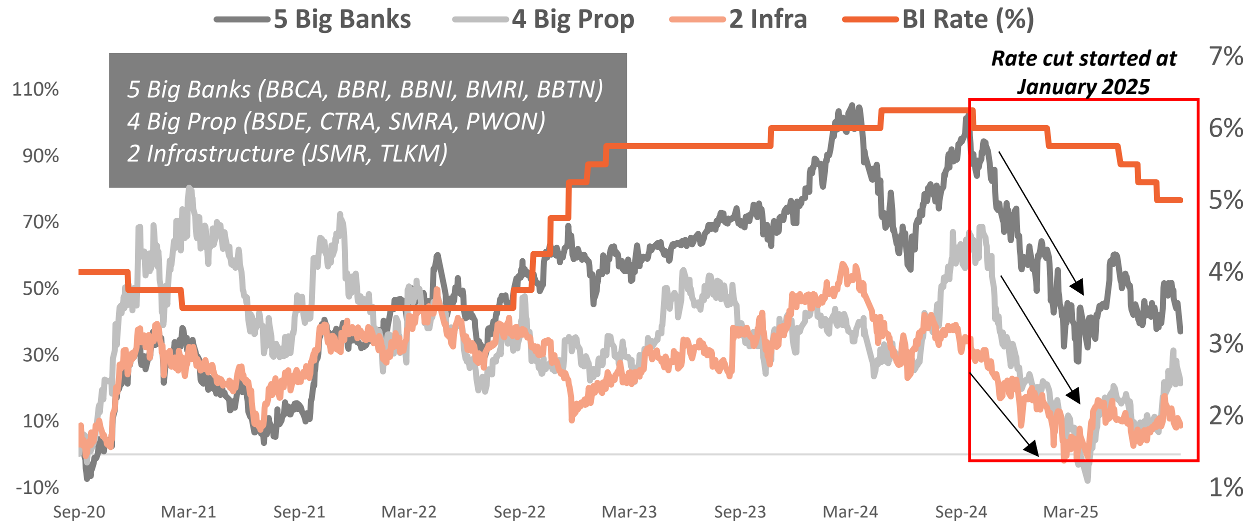
Rate Cut is not a Silver Bullet!

Sekalipun BI telah memangkas BI Rate (4x) dari 6% ke 5% sejak awal 2025, terlihat **bahwa saham sektor perbankan, properti serta infrastruktur belum terapresiasi dan cenderung terkoreksi.**

Kondisi ini menunjukkan bahwa **ada 'faktor' penting lain** untuk memulihkan perekonomian, dan *rate cut* bukan jalan instan.

4x Bank Indonesia rate cuts, yet sensitive stocks stay unmoved

Lower rates alone prove insufficient to deliver an instant economic lift



Source : Bloomberg, Syailendra Research (as per 4 Sept 2025)

2 Big Problems Within Indonesia

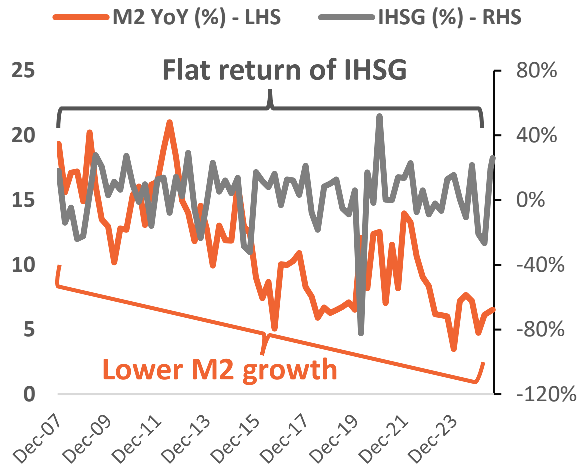
Pertumbuhan perputaran uang (M2) terus menurun sejak 2007.

Kondisi ini mengindikasikan perlambatan aktivitas ekonomi (produksi & konsumsi) yang mengakibatkan :

- **Revisi laba perusahaan (EPS)** menjadi lebih rendah.
- ***Return* IHSG menjadi lebih terbatas** dalam jangka panjang.

M2 Growth vs IHSG Return

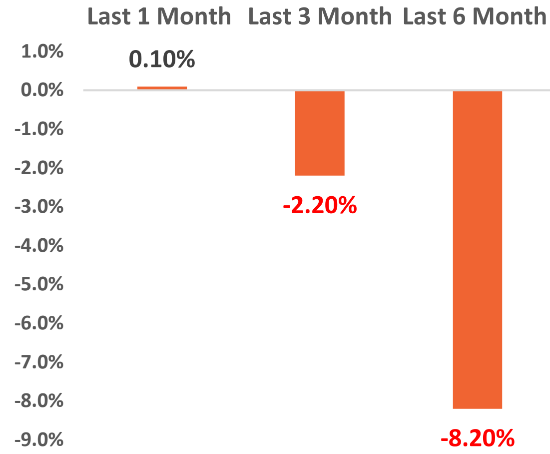
Lower liquidity weighs on stock prices



Source : Bloomberg, Syailendra Research

Indonesia EPS Revisions

Earnings downgrades limit IHSG's upside



Source : Bloomberg, Syailendra Research

Pro-Growth Program by Govt.

Stability over growth menjadi cerminan ekonomi Indonesia selama puluhan tahun dengan ***comfort zone* di ~5%.**

Namun, pasca pergantian kepemimpinan dan Menteri Keuangan, **pendekatan *pro-growth* tampak mulai dilakukan** bertahap yang diawali dengan *placement* Rp 200T dari BI ke 6 perbankan besar.

8+4 Govt. programs to improve economy and fasten money liquidity

No	Stimulus Program	Description
1	Paid internship for fresh grads	Govt. to collab with private companies to provide a 6-month paid internship to enhance the job readiness of new graduates
2	Tax relief expansion	Govt. to extend PPh 21 tax borne by the government beyond labor-intensive industries to other sectors
3	Food assistance extension	Distribution of 10kg of rice per month is extended for 3 months to support low-income households
4	Gig worker protection	Govt. covers 50% of BPJS employment premiums (JKK, JKP, JKM) for freelancers and gig workers like ride-hailing drivers
5	Housing support via BPJS	BPJS Employment provides financing for housing, renovations, and home ownership for participants
6	Cash for work programs	Labor-intensive public works in transport and housing sectors are prepared to absorb more workers

Source : Various of trusted news, Syailendra Research

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