

Monthly Bulletin

October 2023

What's Inside



Calendar

US Initial Jobless Claims (21-Oct)
US New Home Sales (25-Oct)
US GDP 3Q23 (26-Oct)



Global Event

Peningkatan UST Yield masih berlanjut di bulan Sep'23 yang mengakibatkan tekanan pada beberapa *aset class* di negara-negara EM termasuk dengan pelemahan mata uang di negara masing-masing.



Indonesia

Pelemahan IDR menjadi perhatian besar bagi investor Indonesia. IDR sudah mendekati level psikologis 16,000. Hal ini diikuti foreign outflow baik dari pasar IHSG ataupun SUN. Di saat bersamaan, Indonesia telah memulai memasuki periode pemilu dengan dimulainya pendaftaran calon presiden dan wakil presiden.



Equity Market

Kinerja IHSG ditutup sebesar +1.30% YTD atau -0.19 % MoM (*cutoff date: 30-Sep-23*). Top 3 *Leaders* 1) AMMN, 2) BBNI, 3) BRPT dan Top 3 *Laggards* 1) BBRI, 2) BBCA, 3) MDKA. Investor asing melakukan *net sell* sebesar -0.2bio USD di bulan Sep'23



Fixed Income Market

Yield 10 tahun obligasi mengalami tekanan yang signifikan diakibatkan pelemahan rupiah dan peningkatan UST yield dari level 6.38 di Aug'23 menjadi 6.91 di Sep'23. Hal ini masih terlihat berlanjut memasuki Oct'23 Kepemilikan investor asing masih meningkat menjadi 15.0%.



Section
01



Macro Updates

2H23 Key Macro Narrative

Tracking Our Investment Thesis

Macro narrative for 2H23

2H23 narrative will be around disinflation phase, what it means for a soft-landing, china growth, election in 2024F.

Merekapitulasi pandangan kami dari sisi lokal dan *global macro* dari 2H23 :

- 🏠 *Inflation : Continue Disinflation, with US job data as key*
- 🏠 *Policy Rate : Elevated Rates for a While Open-up Buying Opportunity*
- 🏠 *Trade : Pressure on IDR as Indo ToT weakening adjusting to recent commodity price*
- 🏠 *USD has put everybody under pressure*

Berdasarkan perkembangan hal-hal diatas, kami saat ini masih memiliki preferensi aset kelas sebagai berikut :

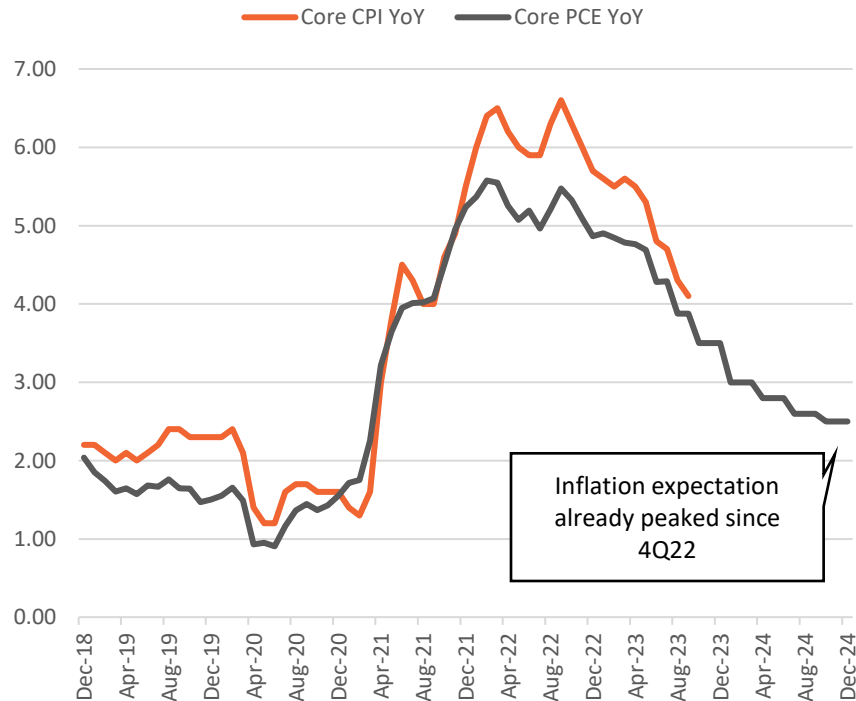
1. *Equity & Fixed Income : Balance Preference at 50/50*
2. *Money Market*

1) Continued Disinflation

Inflation expectation hasn't move despite recent worries on inflation

One more times increase still very probable

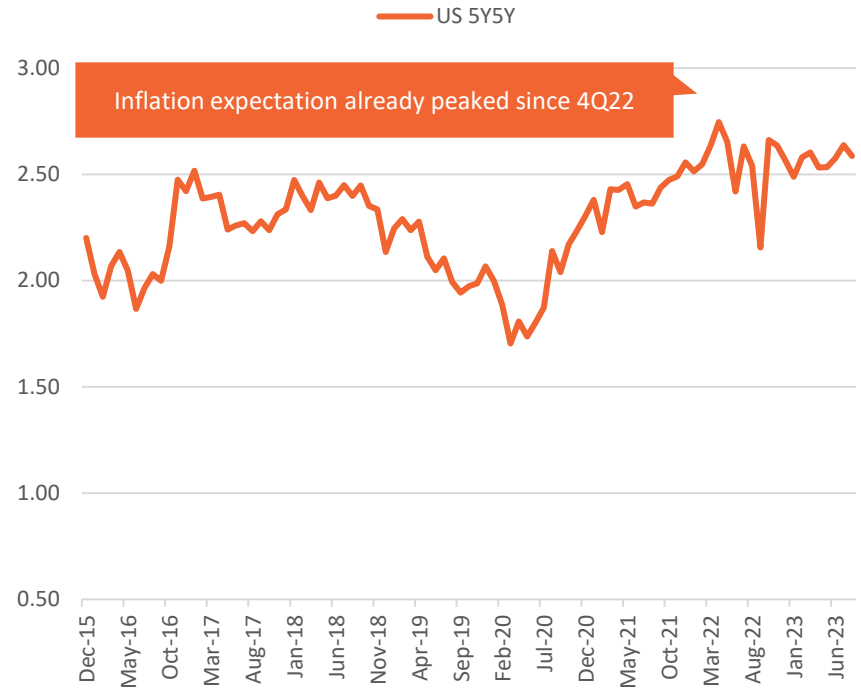
In prob. %



Source: Bloomberg, Syailendra Capital Research

Lower NFP should be viewed as weaker inflation momentum

In thousand of no. job



Source: Bloomberg, Syailendra Capital Research

- 📌 Inflasi masih mencatatkan dikisaran level 4% (Core CPI Sep'23 : 4.1%) dimana ekspektasi pasar mencatatkan dibawah 3% pada tahun 2024
- 📌 Hal ini selaras dengan ekspektasi inflasi yang masih berkisar di level 2.6 – 2.7%

1) Continued Disinflation

4Q23F inflation possible to elevated for a while

Inflation CPI & PCE and Market Consensus

In %

Date (Consensus)	Core PCE YoY%	Core PCE MoM%	Core CPI YoY%	Core CPI MoM%	Goods MoM% (Avg. 3M Ann.)	Services ex-Shelter MoM% (Avg. 3M Ann.)	Shelter MoM% (Avg. 3M Ann.)
Mar-22	5.55%	0.39%	6.45%	0.31%	3.29%	8.02%	5.60%
Apr-22	5.25%	0.33%	6.14%	0.47%	-0.15%	8.58%	6.24%
May-22	5.07%	0.36%	6.02%	0.63%	1.01%	9.83%	6.47%
Jun-22	5.19%	0.56%	5.88%	0.60%	4.96%	10.99%	6.78%
Jul-22	4.96%	0.21%	5.89%	0.31%	5.19%	7.78%	7.08%
Aug-22	5.21%	0.54%	6.30%	0.58%	4.54%	7.40%	7.28%
Sep-22	5.47%	0.46%	6.64%	0.57%	2.46%	6.91%	7.95%
Oct-22	5.33%	0.35%	6.30%	0.33%	1.33%	6.61%	8.55%
Nov-22	5.09%	0.28%	5.97%	0.31%	-1.41%	4.42%	8.42%
Dec-22	4.87%	0.39%	5.70%	0.40%	-2.06%	3.06%	8.60%
May-23	4.69%	0.29%	5.33%	0.44%	5.20%	-0.59%	6.14%
Jun-23	4.28%	0.17%	4.86%	0.16%	4.26%	0.12%	5.37%
Jul-23	4.29%	0.22%	4.70%	0.16%	0.65%	0.42%	5.45%
Aug-23	3.88%	0.14%	4.39%	0.28%	-1.93%	3.30%	4.38%
Sep-23	NA	NA	4.14%	0.32%	-3.26%	5.09%	5.51%
4Q23F	3.90%	0.44%					
1Q24F	3.50%	0.27%					
2Q24F	2.80%	0.03%					
3Q24F	2.60%	0.12%					

Consensus already increase Core PCE 2024F from 2.1% in early 2022 to 2.7% in Jul'23.
Looking at oil level possible to be upgraded

🔺 Konsensus memprediksi Core-PCE memasuki 4Q23 sedikit mengalami peningkatan. Salah satu kemungkinannya ialah harga oil yang relatif elevated (4Q22 avg : 88.49 vs Now : 86.31).

🔺 Namun komponen goods, shelter masih menandakan disinflasi kecuali servis dibulan Aug'23.

2) Elevated Rates for a While

Labor market still elevated

One more times increase still very probable

In prob. %

MEETING PROBABILITIES										
MEETING DATE	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600
01/11/2023			0,0%	0,0%	0,0%	0,0%	0,0%	87,4%	12,6%	0,0%
13/12/2023	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	60,5%	35,7%	3,9%
31/01/2024	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	59,2%	36,2%	4,5%
20/03/2024	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	13,0%	54,1%	29,2%	3,6%
01/05/2024	0,0%	0,0%	0,0%	0,0%	0,0%	5,1%	29,2%	44,3%	19,1%	2,2%
12/06/2024	0,0%	0,0%	0,0%	0,0%	2,0%	14,5%	35,1%	34,5%	12,5%	1,3%
31/07/2024	0,0%	0,0%	0,0%	1,1%	8,7%	25,6%	34,8%	22,7%	6,5%	0,6%
18/09/2024	0,0%	0,0%	0,6%	5,3%	18,0%	30,6%	28,1%	13,8%	3,3%	0,3%
07/11/2024	0,0%	0,3%	2,9%	11,5%	24,2%	29,4%	21,1%	8,6%	1,8%	0,2%
18/12/2024	0,2%	2,0%	8,6%	19,9%	27,6%	23,9%	12,9%	4,1%	0,7%	0,1%

Source: Syailendra Capital

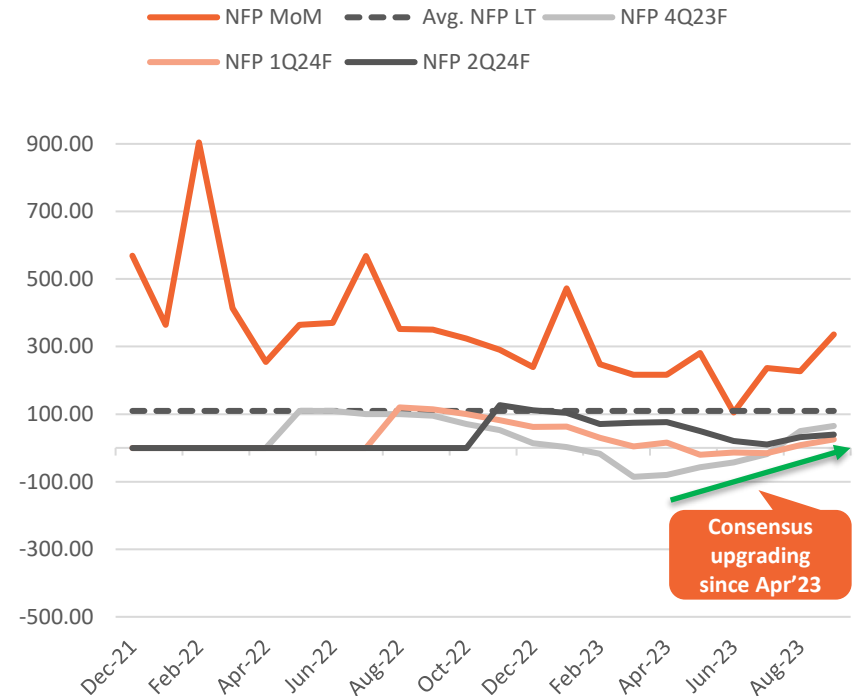
📌 Namun, indikator *output demand* dan *labor*.

📌 menandakan potensi inflasi berada di level yang diharapkan. Hal ini mengakibatkan pasar memiliki ekspektasi tingkat suku bunga mungkin akan bertahan lebih lama di level saat ini.

SYAILENDRA 📌 Source: Syailendra Research, Bloomberg

Lower NFP should be viewed as weaker inflation momentum

In thousand of no. job



Source: Bloomberg, Syailendra Capital

US Economy Had Been Resilient So Far

One of reason possibly coming form higher deficit

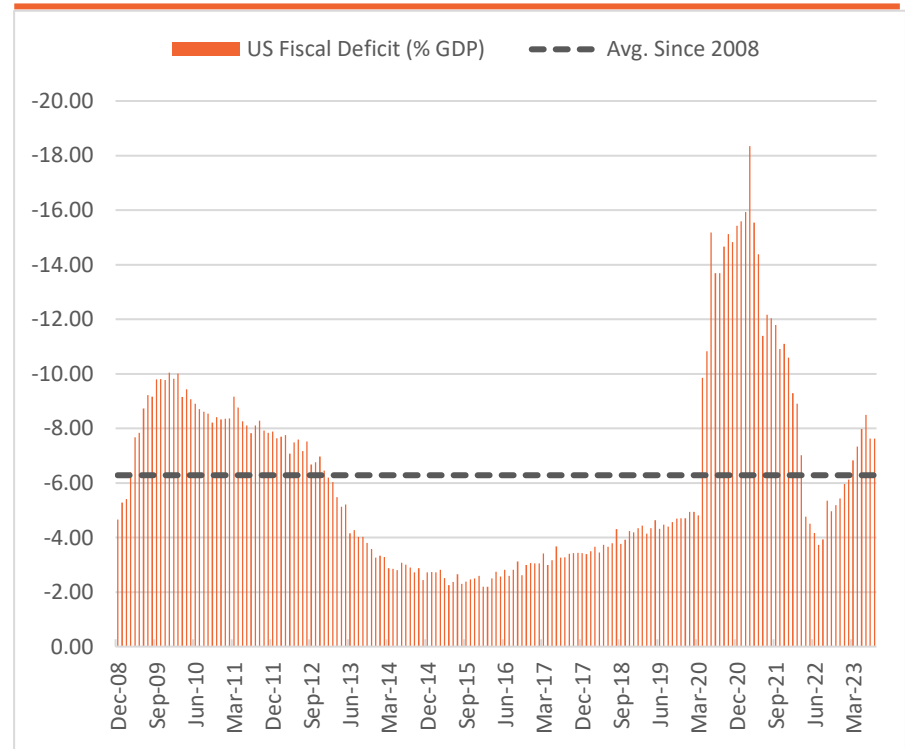
One more times increase still very probable

In prob. %

Desc	Actual				Expectati on
	Jun-23	Jul-23	Aug-23	Sep-23	3Q23
Demand Ouput					
New Home Sales	684	739	675		703
Durable Goods Order	9.00	2.90	3.00		
Labor					
NFP	105	236	227	336	165
Initial jobless Claim	249	227	229	209	
Average Hourly Earnings YoY%	4.40	4.30	4.30	4.20	4.1
Average Hourly Earnings MoM%	0.40	0.40	0.20		
Unemployment Rate	3.60	3.50	3.80		3.9

Fiscal Deficit went above average since 2008

In % GDP



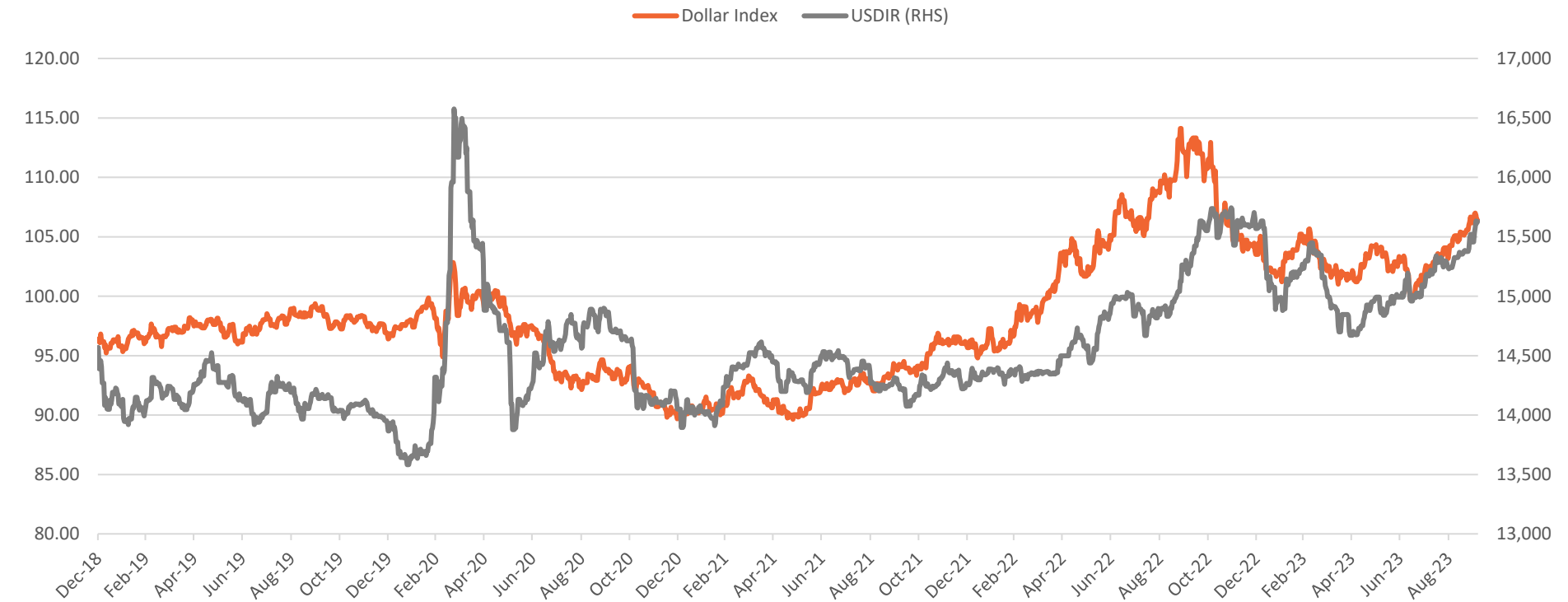
Source: Bloomberg, Syailendra Capital

- Terlihat dari ekspektasi konsensus sepanjang 3Q23 dibandingkan dengan data-data yang keluar dalam 3 bulan terakhir. Hal ini salah satunya dapat diatribusikan dengan meningkatnya US Fiscal deficit diatas rata-rata dalam 20 tahun terakhir.

Dollar Had Been Rallying Against Everyone

IDR depreciation was inline with strong USD

US 10Y Yield vs Nominal GDP YoY
In %, YoY%



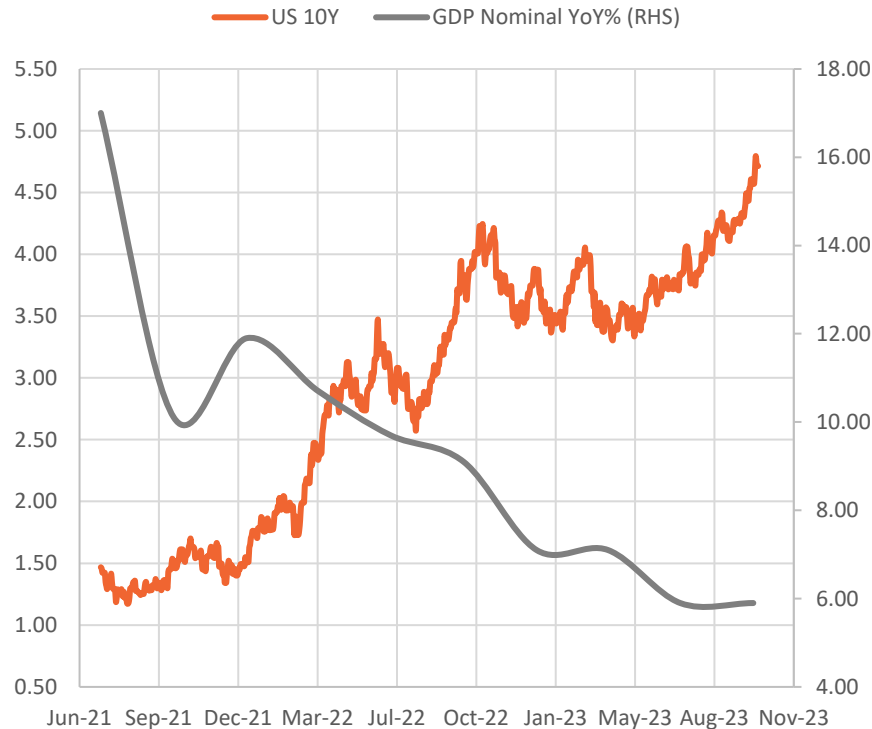
Source: Syailendra Capital

📉 Pelemahan rupiah dalam 3 bulan terakhir masih selaras dengan penguatan dollar secara umum.

US 10-year Yield Seemed to Assume Sustained Growth

On top of increasing UST supply force market to re-price yield

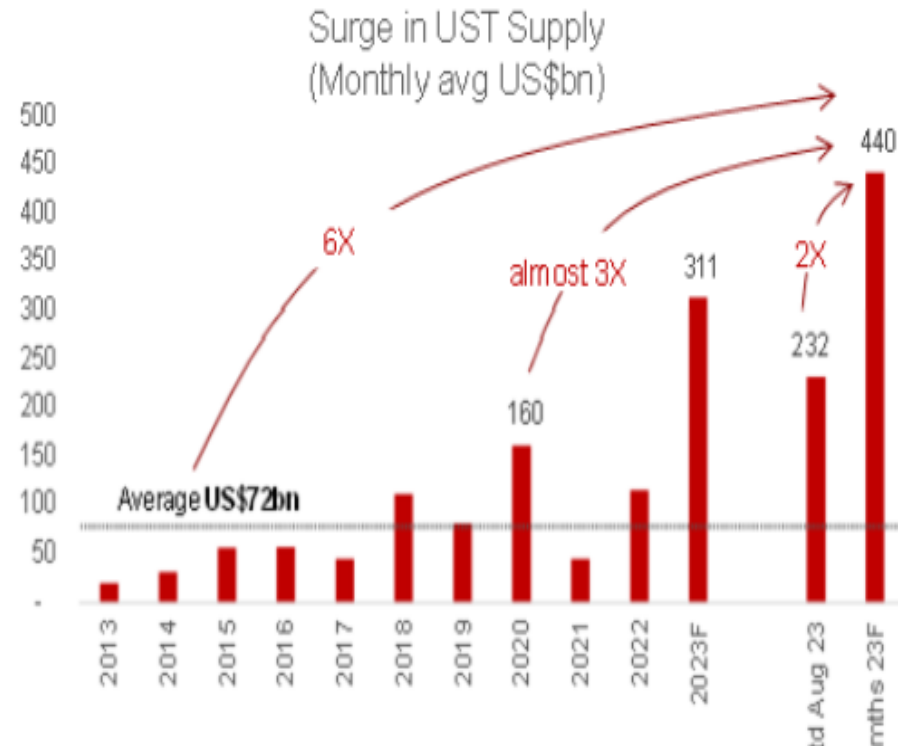
US 10Y Yield vs Nominal GDP YoY
In %, YoY%



Source: Syailendra Capital

- 📌 Peningkatan 10Y yield saat ini berbeda arah dengan pelemahan pertumbuhan ekonomi. Namun, hal ini diatas ekspektasi pasar apabila dibandingkan awal tahun.

UST Supply had increase 2x of its average issuance
In bio USD

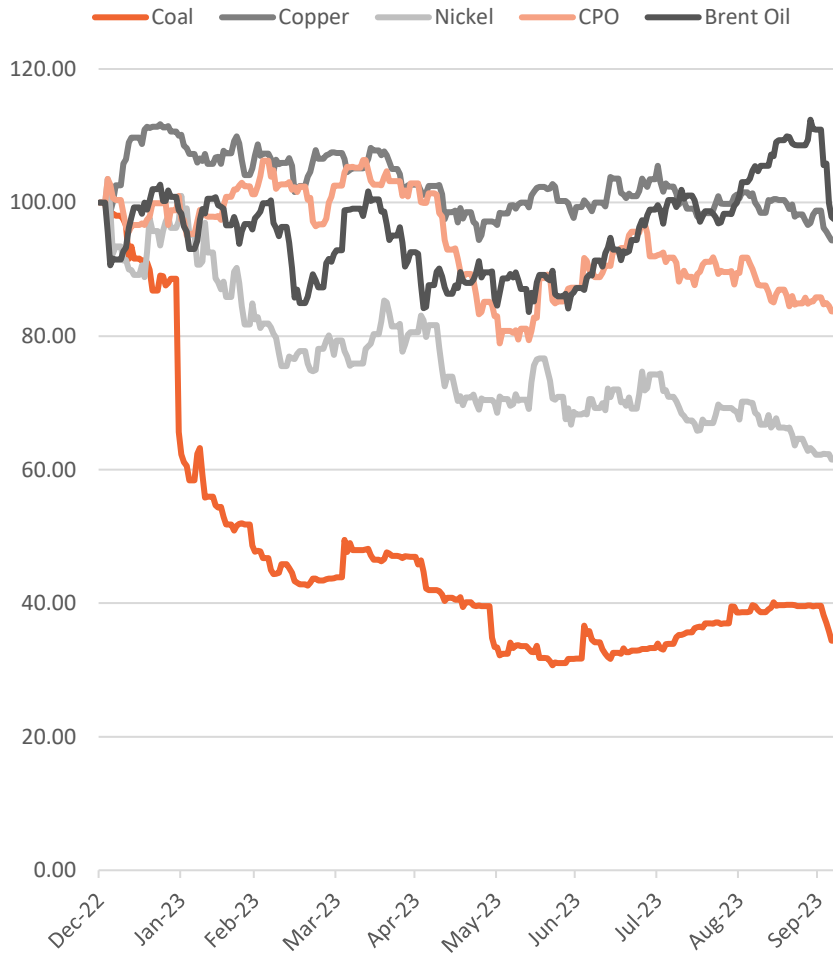


Source: Verdhana Sekuritas

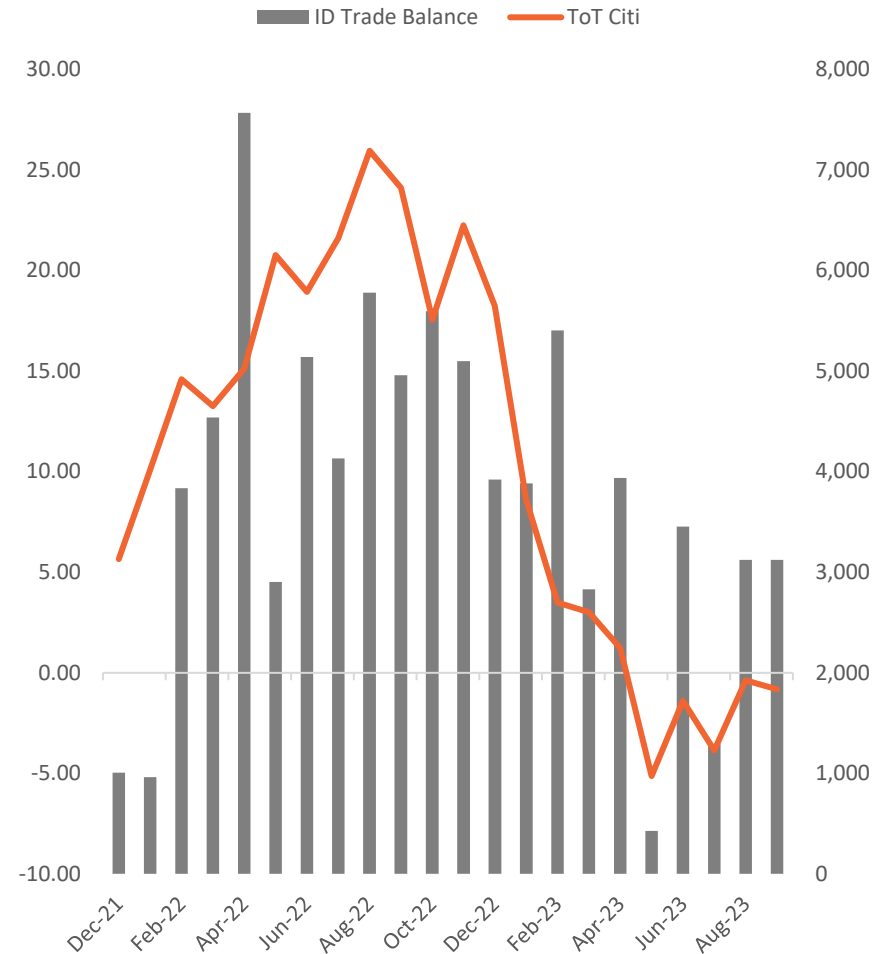
3) IDR Weakness Also Come From Lower ToT

Recent commodity movement might impact to trade balance

Commodities prices have softened in normalized unit since Dec'22



Trade balance could weaken in mio USD, unit ToT



Section
02



Fixed Income

2H23 Fixed Income Narrative

Tracking Our Investment Thesis

Fixed Income narrative for 2H23

2H23 are positioning for cut-rate, what to do with narrow risk-premium

Merekapitulasi pandangan kami dari sisi lokal dan *global fixed income catalyst* dari 2H23

- 🏰 *Policy Rate : Cut-rate still intact for 2024F*
- 🏰 *Rates : Narrow Risk Premium was a New Normal*
- 🏰 *Curve : Expect Flattening at least until early next year*
- 🏰 *Local Factor: Supply Risk was minimum at least for this year*

Berdasarkan perkembangan hal-hal diatas ,kami saat ini masih memiliki pandangan sebagai berikut

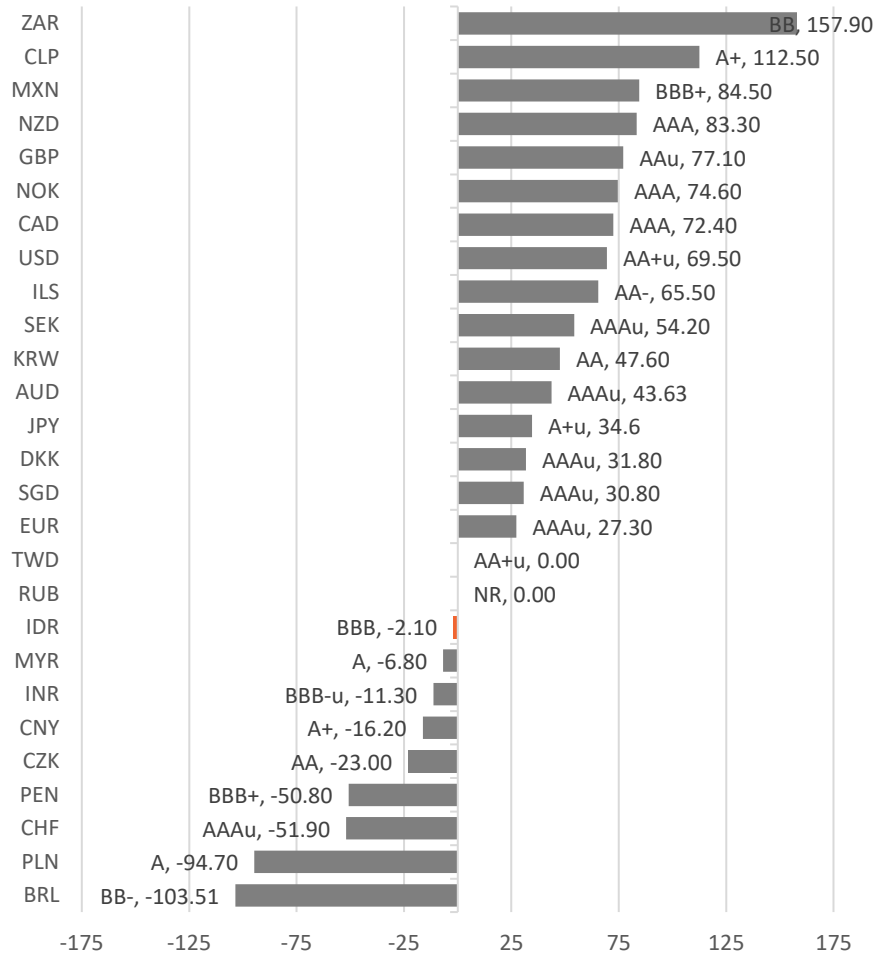
- 🏰 Kami melihat dari sisi ini *capital allocation* dapat berubah dengan asumsi disinflasi terjadi di semua regional. Untuk memaksimalkan return di sisi *sovereign*, investor global setidaknya akan memiliki 2 kategori untuk melihat EM yaitu : 1) tingkat disinflasi yang masih tinggi, 2) *Real yield* yang ditawarkan relatif bersaing.
- 🏰 Berdasarkan hal tersebut, kami melihat INDOGB sudah price-in sebagian besar hal ini. Untuk hal ini terjadi kami melihat beberapa RY negara perlu menurun sehingga INDOGB sedikit lebih atraktif. Target 10Y *yield* base case 2H23F berada di range 6.50 – 6.75%.

Government Treasury Yield Movement Sep-23

INDOGB yield catching-up with other in Sep'23

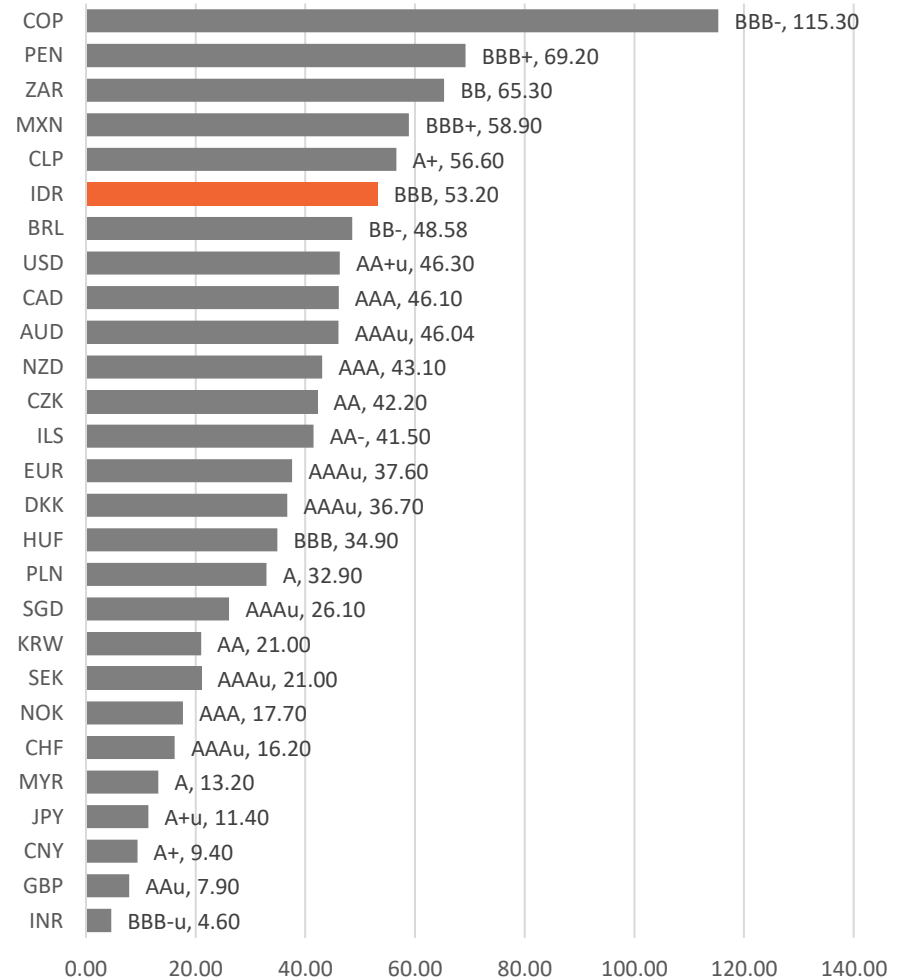
YTD 10Y Govt Changes

In bps



MTD 10Y Govt Changes

In bps

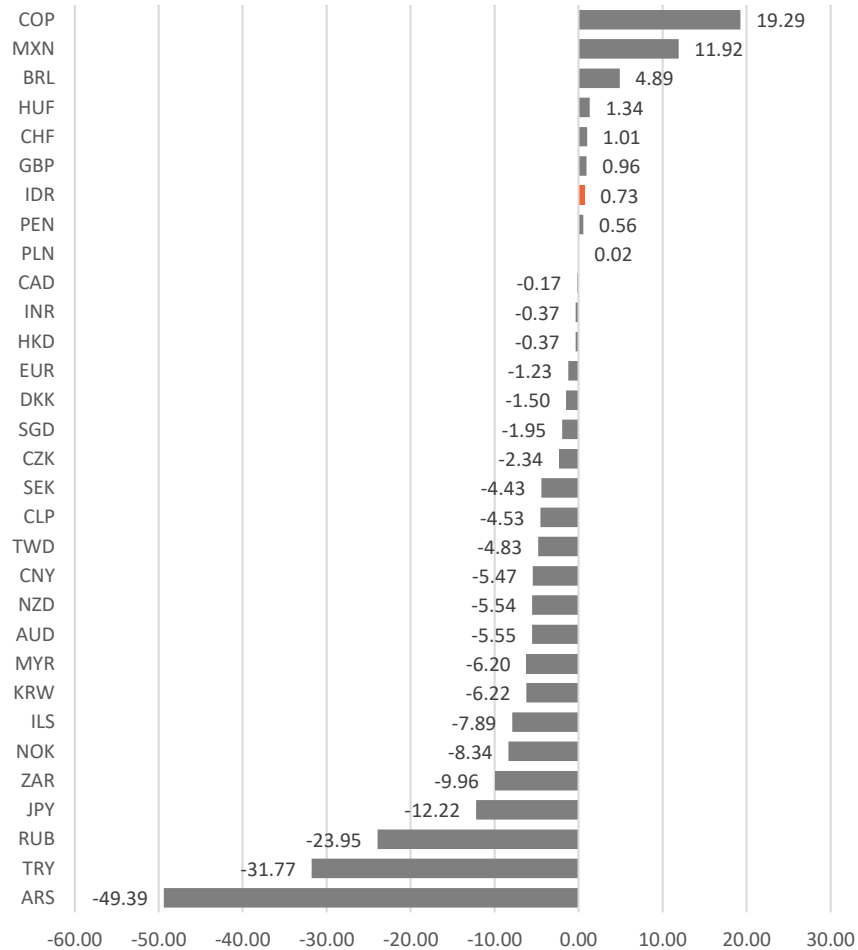


Currency Price Movement Sep-23

Dollar strengthen along with rising yield and stronger than expected growth

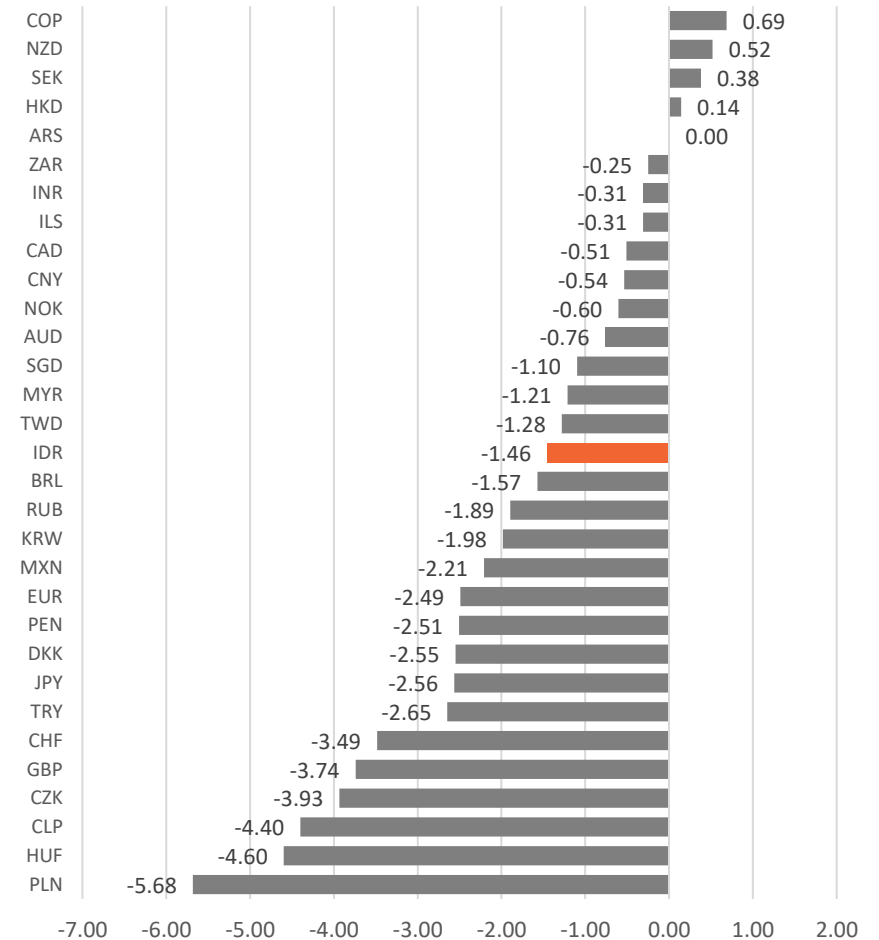
YTD Currency Chg. (USD as Base Currency)

In bps



MTD Currency Chg. (USD as Base Currency)

In bps



1) Cut-rate still intact for 2024F

Despite 1 more hike on FFR in 1Q23

FFR Interest Rate probability show possible 1 more hike in 1Q24

In %YoY

MEETING PROBABILITIES										
MEETING DATE	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600
01/11/2023			0,0%	0,0%	0,0%	0,0%	0,0%	78,3%	21,7%	0,0%
13/12/2023	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	65,8%	30,8%	3,5%
31/01/2024	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	4,1%	63,6%	29,1%	3,3%
20/03/2024	0,0%	0,0%	0,0%	0,0%	0,0%	1,0%	19,0%	55,0%	22,6%	2,4%
01/05/2024	0,0%	0,0%	0,0%	0,0%	0,4%	8,2%	33,4%	41,9%	14,5%	1,5%
12/06/2024	0,0%	0,0%	0,0%	0,2%	4,1%	20,1%	37,4%	29,0%	8,4%	0,8%
31/07/2024	0,0%	0,0%	0,1%	2,3%	12,8%	29,6%	32,8%	17,7%	4,2%	0,4%
18/09/2024	0,0%	0,1%	1,3%	8,2%	22,2%	31,4%	24,4%	10,2%	2,0%	0,2%
07/11/2024	0,0%	0,7%	4,8%	15,2%	26,8%	27,9%	17,3%	6,1%	1,1%	0,1%
18/12/2024	0,4%	3,2%	11,3%	22,4%	27,5%	21,3%	10,3%	3,0%	0,5%	0,0%

Consensus Expect 3-4 Times Cut from Bank Indonesia

In %YoY

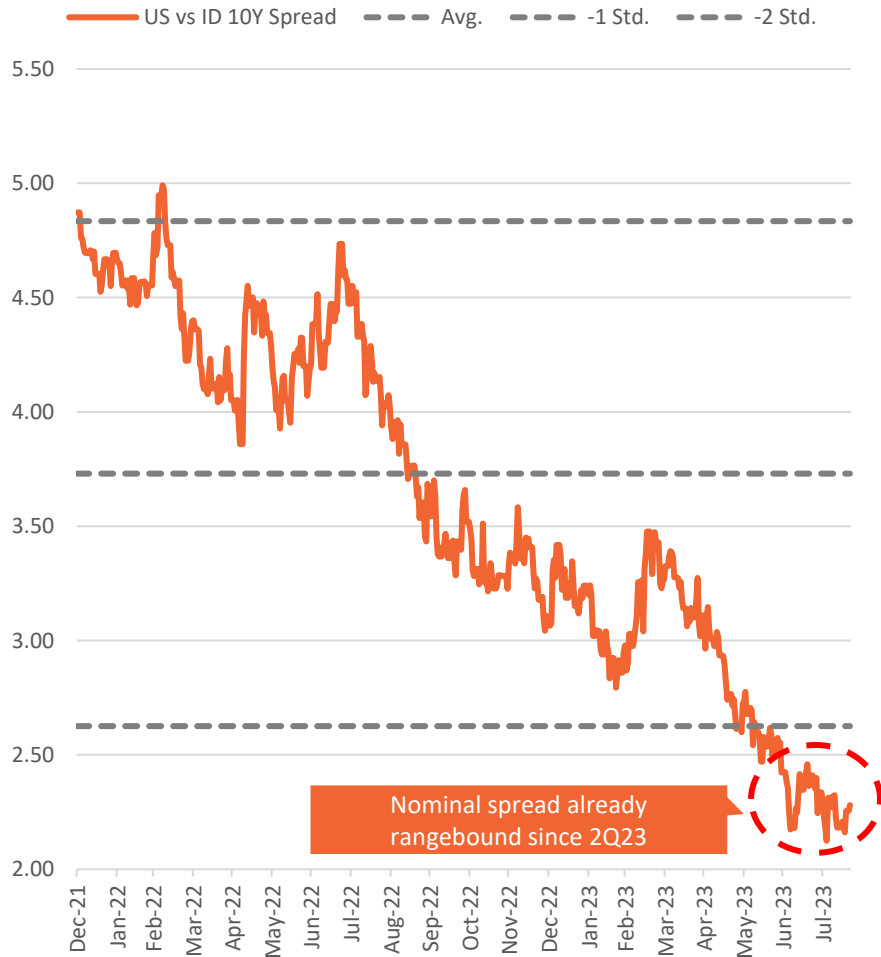
7D BI Repo	Current	4Q23F	1Q24F	2Q24F	3Q24F	4Q24F
Sep-22	4.25	5.10	5.00	4.80	4.75	4.50
Oct-22	4.75	5.30	5.10	4.85	4.80	4.50
Nov-22	5.25	5.65	5.60	5.50	5.30	5.05
Dec-22	5.50	5.70	5.60	5.45	5.25	5.05
Jan-23	5.75	5.75	5.65	5.50	5.25	5.05
Feb-23	5.75	5.75	5.50	5.35	5.15	4.90
Mar-23	5.75	5.75	5.50	5.35	5.15	4.90
Apr-23	5.75	5.75	5.55	5.40	5.15	4.95
May-23	5.75	5.60	5.35	5.10	4.90	4.80
Jun-23	5.75	5.55	5.35	5.15	4.95	4.80
Jul-23	5.75	5.55	5.40	5.20	5.05	4.80
Aug-23	5.75	5.65	5.40	5.20	5.05	4.90
Sep-23	5.75	5.70	5.50	5.30	5.15	4.95

2) Narrowing Risk Premium is New Normal

Indo Risk Premium had been moving in range in the past 3-6 months

Indo Nominal Spread Seems Stabilize Below -2 Std (2018-2023)

In %



Indo Real Spread Seems Stabilize Below -1 Std (2018-2023)

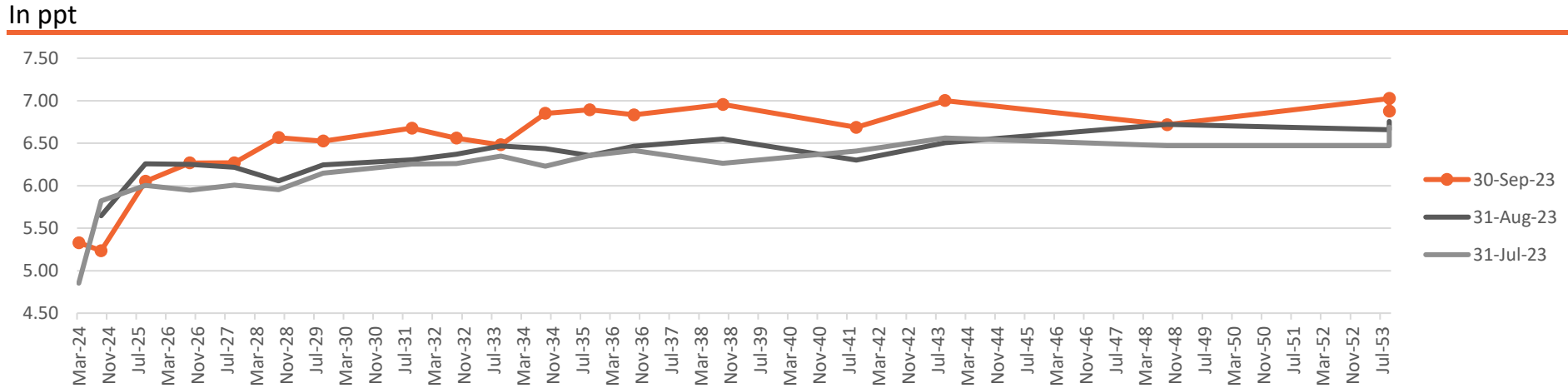
In %



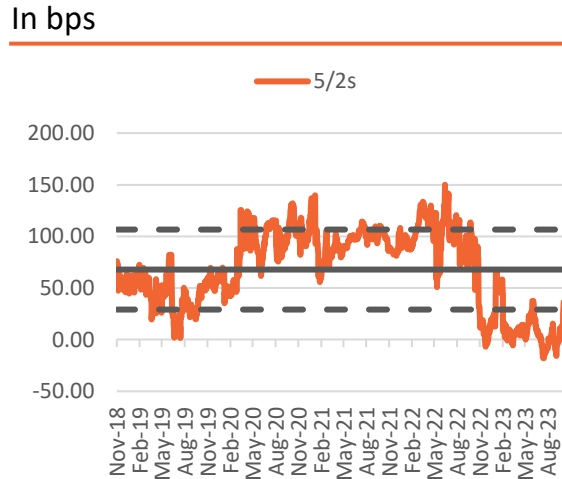
3) Expect Flattening Curve Until Early Next Year

Short-Term yield keep pushing up to flattened the curve

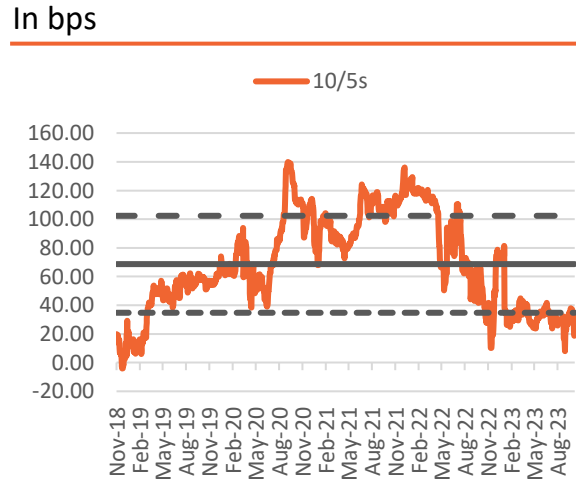
INDOGB Yield Curve



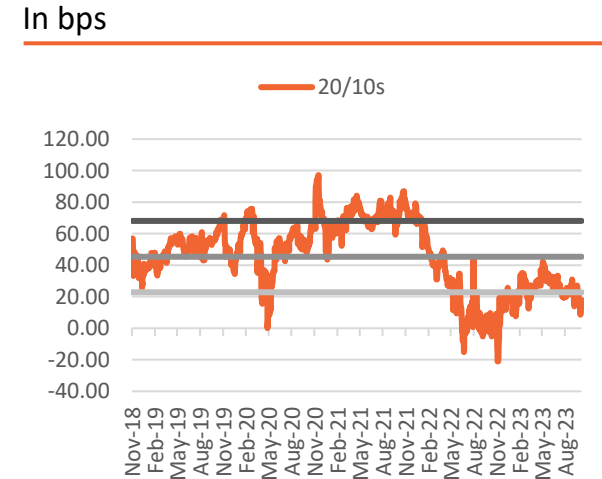
5/2s 5Y Historical Spread



10/5s 5Y Historical Spread



20/10s 5Y Historical Spread



Supply Risk was minimum at least for this year

Recent increase on awarded because stop of global fund issuance

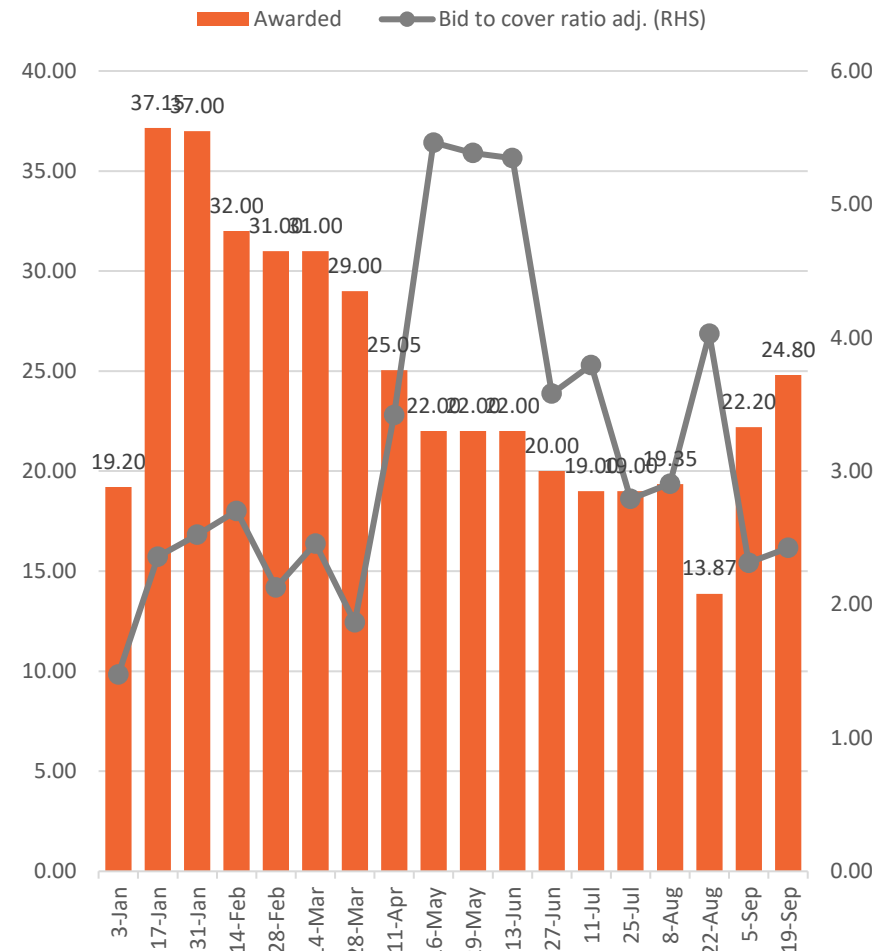
At 2.3 Fiscal Deficit Auction target seems very reasonable

In trn per 2 weeks auction

Government Securities	APBN 2023	RAPBN 2024	Govt Bond Issuance Realization YTD (29-Sep-23)	Government Forecast 2023	Mansek Forecast 2023	Remaining Issuance Target	Remaining Issuance Target
Budget Deficit	-598.2	-522.8		-486.4	-356.8		
% of GDP	-2.9	-2.3		-2.3	-1.7	-2.3	-1.7
Gross Bond Supply	1193.2	1271.2	637.2	843.2	713.6	206.0	84.2
Gross Local Currency Bonds	1048.5	1117.0	57.92	843.2	713.6	264.0	142.2
Auction Program	837.9	892.6	455.0	592.1	501.1	137.1	51.6
Retail Bonds	179.0	190.7	113.0	126.5	107.0	13.5	-4.8
Private Placement	31.6	33.7	11.2	22.3	18.9	11.1	7.9
Gross Foreign Currency Bonds	144.7	154.2	58.0	102.3	86.5	44.3	29.5
Avg. per 2 weeks auction	34.9	37.2	30.0	24.7	20.9	20.8	12.7
Source of Financing	598.2	522.8		486.4	356.8		
Debt Financing	696.3	648.1		406.3	276.8		
Government bonds - nett	712.9	666.4		362.9	233.3		
Loan program - nett	-16.6	-18.4		43.4	43.4		
Investment Financing	-176.0	-176.2		-153.4	-153.4		
Loan Financing	5.3	-0.3		4.0	4.0		
Liability Financing	-0.3	-0.8		-0.3	-0.3		
Others	72.8	52.0		229.7	229.7		

Latest 2W Auction Target already same to remaining iss. target

In trn per 2 weeks auction



Indonesian Bonds Ownership

Continous foreign inflow at the same time outflow from central bank

Ownership on Tradeable Indonesia Government Bonds

In IDR Trn

Ownership Level

Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
Yearly								
2016	21.2%	8.9%	4.8%	18.4%	37.5%	3.3%	5.9%	100.0%
2017	21.6%	8.6%	5.0%	16.6%	39.8%	2.9%	5.6%	100.0%
2018	21.8%	9.2%	5.0%	17.5%	37.7%	3.1%	5.7%	100.0%
2019	20.7%	9.9%	4.8%	17.1%	38.6%	2.9%	5.9%	100.0%
2020	24.7%	22.6%	4.2%	14.0%	25.2%	3.4%	6.0%	100.0%
2021	25.0%	26.1%	3.4%	14.0%	19.0%	4.7%	7.7%	100.0%
2022	23.8%	27.4%	2.7%	16.4%	14.4%	6.5%	8.8%	100.0%
YTD	21.9%	24.7%	3.3%	18.4%	15.0%	7.4%	9.4%	100.0%
Net flow								
Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
Yearly								
2016	27	8	24	104	107	15	26	311
2017	78	22	18	23	170	2	13	326
2018	64	38	15	66	57	13	17	269
2019	53	56	12	57	169	8	29	384
2020	384	602	30	71	-88	50	68	1,118
2021	217	346	-3	112	-83	90	129	808
2022	92	233	-12	218	-129	123	106	630
YTD	-56	-95	36	137	61	62	49	195
Interim								
1Q	72	-27	19	53	54	1	14	187
2Q	-81	-34	8	20	31	16	4	-37
3Q	-47	-33	9	64	-24	45	32	46

Section
03



Equity

2023 Key Equity Narrative

Tracking Our Investment Thesis

Equity narrative for 2H23

2H23 was about slowing down earnings momentum, stock-picking

Merekapitulasi pandangan kami dari sisi lokal dan *global equity catalyst* dari 2H23.

- 🏠 *Growth : Forward Earnings is normalizing.*
- 🏠 *Valuation : Cheap Valuation, is it enough as catalysts ?*

Adapun hal lain yang menurut kami dapat memberikan *insight* terhadap pergerakan pasar belakangan ini :

- 🏠 *Local Factor : JCI Price level supported despite signifcant outflow from foreign.*

Berdasarkan perkembangan hal-hal diatas. Strategi yang kami lakukan akan berfokus pada :

- 🏠 *Thematic atau Sector Neutral Thesis (Stock Picking) dibandingkan Sector Rotation.*
- 🏠 *Interest Rate Cut Beneficiary.*

Sehingga, Target IHSG *base case* berada di 7,200 – 7,400 untuk 2023F. Hal ini didasarkan pada 2023 *earnings growth* 5% dan P/E bergerak sedikit meningkat dari level 14.6 (posisi IHSG di 6,800)

Global Indices Performance

Global market outperform others during YTD period

Global Indices Historical Performance

In % of return

No	Country	YTD	1M	3M	6M	1Y	P/E	P/BV	ROE
Global Market									
1	Dow Jones (US)	1.22%	-2.32%	-1.11%	3.45%	15.15%	19.01	4.25	19.78
2	S&P 500 (US)	11.33%	-2.98%	-2.37%	7.47%	17.20%	19.71	3.83	17.96
3	Nasdaq (US)	25.09%	-3.66%	-3.41%	11.25%	20.90%	35.25	0.74	1.94
4	London (UK)	0.26%	-2.02%	-1.51%	-0.96%	6.16%	13.90	1.71	11.36
5	DAX (GR)	9.29%	-2.65%	-3.97%	0.59%	25.35%	11.05	1.34	11.14
6	CAC (FP)	9.24%	-2.18%	-1.99%	-0.09%	22.91%	12.01	1.75	13.95
Asia Market									
1	Nikkei (JP)	24.06%	2.36%	-0.51%	17.82%	21.83%	21.32	1.81	8.52
2	Hang Seng (HK)	-10.97%	-1.92%	-8.02%	-10.00%	-1.39%	8.93	0.98	10.82
3	Shanghai (CN)	0.58%	1.41%	-2.57%	-4.43%	0.43%	11.31	1.25	11.05
4	Shenzhen (CN)	-4.42%	-0.23%	-3.77%	-7.78%	-4.93%	12.21	1.49	12.23
5	NFT (IN)	8.90%	2.34%	4.78%	16.08%	15.93%	19.98	2.94	14.48
6	Kospi (KR)	10.22%	-2.15%	-4.51%	2.32%	10.85%	14.51	0.88	6.01
ASEAN Market									
1	Singapore (SG)	-1.58%	0.32%	-0.17%	-1.20%	1.09%	10.28	1.06	9.98
2	Kuala Lumpur (MK)	-3.70%	-0.30%	3.85%	3.12%	2.07%	14.41	1.28	8.94
3	Thailand (TH)	-10.28%	-4.04%	1.29%	-6.04%	-7.04%	16.75	1.42	8.40
4	Vietnam (VN)	14.57%	-2.49%	1.72%	9.66%	-1.09%	11.27	1.59	14.31
5	Philippines (PH)	-2.92%	3.47%	-1.97%	-3.34%	5.89%	11.96	1.46	12.06
Indonesia Market									
1	JCI / IHSG (ID)	1.30%	-0.26%	4.17%	1.47%	-1.37%	14.49	1.84	12.73
2	JII / ISSI (ID)	-0.34%	1.41%	9.12%	2.49%	6.16%	12.77	1.73	17.20
3	IDX30 (ID)	1.07%	-1.28%	0.43%	0.04%	-7.52%	14.47	2.02	14.02
4	LQ45 (ID)	1.66%	-1.18%	0.74%	0.60%	-5.58%	13.99	1.91	13.71

Global Peers Valuation Comparison

Indonesia valuation in-line with growth expectation

Global Indices Historical Performance

In times of earnings, times of BPS, % and YoY%

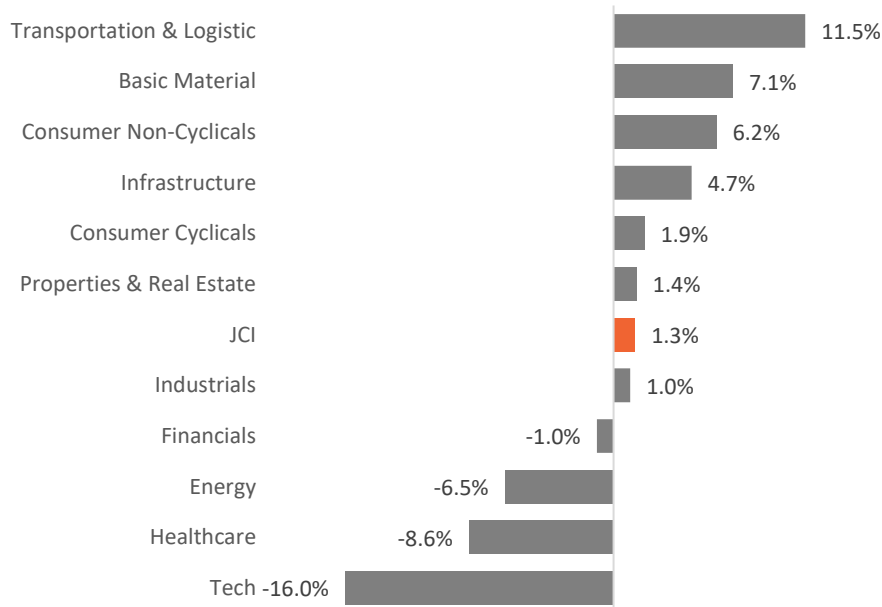
Desc.	P/E		EPS Growth		P/B		ROE		EPS Revisoin	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
MSCI SEA	13.6	12.7	22.0%	6.8%	1.5	1.4	10.9	11.3	10.2%	-9.9%
Indonesia	14.8	13.5	-4.8%	9.9%	2.2	2.0	15.0	15.0	-9.5%	7.1%
Malaysia	14.7	13.1	4.5%	11.9%	1.3	1.2	9.1	9.5	-1.8%	-0.2%
Phillipines	12.6	11.3	14.8%	11.2%	1.6	1.5	12.9	13.0	23.3%	-3.0%
Singapore	11.3	11.2	54.3%	0.7%	1.3	1.2	11.0	11.0	37.5%	-24.5%
Thailand	18.1	15.9	4.3%	13.9%	1.6	1.6	8.9	10.2	2.3%	-1.2%
MSCI AxJ	14.4	11.7	5.2%	22.7%	1.4	1.3	9.9	11.1	-11.6%	15.7%
Hong Kong	13.5	11.6	12.8%	16.4%	0.9	0.8	6.6	7.2	17.7%	-15.3%
India	23.1	19.7	18.7%	17.4%	3.5	3.1	14.4	15.1	14.0%	1.1%
Korea	16.9	10.0	-42.8%	69.4%	1.0	0.9	6.0	9.1	-42.1%	76.7%
Taiwan	17.5	14.3	-31.7%	22.7%	2.2	2.0	12.7	14.1	-30.4%	35.3%
MSCI EMEA	11.5	10.2	-5.3%	12.8%	1.6	1.4	13.8	14.3	-14.6%	10.3%
South Africa	11.6	8.9	-5.4%	30.1%	1.5	1.3	13.3	14.7	-13.7%	11.9%
Turkey	6.5	5.3	15.1%	21.9%	1.6	1.3	25.5	24.7	-16.9%	29.0%
MSCI LATAM	8.9	8.4	-21.9%	6.7%	1.4	1.3	15.7	15.1	-17.4%	20.2%
Brazil	8.1	7.5	-27.6%	6.8%	1.4	1.2	16.3	15.3	-23.1%	24.0%
Mexico	11.9	11.0	5.5%	7.8%	1.7	1.6	14.6	14.3	18.4%	0.0%
MSCI EMEA	11.5	10.2	-5.3%	12.8%	1.6	1.4	13.8	14.3	-14.6%	10.3%
MSCI World	17.4	15.9	0.3%	9.4%	2.7	2.5	14.8	14.9	1.2%	4.8%
Australia	15.4	14.5	-3.6%	6.0%	2.0	1.9	12.5	13.0	-9.3%	4.1%
Europe	12.8	12.1	-0.8%	5.0%	1.8	1.7	13.8	13.4	0.5%	6.7%
Japan	15.3	14.7	10.5%	4.3%	1.3	1.2	8.6	8.2	23.3%	-17.5%
USA	20.0	17.9	-1.6%	11.9%	3.9	3.5	17.8	18.2	2.5%	7.5%
Local Index										
JCI	14.5	12.9	3.6%	12.2%	1.8	1.7	12.7	13.1	-1.3%	7.5%

JCI recorded negative performance in Sep'23

Financial sectors recorded negative performance in Sep'23

JCI Sectoral Movement YTD

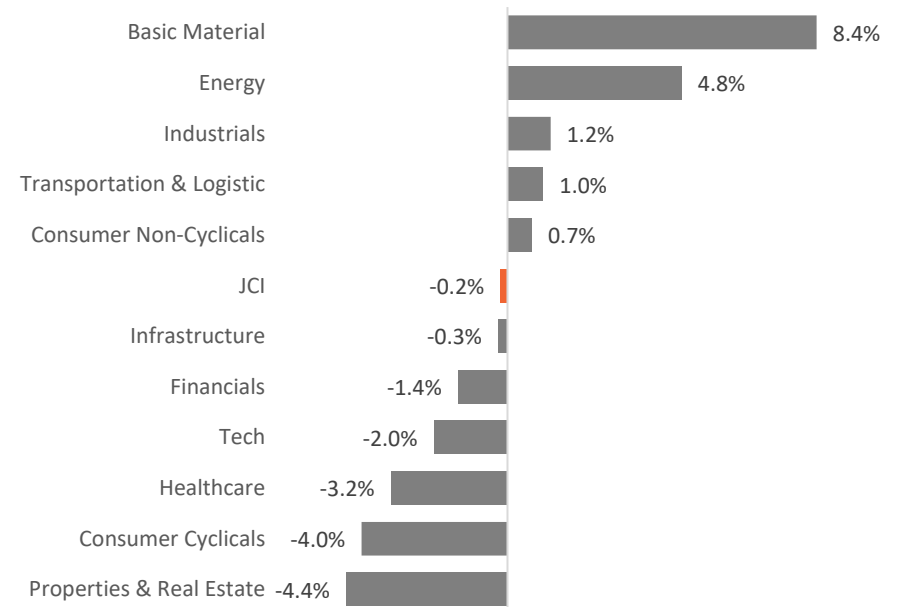
As of 29 Sep 2023



Source: Syailendra Research, Bloomberg

JCI Sectoral Movement MTD

As of 29 Sep 2023



Source: Syailendra Research, Bloomberg

- 🏗️ Sektor keuangan mencatatkan kinerja negatif sebesar -1.4% MTD sepanjang bulan Sep'23 dimana hal ini sejalan dengan sentimen dari ekonomi global yang cenderung kurang kondusif. Di sisi lain, kenaikan harga komoditas menjadi katalis positif bagi sektor energi yang mencatatkan pertumbuhan kinerja sebesar +4.8% MTD di bulan Sep'23.

Foreign Equity Flows

Net foreign outflows YTD 2023 from Indo equity market

In US\$ Million	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
Aug-22	6,791	508	3,012	-153	-4,124	1,603	460	8,098	7,638	-2,895
Sep-22	-1,624	209	-1,805	-216	-5,748	-655	-355	-10,194	-9,839	-20,995
Oct-22	1,026	730	2,129	-12	-3,031	227	-128	941	1,069	12,213
Nov-22	4,679	45	3,028	99	6,476	847	-61	15,113	15,175	9,544
Dec-22	-167	-1,344	-1,305	-109	-2,885	369	-309	-5,750	-5,441	-1,053
Jan-23	-3,660	-204	5,240	122	6,893	545	-82	8,854	8,936	2,226
Feb-23	-639	377	919	-142	1,107	-1,273	-40	309	349	-821
Mar-23	1,816	272	-689	-498	-30	-917	-301	-347	-46	-21,946
Apr-23	1,923	828	616	34	-2,553	-231	-56	562	618	34,505
May-23	5,008	109	3,114	-81	5,205	-967	-159	12,230	12,389	17,709
Jun-23	6,717	-293	-1,256	97	625	-263	-291	5,337	5,628	15,211
Jul-23	4,140	182	627	334	-2,994	-361	313	2,240	1,927	5,096
Aug-23	1,726	-1,319	-570	-131	-4,549	-443	31	-5,253	-5,285	-8,070
Sep-23	-1,928	-263	-1,694	-464	-5,885	-616	143	-10,706	-10,849	-33,246
Yearly	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	15,104	-310	6,308	-729	-2,180	-4,527	-442	13,225	13,667	10,664
2022	-17,016	4,267	-9,665	-1,245	-44,007	5,960	1,096	-60,610	-61,706	2,350
2021	3,761	3,674	-23,010	-5	-15,604	-1,632	-767	-33,582	-32,815	29,827
2020	23,373	-4,320	-20,082	-2,513	-15,257	-8,287	-5,782	-32,867	-27,085	-65,727
2019	14,234	-1,306	924	-240	9,377	-1,496	-2,683	18,811	21,493	-28

Forward Earnings is Normalizing

However, Market still upgrading on the back 2024F

MSCI Indonesia Earnings Overview

In %

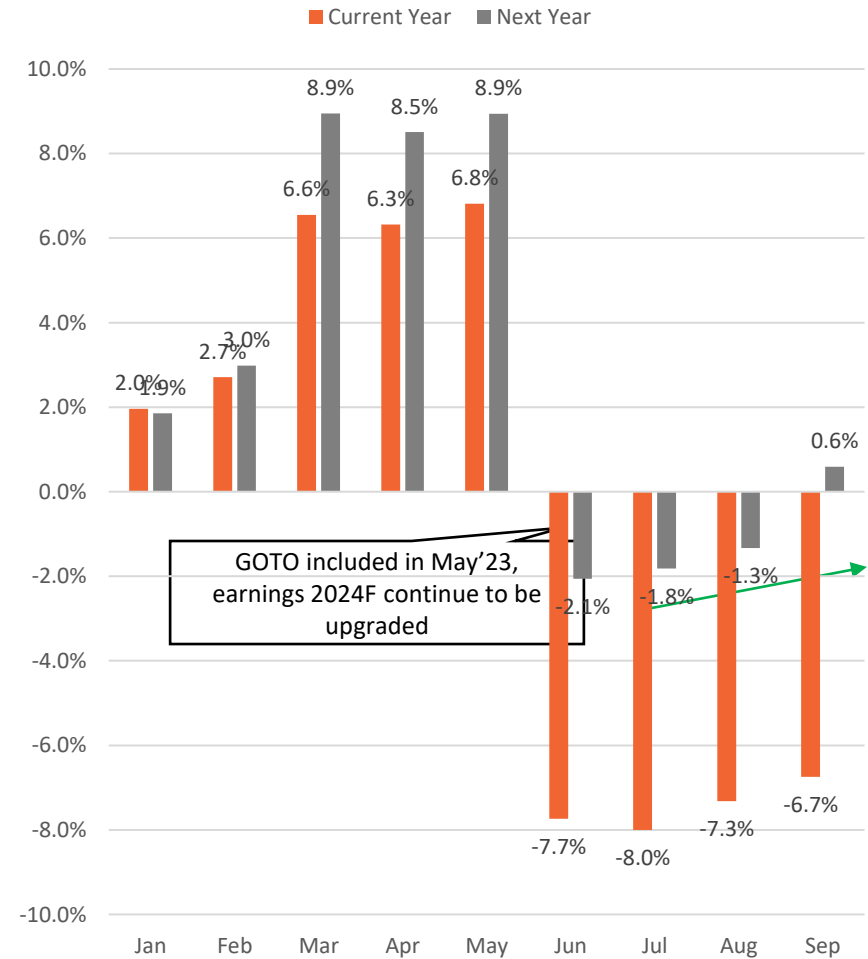
MSCI Indonesia Index

Periodicity **A** Flavor **Y** View **Growth** Currency **CUR**

Measure	Actual	Y Est	Growth	Y+1 Est	Growth
1) Earnings Per Share	437.03	512.48	17.26%	563.10	9.88%
2) EPS before XO, Positive	620.21	565.77	-8.78%	599.54	5.97%
3) Cash Flow Per Share	627.29	725.17	15.60%	788.33	8.71%
4) Dividends Per Share	331.79	336.29	1.36%	321.19	-4.49%
5) Book Value Per Share	3205.86	3368.99	5.09%	3684.54	9.37%
6) Sales Per Share	3057.78	3013.85	-1.44%	3180.13	5.52%
7) EBITDA Per Share	0.00	0.00	0.00%	0.00	0.00%
8) Long Term Growth	0.00	13.20	0.00%	0.00	0.00%
9) Net Debt Per Share	-462.94	776.97	0.00%	729.86	-6.06%
10) Enterprise Value Per Share	6968.32	8208.23	17.79%	8161.12	-0.57%

MSCI Indonesia Earnings Growth Revision

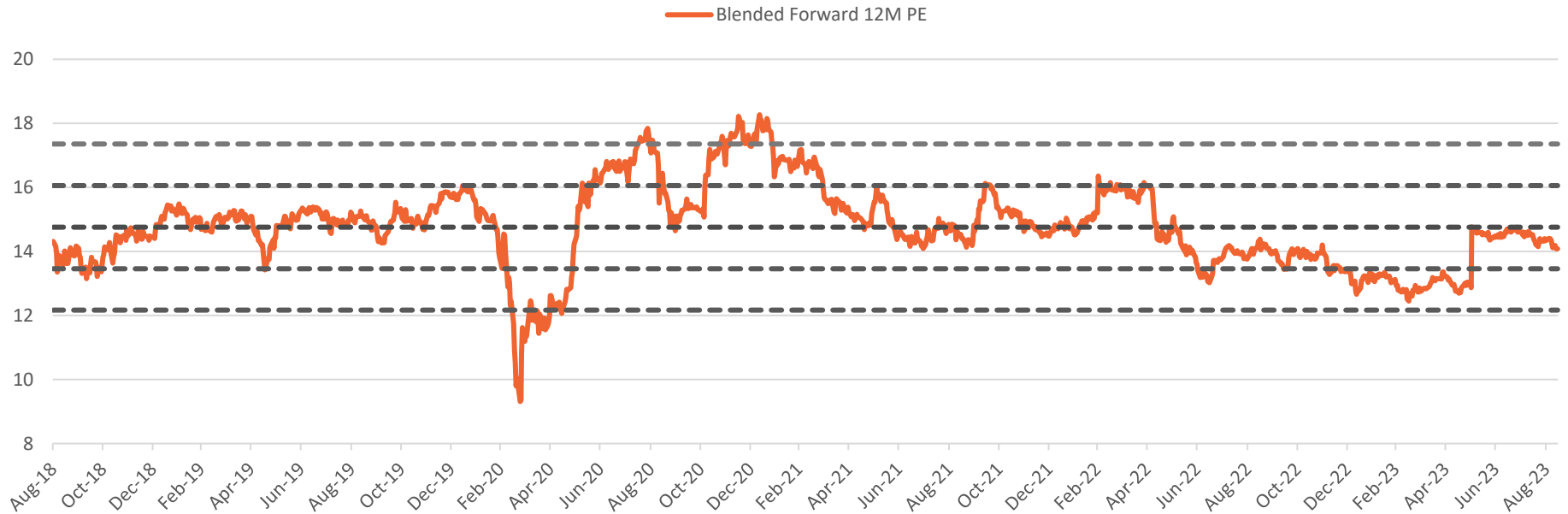
In %



Cheap Valuation, is it enough as catalysts ?

Upgrade on Indonesia Earnings growth could help our index valuation

MSCI Indonesia 5Y P/E Band In times of earnings



Source: Syailendra Research, Bloomberg

- Terlihat valuasi MSCI Indonesia sebagai proxy IHSG saat ini berada di kisaran rata-rata sd -1 Std. Deviasi selama historis 5 tahun kebelakang. Valuasi ini disebabkan menurunnya sentimen pasar, namun di sisi lain harga yang ditawarkan dari pasar melihat jangka panjangnya menjadi menarik. Berdasarkan hal tersebut kami melihat IHSG dalam jangka panjang untuk valuasi PE selanjutnya berada di kisaran rata-rata.

Section
04



Appendix

Syailendra Benchmark View

Update on our Macro and Benchmark Number for 2023F and 2024F

Syailendra Macro Indicator and Benchmark

In each unit

Desc	Unit	Syailendra						
		2022F (Last)	23F			24F		
			Bear	Base	Bull	Bear	Base	Bull
Macro Indicator								
GDP Growth YoY	Average full year	5.40	4.40	4.80	5.00	4.80	5.00	5.20
Inflation YoY	Average full year	5.95	4.80	4.30	3.80	3.30	3.00	2.70
Fiscal Deficit (% of GDP)	End of year	-3.20	-2.70	-2.20	-1.70	-3.00	-2.70	-2.50
Current Account (% of GDP)	Average full year	0.80	-1.00	-0.60	-0.40	-1.80	-1.30	-1.00
USDIDR	End of year	15,621	15,400	15,200	15,000	15,800	15,500	15,200
Rates								
Central Bank Rates Indonesia*	End of year	5.50	6.00	5.75	5.50	5.50	4.75	4.50
10 YR Govt Bond Yield IDR	Average full year	6.97	7.25	6.50	6.25	6.75	6.00	5.75
Equities								
JCI	End of year	6,804	6,500	7,300	7,700	7,500	7,800	8,100
Earnings Growth*	End of year	32%	-5.0%	5.0%	10.0%	5.0%	7.5%	10.0%
P/E*	End of year	14.6	14.60	15.00	15.00	15.00	15.00	15.00

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