

FROM EQUITY RESEARCH DESK

IDEA OF THE DAY

Macro Strategy: An Opportune Time to Initiate the Easing Cycle

- An opportune time for BI to begin its easing cycle, considering the IDR appreciation trend and the need to signal growth support.
 - While rate cut in this week FOMC appears certain, the revision on Dot Plot and SEP would provide insight into Fed's next step.
 - On the first debate of Trump – Harris, we note Harris' proposal appears to support greater clarity on rate cut and yield stability.
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EQUITY MARKET INDICES

	Close	Chg (%)	Ytd (%)	Vol (US\$mn)
Asean - 5				
Indonesia	7,832	0.3	7.7	717
Thailand	1,437	0.1	1.5	1,620
Philippines	7,175	1.0	11.2	113
Malaysia	1,664	0.7	14.4	644
Singapore	3,593	0.6	10.9	1,130
Regional				
China	2,704	(0.5)	(9.1)	41,867
Hong Kong	17,660	1.4	3.6	8,080
Japan	36,203	(1.0)	8.2	22,903
Korea	2,575	0.1	(3.0)	8,460
Taiwan	21,850	0.4	21.9	n.a
India	83,080	0.1	15.0	885
Nasdaq	17,628	0.2	17.4	222,351
Dow Jones	41,606	(0.0)	10.4	17,700

CURRENCY AND INTEREST RATE

		Rate	wow (%)	mom (%)	ytd (%)
Rupiah	Rp/1US\$	15,335	0.7	1.4	0.4
BI7DRRR	%	6.25	-	-	0.3
10y Gov	Indo bond	6.57	(0.0)	(0.2)	0.1

HARD COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Coal	US\$/ton	140	1.7	(4.8)	(4.6)
Gold	US\$/toz	2,574	0.2	2.6	24.8
Nickel	US\$/mt.ton	15,936	(0.6)	(1.2)	(2.7)
Tin	US\$/mt.ton	31,695	(0.3)	(0.5)	25.9

SOFT COMMODITIES

	Unit	Price	d-d (%)	mom (%)	ytd (%)
Cocoa	US\$/mt.ton	6,460	0.8	0.6	55.3
Corn	US\$/mt.ton	142	0.5	9.1	(17.4)
Oil (WTI)	US\$/barrel	71	(0.1)	(7.2)	(0.7)
Oil (Brent)	US\$/barrel	74	1.3	(7.5)	(4.3)
Palm oil	MYR/mt.ton	3,996	0.2	3.4	7.5
Rubber	US\$/kg	193	2.5	11.7	23.8
Pulp	US\$/tonne	1,205	n.a	2.8	20.5
Coffee	US\$/60kgbag	276	(0.6)	16.7	103.7
Sugar	US\$/MT	536	2.4	3.7	(10.1)
Wheat	US\$/ton	157	(0.5)	4.2	(13.9)
Soy Oil	US\$/lb	41	2.0	1.5	(15.2)
SoyBean	US\$/by	1,006	0.1	7.2	(22.2)

Macro Strategy

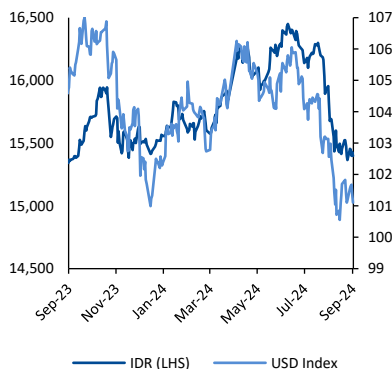
An Opportune Time to Initiate the Easing Cycle

- An opportune time for BI to begin its easing cycle, considering the IDR appreciation trend and the need to signal growth support.
- While rate cut in this week FOMC appears certain, the revision on Dot Plot and SEP would provide insight into Fed's next step.
- On the first debate of Trump – Harris, we note Harris' proposal appears to support greater clarity on rate cut and yield stability.

The Start of Easing Cycle. We believe that the timing is now opportune for Bank Indonesia (BI) to initiate its easing cycle. Although during the latest meeting, BI emphasized its focus in Q3 would be on currency stability, several factors are supportive to an earlier-than-expected rate cut in Sept. In our report last week: [Prelude to Rate Cut](#), we note the signs that BI is priming for rate cut such as increased liquidity through higher SBN purchases compared to SRBI issuance in August, near full utilization of reserve requirement (GWM) reduction incentives, and a stronger IDR, all of which provide a solid foundation for a rate cut. In our view, two years after BI's first rate hike, the timing now seems ideal for BI to begin its easing cycle: 1. Since implementing the Inflation Targeting Framework in 2004, BI has consistently employed rate cuts to counter the spillover effect of global economic slowdowns, which are increasingly more prevalent; 2. A rate cut would signal support for growth, as domestic growth drivers are becoming scarcer, with four consecutive months of deflation, two months of PMI below 50, household consumption growth still under 5%, moderating middle class spending and weaker government revenue to sustain fiscal spending, and 3. SRBN issuance remains modest, with the yield on 6-month SRBI dropping below 7%, a level last seen before the most recent rate hike. In our view, the current yield of 6.6% has largely been priced in for BI's 25 bps rate cut. If BI opts to lower rates this week, it could create a runway for an additional cut later in the year, which could push yields down further, potentially reaching 6.35% by year-end, aligning with our optimistic baseline forecast. On currency, IDR appreciation appears toppish. The IDR has appreciated by over 2.5% in the past 1.5 months, reaching levels that previously triggered rate hikes in Oct-23. BI rate cut would moderate the level of IDR appreciation, with Bi's objectives remains to manage currency volatility.

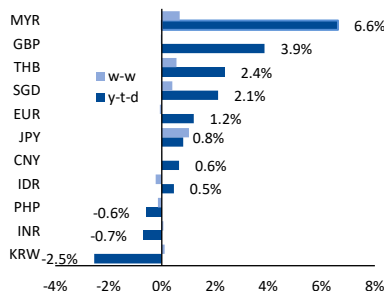
Fed Rate Cut: 25 or 50bps? While a rate cut is certain, the magnitude remains unclear, with an increasing likelihood of a 50bps reduction recently. We maintain our expectation for a more gradual approach, forecasting 25 bps cuts at each FOMC meeting this year, as the US labor market is cooling rather than collapsing, stability ahead of November's election is crucial and to prevent renewed recession fears. Given that recent U.S. macroeconomic data still indicates a healthy state of the economy, a larger rate cut of 50 bps might raise concerns about what the Fed knows that the market doesn't. This could heighten market volatility, prompting investors to shift towards safer assets like U.S. Treasuries, which could be detrimental for emerging market. Aside from the magnitude of rate cut, the release of the dot plot and Summary of Economic Projections will be equally important, particularly for insights into the Fed's next steps. Current macroeconomic data has notably diverged from the Fed's forecast released in June, with a higher unemployment rate of 4.2% (vs 4% target in June's SEP), lower core PCE inflation at 2.6% (vs 2.8% target), and stronger GDP growth at 3% (vs 2.1% year-end forecast). While the first two figures support a more aggressive rate cut narrative, the stronger GDP growth suggests otherwise. This asymmetric outcome is also reflected in the significant gap between market expectations of a 125bps rate cut in 2024 and the June dot plot, which indicated only one cut. As such, the latest Dot Plot release will be pivotal in signaling Fed's rate destination next year.

YTD Currency performance (%)



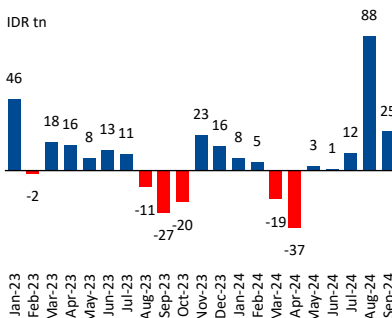
Source: Bloomberg

IDR vs DXY



Source: Bloomberg

Capital Inflow/Outflow (IDR tn)



Source: Bloomberg

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The US Election – First Debate Key points and impacts. The first debate between former President Donald Trump and Vice President Kamala Harris touched on key issues such as the economy, immigration, climate change, and foreign policy. However, much of the time was spent in personal exchanges rather than in-depth policy discussions. Harris emerged as the frontrunner, gaining momentum in prediction markets, while Trump ruled out the possibility of a second debate. In summary, Harris advocated for expanding the Child Tax Credit, providing more tax deductions for small businesses, investing in American-made products to boost manufacturing, and supporting fracking to reduce U.S. dependence on foreign oil. Trump, on the other hand, defended his tariff policies, stressed his tough stance on immigration, and proposed tariffs on Mexico as an indirect way to limit Chinese goods in the U.S. market.

We identified three key potential impacts of the policies discussed during the debate:

1. Harris' focus on reducing living costs: Her policies could reinforce the current disinflation trend, increasing certainty around potential rate cuts in 2025 and beyond.
2. Lower fiscal cost of Harris' proposals: Her initiatives are likely to have a smaller fiscal impact, reducing the likelihood of a sharp rise in U.S. Treasury issuance, which would help stabilize 10-year UST yields and create more opportunities for capital flows to other markets.
3. Both candidates' emphasis on reducing energy costs: This focus would likely benefit net oil-importing countries, such as Indonesia, by easing fiscal pressures related to energy subsidies and compensation expenses.

Capital Market – Raising Inflow to EM Rate Cut Anticipation

Stronger cases for rate cut have resulted in lower yield globally, with 10-year US Treasury note dropped by 6 bps to 3.66%, while the 2-year yield declined by 9 bps to 3.57%. Similarly, the yield on Indonesia's 10-year Government Bonds (INDOGB) fell by 3 bps to 6.59%, which in our view, have largely priced in the expectation of 25 bps BI's rate cut. The Fed's rate cut this week has continued to weigh on the U.S. Dollar Index (DXY), which weakened by 0.20% week-on-week. Despite the softer DXY, the Rupiah depreciated by 0.23% to Rp15,400 per U.S. Dollar, as its strength seems to have peaked at this level. Meanwhile, Indonesia's 5-year Credit Default Swap (CDS) increased by 1 bp to 71 bps.

Fixed Income Flows: Foreign inflow continues with another weekly inflow of IDR3.64tn into domestic Government Securities (SBN), bringing foreign holdings to IDR854 trillion as of 11th Sept, with MTD inflows reaching IDR1.71tn. Meanwhile, strong foreign inflow has been utilized by banks to further unwind its position, resulting in a weekly outflow of IDR4.19tn, with YTD outflow has now reached IDR388tn. Bank Indonesia (excluding Repo transactions) recorded weekly inflow of IDR8.68tn, while mutual funds saw an inflow of IDR0.65tn. Insurance and pension funds had a combined inflow of IDR0.31 trillion during the same period.

Equity Flows: The equity market had another strong week, with foreign inflows in the second week of Sep-24 totaling IDR2.5tn, boosting the JCI by 1.2% w-w. Year-to-date (YTD) inflows in the regular market reached IDR4.9tn. On an MTD basis, foreign inflows amounted to IDR6.0tn, with big-4 Banks, BREN, TLKM, AMRT, INDF, UNTR, and ICBP consistently remained among the top inflows. On the other hand, ANTM was at the top of the outflows.

RESEARCH COMMENTARY

BBHI Aug24 Results

8M24 Insight:

- Net Profit: BBHI reported a net profit of Rp262bn (-12% yoy) in 8M24 as opex and provisions rose by 36% and 159% yoy, respectively.
- CIR: CIR rose to 53.9% (+849bps yoy) in 8M24 due to a 36% yoy increase in opex, as other expenses and promotion expenses surged by 60% and 21% yoy, respectively.
- NIM: NIM was relatively flat yoy at 9.2% in 8M24, as the improvement in EA yield to 12.1% (+24bps yoy) offset the rise in CoF to 7.0% (+94bps yoy).
- Loans and Deposits: Loans and customer deposits grew by 12% and 9% yoy, respectively, leading to a higher LDR of 167.1% (+577bps yoy).
- CoC: CoC increased to 1.0% in 8M24 from 0.4% in 8M23.

Aug24 Insight:

- Net Profit: BBHI's net profit reached Rp31.2bn (+3% mom, -24% yoy) in Aug24, as opex surged by 92% yoy.
- NIM: NIM reached 9.2% (+11bps mom, -53bps yoy) in Aug24 due to a significant increase in CoF to 8.6% in Aug24 from 6.0% in Aug23, despite the increase in EA yield to 12.6% (+21bps mom, +28bps yoy). We believe that the increase in CoF was due to heightened competition in the digital banking space.
- CIR: CIR increased significantly to 60.4% (+328bps mom, +1,896bps yoy) in Aug24, as opex rose by 14% mom and 92% yoy. The yoy rise in opex was mainly due to a notable increase in other expenses (+33% mom, +159% yoy) and a 77% yoy (-10% mom) increase in promotion expenses.
- Loans and Deposits: Customer deposits grew by 6% mom, while loan growth was flat mom. CASA ratio was recorded at 14.5% (-29bps mom, +433bps yoy) in Aug24.
- CoC: CoC was reported at 1.3% (-19bps mom, +96bps yoy) in Aug24.

Summary:

- Overall Performance: In our view, the higher CIR and CoF reflect the increased competition faced by BBHI. Furthermore, the elevated LDR poses a potential risk to the bank's future performance, as normalization could lead to an unsustainable NIM. *(Victor Stefano & Naura Reyhan Muchlis – BRIDS)*

BBHI (in Rpmn)	Aug-23	Jul-24	Aug-24	mom, %	yoy, %	8M23	8M24	yoy, %	FY23	8M23/FY23
Interest income	111,656	128,434	131,387	2%	18%	866,375	946,696	9%	1,328,943	65%
Interest expense	(22,768)	(33,428)	(34,634)	4%	52%	(197,586)	(226,327)	15%	(292,188)	68%
Net interest income	88,888	95,006	96,753	2%	9%	668,789	720,369	8%	1,036,755	65%
Other operating income	5,130	19,760	26,782	36%	422%	67,231	123,654	84%	122,575	55%
Operating expenses	(38,933)	(65,523)	(74,583)	14%	92%	(333,936)	(454,597)	36%	(536,190)	62%
PPOP	55,085	49,243	48,952	-1%	-11%	402,084	389,426	-3%	623,140	65%
Provision	(2,135)	(10,241)	(9,055)	-12%	324%	(19,394)	(50,281)	159%	(47,942)	40%
Pre-tax profit	52,950	39,002	39,897	2%	-25%	382,722	339,115	-11%	575,274	67%
Net profit	41,038	30,246	31,201	3%	-24%	296,497	262,041	-12%	444,566	67%
YTD, %										
Loans	7,361,748	8,330,698	8,279,511	-1%	12%	7,361,748	8,279,511	12%	7,385,708	12%
Customer deposits	4,562,445	4,690,812	4,954,132	6%	9%	4,562,445	4,954,132	9%	4,898,665	1%
Key Ratio										
				mom, bps	yoy, bps					
Earning Asset yield (%) - ann	12.3	12.4	12.6	21	28	11.8	12.1	24	12.0	4
Cost of fund (%) - ann	6.0	8.6	8.6	(3)	258	6.0	7.0	94	5.9	101
NIM (%) - ann	9.8	9.1	9.2	11	(53)	9.1	9.2	5	9.4	(20)
CIR (%) - ann	41.4	57.1	60.4	328	1,896	45.4	53.9	849	46.2	761
Cost of credit (%) - ann	0.3	1.5	1.3	(19)	96	0.4	1.0	62	0.7	36
CASA Ratio (%)	10.2	14.8	14.5	(29)	433	10.2	14.5	433	10.5	400
LDR (%)	161.4	177.6	167.1	(1,047)	577	161.4	167.1	577	150.8	1,635

GOTO IJ: A massive catalyst for share price and its tech operations

The News:

- Alibaba shareholder commits to being a long-term investor in GoTo. Additionally, Alibaba Cloud will provide cloud-related services, including AI capabilities.
- Key Potential Outcomes:
 - Alignment of interests between the key anchor shareholder and GOTO management. Alibaba, which holds a 7.4% stake, has committed not to sell its shares for at least the next five years. We remind that Alibaba, along with SoftBank, last sold shares in February 2024 at a price range of Rp80-90.
 - Reduced Uncertainty and Confidence Boost for the minority: This move reduces uncertainty and signals confidence to other GOTO minority shareholders.
 - Finding a long-term partner for Cloud and AI Integration: In its 2023 earnings call, Alibaba mentioned the word "AI" over 100x as part of its future strategy. As a result, GOTO is well-positioned to benefit from AI advancements and cloud technology through Alibaba Cloud and its applications.
 - GOTO Cost Leverage: ICT costs accounted for 7% of GOTO's gross revenue in 2Q24. We expect GOTO to unlock further cost efficiencies, especially through its driver network and potential partnerships with platforms like TikTok and other third parties.

BRIDS Valuation Update

A couple of weeks ago, we released a GOTO report with a new DCF-based SOTP TP of Rp90. We identified the 3Q and 4Q pathways to achieving FY24 EBITDA positive for the year. Gopay continues to show steady downloads and active user growth, to make good use of the cloud synergies with Alibaba.

<https://link.brights.id/brids/storage/34131/20240826-GOTO.pdf> (Niko Margaronis –BRIDS)



Alibaba and GoTo Group Announce Strategic Partnership to Drive Innovation in Indonesia's Digital Economy

Jakarta, Indonesia, September 17, 2024 – PT GoTo Gojek Tokopedia Tbk ("GoTo", "GoTo Group" or "the Company"), Indonesia's leading digital ecosystem, and Alibaba, a leading global e-commerce and technology company, today announced a strategic partnership that will support and help grow the digital economy in Indonesia. The collaboration will leverage Alibaba Cloud's technologies to support GoTo's extensive ecosystem.

GoTo has committed to utilize the services of Alibaba Cloud, the digital technology and intelligence backbone of Alibaba Group, for a five-year period. The services will bolster GoTo's platform services and digital innovation with Alibaba's advanced cloud and AI technologies.

As part of the broader partnership, Alibaba Cloud will provide various cloud-related services including cloud computing, cloud-native database, networking, security and data analytics, among others. This partnership aims to deliver a superior experience to GoTo's customers in Indonesia by tapping into the latest innovations in digital transformation and AI-driven growth.

The expanded strategic partnership represents Alibaba's commitment to GoTo as a long-term investor. The partnership period is set for five years, and Alibaba commits to maintaining its current shareholding in GoTo Group for the duration of the partnership. Alibaba Group holds 88,531,124,993 Series A shares in GoTo as of August 31, 2024.

Patrick Walujo, GoTo Group CEO, said: "By collaborating with Alibaba, we are not only strengthening our technological infrastructure but also enhancing the services and solutions we can offer to millions of Indonesian consumers and businesses. This partnership marks a significant milestone in our journey to create a more inclusive and resilient digital economy in Indonesia. It also underlines our commitment to work with partners in a way that delivers the long term sustainable growth that returns value to our shareholders."

Selina Yuan, Vice President of Alibaba Group and President of International Business, Alibaba Cloud Intelligence said: "As a leading cloud service provider in Indonesia for more than seven years, we are excited about working with GoTo in its digital transformation and driving innovation in Indonesia. This strategic partnership combines Alibaba Cloud's world-class cloud computing and artificial intelligence capabilities with GoTo's extensive ecosystem. We want to empower businesses of all sizes in Indonesia and foster innovation to drive long-term growth."

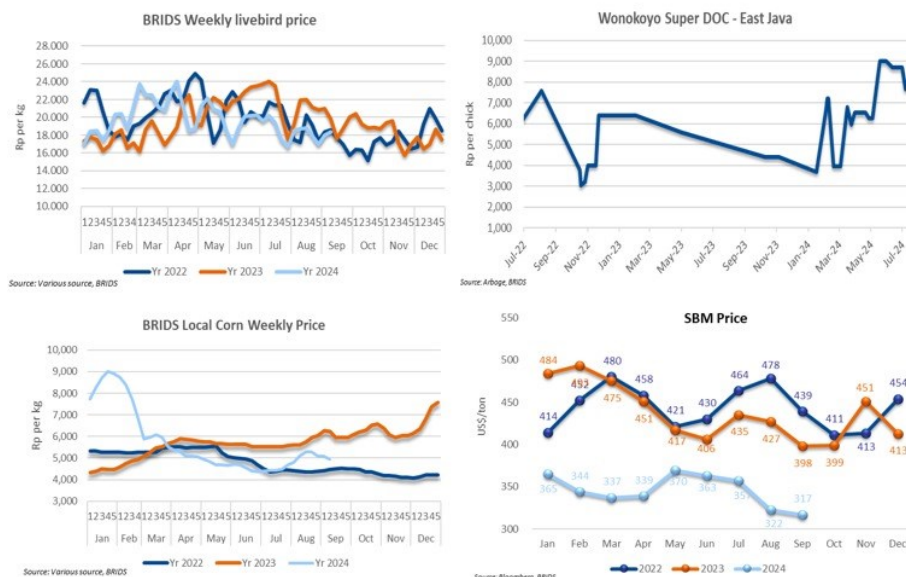
The partnership MoU was signed on September 13, 2024, marking one of Alibaba Cloud's most significant strategic cloud engagements in Southeast Asia. GoTo's existing cloud services will start migrating onto Alibaba Cloud in October. This transition will streamline operations, improve

OTA AUTO Concall

- Manufacturing business is recovering amid stronger run rate on 4W in Jul/Aug24, on which AUTO expects the 4W monthly run rate would remain similar for Sep-Nov-24. Meanwhile, the trading business continues its solid performance since 1Q24.
- AUTO increased the price for its battery in 1H24 (~5%), which would effectively translate to its financial performance in 2H24. Such increase was followed by competitors, as AUTO holds ~50% market share. Its next competitor, Yuasa, holds ~30% market share. AUTO was able to capture better sales, as some smaller battery players are struggling due to USD appreciation (rising cost, but could not pass through).
- Currently, they do not have difficulty in their export market, aside from slight pressure on margin due to rising USD in 2Q24. Their main export products are battery (GS Astra) and Denso. Main market for trading business export: Malaysia (battery products) and Middle East (as their gate for expanding Africa market).
- AUTO expects some margin pressure due to volatile aluminium and battery material prices, and the rising USD impact on 2Q24. However, on NP level, it should be offset by the impact of a high USD cash balance. JPY movement has relatively small impact on AUTO earnings.
- In the retail business, currently, AUTO has 568 stores across Indonesia, including 16 Astra Otoservices. They plan to roll additional 10-15 more Astra Otoservices in FY24. They are not aiming for aggressive expansion on the retail business, despite it bringing lucrative margin.
- In medical devices manufacturing, it expects contribution to remain at ~Rp 100b for FY24 and backloaded in 4Q due to government contracts. They are currently exploring higher tech level of medical devices for supplying the private sector, with no specific revenue target in the near term.
- FY24 target: flattish total revenue with flattish or slightly declining manufacturing revenue; equity income and NP +5%; capex Rp500-600b.
- AUTO is currently traded at forward PER of 5.9x, at -1 std dev of its 5-year mean. (Richard Jerry, CFA & Christian Sitorus – BRIDS)

Poultry – 2nd week of Sept24 Price Update

- Livebird (LB) prices slightly increased to Rp18.9k/kg currently. The average price in the second week of Sep24 is Rp18.4k/kg, representing a 2.2% wow increase.
- There is no new data on DOC, but our source indicated that DOC remained soft at Rp4-5k/chick.
- The local corn price has recently been relatively stable at Rp4.9k/kg, bringing its weekly average to Rp4.9k/kg in the second week of Sep24. This represents a 3% wow decrease from Rp5.1k/kg the previous week.
- The average soybean meal (SBM) price remained relatively stable and low at around US\$315/t in the second week of Sep24. The average price in Sep24 was US\$317/t (-2% mom, -20% yoy)
- Lower feed costs and an increase in LB prices are expected to be positive catalysts, and we anticipate that the overall margin will remain positive. (Victor Stefano & Wilastita Sofi - BRIDS)



MACROECONOMY**We Anticipate Bank Indonesia to Cut Rates by 25bps Due to Several Economic Factors**

BI Rate will be announced by Bank Indonesia today at 2pm. We expect Bank Indonesia to cut rate by 25bps due to the following factors: (1) BI has a history of using rate cuts to counter global economic slowdowns, which are increasingly prevalent and becoming more frequent; (2) The need to signal growth support as domestic drivers weaken, with four months of deflation, sub-50 PMI for two consecutive months, household consumption growth under 5%, moderating middle class spending, and weaker government revenues affecting fiscal spending.; and (3) SRBI issuance remains modest despite strong incoming bids in the latest auction, signaling BI stance to reduce its contractionary policy. The 6-month SRBI yield has dropped below 7%, last seen before the recent rate hike. (BRIDS Economics Research)

Trade Balance Surplus Widened to US\$2.9bn in Aug24

The trade balance surplus widened to US\$2.9bn in Aug24, extending the surplus streak to 52 months. Cumulatively, the trade surplus reached US\$18.8bn for 8M24 (vs. 8M23: US\$24.3bn). Exports surged to US\$23.6bn in Aug24, the highest since Dec22, with an annual growth of 7.1% yoy (6.0% mom). The surge came from non-O&G exports, which also reached their highest value since Dec22, with growth of 8.1% yoy and 7.4% mom. O&G exports declined by 8.7% yoy and 15.4% mom. Imports decreased to US\$20.7bn in Aug24, or -4.9% mom, although still growing annually at 9.5%. The monthly decrease was seen in O&G and non-O&G imports (-25.6% and -0.9% mom, respectively). Annually, O&G imports were relatively unchanged, while non-O&G imports jumped by 11.1% due to 127% yoy growth in Ores, Slag, and Ash (HS 26). (BPS)

US Retail Sales Edged Up 0.1% Mom in Aug24

US retail sales edged up 0.1% mom in Aug24, following an upwardly revised 1.1% surge in July, and beating forecasts of a 0.2% decline, signaling that consumer spending remains relatively strong. Annually, retail sales grew 2.1% yoy. (Trading Economics)

SECTOR**Government to Phase Out Gasoline Cars by 2045, Offers Discounts on Electric Vehicles**

The government plans to phase out the sale of gasoline-powered cars by 2045 to promote electric vehicle (EV) adoption. In preparation, the government is developing policies to support this transition. As EVs become more affordable, automakers are offering substantial discounts, with price cuts ranging from Rp15mn to Rp60mn on various models, including the Wuling Air EV, Omoda E5, and Hyundai Ioniq 5. The Wuling Air EV, for example, now has a Rp56mn discount. These efforts align with the government's roadmap for advancing Indonesia's automotive sector. (Kontan)

CORPORATE**PGAS Considers LNG Imports to Offset Corridor Block Gas Deficit**

PGAS is exploring the option to import liquefied natural gas (LNG) to address a potential gas pipeline deficit from the Corridor Block, operated by Medco E&P Grissik Ltd. (MEPG). The gas allocation from the block is expected to drop to 129 BBtud by 2028, significantly lower than the amended Gas Sales and Purchase Agreement (PJBG) for the 2024-2028 period, which allocates around 410 BBtud. PGAS is also working on extending current pipeline contracts and securing new ones, while exploring oil and gas blocks in East Java in line with the Cisem Phase II transmission pipeline project. (Bisnis)

PTBA Subsidiaries Synergize in Carbon Trading

PTBA subsidiaries, PT Huadian Bukit Asam Power (HBAP) and PT Bukit Pembangkit Innovative (BPI), have agreed to a Memorandum of Understanding (MoU) on a Priority Commitment in Carbon Trading. This agreement is a strategic step that reflects PTBA's commitment to supporting the goals of MIND ID and the Ministry of State-Owned Enterprises (BUMN), while fostering synergy among PTBA's subsidiaries and affiliates. (Bisnis)

TOWR to Conduct Rights Issue Worth Rp9tr

TOWR plans to conduct a rights issue targeting to raise Rp9tr. According to TOWR, this rights issue will be implemented after the company obtains approval from its shareholders and TOWR will hold an Extraordinary General Meeting of Shareholders (EGMS) on October 25, 2024. Funds from this corporate action will be used to strengthen the working capital of TOWR and its subsidiary, PT Profesional Telekomunikasi Indonesia (Protelindo). After deducting emission costs, part of the funds will also be used to pay off the company's loans. (Stockwatch)

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					3,175,351				4,965,229	18.2	13.7	11.8	11.0	2.4	2.2	13.5	16.9
Auto					40,484				205,454	6.1	6.8	4.3	4.6	1.0	1.0	17.3	14.7
Astra International		ASII	BUY		40,484	5,075	5,700		205,454	6.1	6.8	4.3	4.6	1.0	1.0	17.3	14.7
Financials & Banks					340,326				2,406,551	18.1	17.0	N/A	N/A	3.3	3.0	19.1	18.5
BCA		BBCA	BUY		123,275	10,500	11,300		1,294,389	26.6	24.4	N/A	N/A	5.3	4.9	21.0	20.9
BNI		BBNI	BUY		37,297	5,650	6,700		210,730	10.1	9.7	N/A	N/A	1.4	1.3	14.6	13.8
Bank Tabungan Negara		BBTN	BUY		14,034	1,445	2,000		20,280	6.4	5.7	N/A	N/A	0.7	0.6	11.6	11.9
Bank Mandiri		BMRI	BUY		93,333	7,425	7,400		693,000	12.6	12.2	N/A	N/A	2.7	2.4	22.4	20.9
Bank Jago		ARTO	BUY		13,857	2,990	3,800		41,432	572.6	331.9	N/A	N/A	5.0	4.9	0.9	1.5
Bank Neo Commerce		BBYB	BUY		12,399	300	600		3,720	(6.5)	(59.4)	N/A	N/A	1.1	1.1	(16.2)	(1.9)
Bank Syariah Indonesia		BRSI	BUY		46,129	3,100	2,700		143,001	25.1	21.7	N/A	N/A	3.7	3.2	15.8	15.9
Cement					10,433				51,861	12.6	16.0	5.3	5.7	0.8	0.8	6.5	5.0
Indocement		INTP	BUY		3,681	6,825	8,800		25,124	12.9	15.6	6.8	6.9	1.2	1.1	9.6	7.5
Semen Indonesia		SMGR	HOLD		6,752	3,960	4,100		26,736	12.3	16.3	4.6	5.0	0.6	0.6	5.0	3.8
Cigarettes					118,242				118,509	8.8	9.7	6.1	6.1	1.3	1.2	15.2	13.1
Gudang Garam		GGRM	HOLD		1,924	15,950	17,500		30,689	5.8	7.7	3.8	4.2	0.5	0.5	9.0	6.3
HM Sampoerna		HMSP	HOLD		116,318	755	730		87,820	10.8	10.7	8.4	7.5	2.9	2.8	27.9	26.9
Construction					22,115				42,348	5.9	9.4	8.95	7.03	0.9	0.7	16.0	8.3
Pembangunan Perumahan		PTPP	BUY		6,450	454	750		2,928	9.7	6.2	5.4	5.0	0.3	0.2	2.6	4.0
Adhi Karya		ADHI	BUY		8,408	286	500		2,405	44.0	61.3	6.3	6.6	0.3	0.3	0.6	0.5
Jasa Marga		JSMR	BUY		7,258	5,100	6,500		37,015	5.5	9.3	10.6	7.8	1.3	0.9	27.2	11.8
Consumer					87,138				345,356	14.7	12.5	7.9	7.0	2.9	2.6	20.8	21.9
Indofood CBP		ICBP	BUY		11,662	11,400	12,900		132,946	19.0	13.6	9.8	8.9	3.3	2.8	18.1	22.3
Indofood		INDF	BUY		8,780	7,100	8,000		62,341	7.7	6.3	4.3	3.3	1.1	0.9	14.4	15.7
Unilever		UNVR	SELL		38,150	2,180	2,300		83,167	17.3	18.3	11.7	12.5	24.6	24.5	130.1	134.2
Mayora Indah		MYOR	BUY		22,359	2,710	3,350		60,592	19.0	18.2	11.8	11.6	4.0	3.6	23.1	20.9
Nippon Indosari Corpindo		ROTI	BUY		6,186	1,020	1,400		6,310	18.9	16.5	9.4	8.5	2.6	2.4	13.1	15.3
Pharmaceutical					76,875				100,172	26.9	22.4	17.4	14.8	4.0	3.8	15.3	17.3
Sido Muncul		SIDO	BUY		30,000	675	810		20,250	21.3	16.9	17.0	14.1	6.0	5.8	27.6	34.8
Kalbe Farma		KLBF	BUY		46,875	1,705	1,800		79,922	28.9	24.5	17.5	14.9	3.7	3.4	13.2	14.6
Healthcare					43,556				106,504	36.0	49.1	30.1	25.3	8.2	7.4	24.5	15.8
Medikaloka Hermina		HEAL	BUY		15,366	1,405	1,800		21,589	44.6	36.1	15.5	13.4	4.6	4.2	11.9	12.1
Mitra Keluarga		MIKA	BUY		14,246	3,090	3,400		44,021	48.1	36.6	28.8	22.9	7.6	6.6	16.3	19.3
Prodia Widyahusada		PRDA	BUY		938	3,110	6,400		2,916	8.3	7.9	3.4	3.1	1.2	1.1	14.8	14.6
Siloam Hospital		SILO	BUY		13,006	2,920	3,000		37,978	31.4	33.5	14.0	13.7	4.8	4.4	16.3	13.7
Heavy Equipment					3,730				99,501	4.8	5.1	2.5	2.9	1.3	1.1	25.1	22.7
United Tractors		UNTR	BUY		3,730	26,675	29,200		99,501	4.8	5.1	2.5	2.9	1.3	1.1	25.1	22.7
Industrial Estate					52,903				14,350	11.8	12.3	7.8	7.3	1.5	1.4	12.7	11.9
Puradelta Lestari		DMAS	BUY		48,198	163	220		7,856	6.7	8.5	5.6	6.9	1.4	1.3	20.5	16.0
Surya Semesta		SSIA	BUY		4,705	1,380	700		6,493	207.6	27.1	11.8	7.6	1.7	1.6	0.8	6.1
Media					89,020				13,870	4.8	5.6	2.0	1.7	0.5	0.4	10.3	8.2
Media Nusantara Citra		MNCN	BUY		15,050	322	800		4,846	2.5	3.1	1.1	0.7	0.2	0.2	9.8	7.2
Surya Citra Media		SCMA	BUY		73,971	122	325		9,024	9.9	10.0	4.2	4.1	1.1	1.0	11.6	10.7
Mining					319,649				417,827	7.0	8.6	3.7	4.4	1.4	1.3	20.5	15.8
Medco Energi		MEDC	BUY		25,136	1,230	1,700		30,918	6.2	6.3	2.2	4.2	1.1	1.0	19.5	16.9
Adaro Energy		ADRO	BUY		30,759	3,760	3,770		115,653	4.7	6.6	2.0	2.5	1.1	1.1	25.7	17.2
Timah		TINS	HOLD		7,448	1,030	2,100		7,671	19.7	61.6	5.8	24.9	1.1	1.1	5.3	1.7
Vale Indonesia		INCO	BUY		10,540	3,720	5,700		39,208	9.5	27.7	3.8	7.3	1.0	1.0	11.2	3.7
Aneka Tambang		ANTM	BUY		24,031	1,380	2,000		33,162	10.8	11.5	6.4	6.3	1.1	1.1	11.3	9.5
Bukit Asam		PTBA	BUY		11,521	2,800	3,100		32,258	5.3	5.8	4.6	5.4	1.5	1.4	24.4	25.3
Indo Tambangraya Megah		ITMG	BUY		1,130	25,850	31,300		29,209	3.9	3.9	1.7	1.3	1.1	1.1	26.7	28.0
Harum Energy		HRUM	BUY		13,518	1,350	1,700		18,249	5.8	5.9	2.4	2.0	1.4	1.3	26.1	22.4
Merdeka Copper Gold		MDKA	BUY		24,473	2,300	3,100		56,288	(181.7)	68.3	20.3	15.8	4.0	3.5	(2.1)	5.5
Trimegah Bangun Persada		NCKL	BUY		63,099	875	1,300		55,211	9.8	10.9	8.2	7.9	2.3	2.1	34.1	20.1
Merdeka Battery Materials		MBMA	BUY		107,995	540	700		58,318	561.1	81.3	42.0	24.3	86.6	150.1	10.0	135.1
Wintermar Offshore Marine		WINS	BUY		4,365	474	760		2,069	310.0	82.8	102.2	41.9	15.4	13.0	5.1	17.0
Poultry					30,363				101,544	30.7	17.4	13.4	9.2	2.4	2.2	7.9	13.0
Charoen Pokphand		CPIN	BUY		16,398	4,960	6,400		81,334	35.1	23.5	17.1	12.8	3.0	2.8	8.7	12.3
Japfa Comfeed		JFFA	BUY		11,727	1,565	2,200		18,352	19.7	8.2	9.1	5.3	1.4	1.2	7.2	15.8
Malindo Feedmill		MAIN	BUY		2,239	830	850		1,858	29.3	14.4	5.7	5.1	0.7	0.7	2.6	5.0
Property					104,375				83,177	12.5	9.1	7.0	5.2	1.0	0.9	8.1	10.2
Bumi Serpong Damai		BSDE	BUY		21,171	1,135	1,550		24,030	12.4	6.2	7.5	4.4	0.7	0.6	5.5	10.0
Ciputra Development		CTRA	BUY		18,536	1,300	1,700		24,096	13.1	10.5	6.9	5.1	1.2	1.1	9.6	10.9
Paku on Jati		PWON	BUY		48,160	505	640		24,321	11.6	11.3	6.8	6.3	1.3	1.2	11.6	10.8
Summarecon		SMRA	BUY		16,509	650	1,000		10,731	14.0	12.4	6.8	5.6	1.1	1.0	8.1	8.5
Utility					65,744				36,241	26.7	25.0	12.5	12.4	2.4	2.3	16.0	15.5
Perusahaan Gas Negara		PGAS	BUY		24,242	1,495	1,650		36,241	8.8	8.2	2.7	2.3	0.8	0.8	9.8	9.5
Pertamina Geothermal Energy		PGEO	BUY		41,503	1,120	1,470		46,483	17.9	16.8	9.7	10.1	1.6	1.5	10.8	9.2
Retail					95,689				85,141	18.7	17.7	9.5	9.1	3.3	2.9	19.8	17.4
Mitra Adi Perkasa		MAPI	BUY		16,600	1,790	2,000		29,714	15.7	15.0	6.9	6.8	3.0	2.5	20.9	17.9
MAP Aktif Adiperkasa		MAPA	BUY		28,504	935	1,000		26,651	19.2	19.1	12.1	12.2	4.7	3.8	27.3	22.0
Midi Utama Indonesia		MIDI	BUY		33,435	458	600		15,313	29.7	25.5	12.2	10.4	4.1	3.7	18.0	15.2

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		17-Sep-24	13-Sep-24					
Bank Syariah Indonesia	BRIS	3,100	2,860	8.4	18.3	18.3	78.2	BUY
Mitra Adi Perkasa	MAPI	1,790	1,660	7.8	18.9	23.4	-	BUY
Gojek Tokopedia	GOTO	65	61	6.6	22.6	20.4	(24.4)	BUY
Bank Jago	ARTO	2,990	2,810	6.4	7.6	8.7	3.1	BUY
Bank Neo Commerce	BBYB	300	284	5.6	7.1	22.0	(31.2)	BUY
Jasa Marga	JSMR	5,100	4,930	3.4	1.0	(5.6)	4.7	BUY
Aneka Tambang	ANTM	1,380	1,335	3.4	4.5	(5.5)	(19.1)	BUY
Charoen Pokphand	CPIN	4,960	4,800	3.3	3.3	(3.7)	(1.3)	BUY
MAP Aktif Adiperkasa	MAPA	935	905	3.3	8.1	16.9	14.0	BUY
Ace Hardware	ACES	785	760	3.3	4.7	6.8	9.0	BUY

Sources: Bloomberg

LAGGARDS

	Code	Price as on		Chg, %	wow, %	mom, %	YTD, %	Rating
		17-Sep-24	13-Sep-24					
Surya Semesta	SSIA	1,380	1,450	(4.8)	(1.4)	26.6	218.0	BUY
Bumi Serpong Damai	BSDE	1,135	1,165	(2.6)	(13.4)	(1.7)	5.1	BUY
Sarana Menara Nusantara	TOWR	845	860	(1.7)	0.6	3.7	(14.6)	BUY
Indo Tambangraya Megah	ITMG	25,850	26,200	(1.3)	(5.1)	(2.2)	0.8	BUY
XL Axiata	EXCL	2,290	2,320	(1.3)	1.8	2.2	14.5	BUY
Silloam Hospital	SILO	2,920	2,950	(1.0)	(1.0)	7.0	33.9	BUY
Unilever	UNVR	2,180	2,200	(0.9)	(0.5)	(8.8)	(38.2)	SELL
Bukalapak	BUKA	117	118	(0.8)	2.6	(2.5)	(45.8)	BUY
Metrodata Electronics	MTDL	615	620	(0.8)	(2.4)	(3.9)	15.0	BUY
Ciputra Development	CTRA	1,300	1,310	(0.8)	(1.9)	1.2	11.1	BUY

Sources: Bloomberg

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