

# Monthly Bulletin

February 2024

## What's Inside



### Calendar

ID 7D BI Rate (21-Feb)  
US FOMC Minutes (22-Feb)



### Events

Indonesia telah mengakhiri pemilu presiden dan legislatif dengan kemenangan signifikan dari calon Prabowo-Gibran berdasarkan data *exit-poll quick count*. Hal ini diikuti oleh *portfolio inflow* dari sisi *Equity*. Namun, data-data ekonomi dari US (i.e : *NFP, wages growth*) mengakibatkan pasar menurunkan ekspektasi penurunan tingkat suku bunga yang sebelumnya dari Mar-24 menjadi May-Jun'24.



### Equity Market

IHSG mencatatkan kinerja di periode 1M24 sebesar -0.89% YTD dan MoM (*cutoff date: 31-Dec-23*). Di saat bersamaan, investor asing melakukan pembelian (*inflow*) sebesar 534mio USD. Hal ini terlihat berlanjut di bulan Feb'24.

Top 3 Leaders 1) BMRI, 2) AMMN, 3) BBNI dan Top 3 Laggards 1) BREN, 2) CUAN, 3) ASII.



### Fixed Income Market

Yield SUN 10 tahun di akhir Jan'24 tercatat di level 6.58 atau meningkat 10bps dibandingkan posisi di akhir Dec;23 di level 6.48. Disaat yang bersamaan, total *return* (sebelum pajak) atas indeks Indobex mencatatkan +0.53% sampai per akhir Jan'24.

Kepemilikan investor asing di SUN bergerak *flat* dikisaran 14.8% atau secara nominal pergerakan dari *foreign* investor sangatlah minim kurang dari 1trn IDR.



Section  
**01**



**Macro Updates**

# 2024F Macro Background

## What to expect for next year

### Updates on Our View this month

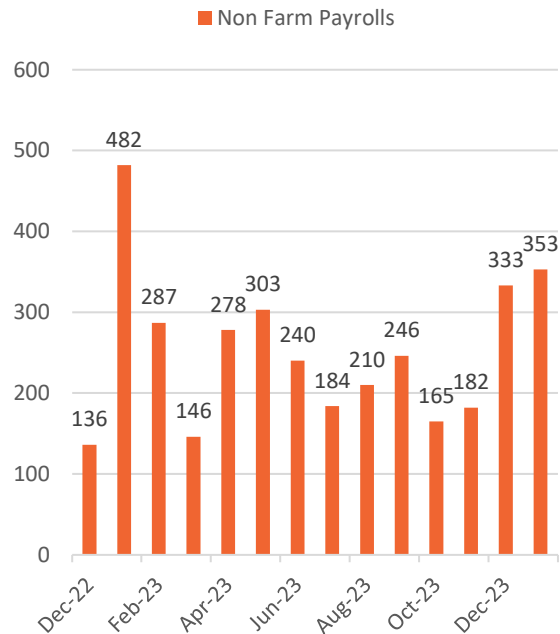
#### Explained

No	Thesis	Feb'23 Update
1	<b><i>The US is slowing, US disinflation continue, USD could weaken further, however...</i></b>	
a	<i>US economy cenderung melambat, sejalan dengan masih ketatnya kebijakan moneter, berkurangnya support fiscal, dan berlanjutnya trend penurunan job market.</i>	Data ekonomi masih terlihat kuat
b	<i>Financial condition terlihat menjadi lebih longgar sejalan dengan reversal yang tajam di US equity market dan US bond market. Sementara USD juga terlihat menguat.</i>	Hal ini diakibatkan <i>buffer liquidity</i> yang masih ada di <i>Federal Reserve Repo</i>
c	<i>Employment dan housing, di 3 bulan ke depan menjadi semakin penting untuk membaca arah dari kebijakan moneter di US dan tentunya USD ke depannya.</i>	Kami melihat penting untuk melihat data ekonomi pasca <i>excess liquidity</i> sudah minim
d	<i>The Fed masih cenderung untuk menahan suku bunga sampai ada sinyal yang jelas bahwa US economy tumbuh negative ataupun inflasi telah kembali ke level yang The Fed targetkan.</i>	
2	<b><i>Global Trade Recovery yet to be seen means continue soft commodity price</i></b>	
a	Perlambatan volume perdagangan global mulai terlihat, dengan momentum yang negatif. Sulit untuk mengharapkan harga komoditas untuk <i>recover</i> dalam waktu dekat.	
b	<i>Cash cost dan beberapa komoditas memiliki dinamika yang berbeda</i>	
3	<b><i>Resilient Economy with K-Shaped Recovery Clouded by Election Uncertainty</i></b>	
a	Dibandingkan G20, Indonesia mencatatkan pertumbuhan relatif diatas mempertimbangkan perlambatan global. Namun Investor tetap harus berhati-hati karena <i>recovery</i> tidak terlihat sama untuk setiap segmen.	
b	<i>Wait and see.</i> Namun, kami melihat <i>strucural improvement</i> yang terjadi dalam 5 tahun terakhir i.e hilirisasi masih akan berlanjut yang diharapkan menjadi sumber pertumbuhan dan pendanaan kedepan.	Hasil <i>quick-poll</i> mengindikasikan 1 putaran dimana positif secara sentimen terhadap IHSG

# Another Surprise : Labor and Resilient of Dollar

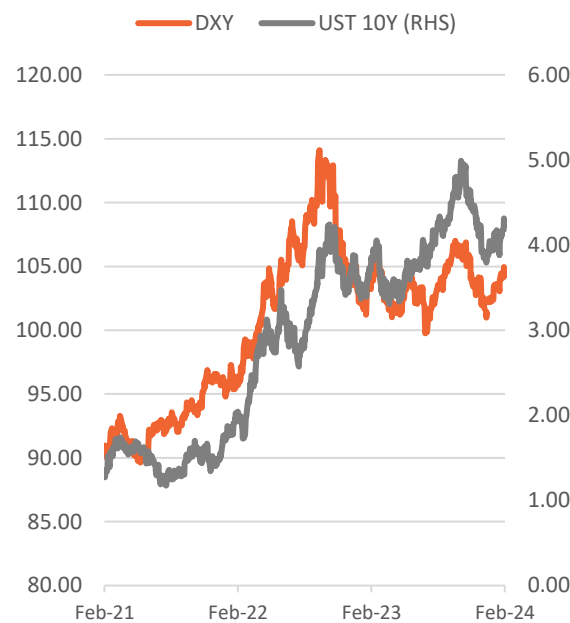
Reason rate-cut postponed into May & Jun'24

**FFR Implied Rates Going Forward**  
Table of probabilities



Source: CME

**Expecting Earlier Rate Cut**  
In % yield



Source: Bloomberg, Syailendra Research

**FFR Implied Rates Going Forward**  
Table of probabilities

	375-400	400-425	425-450	450-475	475-500	500-525	525-550
Mar-24		0.0%	0.0%	0.0%	0.0%	10.5%	89.5%
May-24	0.0%	0.0%	0.0%	0.0%	3.0%	33.1%	63.8%
Jun-24	0.0%	0.0%	0.0%	2.0%	22.7%	53.2%	22.2%
Jul-24	0.0%	0.0%	1.3%	15.2%	42.2%	33.3%	8.0%
Sep-24	0.0%	1.0%	12.0%	36.0%	35.4%	13.8%	1.8%
Nov-24	7.6%	26.5%	36.0%	35.4%	22.4%	6.6%	0.7%
Dec-24	5.2%	20.0%	32.5%	26.9%	12.0%	2.7%	0.2%
Jan-25	14.2%	27.6%	29.1%	17.8%	6.3%	1.2%	0.1%
Mar-25	19.4%	28.2%	24.7%	13.4%	4.4%	0.8%	0.1%

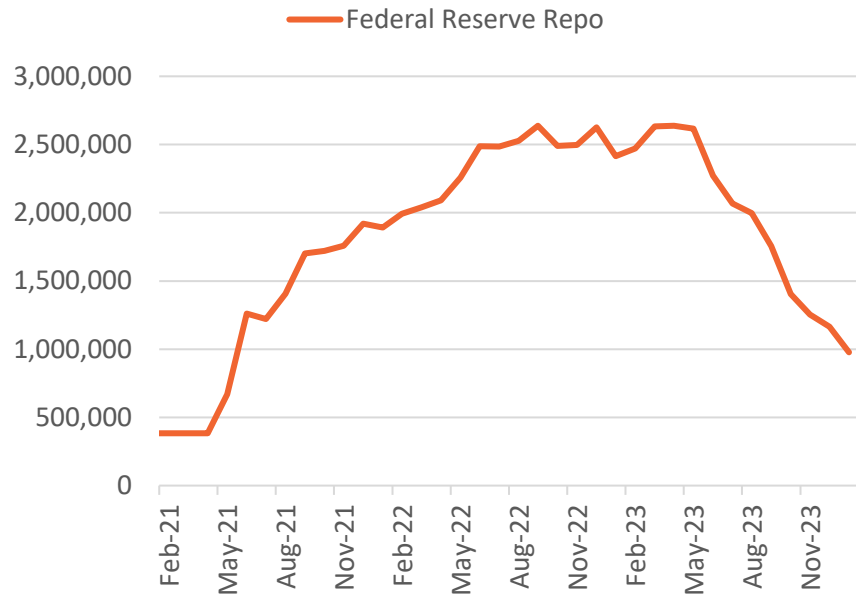
Source: Bloomberg, Syailendra Research

- 📌 Konsensus saat ini memiliki ekspektasi *rate cut* berkisar dari Mar-Jun'24. *Thesis higher for longer* mengakibatkan dollar terapresiasi dimana DXY telah mencapai level 104.
- 📌 Kami melihat ini masih positif bagi EM, karena setidaknya konsensus masih melakukan *pricing-in* 4x *cut-rate* sepanjang 2024.

# Excess Liquidity Possibly Obscure What Could've Been

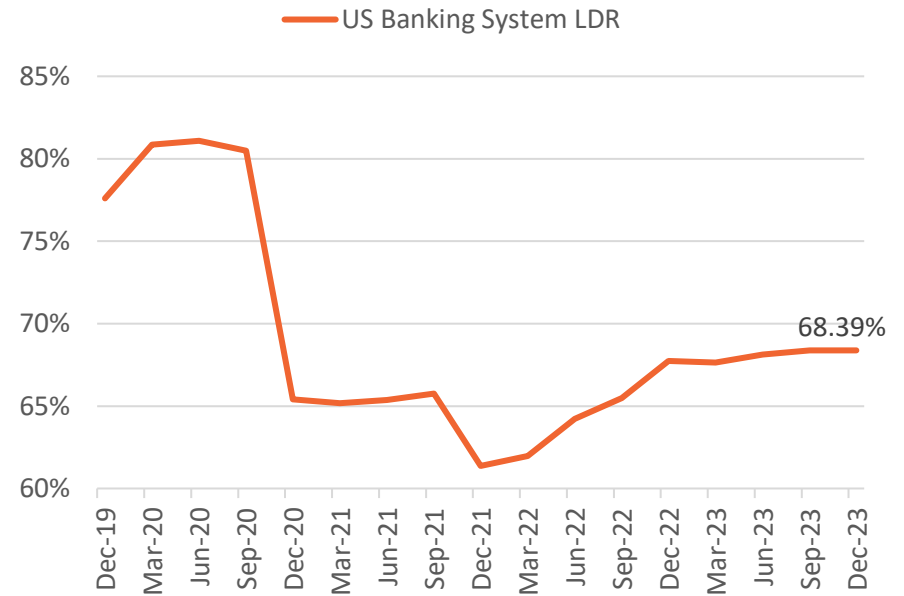
Excess Liquidity down by USD1tn and loan growth has been sluggish

## Excess Liquidity Drying Up Very Fast In bio USD



Source: Bloomberg, Syailendra Research

## Est. Loan to Deposit US Comm. Bank still low in % of commercial deposits (+ 29% in mkt. sect)



Source: Bloomberg, Syailendra Research

- 📌 Kedua chart diatas merupakan salah satu dugaan kami yang mengakibatkan ekonomi US lebih *resilient* dibandingkan ekspektasi pasar. Terlihat likuiditas pasar menurun dari 2.5trn USD sampai ke level 800bio USD. Kami juga melihat posisi LDR US Banking saat ini berada di level yang rendah kisaran 68.4% walaupun tidak dapat dipungkiri *marketable securities* mencangkup sampai dengan 29% dari total deposit.

# However, Inflation Remain Manageable

Despite Services and shelter hasn't showing significant downtrend

## 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.)
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%
Jan-23	4,90%	0,51%	5,55%	0,41%	-1,21%	5,12%	8,67%
Feb-23	4,84%	0,36%	5,53%	0,45%	-0,29%	5,19%	9,14%
Mar-23	4,78%	0,34%	5,60%	0,38%	0,96%	2,63%	8,21%
Apr-23	4,76%	0,31%	5,54%	0,41%	2,95%	0,77%	6,94%
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	4,19%	0,12%	4,70%	0,16%	0,65%	0,42%	5,45%
Aug-23	3,73%	0,10%	4,39%	0,28%	-1,93%	3,30%	4,38%
Sep-23	3,59%	0,33%	4,13%	0,32%	-3,26%	5,09%	5,51%
Oct-23	3,38%	0,14%	4,02%	0,23%	-2,30%	5,60%	5,07%
Nov-23	3,15%	0,06%	3,99%	0,28%	-3,12%	5,89%	5,70%
Dec-23	2,93%	0,17%	3,90%	0,31%	-1,59%	5,70%	4,94%
<b>1Q24F</b>	<b>2.60%</b>	<b>0.29%</b>					
<b>2Q24F</b>	<b>2.30%</b>	<b>0.16%</b>					
<b>3Q24F</b>	<b>2.30%</b>	<b>0.18%</b>					
<b>4Q24F</b>	<b>2.30%</b>	<b>0.21%</b>					

Consensus downgrade Core PCE even further to below 3% compare to 1H23. However, we still some increase on service and flattish on shelter.

# Result of 2024 Election : Policy Continuity

## Prabowo-Gibran as Executive and Possible Majority in Legislative

### Prabowo Gibran Win 1 round based QP In %

Presidential Election Quick Poll			
Paslon	01	02	03
Kompas	25,1%	58,7%	16,2%
Charta Politika	25,7%	57,8%	16,5%
Indikator	25,3%	58,0%	16,7%
Lembaga Survey Indonesia	25,3%	57,5%	17,3%
Poltracking	24,4%	59,3%	16,3%
Populi Center	25,1%	59,2%	15,7%
<b>Average</b>	<b>25,1%</b>	<b>58,4%</b>	<b>16,4%</b>

Source : Kompas, Various Pollster

### No much change on Legislative Fron based on Quick Poll In %

Legislative Election Quick Poll								
Source	PKB	Grndra	PDIP	Golkar	Nsdem	Dmcr.	PPP	< 4%
Kompas	11,4	13,7	17,3	14,7	9,3	7,3	3,7	26,3
Charta Politika	10,6	13,6	15,8	13,6	8,8	7,7	4,0	29,9
Indikator	10,6	13,7	16,7	14,8	9,4	7,5	3,7	27,4
Lembaga Survey Indonesia	10,8	13,0	16,8	14,9	9,0	7,4	3,8	28,2
Poltracking	11,8	13,1	17,3	15,5	8,6	7,3	3,6	26,4
Populi Center	11,1	14,1	16,8	15,5	8,7	6,9	3,7	26,8
<b>Average</b>	<b>11,1</b>	<b>13,5</b>	<b>16,8</b>	<b>14,8</b>	<b>9,0</b>	<b>7,3</b>	<b>3,8</b>	<b>27,5</b>

Source : Kompas, Various Pollster

Section  
**02**



**Fixed Income**



# 2024F Fixed Income Narrative

## What to expect for this year

### Updates on Our View this month Explained

No	Thesis	Feb'23 Update
1	<b><i>No more higher but restrictive for longer. Market will be driven by data trend to rally.</i></b>	
a	Dalam 1-2 bulan terakhir, terlihat perubahan komunikasi dari <i>Fed member</i> mengkonfirmasi ekonomi dan kondisi finansial di US yang melambat. Pasar menginterpretasikan bahwa Fed saat ini sedang menunggu <i>timing</i> untuk melakukan normalisasi kebijakan moneter.	<i>Thesis intact</i> , terlihat dari data surprise yang tidak terlalu mempengaruhi level yield. UST 10Y : 4.1-4.2
b	Menurut kami, <i>Softlanding</i> (NFP menuju 100k, core PCE 3%) cukup untuk menjadi dasar Fed menjustifikasi <i>cut-rate</i> 1-2x. Kami melihat hal ini positif terhadap EM.	
2	<b><i>Curve should be slight steepening along with cut-rate</i></b>	
a	Apabila global resesi yang diikuti oleh <i>bottoming commodities and cut-rate</i> , umumnya <i>term spread</i> cenderung <i>steepening</i> . Namun, kami melihat hal akan terjadi setidaknya selama 2 tahun.	
b	Namun, normalisasi <i>current account</i> menjadi <i>deficit</i> di level 1% berpotensi dan komparasi dengan <i>credit spread</i> bisa melebar (MXN, INR, SAR) <i>filter negatif CAD with BBB rating. Chart CAD with spreads of 4 country.</i>	Saat ini US-Indo 10Y <i>spread</i> di level 260bps kami melihat masih ada potensi <i>upside</i> ke 280-300bps
3	<b><i>Domestic Supply Increase wasn't that bad especially foreign inflow came back</i></b>	
a	Meningkatnya <i>gross-supply</i> awalnya kami khawatirkan dapat mengakibatkan tekanan dari sisi yield. Namun mempertimbangkan realisasi APBN yang lambat dan asumsi keberlanjutan penggunaan SAL. Peningkatan <i>gross bond-supply</i> kami rasa menjadi <i>manageable</i> .	Kabinet pemerintahan baru perlu diamati apabila terdapat perubahan signifikan dalam outlook fiskal defisit kedepan
	<b>Berdasarkan hal diatas, kami melihat nilai wajar untuk INDOGB 10YR berada di level 6.6-6.7 hal ini mengasumsikan <i>softlanding, at least 2 FFR cut-rates, brief rally on IDR</i>. Hal ini dikarenakan kami melihat <i>cut-rate</i> akan lebih menjadi <i>multi year cut-rates</i> menyesuaikan ekonomi US.</b>	<i>Maintain</i>

# INDOGB was 5<sup>th</sup> Highest Real Yield

INDOGB seems to be priced-in with credit rating upgrade due better fundamentals

## EM Peers Yield Comparison

In %

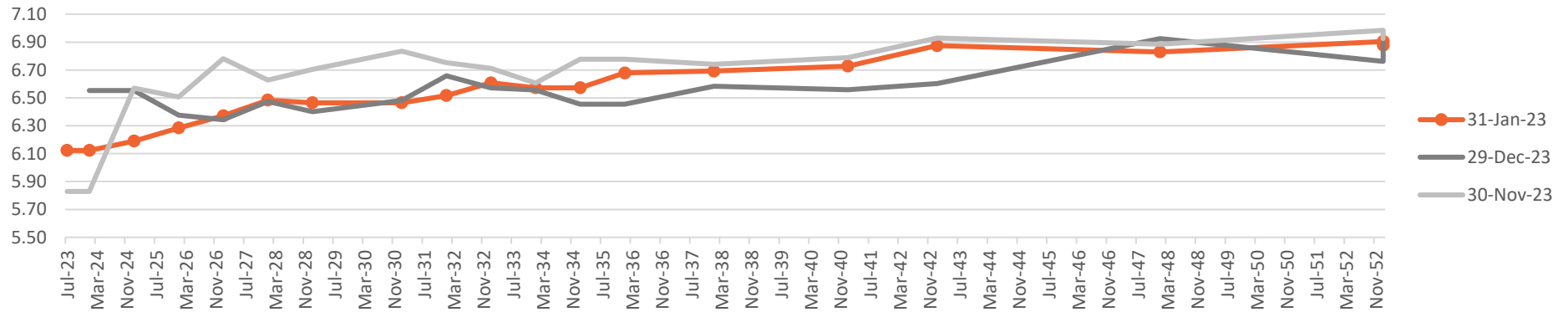
Country	10Y Yield (%)		Spread to US 10Y			Inflation	Real Yield (%)	CAD	Fiscal Deficit	Credit Rating
	Current	YTD Chg. (bps)	2022	Current	Chg.	2024F	2024F Inflation	2023F	2023F	
Brazil	10.73	36	6.49	6.60	0.11	3.90	6.83	-1.60	-6.95	BB-
South Africa	11.50	13	7.49	7.37	-0.12	4.90	6.60	-2.50	-5.42	BB
India	7.08	-11	3.31	2.95	-0.36	5.40	1.68	-1.40	-5.90	BBB-u
Italy	3.88	19	-0.19	-0.25	-0.06	2.50	1.38	1.00	0.10	BBBu
Portugal	3.10	47	-1.25	-1.03	0.22	2.50	0.60	1.20	0.10	BBB+u
Mexico	9.28	34	5.06	5.14	0.09	4.10	5.18	-0.91	-4.90	BBB+
Romania	6.35	13	2.35	2.22	-0.13	5.85	0.50	-6.90	-5.30	BBB-
Hungary	6.27	40	1.99	2.13	0.14	4.80	1.47	0.55	-4.25	BBB-
Colombia	10.08	12	6.08	5.95	-0.13	6.30	3.78	-3.30	-4.30	BBB-
Indonesia	6.61	15	2.57	2.48	-0.10	3.00	3.61	-0.75	-2.30	BBB
<b>Average Peers in BBB &amp; BB*</b>			<b>2.95</b>	<b>3.35</b>			<b>4.61</b>			
Spain	3.23	24	-0.90	-0.91	-0.01	2.80	0.43	1.85	-3.40	Au
South Korea	3.39	20	-0.69	-0.74	-0.05	2.40	0.99	2.50	-1.90	AA
China	2.42	-14	-1.32	-1.72	-0.39	1.05	1.37	1.20	-5.03	A+
Chile	5.49	1	1.60	1.36	-0.24	3.50	1.99	-3.60	-2.20	A+
Thailand	2.65	-2	-1.20	-1.48	-0.27	1.70	0.95	2.70	-3.80	A-
Malaysia	3.82	9	-0.15	-0.31	-0.16	2.40	1.42	2.35	-4.30	A
Poland	5.34	15	1.31	1.21	-0.10	4.90	0.44	0.35	-5.15	A
<b>Average Peers in A Credit</b>			<b>-0.19</b>	<b>-0.37</b>			<b>1.09</b>			
United States	4.13	25				4.10	0.03	-3.05	-6.9	AA+u

Source: Bloomberg, Syailendra Research

# INDOGB Getting More and More Flattened

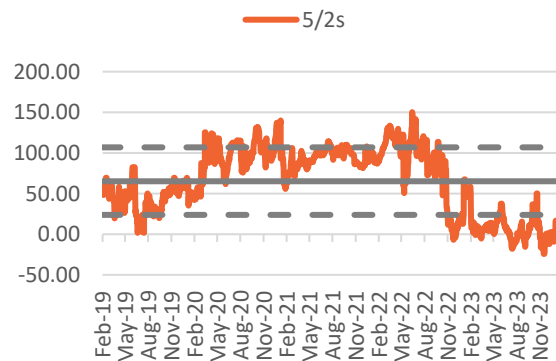
Current curve might be here for a while at least until nearing cut-rate

**INDOGB Yield Curve**  
In ppt



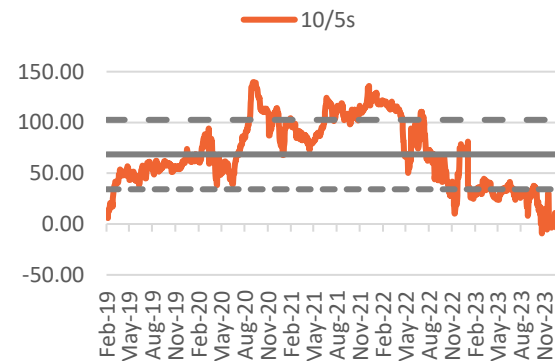
Source: Bloomberg, Syailendra Research

**5/2s Historical Spread**  
In bps



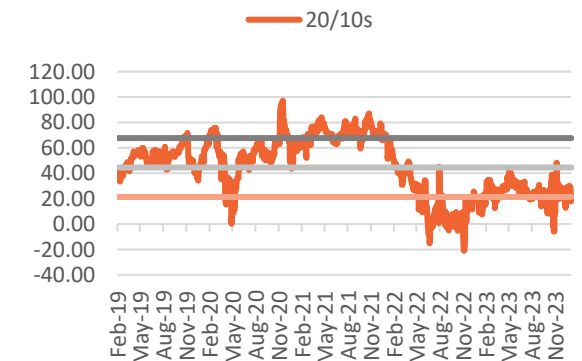
Source: Bloomberg, Syailendra Research

**10/5s Historical Spread**  
In bps



Source: Bloomberg, Syailendra Research

**20/10s Historical Spread**  
In bps



Source: Bloomberg, Syailendra Research

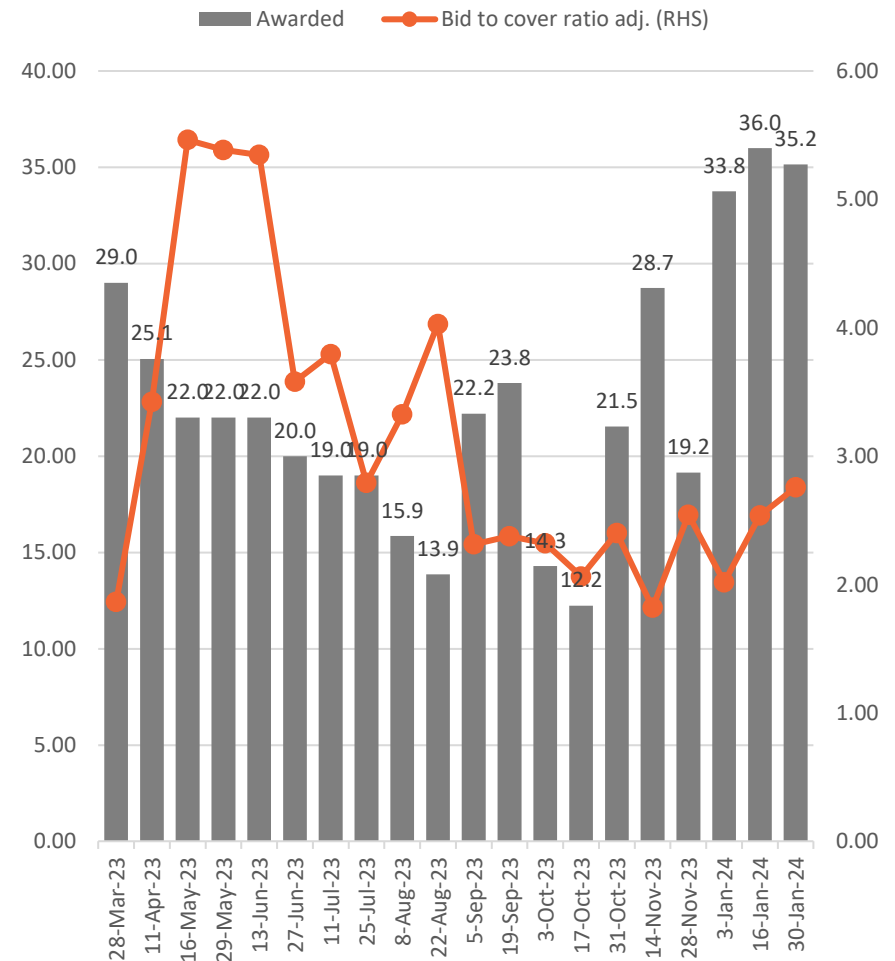
# Updates on Government Bond Auction

Auction Size slowly increase but maintain at healthy bid-to-cover

So far Remaining Auction Size Still Reasonabl 26trn/2week  
In IDR trn

Government Securities	Govt Bond Issuance Realization YTD (12-Feb-24)	Calculation Forecast 2024	Remaining Issuance Target
<b>Fiscal Deficit (% GDP)</b>			
Budget Deficit		-456.59	
% of GDP		<b>-2.00</b>	
Nominal GDP		22,829.69	
<b>Component of Deficit Financing</b>			
Deficit Financing		456.59	
Debt Financing			
Government bonds - nett		333.19	
Loan program - nett		43.40	
Investment Financing		-153.40	
Loan Financing		4.00	
Liability Financing		-0.30	
Others		229.70	
<b>Gross Bond Supply</b>			
Government bonds - nett		333.19	
SUN Maturity in 1Y		604.80	
<b>Gross Bond Supply</b>		<b>937.99</b>	
<b>Issuance Bonds</b>			
Gross Bond Supply	199.78	937.99	738.21
Gross Local Currency Bonds	163.97		
Prefunding	39.07		
Auction Program	124.90	658.63	533.73
Retail Bonds		140.71	140.71
Private Placement		24.87	24.87
Gross Foreign Currency Bonds	31.81	113.78	81.97
<b>Avg. Per 2 weeks auction</b>	<b>35.69</b>		<b>26.04</b>

Government Awarded already above 2023 level  
In trn and time of bid size



# Indonesia Bonds Ownership

Domestic investor had been the major buyer for INDOGB

## Ownership on Tradeable Indonesia Government Bonds

In IDR Trn

### Ownership Level

Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
<b>Yearly</b>								
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%
2023	21.8%	24.2%	3.2%	18.5%	14.9%	7.7%	9.8%	100.0%
YTD	22.1%	24.1%	3.1%	18.5%	14.8%	7.7%	9.8%	100.0%

### Net flow

Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
<b>Yearly</b>								
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
2023	-37	-90	32	168	80	91	85	330
YTD	32	9	0	12	0	5	8	65
<b>Interim</b>								
QTD	72	-27	19	53	54	1	14	187

# Section 03



**Equity**

# 2024F Equity Narrative

## What to expect for this year

### Updates on Our View this month

#### Explained

No	Thesis	Feb'23 Update
	<b><i>Earnings Growth and Valuations might not Be Enough to Drive Equities Much</i></b>	
1	Kami melihat emiten IHSG secara <i>aggregate</i> dapat menghasilkan laba dari 7.5 – 12.5% di tahun 2023F melambat di dibandingkan tahun ini yang cukup surprise di level 10-17.5% per 9M23. Mempertimbangkan <i>higher for longer</i> , kami melihat baiknya untuk konservatif mengasumsikan valuasi IHSG di 14.10x untuk tahun 2024F. Hal ini termasuk memperhitungkan faktor non-fundamental yang belakangan ter-refleksi di indeks.	<i>Maintain, Banks management guidance</i> mengisyaratkan adanya pertumbuhan dari ekonomi ( <i>loan growth story</i> )
2	Berdasarkan hal diatas, kami melakukan <i>downgrade</i> atas IHSG 2023F menjadi 7,100 dan Target IHSG 2024F di level 7,800. Dari sisi strategi pengelolaan kami masih pentingnya kapasitas portfolio untuk fleksibel dimana dua fokus strategi : 1) <i>Bottom-up/Stock Picking Strategy</i> , 2) <i>Interest Rate Cut Play along with end of rate cycle</i> .	Maintain
3	Weighting yang semakin besar dari saham-saham yang secara free float tipis, namun mengalami kenaikan yang signifikan, menarik likuiditas investor, baik local, terutama retail, maupun global, terutama passive funds, yang membuat kinerja IHSG ter-distorsi dan resiko volatilitas pasar meningkat.	
4	Masih <i>relative volatile</i> nya USD disertai dengan perlambatan pertumbuhan ekonomi secara global mengharuskan investor mengantisipasi 1) <i>External macro shock</i> , 2) <i>No-upside on valuation at the moment</i> , 3) <i>Tight domestic liquidity means volatile market on JCI</i> .	
5	Posisi investor <i>global</i> yang cenderung masih <i>underweight</i> di <i>asset class equity</i> secara <i>global</i> mengakibatkan <i>upswing</i> yang cukup cepat disaat <i>cut-rates</i> menjad lebih jelas. Konsensus saat ini memiliki ekspektasi pelonggaran terjadi di 2H24F.	

# Global Indices Performance

Past 3 months was hard for equity globally

## Global Indices Historical Performance

In % of return

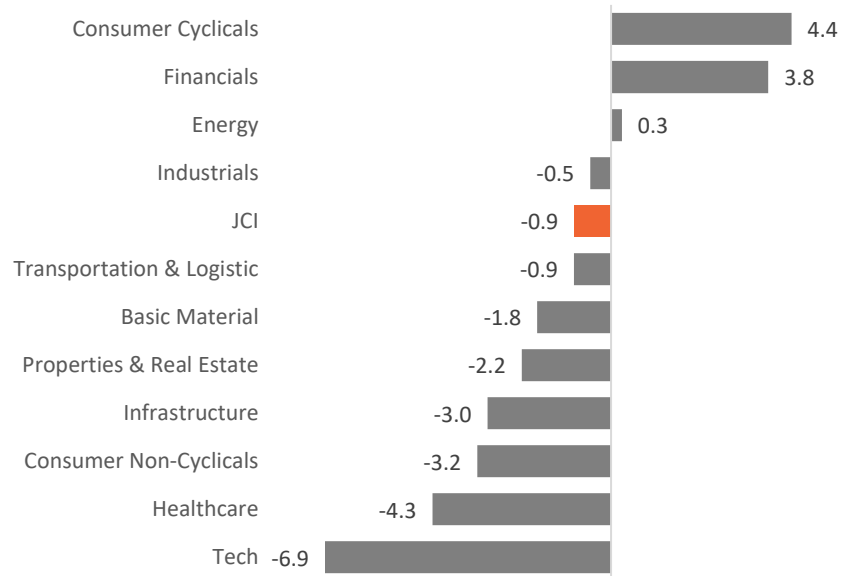
No	Country	YTD	1M	3M	6M	1Y	P/E	P/BV	ROE
<b>Global Market</b>									
1	Dow Jones (US)	13.70%	13.70%	4.84%	12.48%	9.54%	18.23	4.55	22.25
2	S&P 500 (US)	24.23%	24.23%	4.42%	11.24%	7.18%	18.05	3.81	19.36
3	Nasdaq (US)	43.42%	43.42%	5.52%	13.56%	8.87%	27.35	4.15	13.88
4	London (UK)	8.12%	8.12%	3.57%	7.25%	3.98%	12.44	1.90	13.57
5	DAX (GR)	20.31%	20.31%	3.31%	8.87%	3.74%	11.53	1.62	11.65
6	CAC (FP)	16.52%	16.52%	3.18%	5.72%	1.93%	10.46	1.88	13.29
<b>Asia Market</b>									
1	Nikkei (JP)	28.24%	28.24%	-0.07%	5.04%	0.83%	23.02	1.70	8.42
2	Hang Seng (HK)	-13.82%	-13.82%	0.03%	-4.28%	-9.88%	10.46	1.05	9.40
3	Shanghai (CN)	-3.70%	-3.70%	-1.81%	-4.36%	-7.09%	11.82	1.38	9.91
4	Shenzhen (CN)	-11.38%	-11.38%	-1.86%	-7.00%	-10.71%	13.31	1.77	12.10
5	NFT (IN)	20.03%	20.03%	7.94%	10.66%	13.25%	24.32	3.84	12.68
6	Kospi (KR)	18.73%	18.73%	4.73%	7.72%	3.55%	10.78	0.91	7.79
<b>ASEAN Market</b>									
1	Singapore (SG)	-0.34%	-0.34%	5.44%	0.71%	1.07%	14.10	1.18	9.57
2	Kuala Lumpur (MK)	-2.73%	-2.73%	0.13%	2.14%	5.66%	16.13	1.45	8.94
3	Thailand (TH)	-15.15%	-15.15%	2.58%	-3.78%	-5.80%	18.25	1.78	9.16
4	Vietnam (VN)	12.20%	12.20%	3.27%	-2.10%	0.87%	11.46	1.77	15.32
5	Philippines (PH)	-1.77%	-1.77%	3.64%	2.04%	-0.28%	14.79	1.62	10.87
<b>Indonesia Market</b>									
1	JCI / IHSG (ID)	6.16%	6.16%	2.71%	4.80%	9.17%	14.20	2.26	13.37
2	JII / ISSI (ID)	-2.33%	-2.33%	1.42%	-2.00%	6.93%	12.42	2.19	16.33
3	IDX30 (ID)	1.45%	1.45%	3.11%	0.38%	0.80%	15.18	2.16	14.06
4	LQ45 (ID)	3.56%	3.56%	4.36%	1.88%	2.63%	15.38	2.21	14.14



# What Has Been Moving The Market ?

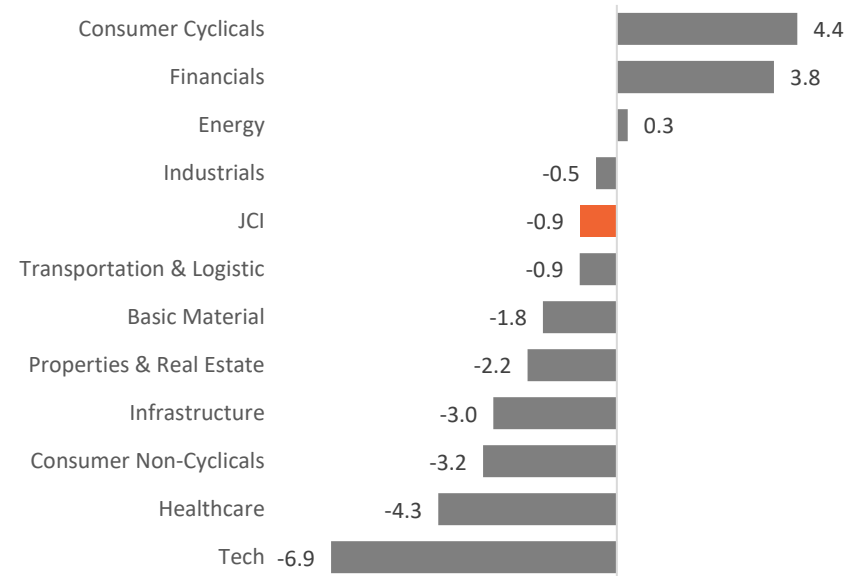
Performance has been dragged all sectors except infrastructure

**YTD Sector Performance**  
In % YTD



Source: Syailendra Research, Bloomberg

**YTD Sector Performance**  
In % QTD



Source: Syailendra Research, Bloomberg

- 📌 IHSG bergerak negatif sebesar -0.9% per akhir Jan'24. IHSG di support melalui *big-cap* seperti BMRI, BBNI, BBCA dan beberapa retail MAPI, MAPA, etc. Hal yang sama terlihat berlanjut di bulan Feb'24 didorong dengan peningkatan *foreign inflow* sejak Jan'24.

# What is Driving Banks Earnings in 2023...

Two stories of bank earnings expansion : yield and cost of credit

## Big Bank PPOP Growth in 4Q23

In %yoy and qoq

PPOP	4Q22	3Q23	4Q23	QoQ	YoY	Notes
BBCA	15,386	15,488	15,447	-0.3%	0.4%	- BRI was driven by yield from increase mix of Kupedes. - BMRI PPOP was driven through Opex in 4Q23
BBRI	18,300	28,188	26,912	-4.5%	47.1%	
BMRI	18,277	20,299	22,602	11.3%	23.7%	
BBNI	8,306	8,943	8,876	-0.7%	6.9%	
<b>Big-4</b>	<b>60,270</b>	<b>72,918</b>	<b>73,837</b>	<b>1.3%</b>	<b>22.5%</b>	

Source : Syailendra Research, Company

## Big Bank NIM in 4Q23

In %yoy and qoq

NIM	4Q22	3Q23	4Q23	QoQ	YoY	Notes
BBCA	6.03	6.02	6.10	0.08	0.06	- BBRI increase on NIM was result of product mix - BBRI able to maintain its NIM due result of higher LDR
BBRI	6.91	8.60	7.86	-0.74	0.95	
BMRI	5.60	5.55	5.14	-0.41	-0.46	
BBNI	5.03	4.58	4.29	-0.29	-0.74	
<b>Big-4</b>	<b>23.57</b>	<b>24.74</b>	<b>23.38</b>	<b>-1.36</b>	<b>-0.19</b>	

Source : Syailendra Research, Company

## Big Bank NPAT Growth in 4Q23

In %yoy and qoq

NPAT	4Q22	3Q23	4Q23	QoQ	YoY	Notes
BBCA	11,781	12,230	12,219	-0.1%	3.7%	- BMRI & BBNI mainly driven from CoC - BBRI driven by yield but offset by increase on CoC
BBRI	12,014	14,571	16,107	10.5%	34.1%	
BMRI	10,518	13,832	15,997	15.7%	52.1%	
BBNI	4,620	5,452	5,156	-5.4%	11.6%	
<b>Big-4</b>	<b>38,933</b>	<b>46,085</b>	<b>49,479</b>	<b>7.4%</b>	<b>27.1%</b>	

Source : Syailendra Research, Company

## Big Bank CoC in 4Q23

In %yoy and qoq

CoC	4Q22	3Q23	4Q23	QoQ	YoY	Notes
BBCA	0.35	0.22	-0.01	-0.23	-0.36	- BBRI was the most impacted on Asset quality unlike the others.
BBRI	0.98	3.01	2.00	-1.01	1.02	
BMRI	1.45	0.47	0.34	-0.13	-1.11	
BBNI	1.50	1.30	1.50	0.20	0.00	
<b>Big-4</b>	<b>4.28</b>	<b>5.00</b>	<b>3.83</b>	<b>-1.17</b>	<b>-0.45</b>	

Source : Syailendra Research, Company

# ...Consensus Expecting >10% Earnings Growth

Two driver for 2024 are loan growth and margin

## Big Banks Guidance on Net Interest Income & Gross Loan

In %yoy

Big Banks	Consensus			Mgt. Guidance			Notes
	2023	2024F	YoY	Gross Loan	NIM	Chg. In NIM (bps)	
<b>NII</b>							
BBCA	75,369	82,255	9.1%	9-10%	5.5-5.6	5-10	Inline with Gross Loan
BBRI	135,183	149,802	10.8%	11-12%	7.9-8.0%	-5 sd 0	Inline with Gross Loan
BMRI	95,887	102,193	6.6%	13-15%	5.3-5.5%	-20	Conservative on NIM, aggressive on Loan Growth
BBNI	41,276	47,266	14.5%	9-11%	>4.5	>5	Expect some margin expansion (CoF relieve in 2H24F)

## Big Banks Guidance on CoC

In %yoy

Big Banks	Mgt. Guidance		
	2023	2024F	Chg. In CoC (bps)
<b>CoC</b>			
BBCA	0.30	0.3-0.4	0-10
BBRI	2.44	2.2-2.3	-10 sd -20
BMRI	0.80	1.0-1.2%	20 - 40
BBNI	1.40	<1.4	0

## Implied Guidance on Big Bank NPAT Growth

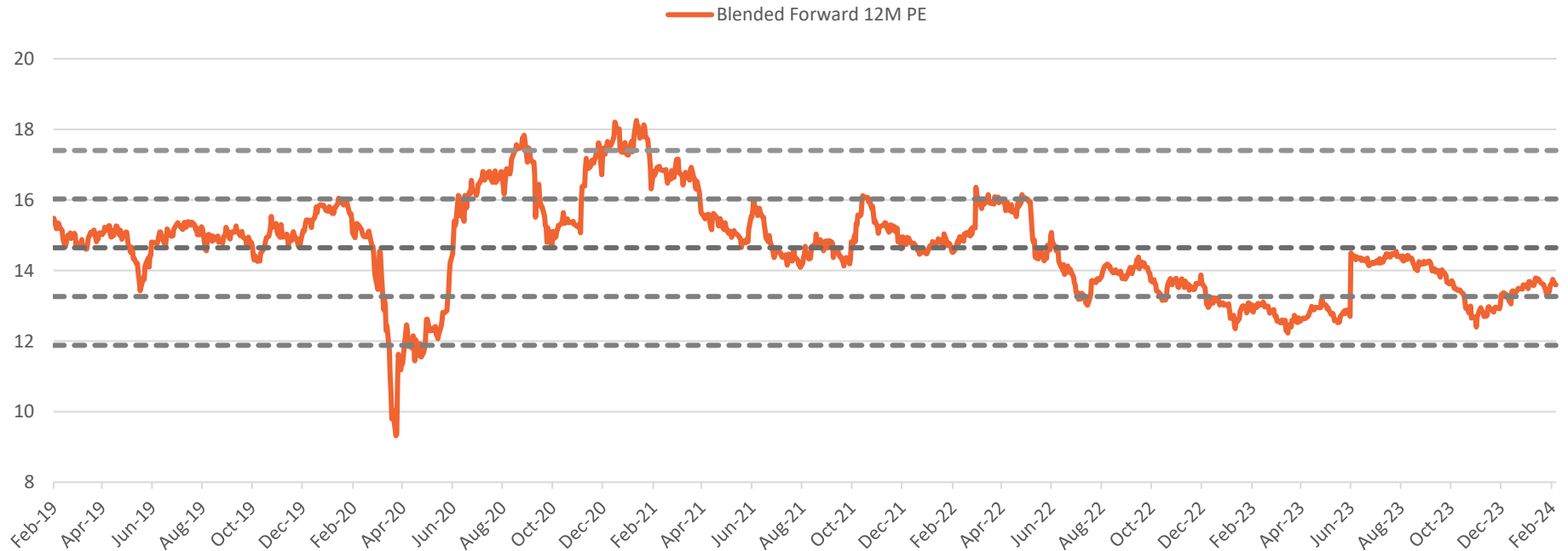
In %yoy

Big Banks	Consensus			Notes
	2023	2024F	YoY	
<b>NPAT</b>				
BBCA	48,639	53,646	10.3%	Inline with loan growth
BBRI	60,100	67,262	11.9%	Inline with loan growth
BMRI	55,060	59,082	7.3%	High-base effect NIM and CoC
BBNI	20,909	23,973	14.7%	Margin expansion story

# Is Current Valuation already Cheap Enough ?

Index performance has been dragged by valuation due external sentiment

**MSCI Indonesia Blended Forward 12M P/E ratio**  
In times of blended forward earnings



Source : Syailendra Research, Bloomberg

- Terlihat rasio P/E IHSB BF12M terkonsolidasi di level 13-14x. Hal ini terlihat murah dibandingkan historis valuasi IHSB dalam 5 tahun kebelakang. Hal yang sama terjadi untuk *peers* di *region Asean*. Kami melihat *de-rating* valuasi juga dipengaruhi oleh tingginya tingkat suku bunga US.

# 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	
	2023	2024	2023	2024	2023	2024	2023	2024
<b>MSCI SEA</b>	<b>12.4</b>	<b>11.4</b>	<b>7.1%</b>	<b>8.4%</b>	<b>1.4</b>	<b>1.3</b>	<b>11.3</b>	<b>11.4</b>
<b>Indonesia</b>	<b>12.6</b>	<b>11.4</b>	<b>9.8%</b>	<b>9.9%</b>	<b>1.9</b>	<b>1.7</b>	<b>14.9</b>	<b>15.3</b>
Malaysia	13.4	12.4	11.9%	8.0%	1.3	1.2	9.5	9.7
Phillipines	11.0	10.2	11.4%	8.7%	1.5	1.3	13.1	13.0
Singapore	11.0	10.4	1.2%	6.3%	1.2	1.2	11.0	11.1
Thailand	15.5	13.7	13.6%	12.7%	1.5	1.4	9.7	9.9
<b>MSCI AxJ</b>	<b>11.7</b>	<b>9.7</b>	<b>5.2%</b>	<b>20.9%</b>	<b>1.3</b>	<b>1.2</b>	<b>11.0</b>	<b>11.8</b>
Hong Kong	11.6	10.6	15.9%	9.6%	0.8	0.8	7.2	7.8
India	19.9	13.0	16.6%	53.7%	3.0	2.7	15.0	15.1
Korea	10.1	8.2	65.6%	24.5%	0.9	0.8	9.0	10.0
Taiwan	14.8	12.2	19.5%	21.4%	2.2	2.0	14.9	16.5
<b>MSCI EMEA</b>	<b>10.2</b>	<b>9.2</b>	<b>10.9%</b>	<b>10.0%</b>	<b>1.4</b>	<b>1.3</b>	<b>14.4</b>	<b>14.6</b>
South Africa	9.2	8.4	29.3%	10.1%	1.4	1.3	15.2	15.2
Turkey	4.7	3.8	15.2%	24.9%	1.2	0.9	26.0	25.7
<b>MSCI LATAM</b>	<b>8.3</b>	<b>7.9</b>	<b>6.6%</b>	<b>5.5%</b>	<b>1.2</b>	<b>1.2</b>	<b>14.5</b>	<b>15.0</b>
Brazil	7.5	7.2	7.0%	4.4%	1.2	1.1	15.5	15.1
Mexico	11.3	10.4	8.1%	9.0%	1.7	1.6	15.0	15.1
<b>MSCI EMEA</b>	<b>10.2</b>	<b>9.2</b>	<b>10.9%</b>	<b>10.0%</b>	<b>1.4</b>	<b>1.3</b>	<b>14.4</b>	<b>14.6</b>
<b>MSCI World</b>	<b>16.3</b>	<b>14.9</b>	<b>9.0%</b>	<b>9.3%</b>	<b>2.3</b>	<b>2.2</b>	<b>13.5</b>	<b>13.8</b>
Australia	14.4	14.3	6.4%	0.6%	1.9	1.9	13.3	12.9
Europe	12.1	11.3	3.8%	7.0%	1.7	1.6	13.2	13.3
Japan	14.9	13.6	7.0%	9.3%	1.3	1.2	8.5	8.8
USA	18.5	16.7	11.3%	11.0%	3.0	2.7	14.9	15.3

# What Industry Sector Position Tell Us ?

Foreign continue to add with most increased coming from financials

## Monthly Changes of Investor Position

MoM of est. weight changes of investor portfolio

Sector	Local MoM (%) of est. ownership											
	Insurance			Mutual Fund			Pension Fund			Individual		
	Nov-23	Dec-23	Jan-24	Nov-23	Dec-23	Jan-24	Nov-23	Dec-23	Jan-24	Nov-23	Dec-23	Jan-24
Barang Konsumen Primer	0,1%	-0,3%	-0,4%	-0,5%	-0,6%	-0,5%	-0,2%	-0,3%	-0,2%	-0,3%	0,1%	-0,1%
Barang Konsumen Non-Primer	-0,2%	0,2%	0,0%	0,0%	-0,1%	0,2%	0,0%	0,0%	0,1%	0,3%	0,0%	0,1%
Keuangan	1,6%	0,7%	0,2%	1,8%	1,2%	0,7%	1,9%	1,1%	1,2%	0,8%	0,1%	0,0%
Perindustrian	-0,9%	0,2%	-0,7%	-0,9%	-0,6%	-0,3%	-0,6%	0,0%	-0,5%	0,0%	0,1%	0,2%
Infrastruktur	1,1%	0,3%	-0,2%	0,9%	0,1%	-0,3%	0,8%	0,1%	0,0%	0,2%	0,0%	-0,2%
Properti & Real Estat	0,0%	0,0%	0,0%	0,2%	0,0%	0,0%	0,1%	0,0%	-0,1%	0,1%	-0,1%	-0,1%
Barang Baku	0,0%	0,2%	-0,7%	-0,4%	0,4%	-0,2%	0,1%	-0,1%	-0,1%	-0,9%	3,0%	-1,4%
Energi	-0,3%	-0,2%	0,0%	-0,5%	-0,3%	0,1%	-0,2%	-0,2%	0,2%	1,9%	1,1%	-0,3%
Transportasi & Logistik	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Teknologi	0,4%	0,0%	0,0%	0,9%	0,1%	-0,1%	0,3%	0,1%	0,1%	1,4%	-0,7%	-0,5%
Kesehatan	-0,4%	0,3%	0,0%	-0,4%	0,1%	-0,3%	-0,2%	0,0%	-0,3%	-0,1%	0,0%	-0,1%

Sector	Foreign MoM (%) of est. ownership											
	Insurance			Mutual Fund			Pension Fund			Individual		
	Nov-23	Dec-23	Jan-24	Nov-23	Dec-23	Jan-24	Nov-23	Dec-23	Jan-24	Nov-23	Dec-23	Jan-24
Barang Konsumen Primer	-0,2%	-0,2%	-0,5%	0,0%	-0,1%	0,0%	0,1%	-0,2%	-0,1%	-0,1%	0,6%	-0,4%
Barang Konsumen Non-Primer	0,1%	0,0%	0,0%	-0,1%	0,0%	0,2%	-0,1%	0,0%	0,1%	-0,1%	-0,2%	0,0%
Keuangan	-0,1%	0,9%	-2,7%	2,8%	4,7%	3,2%	2,6%	3,3%	1,3%	1,2%	-0,1%	0,0%
Perindustrian	-0,3%	0,0%	-0,3%	-0,7%	0,4%	-0,6%	-0,6%	0,4%	-0,5%	0,1%	0,3%	0,1%
Infrastruktur	0,2%	0,2%	0,1%	2,9%	1,1%	-2,1%	0,6%	0,3%	-0,2%	0,2%	0,0%	0,1%
Properti & Real Estat	0,0%	0,0%	0,0%	0,0%	0,1%	0,1%	0,1%	0,0%	0,0%	0,4%	-0,1%	-0,1%
Barang Baku	0,2%	0,2%	0,0%	0,1%	0,3%	0,1%	0,2%	0,4%	-0,1%	8,2%	0,4%	0,9%
Energi	0,0%	-0,1%	0,1%	-0,1%	0,0%	0,2%	-0,2%	-0,2%	0,0%	1,6%	0,6%	-0,8%
Transportasi & Logistik	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-0,1%	-0,3%	0,0%
Teknologi	0,6%	-0,4%	0,0%	0,5%	-0,1%	0,0%	0,4%	0,0%	0,0%	6,1%	-2,9%	-3,3%
Kesehatan	0,0%	0,0%	0,0%	-0,1%	0,0%	-0,1%	0,0%	-0,1%	-0,1%	0,0%	0,0%	-0,2%

# Foreign Equity Flows

Foreign records net outflows in 2023 from Indo equity market

Monthly Data	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	7,241	545	-82	9,202	9,284	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	-2,273	-263	-1,694	-464	-5,885	-616	143	-11,051	-11,195	-32,771
Oct-23	-2,657	-511	-2,497	-171	-4,957	-431	-461	-11,684	-11,223	19,545
Nov-23	2,301	-30	3,257	19	8,361	-548	332	13,692	13,359	6,601
Dec-23	7,024	497	3,637	18	5,361	-2	56	16,591	16,535	-8,192
<b>Jan-24</b>	<b>-3,141</b>	<b>534</b>	<b>2,254</b>	<b>80</b>	<b>1,416</b>	<b>-870</b>	<b>145</b>	<b>418</b>	<b>272</b>	<b>17,148</b>

Yearly	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
<b>YTD</b>	<b>-3,141</b>	<b>534</b>	<b>2,254</b>	<b>80</b>	<b>1,416</b>	<b>-870</b>	<b>145</b>	<b>418</b>	<b>272</b>	<b>17,148</b>
2023	21,427	-353	10,705	-863	6,933	-5,507	-514	31,827	32,341	29,092
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

Section  
**04**



**Appendix**



# Syailendra Benchmark View

## Updating our Macro and Benchmark for 2024F and 2025F

### Syailendra Macro Indicator and Benchmark

In each unit

Desc	Unit	Syailendra						
		2023F (Last)	2024F			2025F		
			Bear	Base	Bull	Bear	Base	Bull
<b>Macro Indicator</b>								
GDP Growth YoY	Average full year	5.00	4.90	5.00	5.10	5.00	5.10	5.20
Inflation YoY	Average full year	3.70	3.00	3.50	4.00	2.90	3.00	3.10
Fiscal Deficit (% of GDP)	End of year	-2.30	-2.50	-2.30	-2.10	-2.80	-2.50	-2.30
Current Account (% of GDP)	Average full year	-0.30	-1.00	-0.80	-0.60	-1.00	-0.75	-0.50
USDIDR	End of year	15,621	15,500	15,100	14,800	15,100	14,750	14,300
<b>Rates</b>								
Central Bank Rates Indonesia*	End of year	6.00	5.50	6.00	5.50	5.50	5.00	4.75
10 YR Govt Bond Yield IDR	Average full year	6.86	7.25	6.75	6.50	6.50	6.25	6.00
<b>Equities</b>								
JCI	End of year	7,100	7,500	7,800	8,000	8,200	8,400	8,600
Earnings Growth*	End of year	12.5%	7.5%	10.0%	12.5%	5.0%	7.5%	10.0%
P/E*	End of year	14.10	14.10	14.10	14.10	14.10	14.10	14.10

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