

FROM EQUITY RESEARCH DESK

IDEA OF THE DAY

Merdeka Copper Gold: Lowering our FY24-25F estimates on higher interest expenses; possible upside for TB Copper (MDKA.IJ Rp 2,460; BUY; TP Rp 3,100)

- We slash our FY24-25F net profit estimates by -74%/-62% to reflect higher-than-expected interest expenses and the 1Q24 net loss.
- The mgmt expects Wetar to only breakeven in FY24 despite posting a positive cash margin in 1Q24. This implies higher costs in 2Q24 onwards.
- We maintain our Buy rating with an unchanged TP of Rp3,100 on upside potential from growth projects, but prefer its subsidiary MBMA.

To see the full version of this report, please [click here](#)

Macro Strategy: Navigating Market Inertia

- Global rate cuts are gradually unfolding with several prominent central banks cutting rates. Bank of England is next in line.
 - A potential change in tone at this week's FOMC with the latest data pointing toward further moderation in growth factors.
 - A weaker IDR and sluggish growth momentum continue to weigh on overall market sentiment, and this could protract market inertia.
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RESEARCH COMMENTARY

- 4W May24 Data
- INCO Rights Issuance
- KTA ACES analyst meeting – 10 June 2024:
- Poultry - 1st week of June 2024 Price Update

MARKET NEWS

MACROECONOMY

- Indonesia's Consumer Confidence Index Dropped to 125.2 in May24

SECTOR

- Bulog Targets Domestic Rice Absorption to Reach 1mn Tons

CORPORATE

- ASRI Obtained a Rp3.9tr Loans Facility from BBKA
- MIDI Has Fully Utilized Rights Issue Funds of Rp1.23tr
- Telkom Group Targets Synergy Value with GOTO to Grow 20% in 2024

PREVIOUS EQUITY RESEARCH REPORTS

- Banks: [4M24 Banks-Only Results: Pressure on CoF not yet out of the woods, but asset quality remains safe](#)
- Telkom Indonesia: [KTA from meeting with TSEL CFO: reaffirmed defensive mode with profitability as top priority](#)
- Retail: [May24 channel check: sustaining decent traffic, higher promotions but in-line with seasonality](#)
- Aneka Tambang: [Positive update from the meeting with ANTM's CFO](#)
- Telco: [Selective competition and limited Starlink threat implies still constructive outlook; maintain OW](#)

EQUITY MARKET INDICES

	Close	Chg (%)	Ytd (%)	Vol (US\$mn)
Asean - 5				
Indonesia	6,922	0.3	(4.8)	489
Thailand	1,319	(1.1)	(6.9)	1,033
Philippines	6,459	(0.9)	0.1	48
Malaysia	1,614	(0.2)	11.0	858
Singapore	3,322	(0.3)	2.5	690
Regional				
China	3,051	0.1	2.6	65,547
Hong Kong	18,367	(0.6)	7.7	16,994
Japan	39,038	0.9	16.7	15,633
Korea	2,701	(0.8)	1.7	9,059
Taiwan	21,858	(0.2)	21.9	n.a
India	76,490	(0.3)	5.9	1,143
Nasdaq	17,193	0.3	14.5	237,027
Dow Jones	38,868	0.2	3.1	18,410

CURRENCY AND INTEREST RATE

		Rate	wow (%)	mom (%)	ytd (%)
Rupiah	Rp/1US\$	16,280	(0.3)	(1.5)	(5.7)
BI7DRRR	%	6.25	-	0.3	0.3
10y Gov	Indo bond	6.98	0.1	0.0	0.5

HARD COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Coal	US\$/ton	132	0.3	(8.7)	(9.9)
Gold	US\$/toz	2,310	(0.0)	(2.1)	12.0
Nickel	US\$/mt.ton	17,646	(0.8)	(6.0)	7.8
Tin	US\$/mt.ton	31,696	1.8	(1.4)	25.9

SOFT COMMODITIES

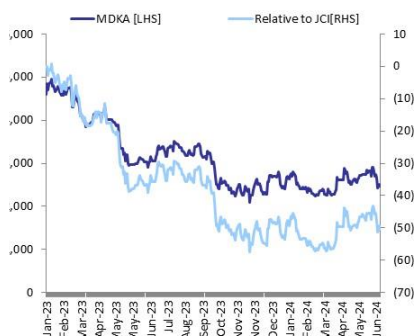
	Unit	Price	d-d (%)	mom (%)	ytd (%)
Cocoa	US\$/mt.ton	9,196	1.1	14.9	121.1
Corn	US\$/mt.ton	172	1.9	(0.2)	0.0
Oil (WTI)	US\$/barrel	78	0.4	(0.2)	9.0
Oil (Brent)	US\$/barrel	82	2.5	(1.4)	6.0
Palm oil	MYR/mt.ton	4,000	1.5	1.3	7.6
Rubber	US\$/kg	183	(0.4)	12.6	17.2
Pulp	US\$/tonne	1,205	n.a	2.8	20.5
Coffee	US\$/60kgbag	222	(0.5)	28.3	60.5
Sugar	US\$/MT	544	(1.6)	(4.4)	(8.7)
Wheat	US\$/ton	165	(3.2)	(8.4)	(5.9)
Soy Oil	US\$/lb	44	0.1	(0.3)	(8.7)
SoyBean	US\$/by	1,188	0.8	(1.4)	(8.1)

Buy

(Maintained)

Last Price (Rp)	2,460
Target Price (Rp)	3,100
Previous Target Price (Rp)	3,100
Upside/Downside	+26.0%
No. of Shares (mn)	24,111
Mkt Cap (Rpbn/US\$mn)	59,313/3,643
Avg, Daily T/O (Rpbn/US\$mn)	137.7/8.5
Free Float (%)	51.0
Major Shareholder (%)	18.8
Saratoga Investama	
Mitra Daya Mustika	11.9
EPS Consensus (US\$cents)	
	2024F 2025F 2026F
BRIDS	0.1 0.1 0.1
Consensus	0.1 0.4 0.9
BRIDS/Cons (%)	(40.5) (73.5) (90.6)

MDKA relative to JCI Index



Source: Bloomberg

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Merdeka Copper Gold (MDKA IJ)

Lowering our FY24-25F estimates on higher interest expenses; possible upside for TB Copper

- We slash our FY24-25F net profit estimates by -74%/-62% to reflect higher-than-expected interest expenses and the 1Q24 net loss.
- The mgmt expects Wetar to only breakeven in FY24 despite posting a positive cash margin in 1Q24. This implies higher costs in 2Q24 onwards.
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Cutting our FY24-25F estimates on higher-than-expected 1Q24 interest exp. MDKA recorded a 1Q24 net loss of -US\$15.2mn reflecting higher-than-expected interest expenses from its US\$1.5bn debt. On the operating front, 1Q24 revenue was inline as it reached 25%/24% of our FY24F/consensus estimates at US\$541mn, +0.8% qoq. Against this backdrop, we raise our FY24-25 interest expenses estimate to US\$102mn/83mn (compared to US\$61mn/52mn) and lower our net profit estimates by -74% and -62%, respectively (our operating assumptions are unchanged as the 1Q24 deliveries were in-line with expectations).

Wetar copper: higher indicative costs but revenue upside from sales to AIM Following a 1Q24 net loss of -US\$1.1mn in Wetar, the management indicated that the mine may only breakeven this year, despite posting its first positive cash margin in over five quarters. We believe the management's expectation implies rising costs for the remaining quarters as the company provided guidance of costs of US\$3.25-4.0/lb (c.US\$7.1k-8.8k/ton) vs the 1Q cost of US\$2.7/lb (c.US\$5.8k/ton). However, Wetar anticipates additional sales volume from selling 1Mtpa of ore to the AIM project, potentially generating c.US\$15mn annually (vs. Wetar's FY23 revenue of US\$115mn).

Better prospects for TB copper from possible open-pit mining

MDKA aims to enhance TB copper's economic viability by exploring open-pit production opportunities in the first five years of operation, through reduction of upfront capital requirements and cashflow generation for its sub-level cave (SLC) project. Meanwhile, SLC and block cave have reportedly seen positive drilling results that resulted in a conversion of >300Mt (+71%) of inferred resources to indicated resources in Mar24 (containing 4.5Mt of copper and 16Moz of gold).

Maintain Buy rating with an unchanged TP of Rp3,100

Despite our lower FY24-25 estimates, we maintain our Buy rating on MDKA with an unchanged TP of Rp3,100 as we see upside from its key growth projects and as the higher interest rate in 1Q24 has been reflected in our WACC assumption (cost of debt: 5.9%, cost of equity: 10.5%). However, we continue to prefer its subsidiary MBMA due to lower interest risk. Key risks include a higher cash cost, lower ASP, and project delays.

Key Financials

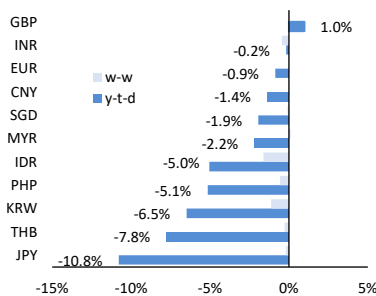
Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (US\$mn)	870	1,707	2,165	2,156	2,118
EBITDA (US\$mn)	235	242	309	319	292
Net Profit (US\$mn)	58	(21)	15	26	21
EPS (US\$cents)	0.2	(0.1)	0.1	0.1	0.1
BVPS (US\$cents)	4.1	3.8	4.4	4.5	4.6
DPS (US\$cents)	0.0	0.0	0.0	0.0	0.0
PER (x)	63.3	n/m	254.1	142.3	177.7
PBV (x)	3.7	4.0	3.4	3.3	3.3
Dividen yield (%)	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	20.2	20.1	15.6	14.7	15.6

Source: MDKA, BRIDS Estimates

Macro Strategy

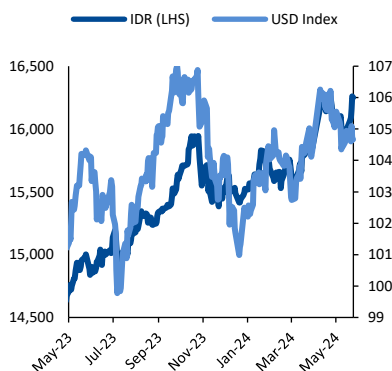
Navigating Market Inertia

YTD Currency performance (%)



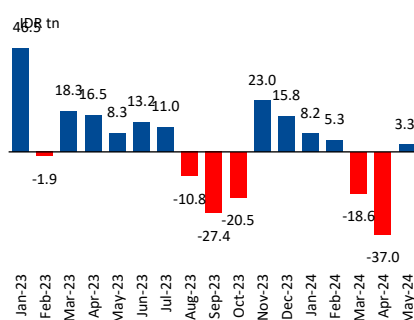
Source: Bloomberg

IDR vs DXY



Source: Bloomberg

Capital Inflow/Outflow (IDR tn)



Source: Bloomberg

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- Global rate cuts are gradually unfolding with several prominent central banks cutting rates. Bank of England is next in line.
- A potential change in tone at this week's FOMC with the latest data pointing toward further moderation in growth factors.
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The Axiom of Rate Cuts Unfold. The global trend of rate cuts is gradually unfolding as major central banks initiate their respective rate cut cycles. Last week marked a pivotal change in global rates, with the Bank of Canada being the first among the G7 to implement a 25bps rate cut. Officials expressed confidence that inflation is heading towards their target and indicated that further rate cuts could follow if underlying inflationary pressures continue to ease. As anticipated, the ECB also reduced its interest rates by 25bps. Interestingly, the ECB raised its inflation forecast for 2024 and 2025 by 0.2 percentage points each. While this may send mixed signals, it also reflects the ECB's flexibility in adjusting rate cuts in response to inflation factors. Similarly, the Fed in Mar24 also maintained its rate cut dot plot projection despite rising inflation forecasts. ECB officials noted that inflation might rise again until the end of the year before moderating toward target by 2H25.

Looking ahead, 7 other major central banks (including the Fed) are set to hold policy meetings this month, with the Bank of England expected to be next in the rate cut cycle, particularly as the UK's inflation approaches 2%, the lowest in almost three years. This series of rate cuts by major central banks is likely to strengthen the expectation that the Fed will adopt a similar stance. As the first Fed rate cut is still anticipated in Sep24, we remain cautious that such timing would lead to transient cross-currency volatility risks, which would also have implications for IDR stability.

A Potential Change in Tone. Although the first Fed rate cut is not expected until the September FOMC meeting, we anticipate a potential shift towards a more accommodative narratives in this week's meeting (June 11-12). Last Friday's robust US Non-Farm Payroll (NFP) data may appear strong, potentially weakening market conviction. However, not only are NFP figures prone to downward revision, but the unemployment rate rose to 4%. According to the US Treasury, this increase is primarily due to a large influx of immigrants, raising the breakeven pace of job growth from 100k to over 200k. The higher immigrant labor force means businesses are unable to match the rapid labor growth, leading to a rise in the unemployment rate. At 4%, the unemployment rate is still within the Fed's economic target, confirming the latest Beige Book report's more pessimistic outlook. This outlook is also reflected in the downward revision of 1Q24 GDP, slower real disposable income growth, and a low savings rate. The strong labor market might only support the case for sideways inflation for the remainder of 2024, much like the Fed anticipated in its last meeting.

In this week's FOMC meeting, we expect the Dot Plot to indicate smaller rate cuts in 2024 (compared to March Dot Plot's 75bps) but bigger rate cuts in 2025. On the Summary of Economic Projections (SEP), we also foresee potential revisions to GDP and core PCE to align more closely with the recent constrained growth momentum. In the latest PCE published in March, both figures saw notable upward revisions.

Beware of Market Inertia. The weaker IDR and sluggish growth momentum continue to weigh on overall market sentiment, particularly in the equity market. With the DXY surging to nearly 105 following solid US NFP data, the IDR could face additional pressure and higher volatility. Despite the stronger-than-expected Forex Reserves data released last Friday, which led to a slight appreciation of the IDR, the overall market remains negative, as evidenced in further declines in the JCI, which saw consistent lower high-lower low trend in the past one month.

While a weaker IDR has previously been associated with potential rate hikes, as seen in Oct-23 and Apr-24, Bank Indonesia's statement in the May 2024 meeting suggests a shift away from this stance. BI indicated that it has moved from a potential risk scenario to a baseline scenario and that the current benchmark rate is sufficient to stabilize the IDR and keep inflation within the targeted range. Any abrupt change from this stance could lead to potential outflows, especially in the fixed-income market, due to perceived higher monetary policy risk. Large and sudden outflows could further weaken the IDR, negating the intended impact of a rate hike.

In this context, BI is actively reducing liquidity through high SRBI issuances, signaling that it will not revert to using interest rate adjustments with 4-weeks average of outstanding OMO has now closed to this year high at IDR826tn. Simultaneously, banks have access to additional liquidity due to new macroprudential incentives, which have unlocked around IDR81tn in early June, on top of the existing IDR165tn. Additionally, the postponement of the BP Tapera 3% rate cut should help stabilize consumption, particularly for discretionary items. However, the risk of no significant catalysts for household consumption remains, especially given the lack of fiscal space due to weak government revenue trends. This could further prolong the risk of weak growth momentum, potentially leading to market inertia for the time being.

Capital Market – Currency Risk Continuous to Affect Foreign Flow Trends.

The 10-year US Treasury yield went down 8 bps MTD, settling at 4.43% while the 2-year UST yield decreased by 2 bps to 4.87%. On similar fashion, the 10-year INDOGB yield also saw slight drop of 2 bps to 6.90%. Indonesia's 5-year CDS also down by 1 bp to 71 bps on May 31, 2024, compared to the previous week.

Fixed Income Flow – Foreign investors registered IDR2.52tn inflow last week (4th June), with overall foreign ownership of domestic government securities (SBN) now totaling IDR806.27tn. However, on MTD basis, foreign investors turned into slight outflow of IDR0.70tn, following the first monthly inflow this year in May, whereby foreign inflow surged to IDR17tn. The banking sector experienced a significant inflow of IDR7.68tn last week, with MTD inflow at IDR12.13tn, while both mutual funds and insurance & pension fund both saw weekly inflow of IDR1.34tn and IDR3.08tn, respectively. Conversely, Bank Indonesia (excluding Repo) recorded an outflow of Rp3.57 trillion, leading to an MTD outflow of Rp17 trillion.

Equity Flow – The JCI fell below the critical 7,000 level as persistent foreign outflows continue to dominate. The first week of June 2024 saw a foreign outflow of IDR 1.7 trillion, with the JCI performance declining by 1.0%. The year-to-date 2024 outflow in the regular market has now reached IDR 14.6 trillion. Commodities-related stocks such as AMMN, ADRO, MBMA, PGAS, INCO, and BREN consistently remained among the top inflows, while the Big-4 Banks, TOWR, TLKM, ASII, SMGR, and UNTR consistently appeared on the outflow list, a trend that has persisted in recent trading weeks.

RESEARCH COMMENTARY**4W May24 Data**

- 4W wholesales in May24 reached 71.2k (+47% mom). Thus, 5M24 wholesales reached 334.9k (-21% yoy, 39%/30% of our/Gaikindo estimate). While our estimate is inline with the May seasonality, Gaikindo's number is a miss). Despite many long weekends in May24, the number of working days was more in May24 than in Apr24, which helped the 5M24 number to be better on a mom basis.
- 4W retail sales reached 361.6k in 5M24 (-14% yoy). The rolling 3M car retail sales data indicates that there is less likely overstock on the dealer side, as retail sales (May24 3M's rolling figure at 98.7k) have continued to be stronger than wholesales (93.7k) since early this year. We also observe that discounts in May24 were less aggressive compared to Apr24 across several brands.
- Toyota and Daihatsu sales in May24 improved by 56% mom, higher than the industry growth. This implies ASII gained market share in May24 (on a mom basis). To note, ASII's average market share in Jan-Apr 24 stood at 56%.

Comments: Neutral on this data release. The data trend is widely expected (strong mom, yet still weak on a yoy basis). We expect a better sales trend in 2H24F due to BYD delivery (expected at the end of Jun24) and more new model releases (possibly Toyota and several new Chinese brands in GIIAS Jul24). We reiterate our Neutral call on ASII with a TP of Rp 5,100. (Richard Jerry, CFA & Christian Sitorus – BRIDS)

INCO Rights Issuance

- 603mn new shares, equal to 6.07% of current outstanding shares at Rp3,050/share, with max. proceeds of Rp1.84tn.
- 8,233:500 Ratio or 16.5:1 ratio of old to new shares.
- Vale Canada, SMM, and Vale Japan will transfer their rights to MIND ID to execute. Following the RI, the share ownership composition will be: MIND ID 34.4%, Vale Canada 34.3%, SMM 11.6%, and the Public 19.7%.
- Proceeds will be used for: Rp1.1tn for mining infrastructure in Pomalaa, Rp335bn for the continuation of mining area development in Pomalaa, and Rp15bn for the purchase of mining equipment. The remainder will be allocated for raw materials and spare parts purchases.
- INCO targets 70.8kt of production in FY24 (vs. our estimate of 70kt). *(Timothy Wijaya – BRIDS)*

KTA ACES analyst meeting – 10 June 2024:

- At the recent AGM, ACES changed the company's name to PT Aspirasi Hidup Indonesia.
- May24 sales were good (waiting for SSSG data next week).
- Online sales (mostly from RupaRupa, Miss Aces) provided a 10-11% contribution, targeted to reach 20% ahead.
- Ytd new stores: 5 Ace Hardware and 2 Ataru stores. Will open more stores in 2H24.
- ACES injects Rp30bn to PT Omni Digitama Internusa (ODI - which manages RupaRupa) to maintain its 30% stake and acquire Kawan Lama Inovasi (KLV) worth Rp43bn to comply with the government regulation to separate the importing and retailer companies.
- Strategy: Will focus on strengthening communications (through localized promotions and media channels for new cities), improve the customer's journey (adding inspirational spots for cooking, a chatbot for better services), maximize customer loyalty (hyper personalization using technology, cohesive membership) and omnichannel investment. This will help the company to predict on-demand products. *(Natalia Sutanto & Sabela Nur Amalina – BRIDS)*

Poultry - 1st week of June 2024 Price Update

- After bottoming at Rp16k/kg, livebird prices rebounded to Rp17.5k/kg. The weekly avg. declined to Rp17k from the average of Rp18.5k in the previous week, a 5% decrease.
- There is no new data on DOC, which has remained at Rp9k/chick since mid-May.
- Local corn prices have remained relatively stable at Rp4.7k/kg since mid-May.
- After reaching a peak of US\$387/t last month, soybean meal (SBM) prices have seen a significant decline, now hovering around US\$355-360/t during the first week of June. The 1st week Jun24 average stands at US\$360/t, marking a -2% mom and -11% yoy decrease. *(Victor Stefano & Wilastita Sofi – BRIDS)*

MACROECONOMY**Indonesia's Consumer Confidence Index Dropped to 125.2 in May24**

Bank Indonesia reported a lower Consumer Confidence Index of 125.2 in May24 (vs. 127.7 in April). Confidence across all income groups fell. Optimism on current incomes, job availability, and durable goods purchasing intentions are generally lower than in April, although still higher than in March. Current income was seen lower in all income groups with the income groups of IDR2.1-3mn and IDR3.1-4m hit the hardest. The portion of income used to pay for installments reached 10.3%, the highest since Oct21. (Bank Indonesia)

SECTOR**Bulog Targets Domestic Rice Absorption to Reach 1mn Tons**

Bulog aims to reach 1mn tons of domestic rice absorption by 2024, despite challenges due to a decline in rice production. Currently, absorption has reached 688 tons, exceeding the previous year's target. Perum Bulog's rice stocks reached 1.77mn tons, ensuring Eid al-Adha rice needs are met until the end of the year. (Kontan)

CORPORATE**ASRI Obtained a Rp3.9tr Loans Facility from BBCA**

ASRI obtained a Rp3.9tr loans facility from BBCA to refinance senior debt securities maturing in 2025. According to the management, the signing of the credit agreement will not negatively impact ASRI's operational activities and business continuity. (Pasardana)

MIDI Has Fully Utilized Rights Issue Funds of Rp1.23tr

MIDI utilized funds from additional capital with pre-emptive rights (HMETD I) as of June 10, 2024. The company obtained net rights issue proceeds of Rp1.23tr on June 22, 2023. The funds were used for capital investment, developing outlets in branches, and warehouses in Central Java, Southeast Sulawesi, and North Sulawesi, totaling Rp288.29bn and Rp81.56bn, bringing the total to Rp1.23tr. (Emiten News)

Telkom Group Targets Synergy Value with GOTO to Grow 20% in 2024

TLKM continues to target synergy value growth in Telkomsel's investment in GOTO. In 2023, Telkom Group's synergy value in its investment in GOTO reached Rp1.7tr. This year, TLKM is targeting synergy value growth of 20%. (Bisnis)

BRI-Danareksa Universe		Rating		Outstanding		Price (Rp)	Price Target	Mkt Cap Rp Bn	PER (x)		EV / EBITDA (x)		PBV		ROE	
				Shares (Mn)					2023	2024	2023	2024	2023	2024	2023	2024
				3,171,218				4,515,535	16.9	12.7	10.8	10.1	2.2	2.0	13.2	16.7
Auto				40,484				182,581	5.4	6.2	4.4	4.3	0.9	0.9	17.3	14.4
Astra International		ASII	HOLD	40,484	4,510	5,100		182,581	5.4	6.2	4.4	4.3	0.9	0.9	17.3	14.4
Financials & Banks				339,965				2,079,909	15.6	14.7	N/A	N/A	2.8	2.6	19.1	18.5
BCA		BBCA	BUY	123,275	9,525	11,300		1,174,195	24.1	22.2	N/A	N/A	4.8	4.4	21.0	20.9
BNI		BBNI	BUY	37,297	4,610	6,800		171,941	8.2	7.9	N/A	N/A	1.1	1.1	14.6	14.0
Bank Tabungan Negara		BBTN	BUY	14,034	1,235	2,000		17,333	5.5	4.9	N/A	N/A	0.6	0.5	11.6	11.9
Bank Mandiri		BMRI	BUY	93,333	6,275	7,400		585,667	10.6	10.3	N/A	N/A	2.2	2.1	22.5	20.9
Bank Jago		ARTO	BUY	13,856	2,140	4,500		29,653	409.8	228.7	N/A	N/A	3.5	3.5	0.9	1.5
Bank Neo Commerce		BBYB	BUY	12,039	238	600		2,865	(5.0)	(24.0)	N/A	N/A	0.9	0.9	(16.2)	(3.7)
Bank Syariah Indonesia		BRIS	BUY	46,129	2,130	2,700		98,255	17.2	14.9	N/A	N/A	2.5	2.2	15.8	15.9
Cement				10,433				55,935	13.6	14.6	5.6	5.6	0.9	0.9	6.5	5.9
Indocement		INTP	BUY	3,681	7,675	8,400		28,253	14.5	16.3	7.6	7.4	1.3	1.3	9.6	8.0
Semen Indonesia		SMGR	BUY	6,752	4,100	6,700		27,681	12.8	13.2	4.7	4.7	0.6	0.6	5.0	4.8
Cigarettes				118,242				118,955	8.5	7.7	5.2	4.7	1.3	1.3	15.8	16.7
Gudang Garam		GGRM	BUY	1,924	18,600	24,000		35,788	6.0	5.6	3.3	3.1	0.6	0.6	10.1	10.3
HM Sampoerna		HMSP	BUY	116,318	715	1,100		83,167	10.4	9.1	7.2	6.3	2.8	2.7	27.6	29.8
Construction				21,865				40,575	16.4	13.5	8.10	7.69	0.9	0.9	5.7	6.5
Pembangunan Perumahan		PTPP	BUY	6,200	348	750		2,158	7.2	4.6	5.1	4.8	0.2	0.2	2.6	4.0
Adhi Karya		ADHI	BUY	8,408	210	500		1,766	32.3	45.0	5.8	6.2	0.2	0.2	0.6	0.5
Jasa Marga		JSMR	BUY	7,258	5,050	5,100		36,652	17.4	14.7	9.6	9.0	1.5	1.4	9.1	9.8
Consumer				87,138				353,799	15.1	12.8	8.1	7.1	3.0	2.6	20.8	21.9
Indofood CBP		ICBP	BUY	11,662	10,500	12,900		122,450	17.5	12.5	9.1	8.3	3.0	2.6	18.1	22.3
Indofood		INDF	BUY	8,780	6,175	8,000		54,219	6.7	5.5	3.9	3.0	0.9	0.8	14.4	15.7
Unilever		UNVR	SELL	38,150	3,070	2,300		117,121	24.4	25.8	16.6	17.8	34.6	34.4	130.1	133.8
Mayora Indah		MYOR	BUY	22,359	2,410	3,200		53,884	16.9	16.0	10.5	10.2	3.6	3.2	23.1	21.1
Nippon Indosari Corpindo		ROTI	BUY	6,186	990	1,400		6,125	18.4	16.0	9.1	8.2	2.6	2.3	13.1	15.3
Pharmaceutical				76,875				97,416	26.2	24.7	16.9	16.2	3.9	3.7	15.3	15.4
Sido Muncul		SIDO	HOLD	30,000	755	710		22,650	23.8	20.7	19.1	17.2	6.7	6.5	27.6	31.8
Kalbe Farma		KLBF	BUY	46,875	1,595	1,600		74,766	27.0	26.2	16.3	15.9	3.5	3.3	13.2	12.9
Healthcare				43,556				100,719	34.0	47.7	28.4	24.3	7.8	7.0	24.5	15.4
Medikaloka Hermina		HEAL	BUY	15,366	1,325	1,800		20,360	42.1	34.0	14.6	12.6	4.3	3.9	11.9	12.1
Mitra Keluarga		MKA	BUY	14,246	3,050	3,200		43,451	47.4	38.0	28.4	23.5	7.5	6.6	16.3	18.4
Prodia Widyahusada		PRDA	BUY	938	3,020	6,400		2,831	8.1	7.7	3.3	3.0	1.2	1.1	14.8	14.6
Siloam Hospital		SILO	BUY	13,006	2,620	2,900		34,076	28.1	25.0	11.8	10.0	4.3	3.7	16.3	15.9
Heavy Equipment				3,730				83,275	4.0	4.8	2.1	2.0	1.1	0.8	25.1	18.4
United Tractors		UNTR	HOLD	3,730	22,325	24,900		83,275	4.0	4.8	2.1	2.0	1.1	0.8	25.1	18.4
Industrial Estate				62,551				14,082	10.5	10.4	7.1	6.5	1.0	1.0	9.6	9.5
Puradelta Lestari		DMAS	BUY	48,198	159	220		7,663	6.5	8.3	5.4	6.7	1.3	1.3	20.5	16.0
Bekasi Fajar		BEST	HOLD	9,647	102	140		984	7.3	5.1	7.4	6.1	0.2	0.2	3.1	4.2
Surya Semesta		SSIA	BUY	4,705	1,155	700		5,435	173.7	22.7	10.1	6.5	1.4	1.3	0.8	6.1
Media				89,020				14,700	5.1	5.9	2.1	1.9	0.5	0.5	10.3	8.2
Media Nusantara Citra		MNCN	BUY	15,050	328	800		4,936	2.5	3.1	1.1	0.7	0.2	0.2	9.8	7.2
Surya Citra Media		SCMA	BUY	73,971	132	325		9,764	10.7	10.9	4.7	4.5	1.2	1.1	11.6	10.7
Mining				320,273				391,138	6.8	8.3	3.7	4.0	1.3	1.3	19.9	15.4
Medco Energi		MEDC	BUY	25,136	1,310	1,950		32,928	7.4	6.1	3.6	3.1	1.3	1.1	18.1	19.1
Adaro Energy		ADRO	BUY	31,986	2,750	2,850		87,961	3.6	5.0	1.3	1.7	0.9	0.9	25.7	17.4
Timah		TINS	HOLD	7,448	845	2,100		6,293	16.2	50.5	4.9	21.1	0.9	0.9	5.3	1.7
Vale Indonesia		INCO	BUY	9,936	4,320	6,100		42,925	10.4	20.8	4.3	6.7	1.1	1.1	11.2	5.3
Aneka Tambang		ANTM	BUY	24,031	1,240	2,000		29,798	9.7	10.3	5.6	5.5	1.0	1.0	11.3	9.5
Bukit Asam		PTBA	BUY	11,521	2,480	2,750		28,571	5.5	6.6	5.3	7.0	1.1	1.6	18.9	19.9
Indo Tambangraya Megah		ITMG	BUY	1,130	24,425	28,800		27,598	3.7	4.5	1.6	1.4	1.0	1.1	26.7	23.2
Harum Energy		HRUM	BUY	13,518	1,150	1,700		15,546	5.0	5.1	1.7	1.4	1.2	1.1	26.1	22.4
Merdeka Copper Gold		MDKA	BUY	24,473	2,460	3,100		60,204	(194.3)	73.0	21.4	16.7	4.3	3.7	(2.1)	5.5
Trimegah Bangun Persada		NCKL	BUY	63,099	940	1,300		59,313	10.6	11.7	8.8	8.4	2.5	2.2	34.1	20.1
Merdeka Battery Materials		MBMA	BUY	107,995	570	700		61,557	592.3	85.8	44.2	25.5	91.4	158.4	10.0	135.1
Poultry				30,363				102,687	31.0	22.8	13.5	11.4	2.4	2.3	7.9	10.2
Charoen Pokphand		CPIN	BUY	16,398	5,200	5,900		85,270	36.8	28.9	17.9	15.5	3.2	3.0	8.7	10.6
Japfa Comfeed		JFFA	BUY	11,727	1,365	1,500		16,007	17.2	11.3	8.4	6.7	1.2	1.1	7.2	10.3
Malindo Feedmill		MAIN	BUY	2,239	630	850		1,410	22.3	10.9	5.0	4.5	0.6	0.5	2.6	5.0
Property				124,025				72,099	10.1	9.2	5.5	4.7	0.8	0.7	7.7	7.9
Alam Sutera		ASRI	BUY	19,649	135	240		2,653	3.6	6.7	4.0	4.9	0.2	0.2	6.7	3.5
Bumi Serpong Damrai		BSDE	BUY	21,171	945	1,300		20,007	9.8	8.8	6.2	5.5	0.6	0.5	5.8	6.1
Ciptura Development		CTRA	BUY	18,536	1,150	1,600		21,316	13.0	9.6	6.7	5.7	1.1	1.0	8.6	10.7
Pakuw on Jati		PWON	BUY	48,160	404	610		19,456	9.1	8.9	4.4	3.9	1.0	0.9	11.8	10.8
Summarecon		SMRA	BUY	16,509	525	1,000		8,667	15.3	11.3	6.4	3.1	0.9	0.9	6.0	7.8
Utility				65,737				34,787	27.1	25.4	12.8	12.7	2.4	2.3	16.0	15.5
Perusahaan Gas Negara		PGAS	BUY	24,242	1,435	1,650		34,787	8.4	7.9	2.7	2.2	0.8	0.7	9.8	9.5
Pertamina Geothermal Energy		PGEO	BUY	41,495	1,170	1,470		48,549	18.7	17.5	10.2	10.5	1.7	1.6	10.8	9.2
Retail				62,254				60,896	15.1	13.3	8.0	7.2	2.8	2.3	20.1	19.2
Mitra Adi Perkasa		MAPI	BUY	16,600	1,420	2,200		23,572	12.4	10.9	5.6	5.1	2.4	1.9	20.9	19.4
MAP Aktif Adiperkasa		MAPA	BUY	28,504	795	1,100		22,661	16.3	14.4	10.4	9.5	4.0	3.2	27.3	24.4
Ace Hardware		ACES	BUY	17,150	855	1,200		14,663	19.2	16.9	13.1	10.9	2.4	2.2	12.7	13.6
Technology				1,377,157				134,895	(1.4)	(18.8)	8.2	21.9	1.			

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		10-Jun-24	07-Jun-24					
Barito Pacific	BRPT	1,035	965	7.3	(3.7)	5.6	(22.2)	BUY
Harum Energy	HRUM	1,150	1,115	3.1	(14.8)	(14.5)	(13.9)	BUY
Silloam Hospital	SILO	2,620	2,550	2.7	1.9	0.4	20.2	BUY
Ace Hardware	ACES	855	835	2.4	6.9	(2.3)	18.8	BUY
Semen Indonesia	SMGR	4,100	4,010	2.2	15.5	(8.5)	(35.9)	BUY
BCA	BBCA	9,525	9,325	2.1	2.7	1.6	1.3	BUY
Chandra Asri Petrochemical	TPIA	8,675	8,500	2.1	(5.7)	8.8	65.2	BUY
Unilever	UNVR	3,070	3,010	2.0	(0.3)	19.9	(13.0)	SELL
Mayora Indah	MYOR	2,410	2,370	1.7	5.2	1.7	(3.2)	BUY
Medikaloka Hermina	HEAL	1,325	1,305	1.5	3.1	(2.6)	(11.1)	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		10-Jun-24	07-Jun-24					
PGN	PGAS	1,435	1,590	(9.7)	(9.7)	(5.6)	27.0	BUY
Bank Jago	ARTO	2,140	2,330	(8.2)	(10.5)	(4.5)	(26.2)	BUY
Bukalapak	BUKA	124	132	(6.1)	(7.5)	3.3	(42.6)	BUY
Aneka Tambang	ANTM	1,240	1,300	(4.6)	(15.6)	(19.2)	(27.3)	BUY
Puradelta Lestari	DMAS	159	166	(4.2)	(3.0)	(1.9)	(2.5)	BUY
Bekasi Fajar	BEST	102	106	(3.8)	-	(8.1)	(25.5)	HOLD
Mitra Adi Perkasa	MAPI	1,420	1,475	(3.7)	5.2	(5.0)	(20.7)	BUY
Adhi Karya	ADHI	210	218	(3.7)	1.0	(6.3)	(32.7)	BUY
Surya Citra Media	SCMA	132	137	(3.6)	(12.0)	-	(22.4)	BUY
Gojek Tokopedia	GOTO	56	58	(3.4)	(12.5)	(16.4)	(34.9)	BUY

Sources: Bloomberg

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- Charoen Pokphand Indonesia: Inline 1Q24 earnings: recovery of livebird and DOC margins offset lower feed margins; upgrade to Buy
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- Bank Mandiri: 1Q24 earnings slight miss on lower NIM and other operating income, offsetting strong loans growth
- Indosat Ooredoo Hutchison: Inline 1Q24 earnings; well-positioned for more ex-Java monetization and operating leverage upside
- Bank Negara Indonesia: 1Q24: higher other operating income and lower provisions offset lower NIM from a higher CoF
- XL Axiata: 1Q24 earnings beat; better outlook with strong revenue momentum and improved cost structure.
- Macro Strategy: The Entropy of Risk
- Bank Rakyat Indonesia: Positive 1Q24 net profit growth despite higher provisions, expected improvement ahead
- Bank Jago: 1Q24 earnings below; expect steadier NIM and faster growth amid robust asset quality

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Equity SNAPSHOT

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