Weekly Market Recap

5 Oct – 9 Oct 2026

Market Summary:

Global Equity: Global equities closed higher, supported by a rebound in Wall Street and gains across European markets. The S&P 500 rose 0.59%, the Nasdaq gained 0.64%, and the Dow Jones advanced 0.83%. However, Asian markets remained mixed amid inflation concerns and elevated energy prices.%.

Domestic Equity: The JCI rose 1.04% to 6,093.76, with all 11 sectors closing in positive territory. The rally reflected a recovery in domestic equities, although global uncertainty and foreign capital flow volatility remain key risks.

Domestic Bond Market: The 10-year SBN yield edged up 0.1 bps to 7.237%. Yields remained elevated following the previous session's significant increase, keeping global bond movements, US Treasury yields, and rupiah stability in focus.

Key News of The Week

US economic data released during this week presented a mixed outlook for growth and inflation. The ISM Services PMI eased to 54.9 in September from 55.4 in August, remaining in expansion territory, while the Prices Index rose to 74.0, its highest level since 2022, signaling renewed cost pressures. Initial jobless claims declined to 197,000 for the week ending 3 October, indicating that layoffs remained low despite slower employment growth. Meanwhile, the US trade deficit widened to USD105.6 billion in August from USD92.8 billion in July, as imports increased more rapidly than exports. The September FOMC minutes highlighted persistent inflation risks and uncertainty over the policy outlook, reinforcing the importance of incoming economic data in determining the Fed's next move.

Global oil prices remained volatile amid escalating geopolitical tensions in the Middle East and concerns over potential supply disruptions through the Strait of Hormuz. Brent crude surged 4.1% on 8 October to USD 104.28 per barrel, driven by concerns over tanker security and potential disruptions to US oil production due to Hurricane Isaias. On 9 October, prices eased to approximately USD 102.91 per barrel after President Donald Trump indicated that the US would not strike Iran before the midterm elections and signaled progress in negotiations. Nevertheless, supply-side risks remained elevated as shipping security concerns persisted.

In Indonesia, manufacturing activity improved as the September PMI rebounded to 52.4 from 49.8, while the trade surplus widened to USD3.55 billion in August. However, headline inflation increased to 3.28% YoY from 3.19%, driven by food-price pressures, although core inflation eased to 2.84%. The rupiah remained under pressure amid elevated US Treasury yields and a stronger dollar, while the 10-year government bond yield rose to approximately 7.2%. These developments suggest that improving domestic fundamentals are providing some support, but external financial conditions continue to constrain the outlook for Indonesian financial markets.

Our View:

We expect Indonesian financial markets to remain volatile ahead of the US September CPI release next week, which will be critical in shaping expectations for the Federal Reserve's policy trajectory. Persistent services-sector price pressures, low jobless claims, and elevated oil prices increase the risk of a higher-than-expected inflation reading, potentially pushing UST yields and the US dollar higher. For Indonesian equities, this environment may sustain pressure on valuations and foreign capital flows, favoring selective exposure to companies with resilient earnings, strong balance sheets, and reasonable valuations. For government bonds, we maintain a cautious, carry-oriented stance, with a preference for short-to-medium-duration IndoGBs while rupiah weakness and elevated global yields constrain further yield compression. A softer US CPI reading could provide relief to both markets, supporting bond prices and equity sentiment, while an upside surprise would reinforce the case for defensive positioning and disciplined duration management.

Index Return (%)

Global Equity	Price	1W	QTD	YTD	1Y	3Y
IHSG	6.093,76	0,94	0,37	-29,53	-26,14	-11,58
IDX80	89,71	1,07	0,10	-32,33	-28,15	-31,47
LQ45	601,67	1,04	0,08	-28,93	-24,81	-36,30
ISSI	212,86	1,41	1,02	-31,03	-26,98	-1,14
MSCI World	4.963,63	0,76	1,24	12,04	14,43	73,63
Dow Jones	51.654,95	0,93	1,47	7,47	11,43	53,71
NASDAQ Comp	27.366,17	0,64	1,88	17,74	18,86	102,95
S&P 500	7.811,54	1,15	2,09	14,11	15,98	80,17
Euro Stoxx 50	6.177,37	-0,98	-1,46	6,66	9,81	50,21
FTSE 100 (UK)	10.552,05	0,86	-0,51	6,25	10,96	40,84
Nikkei 225 (Japan)	69.030,92	1,06	3,41	37,13	42,10	122,72
Shanghai Composi	3.813,79	-0,74	-0,74	-3,91	-3,05	23,15
MSCI Asia Pacific	274,91	-0,49	-0,56	20,75	22,23	77,44
MSCI ASEAN	769,28	-2,77	-3,57	0,81	0,99	28,87
KOSPI (Korea)	6.625,93	-5,39	-3,10	57,23	86,69	175,08
Nifty (India)	22.520,45	0,44	-0,44	-13,81	-10,57	15,42

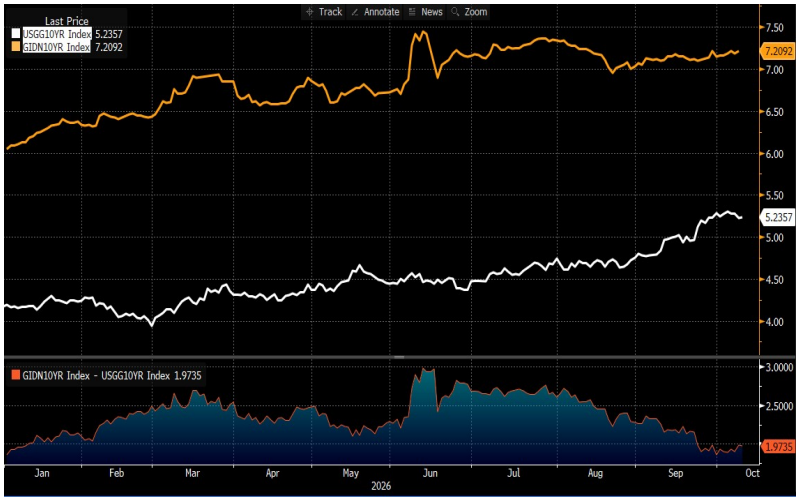
Last Data

Rates, Currencies, Commodities	10/09/26	10/02/26	09/30/26	06/30/26	03/31/26	12/31/25
BBG Commodity	143,73	141,51	141,78	123,18	135,25	109,69
Brent Crude Oil ($/bbl	102,94	102,25	103,53	72,92	118,35	60,85
Thermal Coal ($/mt)	149,45	148,95	146,50	129,65	142,45	107,50
Gold ($/troy oz)	4.186,48	4.141,19	4.157,41	4.008,02	4.668,06	4.319,37
Nickel ($/mt)	15.553,00	15.626,00	15.928,00	16.287,00	17.110,00	16.646,00
CPO (MYR/mt)	4.431,00	4.354,00	4.424,00	4.474,00	4.729,00	3.998,00
DXY	102,11	101,93	101,45	101,19	99,96	98,32
USDIDR	17.899,00	17.882,00	17.894,00	17.907,00	17.041,00	16.680,00
IndoGB 10Y (%)	7,21	7,17	7,14	7,16	6,86	6,07
IndoGB 2Y (%)	6,78	6,79	6,86	7,21	6,31	5,00
SRBI 12M Avg Yield (%	6,60	6,76	6,76	7,70	5,50	4,92
UST 10Y (%)	5,25	5,27	5,28	4,47	4,32	4,17
UST 2Y (%)	4,78	4,82	4,89	4,17	3,79	3,47
VIX	15,21	15,31	16,34	16,45	25,25	14,95
MOVE	100,70	107,29	110,45	71,96	96,05	63,96
Indo CDS 5Y	91,88	94,40	91,07	89,45	101,28	68,86

Economic Calendar

Monday	Tuesday
-	13 Oct: (US) Existing Home Sales
Wednesday	**Thursday**
14 Oct: (US) Inflation Rate, Core Inflation Rate	15 Oct: (US) Retail Sales Data
Friday	
16 Oct: (US) Industrial Production, Export and Import Prices	

Chart of the Week



Source: Bloomberg

Commentary: The yield spread narrowed from approximately 2.8 percentage points in June to 1.97 percentage points in early October 2026, as the US 10-year Treasury yield rose to 5.24%, while Indonesia's 10-year yield stood at 7.21%. The narrowing differential reduces Indonesia's relative yield advantage, potentially limiting foreign demand for SBN and adding pressure on the rupiah. Nevertheless, Indonesian bonds retain a positive yield premium, with the outlook depending on US Treasury yields, currency stability, and global risk sentiment.

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