Mandiri Investasi Weekly Recap

20 - 24 July 2026

Market Summary:

Global Equity: Global equities were mixed as an AI-led selloff hit US indices, with investors questioning how aggressive capex converts to profitability after Alphabet posted negative free cash flow for the first time. Europe outperformed while Asia was mixed, leaving MSCI World only -0.39%.

Domestic Equity: JCI ended a volatile week +0.34%, though breadth was narrow with LQ45 -1.15% and IDX80 -0.52%. Friday's selloff pared gains on profit-taking after the index breached 6,400 intraday, compounded by escalating US–Iran tension.

Domestic Bond Market: IndoGB 10Y yield rose 9bps WoW to 7.35%, while UST 10Y +13bps to 4.68% as Brent's 9.9% surge to USD96.78/bbl revived inflation risk premia.

Key News of The Week

Brent breached USD100/bbl before easing to USD96.78 (+9.9% WoW) after Friday reports of Pakistan-driven, China-backed mediation.

Alphabet beat on 2Q26 earnings but lifted 2026 capex guidance to USD195–205bn from USD180–190bn, reigniting hyperscaler spending concerns.

UST yields surged to 18-month highs, driven by oil-led inflation expectations and heavy credit issuance tied to AI capex funding.

The US imposed new import tariffs of 10.0–12.5% on goods from ~60 economies under Section 301 following a forced-labor investigation, replacing the previous global tariff regime.

ECB held the deposit rate at 2.25%, with Lagarde flagging a possible September hike.

BI held the BI-Rate at 5.75% at the 21–22 Jul RDG, against majority economist expectations of a 25bps hike.

M2 growth moderated to +8.7% YoY in Jun'26 (prev: +10.8%) on slower demand deposits, partly offset by stronger time deposits.

1H26 APBN recorded a deficit of IDR196.5tn (0.76% of GDP), with revenue +21.4% YoY, spending +17.8%, a primary surplus of IDR85.1tn, and financing already 65.6% realized.

Our View:

Next week, the focus turns to the FOMC, BoJ and BoE rate decisions, with mega-cap tech earnings and OPEC+ framing the two dominant risks: AI capex and US–Iran geopolitical tension. Alphabet's guidance raise last week made the capex question concrete, and Microsoft, Meta, Apple and Amazon will either confirm or contain it.

JCI direction remains currency-led, now compounded by oil. With valuations depressed, we continue to see alpha from disciplined sector allocation, and view 1H26 earnings as the immediate differentiator. In fixed income, the softer-inflation premise has reversed: Brent above USD100/bbl lifted UST 10yr to 18-month highs and dragged IndoGB 10yr 9bps higher to 7.35%. We retain tactical 2–5yr carry and keep duration defensive, extending only on IDR stabilization and oil de-escalation.

Index Return (%)

Global Equity	Price	1W	QTD	YTD	1Y	3Y
IHSG	6,196.43	0.34	9.80	-28.34	-17.72	-10.43
IDX80	92.53	-0.52	11.76	-30.20	-22.16	-30.52
LQ45	614.79	-1.15	11.15	-27.38	-23.13	-36.22
ISSI	214.07	1.11	8.89	-30.63	-14.82	2.29
MSCI World	4,788.90	-0.39	-0.76	7.42	16.12	57.25
Dow Jones	51,947.25	-0.38	-0.71	7.40	16.23	46.59
NASDAQ Comp	24,975.82	-2.13	-4.72	6.65	18.61	76.58
S&P 500	7,411.98	-0.61	-1.17	7.48	16.48	62.28
Euro Stoxx 50	6,280.94	0.80	-0.75	8.36	17.29	43.03
FTSE 100 (UK)	10,736.23	1.28	2.28	8.00	17.49	39.58
Nikkei 225 (Japan)	64,611.15	0.73	-7.78	28.35	54.47	97.69
Shanghai Composite	3,814.20	1.33	-6.84	-3.81	5.78	18.03
MSCI Asia Pacific	263.25	0.80	-3.91	15.55	24.91	56.26
MSCI ASEAN	802.83	-0.09	6.11	4.96	8.77	22.53
KOSPI (Korea)	6,690.62	-1.91	-21.07	58.76	109.71	153.77
Nifty (India)	23,767.45	-2.33	-0.41	-8.37	-5.17	20.77

Last Data

Rates, Currencies, Commodities	07/24/26	07/17/26	03/31/26	12/31/25
BBG Commodity	134.94	131.38	135.25	109.69
Brent Crude Oil ($/bbl)	96.78	88.10	118.35	60.85
Thermal Coal ($/mt)	130.60	130.00	142.45	107.50
Gold ($/troy oz)	4,052.79	4,017.39	4,668.06	4,319.37
Nickel ($/mt)	17,379.00	16,961.00	17,110.00	16,646.00
CPO (MYR/mt)	4,591.00	4,529.00	4,729.00	3,998.00
DXY	101.47	100.77	99.96	98.32
USDIDR	17,963.00	17,921.00	17,041.00	16,680.00
IndoGB 10Y (%)	7.35	7.26	6.86	6.07
IndoGB 2Y (%)	7.13	7.12	6.31	5.00
SRBI 12M Avg Yield (%)	7.64	7.64	5.50	4.92
UST 10Y (%)	4.68	4.55	4.32	4.17
VIX	18.58	18.77	25.25	14.95
MOVE	76.82	70.88	96.05	63.96
Indo CDS 5Y	93.89	91.94	101.28	68.86

Economic Calendar

Monday	Tuesday
27 July: (US) Durable Goods Orders	28 July: (US) Conf. Board Consumer Confidence; (US) Wholesale Inventories MoM

Wednesday	Thursday
29 July: (US) MBA Mortgage Applications	30 July: (US) Initial Jobless Claims; (US) FOMC Rate Decision (Upper Bound); (US) GDP Annualized QoQ; (US) Personal Income;

Friday
31 July: (US) U. of Mich. Sentiment; (US) MNI Chicago PMI; (CN) Manufacturing PMI; (EU) CPI YoY; (JP) BoJ Target Rate

Chart of the Week

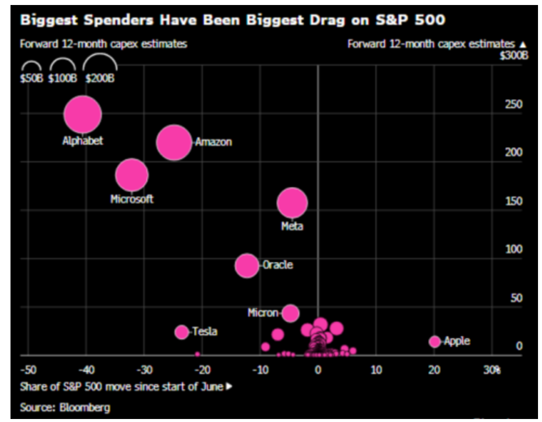

Chart: Bloomberg

Commentary: Alphabet fell over 7% after lifting 2026 capex guidance to USD195–205bn and posting negative 2Q26 free cash flow for the first time, dragging the Mag Seven index down 4.8%. The drag on the S&P 500 has been almost perfectly ordered by AI spending: Alphabet, Amazon, Microsoft and Meta; accounted for the bulk of the decline since early June, while Apple, the lightest spender, was the largest positive contributor. With capex now exceeding operating cash generation, the question has shifted from how much is being invested to when it converts to returns.