

Market Summary:

Global Equity: US large cap and tech corrected on the back of fears of AI spending from big tech and software sector. **Nasdaq -2.1% WoW** while the broader **S&P500 -1.4% WoW**.

Domestic Equity: Quick response by government restored confidence and led rebound. **JCI +3.5% WoW**, while **IDX80 +3.4% WoW**. Foreign outflow was **IDR -5.47 Tn WoW**

Domestic Bond Market: IndoGB rebounded to **6.4%** as government offered response. Foreign outflow was **IDR -1.1tn WoW**

Key News of The Week

US data pointed a case for further rate cuts. Core CPI was +2.5% YoY, the slowest since March 2021 and headline CPI was below consensus with 2.39% YoY. NFP beats consensus with +130k jobs addition in January. This points to a low-productive and aging economy which would prompt rate cuts.

IDX transparency improvement would be implemented with a planned shareholder concentration metric for issuers. This followed the steps done in Hong Kong to improve transparency

Indonesian Government announced 911 bn stimulus package for Lebaran period with discounts on train, ship, and airplane fares.

Nickel output cuts could cause deficit given the 270mn approved nickel mining quota for 2026 is 25% lower vs 2025 quota. This created a shortage in nickel ore for nickel refineries in Indonesia.

President Prabowo asked ESDM ministry to review alleged violations in Martabe gold mine and to conduct due process. This is done to maintain investor climate for Indonesia.

Indonesia Government in review process for further ban on materials exports to attract FDI in mineral downstreaming.

Our View:

Foreign sentiment uncertainty is affecting Indonesian market environment and would provide a large overhang until it is resolved. Until then we recommend toning down risk by entering **USD based and precious metals proxy**.

Portfolio wise we rotate to defensives and tactically raise cash to wait for opportunity to re-entry on oversold fundamental picks.

Global Equity	Price	Index Return (%)				
		1W	QTD	YTD	1Y	3Y
IHSG	8212.27	3.49	-5.03	-5.03	24.17	18.30
IDX80	129.308	3.42	-2.45	-2.45	15.84	-3.64
MSCI World	4509.69	-0.43	1.15	1.15	15.80	60.34
Dow Jones	49500.9	-1.23	2.34	2.34	10.71	45.21
NASDAQ Comp	22546.7	-2.10	-3.73	-3.73	13.04	88.51
S&P 500	6836.17	-1.39	-0.87	-0.87	11.79	65.28
Euro Stoxx 50	5985.23	-0.22	3.26	3.26	8.81	41.20
FTSE 100 (UK)	10446.4	0.74	5.09	5.09	19.19	31.34
Nikkei 225 (Japan)	56942	4.96	13.12	13.12	44.30	106.29
Shanghai Compo	4082.07	0.41	2.95	2.95	22.49	23.95
MSCI Asia Pacific	253.73	4.32	11.37	11.37	36.14	53.04
MSCI ASEAN	801.79	1.55	4.83	4.83	17.40	18.89
KOSPI (Korea)	5507.01	8.21	30.68	30.68	113.19	123.35
Nifty (India)	25471.1	-0.87	-1.80	-1.80	10.59	42.06

Economic Calendar

Monday

Tuesday

Wednesday

Thursday

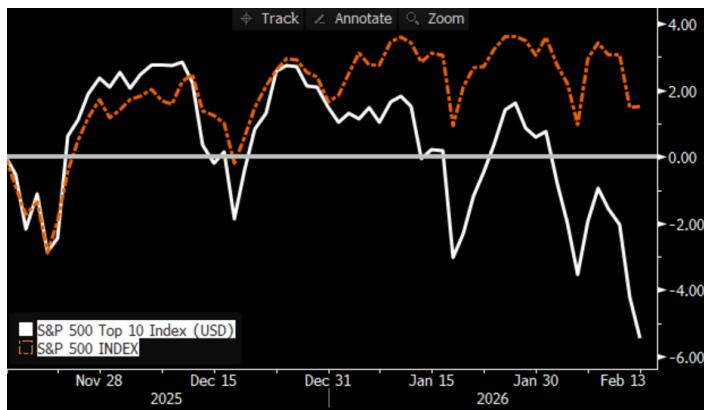
18 Feb: (US) Leading Economic Index

19 Feb: (US) Trade balance. (ID) BI Rate decision

Friday

20 Feb: (US) GDP QoQ, S&P

Chart of the Week



Commentary: In contrast with the big tech stocks which drives S&P500 rally in 2025, 2026 sees widening market breadth with S&P500 performance driven by sectors such as energy. In contrast, top 10 stocks which was mainly tech stocks dragged against S&P500 during YTD 2026.