SYAILENDRA

Preferred Investment Partner

Monthly Bulletin

December 2024

What's Inside

Calendar

ID Foreign Reserve (6-Dec-24)

CN – Politburo Meeting (11-12 Dec-24)

US – FOMC Meeting (18-Dec-24)

Events

Terpilihnya kembali Trump sebagai Presiden terpilih AS dan kemenangan Republican pada semua cabang pemerintahan memberikan fleksibilitas Trump atas kebijakan yang dicanangkan.

Hal ini mengakibatkan pasar melakukan *pricing-in* atas pertumbuhan *equity* US dan penguatan DXY.

Equity Market

IHSG mencatatkan kinerja di periode 10M24 sebesar -2.18% YTD (*cutoff date*: 29 November 2024). Di saat bersamaan, investor asing melakukan penjualan *(outflow)* sebesar -1,063 USD di bulan November.

Top 3 Leaders YTD 1) DSSA, 2) AMMN, 3) BBCA, dan Top 3 Laggards 1) TLKM, 2) BBRI, 3) GOTO

Fixed Income Market

Yield SUN 10 tahun di akhir November'24 tercatat di level 6.87% meningkat 8bps dari akhir Oktober'24 di 6.79%.

Kepemilikan investor asing di SUN terlihat *outflow -806mio* di bulan November'24

By Syailendra Research Team

Section

01

Macro Updates

2025F Macro Background

Evaluating and Updating our macro view this year

Updates on Macro View So Far

Explained

- Di 4Q24 dan memasuki tahun 2025 dapat dikatakan merupakan tahun transisi. Hal ini terlihat jelas baik dari perubahan eksternal global ataupun internal domestik makro Indonesia. Hal ini memiliki implikasi atas pergerakan harga asset dan peningkatan volatilitas :

  - **Kemenangan Trump atas Pemilu US (*Red-Sweep Scenario*) :** Kemenangan Trump di akhir 2024 memiliki implikasi yang berbeda dengan yang terjadi di tahun 2016. Hal ini karena partai *republican* memenangkan semua cabang pemerintahan (*presidency, senate* dan *house*). Hal ini memberikan keleluasaan bagi Trump untuk mengeksekusi wacana dan rencana yang diutarakan sepanjang kampanye. Sebagian hal mungkin memiliki konsekuensi langsung terhadap EM termasuk Indonesia seperti: *1) Higher Tariff on China and RoW,* 2) *Tax cut incentives, dan* 3) *Mass deportation.*

  - **Pemerintah China terus melakukan penyesuaian kebijakan sejalan dengan terpilih nya Trump melalui Stimulus Ekonomi :** Komite dari *National People Congress of China* mengumumkan stimulus sebesar 10trn CNY (1.4trn USD), untuk mengatasi *local government debt* dan juga memberikan signal atas stimulus ke depannya.

  - **Indonesia berpotensi menjadi beneficiary atas strategi China+1** : Semenjak terjadinya *Trade War*, China telah merelokasi basis manufaktur ke berbagai negara termasuk *South East Asia,* seperti Vietnam, Malaysia dan juga Indonesia. Salah satu yang sudah terlihat ialah banyaknya beberapa smelter komoditas dari negara *china* yang mengembangkan operasi di Indonesia. Dengan meningkatkan konflik perang dagang, Terdapat potensi lanjutan dari *supply chain* dioperasikan di Indonesia.

  - **Konflik Timur Tengah belum jelas, namun Ukraine mungkin bisa lebih cepat ada resolusi:** Dari 3 bulan terakhir, Konflik di timur Tengah belum terlihat ada progress dari sisi negoisasi politik. Di saat yang bersamaan, kami melihat harga pasar untuk minyak WTI dan *Brent* cenderung melakukan *discount atas* hal ini. Konflik Rusia – Ukraine mungkin akan ada resolusi lebih cepat.

  - **Menurut kami global financial market telah dengan cepat mengasumsikan banyak hal pasca US election.** Hal-hal seperti trade war, mass deportation, US tax cut, dan implikasi nya terhadap USD dan US asset classes. Berbagai kebijakan akan terjadi secara gradual dan mungkin situasi ke depan tidak akan seperti yang banyak investor asumsikan saat ini. Perlu diingat, President Trump suka pertumbuhan tapi tidak suka dengan *strong USD, high inflation* dan *high interest rates.*

  - **Kebijakan Pemerintahan Prabowo berpotensi dampak positif terhadap *mass population*** : Prioritas pemerintahan baru berpusat pada pengembangan SDM dan penguatan ekonomi masyarakat menengah bawah. Kebijakan tersebut termasuk: 1) Makan siang gratis, 2) Pengembangan 3 juta rumah 3) Pemberantasan *online gambling*, dan lainnya diharapkan dapat meningkatkan produktivitas SDM kedepan agar lebih bersaing. Disaat bersamaan isu pendanaan menjadi kekhawatiran dari sisi Investor, mengakibatkan ketidakpastian dari sisi *CoF* dan IDR.

Major Policy of Trump 2nd Presidency

What we know on Trump Policy and its Impact

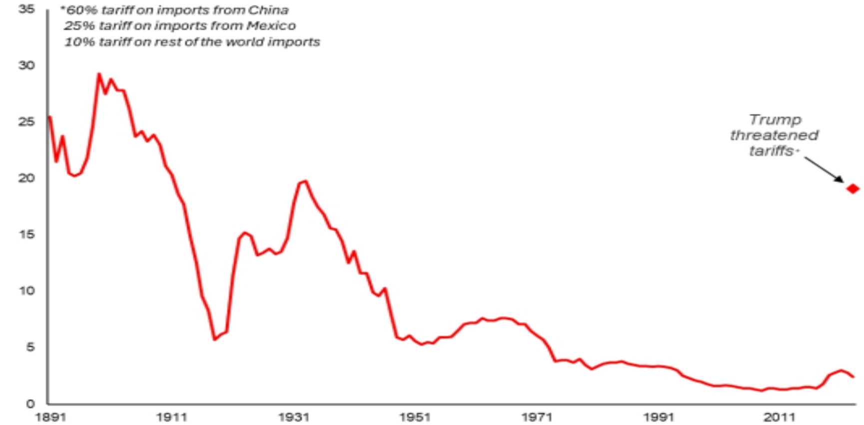
The Known Policy of Trump Administration

Explanation

No	Policy	Detail of Policy	Economic Impact	Comments
1	Trade Policy	50-60% tariff on goods from China and 10% tariff on goods from RoW.	- DXY = **upside** risk - Growth = mixed (consumer : downside , investment **upside** onshoring) - inflation = **upside** risk	Change in tariff does not require congressional approval.
2	Immigration Policy	Mass deportation of undocumented imigrants with lowest estimate 11mio in midst 2022.	- Growth = **downside** risk - Inflation = **upside** risk	Depend how widespread as the US could face labor shortage.
3	Fiscal Policy	Extension of tax-cut expire at end-25. Cut spending on IRA.	- UST Rates = **upside** risk - DXY = **downside** risk - Inflation = upside risk - Growth = **upside** risk	Trump is proposing adding total 4.1trn deficits over ten-year (1.2% GDP on average) Risk on energy transition efforts and thus commodities.

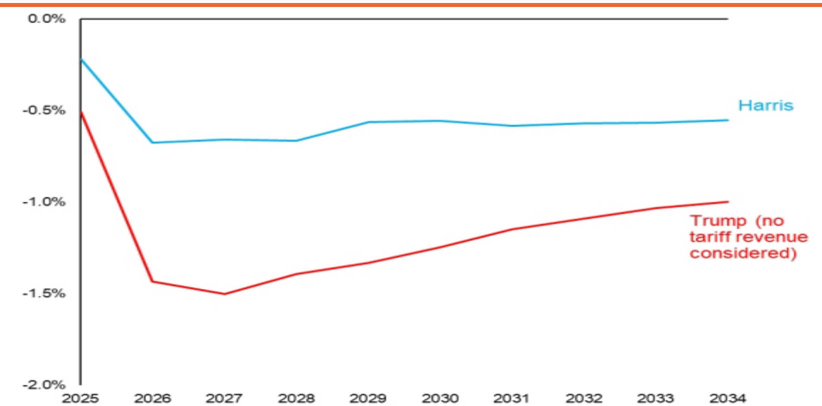
US average tariff rates and campaign promises

In share of goods imports (%)



Estimate fiscal deficit increase from Trump Administration

% relative to CBO baseline % of GDP



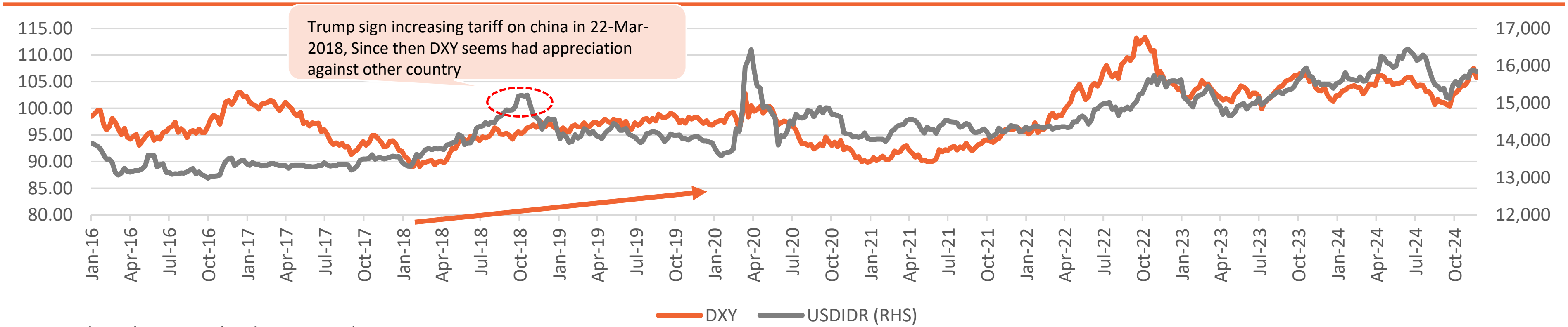
Source: Bloomberg, Syailendra Research

What Have We Learned from Trump 1.0

Upside risk from currency, less clear on rates and inflation

DXY did sustain appreciation post Increase Tariff on China Import and IDR also weaken

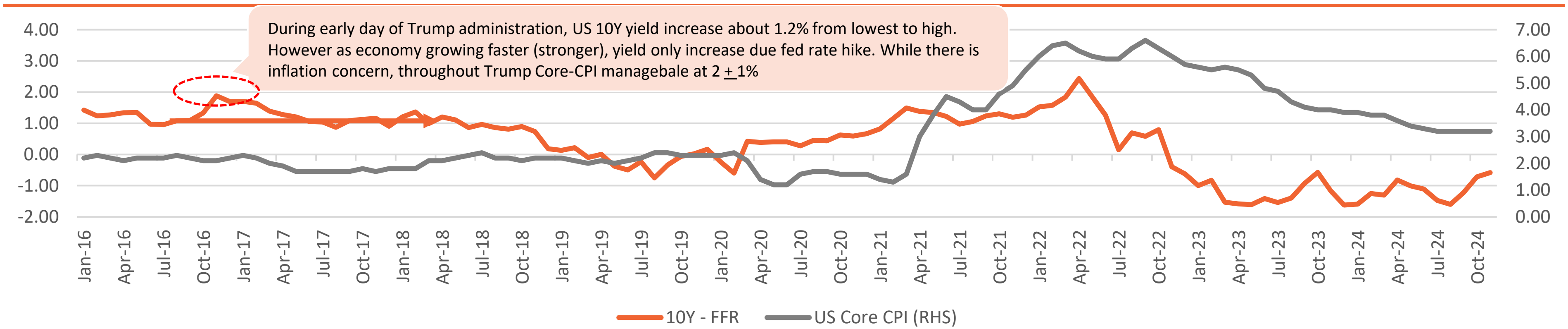
In unit of index and USDIDR



Source: Bloomberg, Syailendra Research

Yet, Rates and Inflation less clear impact. Rates only move along with fed rate trajectory

In % yoy, UST10YR – FFR (Upper)



Source: Bloomberg, Syailendra Research

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Higher US Growth Could Lead to Higher Inflation

Lower unemployment, Higher oil price, High Inflation already

Comparing The Start of Trump Administration
2016 vs 2024

No	Policy	Before Trump Administration (2016)	Ahead of Trump 2nd Administration (2024)	Comments
1	Global Growth (Real GDP % yoy 4qtr avg)	3.7	3.3	Globally economy is weaker at the moment compare early 2017.
2	Global Trade volume (% yoy 4qtr avg)	4.6	-0.2	
3	US Unemployment rate (%)	4.9	4.2	Historically US already at low unemployment rate
4	US core CPI (6M SAAR)	2.1	2.6	Little room for growth without overheating on CPI
5	Fed Fund Rate	0.5	4.5*	Interest rate start during tightening cycle
6	Public debt as % of GDP	75.6	97.3	Likely to continue with increasing pace as fiscal deficit widen
7	Oil Price - Brent	56.14	72.02	Higher geopolitical risk. Trump 1.0 = Iran sanctions due nuclear deal imposition on Iran

Source: Bloomberg, Syailendra Research, assume Dec'24 25bps rate cut

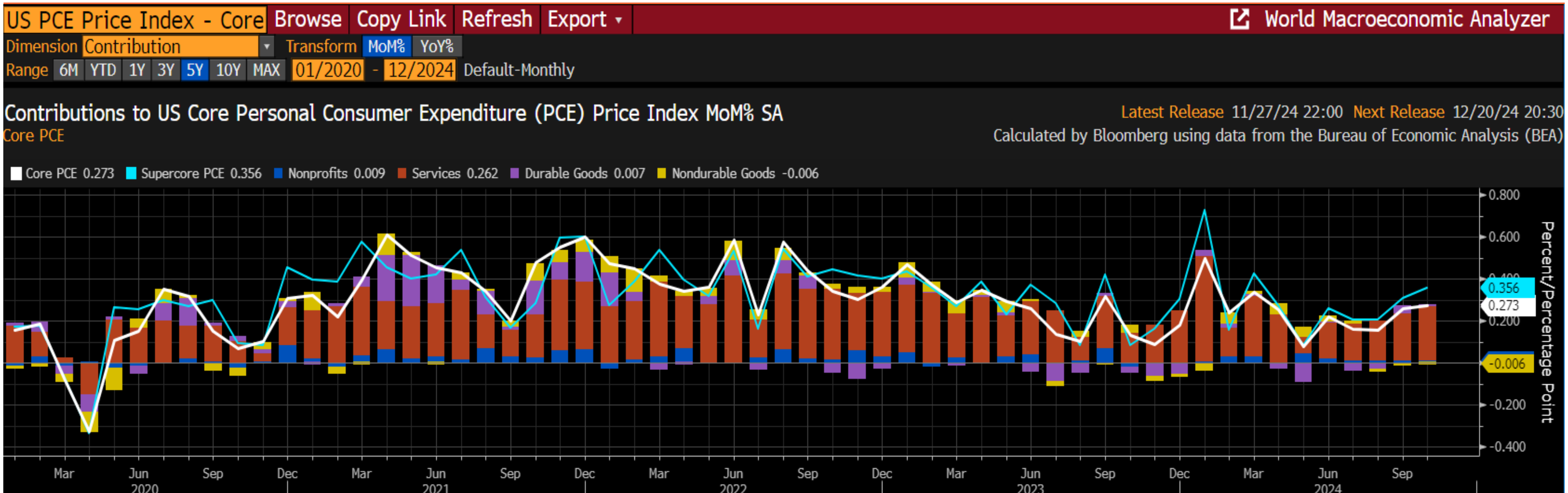
- Membandingkan kondisi ekonomi pada saat pemerintahan Trump 1st dan 2nd mencerminkan situasi yang berbeda. Saat ini, Ekonomi US terlihat seperti di siklus akhir dari suatu ekspansi ekonomi (*post-covid recovery*). Peningkatan yang signifikan sangat memungkinkan untuk mengakibatkan peningkatan inflasi.
- Tingkat suku bunga cukup tinggi, sehingga dimungkinkan shock dari *rate-hike* yang terjadi dari 2018-2019 lebih minim.

Most of PCE Items Have Cooled

Despite housing still on high level considering historical and other category

US Core PCE YoY Breakdown

In % YoY



Data Table

Show Weights · Show Heat Map · Show Tickers · Show More · Hide Table

Series	Ticker	p-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Weight ↓
Core PCE	PCE CMOM Index	.319	0.133	0.091	0.182	0.498	0.239	0.339	0.255	0.081	0.222	0.163	0.158	0.261	0.273	
Services	ECAN4LPG Index	.257	0.141	0.179	0.250	0.504	0.138	0.292	0.231	0.079	0.178	0.179	0.191	0.223	0.262	71.997
Health Care	ECAN57D8 Index	.003	0.085	0.032	0.037	0.115	0.030	0.029	0.013	0.054	0.032	0.016	0.024	0.063	0.016	18.916
Housing And Utilities	ECANDU5J Index	.088	0.077	0.087	0.075	0.099	0.081	0.078	0.074	0.075	0.050	0.073	0.083	0.062	0.070	18.452
Other Services	ECANSOTY Index	.024	-0.004	0.004	0.022	0.077	-0.028	0.084	0.042	-0.033	0.075	-0.017	0.000	0.037	0.031	9.407
Financial Services And Ins...	ECAN0WLS Index	.027	-0.037	-0.011	0.065	0.144	0.018	0.037	0.091	-0.005	0.035	0.049	0.037	0.011	0.062	8.882
Food Service And Accommo...	ECANZ900 Index	.060	0.004	0.023	0.025	0.054	0.002	0.020	0.023	0.019	0.007	0.016	0.035	0.000	0.028	8.123
Recreation Services	ECANHYNH Index	.028	0.009	0.010	0.039	0.016	0.023	-0.009	0.014	-0.016	-0.003	0.035	-0.002	0.008	0.027	4.440
Transportation Services	ECANVQ4T Index	.028	0.008	0.034	-0.014	-0.001	0.013	0.054	-0.025	-0.015	-0.017	0.008	0.013	0.042	0.028	3.776
Nondurable Goods	ECAN5IKS Index	.008	0.038	-0.024	-0.010	-0.037	0.054	0.010	0.055	0.052	0.026	0.012	-0.013	-0.014	-0.006	12.272
Durable Goods	ECAN7KZX Index	.002	-0.030	-0.061	-0.054	0.027	0.018	0.009	-0.029	-0.094	0.001	-0.037	-0.029	0.041	0.007	12.222

Non-Farm Payroll Losses from Service Sector

Majority of sector excluding education and health services

US Non Farm Payroll Breakdown

As per November 2024

US Non-Farm Payrolls (NF | Browse | Copy Link | Refresh | Export | World Macroeconomic Analyzer

Dimension Default | Transform Level MoM 3 MoM 3M MA

Range 6M YTD 1Y 3Y 5Y 10Y MAX 01/2022 - 12/2024 Default-Monthly

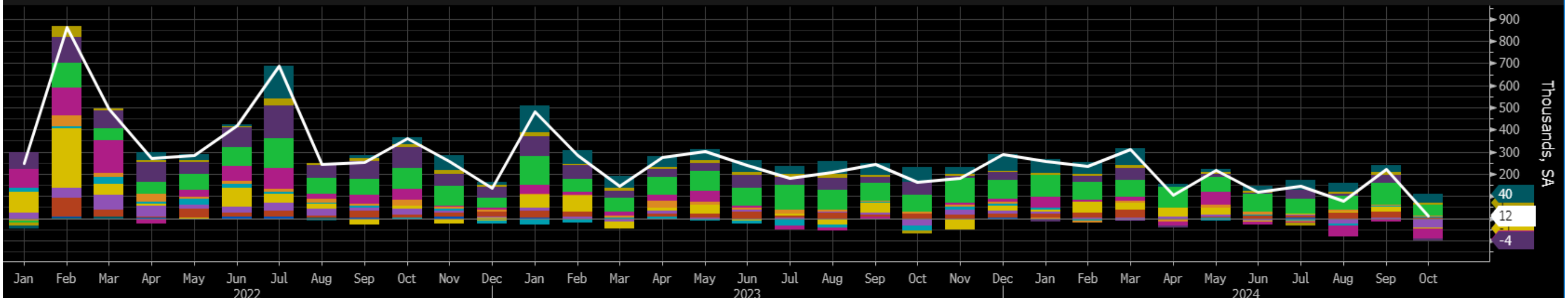
Breakdown of US Non-Farm Payrolls MoM Net Change

Total

Latest Release 11/01/24 19:30 Next Release 12/06/24 20:30

Data from the Bureau of Labor Statistics (BLS)

Total 12 | Mining & Logging 1 | Construction 8 | Manufacturing -46 | Trade, Transportation & Utilities -1 | Information 3 | Financial Activities 0 | Professional & Business Services -47 | Education & Health Services 57 | Leisure & Hospitality -4 | Other Services 1 | Government 40



Data Table | Show Heat Map | Show Tickers | Show More | Hide Table

Series	Ticker	23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Total	NFP TCH Index	40	184	210	246	165	182	290	256	236	310	108	216	118	144	78	223	12
Mining & Logging	ECANMAYU Index	0	2	0	1	-1	-4	3	-2	0	2	-5	-4	0	1	0	2	1
Construction	ECANRXTD Index	33	11	31	13	22	15	18	26	24	37	-5	13	18	14	28	27	8
Manufacturing	ECANX8NS Index	9	-6	2	13	-31	25	12	6	-9	-6	7	3	-16	6	-26	-6	-46
Trade, Transportation & Utilit...	ECAN4GFL Index	15	9	-29	42	6	-45	24	7	54	34	41	34	-1	0	3	27	-1
Information	ECANQ9RK Index	-7	-28	-18	11	-26	17	13	8	-3	2	-3	-1	0	-16	-8	3	3
Financial Activities	ECAN9C4V Index	9	18	4	0	0	4	6	-4	-7	4	-3	12	13	-4	7	4	0
Professional & Business Serv...	ECANLLKT Index	7	-17	-1	-1	-5	10	13	48	6	17	-17	55	-11	-4	-47	-9	-47
Education & Health Services	ECANF05T Index	77	109	93	81	77	110	84	100	80	76	98	69	82	67	67	95	57
Leisure & Hospitality	ECANYZH7 Index	60	41	52	27	57	10	41	-3	26	54	-9	18	4	38	9	40	-4
Other Services	ECANH9RY Index	12	9	16	9	-1	10	0	10	10	12	4	7	8	-3	4	9	1
Government	ECAN56JA Index	55	36	60	50	67	30	76	60	55	78	0	10	21	45	41	31	40

Source: Bloomberg, Syailendra Research

Another Shift on Implied Rates Probabilities

Market re-price rate outlook on the back of Trump winning US election

Market expecting lower rate-cut going into 1H25F

Interest rate prob % for Fed Dec'24 meeting

FFR Rate **4.50 - 4.75**

Prob. for Meeting 18-Jun-25

Trading Days	Cumulative Probabilities						Notes
	< 4.00	4.00 - 4.25	4.25 - 4.50	4.50 - 4.75	4.75 - 5.00	5.00 - 5.25	
6/28/2024	0%	2%	11%	24%	30%	22%	
7/31/2024	2%	21%	39%	28%	9%	1%	
8/30/2024	51%	32%	15%	3%	0%	0%	
9/30/2024	84%	14%	2%	0%	0%	0%	
10/31/2024	8%	28%	35%	22%	7%	1%	
11/29/2024	1%	8%	26%	37%	23%	5%	By Jun'25, there's equal chance 1/3 between 1-3x rate cut

Source: Bloomberg, Syailendra Research

Market Repricing 2025F above Dot Plot Guidance

Interest rate prob % for each The Fed meeting

	350-375	375-400	400-425	425-450	450-475	Notes
Dec-24	0.0%	0.0%	0.0%	73.8%	26.2%	Latest FFR : 4.50 - 4.75%
Jan-25	0.0%	0.0%	0.0%	99.4%	0.6%	
Mar-25	0.0%	0.0%	63.4%	36.6%	0.0%	
Apr-25	0.0%	2.0%	98.0%	0.0%	0.0%	
Jun-25	0.0%	50.6%	49.4%	0.0%	0.0%	
Jul-25	0.0%	77.4%	22.6%	0.0%	0.0%	
Sep-25	6.1%	93.9%	0.0%	0.0%	0.0%	
Oct-25	27.4%	72.6%	0.0%	0.0%	0.0%	
Dec-25	43.7%	56.3%	0.0%	0.0%	0.0%	2025 Dot Plot : 3.375 2026 & Terminal Rate : 2.875

Source: Bloomberg, Syailendra Research

- Berbeda pada akhir Oktober, pasar saat init telah melakukan re-pricing atas suku bunga dari 4x rate cuts menjadi maksimal 3x di 2025 .
- Perlu di ingat market sempat mengasumsikan 8x rate cut di Sep-2024.

Understanding China Stimulus Going Forward

Change in growth model, balancing property sector, supporting domestic

Our View on China Economic Stimulus
Explained

- Dalam beberapa pekan terakhir, Pemerintah China terus meluncurkan stimulus, kebijakan terakhir sebesar 10trn CNY (1.4trn USD). Hal ini mengantisipasi pelemahan domestic akibat peningkatan tariff oleh US.

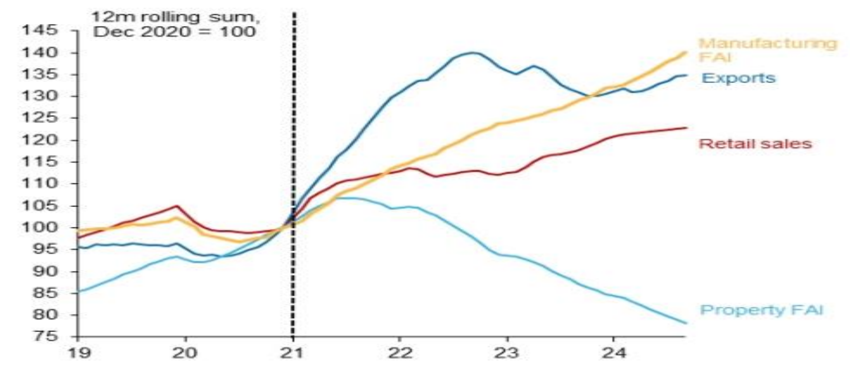
Untuk lebih memahami mengapa Pemerintah China bergerak reaktif atas hal tersebut dikarenakan China sedang mengalami perubahan atas model ekonomi mereka :

- 2000s Supercycle : Growth driver from *external trade*
- 2010s Mini cycle post GFC : Perpindahan dari *external trade* menjadi domestic demand dan property.
- 2021s 2-speed post covid : Focus on domestic demand disaat bersamaan penurunan sektor property di-offset dari peningkatan *external trade*

Menurunnya surplus perdagangan China akan diikuti oleh stimulus tambahan.

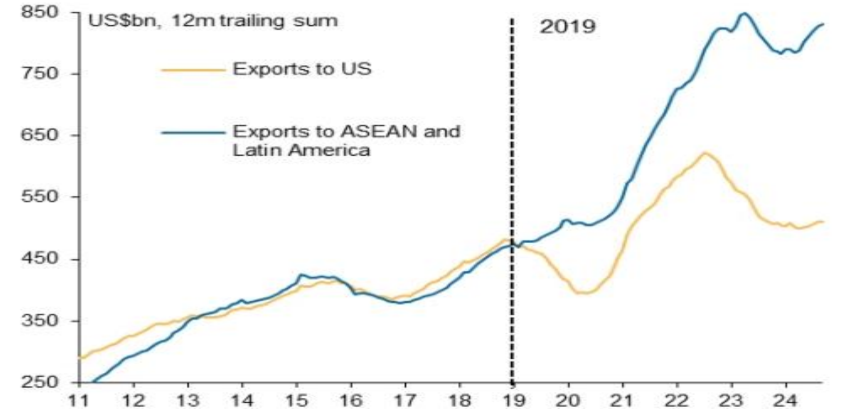
- Hal ini seharusnya berdampak positif bagi Indonesia dikarenakan hubungan perdagangan Indonesia-China dalam beberapa tahun terakhir telah meningkat.
- Adapun hal yang perlu dimonitor bagi investor yaitu potensi devaluasi/depresiasi CNY kedepan yang berpotensi memberikan efek ke IDR.

How China Economy Change Post 2021
Base of 2020 GDP, 12m rolling



Source: Macquarie, NBS, WIND, Customs

China Re-route their Export to ASEAN and Other
in US bio of 12m trailing

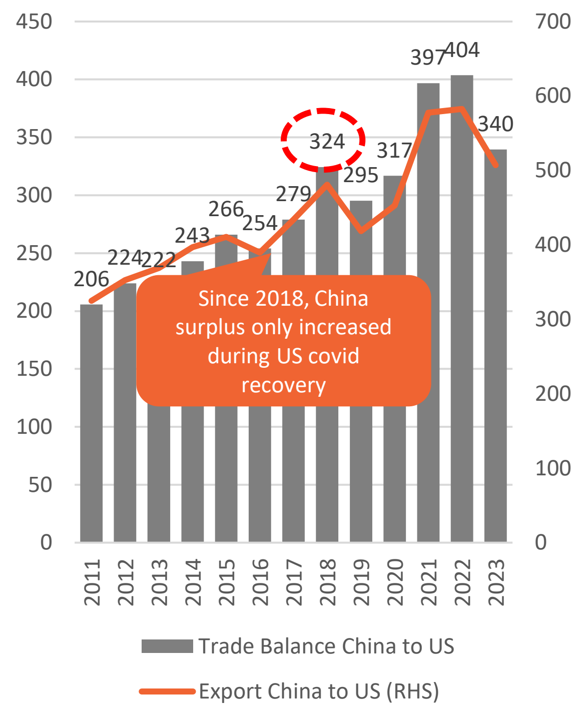


Source: Macquarie, NBS, WIND, Customs

China Able to Re-Shore its Production to other Countries

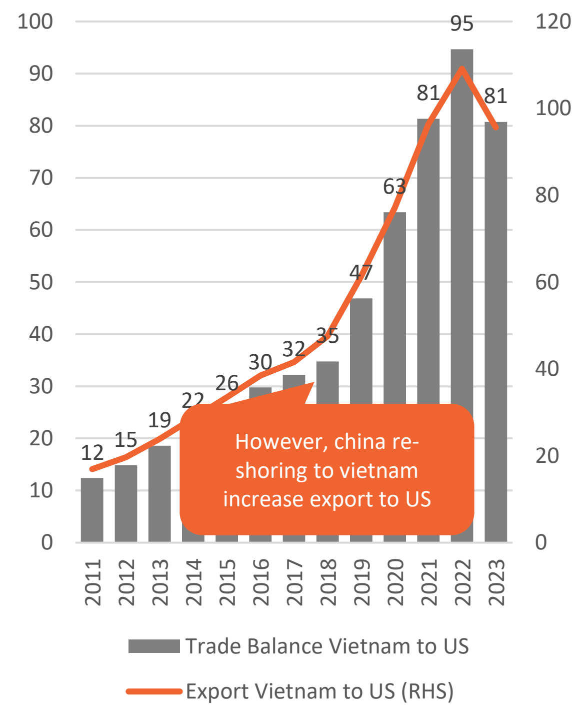
Further tariff might re-accelerate what already happened potential positive for Indo

IMF Trade Bal. China to US
In mio USD



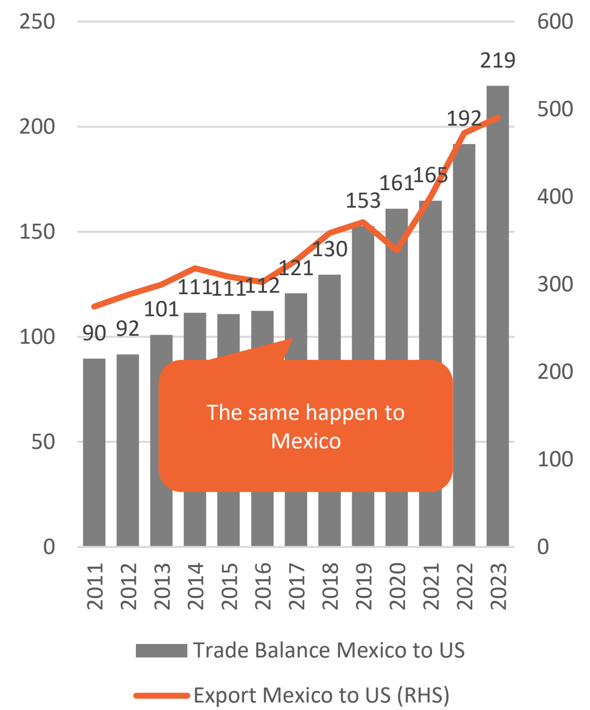
Source : Syailendra Research, Bloomberg

IMF Trade Bal. Vietnam to US
In mio USD



Source : Syailendra Research, Bloomberg

IMF Trade Bal. Mexico to US
In mio USD



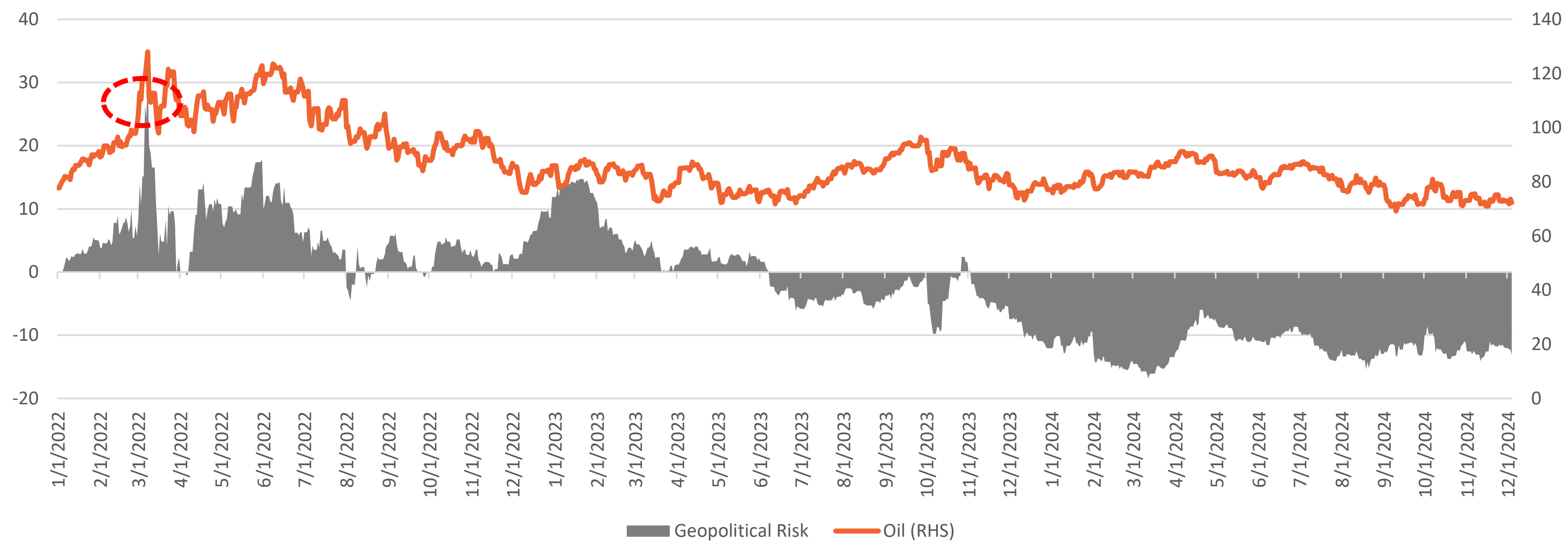
Source : Syailendra Research, Bloomberg

- Salah satu hal yang dilakukan oleh china semenjak pengenaan tariff 25% dari US ialah melakukan relokasi produksi di beberapa negara partner dagang US.
- Apabila transmisi ini mengalami gangguan, kami merasa kebijakan stimulus domestik di china akan ditingkatkan karena neraca dagang china merupakan salah satu alat yang digunakan pemerintahan china untuk mengurangi efek penurunan balance sheet di properti.

How Much Oil Pricing-in Escalation in War

Market hasn't pricing-in regional wide conflict in comparison of 22 Ukraine-Russia

Using PCA in analyzing oil price movement, we could guess how much geopolitical factor-in the price
In bbl USD



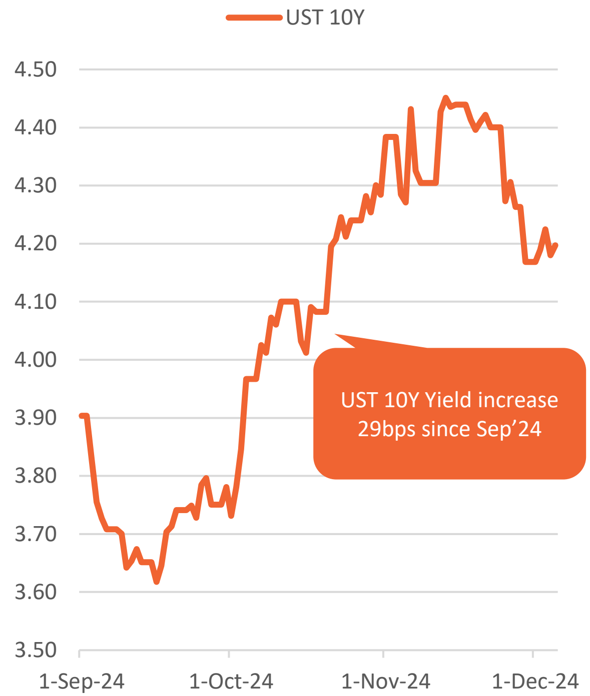
Source: Bloomberg, Syailendra Research

- Terlepas risiko geopolitik yang tidak berubah signifikan (*high risk of* escalation). Berdasarkan *principal component analysis*, kontribusi atas faktor geopolitik belum berada di level konflik ukraina dan russia.

Market Quickly Adapt Anticipating Trump Trade

All three market partially pricing-in higher growth and strong dollar

UST quickly spiked to 4.5%
As per 1 Nov 2024

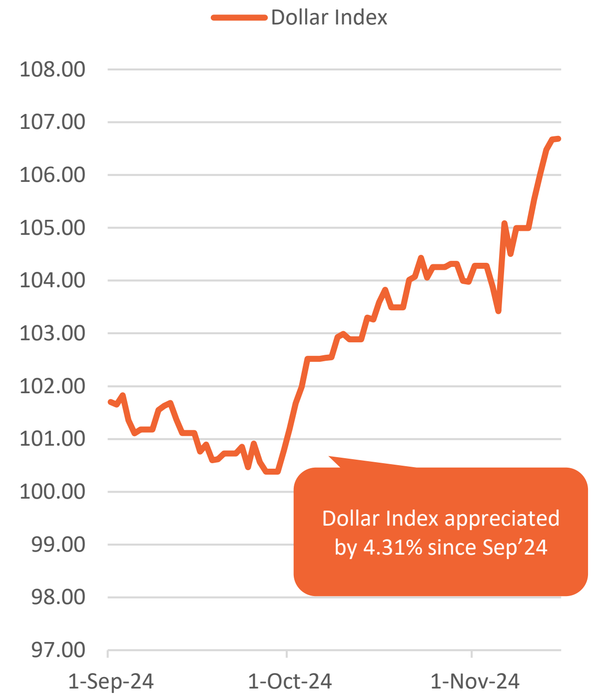


Source : Syailendra Research, Bloomberg

S&P 500 reached ATH
As per 1 Nov 2024

Source : Syailendra Research, Bloomberg

DXY reached 107
As per 1 Nov 2024



Source : Syailendra Research, Bloomberg

- Menurut kami global financial market telah dengan cepat mengasumsikan banyak hal pasca US election.
- Hal-hal seperti trade war, mass deportation, US tax cut, dan implikasi nya terhadap USD dan US asset classes. Berbagai kebijakan akan terjadi secara gradual dan mungkin situasi ke depan tidak akan seperti yang banyak investor asumsikan saat ini. Perlu di ingat, President Trump suka pertumbuhan tapi tidak suka dengan *strong USD, high inflation* dan *high interest rates.*

Prabowo Key Policies Positive for Growth

There are concerns on funding and currency impact

Several Prabowo Key Policy with Grassroot economy as its center
Explained

No	Key Policy	Detail of Policy	Comments	Upside Risk	Downside Risk
1	Education Policy	Free Lunch Programme for Students	- Funding issue as implementation ramping-up - Upside risk on economic growth especially on low to middle segment	• Growth • Rates (CoF)	• Fiscal Balance • Currency
2	Social Benefit Programme	1. 3mio Housing Programme			
3	Economic Policy	Commodity Down streaming	- Expansion on other commodity	• Growth	
		Food Estate, B50 biodiesel	- More on execution risk downside risk on inflation and currency (less dependent on import)	• Growth	• Inflation
		SME Loan collection write-off	- Latest policy seems reasonable from economic perspective without incentivizing moral hazard	• Growth	
		Eradication of online gambling	- Over 8.7mio people engaged in online gamble with 4.5trn deposit in digital wallet. 1H24 transaction reached 174trn IDR alone	• Growth	
4	Fiscal Policy	Higher Tax Ratio	- Unclear as means and instrument to increase tax. Indonesia also had the lowest tax revenue ratio	• Fiscal Balance • Currency	• Rates (CoF)
		Higher Military Spending	- Indonesia actually had the lowest military spending in % of GDP and per capita compare other ASEAN countries.		• Fiscal Balance • Currency

Source: Blooomberg, BI

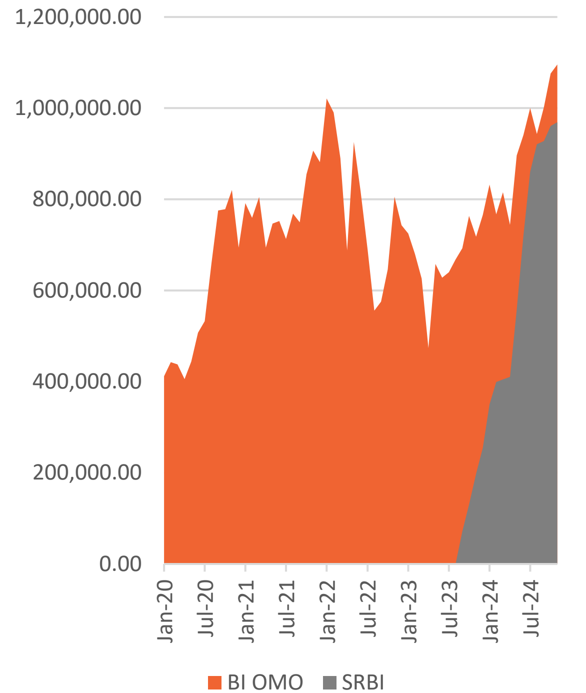
- Salah satu janji Prabowo ialah mencapai Tingkat pertumbuhan 8% untuk mencapai Indonesia Emas. Salah satu cara mencapainya ialah dengan mengkokohkan *standard of living* segmen terbelakang dan focus di SDM. Adapun program hilirisasi akan dilanjutkan. Terdapat beberapa ketertinggalan dari sisi pemerintahan dalam beberapa tahun terakhir yaitu perpajakan dan belanja militer.

- Hal-hal diatas menimbulkan banyak kekhawatiran oleh investor terkait kapasitas pemerintah untuk melakukan *funding* dan implikasi atas IDR Apabila terjadi peningkatan import signifikan.

Liquidity is Still Tight despite Rate Cut

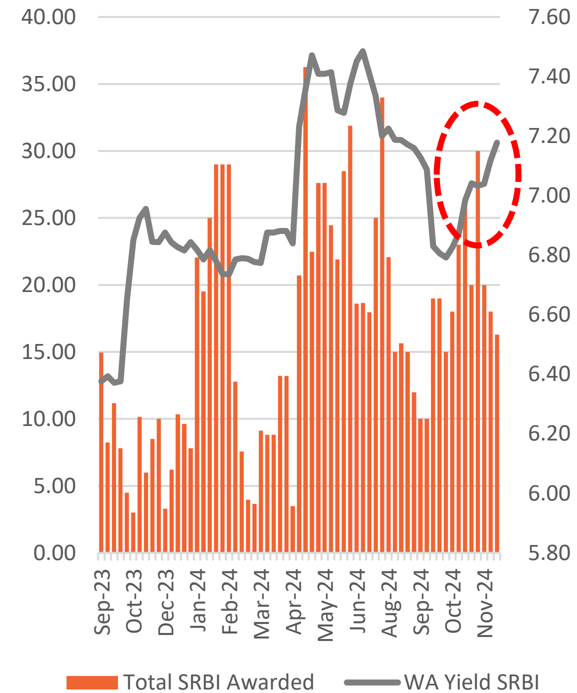
Elevated OMO and SRBI might cause lowest banking excess liquidity

SRBI = Majority of OMO
In trn IDR



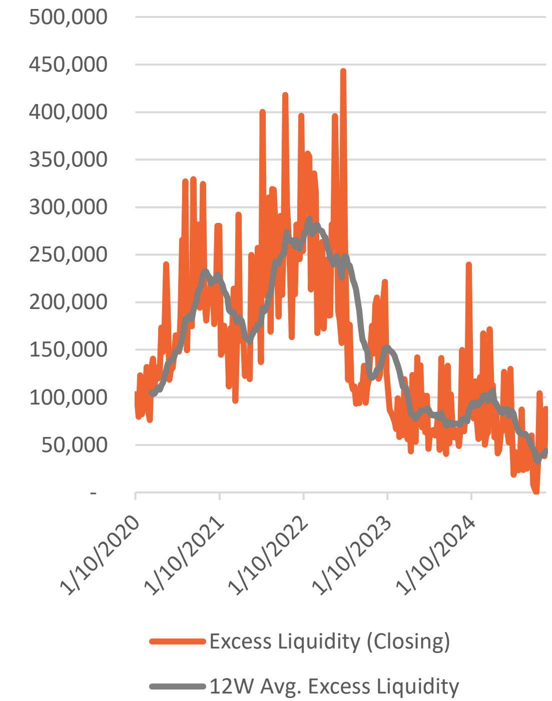
Source: Blooomberg, BI

SRBI Issuance increase in W4 Sep'24
In trn IDR, yield awarded



Source: Blooomberg, BI

Excess Liquidity breach new low
In bio IDR



Source: Blooomberg, BI

- Terlepas dari pemotongan suku bunga yang terjadi di bulan lalu. Kami melihat likuiditas perbankan masih ketat, hal ini diakibatkan OMO BI yang masih berada di tinggi.

Section

02

Fixed Income

2024F & 2025F Fixed Income Narrative

No fundamental changes except concern on currency impact to rates

Updates on Our View this month
Explained

- Perubahan factor makro dan ketidakpastian diatas mengakibatkan perlu-nya tinjau ulang atas asumsi-asumsi yang digunakan untuk melihat prospek INDOGB kedepan. Berikut ini merupakan beberapa hal yang menurut kami perlu menjadi pertimbangan kedepan :

  - **Pasar melakukan revisi atas trajectory *rate* post US election:** Saat ini pasar memiliki ekspektasi 4x rate cut (Dec'24 : 1x, 2025 : 3x). Hal ini didasarkan kekhawatiran penguatan DXY dan inflasi akibat kebijakan Trump i.e Trade-Tariff, Tax-cut stimulus. Kami melihat level DXY (105-106) saat ini mencerminkan Sebagian kekhawatiran tersebut

  - ***Gross Bond Supply* meningkat dari 2024F, Tetapi terdapat beberapa hal yang mungkin menjadi surprise** : Berdasarkan laju *auction* saat ini. Tinggi potensi *pre-funding* mencapai level 100-150trn. Hal ini cukup sesuai mempertimbangkan kebutuhan yang besar untuk tahun 2025F. Apabila terdapat penggunaan SAL sebesar 150trn bahkan dengan asumsi kami -2.8% *fiscal deficit*. Peningkatan *auction* setiap 2 minggu seharusnya *reasonable*. Dari *awarded auction* 35trn (YTD Oct'24) menjadi 37.5trn di tahun 2025F or 5-7.5% yoy.

  - **Maturity dari SRBI diharapkan dapat membantu Issuance Maturity dari INDOGB :** Adapun hal positif-nya dimana jatuh tempo SRBI cocok dengan jatuh tempo SUN yang besar di tahun 2025. Namun, hal ini didasarkan akan menurunnya *auction reward* dari Bank Indonesia untuk SRBI agar tidak terjadi *crowding-out.*

- Banyaknya perubahan yang terjadi kami melihat pentingnya untuk melakukan scenario analisis untuk menentukan Fair Yield atas INDOGB dimana masing-masing scenario sebagai berikut : Bullish (Dovish) 6,75%, Base 7,00%, Bearish (Hawkish) 7,50%. Masing-masing asumsi dapat pada appendix kami

INDOGB Peers Comparison

Other sovereign rates has been punished on the back currency performance

EM Peers Yield Comparison

In %

Country	10Y Yield (%)		Spread to US 10Y			Currency		Carry Yield	Inflation	Real Yield (%)	CAD	Fiscal Deficit	Credit Rating
	Current	YTD Chg. (bps)	2023	Current	Chg.	YTD Chg (in ppt)	vs Cons. Forecast (2025F)	2025F	2025F	2025F Inflation	2025F	2025F	
Brazil	13.73	336	6.49	9.53	3.04	-19.58	-15.53	-1.80	3.90	9.83	-2.00	-7.33	BB
South Africa	10.21	-116	7.49	6.01	-1.48	1.52	2.01	12.22	4.20	6.01	-2.20	-5.10	BB
India	6.69	-50	3.31	2.49	-0.82	-1.79	-1.35	5.34	4.70	1.99	-1.20	-4.90	BBB-u
Italy	3.21	-48	-0.19	-0.99	-0.80	-4.56	-3.98	-0.77	1.90	1.31	1.45	0.35	BBBu
Portugal	2.51	-12	-1.25	-1.69	-0.44	-4.56	-3.98	-1.47	1.90	0.61	1.60	0.35	A-u
Mexico	9.98	105	5.06	5.78	0.72	-16.29	-16.48	-6.49	3.99	5.99	-0.80	-3.95	BBB+
Romania	7.41	118	2.35	3.21	0.86	-4.61	-4.53	2.88	4.05	3.36	-7.00	-6.80	BBB-
Hungary	6.56	69	1.99	2.36	0.37	-11.38	-9.22	-2.66	3.70	2.86	1.50	-4.35	BBB-
Colombia	10.80	84	6.08	6.60	0.52	-12.70	-12.39	-1.59	4.10	6.70	-3.15	-5.00	BBB-
Indonesia	6.89	44	2.57	2.69	0.12	-2.92	-2.24	4.65	2.60	4.29	-1.05	-2.70	BBB
Average Peers in BBB & BB*			**3.39**	**3.60**						**5.80**			
Spain	2.76	-22	-0.90	-1.44	-0.54	-4.56	-3.98	-1.22	2.00	0.76	2.85	-2.90	Au
South Korea	2.75	-43	-0.71	-1.45	-0.75	-8.93	-7.00	-4.25	2.00	0.75	3.60	-1.00	AA
China	1.95	-61	-1.32	-2.25	-0.93	-2.26	-1.39	0.56	1.00	0.95	1.20	-5.50	A+
Chile	5.63	15	1.60	1.43	-0.17	-9.81	-8.49	-2.85	4.00	1.63	-2.70	-2.00	A+
Thailand	2.30	-38	-1.20	-1.90	-0.70	-0.58	0.41	2.71	1.30	1.00	2.95	-4.20	A-
Malaysia	3.80	7	-0.15	-0.40	-0.25	3.82	3.94	7.74	2.50	1.30	2.30	-3.80	A
Poland	5.64	45	1.31	1.44	0.13	-2.94	-4.23	1.41	4.40	1.24	-0.15	-5.50	A
Average Peers in A Credit			**-0.20**	**-0.65**						**1.09**			
United States	4.20	32							2.40	1.80	-3.6	-6.4	AA+u

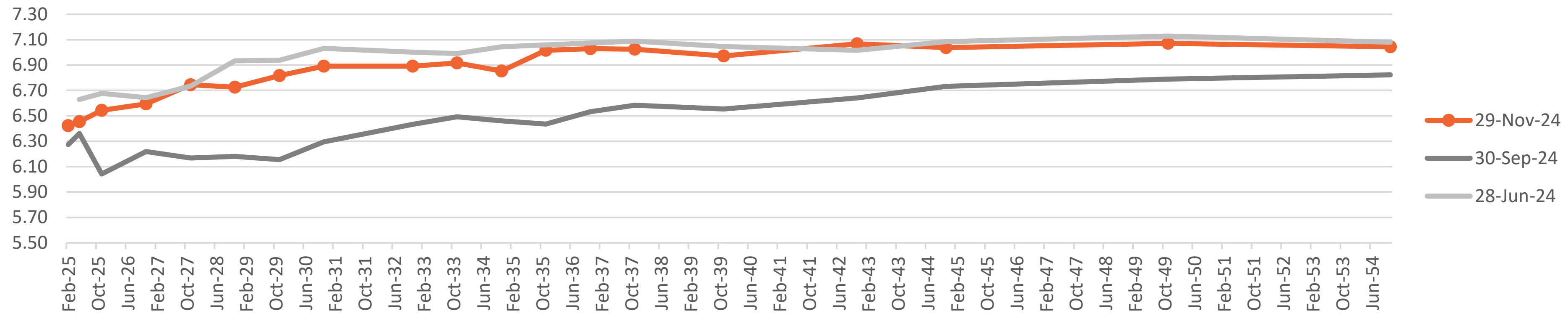
SYAILENDRA

Source: Bloomberg, Syailendra Research

INDOGB Curve back to 1H24 Level

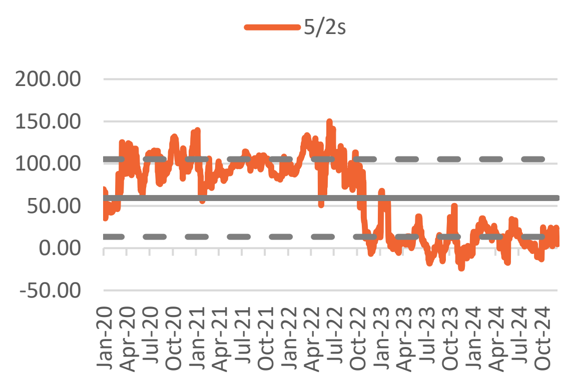
Yield curve show some flattening pattern

INDOGB Yield Curve
In ppt



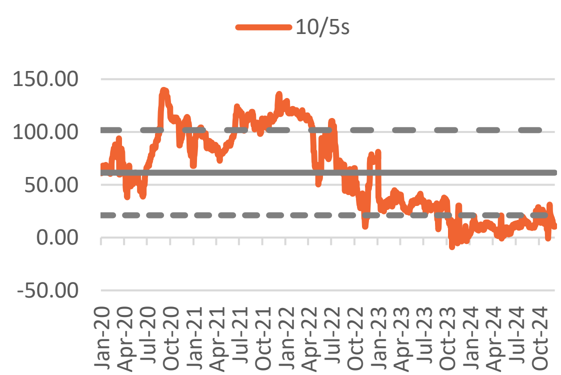
Source: Bloomberg, Syailendra Research

5/2s Historical Spread
In bps



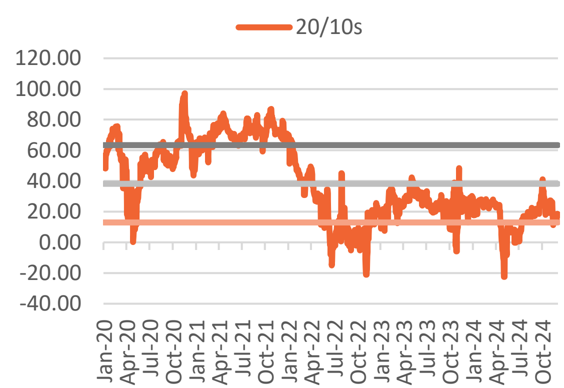
Source: Bloomberg, Syailendra Research

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

Recent Auction Run-Rate signaling lower pre-funding than our expectation

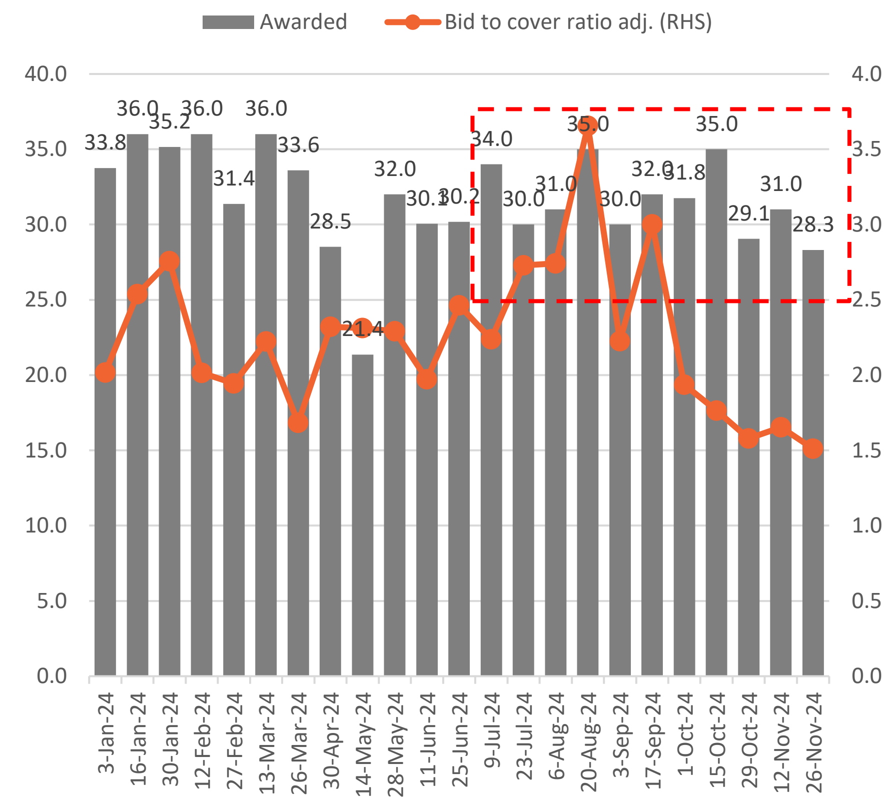
Recent Auction run rate signal lower pre-funding

In IDR trn

Government Securities	Govt Bond Issuance Realization YTD (26-Nov-24)	Calculation Forecast 2024	Remaining Issuance Target (3 Auction)
Fiscal Deficit (% GDP)			
Budget Deficit		-609.70	
% of GDP		**-2.70**	
Nominal GDP		22,581.48	
Component of Deficit Fin.			
Deficit Financing		609.70	
Debt Financing			
Government bonds - nett		451.90	
Loan program - nett		101.20	
Investment Financing		-92.00	
Loan Financing		-2.60	
Liability Financing		-0.80	
Others		152.00	
Gross Bond Supply			
Government bonds - nett		451.90	
SUN Maturity in 1Y		563.44	
Gross Bond Supply		**1,015.34**	
Issuance Bonds			
Gross Bond Supply	1,036.17	1,065.34	29.17
Gross Local Currency Bonds	905.15		
Prefunding	39.07	50.00	10.93
Auction Program	731.20	741.20	10.00
Retail Bonds	128.11	131.99	3.88
Private Placement	6.77	10.15	3.38
Gross Foreign Currency Bonds	131.31	131.99	0.68
Avg. Per 2 weeks auction	**34.23**		**20.93**

Bid-Awarded Ratio bounce back

In trn and time of bid size



Source : Syailendra Research, DJPR

Foreign Government Bond Flows

Foreign flow into government relatively small compare past inflow

Monthly Data	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
Mar-23	-299	949	8,218	-571	905	983	9,201	10,184	18,162
Apr-23	59	252	6,424	911	-608	-377	7,037	6,660	12,769
May-23	418	-58	11,935	451	699	842	13,446	14,288	10,095
Jun-23	1,237	1,073	12,691	-654	-269	338	14,077	14,415	-7,575
Jul-23	379	590	5,046	-654	958	1,655	6,320	7,975	-7,875
Aug-23	923	-535	3,886	1,224	-1,057	-1,122	4,441	3,319	-15,781
Sep-23	197	-1,093	4,047	-290	-618	-114	2,243	2,129	-3,634
Oct-23	760	-805	3,106	-290	458	-348	3,229	2,882	-15,167
Nov-23	1,677	1,505	2,221	-924	474	713	4,953	5,666	9,948
Dec-23	2,373	498	3,574	1,107	-331	-33	7,220	7,187	-6,142
Jan-24	2,535	-53	1,297	-885	-112	-382	2,781	2,399	4,931
Feb-24	2,374	-301	3,837	-209	-429	119	5,272	5,391	100
Mar-24	2,224	-1,313	1,454	47	-255	163	2,156	2,318	5,871
Apr-24	-1,910	-1,064	3,980	555	-697	233	864	1,097	-14,646
May-24	1,005	1,199	2,749	2,737	511	707	8,201	8,908	3,930
Jun-24	2,136	117	3,046	38	-287	-549	5,050	4,501	-9,891
Jul-24	2,615	305	1,958	38	779	1,099	5,695	6,793	8,947
Aug-24	2,806	2,492	6,463	-1,813	762	1,394	10,709	12,103	8,798
Sep-24	2,295	1,343	7,260	2,228	129	-155	13,255	13,099	188
Oct-24	-343	967	6,377	1,248	-993	-1,607	7,256	5,649	12,889
Nov-24	**-114**	**-806**	**2,763**	**1,248**	**-854**	**-1,607**	**2,237**	**630**	**4,443**

Yearly	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	**15,622**	**2,887**	**41,184**	**5,230**	**-1,448**	**-585**	**63,475**	**62,890**	**25,561**
2023	8,445	5,142	60,647	2,130	319	3,767	76,682	80,449	-36,506
2022	-2,012	-7,070	54,020	6,334	6,227	-732	57,499	56,767	-77,953
2021	-1,525	-4,906	106,256	3,900	6,550	2,976	110,274	113,251	111,916
2020	-13,853	-4,684	62,283	6,297	-1,005	3,248	49,038	52,286	-22,017
2019	3,489	11,767	45,764	1,034	-502	4,303	61,552	65,854	88,890
2018	-6,745	3,462	46,282	3,912	8,854	-4,539	55,765	51,226	20,971
2017	22,970	12,062	32,426	440	10,621	-621	78,519	77,898	37,722

Source: Syailendra Research

Indonesia Bonds Ownership

Banks continue to sell-off its INDOGB position during 3Q24

Ownership on Tradeable Indonesia Government Bonds

In IDR Trn

Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
2017	23.4%	6.8%	5.0%	16.6%	39.8%	2.9%	5.6%	100.0%
2018	20.3%	10.7%	5.0%	17.5%	37.7%	3.1%	5.7%	100.0%
2019	21.1%	9.5%	4.8%	17.1%	38.6%	2.9%	5.9%	100.0%
2020	35.5%	11.7%	4.2%	14.0%	25.2%	3.4%	6.0%	100.0%
2021	34.0%	17.1%	3.4%	14.0%	19.0%	4.7%	7.7%	100.0%
2022	32.0%	19.2%	2.7%	16.4%	14.4%	6.5%	8.8%	100.0%
2023	26.5%	19.4%	3.2%	18.5%	14.9%	7.7%	9.8%	100.0%
YTD	18.9%	25.3%	3.1%	18.9%	14.5%	8.9%	10.2%	100.0%

Net flow

Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
2017	92	8	18	23	170	2	13	326
2018	-10	112	15	66	57	13	17	269
2019	100	9	12	57	169	8	29	384
2020	794	192	30	71	-88	50	68	1,118
2021	216	347	-3	112	-83	90	129	808
2022	106	219	-12	218	-129	123	106	630
2023	-202	75	32	168	80	91	85	330
YTD	-360	424	11	95	30	101	63	364
YTD								
1Q	-81	123	1	20	-31	19	21	71
2Q	-133	120	1	42	-3	44	21	92
3Q	-124	143	8	2	62	19	9	120
4Q	-21	38	2	30	2	19	12	81
QTD								
Oct	-2	-22	1	13	15	14	8	27
Nov	-19	60	1	17	-13	5	3	54
Dec								

Source : Syailendra Research, DJPPR

Indonesia Bonds Ownership - SRBI

Sep-Oct'24 showing some crowding-out criteria

Total SRBI - Net
In IDR trn

Total	Bank	Res.	Non-Res.	Others	Total
Dec-23	189.3	0.2	62.2	2.8	254.5
Jan-24	264.5	0.2	83.7	1.6	350.0
Feb-24	297.0	0.2	87.7	14.5	399.4
Mar-24	311.7	1.0	82.4	9.9	405.0
Apr-24	320.4	2.0	75.2	13.2	410.7
May-24	384.6	7.0	152.2	14.5	558.2
Jun-24	461.3	41.4	192.5	25.9	721.1
Jul-24	537.7	63.8	236.0	22.8	860.3
Aug-24	534.8	77.3	250.6	58.1	920.8
Sep-24	552.1	79.9	254.2	41.4	927.6
Oct-24	**586.3**	**83.6**	**262.2**	**28.6**	**960.7**

Source : Bank Indonesia

Ownership of SRBI
In IDR trn

Total	Bank	Res.	Non-Res.	Others	Total
Dec-23	74.4	24.5	0.1	24.4	1.1
Jan-24	75.6	24.0	0.1	23.9	0.5
Feb-24	74.4	22.0	0.0	22.0	3.6
Mar-24	77.0	20.6	0.3	20.3	2.4
Apr-24	78.0	18.8	0.5	18.3	3.2
May-24	68.9	28.5	1.3	27.3	2.6
Jun-24	64.0	32.4	5.7	26.7	3.6
Jul-24	62.5	34.9	7.4	27.4	2.7
Aug-24	58.1	35.6	8.4	27.2	6.3
Sep-24	59.5	36.0	8.6	27.4	4.5
Oct-24	**61.0**	**36.0**	**8.7**	**27.3**	**3.0**

Source : Bank Indonesia

Net Change of SRBI
In IDR trn

Total	Bank	Res.	Non-Res.	Others	Total
Dec-23	30.1	0.0	24.9	1.8	56.8
Jan-24	75.2	0.0	21.6	-1.2	95.6
Feb-24	32.5	0.0	4.0	13.0	49.4
Mar-24	14.7	0.8	-5.3	-4.6	5.6
Apr-24	8.7	1.0	-7.2	3.3	5.8
May-24	64.2	5.0	77.0	1.3	147.5
Jun-24	76.7	34.4	40.3	11.4	162.8
Jul-24	76.4	22.5	43.5	-3.1	139.2
Aug-24	-2.9	13.5	14.6	35.3	60.5
Sep-24	17.3	2.6	3.6	-16.7	6.8
Oct-24	**34.2**	**3.7**	**8.0**	**-12.9**	**33.1**

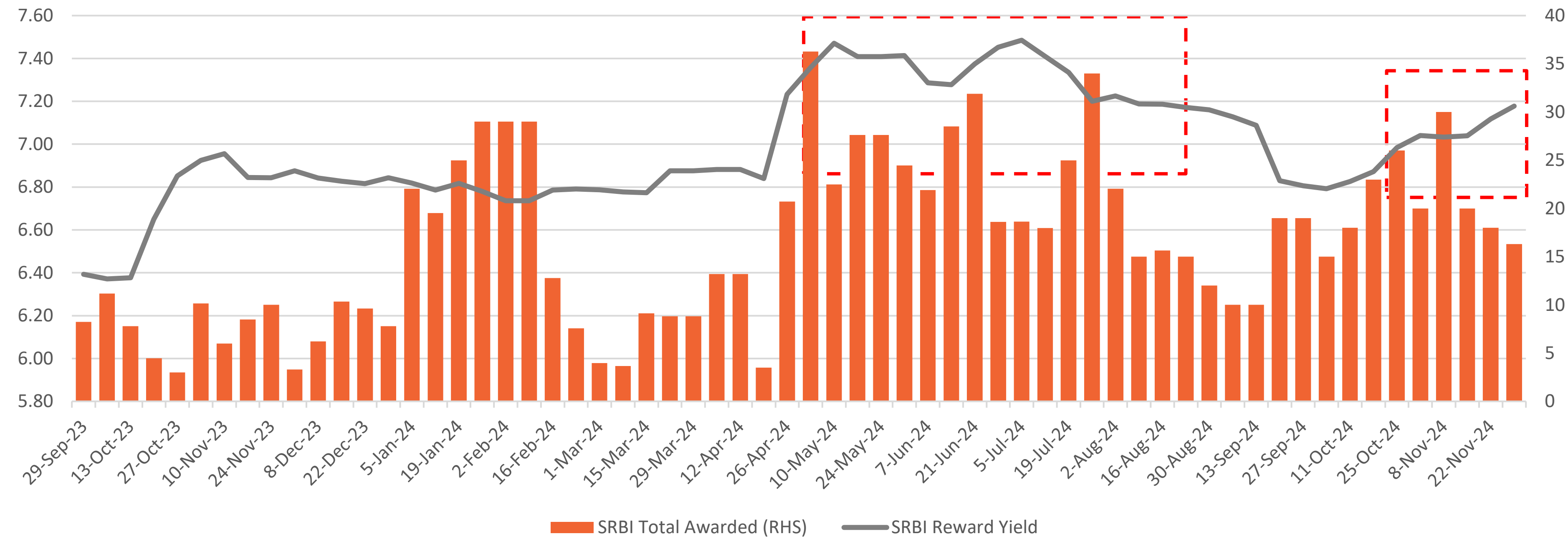
Source : Bank Indonesia

- Diluar dari perkiraan kami di awal Oktober, Perbankan melakukan penambahan posisi di SRBI terlepas dari posisi likuiditas yang sudah cukup ketat dari sisi perbankan.

Indonesia Bonds Ownership - SRBI

Higher Reward Rate and Yield possible crowding-out

Average Yield 7ppt seems attract lot of investor so far
In IDR trn



Source : Syailendra Research, Bloomberg

- Meningkatnya minat investor kedalam SRBI juga mungkin diakibatkan tingginya imbal hasil yang diberikan oleh SRBI dalam beberapa pekan terakhir dimana *avg. awarded yield* mencapai level diatas 7ppt.

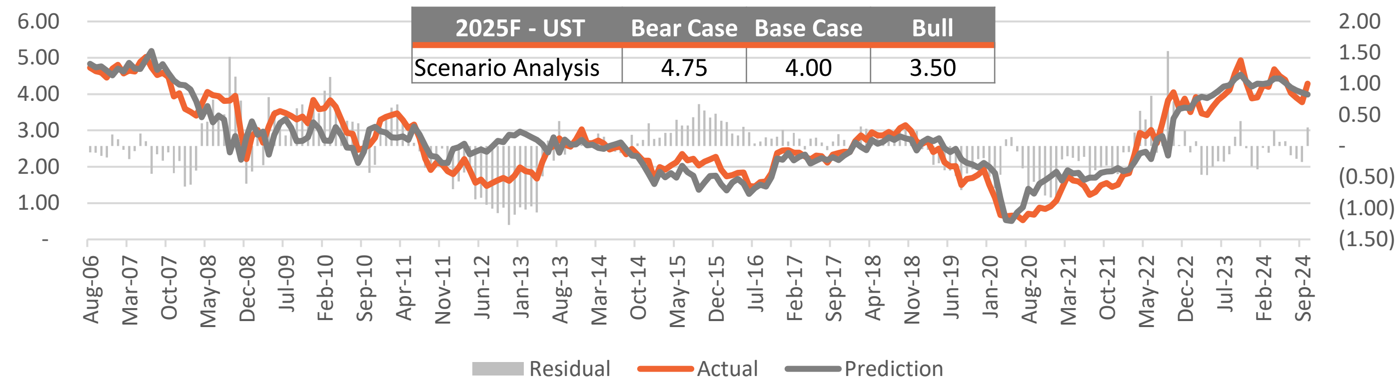
INDOGB Fair Yield for 2025F

We believe with 3x rate cut next year, INDOGB should be at 7%

Modelling UST 10Y with base case scenario at 4.00

In YTM

Parameter	Results
Adjusted R Square	83.3%
Output Summary	
Intercept	-1.5
FFR Effective	0.4
Inflation Expectation	1.5
Core CPI vs Expectation	-0.1
Unemployment U-3	-0.1



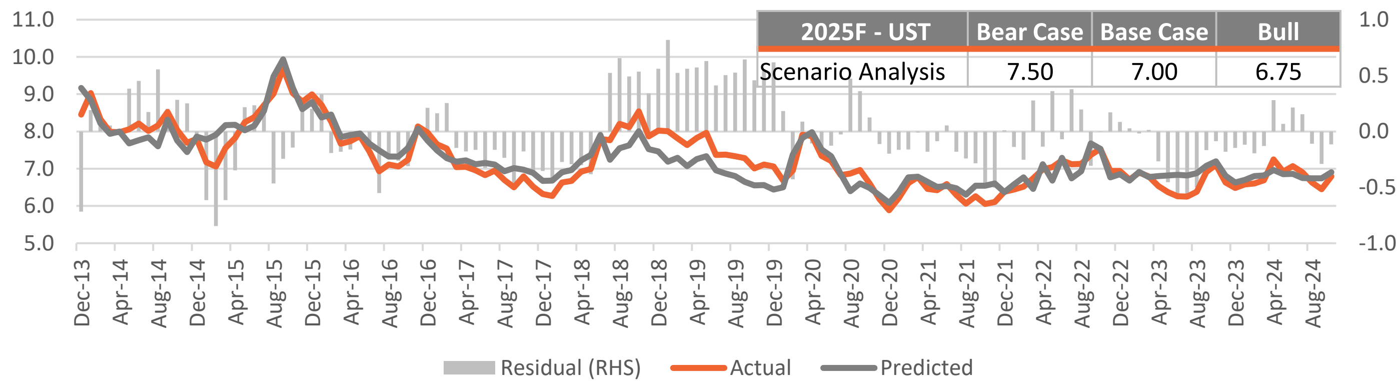
2025F - UST	Bear Case	Base Case	Bull
Scenario Analysis	4.75	4.00	3.50

Source : Syailendra Research, Bloomberg

Modelling INDOGB 10Y with base case scenario at 7.00

In YTM

Base Scenario	Results
Adjusted R Square	80.19%
Output Summary	
Intercept	6.08
USGG10YR	0.30
CDS 5YR	0.01
NDF 3M Pts	0.00328
USDIDR	-0.00008



2025F - UST	Bear Case	Base Case	Bull
Scenario Analysis	7.50	7.00	6.75

Source : Syailendra Research, Bloomberg

Section

03

Equity

2025F Equity Narrative

Non-Fundamental Issue, Bottom-Picking and Currency Risk

Updates on Our View this month
Explained

- Pasca US election *uncertainty global* baik dari *geopolitical* maupun *currency* meningkat. Kami melihat beberapa kesimpulan yang dapat ditarik dari sisi pengelolaan portfolio :

  - **Weighting yang besar dari saham-saham non-fundamental :** saham tersebut memiliki 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.

  - **Fokus pengelolaan dengan mengedepankan Fleksibilitas dan Sektor Neutral** : Hal ini dapat kami lakukan dengan melakukan pendekatan *Bottom-up/Stock Picking Strategy* tanpa melihat tematik sektor,

  - **Adapun *interest rate outlook* dapat membantu kinerja IHSG walaupun terdapat revisi atas potensi *rate-cut* :** mengingat sektor finansial sebesar 30% dari bobot IHSG dan merupakan Indonesia merupakan perbankan dengan ROE terbesar di regional.

  - **Risiko *foreign outflow* diakibatkan US dominance narrative** : YTD Indonesia mencatatkan +**3.6bio** USD diikuti oleh kinerja IHSG YTD +**4.14%**. Di sisi lain periode yang dapat dijadikan komparasi ialah tahun 2018 di saat Trump melakukan peningkatan tarif untuk pertama kali, 2018 mencatatkan *foreign outflow* sebesar **-3.6bio** USD diikuti kinerja IHSG sebesar **-2.54%.**

- Beradasarkan hal-hal diatas, Kami melakukan pendekatan yang berbeda untuk level IHSG dimana terdapat dua *price-level* yaitu JCI Adj. dan JCI Headline. Hal ini diakibatkan kontribusi saham-saham non-fundamental yang terjadi dalam 2 tahun terakhir.

- Konsensus melihat pertumbuhan laba memasuki 2025F dan 2026F akan Kembali diatas level 10% dan kami menaruh valuasi di level yang sama mengutamakan prinsip konservatif. Target IHSG Headline untuk 2025F di level 8200

Global Indices Performance

Indonesia had been underperforming compare to peers

Global Indices Historical Performance
In % of return

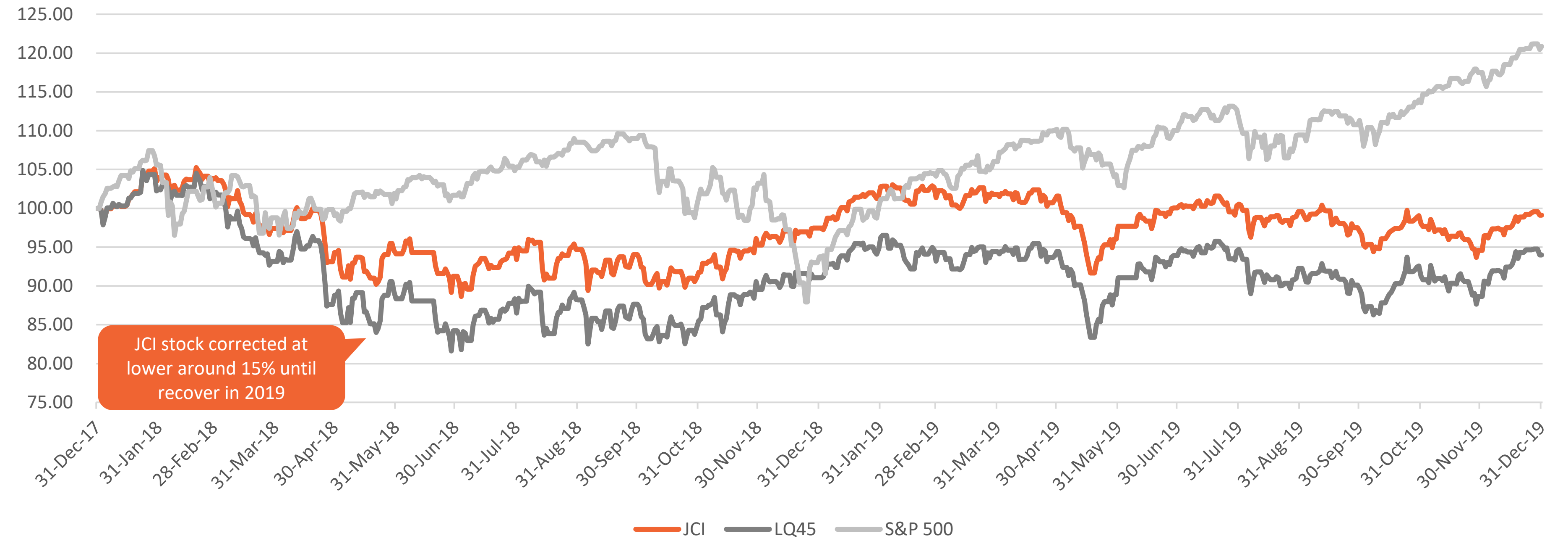
No	Country	YTD	1M	3M	6M	1Y	P/E (25F)	P/BV (25F)	ROE (25F)
Global Market									
1	Dow Jones (US)	19.16%	6.34%	8.65%	16.83%	26.76%	15.53	3.66	22.39
2	S&P 500 (US)	26.47%	3.42%	7.88%	14.53%	32.56%	16.93	3.42	18.96
3	Nasdaq (US)	28.02%	2.70%	9.72%	13.58%	34.78%	23.81	4.23	17.01
4	London (UK)	22.38%	4.42%	10.42%	17.12%	27.50%	12.11	1.60	12.31
5	DAX (GR)	17.16%	0.76%	3.77%	6.24%	21.40%	10.15	1.25	11.68
6	CAC (FP)	-4.08%	-3.67%	-5.31%	-8.82%	-0.45%	11.42	1.54	13.16
Asia Market									
1	Nikkei (JP)	14.18%	-1.79%	-0.40%	-0.90%	14.67%	17.16	1.65	9.59
2	Hang Seng (HK)	13.94%	-6.17%	9.21%	5.12%	14.30%	7.21	0.81	10.84
3	Shanghai (CN)	11.82%	1.22%	17.83%	6.93%	10.09%	8.62	1.01	11.63
4	Shenzhen (CN)	14.15%	-0.21%	19.49%	8.39%	12.28%	9.03	1.15	12.75
5	NFT (IN)	11.04%	-1.37%	-4.06%	6.28%	20.08%	16.62	2.62	15.59
6	Kospi (KR)	-7.51%	-6.18%	-7.75%	-8.27%	-2.54%	8.31	0.76	9.14
ASEAN Market									
1	Singapore (SG)	15.40%	4.15%	9.83%	12.52%	21.22%	9.56	1.02	10.65
2	Kuala Lumpur (MK)	9.60%	-1.29%	-3.58%	-0.69%	10.25%	12.32	1.18	9.50
3	Thailand (TH)	0.83%	-1.63%	5.17%	5.76%	2.87%	12.45	1.23	9.79
4	Vietnam (VN)	10.67%	-0.90%	-2.42%	-1.74%	13.39%	7.78	1.23	15.76
5	Philipines (PH)	2.54%	-8.65%	-4.03%	3.16%	5.57%	9.72	1.20	12.32
Indonesia Market									
1	JCI / IHSG (ID)	-2.18%	-6.47%	-6.73%	-0.36%	1.11%	11.60	1.54	13.33
2	JII / ISSI (ID)	2.26%	-5.93%	-3.28%	-0.34%	3.63%	10.87	1.35	12.47
3	IDX30 (ID)	-11.41%	-8.32%	-7.98%	0.48%	-8.23%	11.47	1.62	14.15
4	LQ45 (ID)	-11.72%	-7.88%	-9.06%	-3.32%	-7.31%	11.34	1.56	13.85

Source: Syailendra Research, Bloomberg

Indo vs US Equities during Trade War

Stock price was hit due IDR depreciation from 13.5k to 15k follows CNY

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



Source : Syailendra Research, Bloomberg

- Dampak pasar saham Indonesia terlihat akibat transmisi IDR yang melemah dari level 13,500 menjadi 15,000. Hal ini selaras dengan pelemahan Yuan dari 6.25 ke level 6.8-6.9. Setelah IDR dan Yuan lebih stabil di 2019, Kinerja IHSG sedikit lebih membaik.
- Namun sepanjang 2018-2019, bisa di katakana market mengalami stagnasi.

Equity Peers Comparison

Market much more positive on 2026 rather than 2025 earnings

Global Indices Performance Estimate
From Growth and Valuation Perspective

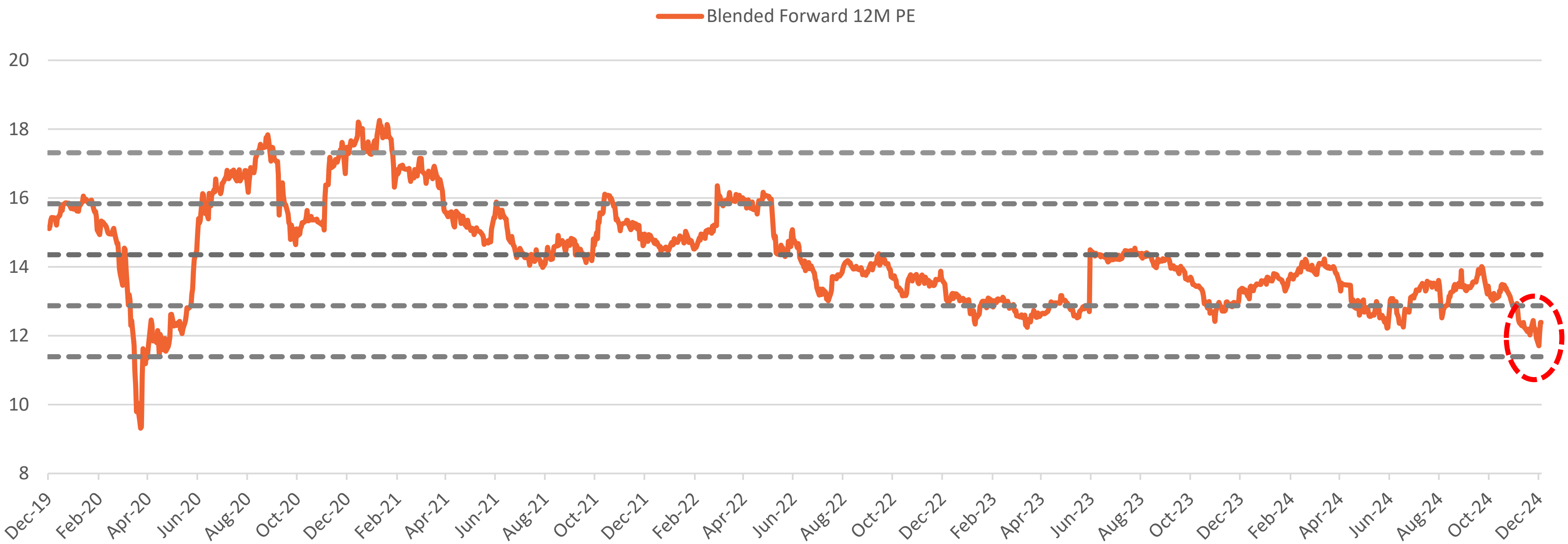
Desc.	P/E		EPS Growth		P/B		ROE	
	2025	2026	2025	2026	2025	2026	2025	2026
MSCI SEA	**13.5**	**12.5**	**8.4%**	**8.0%**	**0.8**	**0.8**	**6.2**	**6.1**
Indonesia*	**12.3**	**11.1**	**7.9%**	**10.6%**	**0.3**	**0.2**	**2.2**	**2.2**
Malaysia	14.0	13.0	9.1%	7.5%	1.4	1.3	9.7	10.0
Phillipines	10.8	9.9	10.6%	9.2%	1.5	1.4	13.9	13.8
Singapore	13.5	12.7	5.8%	6.3%	1.7	1.6	12.2	12.4
Thailand	16.6	15.2	14.6%	9.0%	1.7	1.6	10.3	10.7
MSCI AxJ	**12.7**	**11.2**	**12.8%**	**12.9%**	**1.4**	**1.3**	**11.1**	**11.4**
Hong Kong	12.0	11.2	6.6%	7.4%	0.9	0.9	7.5	7.7
India	22.5	20.3	15.9%	11.0%	3.6	3.2	15.0	14.5
Korea	7.8	6.8	21.8%	13.3%	0.8	0.8	10.9	11.3
Taiwan	16.8	14.7	16.8%	14.4%	2.9	2.8	17.1	19.0
MSCI EMEA	**10.3**	**9.1**	**14.9%**	**12.4%**	**1.4**	**1.2**	**13.2**	**12.5**
South Africa	9.5	8.4	28.6%	13.0%	0.5	0.4	5.7	5.1
Turkey	5.8	3.9	54.1%	48.8%	0.8	0.7	14.2	17.1
MSCI LATAM	**8.4**	**7.6**	**15.5%**	**9.7%**	**1.0**	**1.0**	**12.8**	**13.1**
Brazil	7.6	6.9	14.9%	9.6%	1.2	1.1	15.9	16.6
Mexico	10.6	9.8	14.4%	9.0%	1.6	1.5	16.4	15.2
MSCI EMEA	**10.3**	**9.1**	**14.9%**	**12.4%**	**1.4**	**1.2**	**13.2**	**12.5**
MSCI World	**19.6**	**17.7**	**9.8%**	**11.0%**	**3.3**	**3.0**	**15.5**	**15.8**
Australia	18.9	18.3	0.0%	3.3%	2.4	2.3	12.2	12.0
Europe	13.8	12.6	5.9%	9.3%	1.9	1.7	13.0	13.3
Japan	15.4	13.6	0.9%	12.9%	1.4	1.3	8.9	9.2
USA	22.4	20.0	12.7%	11.8%	4.6	4.2	19.1	19.3
Local Index								
JCI*	11.9	10.7	5.5%	11.3%	0.3	0.3	2.7	2.7

Source: Syailendra Research, Bloomberg

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 IHSG BF12M terkonsolidasi di level 13-14x. Hal ini terlihat murah membandingkan historis valuasi IHSG 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.

2025F Earnings Outlook

Market expect earnings growth back to above 10%

EBIT/PPOP Growth Outlook 2025F and 2026F

In % YoY

Sector	Weight	2025F		2026F	
		EBIT/PPOP Growth	Cont.	EBIT/PPOP Growth	Cont.
Financials	30.3	11.2	3.4	10.7	3.2
Communication Services	6.7	9.2	0.6	6.5	0.4
Consumer Staples	6.8	11.2	0.8	15.6	1.1
Materials	3.3	26.4	0.9	25.6	0.8
Consumer Discretionary	1.2	17.0	0.2	13.2	0.2
Health Care	2.3	12.9	0.3	13.1	0.3
Industrials	3.7	2.5	0.1	-1.0	0.0
Information Technology	0.0	13.4	0.0	7.5	0.0
Utilities	0.7	-5.1	0.0	0.2	0.0
Real Estate	1.3	0.8	0.0	6.1	0.1
Energy	4.4	-5.1	-0.2	-3.3	-0.1
Subtotal	**60.8**	**9.9**		**9.8**	

Source : Syailendra Research, Bloomberg

Net Profit Growth Outlook 2025F and 2026F

In % YoY

Sector	Weight	2025F		2026F	
		NPAT Growth	Cont.	NPAT Growth	Cont.
Financials	30.8	11.9	3.7	12.6	3.9
Communication Services	6.7	13.7	0.9	5.8	0.4
Consumer Staples	6.8	13.3	0.9	18.3	1.2
Materials	3.3	23.4	0.8	25.1	0.8
Consumer Discretionary	1.4	39.9	0.6	19.2	0.3
Health Care	2.3	12.8	0.3	16.2	0.4
Industrials	3.6	3.7	0.1	2.5	0.1
Information Technology	0.0	13.4	0.0	7.2	0.0
Utilities	0.7	-2.8	0.0	-1.8	0.0
Real Estate	1.3	-2.5	0.0	7.3	0.1
Energy	4.4	-3.7	-0.2	-2.2	-0.1
Subtotal	**61.3**	**11.5**		**11.5**	

Source : Syailendra Research, Bloomberg

- Konsensus memiliki ekspektasi kembalinya tingkat pertumbuhan laba JCI ke level diatas 10%. Salah satu sektor yang memiliki ekspektasi tingkat pertumbuhan tinggi ialah *materials* seperti sektor *nickel,* TINS, BRMS.

How Do We Intepret JCI Level Now

We saw two price level of JCI with and without non-fundamental factor

How do we come-up with JCI Level in midst of non-fundamental stocks

Ilustrated

Desc	2023	2024F			2025F			2026F		
		Bear	Base	Bull	Bear	Base	Bull	Bear	Base	Bull
Our Methodology to Forecast JCI										
JCI Equity Return and Composition (%)	100.0%	1. Identify 2023-2024 return contributed from non-fundamental stocks. 2. Categorize JCI weighting based on three category (fundamental-cover, non-fundamental, non-cover). 3. Create return contribution (mirror to SOTP) for each category as follows : • Earnings Growth x PE Re-rating for Fundamental Coverage • -25%/Flat/+25% from Non-Fundamental • -10%/Flat/+10% from Non-Coverage								
Fundamental-Coverage	65.8%									
Non-Fundamental	19.6%									
Non-Coverage	14.6%									
Result										
JCI Price Level	**7,273**	**7,060**	**7,742**	**8,491**	**7,342**	**8,204**	**8,951**	**7,954**	**8,713**	**9,471**
Non-Fundamental Factor	-459	-346	-794	-1,242	-262	-794	-1,326	-262	-794	-1,326
JCI Index Adj.	**6,813**	**6,714**	**6,948**	**7,249**	**7,080**	**7,410**	**7,625**	**7,692**	**7,918**	**8,145**
Our JCI Price Level Target (Inc. Non-Fundamental)	**7,273**	**7,100**	**7,700**	**8,500**	**7,400**	**8,200**	**8,900**	**8,000**	**8,800**	**9,500**
Price Return YoY%		-2.4%	5.9%	16.9%	-3.9%	6.5%	15.6%	-2.4%	7.3%	15.9%
Assumption										
Fundamental-Coverage										
EPS Growth	-1.39%	0.00%	3.00%	7.50%	5.00%	10.00%	12.50%	7.50%	10.00%	12.50%
P/E	14.5	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2

Foreign Equity Flows

JCI still record positive inflow due outflow begin at end of Sep'24

Monthly Data	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
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
Jan-24	-3,141	534	2,254	80	1,433	-870	145	435	290	17,148
Feb-24	483	646	6,120	129	3,390	82	277	11,125	10,849	7,415
Mar-24	4,016	506	3,816	-46	-93	-1,145	-609	6,444	7,053	-14,157
May-24	-3,023	-881	-676	-174	2,708	-455	314	-2,186	-2,500	9,910
Jun-24	3,111	-92	3,821	-104	1,773	-950	-13	7,546	7,559	-1,086
Jul-24	3,347	411	1,240	60	-11,562	-47	282	-6,269	-6,551	527
Aug-24	1,393	1,847	-2,078	143	-2,519	-170	587	-797	-1,384	-9,821
Sep-24	5,944	1,418	-5,727	346	-3,642	867	110	-684	-794	-35,744
Oct-24	-10,945	-719	-3,404	22	1,130	-845	-413	-15,173	-14,761	16,610
Nov-24	**-2,680**	**-1,063**	**-3,203**	**-349**	**-8,045**	**-398**	**-699**	**-16,437**	**-15,739**	**-1,834**

Yearly	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	**-1,495**	**2,608**	**2,162**	**107**	**-15,427**	**-3,932**	**-18**	**-15,995**	**-15,978**	**-11,033**
2023	21,427	-353	10,705	-863	6,933	-5,507	-514	31,827	32,341	29,092
2022	-15,392	4,058	-7,860	-1,029	-38,259	6,616	1,451	-50,416	-51,867	23,345
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
2018	-4,617	-3,656	-5,676	-1,080	-12,196	-8,913	-2,885	-39,024	-36,138	-50,284
2017	7,951	-2,960	8,267	1,095	7,415	-796	2,456	23,429	20,973	3,710

Source: Syailendra Research

Section

04

Appendix

Syailendra Benchmark View

Rolling our Macro and Benchmark Assumption for 2024F, 2025F and 2026F

Syailendra Macro Indicator and Benchmark

Desc	Unit	Syailendra								
		2024F			2025F			2026F		
		Bear	Base	Bull	Bear	Base	Bull	Bear	Base	Bull
Macro Indicator										
GDP Growth YoY	Average full year	4.80	4.90	5.00	5.00	5.10	5.20	5.10	5.20	5.30
Inflation YoY	Average full year	2.00	2.50	3.00	2.25	2.75	3.25	2.50	2.75	3.25
Fiscal Deficit (% of GDP)	End of year	-2.50	-2.30	-2.10	-2.95	-2.80	-2.65	-2.95	-2.80	-2.65
Current Account (% of GDP)	Average full year	-1.00	-0.80	-0.60	-1.50	-1.25	-1.00	-1.75	-1.25	-1.00
USDIDR	End of year	16,100	15,800	15,500	16,500	15,800	15,500	15,800	15,500	15,250
Rates										
Central Bank Rates Indonesia*	End of year	5.75	SY	5.25	5.50	5.00	4.50	5.00	4.50	4.25
10 YR Govt Bond Yield IDR	Average full year	7.00	6.50	6.25	7.50	7.00	6.75	7.25	6.75	6.50
Equities										
JCI Headline	End of year	7,100	7,700	8,500	7,400	8,200	8,900	8,000	8,800	9,500
JCI Adj.	End of year	6,700	6,900	7,200	7,100	7,400	7,600	7,700	7,900	8,200
Earnings Growth*	End of year	0.00%	3.00%	7.50%	5.00%	10.00%	12.50%	7.50%	10.00%	12.50%
P/E*	End of year	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2

Source: Syailendra Research, Bloomberg

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