



US INFLATION EXPECTATIONS AND FED POLICY IN FOCUS AS INDONESIA FACES FISCAL PRESSURES

ED: 12 – 16 October 2026

Market Data

During last week's trading, Jakarta Composite Index (JCI) closed at 6,093.76, gaining 0.94%. Foreign investors recorded a net sell of IDR 2.45 trillion in the all market and IDR 2.54 trillion in the regular market. The largest foreign net buying was recorded in ULTI (IDR 111.5 billion), MEDC (IDR 48.5 billion), EMAS (IDR 42.1 billion), DSSA (IDR 36.1 billion), and ENRG (IDR 23.7 billion). Meanwhile, the largest foreign net selling was recorded in GOTO (IDR 663.2 billion), BBKA (IDR 293.5 billion), BMRI (IDR 235.6 billion), BBRI (IDR 183.2 billion), and TLKM (IDR 170.3 billion).

GLOBAL SENTIMENT: US equity indices closed higher on Friday (October 09), supported by expectations of a solid quarterly earnings season. S&P 500 rose 0.59%, Nasdaq 100 gained 0.64%, while Dow Jones advanced 423 points. Gains were also supported by AI-related technology stocks, with Alphabet rising 1%, Microsoft gaining 2.4%, and Amazon surging 3.3%, amid optimism that OpenAI's annualized revenue could exceed US\$70 billion by year-end. Investors are also awaiting earnings reports from major US banks next week, which are expected to generate nearly US\$19 billion in stock-trading revenue. **In the commodities market,** crude oil prices hovered around US\$91.50 per barrel after the US temporarily authorized Russian diesel supplies to enter the global market, with a proposed volume of approximately 22.5 million barrels. However, the US-Iran conflict continues to disrupt shipping through the Strait of Hormuz, pushing freight rates to record highs and limiting vessel availability. Oil prices remain exposed to geopolitical uncertainty, although additional Russian diesel supplies could help ease global supply pressures.

DOMESTIC SENTIMENT: The Indonesian government's interest payments on debt reached IDR 444.5 trillion as of September 2026, comprising IDR 413 trillion in domestic debt interest and IDR 31.5 trillion in external debt interest. Meanwhile, the state budget (APBN) recorded a deficit of IDR 319 trillion, equivalent to 1.24% of GDP, while the primary balance remained in surplus at IDR 125.5 trillion. Net debt financing reached IDR 494.3 trillion, or 59.4% of the 2026 state budget target, reflecting significant government financing requirements, although fiscal management remains on track according to the Ministry of Finance. Separately, Indonesia and Egypt agreed to increase bilateral trade to US\$5 billion by 2030 through plans to establish an Economic Partnership Agreement (EPA) and a joint investment fund. The agreement could create opportunities to expand market access, attract investment, and strengthen cooperation in trade, maritime affairs, fisheries, and the defense industry.

THIS WEEK'S OUTLOOK: Global markets will focus on the US Consumer Price Index (CPI), which is expected to rise to 3.7% YoY from 3.4% YoY previously, while core inflation is projected to increase to 2.5% YoY from 2.4% YoY. Meanwhile, the Producer Price Index (PPI) is expected to remain at 5.4% YoY, while retail sales growth is projected to slow to 0.3% MoM from 1.2% MoM. These releases will be closely monitored as investors assess the Federal Reserve's monetary policy outlook. **FROM CHINA:** Inflation is expected to increase to 1.0% YoY from 0.8% YoY previously, while PPI is projected to rise to 4.5% YoY from 3.8% YoY. The trade surplus is expected to narrow to US\$114.5 billion from US\$119.1 billion. Export growth is projected to edge up to 25.3% YoY from 25.0% YoY, while import growth is expected to slow to 23.5% YoY from 28.2% YoY.

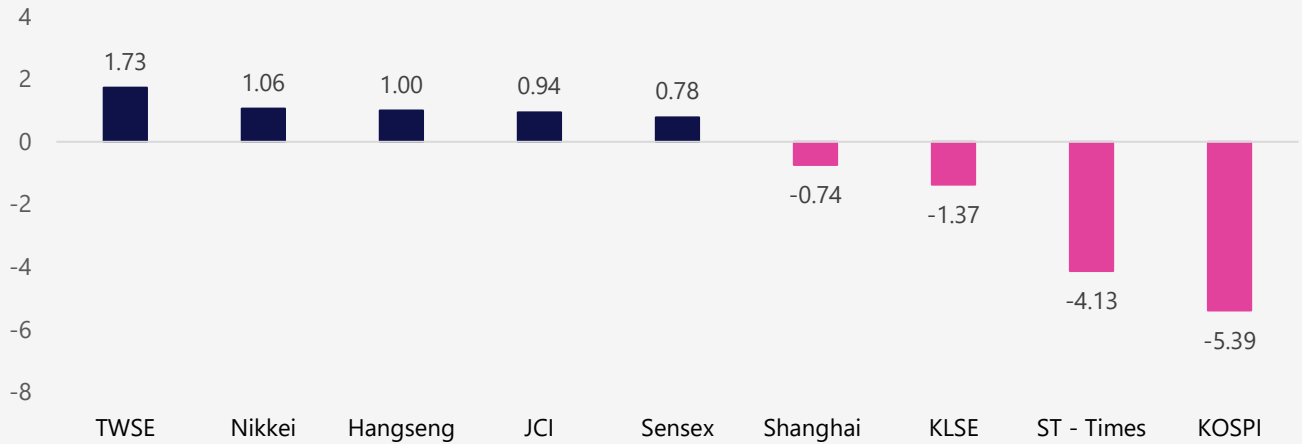
FROM INDONESIA: Market participants will monitor global market developments, the rupiah exchange rate, and foreign fund flows in the equity and bond markets. Persistent US inflationary pressures and expectations surrounding the Federal Reserve's monetary policy could influence global bond yields, foreign capital flows, and rupiah stability, remaining key considerations for investors assessing the outlook for Indonesia's domestic financial markets.

Asia Pacific	Country	P/E	PBV	YTD%
KOSPI	Korea	12.1	1.6	57.23
JCI	Indonesia	13.5	1.6	-29.53
Shanghai	China	16.6	1.5	-3.91
TWSE	Taiwan	27.9	4.3	70.26
KLSE	Malaysia	14.0	1.5	-4.27
ST - Times	Singapore	18.5	1.7	16.26
Sensex	India	20.0	2.8	-14.96
Hangseng	Hongkong	12.1	1.3	-5.54
Nikkei	Japan	21.9	3.0	37.13

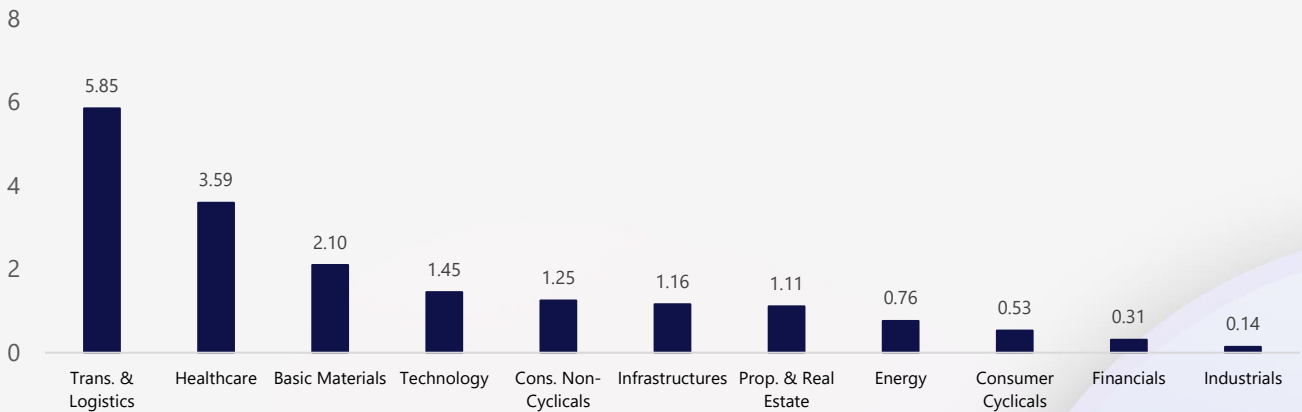
Based on data: IDX & Bloomberg, 09 October 2026



The Growth of the Reference Stock Price Index by 1 Week%



Sectoral Index (1W%)



LQ45 Stock Ranking

Top Gainers	Last	Chg%	YTD%	MC (T)
INDY	2,790	9.84	24.55	14.54
DEWA	366	8.28	-45.37	14.89
KLBF	785	8.28	-34.85	36.75

Top Losers	Last	Chg%	YTD%	MC (T)
CUAN	770	-8.88	-67.09	86.56
ISAT	2,120	-5.78	-8.62	68.37
UNTR	24,800	-4.62	-15.93	92.51

Sectors	5D%	YTD%
Basic Materials	2.10	-18.52
Consumer Cyclicals	0.53	-26.09
Energy	0.76	-29.05
Financials	0.31	-15.17
Healthcare	3.59	-28.84
Industrials	0.14	-26.81
Infrastructures	1.16	-36.37
Cons. Non-Cyclicals	1.25	-14.81
Prop. & Real Estate	1.11	-36.53
Technology	1.45	-39.05
Trans. & Logistics	5.85	-9.78

Based on data: IDX & Bloomberg, 09 October 2026



Jakarta Composite Index



On the weekly chart, JCI remains in a downtrend although it briefly tested resistance at the trendline. The RSI (14) indicator is starting to show improvement, rising to the 38 level from 36 previously. If the strengthening momentum continues, JCI could potentially test resistance at 6,179 and 6,214. Should it manage to break through those levels, the index has room to continue rising toward 6,288, which is the EMA10 area. Conversely, if it weakens again, JCI risks testing the support area of 5,995 – 5,973. Should this area be broken, the next support lies at 5,898 and 5,839. **KIWOOM RESEARCH** advises investors to apply a selective buy on weakness strategy while awaiting stronger buy signal confirmation.

ADVICE: Selective buy on weakness.

Support Flow: 5,995 – 5,973 / 5,898 / 5,839 **Resistance Flow:** 6,179 / 6,214 / 6,288



AADI

Adaro Andalan Indonesia Tbk.



(AADI). Price is consolidating near the short-term MA/support area after the recent rebound, with the latest candle forming an inverted hammer. Upside potential is supported by Stochastic RSI moving upwards in a bullish position.

ADVICE: Speculative buy.

Entry Buy	Target Price	Support	Cut Loss
11,700 – 11,875	12,450 – 12,925	11,450 – 11,600	11,400



CDIA

Chandra Daya Investasi Tbk.



(CDIA). Price is consolidating near a strong support area after the recent pullback, with the latest candle closing slightly bullish. Upside potential still needs confirmation, with Stochastic RSI remaining relatively weak after the recent rebound.

ADVICE: Speculative buy.

Entry Buy	Target Price	Support	Cut Loss
550 – 560	600 – 620	540 – 545	535



TLKM

Telkom Indonesia (Persero) Tbk.



(TLKM). Price rebounds with a bullish candle from the short-term support area after the recent pullback. Upside potential is supported by Stochastic RSI moving upwards from the oversold area, while MACD momentum shows tendencies to cross.

ADVICE: Speculative buy.

Entry Buy	Target Price	Support	Cut Loss
2,300 – 2,350	2,420 – 2,500	2,250 – 2,270	2,240



Review & Strategy

Review Stock Recommendation Last Week

ADRO: Price closed at 2,580 (+3.20%) and highest at 2,650 (+6.00%). Prices still have the opportunity to strengthen to the target. Last price closed positive with bullish. Be careful if the price reverses into a bearish candle or weakening.

GGRM: Price closed at our first target 18,000 (+6.51%) and highest at 18,225 (+7.84%). Prices still have the opportunity to strengthen to the next target. Last price closed positive with bullish candle. Be careful if the price reverses into a bearish candle or weakening.

PGAS: Price managed touched our first target at 1,435, highest at 1,440 (+4.73%) and closed at 1,420 (+3.27%). Prices still have the opportunity to strengthen to the next target. Last price closed negative with bearish candle. Be careful if the price reverses into a bearish candle or weakening.



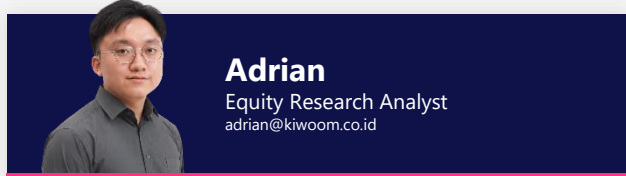
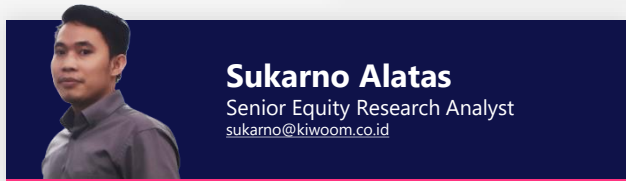
Economic Calendar

	Event	Prev	Frcst
Monday October 12 2026			
11:50 PM	US <u>Fed Hammack Speech</u>	-	-
Tuesday October 13 2026			
06:01 AM	GB <u>BRC Retail Sales Monitor YoY SEP</u>	0.5%	<u>0.8%</u>
07:15 PM	US <u>ADP Employment Change Weekly</u>	23.75K	-
09:00 PM	US <u>Existing Home Sales SEP</u>	3.98M	<u>3.97M</u>
Wednesday October 14 2026			
08:30 AM	CN <u>Inflation Rate YoY SEP</u>	0.8%	<u>1.0%</u>
09:10 AM	EA <u>ECB President Lagarde Speech</u>	-	-
10:00 AM	CN <u>Balance of Trade SEP</u>	\$119.1B	<u>\$110.0B</u>
10:00 AM	CN <u>Exports YoY SEP</u>	25%	-
10:00 AM	CN <u>Imports YoY SEP</u>	28.2%	-
03:30 PM	EA <u>ECB President Lagarde Speech</u>	-	-
07:30 PM	US <u>Core Inflation Rate MoM SEP</u>	0.3%	<u>0.2%</u>
07:30 PM	US <u>Core Inflation Rate YoY SEP</u>	2.4%	<u>2.4%</u>
07:30 PM	US <u>Inflation Rate MoM SEP</u>	0.4%	<u>0.5%</u>
07:30 PM	US <u>Inflation Rate YoY SEP</u>	3.4%	<u>3.6%</u>
Thursday October 15 2026			
06:50 AM	JP <u>Machinery Orders YoY AUG</u>	11.2%	<u>8.9%</u>
01:00 PM	GB <u>GDP MoM AUG</u>	0.4%	<u>-0.1%</u>
04:00 PM	EA <u>Industrial Production MoM AUG</u>	-0.1%	<u>0.3%</u>
07:30 PM	US <u>PPI MoM SEP</u>	0.4%	<u>0.5%</u>
07:30 PM	US <u>Initial Jobless Claims OCT/10</u>	197K	<u>201.0K</u>
08:30 PM	US <u>Retail Sales MoM SEP</u>	1.2%	<u>0.1%</u>
Friday October 16 2026			
06:00 AM	KR <u>Unemployment Rate SEP</u>	2.7%	<u>2.90%</u>
10:30 AM	US <u>Fed Chair Warsh Speech</u>	-	-
04:00 PM	EA <u>Balance of Trade AUG</u>	€14.2B	<u>€14.7B</u>
07:30 PM	US <u>Export Prices MoM SEP</u>	0.6%	<u>0.7%</u>
07:30 PM	US <u>Import Prices MoM SEP</u>	0.7%	<u>0.8%</u>

Source: Trading Economics



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