

## Market Summary:

**Global Equity:** Market volatility increased surrounding the back and forth on US-EU trade tension. **S&P500 -0.35%** while **Nasdaq -0.06%**

**Domestic Equity:** Indonesia faced correction on the back of weakening IDR and domestic concerns. **JCI -0.92%** while **IDX80 -1.49%**. Market posted a net outflow of IDR 3.25 tn

**Domestic Bond Market:** IndoGB corrected to 6.4%. Foreign outflow was **IDR -4.6 tn** WoW.

## Key News of The Week

**Trump backpedaled on European tariffs** after framework of a deal regarding Greenland is reached.

**US PCE inflation in line** at 2.8% YoY and showed that US consumer spending increased 3.1% QoQ. This would support a stronger 4Q25 US economic growth.

**IMF turns upbeat on Indonesia**, forecasting a 5.1% growth in 2026 (vs October: 4.9%) as it upgrades global economic growth forecast.

**Speculation on BI independence** increased as narrative floated of a possible switch between Vice Minister of Finance Thomas Djiwandono and BI Deputy Governor Judo Agung

**Bank Indonesia held the BI rate** at 4.75% and **BI to Increase SRBI issuance to IDR 39.7 tn** (prev: IDR 7 tn). This creates question on monetary-fiscal coordination as pro growth policy is contradicted by tightening gesture.

**28 resource companies' permits was revoked** due to non compliance to environmental regulations. UNTR's Martabe gold mine was amongst the revoked permits.

## Our View:

With the recent pullback on Indonesian equities, we remain positive on Indonesia as its economy is set to grow from a mix of better global economic backdrop and rollout of social and priority program spending.

We maintained a positive outlook on equity with a barbell approach between growth and hedges. We position a 3-5% cash portion to take opportunities amidst volatility and flow-related catalysts.

Index Return (%)							Last Data				
Global Equity	Price	1W	QTD	YTD	1Y	3Y	Rates, Currencies, Commodities	23/01/2026	16/01/2026	31/12/2025	23/01/2025
IHSG	8992.18	-0.92	3.99	3.99	24.33	30.80	BBG Commodity Index	119.58	113.59	111.98	103.60
IDX80	137.733	-1.49	3.90	3.90	13.36	4.40	Brent Crude Oil	65.88	64.13	61.92	79.00
MSCI World	4505.18	-0.22	1.05	1.05	16.83	65.12	Thermal Coal	109.00	108.85	106.65	116.75
Dow Jones	49098.7	-0.53	1.51	1.51	10.17	47.96	Gold	4,987	4,596	4,339	2,756
NASDAQ Comp	23501.2	-0.06	0.35	0.35	17.19	110.37	Nickel	18,756	17,578	16,828	15,718
S&P 500	6915.61	-0.35	0.28	0.28	13.02	74.03	CPO	4,128	4,026	4,027	4,464
Euro Stoxx 50	5948.2	-1.35	2.62	2.62	14.00	44.57	DXY	97.60	99.39	98.24	108.17
FTSE 100 (UK)	10143.4	-0.90	2.04	2.04	18.43	30.62	USDIDR	16,820	16,887	16,771	16,280
Nikkei 225 (Japan)	53846.9	-0.17	6.97	6.97	34.76	102.19	IndoGB 10Y	6.40	6.25	6.09	7.09
Shanghai Compo	4136.16	0.84	4.31	4.31	28.05	26.27	UST 10Y	4.23	4.22	4.12	4.61
MSCI Asia Pacific	240.54	0.03	5.58	5.58	32.40	43.38	VIX Index	16.09	15.86	14.33	15.10
MSCI ASEAN	790.13	1.43	3.30	3.30	16.06	14.08	MOVE Index	56.25	58.05	63.98	89.90
KOSPI (Korea)	4990.07	3.08	18.41	18.41	98.37	106.76					
Nifty (India)	25048.7	-2.51	-3.43	-3.43	7.94	40.28					

## Economic Calendar

Monday Tuesday

Wednesday Thursday

29 Jan: (US) FOMC Meeting, Trade Balance

Friday

30 Jan: (US) Chicago PMI, (EU) GDP, (JP) CPI

## Chart of the Week

### EM's Rising Tide

■ iShares Core MSCI Emerging Markets ETF - monthly fund flows



**Commentary:** The iShares EM ETF has seen close to USD 6 bn of inflows in January 2026. Showing that the EM rotation thesis is starting to materialize as US valuations reached high levels and EM economy recovers at an attractive valuations.