SYAILENDRA

MARKET INSIGHT

June 19th, 2024

Uncovered the Undervalued

Spotlighting the Value Picks

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UNCOVERED THE UNDERVALUED

JUNI 2024

SYAILENDRA
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Key Summary

- Secara YTD, **IHSG terkoreksi -8,1% dan sejak titik tertinggi (ATH), IHSG turun -9,6%.** Sebaliknya, indeks **LQ45 & IDX30 turun lebih dalam** -22,8% & -29,1% sejak ATH. Hal ini mengindikasikan **tekanan pada emiten *big caps*** termasuk pula valuasinya.
- Indeks keuangan **(IDXFIN) turut terkoreksi -16,1%YTD,** salah satunya disebabkan koreksi saham 4 big banks ***(avg.total* -19,4%)** vs. ***earnings* 'hanya' turun -3,3%QoQ.** Hal ini membuka **peluang investasi** di emiten ***big* banks** dan saham ***undervalued.***
- **SMSCI mengalokasikan >50%** portofolionya ke **emiten *big banks***. Selain itu, **valuasi** konstituen SMSCI relatif murah **(PE *single digit*)** dengan ***dividend yield* ~6%.**

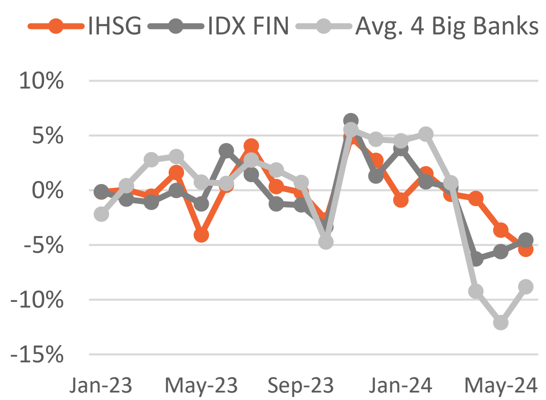
Syailendra's View

Perbedaan gerak IHSG dan emiten *big caps* disebabkan **kenaikan saham non-fundamental di IHSG.** Kondisi ini dapat dimanfaatkan investor untuk **akumulasi saham *undervalued* (salah harga).**

SMSCI dapat dipertimbangkan investor mengingat **valuasinya saat ini 'hanya' *single digit* (PE 9,8x) dan *dividend yield* mencapai 6,4%.**

IDX Finance felt deeper than JCI

Massive correction started from March



Sumber : Bloomberg, Syailendra Research (per 14/6/2024)

Big Banks' Earnings vs Price

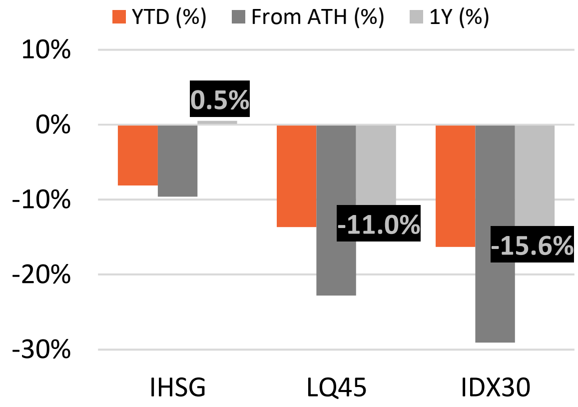
Earnings normalization caused the correction

Stock Code	Earnings (IDR Tn)			Price 3M (%)
	4Q23	1Q24	QoQ%	
BBCA	12,2	12,8	+5,4	-10,9
BBRI	16,1	15,9	-1,4	-32,0
BBNI	5,1	5,3	+3,3	-29,9
BMRI	15,9	12,7	-20,6	-22,3
Avg.	**12,3**	**11,7**	**-3.3**	**-23.7**

Sumber : Bloomberg, Syailendra Research (per 14/6/2024)

LQ45 & IDX30 sharply dropped

It indicates the big pressure of big caps



Sumber : Bloomberg, Syailendra Research (per 14/6/2024)

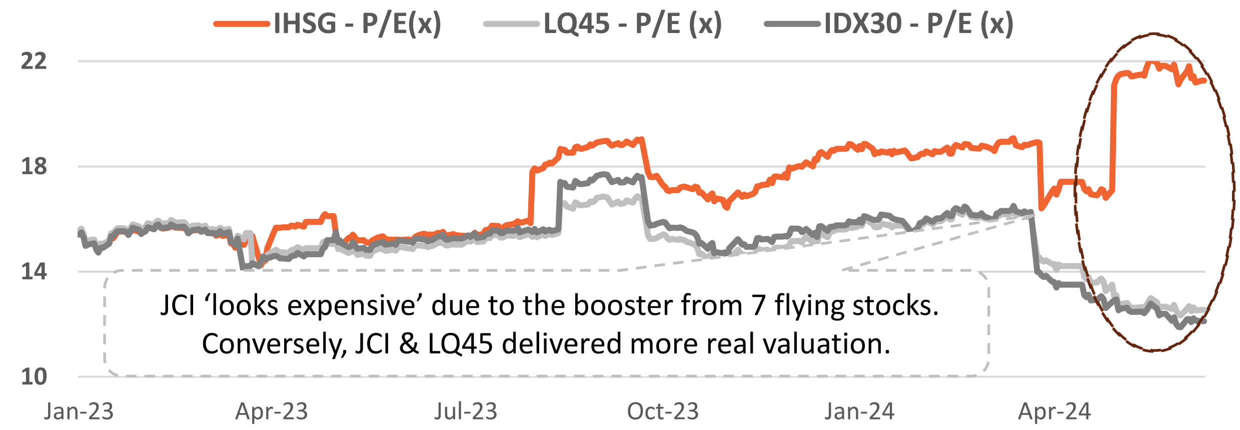
Different Path of JCI, LQ45, IDX30

IHSG menerapkan ***capped adjusted free float market cap*** sehingga kenaikan harga saham yang signifikan dari **7 *flying stocks*** membuat **valuasi IHSG tampak 'mahal'.**

Sebaliknya, LQ45 dan IDX30 menujukkan **valuasi sebenarnya** dari emiten *big caps* yang kini berada dalam kondisi *undervalued.*

LQ45 and IDX30 posted a wide gap compared to JCI

JCI is getting boosted by 7 flying stokcs (BREN, BRPT, TPIA, CUAN, AMMAN, DSSA, and PANI)



Sumber : Bloomberg, Syailendra Research (per 14/6/24)

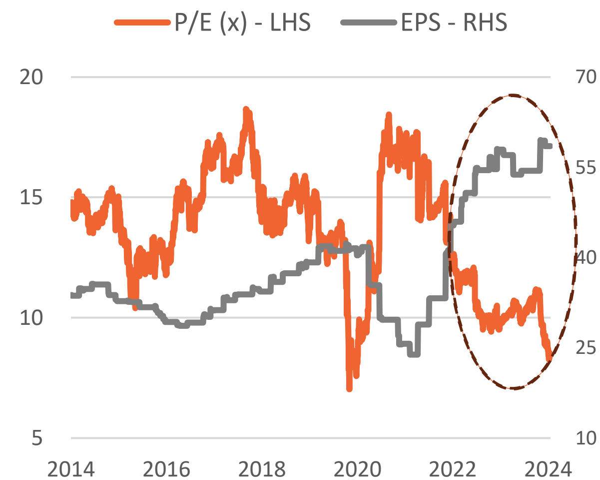
Opportunity in Valued Stocks

MSCI Indonesia (ID), indeks acuan global menunjukkan valuasi yang terus tertekan di tengah EPS yang kian bertumbuh. Artinya ***earnings growth* tidak terapresiasi.**

Selain itu, MSCI ID Value kembali berada di level terendah yang sama dengan **posisi di 2018**. Kondisi ini kembali menunjukkan bahwa ada peluang di **saham *undervalued.***

Valuation Ignores Earnings Growth

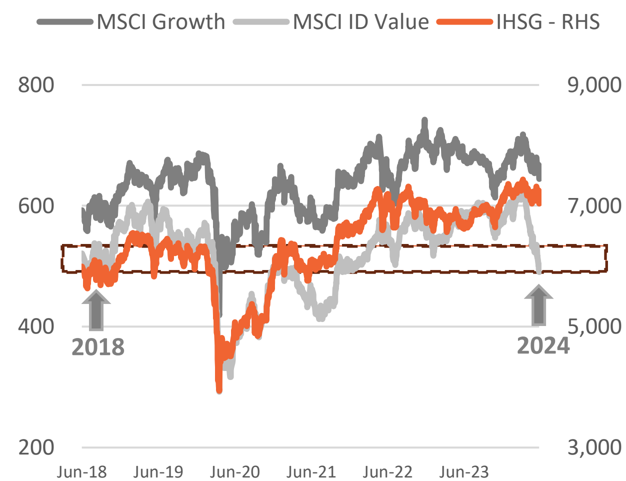
MSCI ID valuation is near its lowest since 2019



Sumber : Bloomberg, Syailendra Research

MSCI ID Value Index Back to 2018 Level

It posted deeper correction than MSCI ID Growth



Sumber : Bloomberg, Syailendra Research

Single Digit P/E with High Dividend Yield

Jika dibandingkan dengan indeks lain**, MSCI ID Value menunjukkan kondisi yang menarik.** ROE mencatatkan **angka tertinggi (17,2%)** dan **P/E *single digit* (9,8x) serta P/B (1,7x).**

Tak hanya itu, konstituen MSCI ID Value menawarkan ***dividend* yield yang menarik yakni 6,4%** vs. *return* **IHSG yang setahun terakhir 'hanya' sebesar 1,9%.**

MSCI ID Value vs Other Investable Index

MSCI ID Value's ideal criterias are low P/E and P/B and distribute high dividend

2023 – YTD*	MSCI ID	JCI	LQ45	IDX30	IDXV 30	IDXG 30	Kompas 100	MSCI ID Value	Sri Kehati
No.of Stocks	22	885	45	30	30	30	100	**13**	25
P/E	19.7x	17.1x	19.7x	20.2x	5.2x	13.9x	19.9x	**9.8x**	13.2x
P/B	2.3x	2.0x	1.9x	2.0x	0.8x	2.2x	1.7x	**1.7x**	2.0x
Div.Yield	4.4%	3.4%	4.6%	5.1%	9.1%	3.9%	4.3%	**6.4%**	4.1%
ROE	11.8%	13.1%	10.5%	10.5%	14.9%	16.0%	9.2%	**17.2%**	14.0%

Data per 31 Mei 2024

Sumber : Bloomberg, IDX, Syailendra Research

Fund to Watch : SMSCI

Ketiga ***SOE banks*** **diestimasikan memiliki *upside* 21%-41%.** Per Mei '24, *weighting* terbesar di **BBRI (32%) dengan potensi *upside* 41%.**

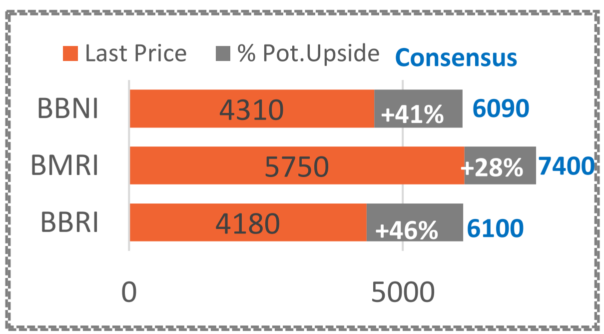
Jika menghitung potensi *upside* **ketiga *big banks* + telco (TLKM) dan automotive (ASII)** yang memiliki *weighting* besar di SMSCI, **NAV berpotensi naik +26% ke 1.262/unit (kembali ke level ATH).**

Biggest SMSCI Allocation -> Big Banks

It allocates 54% (vs. JCI only 22%) per May 2024

54% VS **22%**

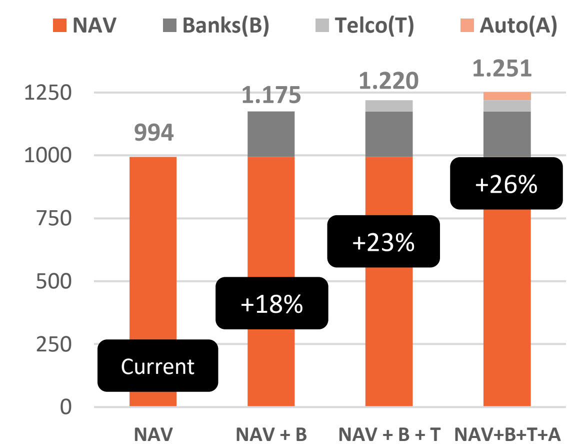
SMSCI **IHSG**



Sumber : Bloomberg, Syailendra Research (per 14/6/24)

Calculating the contribution to NAV

Banks may contribute ~18% to NAV Growth



Sumber : Bloomberg, Syailendra Research (per 14/6/24)

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SYAILENDRA

PT Syailendra Capital

District 8 Treasury Tower
39th Fl. Unit 39A, SCBD Lot 28
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
P. : +62 21 2793 9900
F. : +62 21 2972 1199

@reksadana.syailendra
Syailendra Capital
Syailendra Capital
Syailendra Capital
www.syailendracapital.com