



Global Macro Flash

U.S. PCE Inflation and Consument Sentiment| December 8th, 2025

Economic Growth (GDP, QoQ)

| Period | Actual | Consensus |
|--------|--------|-----------|
| 2Q25 | 3.8% | 0.2% |
| 1Q25 | -0.5% | 0.2% |
| 4Q24 | 2.40% | 2.30% |

Source : Tradingeconomics

Interest Rate (INT)

| Period | Actual | Change |
|----------|-------------|---------|
| Nov 2025 | 375-400 bps | Stable |
| Oct 2025 | 375-400 bps | -25 bps |
| Sep 2025 | 400-425 bps | -25 bps |

Source : Tradingeconomics

Head Inflation Rate (PCE)

| Period | Actual (YoY) | Consensus |
|----------|--------------|-----------|
| Sep 2025 | 2.80% | 2.80% |
| Aug 2025 | 2.70% | 2.70% |
| Jul 2025 | 2.60% | 2.60% |

Source : Tradingeconomics

Unemployment Rate (UNE)

| Period | Actual | Consensus |
|----------|--------|-----------|
| Sep 2025 | 4.4% | 4.3% |
| Aug 2025 | 4.3% | 4.3% |
| Jul 2025 | 4.2% | 4.2% |

Source : Trading

Non-Farm Payrolls (NFP)

| Period | Actual | Forecast |
|----------|--------|----------|
| Sep 2025 | 119K | 53K |
| Aug 2025 | -4K | 75K |
| Jun 2025 | 79K | 106K |

Source : Investing.com

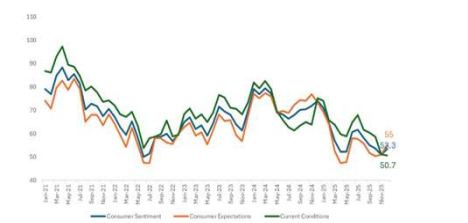
Macro and Fixed Income Analyst
Nur Ryshalti P
+62 21 255 6138 Ext. 8302
nur.ryshalti@phintracosekuritas.com

U.S. Consumers Sentiment Improve as Inflation Expectations Ease, Expect Fed Gradual Rate Cuts

| Michigan Consumer Sentiment Prel* | PCE (YoY)** | PCE (MoM)** | Core PCE (YoY)** | Core PCE (MoM)** |
|-----------------------------------|-------------|-------------|------------------|------------------|
| 53.3 | 2.8% | 0.3% | 2.8% | 0.2% |

Source : Tradingeconomics | * December 2025 ; ** September 2025

Figure 1. U.S. Michigan Consumer Sentiment Index

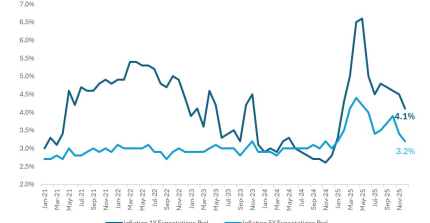


Source : Phintraco Sekuritas Research | Tradingeconomics

U.S. Michigan Consumer Sentiment rebounded to 53.3 in the initial estimate for December 2025, from 51 in November 2025, marking the second-lowest level since June 2022 but exceeding market expectations of 52, although it remains in pessimistic territory. It was driven by the Michigan Consumer Expectation Index rising to 55 in November 2025 from 51 in October 2025. Meanwhile, the Michigan Current Conditions Index slightly decreased to 50.7 in November 2025 from 51.1 in October 2025 (Figure 1). It is likely due to consumers' improved assessment of medium-term economic prospects and expectations of continued low inflation. Conversely, the slight decline in the Current Conditions Index reflects high living costs, particularly persistent housing rents.

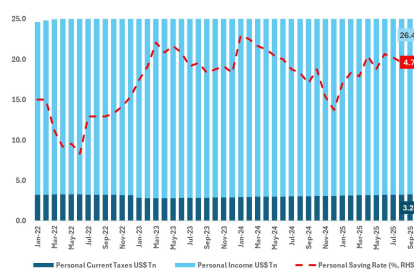
The monthly survey of U.S. respondents conducted by the University of Michigan showed a decrease in one-year inflation expectations, with the U.S. Michigan 1 Year Inflation Expectation falling to 4.1% in November 2025 from 4.5% in October 2025. Similarly, the five-year inflation expectations recorded in the U.S. Michigan 5 Year Inflation Expectation decreased to 3.2% in November 2025 from 3.4% in October 2025 (Figure 2). This decline is attributed to easing price pressures, particularly in energy and durable goods, and to public confidence in the Fed's high-interest-rate policy for containing inflation.

Figure 2. U.S. Michigan Inflation Expectation



Source : Phintraco Sekuritas Research | Tradingeconomics

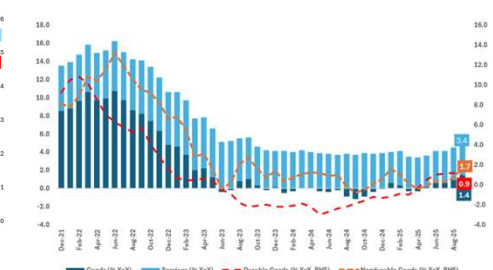
Figure 3. Personal Income



Source : Phintraco Sekuritas Research | US Bureau Economic Analysis

Personal Income (PI) increased by an estimated 0.36% MoM in September 2025, driven by increases in employee compensation, including wages and benefits. Additionally, interest and dividend income rose by 0.4% MoM and 0.9% MoM, respectively, from the previous month. Meanwhile, the preliminary saving rate in the United States remained stable at 4.72% in September 2025, unchanged from the previous month (Figure 3).

Figure 4. Personal Consumption Expenditure Index



Source : Phintraco Sekuritas Research | US Bureau Economic Analysis

The Personal Consumption Expenditure (PCE) Index increased slightly to 2.80% YoY in September 2025 from 2.70% in August 2025, matching market expectations, driven by higher goods prices. Growth in the goods category reached 1.4% YoY in September 2025, with non-durable goods growing 1.7% YoY in September 2025 from 0.7% YoY in August 2025. Meanwhile, the services category grew 3.4% YoY in September 2025, down from 3.6% YoY in August 2025 (Figure 4), due to lower healthcare service costs, particularly hospital care expenses.

We assess that future inflation expectations are projected to decline, though remaining elevated, and will continue to decrease in the medium term, indicating growing public confidence in the Fed's high interest rate policy effectiveness in controlling inflation. The slowdown in services, especially healthcare costs, suggests that previously high price pressures are beginning to ease. However, strengthening goods prices due to U.S. tariffs may continue to restrain the ongoing decline in inflation. Under these conditions, the Fed is expected to have opportunities for gradual interest rate easing in 2026, but will likely remain cautious while monitoring future inflation data.