

FROM EQUITY RESEARCH DESK

IDEA OF THE DAY

Poultry: Encouraging chicken and raw material prices to support the sector's growth and re-rating potential (OVERWEIGHT)

- Following sector underperformance due to the weakness in LB prices, we think the recent rebound may act as a potent catalyst.
- With the strong earnings growth outlook intact and the relatively light position of funds, we believe the sector could re-rate in FY24-25F.
- We maintain our Overweight rating on the sector, foreseeing higher margins from lower feed costs. CPIN remains our top pick in the sector.

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

Macro Strategy: The Conflation of Currency Risk and Fiscal Frailty

- The weaker IDR suggests greater possibility of a BI rate hike; however, we note three factors that rate hike is not the ultimate panacea.
- The fiscal deficit would surpass 4% if the Debt-to-GDP ratio approaches 48%. More comprehensive fiscal design should result in more clarity.
- The DXY is stronger on a weaker Yen as the BoJ delayed providing details of its QT plan. Expect cross currency event risk to prevail in the ST.

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MARKET NEWS

MACROECONOMY

- UK Inflation Eased to 2% in May24
- Indonesia's Trade Balance reached US\$2.9bn in May24

CORPORATE

- CTRA: to Distribute Rp389bn of Dividends and Build 10 Flat Towers in IKN Worth Rp3.5tr
- MCAS Expects Volta Electric Motorcycle Sales to Reach 34,000 Units in 2024
- SMRA Strengthens its Property Land Reserves

PREVIOUS EQUITY RESEARCH REPORTS

- Astra International: [Expect new models to boost 2H24F sales; upgrade rating to Buy with an unchanged TP of Rp5,100](#)
- Indocement Tunggal Prakarsa: [May24 sales volume: solid industry and INTP sales](#)
- Summarecon Agung: [Strategically Located Projects in High-Density Areas, the cheapest in the sector](#)
- Midi Utama Indonesia: [Tapping into local demand; Forecast 20.5% FY24-26F Net Profit CAGR, Initiate with Buy rating](#)
- Merdeka Copper Gold: [Lowering our FY24-25F estimates on higher interest expenses; possible upside for TB Copper](#)
- Macro Strategy: [Navigating Market Inertia](#)
- Banks: [4M24 Banks-Only Results: Pressure on CoF not yet out of the woods, but asset quality remains safe](#)

EQUITY MARKET INDICES

	Close	Chg (%)	Ytd (%)	Vol (US\$mn)
Asean - 5				
Indonesia	6,727	(0.1)	(7.5)	543
Thailand	1,304	0.5	(7.9)	1,718
Philippines	6,366	(0.0)	(1.3)	66
Malaysia	1,600	(0.4)	10.0	881
Singapore	3,304	0.1	2.0	711
Regional				
China	3,018	(0.4)	1.4	57,926
Hong Kong	18,430	2.9	8.1	14,395
Japan	38,571	0.2	15.3	15,720
Korea	2,797	1.2	5.3	9,603
Taiwan	23,210	2.0	29.4	N/A
India	77,338	0.0	7.1	1,573
Nasdaq	17,862	0.0	19.0	270,451
Dow Jones	38,835	0.1	3.0	21,570

CURRENCY AND INTEREST RATE

		Rate	wow (%)	mom (%)	ytd (%)
Rupiah	Rp/1US\$	16,365	(0.4)	(2.4)	(6.3)
BI7DRRR	%	6.25	-	0.3	0.3
10y Gov	Indo bond	7.14	0.1	0.2	0.7

HARD COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Coal	US\$/ton	134	-	(5.4)	(8.5)
Gold	US\$/toz	2,330	0.0	(3.5)	12.9
Nickel	US\$/mt.ton	17,026	(1.0)	(18.3)	4.0
Tin	US\$/mt.ton	31,839	(0.1)	(6.7)	26.5

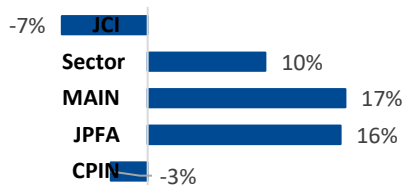
SOFT COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Cocoa	US\$/mt.ton	8,318	1.5	22.2	99.9
Corn	US\$/mt.ton	168	1.5	1.0	(2.4)
Oil (WTI)	US\$/barrel	82	0.1	2.0	13.9
Oil (Brent)	US\$/barrel	85	0.0	1.6	10.8
Palm oil	MYR/mt.ton	3,939	(0.3)	1.1	6.0
Rubber	US\$/kg	172	1.5	2.0	10.1
Pulp	US\$/tonne	1,205	N/A	2.8	20.5
Coffee	US\$/60kgbag	217	0.6	22.9	59.8
Sugar	US\$/MT	554	1.4	3.7	(7.0)
Wheat	US\$/ton	163	(1.5)	(10.9)	(8.7)
Soy Oil	US\$/lb	44	1.3	(2.1)	(7.4)
SoyBean	US\$/by	1,174	1.4	(4.4)	(9.2)

Overweight

(Maintained)

YTD share price performance



Sector EV/EBITDA band chart



Source: Bloomberg, BRIDS

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Poultry

Encouraging chicken and raw material prices to support the sector's growth and re-rating potential

- Following sector underperformance due to the weakness in LB prices, we think the recent rebound may act as a potent catalyst.
- With the strong earnings growth outlook intact and the relatively light position of funds, we believe the sector could re-rate in FY24-25F.
- We maintain our Overweight rating on the sector, foreseeing higher margins from lower feed costs. CPIN remains our top pick in the sector.

Lower LB prices in Jun24 had been expected, DOC prices remained robust
LB prices climbed back to above Rp20,000/kg in mid-June after bottoming at Rp16,000/kg in early June. In Jun24 MTD, the average LB prices stood at Rp18,400/kg, lower than May24's avg. price of Rp21,000/kg and the high base price in Jun23 of Rp22,600/kg. We believe lower prices in Jun24 had been expected due to the diminishing effect of supply adjustments, but expect the avg. price in 2Q24 to remain high (at Rp20,000/kg) due to the strong prices in April and May. As such, we believe integrators are on track to achieve good earnings momentum in 2Q24 as the relatively flat qoq LB prices shall be supported by higher DOC and lower feed costs. DOC prices have remained high at c. Rp9,000/chick since the middle of May24.

Margins expansion from lower feed costs of both corn and SBM

Corn prices have continued to decline, touching Rp4,600/kg currently from Rp4,700/kg in early June. The corn prices, which are at their lowest point YTD, will positively impact integrators' margins as corn constitutes c. 50% of the total feed composition. Compared to the 1Q24 high base, avg. corn prices in 2Q24 will be c. 30% lower qoq (c. -15% yoy). In addition, SBM prices have remained calm over the course of 2024 (better than expected) with avg. prices in the range of US\$340-370/ton. YTD, avg. SBM prices are 23% lower yoy and they offer room for margins expansion, even with rupiah depreciation, as they constitute c. 25% of the total feed composition.

Relatively light ownership suggests room for a re-rating

As of May24, the positioning of local funds in the poultry sector was relatively neutral (+0.03% weight). Albeit improving compared to the underweight position in the past two years, we believe the sector is poised for a re-rating from the strong earnings growth outlook for FY24-FY25F outpacing the JCI's single digit earnings growth. We continue to expect integrators to book 36/34% earnings growth for FY24/FY25F driven by margins expansion stemming from lower feed costs and better chicken prices in FY25F from a lower GPS import quota.

Maintain Overweight with CPIN as our top pick

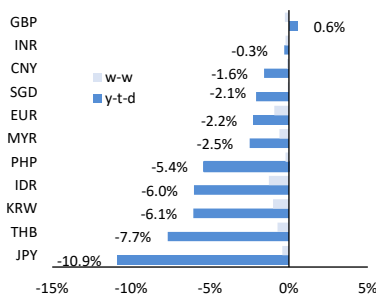
As we had previously anticipated lower LB prices in Jun24 and potential sequential weakness in 3Q24, we maintain our Overweight call on the sector with feed margins improvement as the key catalyst and high LB prices as potential upside. Our top pick is CPIN given its underperformance YTD and potentially higher sequential earnings growth compared to its peers. Risks to our view are volatility in earnings and weaker purchasing power.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%)
					2024F	2025F	2024F	2025F	
Charoen Pokphand Indonesia	CPIN IJ	BUY	5,900	80,350.2	27.3	19.9	2.8	2.6	13.5
Japfa Comfeed Indonesia	JPFA IJ	BUY	1,500	15,127.3	10.6	8.5	1.1	1.0	12.0
Malindo Feedmill Indonesia	MAIN IJ	BUY	850	1,309.7	10.1	6.1	0.5	0.5	7.8

Macro Strategy

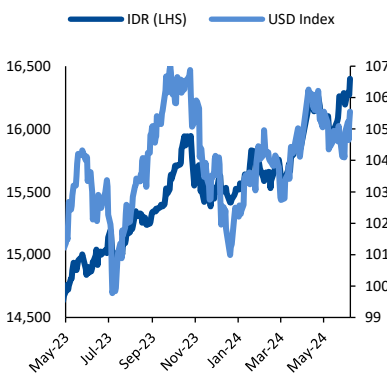
The Conflation of Currency Risk and Fiscal Frailty

YTD Currency performance (%)



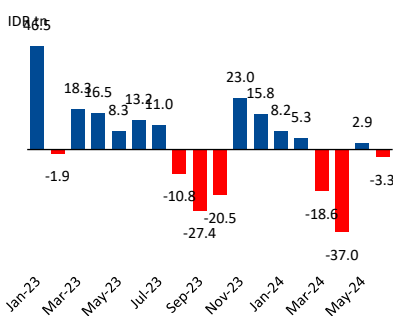
Source: Bloomberg

IDR vs DXY



Source: Bloomberg

Capital Inflow/Outflow (IDR tn)



Source: Bloomberg

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- The weaker IDR suggests greater possibility of a BI rate hike; however, we note three factors that rate hike is not the ultimate panacea.
- The fiscal deficit would surpass 4% if the Debt-to-GDP ratio approaches 48%. More comprehensive fiscal design should result in more clarity.
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Precautionary Measures. Recent developments from the latest FOMC and US CPI were expected to mitigate external risks by increasing the predictability of US monetary policy. However, cross-currency event risk continues to dominate. The convergence of fiscal risk, characterized by a rising debt/GDP outlook, and a stronger DXY is manifesting as market turmoil. The IDR has surpassed IDR16,400/USD, 10-year INDOGB yield closed at 7.16%, and the JCI has fallen to a seven-month low. Given this backdrop, the likelihood of Bank Indonesia (BI) implementing a rate hike at this week's RGD meeting has increased. However, we note three factors which suggest rate hike won't be served as the panacea for the current risk:

1. **Monetary signal:** In the last RDG meeting, BI Governors affirmed that the current BI Rate level is sufficient to stabilize the IDR and control inflation and the return to the baseline scenario with the expectation of one Fed Rate cut this year (inline with the latest dot plot). Any sudden deviation from this stance could signal a reactionary approach, which risks exacerbating rising volatility. Additionally, yields would need to increase further to meet the higher risk-reward ratio demanded by investors as seen following April's rate hike.

2. **Growth trajectory:** The current pace of monetary contraction is significant with IDR74.3 trillion absorbed from the banking system in the last week alone through SRBI issuance, marking the highest weekly issuance to date. More aggressive contractionary policy coupled with rate hike would plausibly send across the wrong signal for the need to slow down growth trajectory, which arguably has been lacking especially with May's deflation print.

3. **Depreciation level:** The IDR has only depreciated by <1% MTD, which is less than the >2.5% month-on-month depreciation seen before the last two rate hikes. This suggests that the IDR would need to reach at least IDR16,575/USD for a stronger case for a rate hike.

More Comprehensive Fiscal Design Will Add Clarity. The recent media headlines on a potential rise in the Debt-to-GDP ratio have led to considerable market volatility. In recent months, lower tax revenue, a moderating fiscal surplus, rising tax ratio plans and lately, rising debt levels continue to take the spotlight, which indeed, indicate the market's nervousness on government fiscal space potential to create robust growth prospects. In our view, it would be advisable to wait for a more comprehensive fiscal design by the new government, as the Debt-to-GDP ratio is only one of many variables defining fiscal prudence. Nevertheless, based on available information, we have outlined a potential scenario. Based on 2025 fiscal plans projecting nearly 40% Debt-To-GDP, assuming an annual increase of 2 ppt would lead the ratio to approach 48% by 2029. Assuming the government succeeds in raising the revenue-to-GDP ratio to 17% by 2029 (based on a 15% tax ratio) and nominal GDP grows by 9% y-y over the next five years, the fiscal deficit could rise to nearly 4.6% in 2029. This widening deficit would exert pressure on yields despite the anticipated rate cuts in the coming years. The interest payments-to-revenue ratio, a key indicator for credit rating agencies, would rise above 16%, widening the gap with BBB-rated peers. Noting such risk scenarios, we believe the next government will provide further guidance to safeguard the current healthy fiscal position while still accommodating growth.

Cross Currency Event Risk To Prevail. Last week featured two significant events. First, the softer-than-expected US CPI reversed the sentiment from the surprising labor data of the previous week. Second, the FOMC members decided to maintain the Federal Fund Rate (FFR) at 5.5%. The release of the new Summary of Economic Projections (SEP) underscored the importance of the June meeting, despite the widely anticipated decision to keep rates unchanged. The Fed acknowledged significant progress in reducing inflation and observed that the labor market has returned to pre-pandemic levels - tight but not overheated. However, this did not boost confidence among FOMC members regarding a rate cut. The SEP suggested a conservative approach, with the projected Core PCE for 2024 increased to 2.8% from 2.6%. Although the latest Core PCE is currently below the projected figure, a low base effect from the second half of 2023 implies that Core PCE might rise in the second half of 2024.

Regarding the Dot Plot, FOMC members now anticipate fewer rate cuts in 2024, reducing their projection to 25 basis points from the previously projected 75 basis points. More substantial rate cuts are expected to be deferred to 2025, with a forecast 100 basis points reduction compared to 75 basis points in March's projection. The recent comments from FOMC members also still points for a wait and see game (Exh 12).

The recent rise of the DXY is partially underpinned by the further weakening of the Yen, following the Bank of Japan (BoJ)'s announcement that it would reduce debt purchases albeit making the decision to not provide details until its next policy meeting in July. After a two-day policy meeting that concluded on Friday, the BoJ stated that it would wait until the next meeting in July before announcing its proposed timetable for winding down government bond purchases. Until then, the bank will maintain its bond purchases at a pace of about ¥6 trillion per month. During the meeting, the policy board also voted to maintain the short-term policy interest rate target within a range of zero percent to 0.1%. We hold the view that cross-currency risk will persist until the Fed implements its first rate cut, which is currently expected to take place by Sep24.

Capital Market – Weaker IDR Spurred Outflows

The divergence between the 10-year US Treasury and INDOBG, with the former yield fell by 17 bps over the past week to 4.22%, while, the 10-year INDOGB yield increased by 25 bps to 7.16% mainly driven by weaker IDR and rising fiscal risks.

Weaker IDR also underpinned by external factors as Dollar Index (DXY) rose by 0.72% w-w, while the IDR depreciated by 1.27% against the US dollar, closing at Rp16,400. Indonesia's 5-year CDS remains stable, only rose by 1 bps week-on-week to 72 bps.

On fixed income market, foreign investor outflow recorded at IDR0.94tn last week (as of 12 Jun), with overall position down to IDR805.73tn. On MTD basis, foreign outflow accumulation has now reached IDR2.19tn, a reversal from IDR17tn monthly inflow in May-24. Despite foreign selling, higher yield has lured domestic buyers with banking sector recorded weekly inflow of IDR18.31tn (MTD inflow of IDR32.71tn), while mutual funds saw weekly inflow of IDR0.33tn and insurance & pension funds inflow of IDR1.79 tn. On the contrary, Bank Indonesia (excluding Repo) saw an outflow IDR13.45tn, with an MTD outflow has now reached IDRp33.35tn. Similarly, equity market also registered considerable outflow on the regular market, reaching IDR4.5tn, this figures exclude IDR3.9tn crossing on SILO which accounted as inflows.

MACROECONOMY**UK Inflation Eased to 2% in May24**

UK Inflation eased to 2% in May24 after three years of above-target inflation. Despite this progress, the Bank of England is still expected to maintain the interest rate tomorrow due to the elevated services inflation print. Services inflation peaked around mid-2023, while the inflation for goods peaked earlier in Oct22 turning to annual deflation in the last two months. Inflation is expected to pick up to 2.4% by the end of 2024. (Bloomberg)

Indonesia's Trade Balance reached US\$2.9bn in May24

Indonesia's Trade Balance reached US\$2.9bn in May24, increasing by US\$210mn from the downwardly revised Apr24 figure of US\$2.7bn (Apr's imports were revised upwards by US\$900mn). The monthly improvement reflects a lower Oil & Gas deficit (-US\$1.3bn vs. Apr's -US\$1.6bn). The ex-Oil & Gas surplus fell slightly to US\$4.26bn from Apr's US\$4.35bn. Exports in May24 reached US\$22.3bn, or up by 2.86% yoy, the first annual growth in 12 months. Imports in May24 totaled US\$19.4bn (-8.8% yoy or -14.8% mom). All import categories increased on a monthly basis but were still lower annually. (BPS)

CORPORATE**CTRA: to Distribute Rp389bn of Dividends and Build 10 Flat Towers in IKN Worth Rp3.5tr**

CTRA plans to distribute cash dividends of Rp389bn or Rp21/share for FY23, with a 21% allocation of net profit. The company's marketing sales in 1Q24 amounted to Rp3.3tr or 30% of the 2024 target. (CNBC)

In other news, the company plans to build 10 flat towers in IKN, worth Rp3.5tr, which will house civil servants and 20 landed houses for echelon I officials, with the construction project being managed through the Government and Business Entity Cooperation (KPBU) scheme. The project is currently in the feasibility study process, but completion remains uncertain as the results are still pending. (Kontan)

MCAS Expects Volta Electric Motorcycle Sales to Reach 34,000 Units in 2024

MCAS aims to strengthen its clean energy business by developing the Volta brand electric motorbike. The business has experienced significant sales growth due to a developing ecosystem and government subsidy programs. MCAS aims to sell 34,000 Volta motorcycles by the end of 2024, with the potential for additional sales of 16,000 units. The company also introduced the Electric Motorbike Rental (Semolis) program, targeting online motorcycle taxi drivers or couriers. (Kontan)

SMRA Strengthens its Property Land Reserves

SMRA has prepared a budget of Rp1tr for land purchases this year to strengthen its land bank, which currently totals more than 2,000ha. As of 1Q24, the company has realized 40% of this year's capex allocation and has also undertaken the development of the Summarecon Mall Bekasi Phase 2 project. (Kontan)

BRI danareksa sekuritas		Equity Valuation		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		
BRI-Danareksa Universe					3,204,653				4,328,586	16.2	12.1	10.3	9.6	2.1	2.0	13.2	16.7
Auto					40,484				180,152	5.3	6.1	4.4	4.2	0.9	0.9	17.3	14.4
	Astra International	ASII	BUY	40,484	4,450	5,100		180,152	5.3	6.1	4.4	4.2	0.9	0.9	17.3	14.4	
Financials & Banks					339,965				1,969,323	14.8	13.9	N/A	N/A	2.7	2.5	19.1	18.5
	BCA	BBCA	BUY	123,275	9,050	11,300		1,115,640	22.9	21.1	N/A	N/A	4.6	4.2	21.0	20.9	
	BNI	BBNI	BUY	37,297	4,300	6,800		160,378	7.7	7.3	N/A	N/A	1.1	1.0	14.6	14.0	
	Bank Tabungan Negara	BBTN	BUY	14,034	1,175	2,000		16,490	5.2	4.6	N/A	N/A	0.6	0.5	11.6	11.9	
	Bank Mandiri	BMRI	BUY	93,333	5,750	7,400		536,667	9.7	9.4	N/A	N/A	2.1	1.9	22.5	20.9	
	Bank Jago	ARTO	BUY	13,857	1,900	4,500		26,327	363.8	203.0	N/A	N/A	3.2	3.1	0.9	1.5	
	Bank Neo Commerce	BBYB	BUY	12,039	220	600		2,649	(4.6)	(22.2)	N/A	N/A	0.8	0.8	(16.2)	(3.7)	
	Bank Syariah Indonesia	BRIS	BUY	46,129	2,410	2,700		111,172	19.5	16.9	N/A	N/A	2.9	2.5	15.8	15.9	
Cement					10,433				51,031	12.4	13.3	5.2	5.1	0.8	0.8	6.5	5.9
	Indocement	INTP	BUY	3,681	7,425	8,400		27,333	14.0	15.8	7.4	7.2	1.3	1.2	9.6	8.0	
	Semen Indonesia	SMGR	BUY	6,752	3,510	6,700		23,698	10.9	11.3	4.2	4.1	0.5	0.5	5.0	4.8	
Cigarettes					118,242				114,648	8.2	7.4	5.0	4.5	1.3	1.2	15.8	16.7
	Gudang Garam	GGRM	BUY	1,924	18,175	24,000		34,970	5.8	5.4	3.2	3.0	0.6	0.6	10.1	10.3	
	HM Sampoerna	HMSP	BUY	116,318	685	1,100		79,678	9.9	8.8	6.9	6.1	2.7	2.6	27.6	29.8	
Construction					21,865				37,251	15.1	12.4	7.84	7.48	0.8	0.8	5.7	6.5
	Pembangunan Perumahan	PTPP	BUY	6,200	278	750		1,724	5.7	3.6	5.0	4.7	0.1	0.1	2.6	4.0	
	Adhi Karya	ADHI	BUY	8,408	177	500		1,488	27.2	37.9	5.6	6.1	0.2	0.2	0.6	0.5	
	Jasa Marga	JSMR	BUY	7,258	4,690	5,100		34,039	16.1	13.7	9.3	8.8	1.4	1.3	9.1	9.8	
Consumer					87,138				348,105	14.8	12.6	7.9	7.0	2.9	2.6	20.8	21.9
	Indofood CBP	ICBP	BUY	11,662	10,200	12,900		118,951	17.0	12.1	8.9	8.1	2.9	2.5	18.1	22.3	
	Indofood	INDF	BUY	8,780	5,925	8,000		52,024	6.4	5.3	3.8	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				94,641	25.5	24.0	16.4	15.7	3.8	3.6	15.3	15.4
	Sido Muncul	SIDO	HOLD	30,000	725	710		21,750	22.9	19.9	18.4	16.5	6.4	6.2	27.6	31.8	
	Kalbe Farma	KLBF	BUY	46,875	1,555	1,600		72,891	26.3	25.6	15.9	15.5	3.4	3.2	13.2	12.9	
Healthcare					43,556				98,304	33.2	46.6	27.7	23.8	7.6	6.8	24.5	15.4
	Medikaloka Hermina	HEAL	BUY	15,366	1,330	1,800		20,437	42.2	34.2	14.7	12.7	4.3	3.9	11.9	12.1	
	Mitra Keluarga	MKA	BUY	14,246	2,930	3,200		41,742	45.6	36.5	27.2	22.6	7.2	6.3	16.3	18.4	
	Prodia Widyahusada	PRDA	BUY	938	2,880	6,400		2,700	7.7	7.4	3.1	2.8	1.1	1.0	14.8	14.6	
	Siloam Hospital	SILO	BUY	13,006	2,570	2,900		33,426	27.6	29.4	12.3	12.1	4.2	3.9	16.3	13.7	
Heavy Equipment					3,730				79,825	3.9	4.6	2.0	1.9	1.0	0.7	25.1	18.4
	United Tractors	UNTR	HOLD	3,730	21,400	24,900		79,825	3.9	4.6	2.0	1.9	1.0	0.7	25.1	18.4	
Industrial Estate					62,551				12,923	9.6	9.5	6.6	5.9	0.9	0.9	9.6	9.5
	Puradelta Lestari	DWAS	BUY	48,198	146	220		7,037	6.0	7.6	4.9	5.9	1.2	1.2	20.5	16.0	
	Bekasi Pajar	BEST	HOLD	9,647	98	140		945	7.0	4.9	7.3	6.0	0.2	0.2	3.1	4.2	
	Surya Semesta	SSIA	BUY	4,705	1,050	700		4,941	157.9	20.6	9.3	5.9	1.3	1.2	0.8	6.1	
Media					89,020				13,877	4.8	5.6	2.0	1.7	0.5	0.4	10.3	8.2
	Media Nusantara Citra	MNCN	BUY	15,050	288	800		4,334	2.2	2.7	1.0	0.5	0.2	0.2	9.8	7.2	
	Surya Citra Media	SCMA	BUY	73,971	129	325		9,542	10.5	10.6	4.6	4.4	1.2	1.1	11.6	10.7	
Mining					320,273				380,684	6.6	8.0	3.6	3.9	1.2	1.2	19.9	15.4
	Medco Energi	MEDC	BUY	25,136	1,225	1,950		30,792	6.9	5.7	3.5	3.0	1.2	1.0	18.1	19.1	
	Adaro Energy	ADRO	BUY	31,986	2,660	2,850		85,083	3.5	4.9	1.2	1.6	0.8	0.9	25.7	17.4	
	Timah	TINS	HOLD	7,448	780	2,100		5,809	14.9	46.6	4.6	19.7	0.8	0.8	5.3	1.7	
	Vale Indonesia	INCO	BUY	9,936	4,120	6,100		40,938	9.9	19.9	4.1	6.3	1.1	1.0	11.2	5.3	
	Aneka Tambang	ANTM	BUY	24,031	1,215	2,000		29,197	9.5	10.1	5.4	5.3	1.0	1.0	11.3	9.5	
	Bukit Asam	PTBA	BUY	11,521	2,430	2,750		27,995	5.4	6.5	5.2	6.9	1.1	1.6	18.9	19.9	
	Indo Tambangraya Megah	ITMG	BUY	1,130	23,875	28,800		26,977	3.6	4.4	1.5	1.4	1.0	1.0	26.7	23.2	
	Harum Energy	HRUM	BUY	13,518	1,055	1,700		14,262	4.6	4.6	1.4	1.1	1.1	1.0	26.1	22.4	
	Merdeka Copper Gold	MDKA	BUY	24,473	2,310	3,100		56,533	(182.4)	68.6	20.4	15.9	4.1	3.5	(2.1)	5.5	
	Trimegah Bangun Persada	NCKL	BUY	63,099	1,000	1,300		63,099	11.2	12.4	9.4	9.0	2.7	2.3	34.1	20.1	
	Merdeka Battery Materials	MBMA	BUY	107,995	550	700		59,397	571.5	82.8	42.7	24.7	88.2	152.8	10.0	135.1	
Poultry					30,363				96,645	29.2	21.5	12.9	10.8	2.3	2.1	7.9	10.2
	Charoen Pokphand	CPIN	BUY	16,398	4,820	5,900		79,038	34.1	26.8	16.7	14.4	2.9	2.8	8.7	10.6	
	Jaipfa Comfeed	JFPA	BUY	11,727	1,385	1,500		16,241	17.5	11.4	8.4	6.8	1.2	1.1	7.2	10.3	
	Malindo Feedmill	MAIN	BUY	2,239	610	850		1,366	21.5	10.6	5.0	4.4	0.5	0.5	2.6	5.0	
Property					124,025				69,756	9.8	8.9	5.4	4.6	0.7	0.7	7.7	7.9
	Alam Sutera	ASRI	BUY	19,649	127	240		2,495	3.4	6.3	3.9	4.8	0.2	0.2	6.7	3.5	
	Bumi Serpong Damai	BSDE	BUY	21,171	950	1,300		20,113	9.9	8.8	6.2	5.5	0.6	0.5	5.8	6.1	
	Ciputra Development	CTRA	BUY	18,536	1,085	1,600		20,111	12.2	9.0	6.3	5.4	1.0	0.9	8.6	10.7	
	Pakuw on Jati	PWON	BUY	48,160	390	610		18,782	8.7	8.6	4.2	3.7	1.0	0.9	11.8	10.8	
	Summarecon	SMRA	BUY	16,509	500	1,000		8,254	14.6	10.8	6.1	3.0	0.9	0.8	6.0	7.8	
Utility					65,737				34,181	24.3	22.8	11.4	11.3	2.2	2.1	16.0	15.5
	Perusahaan Gas Negara	PGAS	BUY	24,242	1,410	1,650		34,181	8.3	7.8	2.6	2.2	0.8	0.7	9.8	9.5	
	Pertamina Geothermal Energy	PGEO	BUY	41,495	1,005	1,470		41,702	16.1	15.0	8.8	9.2	1.4	1.3	10.8	9.2	
Retail					95,689				70,543	15.5	13.5	7.9	7.1	2.8	2.3	19.8	18.7
	Mitra Adi Perkasa	MAPI	BUY	16,600	1,365	2,200		22,659	12.0	10.5	5.4	5.0	2.3	1.8	20.9	19.4	
	MAP Aktif Adiperkasa	MAPA	BUY	28,504	705	1,100		20,095	14.5	12.8	9.3	8.5	3.5	2.8	27.3	24.4	
	Midi Utama Indonesia	MIDI	BUY	33,435	390	600		13,040	25.2	21.1	10.4	9.2	3.5	3.1	18.0	15.6	

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		19-Jun-24	18-Jun-24					
Japfa Comfeed	JPFA	1,385	1,290	7.4	1.5	(5.1)	17.4	BUY
Bank Syariah Indonesia	BRIS	2,410	2,280	5.7	13.1	(2.4)	38.5	BUY
Malindo Feedmill	MAIN	610	585	4.3	(3.2)	(2.4)	18.4	BUY
Telekomunikasi Indonesia	TLKM	2,830	2,720	4.0	(6.0)	(5.4)	(28.4)	BUY
Vale Indonesia	INCO	4,120	3,993	3.2	(3.3)	(18.9)	(3.0)	BUY
Indocement	INTP	7,425	7,200	3.1	(3.3)	8.0	(21.0)	BUY
XL Axiata	EXCL	2,130	2,080	2.4	(4.5)	(13.4)	6.5	BUY
Ace Hardware	ACES	860	840	2.4	0.6	1.2	19.4	BUY
Trimegah Bangun Persada	NCKL	1,000	980	2.0	6.4	(2.9)	-	BUY
Semen Indonesia	SMGR	3,510	3,440	2.0	(14.4)	(12.0)	(45.2)	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		19-Jun-24	18-Jun-24					
Pembangunan Perumahan	PTPP	278	310	(10.3)	(20.1)	(24.9)	(35.0)	BUY
Wijaya Karya	WIKA	80	88	(9.1)	(25.9)	(37.0)	(60.8)	BUY
Saratoga Investama Sedaya	SRTG	1,235	1,350	(8.5)	(16.3)	(19.0)	(24.7)	BUY
Adhi Karya	ADHI	177	192	(7.8)	(15.7)	(23.7)	(43.3)	BUY
Mitra Adi Perkasa	MAPI	1,365	1,470	(7.1)	(3.9)	(8.1)	(23.7)	BUY
Bank Jago	ARTO	1,900	2,030	(6.4)	(11.2)	(20.8)	(34.5)	BUY
Adi Sarana Armada	ASSA	650	690	(5.8)	(12.8)	(20.2)	(17.7)	BUY
Pertamina Geothermal Energy	PGEO	1,005	1,060	(5.2)	(14.1)	(20.2)	(14.1)	BUY
Barito Pacific	BRPT	905	950	(4.7)	(12.6)	(24.6)	(32.0)	BUY
Harum Energy	HRUM	1,055	1,105	(4.5)	(8.3)	(25.2)	(21.0)	BUY

Sources: Bloomberg

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- Macro Strategy: Navigating Market Inertia
- 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
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- Merdeka Battery Materials: 1Q24 earnings miss, but better prospect in 2Q24 from expanding Matte margin
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- Cement: Downgrade sector to Neutral on weak ASP and lower demand; cut our FY24F/25F EPS by 20%-21%
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- Medikaloka Hermina: Expect volume growth and efficiency effort to sustain earnings momentum in 2Q24 onwards
- XL Axiata: Merger plan to offer upside; reiterate Buy rating as we see deal risks to be manageable
- Bank Syariah Indonesia: Better entry point emerges as growth prospects and asset quality are intact
- Astra International: Lowering FY24-25F est. and TP amid weaker auto sales outlook; maintain Hold on lacking catalysts
- Astra International: KTA from meeting with FIF: steady growth and asset quality in FY24
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- Poultry: Brighter outlook ahead despite seasonal volatility
- Equity Strategy: Growth headwinds priced in, but we prefer defensive and 'quality' amid lingering uncertainties
- Macro Strategy: Assessing The Prevailing Growth Risks
- Indofood CBP: Inline 1Q24 earnings; FY24 growth outlook intact from solid volumes and soft RM prices
- Telkom Indonesia: KTA from call with Telkomsel Directors: optimizing its market position to drive FMC monetization
- Charoen Pokphand Indonesia: Inline 1Q24 earnings: recovery of livebird and DOC margins offset lower feed margins; upgrade to Buy
- Japfa Comfeed Indonesia: 1Q24 earnings beat; Strong margins supported by the livebird, DOC and feed segments
- Mitra Keluarga Karyasehat: Solid 1Q24 earnings (in-line); upgrade to Buy as we expect earnings momentum to be sustained
- Bank Syariah Indonesia: In-line 1Q24 earnings: strong growth intact, driven by improving asset quality, offsetting lower NIM

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