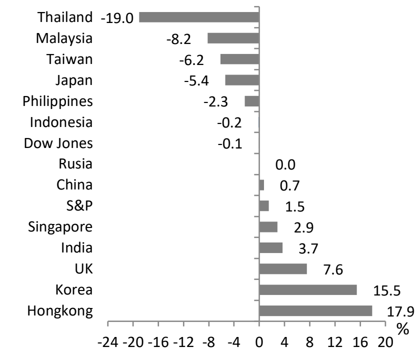
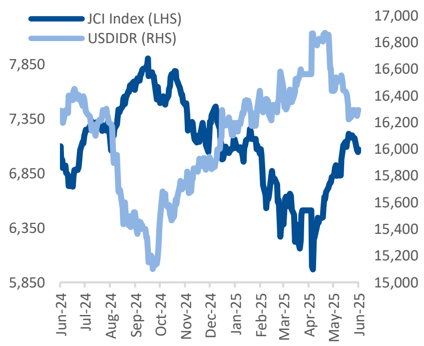
YTD Regional Market (%)



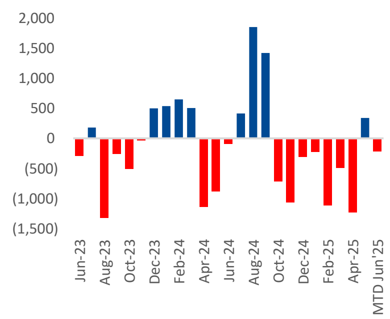
Source: Bloomberg

JCI vs USDIDR



Source: Bloomberg

Net Foreign Flow (US$mn)



Source: Bloomberg

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Equity Strategy

Jun25 Positioning: What to Add if Investors Trim Banks?

- **In May25, domestic funds added positions in Metals, Auto and Retailers while trimming Tech, Consumers, and Petrochemicals.**
- **Banks' soft earnings may drive further trimming in the sector; catalysts for Metals remain, but positioning is already high in ANTM and INCO.**
- **JCI remains attractive versus EM peers on growth outlook and valuation; our picks for 2Q-3Q25 are: BBCA, ICBP, ISAT, and CTRA.**

Growth outlook: a reality check from banks' Apr25 earnings
The soft Apr25 earnings from the three SOE banks brought their combined 4M25 net profit growth to -6.8% yoy, compared to consensus FY25 forecast of +1.3% yoy. Majority of the banks experienced NIM contraction amid falling earnings yield and higher opex, which pressured PPOP. Meanwhile, while loan growth slowed in Apr25 (flat to +1% mom), deposits grew at a slightly higher pace, hence reducing pressure on LDR. Thus, the expectation of a better liquidity condition remains a key driver for earnings growth to improve in 2H25. That said, our bank analyst remains cautious on the risk of rising NPL.

May25 domestic fund positioning: adding Metals, trimming Tech
In May25, domestic funds added positions in Metal (+43bps), Auto (+33bps) and Retailer (+20bps) sectors, while trimming Tech (-52bps), Petrochem (-41bps) and Consumers (-32bps), based on data from KSEI. As of end of May25, domestic funds were still OW in Banks (+564bps, down from +585bps in Apr25), Consumer (+254bps largely in ICBP), Telco (+192bps, mainly in TLKM), followed by Retail (+151bps, mainly in MAPI), while UW in Petrochemicals (-288bps) and Tech (-98bps).

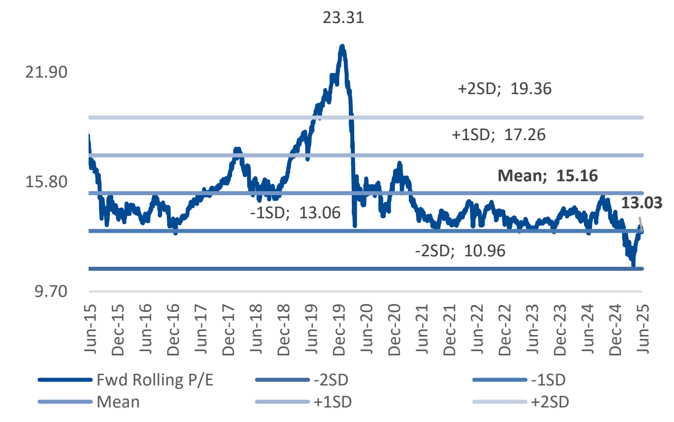
What to add if investors trim banks further?
Given the banks' soft Apr25 earnings and still relatively high OW in May25, we think investors may continue to trim the sector. Sectors with still light positioning relative to historical are Coal, Cement, and Poultry, but near-term catalysts in these sectors are still lacking. In Metals, domestic investors' current UW of -33bps reflected highest positioning over the past 12 months, although still well below +105bps OW in Jun23. The key argument to add on Metals is on the weaker USD outlook, given high negative correlation of metals price with USD. Amid the lack of domestic growth momentum in 2Q25, metals sector has also delivered 230% yoy earnings growth in 1Q25, on track to meet our FY25 expectation of 63% yoy. On the price outlook, NPI price has slightly rebounded to US$11.7k/ton from its bottom at US$11.5k/ton. We expect prices to continue strengthening in the following months as it enters its seasonal peak demand in 3Q. On the individual stocks, however, investors' positioning was heavy in ANTM (+109bps), while ownership was lightest in MBMA (neutral) and AMMN (-278bps).

JCI remains attractive vs. EM peers
We retain our year-end FY25 target of 7,350 for JCI, based on our 3% EPS growth and 13.7x PE. Compared to regional EM peers, JCI remains attractive at 11.8x forward PE with 4% 12-month forward EPS growth, with potential catalysts from the prospect of a stronger IDR. Our top picks for 2Q25 remain on the quality names and potential beneficiaries of stronger IDR: BBCA (Buy, TP Rp11,900), ICBP (Buy, TP Rp14,000), ISAT (Buy, TP Rp3,200), CTRA (Buy, TP Rp1,600).

Jun25 positioning: What sectors to add if investors trim Banks?

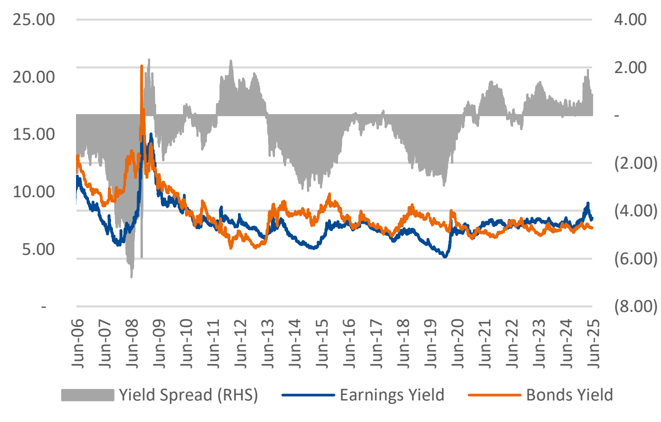
We retain our year-end FY25 target of 7,350 for JCI, based on our 3% EPS growth and 13.7x PE. Compared to regional EM peers, JCI remains attractive at 11.8x forward PE. Our top picks for 2Q-3Q25 are: BBCA, ICBP, ISAT, CTRA.

Exhibit 1. JCI Forward PE Band



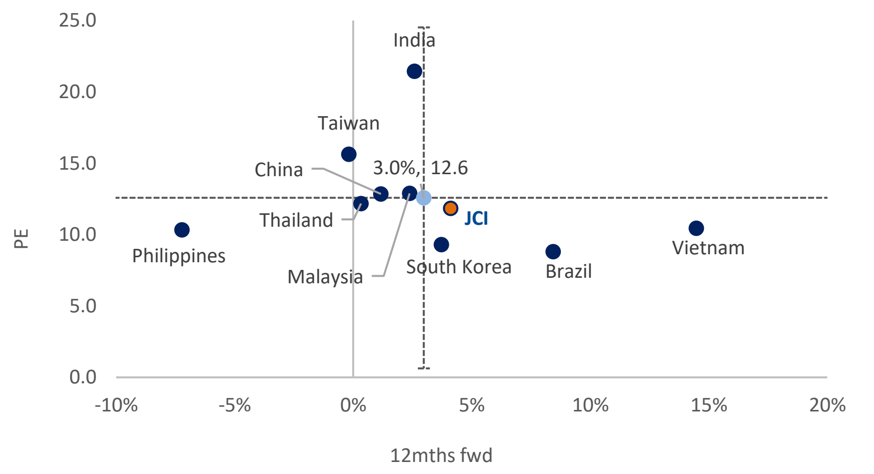
Source: Bloomberg, BRIDS Estimates

Exhibit 2. JCI Earnings Yield vs. Bonds Yield



Source: Bloomberg, BRIDS Estimates

Exhibit 3. JCI vs EM Peers



Source: Bloomberg, BRIDS

May25 domestic fund positioning: adding Metals, trimming Tech

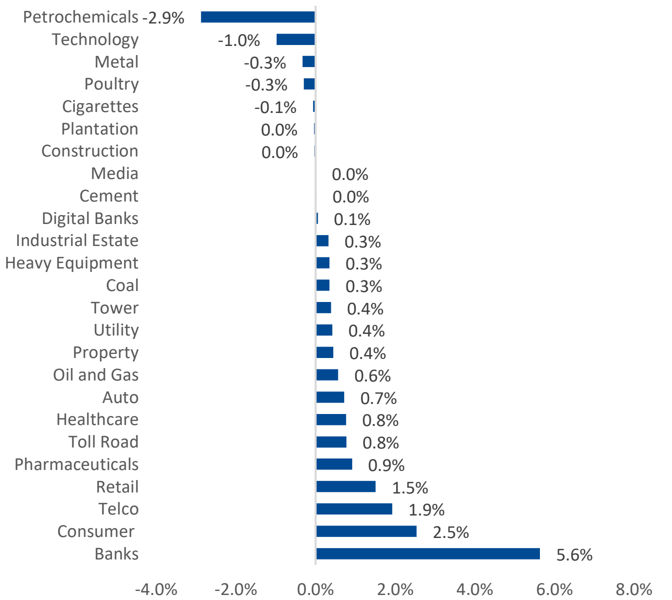
In May25, domestic funds added positions in Metal (+43bps), Auto (+33bps) and Retailer (+20bps) sectors, while trimming Tech (-52bps), Petrochem (-41bps) and Consumers (-32bps), based on data from KSEI. As of end of May25, domestic funds were still OW in Banks (+564bps, down from +585bps in Apr25), Consumer (+254bps largely in ICBP), Telco (+192bps, mainly in TLKM), followed by Retail (+151bps, mainly in MAPI), while UW in Petrochemicals (-288bps) and Tech (-98bps).

What to add if investors trim banks?

Given the banks' soft Apr25 earnings and still relatively high OW in May25, we think investors may continue to trim the sector. Sectors with still light positioning relative to historical are Coal, Cement, Poultry but near-term catalysts in these sectors are still lacking.

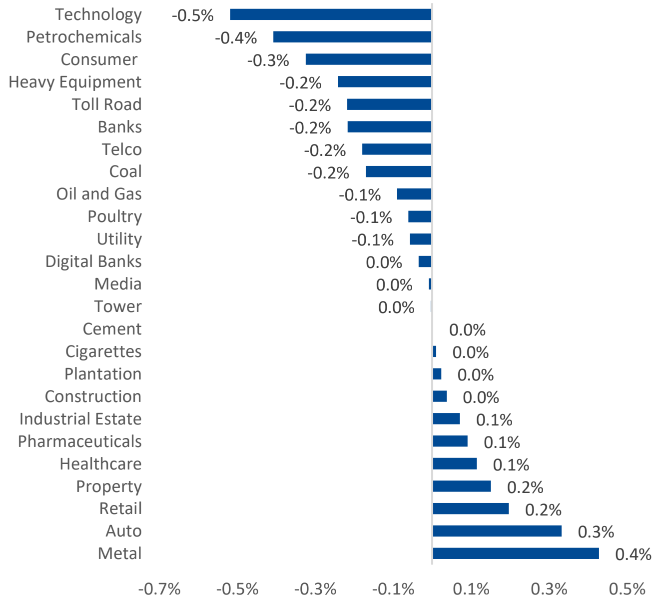
In Metals, domestic investors' current UW of -33bps reflected highest positioning over the past 12 months, although still well below +105bps OW in Jun23.. The key argument to add on Metals is on the weaker USD outlook, given high negative correlation of metals price with USD. Amid lack of domestic growth momentum in 2Q25, metals sector has also delivered 230% yoy earnings growth in 1Q25, on track to meet our FY25 expectation of 63% yoy. On the individual stocks, however, investors' positioning was heavy in ANTM (+109bps) and INCO (+48bps), while ownership was lightest in MBMA (neutral) and AMMN (-278bps). On the price outlook, NPI price has slightly rebounded to US$11.7k/ton from its bottom at US$11.5k/ton. We expect prices to continue strengthening in the following months as it enters its seasonal peak demand in 3Q.

Exhibit 4. Domestic Fund Positioning May25



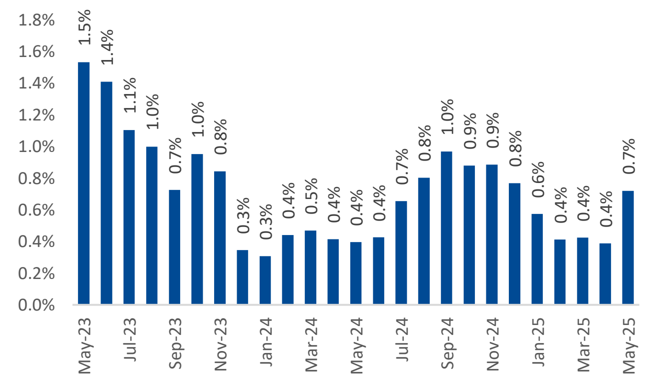
Source: KSEI, Bloomberg, BRIDS

Exhibit 5. Domestic Fund Positioning May25 – MoM Changes



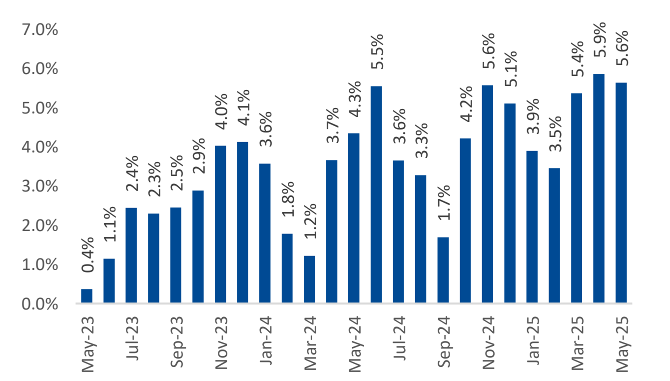
Source: KSEI, Bloomberg, BRIDS

Exhibit 6. Domestic Fund Positioning - Automotive



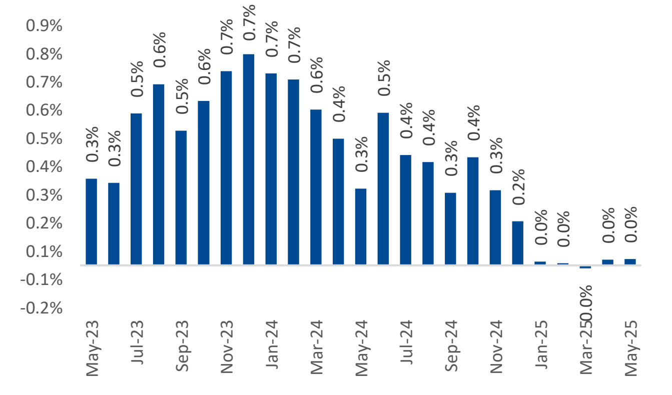
Source: KSEI, Bloomberg, BRIDS

Exhibit 7. Domestic Fund Positioning - Banks



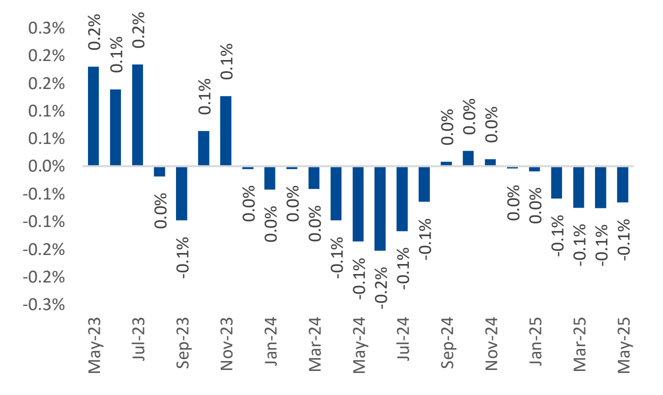
Source: KSEI, Bloomberg, BRIDS

Exhibit 8. Domestic Fund Positioning - Cement



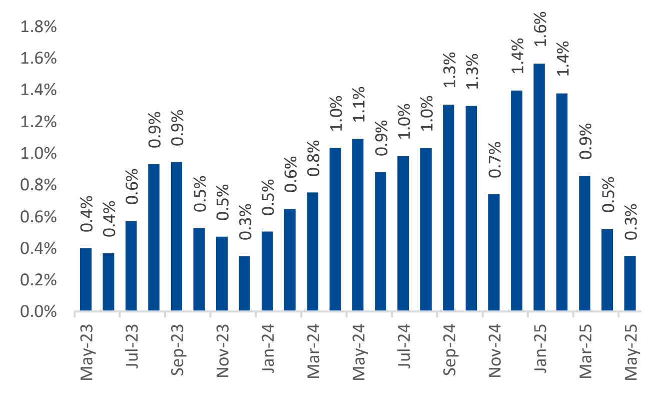
Source: KSEI, Bloomberg, BRIDS

Exhibit 9. Domestic Fund Positioning - Cigarettes



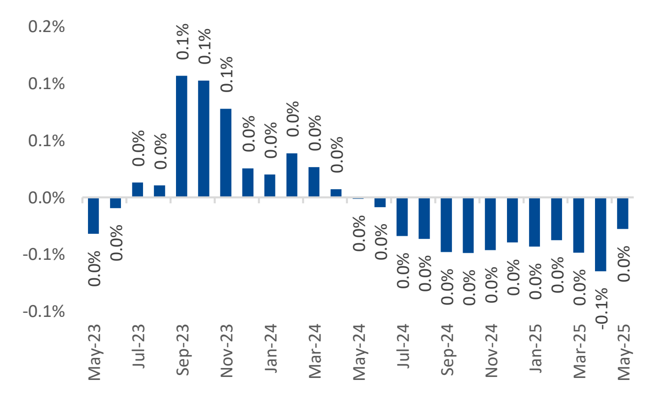
Source: KSEI, Bloomberg, BRIDS

Exhibit 10. Domestic Fund Positioning - Coal



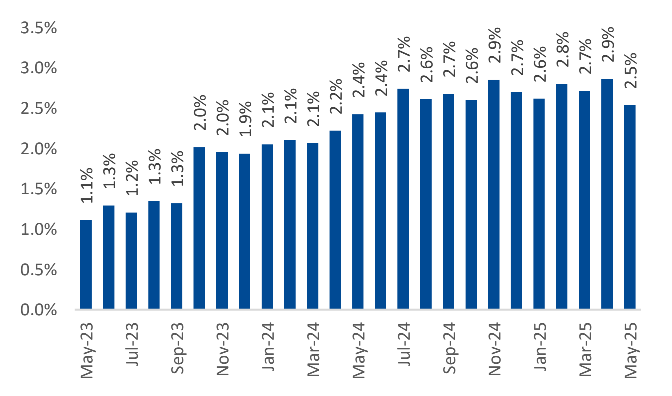
Source: KSEI, Bloomberg, BRIDS

Exhibit 11. Domestic Fund Positioning - Construction



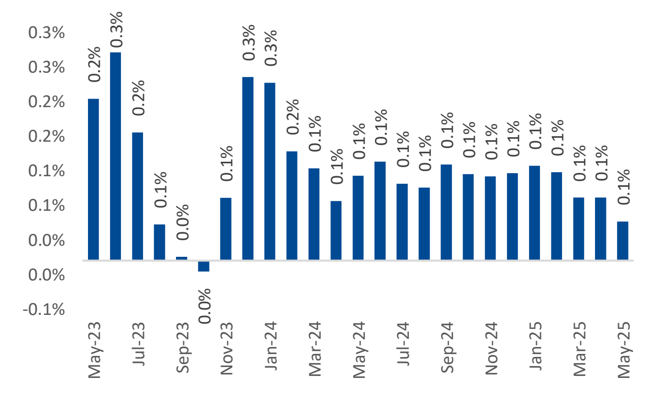
Source: KSEI, Bloomberg, BRIDS

Exhibit 12. Domestic Fund Positioning - Consumer



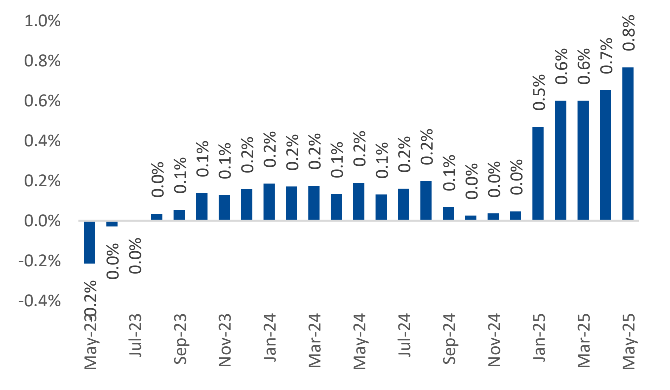
Source: KSEI, Bloomberg, BRIDS

Exhibit 13. Domestic Fund Positioning – Digital Banks



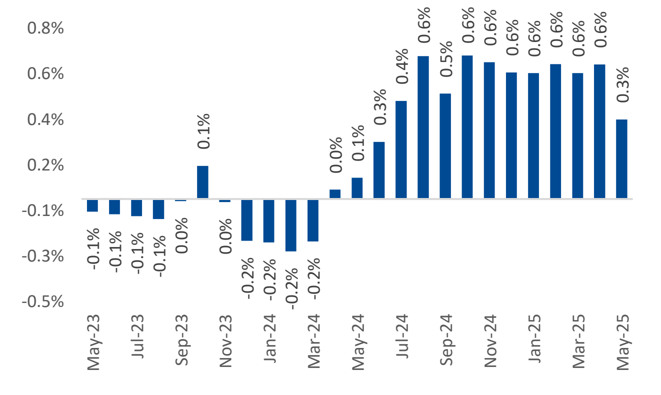
Source: KSEI, Bloomberg, BRIDS

Exhibit 14. Domestic Fund Positioning - Healthcare



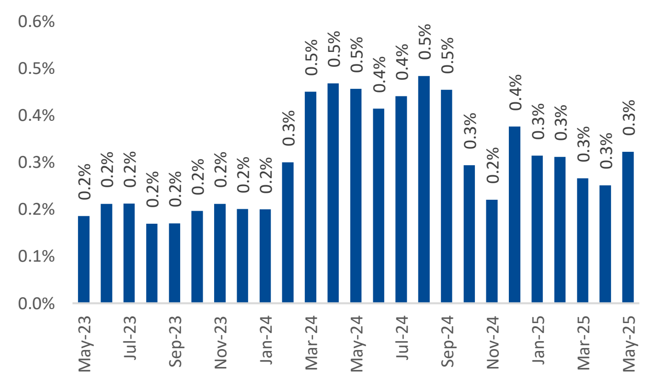
Source: KSEI, Bloomberg, BRIDS

Exhibit 15. Domestic Fund Positioning – Heavy Equipment



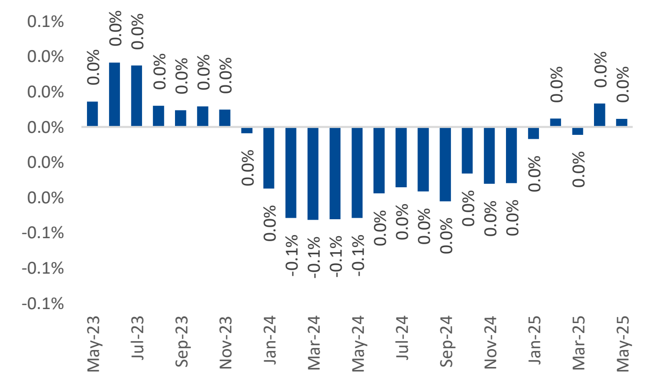
Source: KSEI, Bloomberg, BRIDS

Exhibit 16. Domestic Fund Positioning – Industrial Estate



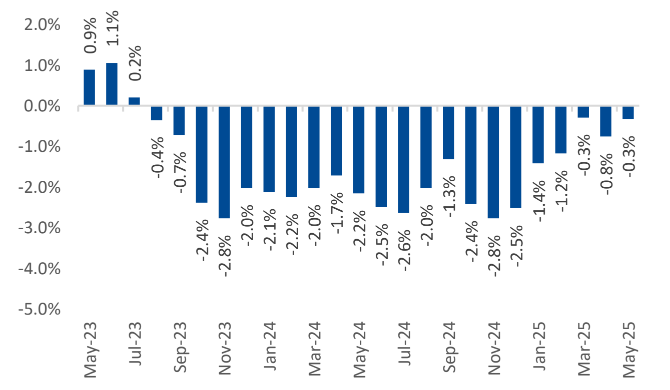
Source: KSEI, Bloomberg, BRIDS

Exhibit 17. Domestic Fund Positioning - Media



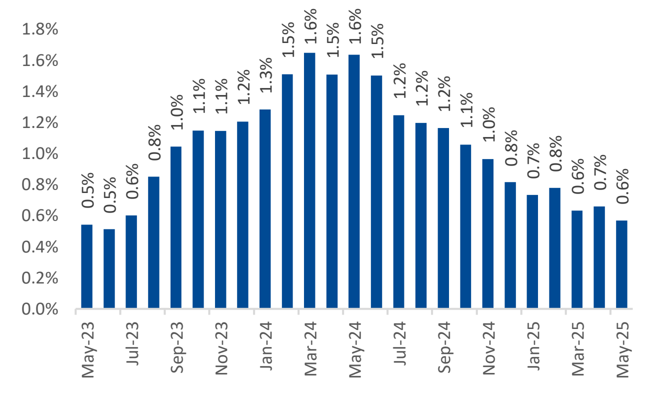
Source: KSEI, Bloomberg, BRIDS

Exhibit 18. Domestic Fund Positioning – Metal



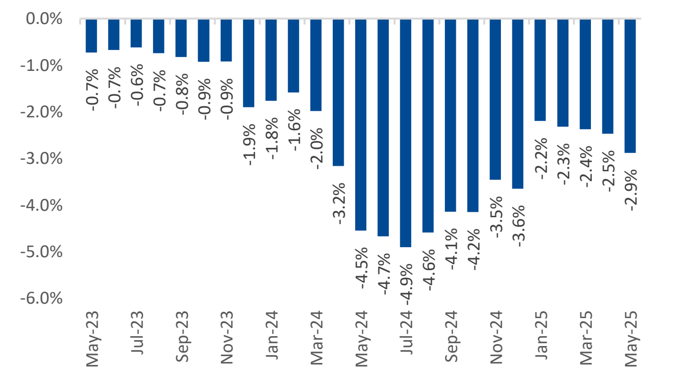
Source: KSEI, Bloomberg, BRIDS

Exhibit 19. Domestic Fund Positioning – Oil and Gas



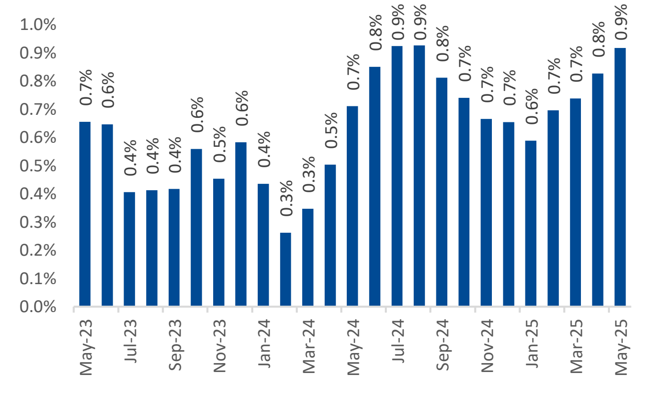
Source: KSEI, Bloomberg, BRIDS

Exhibit 20. Domestic Fund Positioning – Petrochemicals



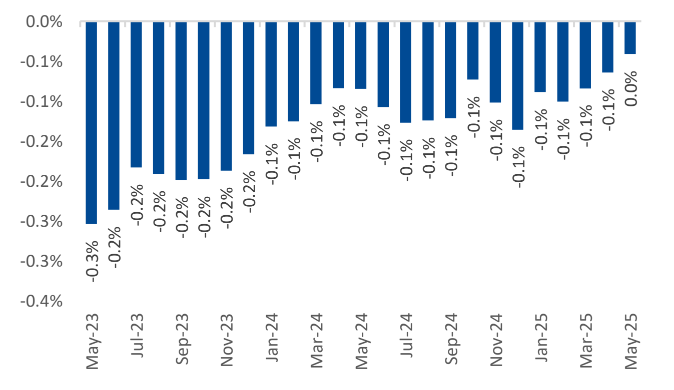
Source: KSEI, Bloomberg, BRIDS

Exhibit 21. Domestic Fund Positioning - Pharmaceuticals



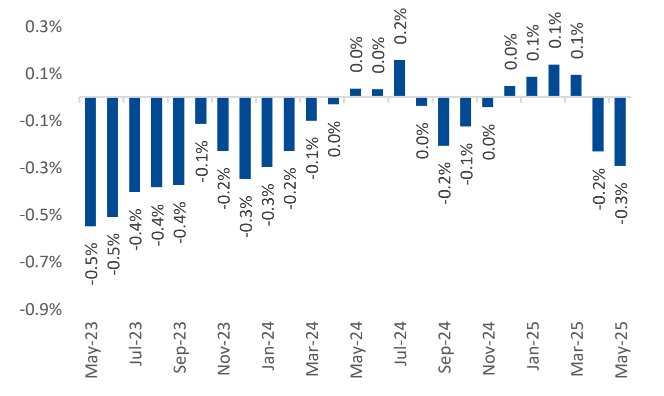
Source: KSEI, Bloomberg, BRIDS

Exhibit 22. Domestic Fund Positioning – Plantation



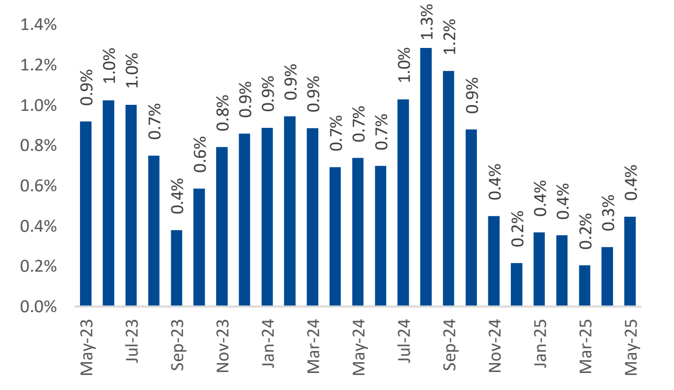
Source: KSEI, Bloomberg, BRIDS

Exhibit 23. Domestic Fund Positioning - Poultry



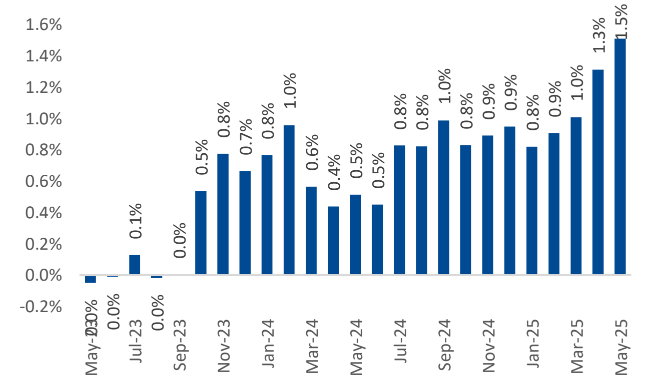
Source: KSEI, Bloomberg, BRIDS

Exhibit 24. Domestic Fund Positioning – Property



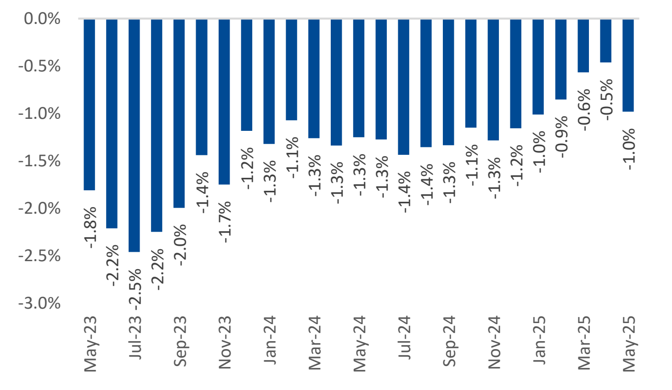
Source: KSEI, Bloomberg, BRIDS

Exhibit 25. Domestic Fund Positioning - Retail



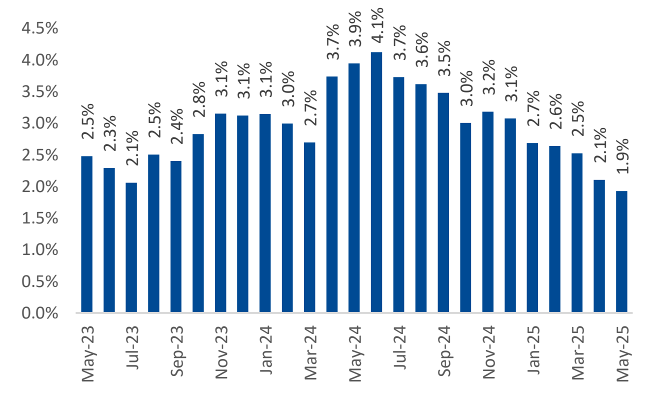
Source: KSEI, Bloomberg, BRIDS

Exhibit 26. Domestic Fund Positioning – Technology



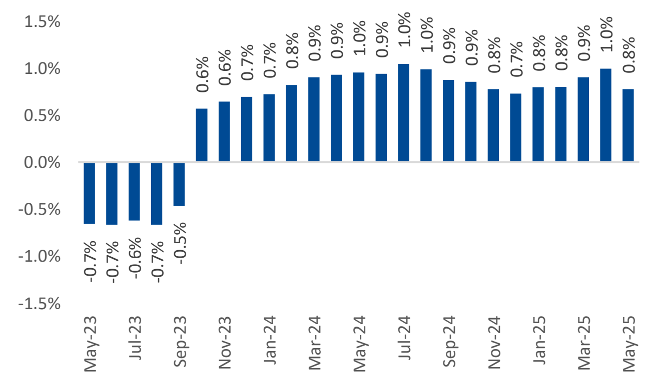
Source: KSEI, Bloomberg, BRIDS

Exhibit 27. Domestic Fund Positioning - Telco



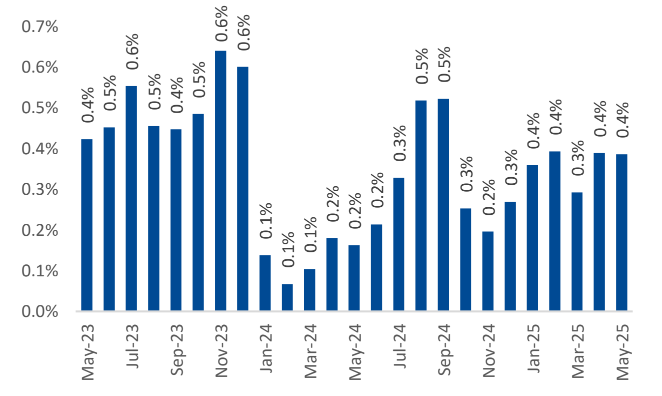
Source: KSEI, Bloomberg, BRIDS

Exhibit 28. Domestic Fund Positioning – Toll Road



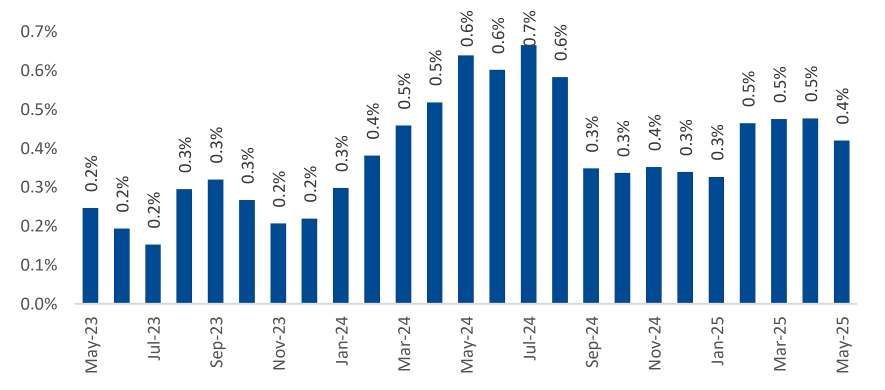
Source: KSEI, Bloomberg, BRIDS

Exhibit 29. Domestic Fund Positioning - Tower



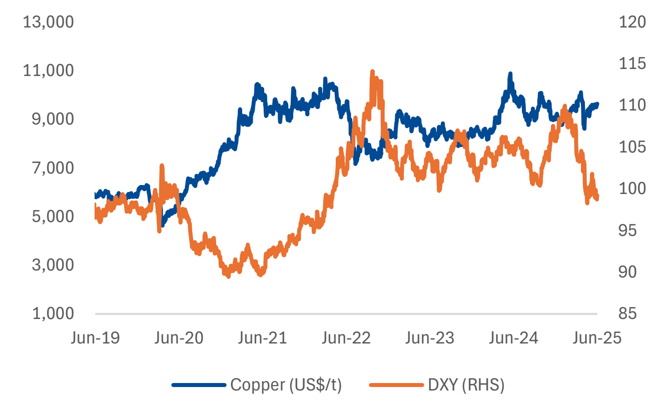
Source: KSEI, Bloomberg, BRIDS

Exhibit 30. Domestic Fund Positioning - Utility



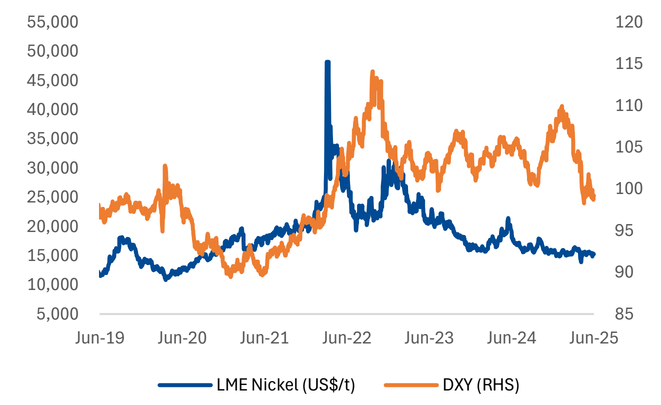
Source: KSEI, Bloomberg, BRIDS

Exhibit 31. Copper Price vs. DXY



Source: Bloomberg, BRIDS

Exhibit 32. Nickel Price vs. DXY



Source: Bloomberg, BRIDS

Exhibit 33. BRIDS Top Picks Valuation

Company	Rating	Target Price (Rp/share)	Market Cap (Rpbn)	P/E (x)		P/BV (x)		EV/EBITDA (x)		ROE (%)	
				25F	26F	25F	26F	25F	26F	25F	26F
BBCA	BUY	11,900	1,106,394	19.0	18.0	3.9	3.7	n.a	n,a	21.4	21.0
ICBP	BUY	14,000	126,240	12.1	10.3	2.4	2.2	7.4	6.5	21.4	22.1
ISAT	BUY	3,200	66,759	11.3	10.0	1.8	1.7	3.8	3.2	17.0	17.7
CTRA	BUY	1,600	18,072	7.7	7.3	0.8	0.7	3.9	3.7	10.2	10.0

Source: BRIDS Estimates

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period