14 October 2025

Flash Note

The quick reappearance of the fear sentiment

JCI took a -3.0% decline in the beginning of afternoon session today after periods of strong rally, following *the* shifting investors sentiment *as* shown by regional market indices and some commodities like copper also visiting the red territory. The risk-off sentiment resurfaced as a result of rising uncertainty from heightened trade war between US & China. The market participants also look forward to The Fed's Powell speech later today, which will hold clues to The Fed's next rate move.

On the domestic side, Rupiah also slightly to weaken and almost touching 16,600 level while CDS is also increasing during the day. However, we also observe that very high market volatility mostly happening only on the few stock names, not on broad-based basis. On the other side, bond market still showing resilience with yield for 10Y stays at 6.07%.

JCI's mover as of 14.18 pm today (points):

Leaders	Index Points	Laggards	Index Points
DSSA	+4.0	BRPT	-16.1
ASII	+3.19	BREN	-12.3
AMRT	+2.5	CUAN	-10.9
ENRG	+1.8	TPIA	-9.7
PANI	+1.6	BBRI	-8.2

Source: Bloomberg

Our take: Unexpected trade escalation triggered volatility in the market, during crowded positioning. This was started by US's action by charging additional port fees/charges, followed by export controls and expansion of entity list in September 2025. Meanwhile, China responded this action by implementing stricter export control on few rare earths in early October 2025. Currently we see the trade uncertainty may persist in the short term, although we think both sides (US and China) should have (temporary) de-escalation at the end, since the escalation will hurt both economies. Next to watch is APEC meeting at the end of Oct 2025, where both leaders may meet and discuss further on the trade agreement.

customer@bpam.co.id (62-21) 520 8390 @batavia.reksadana bataviareksadana