

Monthly Bulletin

October 2026

What's Inside



Calendar

US – CPI Print (14 Oct)

US – Fed Funds Rate (29 Oct)

ID - BI-Rate (21 Oct)



Events

In September 2026, global tightening weighed on emerging markets. The Fed, ECB and BoJ all hiked, US real yields hit multi-year highs, and Brent returned near USD100 as US–Iran strikes resumed. At home, the rupiah breached IDR18,000, the JCI fell 6.96% mom, and Bank Indonesia held at 5.75% under its new governor as a technocrat took over the Finance Ministry, ahead of MSCI's November review.



Equity Market

The JCI (IHSG) decreased approximately - 6.96% mom in Sep 2026,. This was rebound driven by local investor followed by recovery of market liquidity.

The index closed at around 6,071 by the end of Sep. Foreign equity flow record outflow by 574mio USD

Top 3 Leaders: 1) SEMA, 2) TRUK, 3) ASPI
Top 3 Laggards: 1) FORU, 2) JGLE, 3) RGAS.



Fixed Income Market

The Indonesia 10-year SUN yield stood at 7.14% as of Sep 2026, up 107bps YTD amid rupiah weakness, tighter domestic liquidity conditions, and higher premium coming from real yields

Foreign bond flow still positive at USD 25mn in Sep, bringing YTD flow back to a positive USD 1,604Mn.



Section 01



Macro Updates

2026F Macro Views

Navigating Global Fragility and Domestic Transition

Updates and Changes to Our Macro View So Far Explained

Global Issues

- **Long yields are pricing supply, not inflation.** Consensus reads higher yields as inflation; we see supply. The UST 10-year rose 54bps to 5.29% while breakevens held near 2.35%. Real yields at 18-year highs reflect AI capex competing with record issuance for capital.
- **Three central banks hiked; markets price more.** The Fed (3.75–4.00%), ECB (2.50%) and BoJ (1.25%) tightened on energy-driven inflation, leaving EM less room to ease. Softer core PCE (3.0%) cut October hike odds below 50%, but markets still price ~76% for December.
- **Hormuz talks stall on sequencing; oil stays high.** Talks hinge on whether Hormuz reopens before the nuclear file is settled. Base case: Brent at USD90–100; a deal opens downside to the low USD70s.

Domestic Issues

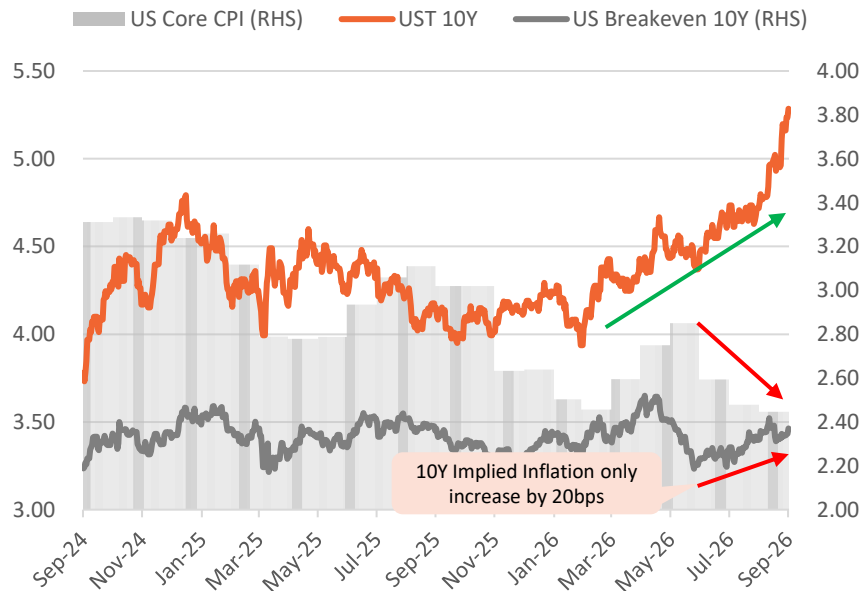
- **Indonesia's reforms already match global practice; the problem is the clock, not the content :** OJK, IDX and KSEI have completed all four MSCI transparency items, including 1% shareholding disclosure and a 15% minimum free float from 31 March. The framework now compares well globally, but November's review comes too soon for the new rules to visibly change trading behaviour. Base case: no reclassification.
- **Oil above USD80 is eating the fiscal buffer.** August ICP averaged ~USD89 against the budget's USD70. At ~2.4bps of GDP per USD1, that adds ~0.45% of GDP to the deficit. With fuel prices frozen and the deficit near 2.85%, little room remains under the 3% cap.
- **Investors are pricing governance, not personnel.** Bank Indonesia, the Finance Ministry and the National Police changed leaders within about ten weeks. Destry Damayanti succeeded Perry Warjiyo at BI, Suahasil Nazara replaced Purbaya as finance minister on 14 September, and Suyudi Ario Seto was confirmed as police chief on 1 October.. Credibility will be judged on fiscal delivery, not appointments.
- **Hedged short-end carry still pays.** SRBI yields fell nearly 100bps, but a ~2.5% real policy rate and BI's richer hedging subsidies keep hedged short-duration income attractive.

High carry cushions the rupiah but can't shield it. IDR had high real yield with ~2.5% real policy rate. Also with attractive carry yield, BI's richer hedging subsidies keep Indonesia's carry attractive. The rupiah may still see short-term pressure as the gap to the Fed narrows to ~175bps, but high carry should limit how far it falls.

The bond market repriced supply, not CPI

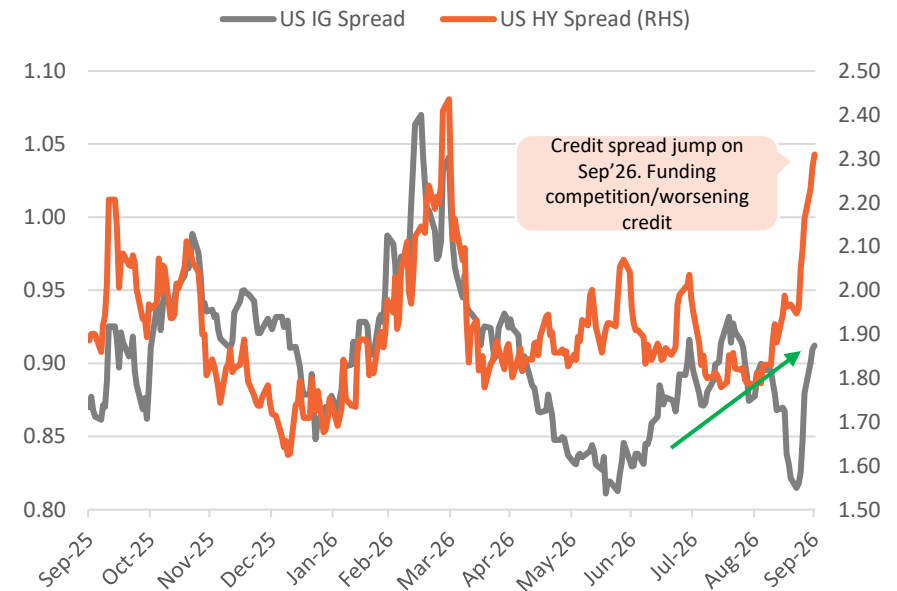
Real yields and term premium did the work, not inflation

Rates Trending-Up Despite Inflation Trending-Down In % YoY



Source: Bloomberg, Syailendra Research

IG and HY Spread Increase Sign of Crowding-Out/Credit In spread %



Source: Bloomberg, Syailendra Research

- Core CPI has fallen to 2.45% also 10Y breakeven only increase 17bps (2.20% -> 2.37%) while the UST 10Y significantly (more on 30Y). This highlight it probably issue on term premium possibly supply.
- The move is real yield and term premium, not inflation compensation: the 10-year breakeven sits near 2.37% not moving much compare 5Y ago.
- IG and HY spreads widened at the same time, as corporates funding AI capex and the Treasury compete for the same pool of savings or possibly credit issue.

Three major central banks hiked in one month

Different reason but more or less about inflation (energy, wage)

Latest Highlight on Central Bank Rate Decision Explained

Central Bank	Sep'26 Decision	Rate (Upper)	Inflation	Real Rate	Notes
Fed	+25bps	4.00%	3.40%	0.6%	Inflation "too high for too long" comments
ECB	+25bps	2.50%	3.30%	-0.8%	Energy shock (14.3% on energy inflation)
BoJ	+25bps	1.25%			Wage pressure, weak yen
BI	Hold	5.75%	3.19%	2.6%	Rupiah currently stabilizing, accomodating through cheaper hedge with lower yield on SRBI.

Source: Federal Resere, ECB, BOJ, BI

Market Lower Rate Expectation Yet Still Elevated In % Probability

Cum. Prob	375-400	400-425	425-450	450-475	475-500	SEP Sep'26
28-Oct-26	61.8%	38.2%	0.0%	0.0%	0.0%	
9-Dec-26	Last month at 70%	80.3%	19.7%	0.0%	0.0%	2026F : 4.1
27-Jan-27		29.8%	70.2%	0.0%	0.0%	
17-Mar-27	0.0%	0.0%	58.7%	41.3%	0.0%	
28-Apr-27	0.0%	0.0%	15.8%	84.2%	0.0%	
9-Jun-27	0.0%	0.0%	0.0%	73.5%	26.5%	
28-Jul-27	0.0%	0.0%	0.0%	55.8%	44.2%	
15-Sep-27	0.0%	0.0%	0.0%	40.3%	59.8%	
27-Oct-27	0.0%	0.0%	0.0%	36.8%	63.2%	
8-Dec-27	0.0%	0.0%	0.0%	46.2%	53.8%	2027F : 4.1 2028F : 3.9 Terminal 3.2

Source: CME

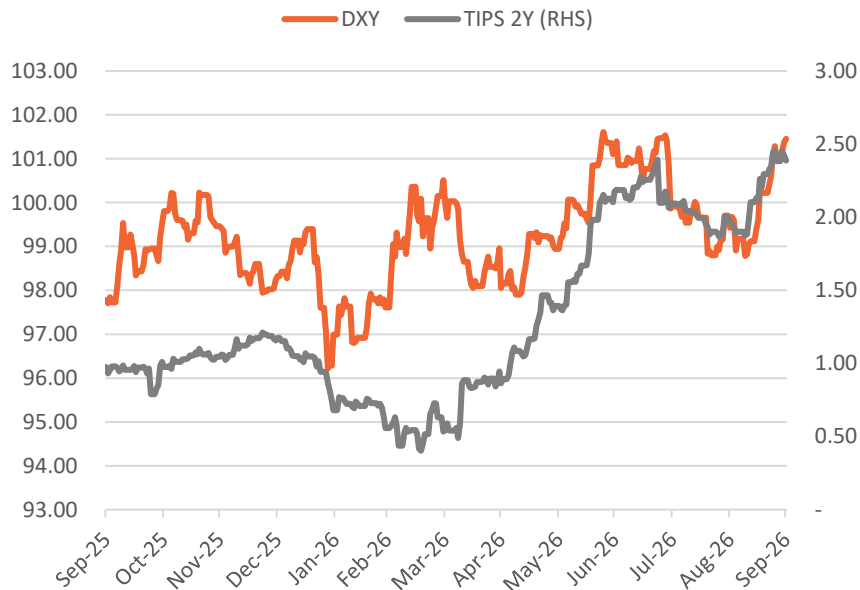
- September's hikes shared one root cause: inflation, from energy in Europe and wages in Japan, and still above target in the US.
- Even after the softer PCE print, markets fully price at least one more Fed hike by December and expect tightening to continue into 2027. They price a policy rate of 4.50–5.00% by end-2027, well above the Fed's own projection of 4.1%. That gap leaves room for a hawkish surprise, keeping pressure on EM currencies and on Bank Indonesia's room to ease.

Real rates, not inflation fears, are in charge

Breakevens stayed flat; 2Y real yields drove the dollar and gold

DXY Increase and Decrease follow TIPS 2Y

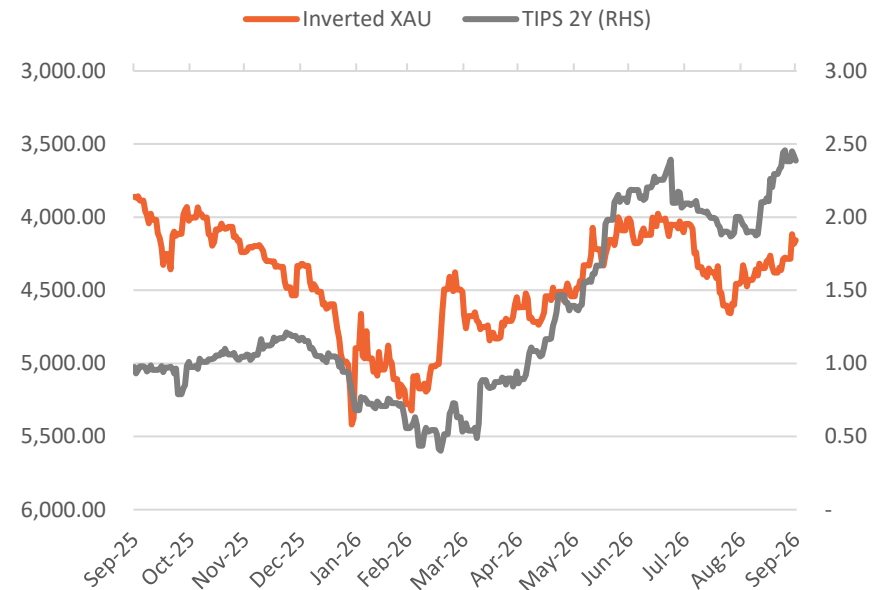
In unit of dollar index, TIPS 2Y Yield



Source: Bloomberg, Syailendra Research

Gold Increase and Decrease follow TIPS 2Y

In USD/oz, TIPS 2Y Yield



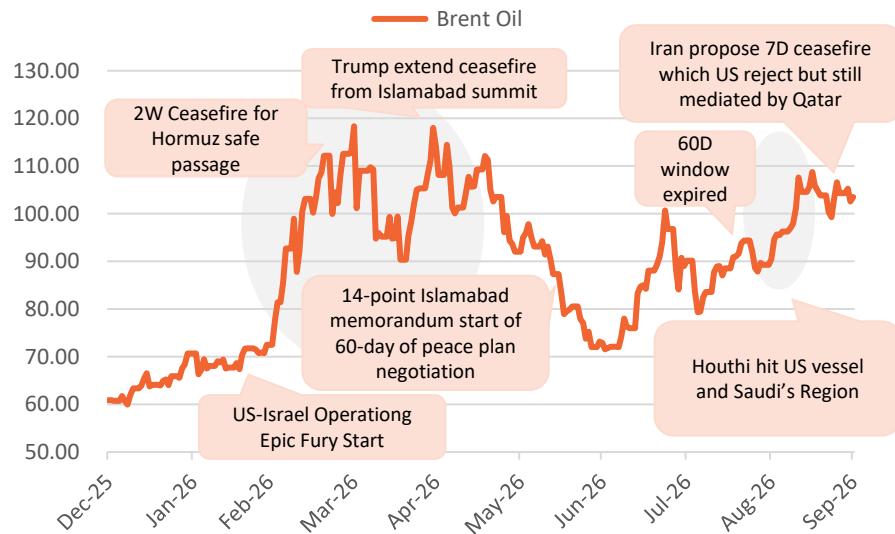
Source: Bloomberg, Syailendra Research

- 🏠 The 2Y TIPS yield has climbed from around 0.5% in March to about 2.4%, while breakevens barely moved. Real rates, not inflation expectations, are driving markets. With inflation expectations anchored, real yield might come from : 1) Increase on policy path on the back of inflation concern, 2) Investor pricing-in US economy is strong, 3) Oil shock is treated as temporary, 4) Global tightening and heavy bond supply

Oil above USD80 is eating the fiscal buffer.

Every USD 1/Bbl increase Indo fiscal deficit est. 2.4bps of GDP

Erily, This escalation similar what happen in 1H26
In USD/Bbl, event study



Source: Bloomberg, Syailendra Research

Indo fiscal impact due elevated oil price
In USD/Bbl, trn IDR, % of GDP

ICP	chg. vs budget assumption	Fiscal Deficit (in trn IDR)	% of GDP	Notes
70.00	-5.00	34.00	-2.28%	
75.00	0.00	0.00	-2.40%	
80.00	5.00	-34.00	-2.52%	
85.00	10.00	-68.00	-2.64%	
87.83	12.83	-87.24	-2.71%	Jan-Aug'26 ICP Avg.
90.00	15.00	-102.00	-2.76%	
95.00	20.00	-136.00	-2.88%	
100.00	25.00	-170.00	-3.00%	

Source: CME, Syailendra Research

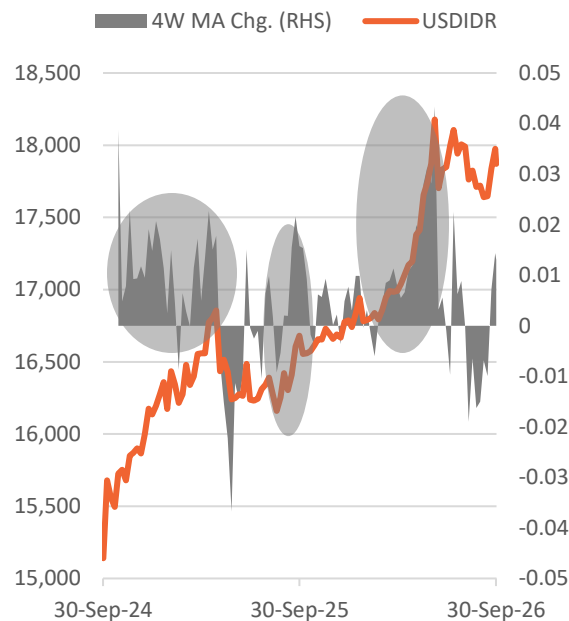
- 🚩 **September's escalation echoed the 1H26 spike.** US strikes on Iranian tankers and Houthi attacks on Saudi facilities pushed Brent back above USD100. Qatar-mediated talks have stalled on sequencing: whether Hormuz reopens first or alongside the nuclear file. Our base case is Brent at USD90–100 until a deal is reached.
- 🚩 **The fiscal math is less forgiving.** The 2027 budget assumes ICP at USD75, but 2026 has averaged USD87.8 year-to-date. If 2027 repeats that, the deficit widens by about Rp87tn to 2.71% of GDP, and the 3% ceiling is reached at USD100. We need no oil forecast, only for 2027 to look like 2026.

Hedged short-end carry still pays

Positive only after BI's hedging subsidy, and the cushion is thin

IDR weakens in bursts, not gradually

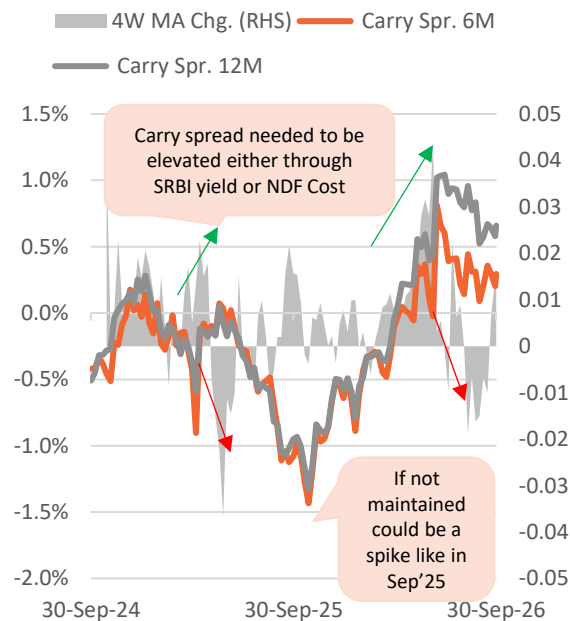
In unit of USD, monthly chg. %



Source : Bloomberg, Syailendra Research

When carry turns neg., the rupiah spikes

In unit of USD, monthly chg. %



Source : Bloomberg, Syailendra Research

How carry spread is calculated

Illustrated

Calculation	6M	12M
SRBI Yield	6.65	6.76
SRBI Yield (after-tax 15%)	5.65	5.74
NDF Pts	174.00	302.51
NDF Annualized	348.00	302.51
NDF Ann., after subsidy	261.00	211.76
Hedge Cost, no subsidy	1.95	1.69
Hedge Cost, subsidy	1.46	1.18
SOFR	3.90	3.90
Carry Spread, no subsidy	-0.19	0.15
Carry Spread, subsidy	0.29	0.66

Source : Bloomberg, Syailendra Research

- 🔺 **Hedged carry is positive, but BI is paying for it.** After tax and hedging, SRBI earns 0.29% (6M) and 0.66% (12M) over SOFR. BI's hedging subsidy adds about 50bps; without it, 6M carry would be about -0.20%. History shows the risk. When carry turned negative in 2025, the rupiah spiked. With SRBI yields already cut nearly 100bps, BI has little room to cut further without pushing carry back toward zero.

- 🔺 $\text{Carry spread} = \text{SRBI yield} \times (1 - 15\% \text{ withholding tax}) - \text{NDF hedge cost (annualised, after subsidy)} - \text{SOFR}$

Liquidity is cheaper, but not abundant

Money-market rates eased; bank-level liquidity stayed flat

Liquidity indicators: price vs quantity

In %, IDR trn

Indicator	Previous Data	Latest Data	Our Read
INDONIA overnight rate	6.61% (June peak)	5.91% (late Sep)	Money-market liquidity improved
SRBI outstanding	Rp1,096.9tn (15 Jul peak)	Rp1,028.2tn (28 Sep)	BI is releasing liquidity
Primary money (M0)	–	+16.3% YoY (Aug); bank current accounts at BI +19%	Plenty of liquidity at system level
Liquid assets / deposits (AL/DPK)	23.10% (Jul)	23.04% (Aug)	Flat to slightly lower
Deposit growth	11.21% (Jul)	10.94% (Aug)	Slowing
Credit growth	13.0% (Jul)	13.3% (Aug)	Outpacing deposits
Loan-to-deposit ratio (LDR)	–	88.38% (Jul)	Rising
Money supply (M2) growth	8.3% (Jul)	8.2% (Aug)	Slightly slower

Source : Bloomberg, Syailendra Research

- 🔺 **The price of liquidity has improved.** INDONIA eased about 70bps from its June peak to 5.91% as BI let about Rp69tn of SRBI roll off, and system-level money (M0) is growing 16.3% YoY.
- 🔺 **The quantity at bank level has not.** Credit growth (13.3%) is outpacing deposits (10.9%), pushing LDR to 88.4% and keeping liquid assets flat at about 23% of deposits. Liquidity is also unevenly spread, with about Rp771tn still parked in BI's monetary operations (18 Sep).

Section 02



Fixed Income

2026F Fixed Income Views

Navigating Global Fragility and Domestic Transition

Updates and Changes to Our Fixed Income View So Far Explained

Based on view of our macro outlook, below are things might be insightful on fixed income assets :

- 🏠 **Real yields keep rising; the cause is still unfolding.** Whether it's a higher Fed path, stronger growth or heavier supply, investors are paid to wait. Money-market funds held near a record USD7.9tn and EM dollar bonds had a weak month.
- 🏠 **EM dollar bonds had their worst month** : since the Iran war began, as Treasury losses fed through even with credit spreads still tight.
- 🏠 **Indonesia reversed last month's improvement.** As the Fed hiked, the INDOGB–UST 10Y spread narrowed to ~180bps. Foreigners sold USD1.9bn of 10-year INDOGB but kept adding to short-dated SRBI.
- 🏠 **We prefer short-duration income over duration.** With the domestic bid impaired — banks cannot be the marginal buyer of long SUN at 89–90% LDR while chasing credit growth — the swing buyer is foreign, which leaves long duration could have bit volatility. A real policy rate near 2.5% means the return on offer is carry, and carry is available without taking the long end. We would revisit duration when bank securities holdings stop shrinking, foreign SUN ownership turns up, or ICP falls back toward US\$75.

Real yields keep rising; the cause is still unfolding

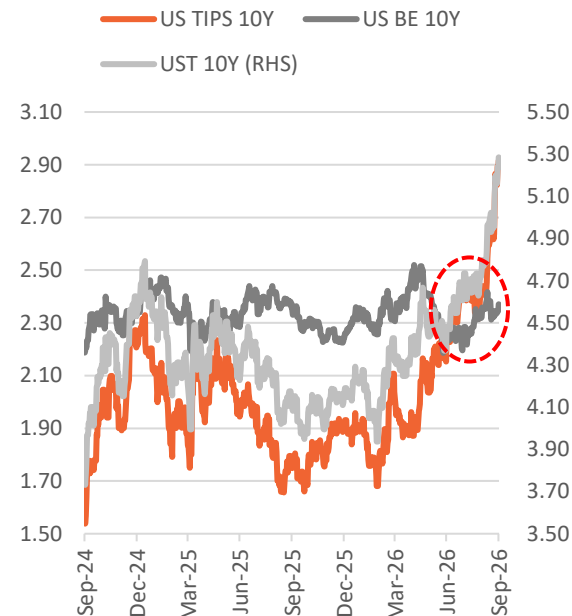
Breakevens are flat; investors favour short and mid duration

Money went short and mid, not long
In bio USD

Short duration	Flow	Notes
Short US Treasury ETFs	58	
Ultrashort bond ETFs	83	
US Intermediate Bond ETFs	86	
US Long duration	6.5	6M to Sep
EM USD Bonds	-2.4	6M to Jun

Source : LSEG, JPM AM, Bloomberg

10Y UST : Breakeven didn't move
In %



Source : Bloomberg, Syailendra Research

2Y UST: Real yield up, breakeven down
In %



Source : Bloomberg, Syailendra Research

- 📌 **Treasury yields are rising because real yields are rising, not inflation expectations.** Breakevens are flat at the 10-year and have fallen at the 2-year, while TIPS yields climbed. That fits a higher policy path, stronger growth or heavier supply; which one dominates is still unfolding. Investors have stayed short to intermediate: ultrashort and intermediate bond ETFs drew USD83bn and USD86bn year to date. Long-duration inflows were modest, and EM USD bonds saw outflows. Until the driver is clear, we prefer short-duration income.

Global Sovereign Bond Performance

INDOGB spread to UST narrowed to ~180bps

EM Peers Yield Comparison

In %

Country	10Y Yield (%)		Spread to US 10Y			Currency				Carry Yield	Inflation	Real Yield (%)	CAD	Fiscal Def.	Cred. RTG
	Current	YTD Chg. (bps)	2025	Current	Chg. (bps)	Current	YTD Chg (in ppt)	2026F Currency	vs Cons. Forecast (2026F)	2026F	2026F	2026F Inflation	2026F	2026F	
Colombia	12.96	32	8.47	7.65	-82	3,309.25	14.15	3,212.50	3.01	15.98	6.00	6.96	-2.50	-6.90	BB+
Brazil	14.11	37	9.57	8.80	-77	5.17	5.80	5.20	-0.48	13.62	4.53	9.58	-2.43	-8.90	BB
South Africa	9.05	86	4.02	3.74	-29	16.58	-0.11	16.26	1.96	11.01	4.20	4.85	-0.40	-3.80	BB+
India	7.21	62	2.42	1.89	-52	96.25	-6.62	95.35	0.94	8.15	2.04	5.17	-0.90	-4.40	BBBu
Italy	4.65	110	-0.62	-0.66	-4	1.13	-3.88	1.16	-2.67	1.98	2.96	1.69	0.75	-0.17	BBB+u
Mexico	9.61	50	4.94	4.30	-64	18.23	-1.21	17.25	5.67	15.28	3.80	5.81	-0.41	-4.30	BBB+
Romania	7.46	72	2.57	2.14	-43	4.67	-7.28	4.49	4.10	11.56	8.20	-0.74	-6.94	-6.20	BBB-
Hungary	5.82	-95	2.60	0.51	-209	325.46	0.55	309.00	5.33	11.15	1.90	3.92	0.09	-6.95	BBB-
Peru	6.67	89	1.61	1.36	-26	3.43	-2.03	3.36	2.15	8.82	3.80	2.87	3.16	-1.95	BBB
Indonesia	7.13	109	1.88	1.82	-6	17,950.00	-7.02	17,250.00	4.06	11.19	3.34	3.79	-1.40	-2.90	BBB
Average Peers in BBB & BB*			3.75	3.15								4.39			
Portugal	4.03	89	-1.02	-1.28	-26	1.13	-3.88	1.16	-2.67	1.36	2.96	1.07	0.51	-0.17	A+u
Spain	4.15	86	-0.88	-1.16	-28	1.13	-3.88	1.16	-2.67	1.48	3.50	0.65	2.20	-2.40	A+u
South Korea	4.43	105	-0.79	-0.88	-10	1,364.10	5.55	1,360.00	0.30	4.73	2.70	1.73	17.00	-1.55	AA
China	1.68	-16	-2.33	-3.63	-130	6.71	4.21	6.69	0.24	1.92	1.00	0.68	3.60	-5.40	A+
Chile	6.07	68	1.22	0.76	-46	974.17	-7.55	915.00	6.47	12.54	3.70	2.37	-1.25	-2.20	A+
Thailand	2.33	69	-2.53	-2.98	-45	33.68	-6.46	33.05	1.91	4.24	2.00	0.33	-1.00	-4.40	A-
Malaysia	4.03	53	-0.67	-1.28	-62	4.08	-0.59	4.02	1.60	5.63	2.00	2.03	2.10	-3.50	A
Poland	6.36	120	0.99	1.05	6	3.87	-7.35	3.72	4.13	10.49	3.10	3.26	-1.30	-7.00	A
Lithuania	4.55	87	-0.48	-0.76	-27	1.13	-3.88	1.16	-2.67	1.88	4.45	0.10	2.10	-2.78	A
Average Peers in A Credit			-0.72	-1.13								1.36			
United States	5.31	114									3.40	1.91	-3.22	-6.34	AA+u
Germany	3.59	74	-1.32	-1.72	-41	1.13	-3.88	1.16	-2.67	0.92	2.70	0.89	4.30	-3.80	AAAu
Japan	3.10	104	-2.11	-2.21	-10	158.39	-1.06	156.00	1.53	4.63	1.90	1.20	4.81	-2.40	A+u
United Kingdom	5.45	97	0.31	0.13	-17	1.32	-1.91	1.35	-2.09	3.36	3.10	2.35	-3.10	-3.80	#N/A
Average Peers in Major			-1.04	-1.29								1.39			

Foreign Government Bond Flows

Foreigners sold INDOGB, kept adding to...

Monthly Data	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
Jan-25	1,384	293	280	391	-358	349	1,990	2,339	8,889
Feb-25	1,353	546	1,796	3,065	146	-38	6,905	6,867	12,017
Mar-25	3,687	111	8,186	-1,902	618	379	10,701	11,080	12,335
Apr-25	-3,030	461	3,591	-1,602	1,683	2,061	1,103	3,164	42,144
May-25	223	1,625	13,118	-233	-24	2,939	14,709	17,648	-3,094
Jun-25	60	-464	12,967	797	-608	-676	12,752	12,076	9,317
Jul-25	120	1,047	9,258	1,310	-60	-1,238	11,676	10,438	-7,930
Aug-25	1,747	1,117	3,083	-813	-145	666	4,988	5,654	7,691
Sep-25	1,218	-2,773	7,235	923	219	-884	6,822	5,938	-9,093
Oct-25	1,964	-1,807	3,019	384	618	174	4,176	4,350	9,877
Nov-25	35	-355	12,515	-24	513	1,209	12,684	13,893	12,132
Dec-25	-1,288	388	12,584	102	-255	-41	11,531	11,490	2,378
Jan-26	787	9	4,906	2,922	1,429	970	10,052	11,022	33,392
Feb-26	1,354	-202	8,129	-1,169	352	136	8,464	8,600	15,473
Mar-26	-1,050	-1,290	4,007	1,379	-1,033	1,279	2,013	3,292	-11,974
Apr-26	-336	777	5,304	780	225	177	6,750	6,927	12,573
May-26	466	-210	7,850	-77	571	-499	8,601	8,102	15,079
Jun-26	5,594	1,260	9,076	2,228	5	837	18,164	19,001	-19,489
Jul-26	3,131	374	3,060	111	-268	-1,817	6,408	4,591	-4,109
Aug-26	-282	861	-2,767	634	-114	1,238	-1,667	-430	-2,270
Sep-26	-1,616	25	113	634	-635	1,238	-1,478	-240	8,314

Yearly	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	8,049	1,604	39,679	7,443	532	3,558	57,306	60,865	46,989
2025	7,472	189	87,632	2,397	2,346	4,899	100,036	104,936	96,662
2024	15,735	2,822	38,420	3,983	-594	1,022	60,367	61,389	21,183
2023	8,445	5,312	60,647	2,130	319	3,768	76,853	80,621	-36,449
2022	-2,012	-7,070	54,020	6,334	6,227	-732	57,499	56,767	-78,158
2021	-1,525	-4,906	106,256	3,900	6,550	2,976	110,274	113,251	111,916
2020	-13,853	-4,684	62,283	6,297	-1,005	3,248	49,038	52,286	-22,017
2019	3,489	6,995	45,764	1,034	-502	4,303	56,780	61,083	88,890

Indonesia Bonds Ownership

Central bank supporting the market in september

Ownership on Tradeable Indonesia Government Bonds

In IDR Trn

Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
2018	21.8%	9.2%	5.0%	17.5%	37.7%	3.1%	5.7%	100.0%
2019	20.7%	9.9%	4.8%	17.1%	38.6%	2.9%	5.9%	100.0%
2020	24.7%	22.6%	4.2%	14.0%	25.2%	3.4%	6.0%	100.0%
2021	25.0%	26.1%	3.4%	14.0%	19.0%	4.7%	7.7%	100.0%
2022	23.8%	27.4%	2.7%	16.4%	14.4%	6.5%	8.8%	100.0%
2023	21.8%	24.2%	3.2%	18.5%	14.9%	7.7%	9.8%	100.0%
2024	19.6%	24.6%	3.1%	19.0%	14.5%	9.0%	10.2%	100.0%
2025	20.2%	25.0%	3.7%	19.6%	13.4%	8.2%	9.9%	100.0%
2026	18.7%	24.9%	3.5%	20.4%	13.0%	8.6%	10.8%	100.0%
Net flow								
Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
2018	64	38	15	66	57	13	17	269
2019	53	56	12	57	169	8	29	384
2020	384	602	30	71	-88	50	68	1,118
2021	217	346	-3	112	-83	90	129	808
2022	92	233	-12	218	-129	123	106	630
2023	-37	-90	32	168	80	91	85	330
2024	-44	123	9	104	35	107	67	400
2025	147	154	56	145	2	-5	30	529
2026	-24	99	3	137	30	66	103	413
Interim								
1Q	53	51	19	62	-25	-5	48	202
2Q	-17	34	-10	74	32	26	33	173
3Q	-60	15	-7	0	23	45	22	38
4Q								
QTD								
Jul	-39	7	-6	4	7	-13	7	-33
Aug	18	-15	0	9	15	44	12	84
Sep	-40	22	-1	-13	0	13	3	-14

Indonesia SRBI Ownership

...SRBI, Foreign still add position to SRBI despite lower increment

Ownership on SRBI

In IDR Trn

	Bank	Resident	Non-Res.	Others	Total
Oct-24	586.3	83.6	262.2	28.6	960.7
Nov-24	601.7	84.9	243.7	38.9	969.2
Dec-24	560.8	91.1	224.2	47.5	923.5
Jan-25	562.3	83.5	237.7	10.5	894.0
Feb-25	560.5	81.9	230.1	20.9	893.4
Mar-25	526.2	81.7	234.2	49.0	891.1
Apr-25	549.1	79.9	212.1	40.7	881.8
May-25	538.1	77.2	213.4	38.6	867.4
Jun-25	523.5	43.5	190.1	25.9	783.0
Jul-25	549.8	32.4	146.8	11.9	740.8
Aug-25	563.5	25.7	122.5	3.9	715.6
Sep-25	587.5	24.8	90.8	6.0	709.1
Oct-25	601.9	16.0	86.8	1.1	705.8
Nov-25	618.3	17.1	86.7	1.2	723.2
Dec-25	589.4	20.1	114.1	7.3	730.9
Jan-26	614.8	16.1	121.9	2.0	754.8
Feb-26	637.6	19.0	150.8	29.8	837.2
Mar-26	638.9	26.3	143.9	22.0	831.2
Apr-26	673.9	35.7	192.2	56.2	957.9
May-26	677.9	44.0	216.5	41.6	979.9
Jun-26	615.7	56.6	293.2	107.2	1,072.6
Jul-26	621.6	57.8	287.1	92.9	1,059.3
Aug-26	618.8	52.5	294.7	97.0	1,062.9

Net Changes on SRBI by Ownership

In IDR Trn

Net Change	Bank	Resident	Non-Res.	Others	Total
Oct-24	34.2	3.7	8.0	-12.9	33.1
Nov-24	15.4	1.3	-18.5	10.3	8.5
Dec-24	-40.9	6.2	-19.5	8.6	-45.6
Jan-25	1.5	-7.6	13.5	-37.1	-29.6
Feb-25	-1.8	-1.6	-7.6	10.4	-0.6
Mar-25	-34.3	-0.2	4.1	28.2	-2.3
Apr-25	22.9	-1.8	-22.1	-8.4	-9.3
May-25	-10.9	-2.7	1.3	-2.0	-14.4
Jun-25	-14.7	-33.7	-23.3	-12.7	-84.4
Jul-25	26.3	-11.2	-43.3	-14.0	-42.2
Aug-25	13.7	-6.7	-24.3	-8.0	-25.2
Sep-25	24.0	-0.9	-31.7	2.1	-6.5
Oct-25	14.4	-8.7	-4.0	-4.9	-3.3
Nov-25	16.4	1.0	-0.1	0.1	17.4
Dec-25	-28.9	3.1	27.4	6.1	7.7
Jan-26	25.4	-4.0	7.8	-5.3	23.9
Feb-26	22.9	2.9	28.9	27.8	82.5
Mar-26	1.3	7.3	-6.9	-7.7	-6.0
Apr-26	35.0	9.3	48.3	34.2	126.7
May-26	4.0	8.3	24.3	-14.6	22.0
Jun-26	-62.2	12.6	76.7	65.6	92.7
Jul-26	5.9	1.2	-6.1	-14.3	-13.3
Aug-26	-2.8	-5.3	7.6	4.2	3.6

Section 03



Equity

2026F Equity View

Navigating Global Fragility and Domestic Transition

Updates and Changes to Our View So Far Explained

JCI one of the world's worst performers. JCI has fallen more than 30 percent year-to-date, making it one of the worst-performing equity markets in the world this year. That scale of drawdown reflects the combined weight of the domestic and external pressures described in the macro section, all compounding into one of the sharper equity corrections globally.

- 🏠 **That drawdown has pushed valuations close to GFC lows.** At the same time, this drawdown has created a genuine opportunity: valuations across a range of sectors are now approaching levels last seen during the Global Financial Crisis. That's a meaningful statement given how different today's market structure and fundamentals are compared to 2008, and it suggests that **a lot of pessimism has already been priced in across multiple sectors.**
- 🏠 **Liquidity is back to pre-2019 levels, but the toolkit has changed.** Market liquidity has also fallen back to levels last seen before 2019, though it's worth noting that the liquidity instruments available today, such as SRBI, are significantly more developed than they were back then. That's a meaningfully different starting point than the last time liquidity was this thin.
- 🏠 **Earnings estimates may still need to catch down to a slowdown.** The second lingering concern is the risk of earnings revisions as the market anticipates a broader economic slowdown. If growth continues to soften, consensus earnings estimates across sectors may need to come down further, and that adjustment hasn't necessarily been fully reflected in current index-level pricing yet.

Based on current macro situation and market dynamics, we need to think in terms of scenario.

- Do not expect a quick mean-reversion trade without foreign flows returning
- Non-fundamental, conglomerate-driven plays are getting harder and probably need longer horizon
- Quality, cash-generative core holdings are the more defensible bet
- Tactical M&A situations could be worth watching
- Stock-picks specific or macro layered such as beneficiaries of lower oil prices

Global Indices Performance

Indonesia index weak as the daily liquidity dropped

No	Country	YTD	1M	3M	6M	1Y	P/E	P/BV	ROE
Global Market									
1	Dow Jones (US)	5.91%	-4.96%	-2.70%	12.58%	9.72%	23.14	5.63	23.19
2	S&P 500 (US)	11.77%	-0.78%	2.03%	20.62%	14.40%	25.17	5.20	18.74
3	Nasdaq (US)	15.57%	1.74%	2.47%	29.17%	18.54%	33.98	8.10	20.29
4	London (UK)	11.11%	-3.61%	1.09%	10.34%	17.36%	18.69	2.40	12.83
5	DAX (GR)	2.89%	-5.16%	0.81%	11.68%	5.52%	17.30	1.92	10.03
6	CAC (FP)	-2.27%	-5.20%	-5.23%	2.47%	0.87%	17.46	1.90	10.43
Asia Market									
1	Nikkei (JP)	32.61%	0.52%	-4.72%	28.65%	48.56%	21.11	2.23	10.05
2	Hang Seng (HK)	-3.97%	-3.80%	7.57%	-0.56%	-8.35%	13.05	1.39	10.27
3	Shanghai (CN)	-3.19%	-2.78%	-6.16%	-2.07%	-1.05%	14.97	1.41	9.77
4	Shenzhen (CN)	-5.88%	-5.46%	-12.49%	-2.99%	-6.10%	16.30	1.73	10.70
5	NFT (IN)	-13.43%	-6.43%	-5.22%	1.29%	-8.09%	22.45	3.20	14.81
6	Kospi (KR)	62.26%	0.72%	-19.33%	29.57%	99.67%	12.61	1.17	9.37
ASEAN Market									
1	Singapore (SG)	22.16%	-0.42%	9.77%	15.90%	31.99%	13.86	1.44	10.59
2	Kuala Lumpur (MK)	-1.72%	-4.33%	-0.77%	-2.18%	2.44%	14.99	1.42	9.52
3	Thailand (TH)	23.76%	-1.84%	-2.03%	7.55%	22.35%	13.80	1.23	9.23
4	Vietnam (VN)	-0.89%	-3.47%	-4.91%	6.38%	6.43%	13.96	1.89	13.69
5	Philippines (PH)	-6.17%	-4.65%	-5.92%	-3.24%	-4.60%	9.68	1.23	12.72
Indonesia Market									
1	JCI / IHSG (ID)	-29.79%	-6.86%	7.58%	-14.39%	-24.69%	13.97	1.81	12.90
2	JII / ISSI (ID)	-31.73%	-7.89%	7.18%	-16.51%	-25.07%	16.23	1.89	11.72
3	IDX30 (ID)	-23.86%	-7.24%	5.93%	-14.34%	-19.97%	11.39	1.57	13.69
4	LQ45 (ID)	-28.99%	-6.33%	8.69%	-16.21%	-24.28%	12.11	1.65	13.53

Equity Peers Comparison

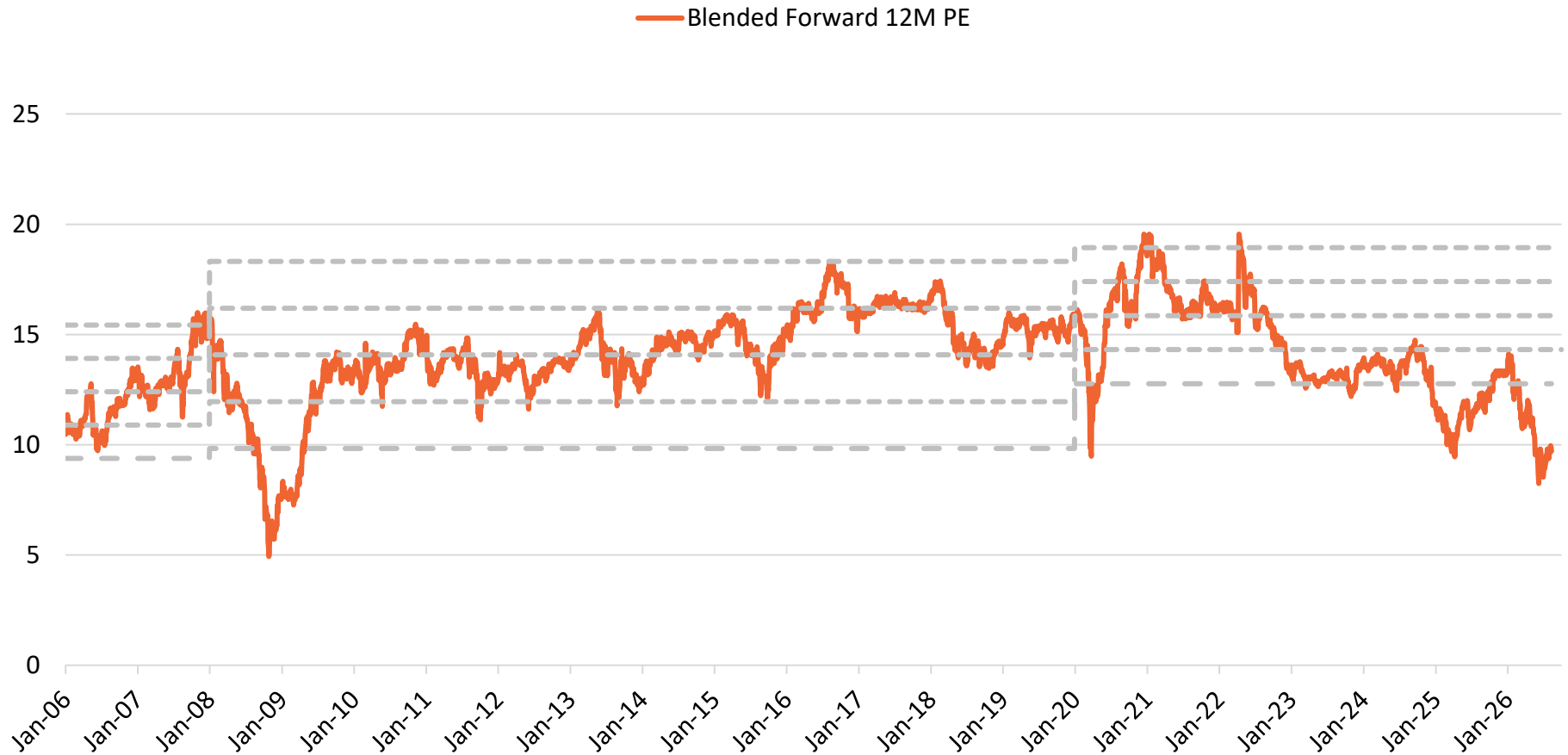
Consensus hasn't pricing-in downgrade on 2026 as EPS growth still at 10%

Desc.	P/E		EPS Growth		P/B		ROE	
	2026	2027	2026	2027	2026	2027	2026	2027
MSCI SEA	15.7	14.3	7.5%	9.6%	2.0	1.8	12.5	12.8
Indonesia*	9.2	8.4	7.5%	9.2%	1.5	1.4	15.9	16.1
Malaysia	14.3	13.3	10.6%	6.9%	1.5	1.4	10.5	10.8
Phillipines	10.2	9.3	0.1%	10.0%	1.5	1.3	14.5	14.5
Singapore	18.4	16.7	12.3%	10.2%	2.3	2.2	12.4	12.8
Thailand	16.1	14.6	18.8%	10.6%	2.1	1.9	12.8	13.1
MSCI AxJ	11.8	9.3	78.2%	26.5%	2.2	1.9	18.7	20.0
Hong Kong	13.6	13.3	19.0%	2.3%	1.2	1.2	8.9	8.6
India	19.9	18.0	6.7%	10.8%	3.0	2.7	14.3	14.6
Korea	6.1	4.5	325.0%	37.1%	2.0	1.4	32.6	32.5
Taiwan	22.8	17.4	60.5%	30.9%	5.5	4.5	24.3	25.5
MSCI EMEA	10.8	10.1	23.7%	7.1%	0.9	0.8	8.2	8.1
South Africa	8.9	8.7	50.1%	3.3%	2.1	1.8	21.2	20.4
Turkey	8.5	6.4	46.1%	34.3%	1.1	0.5	10.9	7.4
MSCI LATAM	9.6	9.4	35.6%	2.8%	1.8	1.7	18.4	18.1
Brazil	8.4	8.3	43.8%	1.0%	1.6	1.6	18.7	18.4
Mexico	12.7	11.9	20.2%	6.6%	2.2	2.0	17.4	17.0
MSCI EMEA	10.8	10.1	23.7%	7.1%	0.9	0.8	8.2	8.1
MSCI World	19.6	17.4	26.1%	12.6%	3.8	3.4	18.4	19.0
Australia	18.2	18.0	12.8%	1.3%	2.6	2.5	12.9	14.0
Europe	15.5	14.3	15.7%	8.4%	2.4	2.2	14.7	14.9
Japan	17.6	15.7	22.5%	11.8%	1.9	1.8	10.7	11.5
USA	21.2	18.5	31.8%	14.6%	5.2	4.5	22.9	23.1
Local Index								
JCI*	10.0	8.9	5.0%	12.7%	1.4	1.2	13.8	13.9

That drawdown has pushed val. close to GFC

Current index valuation also nearing GFC level

JCI P/E Ratio History
Since 2007



Foreign Equity Flows

Market weakness partly caused by foreign selling

Monthly Data	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
Jan-25	-8,418	-229	-1,002	-114	-330	-658	-12,013	-11,355	3,888
Feb-25	-5,353	-1,111	-2,846	-145	-195	-507	-14,041	-13,534	-16,511
Mar-25	234	-490	-1,461	50	-647	-926	-16,383	-15,457	-24,723
Apr-25	1,271	-1,233	-6,955	-54	-432	-256	-7,830	-7,574	26,478
May-25	1,738	337	888	-259	-488	-206	9,576	9,783	12,429
Jun-25	2,373	-511	2,009	-72	-244	-268	8,250	8,518	5,444
Jul-25	-2,852	-511	4,517	-29	499	-364	9,534	9,898	16,137
Aug-25	-4,314	676	-1,060	-74	-670	-668	-8,356	-7,688	3,790
Sep-25	-2,132	-235	5,104	46	-373	-300	9,445	9,745	-31,291
Nov-25	40	730	-9,735	78	-386	33	-20,286	-20,319	6,310
Dec-25	-2,633	732	1,849	-210	191	-461	-2,130	-1,670	-3,814
Jan-26	-3,260	-589	443	226	141	488	-742	-1,231	18,856
Feb-26	1,688	21	-13,690	144	1,743	218	-1,877	-2,094	21,615
Mar-26	-14,218	-1,380	-23,767	-231	-1,243	-28	-69,588	-69,560	-52,163
Apr-26	-5,221	-990	593	-211	-80	112	2,626	2,515	63,373
May-26	-4,909	-217	-27,904	-150	110	-897	-25,584	-24,686	18,860
Jun-26	-3,045	-1,094	-30,492	-22	211	-592	-53,290	-52,698	-17,532
Jul-26	2,453	-374	-6,243	67	1,459			-25,925	7,057
Aug-26	2,394	68	-8,638	-223	-746			1,912	-3,020
Sep-26	-4,143	-574	-16,984	-134	-781			-24,949	-7,722

Yearly	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	-28,261	-5,128	-126,682	-536	814			-196,716	49,324
2025	-20,046	-1,845	-8,692	-783	-3,076	-4,580	-44,234	-39,654	-1,863
2024	1,870	620	172	-488	-3,262	-852	-21,577	-20,724	-15,524
2023	14,403	-850	7,068	-881	-5,505	-569	15,237	15,806	37,284
2022	-15,392	4,058	-7,860	-1,029	6,616	1,451	-50,416	-51,867	23,345
2021	3,761	3,674	-23,010	-5	-1,632	-767	-33,582	-32,815	29,827
2020	23,373	-4,320	-20,082	-2,513	-8,287	-5,782	-32,867	-27,085	-65,727
2019	14,234	-1,306	924	-240	-1,496	-2,683	18,811	21,493	-28

JCI Valuation Methodology Updated

A bottom-up, fundamentals-anchored contribution model

Explanation of our Methodology for JCI Valuation Explained

Background :

Simple price-earnings growth forecasting treats the index as one P/E and one EPS number. This model breakdown for Indonesia since 2022. JCI decoupled from MSCI Indonesia (MXID) — which historically tracks 80-85% of it — because a cluster of "non-fundamental" stocks re-rated violently with no earnings. A top-down P/E on the whole index therefore mixes two incompatible things: companies whose value is anchored to earnings, and companies whose prices are not. Forecasting the blended number forecasts the distortion. Our model instead splits the index into buckets, forecasts only the part we can justify fundamentally, and holds the rest flat. The output is a fundamental baseline for the JCI, not a bet on the unexplainable names.

1. First step was to separate the constituent based on current market structure layer. We tag every JCI constituent into three buckets by index weight:

- Fundamental-Coverage 48.37% — names we cover and can value on earnings
- Non-Fundamental 26.71% — names that soared with no earnings backing, flagged by us as not fundamentally justifiable
- Non-covered 24.92% — the long tail we do not cover

2. Second step was to establish **fair PE** for the index. we create two scenario to reach a fair PE (Updated) :

- -2 std deviation of 10Y JCI currently sitting at at generate 10.21. We use this as the bottom/bear scenario for the next 2Y forward.
- Aggregated P/E based on 100-110 observable stocks (company that have 1Y forward earnings) = this calculation generate current P/E 12.38x 1y forward earnings. This multiple become the basis for bull scenario
- Looking at past few years, we believe that JCI should gradually re-rate to -1 Std. deviation which we assume to -1.75x in 2026F, -1.50x in 2027F and -1.25x in 2028F as base case scenario.

3. Third was to establish **fair assessment EPS growth** for the index. Rather than create multiple scenario we try to create a conservative approach to set earnings :

- 2026F assessment for EPS growth was muted currently at negative single digit growth -4 sd -5% based on our equity coverage. However we still assume 5% earnings growth sub nominal GDP
- 2027F and 2028F we assume bear case : 2.50% (inflation-only), base case : 8.00% (nominal GDP), bull case : 15.00% (range peak past 3Y earnings growth)

4. Perform bottom-up contribution model and create scenario analysis.

Given the metrics above our view on equity should be gradually improving as the communication between IDX, OJK on transparency issue with global investor which improve our cheap valuation at the same time economy is normalizing to business as usual at 8% nominal GDP growth. We don't incorporate macro-factor at the moment like : Rates and IDR trajectory on this approach.

Notes : last year, we tend to use JCI adj. and JCI headline to differentiate both. However, currently the difference point between these two level came back to 2022 level therefore there's no need for us to differentiate but rather just use the calculation in the model.

Scenario Analysis for JCI 2026F

How we came-up with JCI Forecast in current market structure

JCI Index Forecast for 2026F Breakdown

Illustrated

JCI (29-Sep-2026)	6,132.38					
Scenario	Bear					
Contribution Model	W%*	P/E (current)	P/E (target)	EPS Growth	Return	Contribution Return
Fundamental Coverage	48.37%	9.3	10.2	-5.00%	4.2%	2.03%
Non-Fundamental	26.71%				-25.0%	-6.68%
Non-Covered	24.92%				0.0%	0.00%
2026F Target Return under this scenario						-4.65%
2026F Fair JCI Level under this scenario						5,847.29
2026F Target JCI Level under this scenario						5,900.00

Scenario	Base					
Contribution Model	W%*	P/E (current)	P/E (target)	EPS Growth	Return	Contribution Return
Fundamental Coverage	48.37%	9.3	10.76	5.00%	21.5%	10.39%
Non-Fundamental	26.71%				-25.0%	-6.68%
Non-Covered	24.92%				0.0%	0.00%
2026F Target Return under this scenario						3.71%
2026F JCI Level under this scenario						6,360.14
2026F Target JCI Level under this scenario						6,400.00

Scenario	Bull					
Contribution Model	W%*	P/E (current)	P/E (target)	EPS Growth	Return	Contribution Return
Fundamental Coverage	48.37%	9.3	12.38	5.00%	39.8%	19.24%
Non-Fundamental	26.71%				0.0%	0.00%
Non-Covered	24.92%				0.0%	0.00%
2026F Target Return under this scenario						19.24%
2026F JCI Level under this scenario						7,312.13
2026F Target JCI Level under this scenario						7,300.00

observable 1Y forward earnings stocks (100-110 stocks)

Scenario Analysis for JCI 2027F

How we came-up with JCI Forecast in current market structure

JCI Index Forecast for 2027F Breakdown

Illustrated

2026F	6,500.00					
Scenario	Bear					
Contribution Model	W%*	P/E (current)	P/E (target)	EPS Growth	Return	Contribution Return
Fundamental Coverage	56.66%	11.3	10.2	2.50%	-7.5%	-4.24%
Non-Fundamental	19.31%				-5.0%	-0.97%
Non-Covered	24.03%				0.0%	0.00%
2027F Target Return under this scenario						-5.20%
2027F Fair JCI Level under this scenario						6,161.85
2027F Target JCI Level under this scenario						6,150.00

Scenario	Base					
Contribution Model	W%*	P/E (current)	P/E (target)	EPS Growth	Return	Contribution Return
Fundamental Coverage	56.66%	10.76	11.3	8.00%	13.4%	7.60%
Non-Fundamental	19.31%				-5.0%	-0.97%
Non-Covered	24.03%				5.0%	1.20%
2027F Target Return under this scenario						7.84%
2027F Fair JCI Level under this scenario						7,009.53
2027F Target JCI Level under this scenario						7,000.00

Scenario	Bull					
Contribution Model	W%*	P/E (current)	P/E (target)	EPS Growth	Return	Contribution Return
Fundamental Coverage	56.66%	11.3	12.38	15.00%	26.0%	14.73%
Non-Fundamental	19.31%				-5.0%	-0.97%
Non-Covered	24.03%				5.0%	1.20%
2027F Target Return under this scenario						14.96%
2027F Fair JCI Level under this scenario						7,472.47
2027F Target JCI Level under this scenario						7,500.00

observable 1Y forward earnings stocks (100-110 stocks)

Section 04



Appendix

Syailendra Benchmark View

Revising our Macro and Benchmark Assumption for 2026F and 2027F

Syailendra Macro Indicator and Benchmark

In each unit

Desc	Unit	Syailendra Macro/Benchmark Assumption					
		2026F			2027F		
		Bear	Base	Bull	Bear	Base	Bull
Macro Indicator							
GDP Growth YoY	Average full year	4.90	5.20	5.40	5.00	5.20	5.40
Inflation YoY	Average full year	4.00	3.50	2.75	3.50	2.75	2.50
Fiscal Deficit (% of GDP)*	End of year	-2.90	-2.80	-2.60	-2.90	-2.80	-2.60
Current Account (% of GDP)*	Average full year	-2.00	-1.50	-1.00	-1.75	-1.25	-1.00
USDIDR*	End of year	18,250	17,500	16,750	18,500	17,000	16,750
Rates							
Central Bank Rates Indonesia*	End of year	6.00	5.50	5.25	6.00	5.25	4.75
10 YR Govt Bond Yield IDR*	Average full year	7.25	7.00	6.50	7.25	7.00	6.50
Equities							
JCI Headline	End of year	5,900	6,400	7,300	6,150	7,000	7,500
Earnings Growth	End of year	-5.00%	5.00%	5.00%	2.50%	8.00%	8.00%
P/E	End of year	10.2	10.8	12.4	10.2	11.3	12.4

* : still in review

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