SYAILENDRA

Preferred Investment Partner

Monthly Bulletin

July 2025

What's Inside

Calendar

US – Non Farm Payroll (3-Jul-25)

US – Tariff Anouncement (8-Jul-25)

ID – 7D BI Repo Rate (16-Jul-25)

US – Jobless Claims (Each Week)

Events

Negoisasi tarif US dengan negara lain mendekati dari akhir masa *pause* yang akan berakhir di 8-Jul-25. Di saat bersamaan eskalasi militer antara Israel-Iran keluar dengan skenario terbaik (terjadinya *ceasefire*).

Equity Market

IHSG mencatatkan kinerja sepanjang bulan Jun sebesar -3.46% (*cutoff date*: 30 Jun 2025). Di saat bersamaan, investor asing melakukan penjualan *(outflow)* sebesar 511 juta USD di bulan Jun'25.

Top 3 Leaders YTD 1) AMMN, 2) BRPT, 3) TLKM, dan Top 3 Laggards 1) BBRI, 2) BBCA, 3) BMRI

Fixed Income Market

Yield SUN 10 tahun di akhir Jun'25 tercatat di level 6.62% menurun 4bps dari akhir May'25 di 6.83%.

Kepemilikan investor asing di SUN terlihat *outflow 434 juta USD* di bulan Jun'25

By Syailendra Research Team

Section

01

Macro Updates

2025F Macro Background – Waiting for The Outcome

Investor need to adapt with recurring market shock

Updates on Macro View So Far

Explained

- 2-Apr-2025 mencatatkan awal dari suatu perubahan signifikan atas perdagangan global. Hal ini mengakibatkan perubahan signifikan untuk iklim investasi yang diikuti oleh koreksi massif di setiap asset kelas. Satu hal yang pasti **volatilitas pasar** masih akan **tinggi** selaras dengan **ketidakpastian** global dan domestik (politik, hukum dan daya beli). Dibawah ini merupakan isu-isu kunci :

    - ***Trade War : things change very fast, US still keen to rectify the trade imbalance*****:** Salah satu yang kami lihat dalam 5 bulan terakhir terkait *trade war timeline* ialah adanya pola antara *retaliation* dan *relaxation* dalam mencari negoisasi. Hal ini mengakibatkan *market shock* dari waktu ke waktu. Salah satu hal yang kami lihat terdapat korelasi yang berubah secara signifikan ialah antara USD dan UST yield.

    - ***Thankfully, Trump wasn't all powerful. Investor need to monitor 2 US constraint :*** Di dalam setiap krisis akan terlihat ujungnya (i.e tanda normalisasi dari *covid-19 outbreak* adalah vaksin). Hal yang sama terlihat dalam *trade war* saat ini yaitu kami melihat terdapat dua hal yang menahan tindakan trump yaitu *debt service* dan *public mandat (trump popularity*)

    - ***US treasury as safe haven securities attacked :*** Terlepas dampak jangka menengah yang akan terjadi seperti Inflasi, pertumbuhan PDB, dll. Satu hal yang pasti persepsi investor atas *US Treasury* menurun signifikan. Hal ini terlihat dari pergerakan FX yang terjadi semenjak 2-Apr dan porsi UST dalam *forex reserve major central.* Adapun hal-hal seperti "US *Big beautiful bill"* mengkhawatirkan investor atas kemampuan US membayar hutangnya.

    - ***There will be potential stabilizing factor (catalysts) :*** 1) *Monetary Easing :* Fed dan PBOC sudah memulai melakukan kebijakan *monetary easing* bahkan di beberapa hal *Fed* melakukan *quantitative easing* di *long-term bond*. 2) *De-dollarization* memberikan insentif untuk global investor mengalokasikan keluar US *market*. 3) *Faster Indo fiscal spending* masuk kedalam 2H25 perbaikan daya beli konsumen Indonesia.

    - **Indonesia *Specifics :* 1) IDR *post US liberation*** memiliki korelasi sangat tinggi dengan CNH. Hal ini didasarkan dengan minimnya portfolio flow, China sebagai *trading partner terbesar* Indonesia memiliki peran besar dalam menjaga arbitrase IDR-USD-CNH. **2) BI *rate cut*** memiliki potensi lebih tinggi karena kekhawatiran pertumbuhan domestic disertai pelemahan USD **3) *Fiscal deficit & consumption support :*** Kami melihat potensi *govt expenditure* meningkat signifikan di 2H25 melihat *purchasing power* yang sangat lemah. Kami melihat ruang fiscal masih besar dengan asumsi fiskal defisit terbaru -2.78%

Trade War Timeline

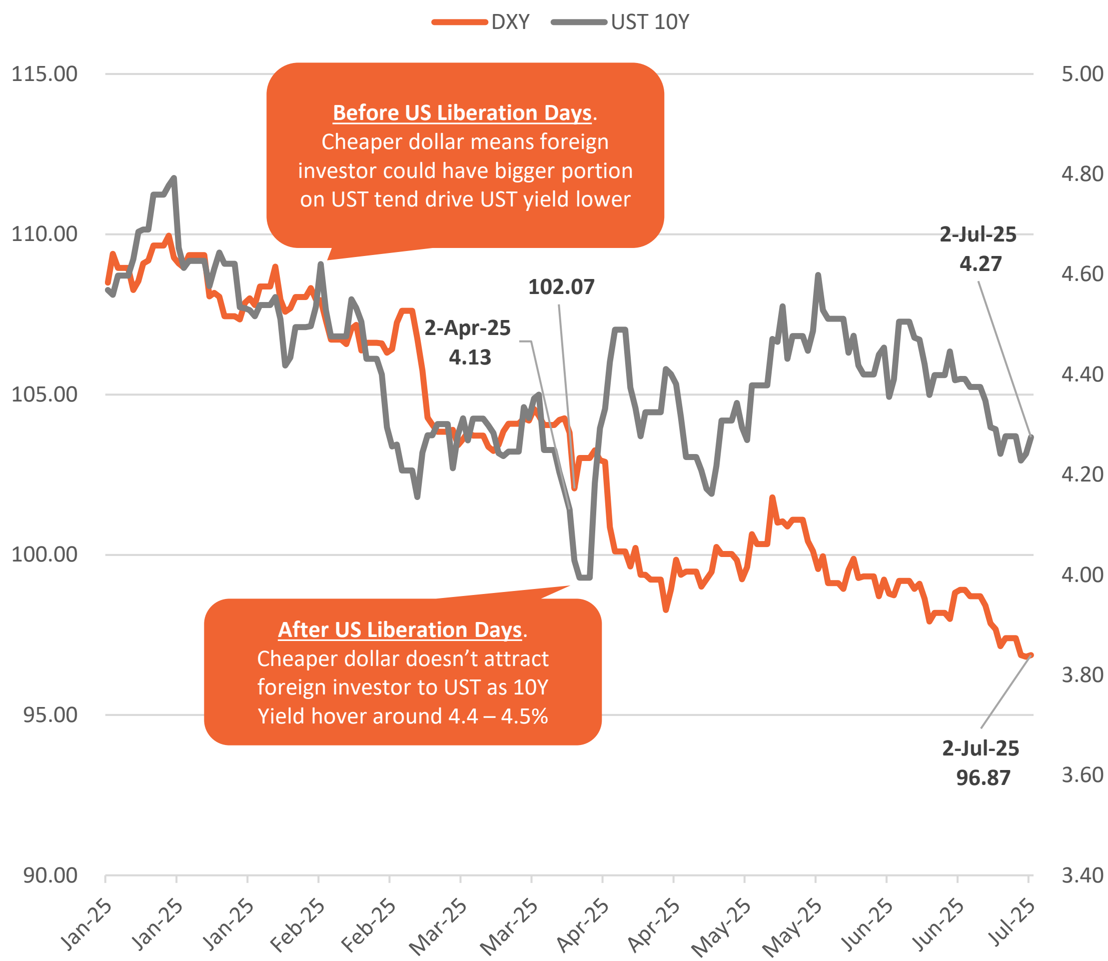
Things Change Very Fast, Investor is waiting until 4-8 Jul

We've seen some pattern relaxation and retaliation on the timeline. Dollar and UST had the opposite correlation since 2-Apr

Illustrated

Timeline	Highlights
20-Jan	- Trump sworn-in said 25% tariffs on canada and mexico
1-Feb	- Trump signs executive order to impose tariffs from mexico, canada and China (10% on all china import, 25% on mexico and canada)
3-Feb	- 30-day pause on mexico and canada
4-Feb	-10% tariffs on all-china import goes into effect.
4-Feb	- China retaliate 15% tariff on coal, LNG and 10% Crude oil, agriculture machinery and large engine cars
10-Feb	- Trump remove exemptions tariffs on steel. Now steel tariffs at 25%
13-Feb	- Trump announce upcoming plan for reciprocal tariffs
4-Mar	- Canada and Mexico tariffs goes into effect with limits levy on canada become 10%. - Chinese import now become 20% to all prodducts
6-Mar	- Postpone canada and mexico 25% tariffs for 30days
12-Mar	- US Steel and aluminum imports goes into effect (25%).
12-Mar	- EU retaliate on industrial and farm products.
13-Mar	- Trump threatens 200% tariffs on european liquor.
26-Mar	- Trump placing 25% tariffs on auto imports.
2-Apr	**- Trump announce reciprocal tariffs (10% min, varies across country)** **- Expection for USMCA-compliant (MX-CA-US Trade agreement) still enter US market duty free**
4-Apr	- Trump 10% minimum tariff on all countries takes effect
9-Apr	- Trump anncounce 90days pause on higher tariff rate (> 10%) countries except china.
9-Apr	- Trump threate china with 125% tariff across all product which china retaliate at 84%
10-Apr	- EU retaliation on industrial and farm products on hold for 90 days
11-Apr	- China match tariffs at 125% in response. - Trump exempt electronics imports from china.
29-Apr	- Trump relax some regulation on 25% tariffs on automobile and parts.
8-May	- US and UK announce trade deal
12-May	- US and China agree to roll back and impose 90-day pause
25-May	- Trump says delaying 50% tariff on EU untuk 9-July
28-May	- NY US Court of International Trade rules that Trump overstepped his authority invoking the law used to slap import tax
29-May	- US govt appelas court on US court of international trade ruling
4-Jul	**US Independence Day**
8-Jul	**90 days pause from US so called reciprocal tariff before announcement of bilateral tariff negotiation between US and every country**

Legend :
: Pause on part of Trump
: Retaliation from other country or US court ruling



Source : Syailendra Research, Bloomberg

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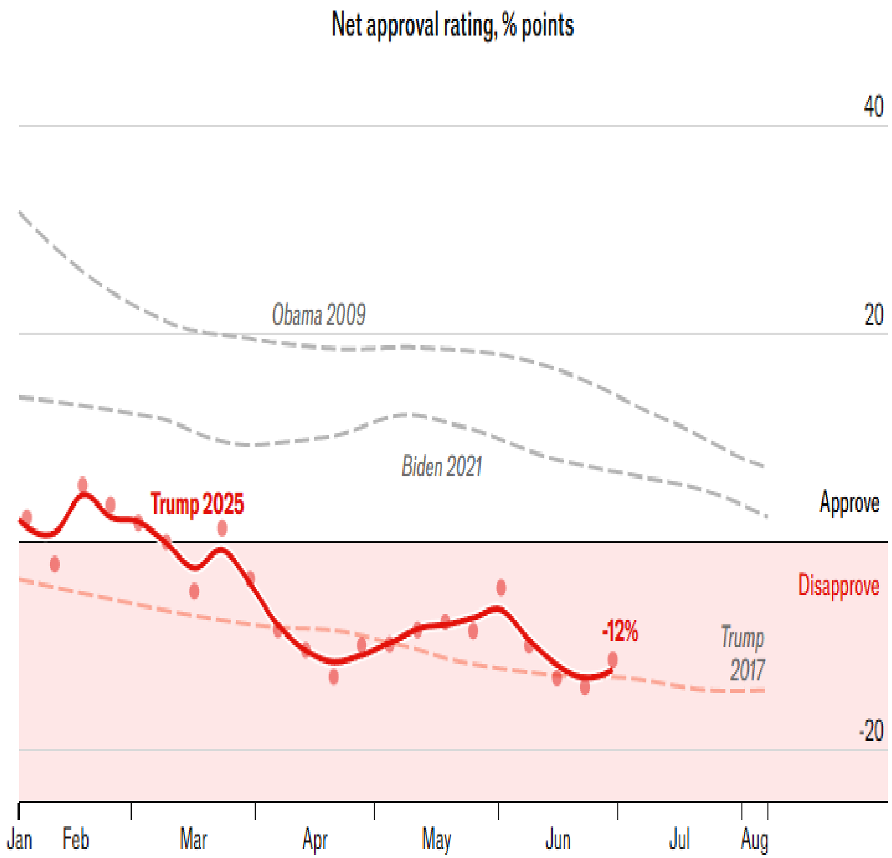
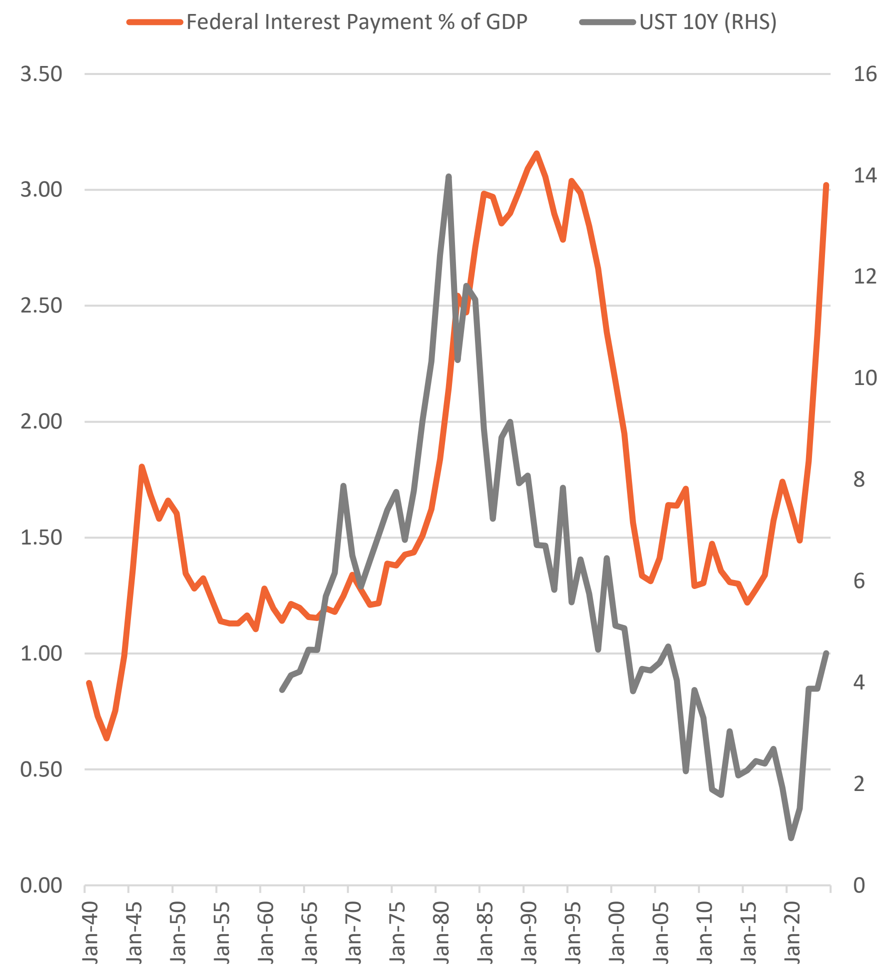
Thankfully, Trump wasn't all powerful…

investor need to monitor these 2 constraint : Mid-term & Debt-service

Trump approval rating was all time low
In



Us Debt service nearing all-time despite low yield
In %

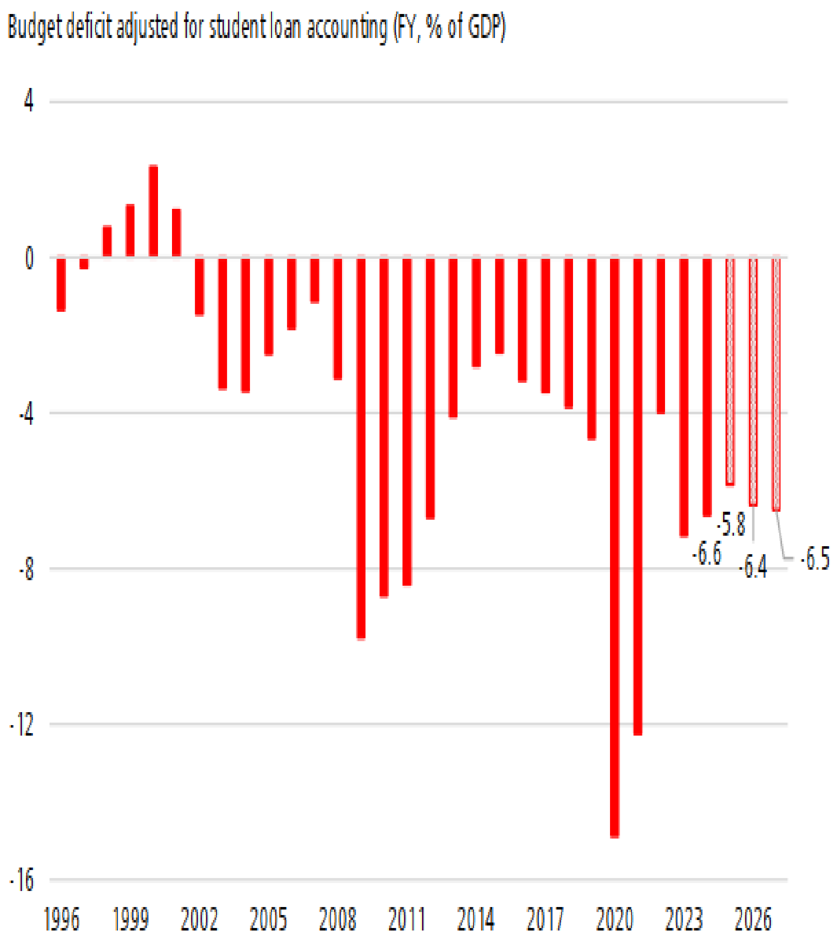


Source : The economist, Syailendra Research, Bloomberg, Federal Reserve

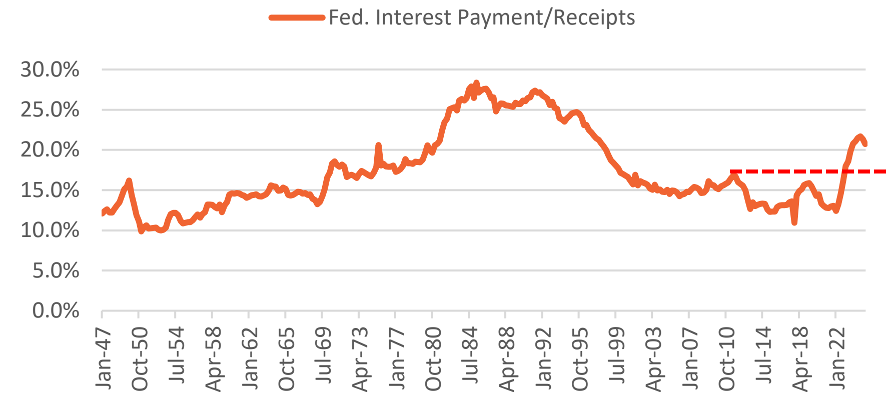
… Yet US Govt Continue to Widen The Debt

One big beautiful bill but not for debt investor

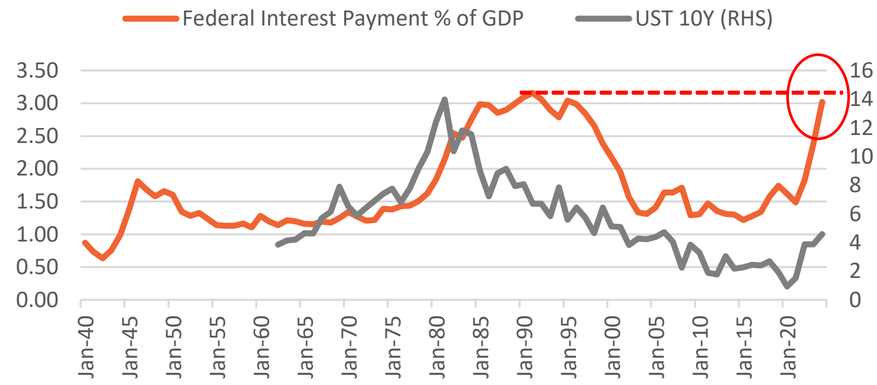
We expect deficit to narrow but widen again in 2026
In % of GDP



Highest Interest Payment in term of Fed. Receipts
In % Fed. Receipts



Near All Time High of Interest Payment % of GDP
In % GDP

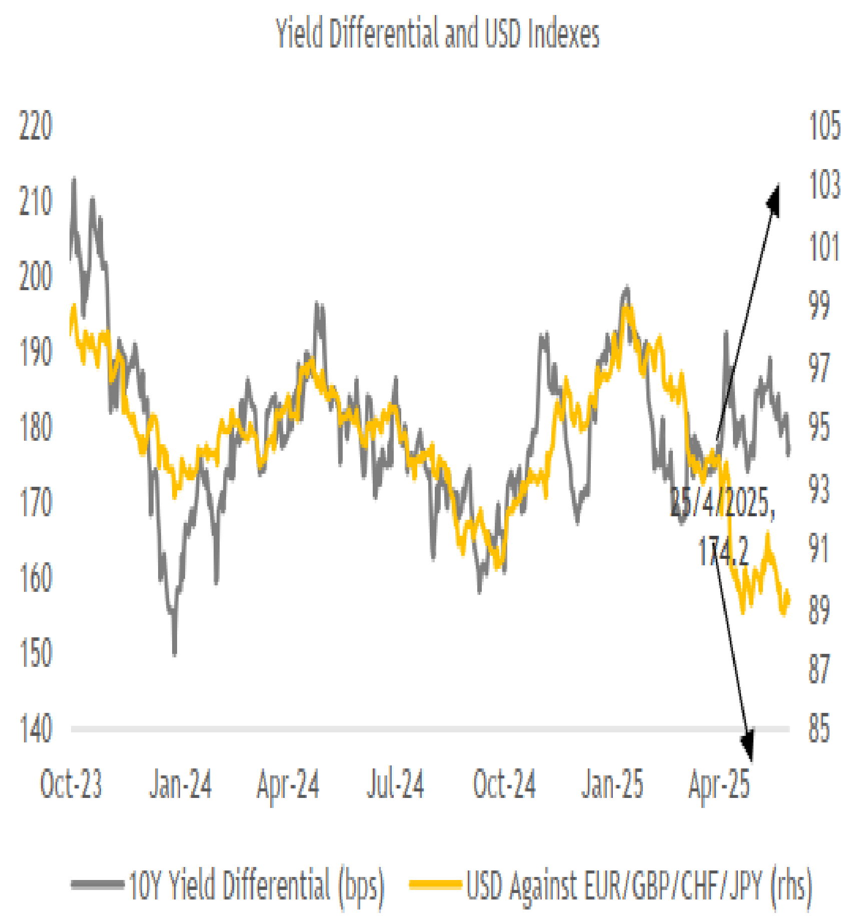


Source : The economist, Syailendra Research, Bloomberg, Federal Reserve, CBO, UBS

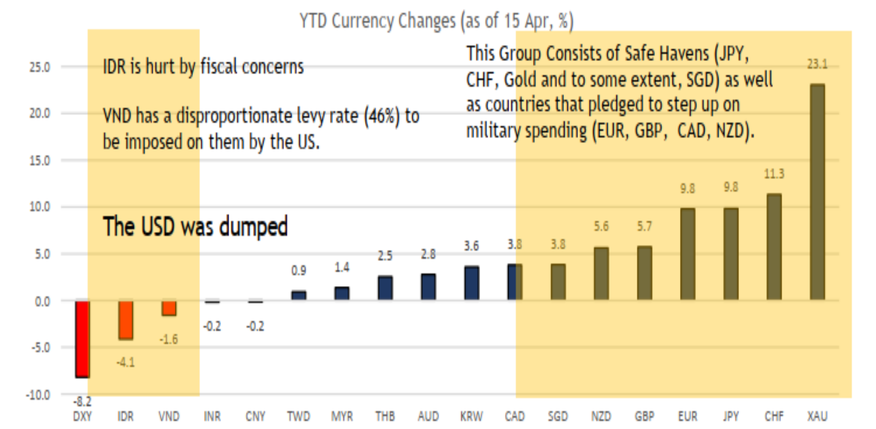
US Treasury as safe haven seems degrade

Decouple relation between USD and UST Yield and weakness of USD

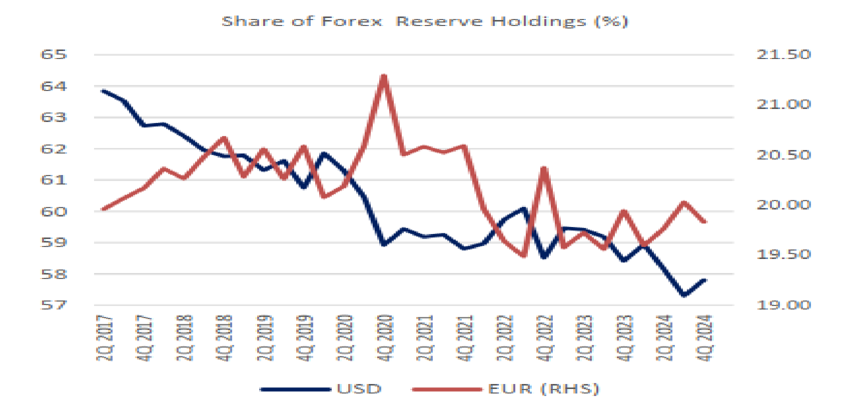
UST Yield and USD decouple against major country
In %



FX Price action few days post *liberation days*
in % return



Share of forex reserve holding on UST and EUR
In %



IDR seems limited upside despite USD weakness

Majority of Indo trading partner was China which highly correlate to its FX

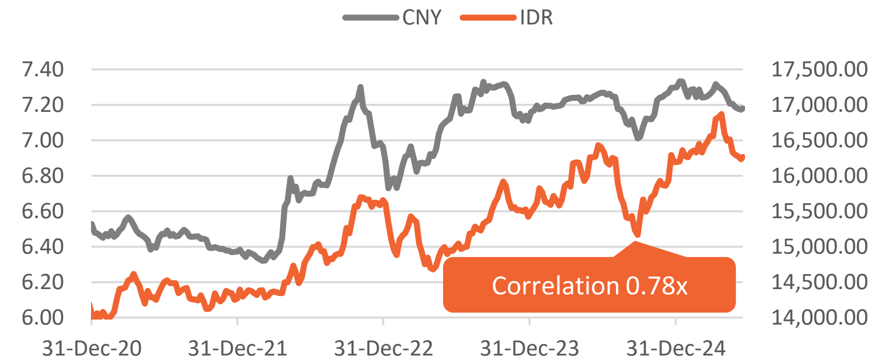
China was the highest Indo Trading Partner in 2025

In mio USD

No	Indonesia	Top 15 Trading Partner	%
1	China	142,180.30	33.6%
2	United States	41,433.10	9.8%
3	Singapore	37,820.00	8.9%
4	Japan	36,035.80	8.5%
5	India	29,959.46	7.1%
6	Malaysia	23,615.98	5.6%
7	South Korea	21,391.73	5.1%
8	Thailand	18,729.13	4.4%
9	Australia	16,640.15	3.9%
10	Vietnam	16,081.83	3.8%
	Other 5	39,125.77	9.2%
	Total	**423,013.25**	**100.0%**

It might be the reason high correlation USDCNY-USDIDR

in USDCNY (LHS), USDIDR (RHS)



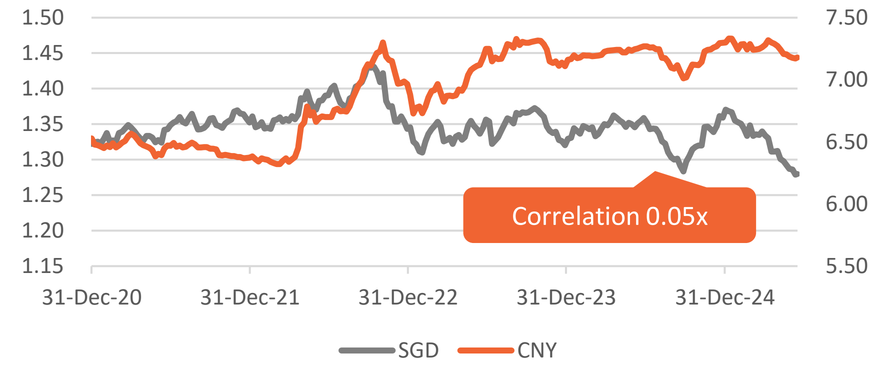
While SG had more diversified trading partner compare ID

In mio USD

No	Singapore	Top 15 Trading Partner	%
1	United States	99,135.20	17.7%
2	China	88,622.20	15.8%
3	Malaysia	87,857.00	15.7%
4	Hong Kong	54,929.53	9.8%
5	South Korea	39,290.30	7.0%
6	Indonesia	37,820.00	6.8%
7	Japan	29,863.88	5.3%
8	Thailand	18,819.95	3.4%
9	Australia	18,291.22	3.3%
10	India	15,629.98	2.8%
	Other 5	69,525.17	12.4%
	Total	**559,784.43**	**100.0%**

It might be the reason high correlation USDCNY-USDIDR

in USDCNY (LHS), USDIDR (RHS)



Source : Syailendra Research, Bloomberg

World Just Avoid Worst Case Scenario

Iran-Israel ceasefire force by US

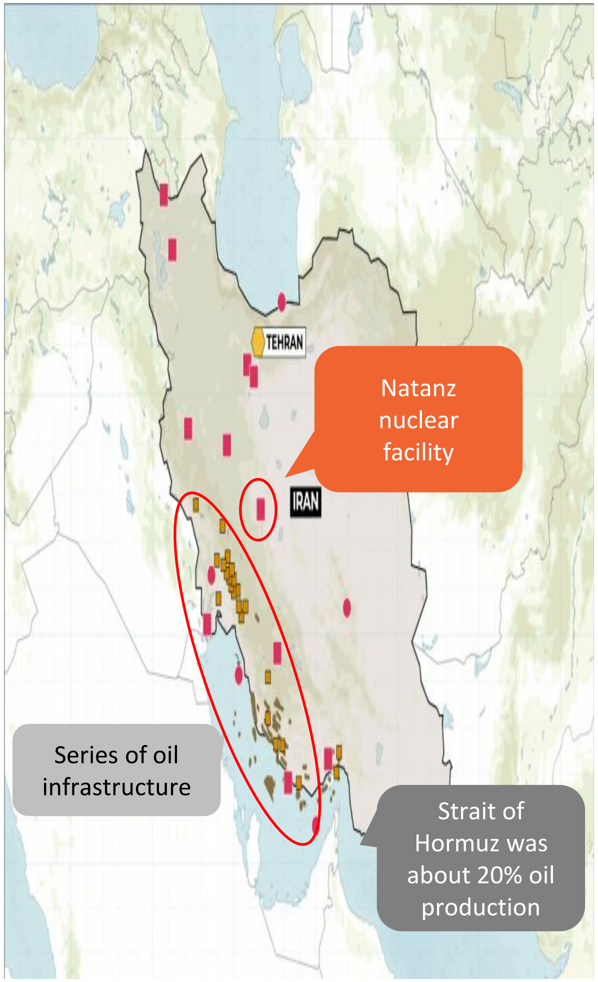
Iran-Israel Timeline

Each possible scenario, USD/Bbl

- 12 Apr 25 – US starts to negotiate with Iran to reach for nuclear peace agreement
- 31 May 25 - IAEA report that iran had amassed record amount of military grade enriched uranium.
- 11 Jun 25 – US embassies in Iraq and other arab states began to evacuate in response Iran threats.
- 12 Jun 25 – Israel carried out a series of airstrker targeting country nuclear sites (Natanz) & oil infrastructure. The strike was happen 60 day since start of US-Iran negotiation nuclear peace agreement. Israel strike also kills few military leader including person in charge in nuclear negotiation with US.
- 22 June 25 – US completed attack of three nuclear sites with bunker buster missiles.
- 24 June 25 – Israel and Iran have reached formal agreement of ceasefire.

Iran's area hit by Israel missile strikes

Illustrated



Possible scenario of Iran-Israel War

Each possible scenario, USD/Bbl

Possible Scenario	Description	Oil Price
Bear Case	- Prolonged military strikes with no diplomatic off-ramp. - Spillover to outside direct military action i.e blockage of straits of hormuz. - Risk of proxy involement increase.	> 90
Base Case	- Continuance missile strike between two country but back-channel diplomatic efforts still open. - Any diplomatic off-ramp remains on.	75 - 90
Bull Case	**- Iran surrender and return to negotiating table accepting faster timeline to reduce their uranium enrichment. - Israel ceases its strike on iran**	**60 -75**

FOMC SEP Jun’25 Signalling Slower Growth and Inflation

As market expect slower rate cut due some inflation concern

Market Expect Slower Rate Cut Post June’25 FOMC

Interest rate prob % for each fed meeting

Cum. Prob	300-325	325-350	350-375	375-400	400-425	425-450	450-475	Notes
Jul-25	0.0%	0.0%	0.0%	0.0%	19.1%	80.9%	0.0%	Latest FFR : 4.25 - 4.50%
Sep-25	0.0%	0.0%	0.0%	10.8%	89.2%	0.0%	0.0%	
Oct-25	0.0%	0.0%	0.0%	77.1%	22.9%	0.0%	0.0%	
Dec-25	0.0%	0.0%	52.8%	47.2%	0.0%	0.0%	0.0%	2025F : 3.9
Jan-26	0.0%	0.0%	97.1%	2.9%	0.0%	0.0%	0.0%	
Mar-26	0.0%	50.2%	49.8%	0.0%	0.0%	0.0%	0.0%	
Apr-26	0.0%	77.1%	22.9%	0.0%	0.0%	0.0%	0.0%	
Jun-26	27.1%	72.9%	0.0%	0.0%	0.0%	0.0%	0.0%	
Jul-26	58.1%	41.9%	0.0%	0.0%	0.0%	0.0%	0.0%	
Sep-26	88.3%	11.7%	0.0%	0.0%	0.0%	0.0%	0.0%	
Oct-26	97.1%	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%	
Dec-26	47.8%	52.2%	0.0%	0.0%	0.0%	0.0%	0.0%	2026F : 3.6 Terminal : 3.0-3.1

Source: Bloomberg, Syailendra Research

FOMC Jun show some concern over growth and inflation

June’25 summary economic projection

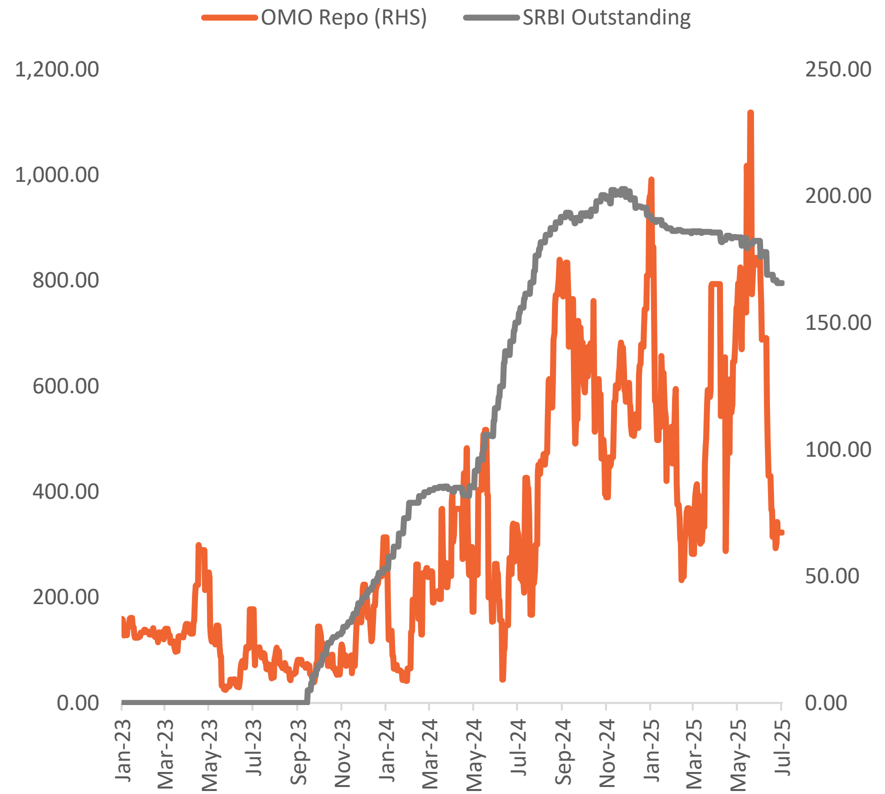
Variable	Latest	Median				Notes
		2025	2026	2027	Longer run	
Real GDP (%YoY%)	2.1	1.4	1.6	1.8	1.8	Slower growth in 2025F
Mar Proj.		1.7	1.8	1.8	1.8	
Unemployment rate (%)	4.1	4.5	4.5	4.4	4.2	Higher unemployment by 20bps
Mar Proj.		4.4	4.3	4.3	4.2	
PCE Inflation (%)	2.5	3.0	2.4	2.1	2.0	Higher inflation by 20bps
Mar Proj.		2.7	2.2	2.0	2.0	
Core PCE inflation	2.8	3.1	2.4	2.1		
Mar Proj.		2.8	2.2	2.0		
FFR	4.25-4.50	3.9	3.6	3.4	3.0	Slower rate-cut in 2026F
Mar Proj.		3.9	3.4	3.1	3.0	

Source: Bloomberg, Syailendra Research

Domestic Liquidity was Improving

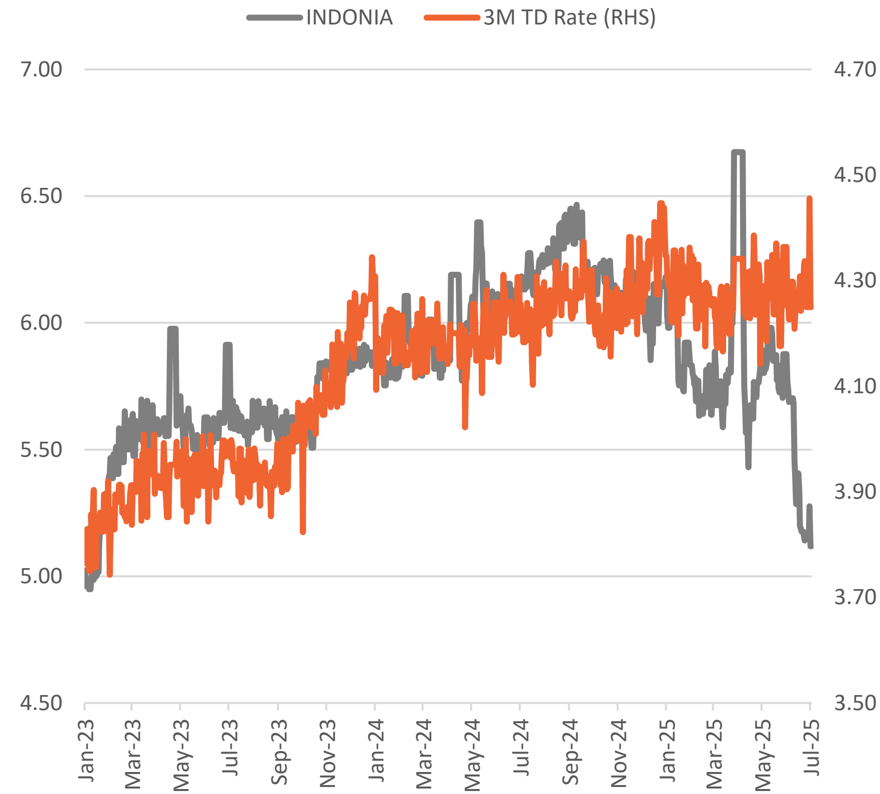
However, deposit rate still elevated yet INDONIA already dropped

Market Expect Slower Rate Cut Post June'25 FOMC
Interest rate prob % for each fed meeting



Source: Bloomberg, Syailendra Research

FOMC Jun show some concern over growth and inflation
June'25 summary economic projection

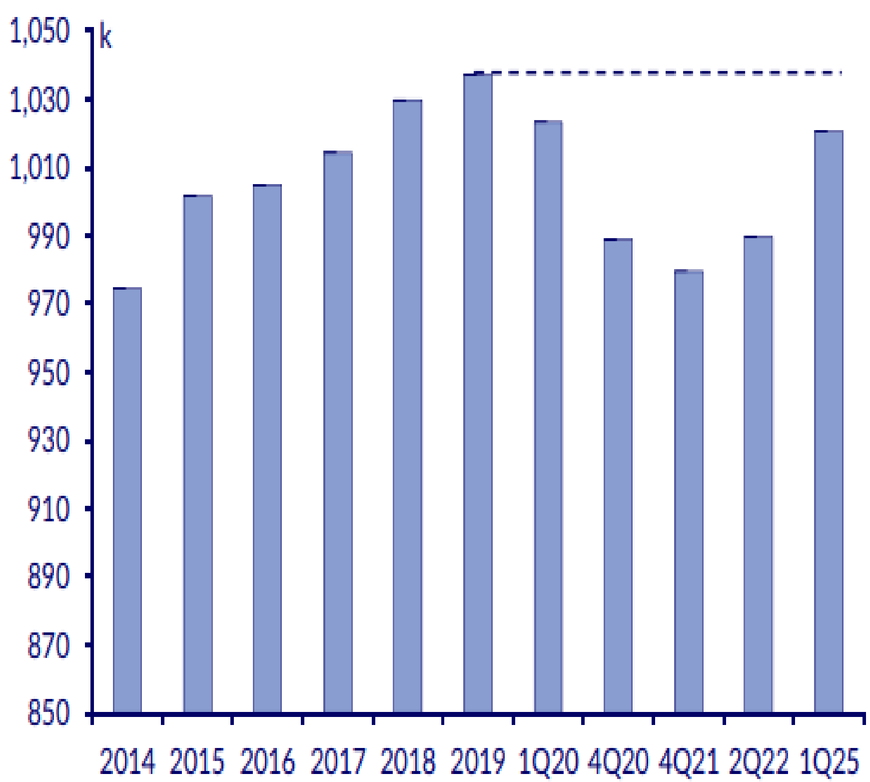


Source: Bloomberg, Syailendra Research

Tracking Employment through Listed Companies

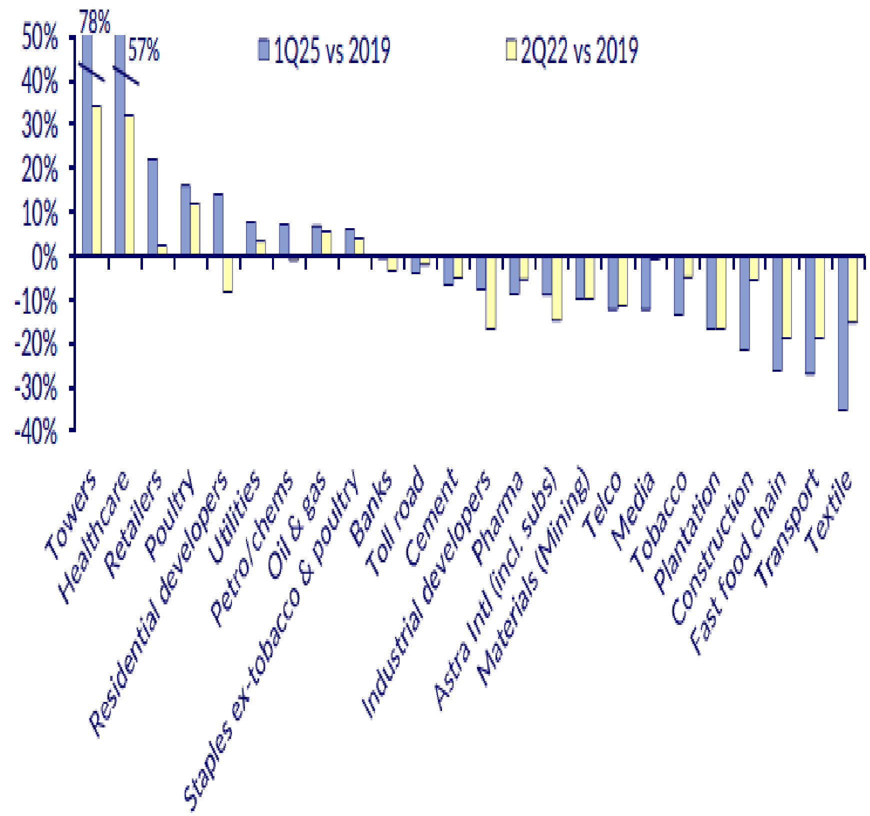
Labor hasn't back to pre-covid level

Total Employment for 80 key listed companies in IDX
Total of employee



Source: CLSA

Heavy Labor Sector was Hit The Most (Retail, Textile, etc)
In % of total employment

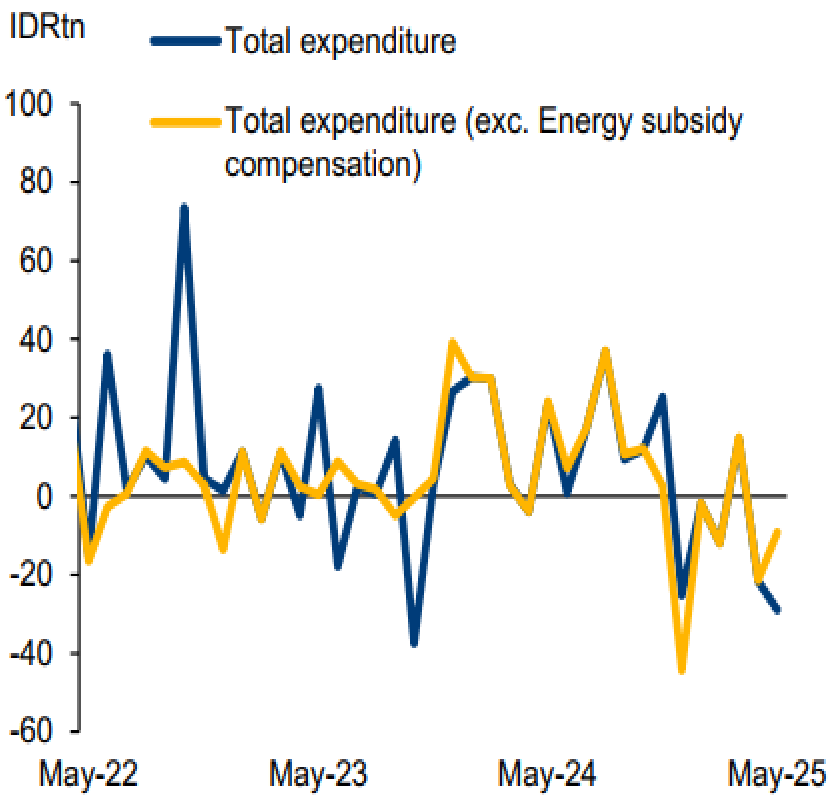


Source: CLSA

At The Same Time, Govt Expenditure Still Slow

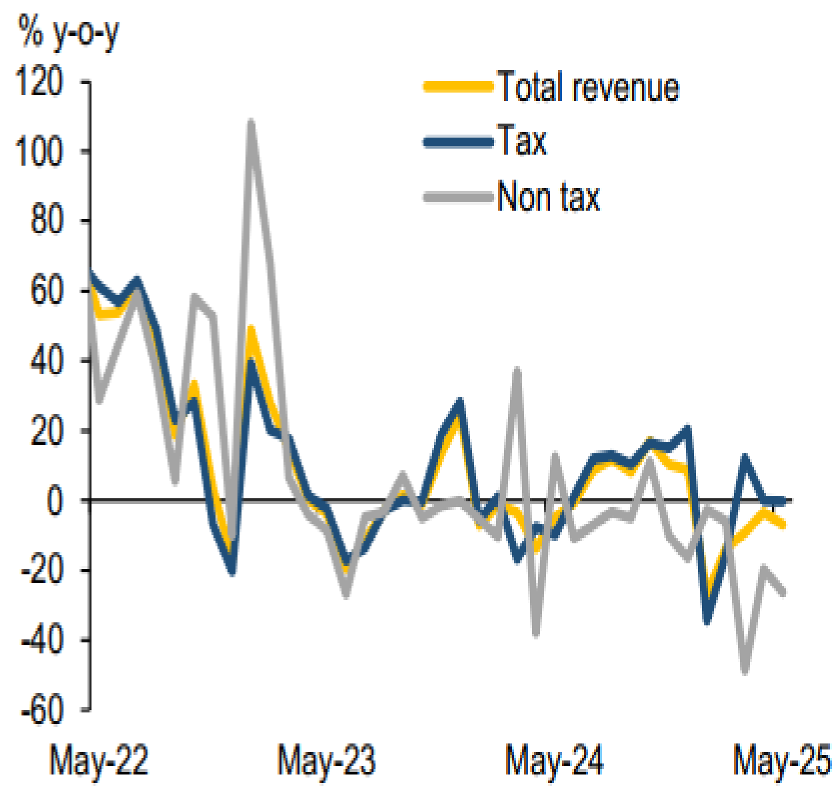
Partly due slower revenue so far

Monthly Govt Disbursement of Expenditure
In trn IDR



Source: Mandiri Sekuritas

Pace of Govt Revenue Growth in past 3Y
In %yoy



Source: Mandiri Sekuritas

Section

02

Fixed Income

2025F Fixed Income Narrative

New regime shift on global fixed income, elevated uncertainty

Updates on Our View this month
Explained

- Di awal tahun, kami melihat isu terkait *fixed income* berkisar antara *rate-cut, SRBI* dan INDOGB *supply issue*. Namun, hal ini menjadi less *relevant* menurut kami dengan di umumkannya oleh US *reciprocal tariff*. Dibawah ini mengapa kami merasa akan terjadi *structural shift* untuk asset *fixed income* dalam jangka panjang:

  - ***Since 1973 (Collapse of Bretton Woods), US dollar and treasury become base of asset investment in the world. Now, this might change :*** Saat dunia melakukan transisi ke *floating exchange rates.* USD menjadi dasar transaksi dan investasi seluruh asset negara (DM and EM). Hal ini melihat stabilitas politik US, *size economy* dan *liquidity*. Sehingga, US treasury sering dianggap sebagai *true risk free assets*. Umum suatu *yield* sovereign govt. bond EM (i.e INDOGB) di tandingkan dengan *yield* UST. Hal ini digunakan sebagai basis valuasi suatu *sovereign govt. bond.*

  - ***If USD de-couple against other currency, cross-currency settlement becoming much normal. IDR might be benefitted as long our central bank infrastructure increase :*** Indonesia sering kali bermasalah akibat *supply* USD yang diakibatkan baik isu *domestic twin deficit* atau sentimen negara US. Hal ini mengakibatkan sering terjadinya lompatan dari *yield* dan IDR. Meningkatnya *cross-currency settlement* menurunkan ketergantungan kita terhadap USD tapi di saat bersamaan memaksa peemrintah untuk lebih aktif dalam operasi moneter menggunakan berbagai jenis FX.

  - ***Global recession should pressure global yield inc. INDOGB :*** Walaupun terdapat hal yang perlu diperhatikan **apabila *reciprocal tariff*** berjalan mungkin akan memberikan *shock* akibat ***inflation*** ke *sovereign govt bond* dalam **jangka pendek.**

- Namun, Kedua hal diatas membuat kami menjadi sulit untuk *fair yield* atas INDOGB terdapat possibilitas kami dapat melakukan revisi target lebih *sering.* Berikut target 10Y kami Berdasarkan skenario: *Bullish (Dovish)* 6.25%, *Base* 7,00%, *Bearish (Hawkish)* 7,50%.

INDOGB Peers Comparison

INDOGB attratctiveness was getting better despite still lower compare EM Carry Yield

EM Peers Yield Comparison

In %

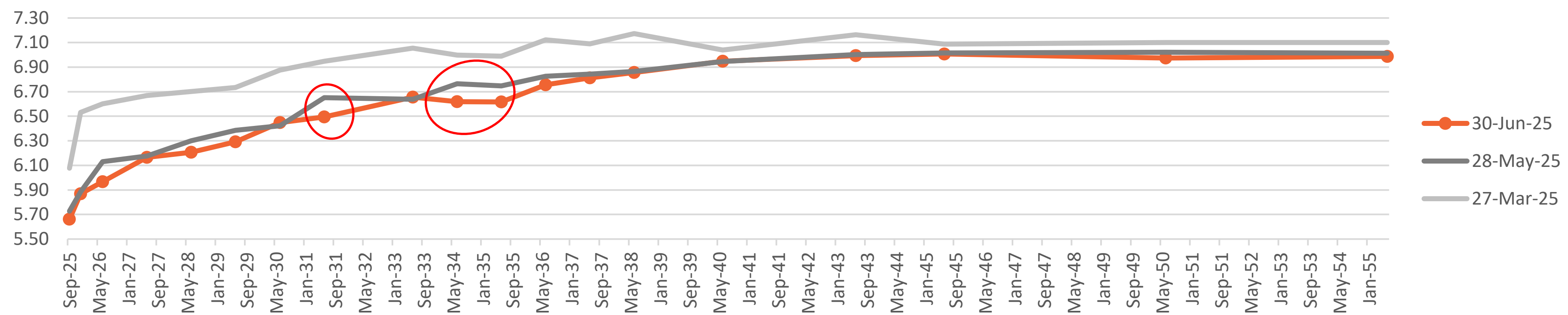
Country	10Y Yield (%)		Spread to US 10Y			Currency		Carry Yield	Inflation	Real Yield (%)	CAD	Fiscal Deficit	Credit Rating
	Current	YTD Chg. (bps)	2024	Current	Chg.	YTD Chg (in ppt)	vs Cons. Forecast (2025F)	2025F	2025F	2025F Inflation	2025F	2025F	
Brazil	13.49	-168	10.59	9.21	-1.39	13.17	7.43	20.92	5.23	8.26	-2.55	-8.40	BB
South Africa	9.82	-50	5.74	5.54	-0.21	6.52	4.68	14.50	3.40	6.42	-1.20	-4.85	BB
India	6.29	-47	2.19	2.01	-0.18	-0.14	1.49	7.78	4.60	1.69	-0.80	-4.80	BBB-u
Italy	3.48	-4	-1.05	-0.80	0.25	13.73	13.00	16.48	2.10	1.38	1.30	0.30	BBBu
Portugal	3.06	21	-1.73	-1.23	0.50	13.73	13.00	16.06	2.10	0.96	1.70	0.30	A-u
Mexico	9.30	-112	5.85	5.02	-0.83	11.11	2.50	11.80	3.90	5.40	-0.32	-4.00	BBB+
Romania	7.40	7	2.76	3.12	0.36	11.66	1.78	9.18	4.80	2.60	-7.85	-7.65	BBB-
Hungary	7.01	45	1.99	2.73	0.74	17.29	3.91	10.92	4.55	2.46	1.45	-4.50	BBB-
Indonesia	6.60	-37	2.40	2.32	-0.08	-0.86	2.23	8.84	1.90	4.70	-0.90	-2.80	BBB
Avg. Peers in BBB & BB*			**3.60**	**3.59**						**5.63**			
Spain	3.24	19	-1.52	-1.04	0.48	13.73	13.00	16.24	2.30	0.94	2.50	-2.90	Au
South Korea	2.84	-2	-1.72	-1.44	0.27	8.29	6.28	9.11	1.90	0.94	4.35	-2.10	AA
China	1.64	-3	-2.91	-2.64	0.26	1.85	1.38	3.02	0.20	1.44	1.85	-5.60	A+
Chile	5.68	-5	1.15	1.40	0.24	7.04	3.58	9.26	4.40	1.28	-2.10	-1.95	A+
Thailand	1.59	-66	-2.32	-2.69	-0.37	5.09	0.28	1.87	0.50	1.09	2.55	-4.50	A-
Malaysia	3.50	-32	-0.76	-0.78	-0.02	5.84	1.18	4.68	2.00	1.50	1.90	-3.90	A
Poland	5.51	-37	1.31	1.22	-0.08	14.44	0.50	6.01	3.70	1.81	-0.50	-6.15	A
Avg. Peers in A Credit			**-0.97**	**-0.85**						**1.28**			
United States	4.28	-29							2.90	1.38	-4.1	-6.5	AA+u

Source: Bloomberg, Syailendra Research

INDOGB Curve Slightly Steepen

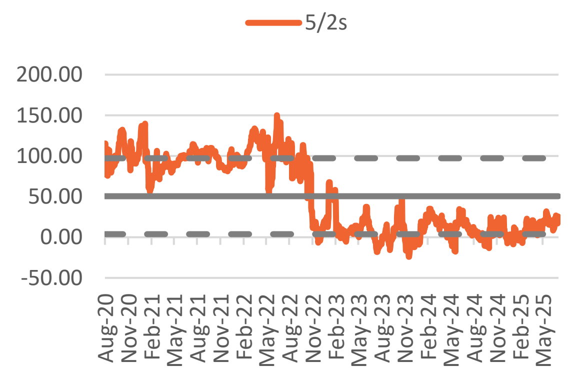
However, 5-10Y become the best performing series so far

INDOGB Yield Curve
In ppt



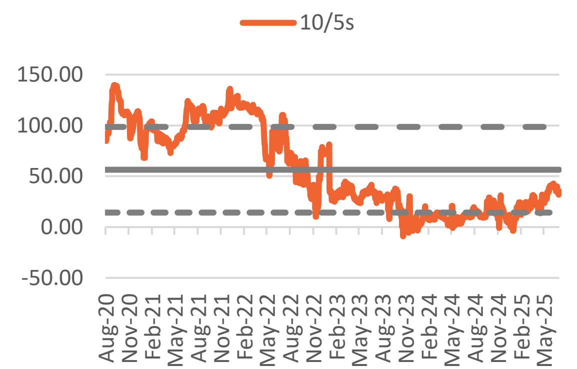
Source : Syailendra Research, Bloomberg

5/2s Historical Spread
In bps



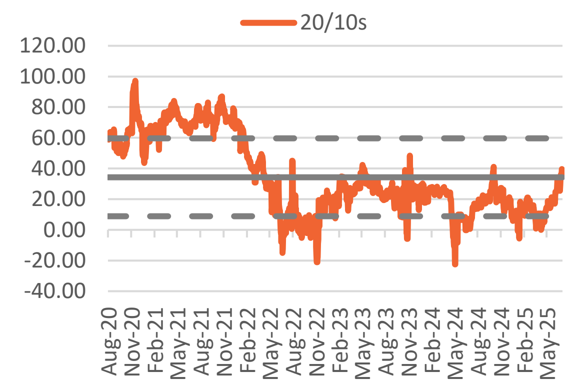
Source : Syailendra Research, Bloomberg

10/5s Historical Spread
In bps



Source : Syailendra Research, Bloomberg

20/10s Historical Spread
In bps



Source : Syailendra Research, Bloomberg

Foreign Government Bond Flows

Outflow month for ASEAN & India Govies

Monthly Data	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
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	224	-854	-318	1,213	895	4,443
Dec-24	1,578	293	1,955	-708	356	-429	3,474	3,045	-6,835
Jan-25	1,384	133	280	391	-358	349	1,830	2,179	8,876
Feb-25	1,353	546	1,796	3,064	146	-38	6,904	6,866	12,024
Mar-25	3,687	111	8,186	-1,901	618	379	10,701	11,080	12,317
Apr-25	-3,030	387	3,591	-1,602	1,683	2,061	1,029	3,090	42,082
May-25	223	1,800	13,118	-1,602	-24	2,939	13,514	16,453	-3,075
Jun-25	**60**	**-434**	**12,967**	**-1,602**	**-608**	**2,939**	**10,383**	**13,322**	**2,014**

Yearly	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	**3,677**	**2,543**	**39,938**	**-3,253**	**1,457**	**8,628**	**44,362**	**52,991**	**74,237**
2024	17,199	3,180	43,139	3,499	-1,092	275	65,925	66,199	18,726
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	6,995	45,764	1,034	-502	4,303	56,780	61,083	88,890
2018	-6,745	3,462	46,282	3,912	8,854	-4,539	55,765	51,226	20,971

Source: Syailendra Research

Section

03

Equity

2025F Equity Narrative

New regime shift, cautious and defensive mode while wait for turnaround

Updates on Our View this month
Explained

- Di awal tahun, kami melihat isu terkait *equity* berkisar antara *tactical play* seperti *MSCI/FTSE inclusion, thematic play (regulation turnaround)* dan *bottom-pick* diikuti potensi *currency* risk. Namun, kami merasa terjadi *structural shift* yang mengakibatkan iklim investasi untuk *risky asset* akan menjadi lebih sulit. Sehingga kami melihat terdapat beberapa perubahan yang diperlukan dari sisi pengelolan portfolio :

  - ***Elevated global uncertainty means prioritize lower foreign ownership in a stock*** *:* Melihat kinerja emiten YTD, salah satu tema yang dirasa cukup berjalan saat ini ialah melihat *foreign ownership level*.

  - ***Cheap valuation might not just enough dividend paying stock might help :*** Indonesia sering kali bermasalah akibat *supply* USD yang diakibatkan baik isu *domestic twin deficit* atau sentimen negara US. Hal ini mengakibatkan sering terjadinya lompatan dari *yield* dan IDR. Meningkatnya *cross-currency settlement* menurunkan ketergantungan kita terhadap USD tapi di saat bersamaan memaksa pemerintah untuk lebih aktif dalam operasi moneter menggunakan berbagai jenis FX.

  - ***Some defensive stock (isolated business model, relatively stable cashflow) with clear earnings trajectory without depressed valuation might be interesting :*** Walaupun terdapat hal yang perlu diperhatikan **apabila *reciprocal tariff*** berjalan mungkin akan memberikan *shock akibat* ***inflation*** ke *sovereign govt bond* dalam **jangka pendek.**

  - ***Tactical strategy with stock-picking :*** Strategi ini akan disesuaikan dengan kondisi *thesis* yang dibuat berdasarkan masing-masing emiten.

- Berdasarkan hal-hal diatas, kami melihat pertumbuhana laba memasuki 2025F dan 2026F berada di 0% dan 5-10%. Kami menaruh valuasi di level -1 std deviasi. Target IHSG *Headline* untuk 2025F di level 6,800.

Global Indices Performance

ASEAN and Indo seems retracing its return

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)	3.64%	4.32%	6.04%	3.57%	12.72%	17.17	4.16	23.01
2	S&P 500 (US)	5.50%	4.96%	11.18%	5.05%	13.63%	19.78	4.11	19.47
3	Nasdaq (US)	5.48%	6.57%	17.59%	4.53%	14.87%	24.76	5.29	18.76
4	London (UK)	8.61%	2.61%	8.47%	9.08%	22.77%	13.23	1.68	12.18
5	DAX (GR)	20.09%	-0.37%	6.45%	20.09%	31.12%	11.44	1.41	11.57
6	CAC (FP)	3.86%	-1.11%	-3.16%	4.82%	2.49%	12.11	1.65	13.29
Asia Market									
1	Nikkei (JP)	1.49%	6.64%	9.07%	1.49%	2.28%	20.17	1.95	9.69
2	Hang Seng (HK)	20.00%	3.36%	2.76%	20.11%	35.86%	8.14	0.89	10.33
3	Shanghai (CN)	2.76%	2.90%	2.78%	1.09%	16.08%	9.90	1.07	10.75
4	Shenzhen (CN)	0.03%	2.50%	0.53%	-1.57%	13.70%	10.63	1.24	11.76
5	NFT (IN)	7.92%	3.10%	8.49%	7.92%	6.27%	18.82	3.02	15.67
6	Kospi (KR)	28.01%	13.86%	20.08%	28.01%	9.79%	8.80	0.93	10.58
ASEAN Market									
1	Singapore (SG)	4.66%	1.79%	-0.20%	4.44%	18.95%	10.49	1.11	10.55
2	Kuala Lumpur (MK)	-6.66%	1.63%	1.28%	-6.39%	-3.59%	13.43	1.30	9.65
3	Thailand (TH)	-22.19%	-5.19%	-7.31%	-22.19%	-16.25%	12.42	1.19	9.56
4	Vietnam (VN)	8.63%	3.26%	4.45%	8.18%	10.50%	9.62	1.39	14.46
5	Philipines (PH)	-2.51%	0.37%	3.54%	-2.51%	-0.73%	9.90	1.25	12.82
Indonesia Market									
1	JCI / IHSG (ID)	-2.15%	-3.46%	6.41%	-2.15%	-1.92%	12.57	1.76	13.56
2	JII / ISSI (ID)	5.19%	0.37%	12.62%	5.19%	8.40%	12.81	1.55	11.80
3	IDX30 (ID)	-5.82%	-6.39%	3.10%	-5.82%	-9.96%	10.82	1.57	14.40
4	LQ45 (ID)	-6.53%	-5.17%	5.19%	-6.53%	-12.96%	11.71	1.69	14.33

Source: Bloomberg, Syailendra Research

Equity Peers Comparison

Potential earnings downgrade looking at 1Q25 result despite past downgrade

Global Indices Historical Performance
In % of return

Desc.	P/E		EPS Growth		P/B		ROE	
	2025	2026	2025	2026	2025	2026	2025	2026
MSCI SEA	**13.9**	**12.8**	**7.0%**	**8.3%**	**1.7**	**1.5**	**12.0**	**12.0**
Indonesia*	**12.0**	**10.9**	**0.6%**	**10.4%**	**1.8**	**1.7**	**15.0**	**15.1**
Malaysia	13.9	13.0	5.3%	6.9%	1.5	1.3	10.7	9.6
Phillipines	10.9	10.1	6.3%	8.6%	1.6	1.5	14.5	14.4
Singapore	15.2	14.0	-2.3%	8.6%	1.8	1.7	11.9	12.3
Thailand	14.1	13.3	11.6%	6.6%	1.4	1.4	10.0	10.3
MSCI AxJ	**14.3**	**12.7**	**14.1%**	**12.6%**	**1.8**	**1.6**	**12.0**	**12.4**
Hong Kong	14.0	13.2	10.6%	6.2%	1.1	1.1	7.8	8.2
India	24.5	21.4	9.1%	14.5%	3.6	3.4	14.6	15.9
Korea	10.3	8.9	21.3%	15.9%	1.1	1.0	10.5	10.9
Taiwan	17.2	15.1	12.3%	13.8%	2.9	2.6	16.7	17.1
MSCI EMEA	**11.6**	**10.4**	**21.9%**	**12.4%**	**1.7**	**1.6**	**15.6**	**15.5**
South Africa	11.1	9.3	32.8%	18.6%	1.3	1.0	11.4	10.5
Turkey	8.1	5.0	39.8%	60.4%	1.0	0.9	13.2	17.6
MSCI LATAM	**10.0**	**9.2**	**45.8%**	**8.5%**	**1.6**	**1.5**	**16.3**	**15.8**
Brazil	8.9	8.2	57.4%	8.1%	1.5	1.3	16.9	15.9
Mexico	12.9	11.8	29.9%	9.7%	2.1	2.0	16.5	16.9
MSCI EMEA	**11.6**	**10.4**	**21.9%**	**12.4%**	**1.7**	**1.6**	**15.6**	**15.5**
MSCI World	**21.0**	**18.8**	**7.3%**	**11.8%**	**3.5**	**3.2**	**15.2**	**15.9**
Australia	19.5	19.1	-3.0%	2.4%	2.5	2.4	12.8	12.6
Europe	15.4	13.9	-2.6%	10.4%	2.1	1.9	12.7	13.3
Japan	17.0	15.0	-8.4%	13.1%	1.5	1.4	8.4	9.3
USA	23.8	21.2	6.9%	12.6%	5.0	4.4	18.8	19.5
Local Index								
JCI*	11.7	10.3	32.8%	13.8%	1.5	1.4	13.1	13.4

Source: Bloomberg, Syailendra Research

1Q25 Earnings Result : Below

Missed earnings coming from multiple sector

JCI 1Q25 Earnings Result was disappointing
In % YTD

Sector	Weight	YoY		QoQ		Avg. 1Q25 (% Cons)	Notes
		1Q25	Cont.	1Q25	Cont.		
Financials	28.9	-2.4	-0.7	1.2	0.4	23.7%	
Communication Services	5.2	1.2	0.1	-23.0	-1.2	15.6%	CNMA dragged down the sector on % cons. Otherwise around 23% of consensus for 1Q25
Consumer Staples	3.6	-15.9	-0.6	-4.4	-0.2	22.4%	
Materials	3.1	0.2	0.0	239.4	7.4	23.1%	QoQ earnings uplifted coming from ANTM and BRMS
Consumer Discretionary	1.3	-1.4	0.0	5.5	0.1	31.2%	Uplifted due LPPF numbers as majority earnings deliver in lebaran
Health Care	1.4	32.1	0.4	-1.5	0.0	19.6%	PRDA dragged the whole sector with -89% yoy
Industrials	3.9	-18.1	-0.7	-2.1	-0.1	18.9%	SSIA dragged down the sector on % cons. Sector earnings already downgraded
Information Technology	0.0	-47.2	0.0	9.6	0.0		
Utilities	0.8	-16.0	-0.1	-43.8	-0.3	18.6%	
Real Estate	0.8	-55.3	-0.4	48.8	0.4	29.5%	
Energy	2.7	-51.7	-1.4	-19.8	-0.5	16.5%	
Avg. Weighted	**51.70**	**-6.67**		**11.30**			
Sum. Weighted		**-6.51**		**3.56**			

Source: Bloomberg, Syailendra Research

Consensus Downgrade their growth expectation…

2025F earnings growth within our coverage was at 3.8% (2025F) 7.4% (2026F)

JCI Earnings growth breakdown by sectors
In % yoy, weight in JCI

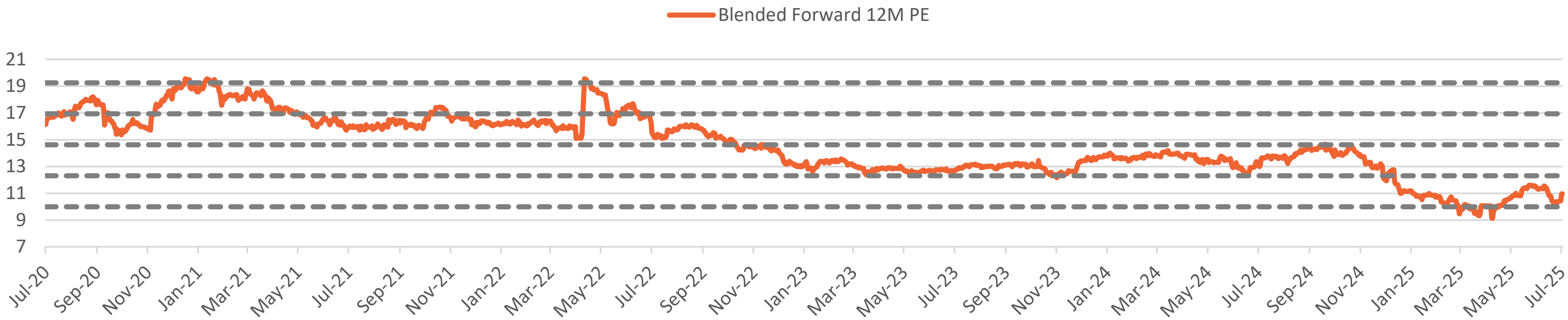
#Sector	Weight	2025F		2026F		Notes (2Q Color)
		NPAT Growth	Contribution	NPAT Growth	Contribution	
Our Coverage (Consensus)						
Financials	28.7	3.4	1.0	8.9	2.5	Inline (better NIM in Jun'25 only)
Communication Services	5.6	8.7	0.5	5.5	0.3	Below (ARPU uplift still limited post std. starter pack)
Consumer Staples	2.7	9.7	0.3	10.2	0.3	Below (Lack of visibility on margin)
Materials	2.1	3.5	0.1	18.4	0.4	Below (No meaningful recovery on cement volume)
Consumer Discretionary	1.1	0.6	0.0	-22.5	-0.3	Below (SSSG still at negative for 2Q)
Health Care	1.1	9.6	0.1	9.8	0.1	Inline
Industrials	3.7	-2.8	-0.1	4.2	0.2	Inline to Below (ASII Share Auto still maintain but concern on financial part on provision charges)
Information Technology	0.0	7.9	0.0	8.6	0.0	
Utilities	0.8	7.4	0.1	2.5	0.0	Inline (JSMR)
Real Estate	0.8	-1.2	0.0	3.9	0.0	Inline
Energy	2.2	-1.3	0.0	1.2	0.0	Below (Lower coal price on coal, inline for gas)
Total	**48.8**	**3.8**		**7.4**		
Indices						
MSCI Indonesia		**0.6**		**9.1**		
IDX 80		**3.9**		**11.6**		

Source: Bloomberg, Syailendra Research

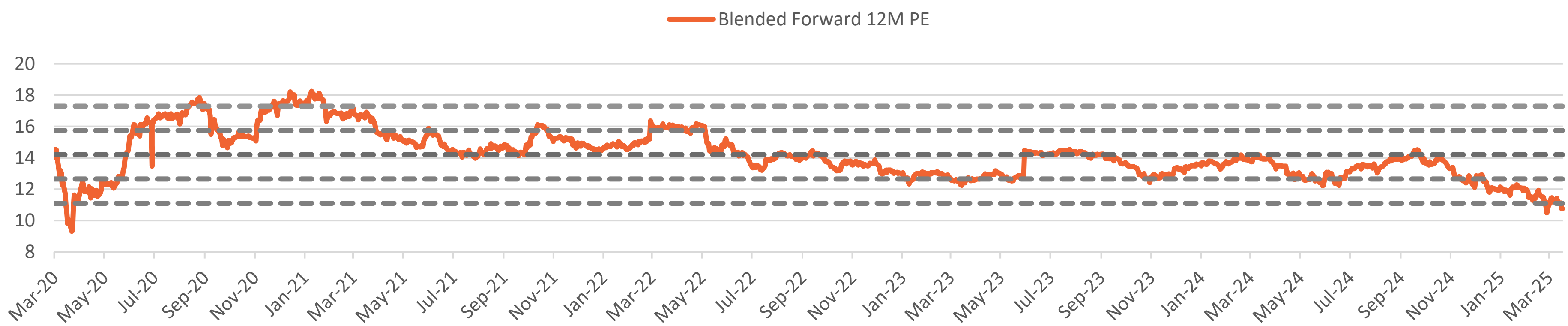
JCI & MSCI Tracking P/E Movement

Current P/E Relatively Mirrors Covid-19 Market Crash Level

JCI P/E Ratio History
2020 - 2025



MSCI P/E Ratio History
2020 - 2025



Foreign Equity Flows

Foreign still continue to outflow from EM market

Monthly Data	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
Oct-23	-2,657	-511	-2,497	-171	-4,957	-431	-461	-11,684	-11,223
Nov-23	2,301	-30	3,257	19	8,361	-548	332	13,692	13,359
Dec-23	7,024	497	3,637	18	5,361	-2	56	16,591	16,535
Jan-24	-3,141	534	2,254	80	1,433	-870	145	435	290
Feb-24	483	646	6,120	129	3,390	82	277	11,125	10,849
Mar-24	4,016	506	3,816	-46	-93	-1,145	-609	6,444	7,053
May-24	-3,023	-881	-676	-174	2,708	-455	314	-2,186	-2,500
Jun-24	3,111	-92	3,821	-104	1,773	-950	-13	7,546	7,559
Jul-24	3,347	411	1,240	60	-11,562	-47	282	-6,269	-6,551
Aug-24	1,393	1,847	-2,078	143	-2,519	-170	587	-797	-1,384
Sep-24	5,944	1,418	-5,727	346	-3,642	867	110	-684	-794
Oct-24	-10,945	-719	-3,404	22	1,130	-845	-413	-15,173	-14,761
Nov-24	-2,680	-1,063	-3,203	-349	-8,045	-398	-699	-16,437	-15,739
Dec-24	1,321	-313	-1,530	-103	708	-308	-637	-863	-226
Jan-25	-8,418	-229	-1,002	-114	-1,261	-330	-702	-12,057	-11,355
Feb-25	-5,353	-1,111	-2,846	-145	-3,884	-195	-495	-14,030	-13,534
Mar-25	234	-490	-1,461	50	-13,144	-647	-1,045	-16,502	-15,457
Apr-25	1,271	-1,233	-6,955	-54	-170	-432	-417	-7,991	-7,574
May-25	1,738	337	887	-259	7,567	-488	237	10,019	9,783
Jun-25	**2,373**	**-511**	**2,009**	**-72**	**4,963**	**-244**	**-305**	**8,212**	**8,518**

Yearly	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	**-8,155**	**-3,237**	**-9,368**	**-594**	**-5,929**	**-2,337**	**-2,727**	**-32,348**	**-29,620**
2024	-174	2,295	632	4	-14,720	-4,240	-654	-16,858	-16,203
2023	21,427	-353	10,705	-863	6,933	-5,507	-514	31,827	32,341
2022	-15,392	4,058	-7,860	-1,029	-38,259	6,616	1,451	-50,416	-51,867
2021	3,761	3,674	-23,010	-5	-15,604	-1,632	-767	-33,582	-32,815
2020	23,373	-4,320	-20,082	-2,513	-15,257	-8,287	-5,782	-32,867	-27,085
2019	14,234	-1,306	924	-240	9,377	-1,496	-2,683	18,811	21,493
2018	-4,617	-3,656	-5,676	-1,080	-12,196	-8,913	-2,885	-39,024	-36,138

Source: Syailendra Research

Section

04

Appendix

Syailendra Benchmark View

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

Syailendra Macro Indicator and Benchmark
In each unit

Desc	Unit	Syailendra						
		2024	2025F			2026F		
			Bear	Base	Bull	Bear	Base	Bull
Macro Indicator								
GDP Growth YoY	Average full year	5.00	4.60	4.80	5.20	5.10	5.20	5.30
Inflation YoY	Average full year	2.30	1.80	2.10	2.40	2.50	2.75	3.25
Fiscal Deficit (% of GDP)	End of year	-2.29	-2.95	-2.80	-2.65	-2.95	-2.80	-2.65
Current Account (% of GDP)	Average full year	-0.60	-1.00	-0.80	-0.60	-1.75	-1.25	-1.00
USDIDR	End of year	16,102	17,250	16,500	16,000	15,800	15,500	15,250
Rates								
Central Bank Rates Indonesia*	End of year	6.00	5.50	5.00	4.50	5.00	4.50	4.00
10 YR Govt Bond Yield IDR	Average full year	7.00	7.50	6.75	6.00	7.00	6.25	5.75
Equities								
JCI Headline	End of year	**7,060**	**6,200**	**6,800**	**7,400**	**7,000**	**7,500**	**7,900**
JCI Adj.	End of year	**6,135**	**5,806**	**6,194**	**6,475**	**6,575**	**6,894**	**7,113**
Earnings Growth*	End of year	3.00%	-5.00%	2.50%	7.50%	2.50%	7.50%	12.50%
P/E*	End of year	12.6	12.6	12.6	12.6	12.6	12.6	12.6

Source: Syailendra Research, Bloomberg

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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