

DAILY UPDATE August 25, 2025

MACROECONOMIC NEWS

U.S. Economy - Federal Reserve Chair Jerome Powell's dovish pivot has markets pricing an 84% chance of a September rate cut and over 100 bps of easing to 3.25–3.5% by mid-2026, sending Treasury yields and the dollar lower while lifting earnings sentiment but also signaling concern over labor and growth risks. JPMorgan's Bruce Kasman noted the Fed is responding to weakening labor demand, though global growth risks remain tilted upward. Focus now turns to Friday's U.S. PCE data, with core inflation expected to rise to 2.9%, potentially accelerating toward a 4% annualized pace amid service and tariff pressures—posing a test for the Treasury rally, especially as USD 183 billion in new debt supply looms.

Oil Price - Oil prices inched higher as stalled Russia-Ukraine talks maintained sanctions on Russian supply. Brent edging up to USD 67.31 a barrel and U.S. crude rising 0.2% to USD 63.78.

U.S. Market - Easing inflation and weak payrolls have shifted expectations toward Fed cuts, with markets pricing >90% odds of a September move and over two by year-end, according to Piper Sandler. Small caps, heavily burdened by high borrowing costs, are seen as prime beneficiaries alongside other debt-heavy companies, while rate-sensitive growth names in tech, consumer discretionary, and financials—such as ServiceNow, DocuSign, NVidia, Amazon, and PayPal—also stand to gain. Conversely, yield-linked sectors like energy and insurers, including Exxon, Chevron, and Aflac, could underperform if rates fall, underscoring a clear divide in potential market leadership as monetary policy shifts.

CORPORATE NEWS

POWR – PT Cikarang Listrindo has established a new subsidiary through its controlled entity PT Energi Baik Alami (EBA). The unit, PT Alami Energi Lestari (AEL), based in South Jakarta, was officially incorporated on August 8, 2025, and received approval from the Ministry of Law and Human Rights on August 21. EBA holds 99% of AEL's shares, which will focus on forestry and related activities. According to POWR's management, AEL is expected to strengthen POWR's long-term business development, particularly in renewable energy.

Equity Markets

	Closing	% Change
Dow Jones	45,632	1.89
NASDAQ	21,497	1.88
S&P 500	6,467	1.52
MSCI excl. Jap	828	0.24
Nikkei	42,891	0.60
Shanghai Comp	3,826	1.45
Hang Seng	25,339	0.93
STI	4,253	0.52
JCI	7,859	-0.40
Indo ETF (IDX)	16	0.81
Indo ETF (EIDO)	19	1.14

Currency

	Closing	Last Trade
US\$ - IDR	16,351	16,351
US\$ - Yen	146.94	147.33
Euro - US\$	1.1718	1.1698
US\$ - SG\$	1.281	1.283

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	63.8	0.3	0.4
Oil Brent	67.8	0.19	0.3
Coal Newcastle	111.3	0.7	0.6
Nickel	15100	171	1.1
Tin	33809	389	1.2
Gold	3366	27.0	0.8
CPO Rott	1295		
CPO Malay	4529	-1	0.0

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.357	-0.05	-0.85
3 year	5.617	0.02	0.30
5 year	5.835	0.00	0.05
10 year	6.358	0.00	-0.02
15 year	6.740	0.01	0.07
30 year	6.895	0.00	0.00

CORPORATE NEWS

IMPC – PT Impack Pratama Industri reported a sharp 171% surge in bank loans to IDR 834 billion as of December 31, 2024, primarily to finance its full acquisition of Australia-based Mulford Holdings Pty Ltd in June 2024. The company now faces debt maturities of IDR 568 billion against cash holdings of IDR 291 billion, which it plans to cover through operational cash flow. Mulford, a leading distributor of plastic sheets for signage and building materials with 14 distribution centers in Australia and New Zealand serving over 8,300 customers annually, is expected to contribute IDR 400 billion in profit.

BFIN - PT BFI Finance Indonesia has secured up to IDR 2 trillion in working capital credit facilities from PT Bank Negara Indonesia (BBNI) with a tenor of up to 48 months. According to BFIN's management, the funds will support working capital needs and expand BFIN's financing portfolio, to broaden customer reach. He added that the partnership with BBNI reflects synergy between the banking and financing sectors and will not materially affect BFIN's operations.

ANJT - PT Austindo Nusantara Jaya has announced a mandatory tender offer worth up to IDR 376 billion for 207 million shares, or 6% of its equity, at IDR 1,813/share, funded by its controlling shareholder, First Resources Limited. The offer, running from August 26 to September 24, 2025, allows eligible shareholders to sell their stakes, potentially raising First Resources' ownership to 100%. Following its earlier IDR 5.54 trillion acquisition of a 91% stake, the group plans to expand plantations through acquisitions, replant unproductive trees with superior seedlings, upgrade infrastructure and logistics, and integrate upstream and downstream operations to enhance efficiency, secure supply continuity, and drive long-term shareholder value.

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