DAILY UPDATE **October 27, 2025**

MACROECONOMIC NEWS

U.S. Tariffs Policy - U.S. Treasury Secretary Scott Bessent announced that he and Chinese Vice Premier He Lifeng have reached a “substantial framework” to avert U.S. tariffs on Chinese goods and delay China’s rare earth export controls. The deal, finalized during talks in Kuala Lumpur, paves the way for President Donald Trump and President Xi Jinping to discuss deeper trade cooperation next week, including measures to rebalance bilateral trade, expand China’s purchases of U.S. soybeans, and address the U.S. fentanyl crisis. Bessent said China will resume large-scale soybean imports over several years and postpone its new rare earth licensing regime by a year, with final terms to be decided at the upcoming Trump–Xi meeting.

U.S. Economy - Artificial intelligence has become a key driver of U.S. economic growth in 2025, with corporate AI investments estimated to contribute around 1.1 percentage points to the 1.6% annualized GDP increase in the first half of the year, according to Morgan Stanley. However, economists Michael Gapen and Sam Coffin cautioned that the true impact may be overstated, as much of the spending goes to software, data centers, and research—categories that often involve imports or intermediate goods excluded from GDP. They noted inconsistencies in GDP data, particularly sharp swings in software price deflators that may have understated 2024 growth and overstated 2025 performance. While AI-related expenditures could still rise amid corporate urgency to expand capacity, Morgan Stanley warned that growth rates are likely to moderate and that headline spending figures should not be confused with actual GDP gains.

Eurozone Economy - UBS expects the eurozone’s headline budget deficit to rise in 2025 for the first time since 2020, reaching 3.3% of GDP from 3.1% last year, as governments loosen fiscal constraints to fund infrastructure and defense spending. Analysts Felix Huefner and Reinhard Cluse project the shortfall to widen further to 3.7% in 2026, driven mainly by Germany’s and France’s expanding budgets. Germany plans a EUR 500 billion spending package that could lift its deficit from 3.25% to 4.75% of GDP by 2026, while France’s deficit is expected to climb from 5.4% to 5.8%. UBS noted that excluding Germany, the eurozone’s overall deficit would remain broadly stable, highlighting widening fiscal divergence across member states.

Equity Markets

	Closing	% Change
Dow Jones	47,207	1.01
NASDAQ	23,205	1.15
S&P 500	6,792	0.79
MSCI excl. Jap	908	0.67
Nikkei	49,300	1.35
Shanghai Comp	3,950	0.71
Hang Seng	26,160	0.74
STI	4,422	0.13
JCI	8,272	-0.03
Indo ETF (IDX)	17	-0.03
Indo ETF (EIDO)	18	0.00

Currency

	Closing	Last Trade
US$ - IDR	16,602	16,602
US$ - Yen	152.86	153.14
Euro - US$	1.1627	1.1629
US$ - SG$	1.299	1.298

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	62.0	0.3	0.6
Oil Brent	66.5	0.61	0.9
Coal Newcastle	104.1	-0.1	-0.1
Nickel	15361	-2	0.0
Tin	35802	30	0.1
Gold	4076	-51.6	-1.2
CPO Rott	1295		
CPO Malay	4422	-44	-1.0

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	4.755	-0.06	-1.19
3 year	5.016	-0.03	-0.58
5 year	5.405	0.00	0.02
10 year	5.986	-0.01	-0.13
15 year	6.341	0.00	-0.02
30 year	6.738	0.00	0.06

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Morning News

CORPORATE NEWS

SSIA - PT Surya Semesta Internusa has undertaken an internal restructuring by transferring its ownership in four subsidiaries—PT Sitiagung Makmur, PT Surya Internusa Hotels, PT Batiqa Hotel Manajemen, and PT Surya Semesta Realti—to PT Suryalaya Anindita International (SAI), its 86%-owned subsidiary. In exchange, SAI will issue new shares to SSIA. The move aims to consolidate SSIA's hospitality-related entities under SAI and was formally announced in Media Indonesia on October 24, 2025, in compliance with Indonesia's Company Law. SSIA emphasized that the restructuring will not affect its operations, financial condition, or control structure, as the entities remain indirectly under SSIA's ownership.

INET - PT Sinergi Inti Andalan Prima plans to acquire a 53% stake, or 1.6 billion shares, in Personel Alih Daya (PADA) from Koperasi Pegawai Indosat (Kopindosat). Both parties have signed a conditional share purchase agreement outlining key terms and conditions, with completion dependent on the fulfillment or waiver of certain precedent clauses. The agreement also includes standard termination provisions should these conditions not be met. INET emphasized that the signing does not yet constitute a change of control under OJK Regulation No. 9/2018 until the acquisition is finalized, after which INET will become PADA's new controlling shareholder in compliance with applicable capital market regulations.

SKRN - PT Superkrane Mitra Utama has strengthened its role in the energy and heavy industry sector by participating in a USD 6.5 million promissory note transaction with PT Cakra Buana Resources Energi Tbk (CBRE) for the purchase of the offshore vessel Hai Long 106 from Hilong Shipping Holding. The deal aligns with SKRN's strategy to expand into offshore energy and marine construction, marking a shift from being purely an industrial equipment provider to a strategic partner in maritime energy financing. The Hai Long 106, a pipe-laying and lifting vessel capable of supporting offshore wind projects, underscores SKRN's confidence in CBRE's prospects and reflects its growing involvement across the broader energy and infrastructure value chain.

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