

FROM EQUITY RESEARCH DESK

IDEA OF THE DAY

Macro Strategy: The Amalgam of Catalysts

- While not immediately creating an ideal situation, the recent positive developments help counter the prolonged negative sentiment.
 - Sustained market momentum requires key macroeconomic improvements; but twin deficits and tight liquidity add risk catalysts.
 - Bank Indonesia intervention will provide a buffer for liquidity, with its ownership in SBN now the highest, surpassing banking's.
- To see the full version of this report, please [click here](#)

RESEARCH COMMENTARY

- Healthcare - Sight Investments Announced a Tender Offer for a 45% Stake in Siloam Hospitals @Rp2,850/share (Total Value Rp16.68tr)
- Poultry - Slight adjustment in reference prices and additional DOC reference prices
- Poultry – 4th week of June 2024 Price Update

MARKET NEWS

MACROECONOMY

- China's Caixin Manufacturing PMI Rose to 51.8 in Jun24
- Indonesia Inflation Rose 2.51% yoy in Jun24
- Indonesia's Manufacturing PMI Fell to 50.7 in Jun24

CORPORATE

- BBCA Obtained OJK's Approval for The Merger of Two of its Subsidiaries
- BYD and Harmony Auto Opened a Dealership in Central Jakarta
- DOID Completed the Acquisition of Atlantic Carbon Group
- INCO's Revenue and Net Profits Plummeted in 1Q24
- PGAS Prepares a Natural Gas Network in IKN
- TOWR's Business Entity Completed the Acquisition of a 90% stake in IBST
- UNTR Targets Nickel Ore Sales of 1.6Mt
- VinFast Officially Markets Electric Cars in Indonesia

PREVIOUS EQUITY RESEARCH REPORTS

- Astra International: [KTA from analyst day: challenges from used 4W, but expect 2H24F sales to improve from 1H24](#)
- Telkom Indonesia: [Robust traffic growth on the cards for 2Q24; upside from WIB strategic positioning](#)
- Healthcare: [KTAs from IHC meeting: Potential operation of BIH by FY25F to potentially drive Med-Tourism growth](#)
- Banks: [Attractive entry point amid valuation derating, supported by the still robust asset quality](#)
- AKR Corporindo: [Expect a better 2H24 land sales; resume coverage with a Buy rating and TP of Rp1,850](#)
- Macro Strategy [Still No Utopia](#)

EQUITY MARKET INDICES

	Close	Chg (%)	Ytd (%)	Vol (US\$mn)
Asean - 5				
Indonesia	7,140	1.1	(1.8)	556
Thailand	1,299	(0.1)	(8.2)	817
Philippines	6,399	(0.2)	(0.8)	55
Malaysia	1,598	0.5	9.9	653
Singapore	3,339	0.2	3.0	697
Regional				
China	2,995	0.9	0.7	53,668
Hong Kong	17,719	0.0	3.9	12,631
Japan	39,631	0.1	18.4	18,124
Korea	2,804	0.2	5.6	7,964
Taiwan	23,059	0.1	28.6	n.a
India	79,476	0.6	10.0	1,232
Nasdaq	17,879	0.8	19.1	257,472
Dow Jones	39,170	0.1	3.9	19,520

CURRENCY AND INTEREST RATE

		Rate	wow (%)	mom (%)	ytd (%)
Rupiah	Rp/1US\$	16,322	0.4	(0.6)	(6.0)
BI7DRRR	%	6.25	-	-	0.3
10y Gov	Indo bond	7.09	(0.0)	0.2	0.6

HARD COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Coal	US\$/ton	132	(0.8)	(7.2)	(9.8)
Gold	US\$/toz	2,332	0.0	0.2	13.1
Nickel	US\$/mt.ton	17,096	0.3	(12.1)	4.4
Tin	US\$/mt.ton	32,650	0.5	(0.4)	29.7

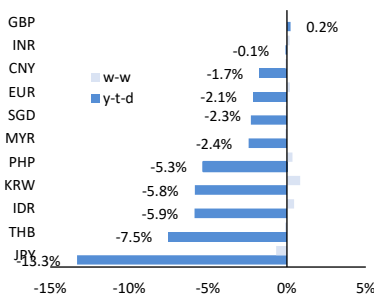
SOFT COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Cocoa	US\$/mt.ton	6,777	3.9	(15.8)	62.9
Corn	US\$/mt.ton	150	2.2	(9.5)	(12.6)
Oil (WTI)	US\$/barrel	83	0.0	8.3	16.4
Oil (Brent)	US\$/barrel	87	1.9	6.1	12.4
Palm oil	MYR/mt.ton	3,996	1.2	1.4	7.5
Rubber	US\$/kg	168	-	(3.8)	7.8
Pulp	US\$/tonne	1,205	n.a	2.8	20.5
Coffee	US\$/60kgbag	213	0.1	5.9	62.9
Sugar	US\$/MT	586	(2.1)	8.2	(1.7)
Wheat	US\$/ton	161	2.9	(15.6)	(10.1)
Soy Oil	US\$/lb	46	4.7	0.7	(4.2)
SoyBean	US\$/by	1,160	0.8	(3.8)	(10.4)

Macro Strategy

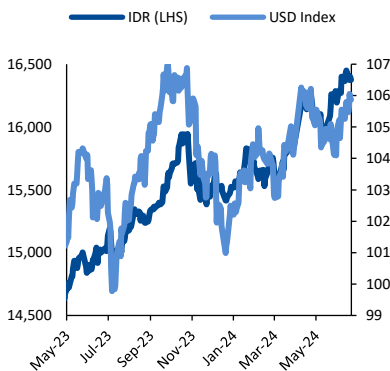
The Amalgam of Catalysts

YTD Currency performance (%)



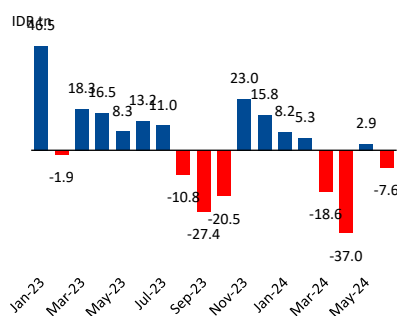
Source: Bloomberg

IDR vs DXY



Source: Bloomberg

Capital Inflow/Outflow (IDR tn)



Source: Bloomberg

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- While not immediately creating an ideal situation, the recent positive developments help counter the prolonged negative sentiment.
- Sustained market momentum requires key macroeconomic improvements; but twin deficits and tight liquidity add risk catalysts.
- Bank Indonesia intervention will provide a buffer for liquidity, with its ownership in SBN now the highest, surpassing banking's.

The String of Positive Developments. Despite ongoing challenges with IDR volatility, we note some positive developments in key areas. While these improvements may not lead to an ideal situation immediately, they help to counter the recent prolonged negative sentiment.

1. Clarity on fiscal continuation, the recent standalone press conference hosted by the Ministry of Finance and the new government's economic team aims to reassure stakeholders concerned about the continuity of fiscal prudence. A spokesperson from the incoming Prabowo-Gibran administration affirmed their commitment to maintaining established fiscal limits and dismissed concerns about the debt-to-GDP ratio nearing 50%. To bolster this commitment, the Ministry of Finance announced the effective use of the SAL of c. IDR200tn as reticence to support fiscal spending while concurrently reducing the issuance Government Bond (SBN) in a bid to stabilize yield volatility. This has had a positive impact to the recent market movements.

2. The World Bank (WB) has upgrade Indonesia growth projections in its latest Indonesia Economic Prospects report. For the fiscal years of 2024, 2025, and 2026, the WB expects Indonesia's economy to expand by 5.0%, 5.1%, and 5.1%, respectively, compared to previous estimates of 4.9%, 4.9%, and 5.0%. Three main points substantiate this upgrade: 1. More optimistic outlook amidst a relaxed fiscal stance in 1H24; a trend expected to continue as the government increases both social spending and investment; 2. The WB emphasized the importance of accompanying increased spending with tax reforms aimed at boosting revenue; and 3. The WB also forecasts a stable fiscal deficit of 2.5% for the fiscal years of 2024 to 2026, noting the upside risk if additional revenue is not generated to fund expanded social programs. On a more cautionary note, external uncertainties, particularly related to trade dynamics and potential reductions in fiscal revenues, pose risks to growth trajectory.

3. On the trade front, China's economic growth improvement outlook should have a positive impact. The WB has raised China's growth forecast for the fiscal year of 2024 to 4.8% from 4.5%, reflecting stronger-than-expected exports despite expectations of moderating domestic demand due to ongoing challenges in the property market. A similar upgrade was also made by the IMF last month. Recent successful ultra-long bond auctions in China, amounting to USD11.1bn also demonstrate strong investor interest. The Committee's third plenum meeting on 15 July is also anticipated to provide direction on the key reform, especially on growth. Considering Indonesia's close trade relationship with China, it could potentially lead to brisker trade for Indonesia's commodities. However, we believe the impact will not be immediate and further risk is rising as the Indonesian government's plan to impose tariffs on imported goods from China could potentially lead to retaliatory measures.

The return of the Twin Deficit & Tighter Liquidity. In our view, the positive factors mentioned above primarily address market sentiment. For sustained upward momentum, comprehensive improvements in key underlying macroeconomic fundamentals will be needed. At this juncture, we note two main negative factors: 1. the return of twin deficit status which would reduce the allure for investment and 2. tighter system liquidity as seen in the fall in banking excess liquidity to below a key level, which would risk a battle for liquidity.

1. The 5M23 fiscal progress points to an IDR deficit of IDR21.8tn (compared to a surplus of IDR204tn in the same period in 2023), with revenue declining by 7.1% y-y and expenditure increasing by 14% y-y. Corporate tax growth is still in a negative trend, while the largest contributor, personal tax, is starting to see its growth moderating. All in all, this places Indonesia as a twin deficit country once again, with the current account balance expected to remain in deficit for the rest of the year.
2. The liquidity of banks looks to be tightening, according to our excess liquidity indicators. Last week, banks' 4-week average of excess liquidity dropped below IDR200tn, a threshold that might prompt banks to look for more liquidity and raise rates as seen in Oct last year.

Bank Indonesia Intervention to provide a buffer. Although tight liquidity ensues, the situation should not be considered alarming given the backdrop of an overall slowdown in loans growth, which reduces the need for aggressive fundraising. Meanwhile, banks' ownership of SBN and SRBI remains high. The latest official data shows banks held IDR384.5tn in SRBI, accounting for 68% of the total SRBI outstanding as of May 2024, which we estimate could reach c. IDR450tn by the end of June. Additionally, banks still hold IDR1,292tn in SBN, which they can unwind in the case of liquidity needs. Given the large issuances of SRBI, we believe Bank Indonesia still has the capacity to absorb SBN in the secondary market, which not only provides liquidity to the banking sector but also helps to stabilize yields during times of foreign outflows. BI is now the largest holder of SBN with total ownership of >IDR1,300tn.

US Elections – the Key Debates. As the US election approaches, the second showdown between Trump and Biden looms. The first debate last week offered glimpses into the policy directions of both candidates, albeit overshadowed by personal attacks. Joe Biden's poor performance in the debate has fueled uncertainty, with speculation emerging about the selection of an alternative Democratic candidate. Concerns over Biden's viability to continue his presidency benefited Trump, whose popularity rose following the debate. The primary focus in the early session centered on economic issues, mainly on tax, tariffs and immigrant labor (Exh 12 for details). Further Yen weakening would push the Dollar Index higher, potentially further raise concerns on heightened IDR volatility.

Capital Market – Lower yield and higher JCI. Despite higher US Treasury's 10-year yield which rose by 11 bps last week to 4.36%, Indonesia's 10-year Government Bond yield fell by 7 bps to 7.08%. JCI also saw strong rebound back to critical 7,000 level last week. We believe clarity on fiscal stance partially support investor confidence, while BI's continues intervention has made IDR appreciate 0.46% last week to IDR16,375 in spite of 0.19% appreciation in the dollar index Indonesia's 5-year Credit Default Swap (CDS) remained stable at 78 basis points.

Flows: Fixed Income - Latest data as of 24 June still points to weekly foreign outflow of IDR6.24tn, with overall foreign ownership amounting to IDR799.68 tn, with MTD outflow totaled IDR7.29tn. Banking sector also recorded outflow of IDR44.04tn (MTD outflow IDR26.79tn), with Bank Indonesia (excluding repo transactions) continues its market intervention and recorded an inflow of IDR48.85tn (MTD inflow of IDR43.83tn). Mutual funds experienced a slight weekly outflow of IDR0.06tn, while insurance and pension funds saw an inflow of IDR3.93tn. **Equity** – JCI surged 2.7% to 7,063 with strong weekly foreign inflow of IDR1.2tn, mostly to BBCA, TLKM & BRIS.

RESEARCH COMMENTARY**Healthcare - Sight Investments Announced a Tender Offer for a 45% Stake in Siloam Hospitals @Rp2,850/share (Total Value Rp16.68tr)**

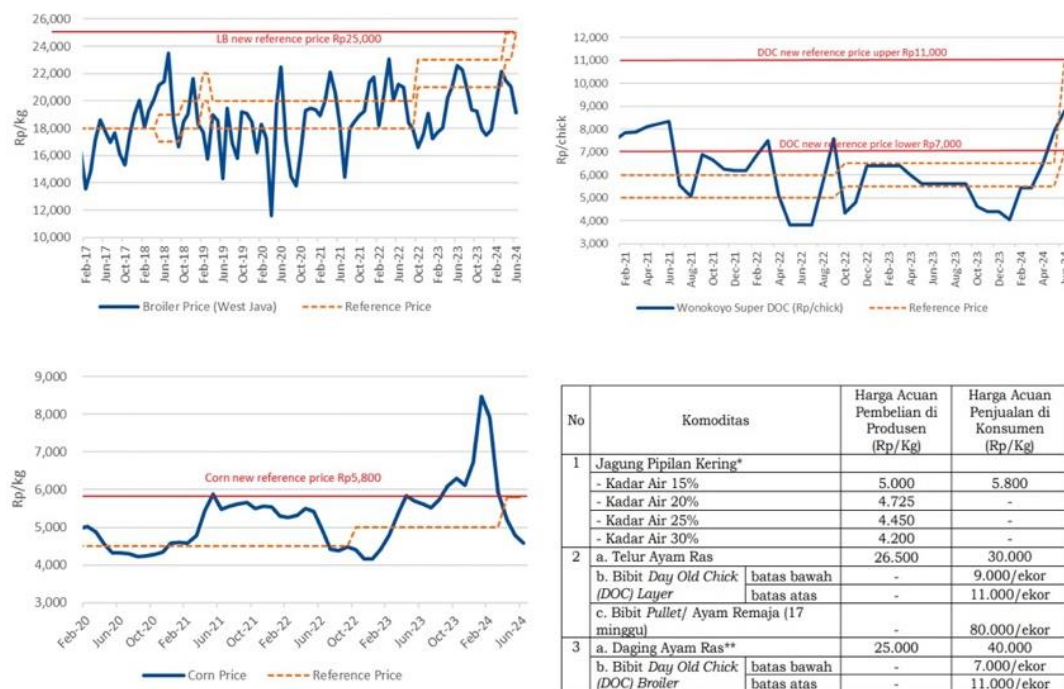
- According to the company's recent disclosure, Sight Investments Pte Ltd just announced a tender offer for the purchase of a 45% stake in Siloam Hospitals (SILO IJ). This will potentially bring Sight Investments' ownership in Siloam to 55.4%, as they previously completed a transaction to purchase a 10.4% stake from PT Megapratama Karya Persada (PT MKP), an LPKR-related entity.
- Sight Investments is a Singapore-based investment holding company, which is controlled by CVC Capital Partners Asia VI Limited.
- From the disclosure, the current shareholding structure of Siloam is: PT MKP 39.17%, Sight Investments 10.40%, Prime Health Company (CVC) 26.18%, the Public 24.06% (including Marubeni's shares of 4.99%). The VTO price offered implies FY24F/FY25F EV/EBITDA of 13.5/10.0x vs. the regional average of 17.6/16.3x.

Comment: We think the deal would be generally positive for the development of Siloam's operations going forward, as CVC could bring their broad experience investing in healthcare companies across the globe, being even more impactful on Siloam. Some hospitals in CVC's portfolio are:

- *Elsan Hospital France - Hospitals network in France (135+ hospitals)*
- *Mehilainen Finland - 56% - Hospital services in Finland (57 medical centers and 11 hospitals)*
- *Phuong Chau Hospital - 60% - Maternity hospitals in Vietnam (4 hospitals)*
- *Hellenic Healthcare Group - 97% - Hospitals network in Greece (9 hospitals)*
- *Sogo Medical Japan - 100% - Consultation for hospital management, construction, and med practices*
- *Medivet Pet Hospital - UK, Germany, Spain Pet Hospitals Network (Ismail Fakhri Suweleh - BRIDS)*

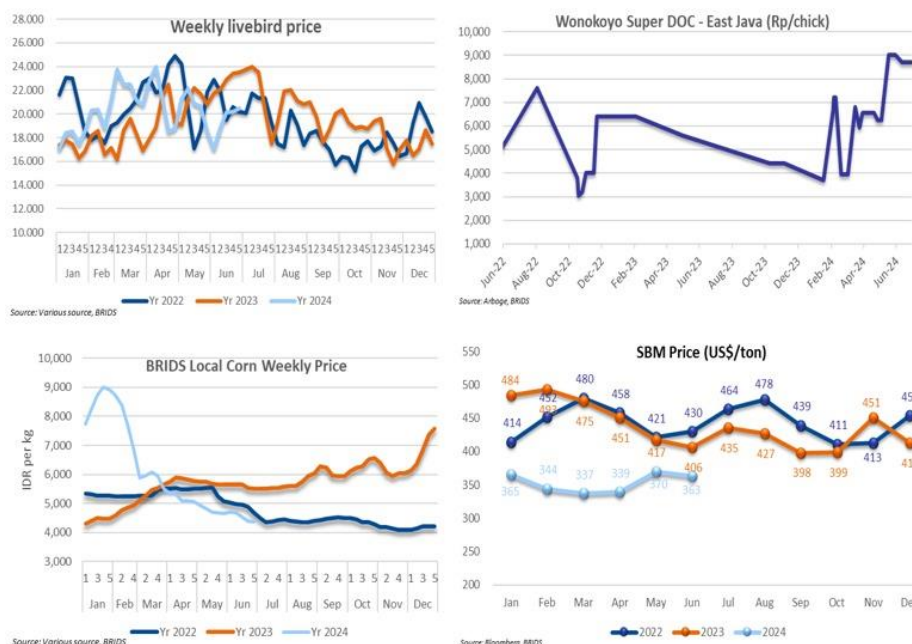
Poultry - Slight adjustment in reference prices and additional DOC reference prices

- After relaxing livebird (LB) prices to Rp23,000-25,000/kg (from Rp21,000-23,000 in 2022) in May24, the NFA issued regulation No 06/2024 and set the new reference price at Rp25,000/kg.
- Hence, the previous relaxation of reference prices will no longer be valid, as the new NFA regulation (No 06/2024) will amend the NFA regulation (No 05/2022).
- In the new regulation, the NFA also set the reference price for DOC broilers at Rp7,000-11,000/chick, up from Rp5,500-6,500/chick in the previous NFA regulation (not mentioned in the relaxation letter). Local corn reference prices remained unchanged from the previous relaxation letter at Rp5,800/kg.
- Based on recent data, the new reference prices will provide upside potential to the commercial farming business, as the reference price of Rp25,000/kg is above the current livebird price of Rp20,000/kg. On the other hand, the feedmill business will potentially be negatively affected as the current corn price stands at Rp4,400/kg, below the reference price of Rp5,800/kg.
- However, we continue to believe that the reference prices have a minimal impact on the price volatility in the market. Historical data shows that the market prices often deviate from their respective reference prices. (*Victor Stefano & Wilastita Sofi - BRIDS*)



Poultry – 4th week of June 2024 Price Update

- Livebird prices rose slightly to Rp20.5k/kg (+1.5% wow) in the last week of June. However, the monthly avg. price declined to Rp19k/kg from Rp21k/kg in May24 (-9% mom, -15% yoy).
- There is no new data on DOC, and the latest price remained high at Rp8.7k/chick.
- The local corn price continued its steady decline, falling to Rp4.4k/kg in the last week of June (from Rp4.7k/kg in early June). The Jun24 avg. local corn price declined slightly to Rp4.5k/kg from Rp4.7/kg in May24 (-4.4% mom).
- Soybean meal (SBM) prices remained relatively stable, hovering at around US\$360-370/t during the entire month of Jun24. The average price in Jun24 stood at US\$363/t (-2% mom, -11% yoy).
- Despite the potentially lower LB prices in July, partly due to the Suro month, we remain positive on margins, supported by both lower local corn and SBM costs. (Victor Stefano & Wilastita Sofi - BRIDS)



MACROECONOMY**China's Caixin Manufacturing PMI Rose to 51.8 in Jun24**

China's Caixin Manufacturing PMI rose to 51.8 in Jun24, the highest level since May21, up from 51.7 in May24. Output grew at the fastest pace in two years. While foreign sales continued to expand, the decline in employment eased. Input prices rose the most in two years, and selling prices increased for the first time in six months. This contrasts with the NBS PMI, which contracted for the second consecutive month. (Trading Economics)

Indonesia Inflation Rose 2.51% yoy in Jun24

Inflation rose 2.51% yoy or -0.08% mom in Jun24, lower than our estimate/cons expectations of 2.77%/2.74%. The yearly figure is a 9-month low. June's monthly deflation was preceded by deflation in May. The deflation stemmed from a fall in major volatile food prices amid Idul Adha. This led to lower volatile food inflation, which fell to 5.96% yoy, nearing the government's target of 5%. Core inflation dipped to 1.9% yoy (compared to May's 1.93%), with gold jewelry remaining the top contributor. Administered prices rose by 1.68% (compared to May's increase of 1.52%), driven by increases in the prices of machine-made cigarettes (SKM) and higher air transport tariffs. Both SKM and gold jewelry have been among the top contributors to inflation over the past six months. (BPS)

Indonesia's Manufacturing PMI Fell to 50.7 in Jun24

Indonesia's Manufacturing PMI still expanded in Jun24, although at the softest pace in a year. S&P reported that Indonesia's June PMI fell to 50.7 from 52.1 in May. Output and new orders growth slowed while the production increase rate dropped to a 14-month low. Export sales remained weak with export business down for the fourth consecutive month. (S&P)

CORPORATE**BBCA Obtained OJK's Approval for The Merger of Two of its Subsidiaries**

BBCA obtained OJK's approval for the merger of two of its subsidiaries, BCA Finance (BCAF) and BCA Multi Finance (BCAMF). As such, BCAF and BCAMF will hold a General Meeting of Shareholders to obtain approval from their respective shareholders. Both companies are engaged in the same field, namely the Multi finance industry, but BCAF currently focuses on 4W financing, while BCAMF prioritizes 2W financing. After the merger, all BCAMF's rights and obligations will be fully transferred to BCAF and BCAF will become the surviving entity (Investor Daily)

BYD and Harmony Auto Opened a Dealership in Central Jakarta

BYD Motor Indonesia, together with Harmony Auto, officially opened the BYD Harmony Sudirman dealer in the Sudirman area, Central Jakarta, on June 30, 2024. Previously, the two business entities had opened a dealership in Cilandak, South Jakarta. According to BYD, the Sudirman dealership is in a very strategic location because it is accessible by various modes of public transport, and it is located close to office centers, government buildings, and shopping centers. (Kontan)

DOID Completed the Acquisition of Atlantic Carbon Group

DOID, through American Anthracite SPV I, LLC, a controlled company of PT Bukit Makmur Internasional (BUMA International), has completed the strategic acquisition of Atlantic Carbon Group, Inc. (ACG) with a transaction value of US\$122.4mn. According to DOID, this acquisition ensures ownership of four Ultra-High-Grade (UHG) anthracite mines in Pennsylvania, United States, and positions the company as a key player in the global UHG anthracite market, which is crucial for the production of low-carbon steel. (Kontan)

INCO's Revenue and Net Profits Plummeted in 1Q24

INCO's top line and bottom line fell in 1Q24. The company recorded US\$229.9mn in revenue (-36.7% yoy). The decline in revenue reflects lower sales to related parties, Vale Canada Limited (VCL) and Sumitomo Metal Mining Co. Ltd (SMM). INCO's sales to VCL and SMM fell by 36.7% yoy and 36.5% yoy, respectively. INCO also recorded a loss on fair value recognition of derivative assets of US\$12.9mn. In 1Q24, INCO booked net profits of US\$6.2mn (-96.3% yoy). (Kontan)

PGAS Prepares a Natural Gas Network in IKN

PGAS is building a natural gas network in IKN. The gas network (Jargas) will be utilized in various vertical residences and landed houses, which are official residences for ministers and employees at IKN. The 1st stage is expected to be operational in August 2024. In addition to the development of Jargas in IKN, Pertamina is also preparing the Pertamina Sustainable Energy Center, which includes the Pertamina Sustainability Academy, Pertamina Training Institute, and Pertamina Research and Innovation Center for Sustainable and Low Carbon Technologies. (Kontan)

TOWR's Business Entity Completed the Acquisition of a 90% stake in IBST

TOWR, through its business entity PT iForte Solusi Infotek (iForte), completed the acquisition of 90.1% of the shares in IBST via a tender offer process. The acquisition price was set at Rp2,813 per IBST common share, for a total consideration of approximately Rp3.42tr for a 90.1% stake. Following the completion of this transaction, iForte will conduct a mandatory tender offer. (Company)

UNTR Targets Nickel Ore Sales of 1.6Mt

UNTR targets nickel ore sales of 1.6Mt in 2024. According to UNTR, Stargate is still producing nickel ore because the smelter is still under construction. UNTR expects demand for nickel to increase to around 3,390 k tons in 2027. The battery sector will drive high growth in nickel demand in the future, although currently the volume is still relatively small. (Bisnis)

VinFast Officially Markets Electric Cars in Indonesia

VinFast started marketing the VF 5 model at a price of Rp310mn in the Indonesian market. However, through the battery rental scheme, the product price is only Rp242mn. Battery rental fees with a mileage of less than 1,500 km are set at Rp990,000/month, a distance of less than 3,000 km at Rp1.41mn/month, and a distance of more than 3,000 km at Rp2.36mn/month. VinFast also provides a warranty of up to 7 years or 160,000 km. An 8-year battery warranty is also offered with unrestricted mileage. (Bisnis)

BRI danareksa sekuritas		Equity Valuation		Rating	Outstanding Shares (Mn)	Price (Rp)	Price Target	Mkt Cap Rp Bn	PER (x)		EV / EBITDA (x)		PBV		ROE	
									2023	2024	2023	2024	2023	2024	2023	2024
BRI-Danareksa Universe					3,204,680			4,593,554	17.2	12.9	10.9	10.2	2.2	2.1	13.2	16.7
Auto					40,484			187,034	5.5	6.2	4.5	4.3	0.9	0.9	17.3	14.7
Astra International		ASII	BUY		40,484	4,620	5,100	187,034	5.5	6.2	4.5	4.3	0.9	0.9	17.3	14.7
Financials & Banks					339,965			2,150,504	16.2	15.2	N/A	N/A	2.9	2.7	19.1	18.5
BCA		BBCA	BUY		123,275	9,875	11,300	1,217,342	25.0	23.0	N/A	N/A	5.0	4.6	21.0	20.9
BNI		BBNI	BUY		37,297	4,710	6,800	175,670	8.4	8.0	N/A	N/A	1.2	1.1	14.6	14.0
Bank Tabungan Negara		BBTN	BUY		14,034	1,275	2,000	17,894	5.6	5.0	N/A	N/A	0.6	0.6	11.6	11.9
Bank Mandiri		BMRI	BUY		93,333	6,250	7,400	583,333	10.6	10.3	N/A	N/A	2.2	2.1	22.4	20.9
Bank Jago		ARTO	BUY		13,857	2,380	4,500	32,979	455.7	254.3	N/A	N/A	3.9	3.9	0.9	1.5
Bank Neo Commerce		BBYB	BUY		12,039	240	600	2,889	(5.0)	(24.2)	N/A	N/A	0.9	0.9	(16.2)	(3.7)
Bank Syariah Indonesia		BRIS	BUY		46,129	2,610	2,700	120,397	21.1	18.3	N/A	N/A	3.1	2.7	15.8	15.9
Cement					10,433			53,523	13.0	14.0	5.4	5.4	0.8	0.8	6.5	5.9
Indocement		INTP	BUY		3,681	7,350	8,400	27,057	13.9	15.6	7.3	7.1	1.3	1.2	9.6	8.0
Semen Indonesia		SMGR	BUY		6,752	3,920	6,700	26,466	12.2	12.6	4.5	4.5	0.6	0.6	5.0	4.8
Cigarettes					118,242			115,094	8.2	7.4	5.0	4.6	1.3	1.2	15.8	16.7
Gudang Garam		GGRM	BUY		1,924	17,500	24,000	33,672	5.6	5.2	3.1	2.9	0.5	0.5	10.1	10.3
HM Sampoerna		HMSP	BUY		116,318	700	1,100	81,423	10.1	8.9	7.0	6.2	2.7	2.6	27.6	29.8
Construction					21,865			39,581	16.0	13.2	8.02	7.62	0.9	0.8	5.7	6.5
Pembangunan Perumahan		PTPP	BUY		6,200	302	750	1,872	6.2	4.0	5.1	4.7	0.2	0.2	2.6	4.0
Adhi Karya		ADHI	BUY		8,408	212	500	1,782	32.6	45.4	5.8	6.2	0.2	0.2	0.6	0.5
Jasa Marga		JSMR	BUY		7,258	4,950	5,100	35,926	17.0	14.4	9.5	9.0	1.5	1.4	9.1	9.8
Consumer					87,138			345,648	14.7	12.5	7.9	7.0	2.9	2.6	20.8	21.9
Indofood CBP		ICBP	BUY		11,662	10,300	12,900	120,118	17.2	12.2	9.0	8.1	2.9	2.5	18.1	22.3
Indofood		INDF	BUY		8,780	6,100	8,000	53,561	6.6	5.4	3.9	3.0	0.9	0.8	14.4	15.7
Unilever		UNVR	SELL		38,150	2,960	2,300	112,924	23.5	24.9	16.0	17.2	33.4	33.2	130.1	133.8
Mayora Indah		MYOR	BUY		22,359	2,360	3,200	52,767	16.5	15.7	10.3	10.0	3.5	3.1	23.1	21.1
Nippon Indosari Corpindo		ROTI	BUY		6,186	1,015	1,400	6,279	18.8	16.4	9.3	8.4	2.6	2.4	13.1	15.3
Pharmaceutical					76,875			93,197	25.1	23.6	16.1	15.5	3.8	3.5	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	1,505	1,600	70,547	25.5	24.8	15.3	15.0	3.3	3.1	13.2	12.9
Healthcare					43,556			102,129	34.5	48.4	28.8	24.7	7.9	7.1	24.5	15.4
Medikaloka Hermina		HEAL	BUY		15,366	1,350	1,800	20,744	42.8	34.7	14.9	12.8	4.4	4.0	11.9	12.1
Mitra Keluarga		MIKA	BUY		14,246	2,980	3,200	42,454	46.3	37.1	27.7	23.0	7.3	6.4	16.3	18.4
Prodia Widyahusada		PRDA	BUY		938	2,820	6,400	2,644	7.5	7.2	3.0	2.7	1.1	1.0	14.8	14.6
Siloam Hospital		SILO	BUY		13,006	2,790	2,900	36,287	30.0	32.0	13.3	13.1	4.6	4.2	16.3	13.7
Heavy Equipment					3,730			82,529	4.0	4.8	2.1	1.9	1.0	0.8	25.1	18.4
United Tractors		UNTR	HOLD		3,730	22,125	24,900	82,529	4.0	4.8	2.1	1.9	1.0	0.8	25.1	18.4
Industrial Estate					62,551			13,528	10.0	10.0	6.8	6.2	1.0	0.9	9.6	9.5
Puradelta Lestari		DMAS	BUY		48,198	153	220	7,374	6.2	8.0	5.2	6.3	1.3	1.3	20.5	16.0
Bekasi Fajar		BEST	HOLD		9,647	94	140	907	6.7	4.7	7.2	5.9	0.2	0.2	3.1	4.2
Surya Semesta		SSIA	BUY		4,705	1,115	700	5,246	167.7	21.9	9.8	6.3	1.4	1.3	0.8	6.1
Media					89,020			15,142	5.3	6.1	2.2	2.0	0.5	0.5	10.3	8.2
Media Nusantara Citra		MNCN	BUY		15,050	318	800	4,786	2.4	3.0	1.1	0.7	0.2	0.2	9.8	7.2
Surya Citra Media		SOMA	BUY		73,971	140	325	10,356	11.4	11.5	5.1	4.9	1.3	1.2	11.6	10.7
Mining					320,299			399,158	6.9	8.4	3.8	4.1	1.3	1.3	19.9	15.4
Medco Energi		MEDC	BUY		25,136	1,340	1,950	33,683	7.6	6.3	3.6	3.1	1.3	1.1	18.1	19.1
Adaro Energy		ADRO	BUY		31,986	2,800	2,850	89,561	3.6	5.1	1.4	1.8	0.9	0.9	25.7	17.4
Timah		TINS	HOLD		7,448	925	2,100	6,889	17.7	55.3	5.3	22.7	1.0	1.0	5.3	1.7
Vale Indonesia		INCO	BUY		9,963	4,200	6,100	41,843	10.2	20.3	4.2	6.5	1.1	1.1	11.2	5.3
Aneka Tambang		ANTM	BUY		24,031	1,305	2,000	31,360	10.2	10.8	6.0	5.9	1.0	1.0	11.3	9.5
Bukit Asam		PTBA	BUY		11,521	2,500	2,750	28,802	5.6	6.6	5.4	7.0	1.1	1.6	18.9	19.9
Indo Tambangraya Megah		ITMG	BUY		1,130	24,275	28,800	27,429	3.7	4.5	1.6	1.4	1.0	1.0	26.7	23.2
Harum Energy		HRUM	BUY		13,518	1,205	1,700	16,289	5.2	5.3	1.9	1.5	1.3	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		NOKL	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	650	700	70,197	675.4	97.9	50.1	28.8	104.3	180.6	10.0	135.1
Poultry					30,363			102,309	30.9	22.7	13.5	11.3	2.4	2.2	7.9	10.2
Charoen Pokphand		CPIN	BUY		16,398	5,100	5,900	83,630	36.1	28.4	17.5	15.2	3.1	2.9	8.7	10.6
Japfa Comfeed		JFPA	BUY		11,727	1,465	1,500	17,179	18.5	12.1	8.7	7.0	1.3	1.2	7.2	10.3
Malindo Feedmill		MAIN	BUY		2,239	670	850	1,500	23.7	11.6	5.2	4.6	0.6	0.6	2.6	5.0
Property					124,025			69,896	9.8	8.9	5.4	4.6	0.7	0.7	7.7	7.9
Alam Sutera		ASRI	BUY		19,649	126	240	2,476	3.4	6.2	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	1,130	1,600	20,945	12.7	9.4	6.6	5.6	1.1	1.0	8.6	10.7
Pakuw on Jati		PWON	BUY		48,160	376	610	18,108	8.4	8.3	4.1	3.5	0.9	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			37,453	28.6	26.8	13.4	13.3	2.6	2.4	16.0	15.5
Perusahaan Gas Negara		PGAS	BUY		24,242	1,545	1,650	37,453	9.1	8.5	2.8	2.4	0.8	0.8	9.8	9.5
Pertamina Geothermal Energy		PGEO	BUY		41,495	1,220	1,470	50,624	19.5	18.2	10.6	10.9	1.7	1.6	10.8	9.2
Retail					95,689			72,951	16.0	14.0	8.2	7.4	2.9	2.4	19.8	18.7
Mitra Adi Perkasa		MAPI	BUY		16,600	1,435	2,200	23,821	12.6	11.0	5.6	5.2	2.4	1.9	20.9	19.4
MAP Aaktif Adiperkasa		MAPA	BUY		28,504	740	1,100	21,093	15.2	13.4	9.7	8.9	3.7	3.0	27.3	24.4
Midi Utama Indonesia		MIDI	BUY		33,435	400	600	13,374	25.9	21.7	10.7	9.5	3.6	3.2	18.0	15.6
Ace Hardware		ACES	BUY		17,150	855	1,200	14,663	19.2	16.9	13.1	1				

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		01-Jul-24	28-Jun-24					
Wijaya Karya	WIKA	106	86	23.3	19.1	(5.4)	(48.0)	BUY
Barito Pacific	BRPT	1,130	990	14.1	17.3	6.3	(14.9)	BUY
Adhi Karya	ADHI	212	197	7.6	6.0	1.9	(32.1)	BUY
Harum Energy	HRUM	1,205	1,140	5.7	7.6	(13.9)	(9.7)	BUY
Dharma Satya	DSNG	655	620	5.6	6.5	3.1	18.0	BUY
Semen Indonesia	SMGR	3,920	3,730	5.1	6.2	12.3	(38.8)	BUY
Sawit Sumbermas	SSMS	1,075	1,025	4.9	(0.5)	3.4	2.9	BUY
Aneka Tambang	ANTM	1,305	1,250	4.4	4.4	(10.9)	(23.5)	BUY
Pembangunan Perumahan	PTPP	302	290	4.1	1.3	(11.2)	(29.4)	BUY
Surya Semesta	SSIA	1,115	1,075	3.7	1.8	(6.3)	156.9	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		01-Jul-24	28-Jun-24					
Gudang Garam	GGRM	17,500	18,100	(3.3)	(4.4)	(6.4)	(13.9)	BUY
Bukalapak	BUKA	135	139	(2.9)	-	3.8	(37.5)	BUY
Mitra Adi Perkasa	MAPI	1,435	1,475	(2.7)	1.4	13.0	(19.8)	BUY
Sido Muncul	SIDO	755	775	(2.6)	0.7	6.3	43.8	HOLD
Bank Neo Commerce	BBYB	240	246	(2.4)	-	(9.1)	(45.0)	BUY
Unilever	UNVR	2,960	3,020	(2.0)	(1.7)	(5.1)	(16.1)	SELL
Indosat	ISAT	10,500	10,700	(1.9)	-	2.9	12.0	BUY
HM Sampoerna	HMSP	700	710	(1.4)	0.7	(4.8)	(21.8)	BUY
Surya Citra Media	SCMA	140	142	(1.4)	(4.8)	(6.7)	(17.6)	BUY
Chandra Asri Petrochemical	TPIA	9,100	9,225	(1.4)	3.1	(0.8)	73.3	BUY

Sources: Bloomberg

PREVIOUS REPORTS

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- Banks: Attractive entry point amid valuation derating, supported by the still robust asset quality
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- Macro Strategy Still No Utopia
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- Ace Hardware Indonesia: Solid SSSG in May24, expect the positive trend to continue in Jun24
- Mayora Indah: Steady indicative 2Q24 sales growth, with intact margin outlook
- Poultry: Encouraging chicken and raw material prices to support the sector's growth and re-rating potential
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- 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
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- 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
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- Merdeka Battery Materials: 1Q24 earnings miss, but better prospect in 2Q24 from expanding Matte margin
- Mayora Indah: Expect 1Q24 sales momentum to continue
- Cement: Downgrade sector to Neutral on weak ASP and lower demand; cut our FY24F/25F EPS by 20%-21%
- Metal Mining: FY24F outlook: Better earnings prospect from possible price bottoming
- Telco: Poised to reap potential upside from the AI proliferation
- Astra International: KTA from call with the CFO
- Macro Strategy: Insights from Monetary and Fiscal Policies
- Bank Neo Commerce: 1Q24 earnings beat: a profitable 1Q from lower provisions, ST challenges on NIM and disbursement
- Bank Syariah Indonesia: Inline 4M24 net profit supported by financing growth and lower provisions
- Macro Strategy: The Growth & Liquidity Buffer
- Poultry: Lower production and an extreme climate are favorable for higher DOC and livebird prices
- MAP Aktif Adiperkasa: Solid growth outlook is intact despite FY24-25F est. cuts; reaffirm Buy rating with lower TP
- Mitra Adiperkasa: Specialty stores and store expansion to support FY24 earnings growth; reaffirm Buy with lower TP
- 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
- Kalbe Farma: Resilient growth outlook at reasonable valuation
- Poultry: Brighter outlook ahead despite seasonal volatility
- Equity Strategy: Growth headwinds priced in, but we prefer defensive and 'quality' amid lingering uncertainties

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