

Previous Data (Headline Inflation)

Period	MoM	YoY
Nov 2025	-	2.70%
Sep 2025	0.30%	3.00%
Aug 2025	0.40%	2.90%

Source: US Bureau of Labor Statistics

Outlook/Projection

Years	IMF	World Bank	OECD
FY26F	1.80%	-	3.00%
FY27F	-	-	2.30%

Source: Phintraco Sekuritas Research | IMF, World Bank, OECD

Headline Inflation by Component

Component	MoM	YoY
Food	0.70%	3.10%
Energy	0.30%	2.30%
All Item less Food&Energy	0.20%	2.6b0%

Source: US Bureau of Labor Statistics

Inflation Expectation

Future Year Ahead	Okt 25	Nov 25	Dec 25
1 Year	3.20%	3.20%	3.40%
3 Year	3.00%	3.00%	3.00%
5 Year	3.00%	3.00%	3.00%

Source: Bank Federal Reserve New York

Future Inflation Probability

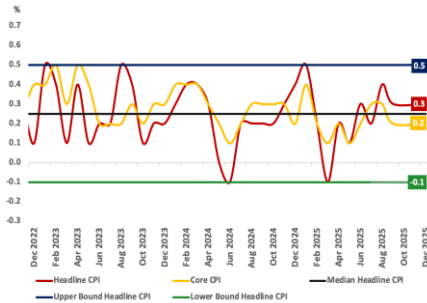
Inflation	1 Year Ahead	3 Year Ahead
<0%	18.80%	23.40%
0-2%	12.80%	13.30%
2-4%	24.30%	22.50%
>4%	44.10%	40.80%

Source: Bank Federal Reserve New York as of December 2025

U.S. Inflation Remains Stable as Energy Pressures Ease

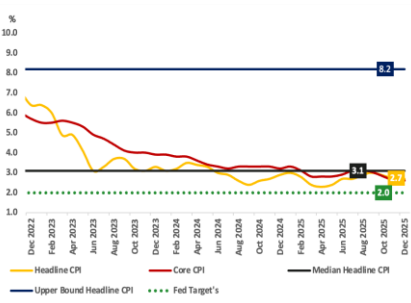
Period	Headline Inflation		Core Inflation	
December 2025	0.30 % MoM	2.70% YoY	0.20% MoM	2.60% YoY

Figure 1. Inflation (MoM)



Source : Phintraco Sekuritas Research | US Bureau of Labor Statistics

Figure 2. Inflation (YoY)



Source : Phintraco Sekuritas Research | US Bureau of Labor Statistics

U.S. headline inflation rose by 0.3% MoM in December 2025, unchanged from September 2025 and in line with market expectations. The increase was driven by higher shelter costs, which rose by 0.4% MoM, while the food price index increased by 0.7% MoM and energy prices advanced by 0.3% MoM. Additional upward pressures came from recreation, airline fares, health care, apparel, personal care, and education. Meanwhile, core inflation, which excludes food and energi, stood at 0.2% MoM in December 2025, unchanged from September 2025 (**Figure 1**). It should be noted that the U.S. Bureau of Labor Statistics (BLS) did not collect survey data for October 2025 due to the government shutdown, resulting in the absence of CPI data for October and monthly inflation data for November 2025.

On an annual basis, U.S. headline inflation remained at 2.7% YoY in December 2025, unchanged from November and in line with market expectations. Price pressures eased notably in the energy sector, with inflation slowing to 2.3% YoY from 4.2% YoY previously. Meanwhile, U.S. core inflation held steady at 2.6% YoY in December 2025 (**Figure 2**), marking the lowest level since 2021 and falling short of market expectations of 2.7% YoY.

Overall, U.S. inflation remains well contained and broadly in line with market expectations, supported by a significant easing in energy price pressures, particularly gasoline prices. In addition, inflation in used cars and trucks has moderated, partially offsetting price increases in food and shelter, while monthly core inflation remained relatively stable. On the policy front, the Federal Reserve has maintained a relatively hawkish stance, indicating that further rate cuts are unlikely in the near term, despite some signs of softening in select labor market indicators. Based on CME FedWatch probabilities as of Wednesday (January 14), the Federal Open Market Committee (FOMC) is expected to keep the policy rate unchanged at 3.50%–3.75% at the January meeting, with a probability of 97.20% (**Figure 3**). By end of 2Q26, the Fed is expected to cut rates by 25 basis points to 3.25%–3.50%, with an aggregate probability of 94.70% (**Figure 4**).

Figure 3. Conditional Probability (as of 14-01-2025)

MEETING DATE	300-325	325-350	350-375	375-400	400-425
1/28/2026	0.00%	2.80%	97.20%	0.00%	0.00%
3/18/2026	0.60%	24.90%	74.50%	0.00%	0.00%
4/29/2026	5.20%	34.10%	60.60%	0.00%	0.00%
6/17/2026	19.60%	47.30%	30.40%	0.00%	0.00%
7/29/2026	28.50%	41.90%	20.60%	0.00%	0.00%
9/16/2026	33.80%	33.40%	12.40%	0.00%	0.00%
10/28/2026	33.70%	28.80%	9.70%	0.00%	0.00%
9/12/2026	32.60%	24.40%	7.50%	0.00%	0.00%
1/27/2027	32.40%	24.00%	7.30%	0.00%	0.00%

Source: Phintraco Sekuritas Research | CME FedWatch Tool

Figure 4. Aggregate Probability (as of 14-01-2025)

MEETING DATE	275-300	300-325	325-350	350-375	375-375
1/28/2026	0.00%	0.00%	2.77%	97.23%	72.32%
3/18/2026	0.00%	0.00%	26.15%	73.85%	28.29%
4/29/2026	0.00%	0.00%	44.77%	55.23%	0.00%
6/17/2026	0.00%	0.00%	94.70%	5.30%	0.00%
7/29/2026	0.00%	26.77%	73.23%	0.00%	0.00%
9/16/2026	0.00%	66.63%	33.38%	0.00%	0.00%
10/28/2026	0.00%	88.77%	11.23%	0.00%	0.00%
9/12/2026	11.47%	88.53%	0.00%	0.00%	0.00%
1/27/2027	13.77%	86.23%	0.00%	0.00%	0.00%

Source: Phintraco Sekuritas Research | CME FedWatch Tool

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

DISCLAIMER : The information on this document is provided for information purpose only. It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any trading or investment strategy, nor does it constitute any prediction of likely future movement in prices. Users of this document should seek advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to on this document and should understand that statements regarding future prospects may not be realized. Opinion, Projections and estimates are subject to change without notice. Phintraco Sekuritas is not an investment adviser, and is not purporting to provide you with investment advice. Phintraco Sekuritas accepts no liability whatsoever for any direct or consequential loss arising from the use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose.