

ON THE SPOTLIGHT



Indonesia economy posts slowest growth in two years as exports fall

Indonesia's economy logged solid growth in the third quarter, although it slowed more than expected to its weakest in two years as exports shrank and household spending softened. Gross domestic product grew 4.94% annually in the July-September quarter, below the 5.17% growth logged in the second quarter, and short of the 5.05% predicted by economists. Economists widely expect Southeast Asia's largest economy to cool this year due to a slew of domestic interest rate hikes, falling commodity prices and weakening global growth. A surprise rate hike from Bank Indonesia last month, aimed at defending the falling rupiah currency, has taken total rate increases since last year to 250 basis points. Despite the disappointing GDP data, the rupiah on Monday extended gains to trade 1.3% up from the previous day's close as the U.S. dollar softened.

NEWS HIGHLIGHTS

- AGII - booked IDR 114.90 billion profit.
- ENRG - net profit grew positively, despite revenue corrected by 13.8%.
- MIDI - Lawson Indonesia receives capital injection of IDR 70 bn from MIDI.

CORPORATE ACTIONS

- RGAS - to set IPO price to IDR 120 per share.
- MEDC - to distribute an interim dividend of IDR 15 per share.

FOREIGN FUND FLOW (EQUITY)

TOP NET BUY		TOP NET SELL	
Ticker	Value (IDR bn)	Ticker	Value (IDR bn)
BBCA	171.1	BBNI	-45.7
GOTO	130.7	UNTR	-29.4
BBRI	81.7	CUAN	-21.2
AMMN	65.3	PGAS	-19.4
BMRI	49.6	MAPI	-16.6
TOTAL NET BUY	843.7	TOTAL NET SELL	-376.7
TOTAL NET BUY/SELL		467.0	

GLOBAL MARKET BRIEFS

Asia-Pacific markets fell Tuesday ahead of trade data coming out of China, as well as a rate decision by the Reserve Bank of Australia. Australia's S&P/ASX 200 traded 0.22% lower ahead of the central bank's rate decision. Economists polled by Reuters expect the central bank to raise its key policy rate by 25 basis points to 4.35%. In Japan, the Nikkei 225 slipped 0.5% in its first hour of trade, while the Topix shed 0.39%.

Overnight in the U.S., all three indexes eked out narrow gains to build on last week's strong rally. The Nasdaq Composite jumped 0.3% to finish at 13,518.78, notching its longest positive streak since January. The S&P 500 edged up 0.18% to end at 4,365.98, while the Dow Jones Industrial Average inched up 34.54 points, or 0.1%, to settle at 34,095.86.

INDICES	Close	% Change
Dow Jones	34095.86	0.10
Nasdaq	13518.78	0.30
S&P 500	4365.98	0.18
EURO Stoxx 50	4158.64	(0.38)
FTSE 100	7417.76	0.00
Nikkei	32708.48	2.37
Hang Seng	17966.59	1.71
Jakarta Comp	6878.84	1.33

Commodities	Close	% Change
Brent Crude Oil (USD/bbl)	85.18	0.34
Gold Spot (USD/toz)	1975.95	(0.11)
LME Copper (USD/ton)	8157.74	0.77
LME Aluminium (USD/ton)	2267	1.47
LME Nickel (USD/ton)	18200	1.20
LME Tin (USD/ton)	24416	1.27
Newcastle Coal (USD/ton)	119	(2.86)
Palm Oil (MYR/ton)	3635	0.08

BONDS	Yield	Change
UST 2Y	4.928	(0.006)
UST 10Y	4.637	(0.006)
IDN 2Y	6.856	(0.006)
IDN 10Y	6.849	(0.010)

FOREX	Last	% Change
Dollar Index	105.215	0.18
USDIDR	15538	1.22
EURIDR	16687	0.16

JAKARTA COMP	Price	% Change
GAINERS		
ACES	860	4.88
TINS	690	4.55
INTP	9800	4.53

LOSERS		
TBIG	2090	(188)
PTPP	585	(168)
TPIA	2950	(167)

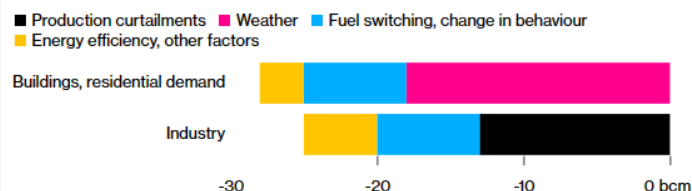
NEWS FLOW

CHART OF THE DAY

Europe Gas Traders See Signs Demand Set to Rise. Europe’s natural gas traders are starting to see early signs that demand may pick up this winter, adding to risks in a market that’s been laser-focused on supply shocks. Consumption increased by 1% in October, marking the first year-on-year advance since Russia’s invasion of Ukraine caused a record surge in energy prices and forced companies and households to curb demand. Europe survived last winter without blackouts despite a record cut in gas supplies from Russia. That was, in large part, due to the steepest gas demand reduction in its history — because of relatively mild weather, increased use of both coal and renewables, and energy-saving measures from households to businesses.

How EU Cut Gas Usage Last Year

Estimated drivers of demand reduction vs 2021



Source: IEA (numbers don't include power sector)

MACRO & SECTOR NEWS

- **Japan:** service activity posts the slowest growth this year - PMI. The final au Jibun Bank Service purchasing managers' index (PMI) fell to 51.6 in October from 53.8 in September, beset by weak demand. The index was slightly above the flash reading of 51.1 and remained over the 50.0 threshold separating expansion from contraction, according to the survey compiled by S&P Global Intelligence. While the PMI data continue to make positive readings for the Japanese service sector, the recent trends suggest that growth is on the wane.
- **Indonesia:** BPS Records Indonesia's Economy Grows 4.94 Percent in The Third Quarter Of 2023. Indonesia's economic growth in the third quarter of 2023 when compared to the second quarter of 2023 or quarter on quarter (QoQ) grew by 1.60 percent. In the midst of the slowdown in the global economy, climate change has occurred and the decline in the price of superior export commodities, Indonesia's economic resilience is again reflected in the economic growth of 4.94 percent yoy or cumulatively Indonesia's economy has grown by 5.05 percent c to c.

CORPORATE ACTION

- **RGAS:** to set IPO price to IDR 120 per share. PT Kian Santang Muliatama Tbk (RGAS), a gas industry supporting company, with this price, will potentially raise fresh funds of up to IDR 40.1 billion from IPO. For the record, the number of shares issued by the company in this IPO is 334 million shares. In the issued prospectus, RGAS plans to allocate IDR 14.68 billion of the IPO proceeds as capital investment to one of its subsidiaries, PT Kian Santang, then another IDR 6.31 billion will be used as capital investment for PT Karya Instrumindo Simpati, and another IDR 9.63 billion is for PT Ergas Kians Ikonig. The remainder will be stored as RGAS's working capital.
- **MEDC:** to distribute an interim dividend of IDR 15 per share. The number of outstanding shares of MEDC is 25.02 billion shares. Therefore, the total interim dividend granted by the company is IDR 375 billion. This decision was announced the CEO of MEDC, in an official statement.

COMPANY NEWS

- **AGII:** booked IDR 114.90 billion profit. The company raked in the current year's profit of IDR 114.90 billion in the third quarter (Q3) of 2023, shifting 5.6% year-on-year (yoy) higher from IDR 75.81 billion. Said achievement was possible due to increased revenue, which mostly came from medical use. The revenue increased 8.7% yoy to IDR 2.06 trillion from IDR 1.90 trillion seen in Q3 2022. The high contribution of revenue from the medical sector is due to an increased number of hospital networks. In addition, the manufacturing sector also brought in revenue contributions due to the demands of oil and gas users.
- **BBRI:** net profit grew positively, despite revenue corrected by 13.8%. The company posted a net profit of US\$45.7 million as of September (9M) 2023 growing 3.5% year-on-year (yoy). In fact, from the sales side, ENRG reported a decline in sales performance of up to 13.8% yoy in 9M 2023 to US\$296.4 million. In the same period last year, the company only recorded sales of US\$344 million.
- **MIDI:** Lawson Indonesia (LWS) receives a capital injection of IDR 70 billion from MIDI. This capital injection was given to increase LWS's issued and paid-up capital amounting to IDR 100 billion. The increase in issued and paid-up capital is equivalent to 103.52 million shares, with a nominal value of IDR 100 and an exercise price of IDR 966 per share.

FUNDAMENTAL HIGHLIGHTS

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	LDR (%)	NPL	NIM (%)	ROE (%)	Div Yield %
Financials											
BBCA	1,116	9,050	11,650	29.4	20.1	4.7	68.9	1.7	5.5	21.5	2.5
BBRI	788	5,200	5,650	31.9	16.7	2.6	90.0	2.7	8.1	18.6	4.7
BMRI	553	5,925	6,675	46.8	27.0	2.3	82.8	1.9	5.6	21.8	5.4
BBNI	185	4,970	8,875	67.8	16.0	1.3	86.7	2.8	4.9	15.0	4.8
BBTN	17	1,215	1,480	33.3	(11.8)	0.6	92.7	3.4	3.8	12.3	3.7
Avg peers.				41.8	13.6	2.3	84.2	2.5	5.6	17.8	4.2

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	PER (x)	EV / EBITDA	DER (%)	ROE (%)	Div Yield %
Comm. Services											
TLKM	362	3,650	4,000	(16.2)	25.2	2.8	13.9	5.4	42.2	18.6	5.0
ISAT	77	9,525	11,200	(52.8)	(21.1)	2.6	20.6	5.0	178.5	13.6	3.1
EXCL	28	2,110	3,200	(13.2)	(3.9)	1.1	20.9	4.7	170.6	5.0	
TOWR	49	960	1,550	0.2	(0.9)	3.0	14.0	11.2	311.6	22.2	2.5
TBIG	47	2,090	3,050	2.4	(9.1)	4.4	31.4	15.6	271.2	12.9	1.7
MNCN	7	460	780	(15.4)	(17.9)	0.3	3.6	3.0	10.9	6.6	1.7
SCMA	11	151	210	(37.2)	(35.0)	1.3	17.3	8.9	3.5	3.4	3.0
Avg peers.				-18.9	-9.0	2.2	17.4	7.7	141.2	11.7	2.8

Materials											
MDKA	61	2,510	N/A	62.4	(140.0)	4.3	#N/A/N/	30.7	69.7	(9.0)	
INCO	49	4,920	7,250	21.0	38.6	1.3	11.3	8.9	0.2	10.5	
ANTM	41	1,700	2,700	105.2	(2.3)	1.7	10.9	9.3	13.3	17.1	2.7
SMGR	44	6,475	8,600	15.4	1.0	1.0	16.2	7.2	30.4	6.1	3.4
INTP	36	9,800	15,900	8.8	9.9	1.7	16.8	10.1	5.0	11.1	1.6
Avg peers.				42.5	-18.6	2.0	13.8	13.2	23.7	7.2	2.6

Cons. Staples											
UNVR	138	3,620	3,890	(6.6)	2.8	25.7	25.0	21.5	32.1	89.0	4.0
ICBP	122	10,475	13,150	(28.4)	101.5	3.0	13.2	11.9	80.0	21.9	2.3
INDF	56	6,350	8,800	(17.1)	52.2	1.0	5.8	5.9	70.8	16.0	4.1
HMSP	112	960	970	(11.5)	26.7	4.0	14.0	10.7	1.7	27.9	5.7
GGRM	43	22,550	27,800	(50.4)	119.2	0.7	7.1	5.9	17.6	9.9	5.3
CPIN	90	5,475	6,000	(19.0)	6.1	3.1	28.8	18.5	35.5	8.7	2.2
JPFA	15	1,245	1,070	(29.8)	(14.1)	1.1	11.9	7.2	94.2	7.2	4.0
Avg peers.				-23.3	42.1	5.5	15.1	11.6	47.4	25.8	3.9

Agriculture											
AALI	14	7,075	7,100	(12.4)	(44.6)	0.6	14.2	5.0	18.2	6.1	5.9
LSIP	6	930	980	4.1	(39.7)	0.6	10.2	1.9	0.0	6.1	0.1
Avg peers.				-4.2	-42.1	0.6	12.2	3.5	9.1	6.1	3.0

FUNDAMENTAL HIGHLIGHTS

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	PER (x)	EV / EBITDA	DER (%)	ROE (%)	Div Yield %
Cons. Discre											
ASII	240	5,925	7,800	43.3	8.3	1.3	7.7	5.3	29.0	16.5	11.0
ACES	15	860	970	(3.8)	6.8	2.5	20.7	5.4	11.9	14.1	2.8
MAPI	28	1,685	2,350	412.0	3.5	2.9	12.7	5.0	58.2	24.9	
ERAA	6	356	650	(0.2)	(2.3)	0.8	5.7	4.3	67.1	14.7	5.9
Avg peers.				112.8	4.1	1.9	11.7	5.0	41.6	17.5	6.5
Energy											
UNTR	89	23,750	29,500	106.1	(8.6)	1.2	4.6	1.7	3.4	26.6	28.8
ADRO	81	2,530	2,500	174.4	(39.0)	0.7	3.3	1.2	24.2	28.8	19.6
PTBA	28	2,400	2,750	55.8	(49.5)	1.4	4.3	1.7	4.7	28.0	55.3
ITMG	29	25,650	25,000	148.8	(48.5)	1.0	3.0	0.8	2.6	63.7	35.5
HRUM	20	1,515	1,850	299.2	(16.5)	1.5	5.1	2.7	0.2	40.1	
INDY	9	1,650	2,100	174.5	(39.1)	0.5	2.0	0.8	81.9	18.1	
AKRA	30	1,505	1,650	116.2	8.5	2.8	11.4	8.1	22.9	24.5	#N/A N/A
MEDC	31	1,230	1,500			1.1	7.2	2.8	191.0	23.0	1.3
Avg peers.				153.6	-27.5	1.3	5.1	2.5	41.4	31.6	28.1
Health Care											
KLBF	76	1,615	2,040	7.1	(3.9)	3.6	23.1	19.3	5.3	14.8	2.7
MIKA	38	2,650	3,100	(17.0)	(4.1)	6.6	38.1	27.7	-	17.7	1.4
HEAL	23	1,515	1,700	(69.7)	50.7	5.9	48.7	21.9	28.0	11.4	
Avg peers.				-26.6	14.3	5.4	36.6	23.0	11.1	14.6	2.0
Industrials											
JSMR	32	4,450	5,100	70.1	(18.6)	1.4	14.4	9.0	199.9	14.5	1.8
WSKT	#VALUE!	#N/A N/A	390	(58.3)		#N/A N/A			429.2	(41.1)	#N/A N/A
WIKA	4	396	590			0.3		31.7	190.9	(16.0)	-
PTPP	4	585	850			0.3		10.6	135.0	3.3	6.3
ADHI	3	414	470	24.5		0.4	36.0	12.1	118.9	1.2	5.3
Avg peers.						0.6	25.2	15.8	214.8	-7.6	3.3
Utilities											
PGAS	30	1,235	1,600	-	(15.4)	0.7	8.6	3.8	64.1	8.2	11.3
Avg peers.						0.7	8.6	3.8	64.1	8.2	11.3
Real Estate											
PWON	20	416	620	11.3	25.1	1.1	10.9	8.2	30.3	10.3	
BSDE	22	1,045	1,350	80.4	0.5	0.6	6.7	5.7	31.5	9.6	
CTRA	21	1,125	1,500	7.4	(2.0)	1.1	13.8	6.3	42.4	8.1	
SMRA	10	590	755	81.9	24.1	1.0	10.1	8.9	50.3	10.4	
Avg peers.				45.3	11.9	0.9	10.4	7.3	38.6	9.6	
IT											
GOTO	91	76				0.7			2.0	(22.2)	
BUKA	22	210				0.8			0.2	(9.1)	
Avg peers.						0.8			1.1	-15.7	



DISCLAIMER & LEGAL INFORMATION:

GENERAL, RISK, FORECASTS REFERRED TO...

This material is issued by PT Sinarmas Sekuritas, a member of Indonesia Stock Exchanges, represent the opinion of Sinarmas Sekuritas, derived its judgment from sources deemed reliable, however, PT Sinarmas Sekuritas and its affiliated cannot guarantee its accuracy and completeness. Important sources for the production of this document are e.g. Indonesia Stock Exchange & Central Bank of Indonesia, national and international media & information services (e.g. Bloomberg Finance L.P), publicly available databases, economic journals and news portals (e.g. Bisnis Indonesia, Kontan, Investor Daily, IDN Financials, Dinsight, etc), publicly available company information and publications of rating agencies.

All information and data used for this document relate to past or present circumstances and may change at any time without prior notice. Statements contained in this document regarding financial instruments or issuers of financial instruments relate to the time of the production of this document. Such statements are based on a multitude of factors which are subject to continuous change. A statement contained in this document may, thus, become inaccurate without this being published. Potential risk regarding statements and expectations expressed in this document may result from issuer specific and general (e.g. political, economic, market, etc.) developments.

SUITABILITY

This document has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Before entering into any transaction, investors should consider the suitability of the transaction to individual circumstances and objectives. Any investment or trading or other decision should only be made by the client after a thorough reading of the relevant product term sheet, subscription agreement, information memorandum, prospectus or other offering document relating to the issue of the securities or other financial instruments. This document should not be read in isolation without reference to the full research report.

IMPORTANT LEGAL INFORMATION

PT Sinarmas Sekuritas or its affiliates may be involved in transactions contrary to any opinion herein or have positions in the securities recommended herein and may seek or will seek investment banking or other business relationships with the companies in this material. PT Sinarmas Sekuritas, its employees and its affiliates, expressly disclaim any and all liability for representation or warranties, expressed or implied, here in or omission there from or for any loss how so ever arising from any use of this material or its contents or otherwise arising in connection there with opinion expressed in this material are our present view and are subject to change without notice.

To the fullest extent allowed by law, Sinarmas Sekuritas shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by any person or organization arising from reliance on or use of any information contained on this report. The information that we provide should not be construed in any manner whatsoever as, personalized advice.

'This document is intended for information purposes only'. For further information please contact our number +62 21 392 5550 or fax +62 21 392 2320.

PT Sinarmas Sekuritas

Sinarmas Land Plaza Tower 3, 5th Fl.

Jl. M.H. Thamrin no.51

Tel. +62 21 392 5550

Fax. +62 21 392 5540

research@sinarmassekuritas.co.id