Weekly Market Recap

28 Sep – 2 Oct 2026

Market Summary:

Global Equity: Global equities ended the week mixed as investors balanced weaker US labor data against persistent inflation concerns and elevated bond yields. MSCI World declined 0.64% WoW, Japan outperforming as Nikkei rose 2.93%, while Europe and most Asian markets declined. US equities were relatively resilient, with Nasdaq Composite rising 0.45% and S&P 500 declining only 0.27%.

Domestic Equity: JCI fell 3.28% WoW to 6,036, with Rp3.91tn of foreign net selling, as higher global yields and rupiah weakness weighed on sentiment.

Domestic Bond Market: IndoGB 10Y yield rose to 7.17% from 7.10% as global bond yields moved higher, while the 2Y yield eased slightly to 6.79%. The move reflected continued pressure from elevated UST yields, with the UST 10Y rising to 5.27%

Key News of The Week

US economic data sent mixed signals this week. The US labor market softened, with September payrolls rising by only 29k versus 90k expected, while unemployment edged up to 4.2%, reducing expectations for an October Fed hike. However, inflation pressures persisted, with core PCE at 3.0% YoY and higher energy and manufacturing input costs adding to upside risks. UST yields stayed elevated, with the 10Y yield reaching around 5.25% and briefly hitting a new 20-year high amid fiscal concerns, higher oil prices, and resilient economic activity.

Brent crude traded around US$102/bbl on Friday amid reports of additional US military deployments to the Middle East and China's decision on Thursday to halt fuel exports for the month. The deployment comes as US President Donald Trump has signaled an intention to resume strikes on Iran after the November midterm elections.

Japan equities outperformed, with the Nikkei gaining 2.93% as AI and semiconductor stocks led the rally, while higher inflation supported expectations for further BoJ tightening. China equities faced pressure despite improving PMI data, as investors questioned whether additional stimulus would be sufficient to address weak domestic demand.

Indonesia's PMI rebounded to 52.4 in September from 49.8 in August, marking the strongest reading since February. Meanwhile, the August trade surplus widened to US$3.55bn as imports came in below expectations. The government is preparing additional fiscal support to strengthen purchasing power, including Rp17.5tn in rice assistance, equivalent to 0.07% of GDP, and a Rp300k monthly wage subsidy for three months. September headline inflation accelerated to 3.28% YoY (+0.3% MoM), driven by higher food prices amid El Niño-related disruptions to agricultural output, particularly for fresh fish, chicken, bird's eye chili, rice, and cooking oil.

President Prabowo Subianto reshuffled his Cabinet on Thursday, moving several ministers and senior officials to new positions, including Energy and Mineral Resources Minister Bahlil Lahadalia, Foreign Minister Sugiono, and Industry Minister Agus Gumiwang Kartasasmita.

Our View:

Markets will focus on the September FOMC minutes to gauge the Fed's reaction following the softer-than-expected payrolls report. Weekly jobless claims and consumer sentiment will provide additional signals on labor-market and consumer resilience, while developments in oil prices and UST yields remain important external drivers.

We expect Indonesian equities to remain volatile in the near term as elevated UST yields, rupiah pressure, and recent foreign outflows continue to weigh on risk appetite. However, the correction has brought valuations down, while improving PMI, continued trade surplus, and fiscal support for purchasing power provide some fundamental support. For IndoGBs, we see room for further yield compression as softer US labor data reduces Fed tightening expectations and could drive lower UST yields. With rupiah stability improving and domestic fundamentals remaining supportive, foreign demand for IndoGBs could strengthen, providing further support for the bond market.

Index Return (%)

Global Equity	Price	1W	QTD	YTD	1Y	3Y
IHSG	6,036.89	-3.28	-0.56	-30.18	-25.20	-13.02
IDX80	88.76	-4.48	-0.96	-33.04	-27.60	-32.90
LQ45	595.46	-4.13	-0.95	-29.66	-23.98	-37.72
ISSI	209.90	-2.48	-0.38	-31.98	-26.12	-2.83
MSCI World	4,926.25	-0.64	0.48	10.50	13.84	75.96
Dow Jones	51,176.96	-1.26	0.53	5.81	10.01	55.07
NASDAQ Comp	27,190.86	0.45	1.23	16.11	19.03	108.21
S&P 500	7,722.72	-0.27	0.93	11.98	15.00	82.59
Euro Stoxx 50	6,238.50	-1.02	-0.49	7.63	10.50	52.32
FTSE 100 (UK)	10,461.95	-2.18	-1.36	5.24	10.97	40.05
Nikkei 225 (Japan)	68,309.46	2.93	2.33	35.70	52.01	118.67
Shanghai Composite	3,842.20	-1.19	0.00	-3.10	-1.05	23.52
MSCI Asia Pacific	276.25	-1.10	-0.08	21.26	24.09	78.47
MSCI ASEAN	791.18	-2.16	-0.82	3.44	4.98	31.30
KOSPI (Korea)	7,003.74	-1.09	2.42	66.20	97.33	184.12
Nifty (India)	22,421.95	-3.11	-0.88	-13.56	-9.72	14.82

Last Data

Rates, Currencies, Commodities	10/02/26	09/25/26	09/30/26	06/30/26	03/31/26	12/31/25
BBG Commodity	141.51	144.32	141.78	123.18	135.25	109.69
Brent Crude Oil ($/bbl)	102.25	104.32	103.53	72.92	118.35	60.85
Thermal Coal ($/mt)	148.95	145.85	146.50	129.65	142.45	107.50
Gold ($/troy oz)	4,141.19	4,284.81	4,157.41	4,008.02	4,668.06	4,319.37
Nickel ($/mt)	15,626.00	16,329.00	15,928.00	16,287.00	17,110.00	16,646.00
CPO (MYR/mt)	4,354.00	4,475.00	4,424.00	4,474.00	4,729.00	3,998.00
DXY	101.93	100.97	101.45	101.19	99.96	98.32
USDIDR	17,882.00	17,903.00	17,894.00	17,907.00	17,041.00	16,680.00
IndoGB 10Y (%)	7.17	7.10	7.14	7.16	6.86	6.07
IndoGB 2Y (%)	6.79	6.83	6.86	7.21	6.31	5.00
SRBI 12M Avg Yield (%)	6.76	6.76	6.76	7.70	5.50	4.92
UST 10Y (%)	5.27	5.16	5.28	4.47	4.32	4.17
UST 2Y (%)	4.82	4.85	4.89	4.17	3.79	3.47
VIX	15.31	14.87	16.34	16.45	25.25	14.95
MOVE	107.29	96.00	110.45	71.96	96.05	63.96
Indo CDS 5Y	94.40	88.28	91.07	89.45	101.28	68.86

Economic Calendar

Monday	Tuesday
5 Oct: (US) ISM Service Index	6 Oct: (US) Trade Balance

Wednesday	Thursday
7 Oct: (US) MBA Mortage Applications, Release of minutes from the Sep FOMC meeting	8 Oct: (US) Initial Jobless Claim, Wholesale Inventories

Friday
9 Oct: (US) University of Michigan Sentiment

Chart of the Week



Source: Bloomberg

Commentary: US equity valuations have continued to normalize as higher Treasury yields put pressure on multiples. The S&P 500 forward P/E has declined to around 19x from above 23x, while forward EPS expectations have risen to around 361, suggesting that the recent valuation adjustment has been driven primarily by multiple compression rather than weaker earnings expectations. With the UST 10Y yield now at 5.27%, elevated rates remain a key headwind for equity valuations, although continued earnings growth could provide some offset.

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