

MORNING NOTES

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ON THE SPOTLIGHT



US 30-Year Mortgage Rate Tumbles by Most in More Than a Year

The average 30-year mortgage rate plunged last week by the most in more than a year, helping generate the biggest advance in home purchase applications since early June. The contract rate on a 30-year fixed mortgage slid 25 basis points to 7.61%, the lowest level since the end of September, according to the Mortgage Bankers Association. The group's index of mortgage applications for home purchases increased 3% in the week ended Nov. 3, the data out Wednesday showed. The second-straight weekly decline in mortgage rates is the first since mid-June and offers modest relief for a struggling housing market. Still, mortgage rates remain uncomfortably high and are discouraging many homeowners who have locked in rates at much lower levels from moving. That's put pressure on supply and kept prices elevated.

NEWS HIGHLIGHTS

CUAN - to acquire 34% of Petrosea (PTRO).
TBIG - Bersama Digital Infrastructure to hold a tender offer of TBIG shares.
DMMX - to raise investments in Digital Maxima Indonesia.
ALKA - to divest subsidiary for IDR 10.89 billion.

CORPORATE ACTIONS

CPIN - to allocate interim dividend of IDR 1.63 trillion.
INKP - to issue IDR 4.09 tn sukuk and bonds.

FOREIGN FUND FLOW (EQUITY)

| TOP NET BUY | | TOP NET SELL | |
|--------------------|----------------|----------------|----------------|
| Ticker | Value (IDR bn) | Ticker | Value (IDR bn) |
| MEDC | 19.5 | TLKM | 188.2 |
| FILM | 16.6 | BMRI | 111.1 |
| AMRT | 10.8 | ASII | 100.9 |
| NCKL | 9.7 | BBNI | 66.7 |
| CTRA | 9.5 | PGAS | 28.8 |
| TOTAL NET BUY | 163.4 | TOTAL NET SELL | 903.0 |
| TOTAL NET BUY/SELL | | -739.5 | |

GLOBAL MARKET BRIEFS

Asia markets were poised for small gains Thursday after most indexes in the region fell for two straight days, as investors focus on inflation data from China. Market participants now await October consumer prices data from China, which is expected to fall 0.1% year-on-year according economists polled by Reuters. Producer prices are expected to decline 2.7%, according to a Reuters poll.

Stocks slip as market seeks rate-cut timing, dollar gains. World stock markets sputtered on Wednesday and the dollar eased as some investors accepted the notion that interest rates will stay higher for longer even though the Federal Reserve may have halted hiking them. Yields across the Treasury curve mostly fell as the auction of benchmark 10-year notes fared modestly better than expected, and on the view that the Fed has likely ended its hiking cycle.

| INDICES | Close | % Change |
|---------------|----------|----------|
| Dow Jones | 34112.27 | (0.12) |
| Nasdaq | 13650.41 | 0.08 |
| S&P 500 | 4382.78 | 0.10 |
| EURO Stoxx 50 | 4178.49 | 0.60 |
| FTSE 100 | 7401.72 | (0.11) |
| Nikkei | 32166.48 | (0.33) |
| Hang Seng | 17568.46 | (0.58) |
| Jakarta Comp | 6804.11 | (0.58) |

| Commodities | Close | % Change |
|---------------------------|---------|----------|
| Brent Crude Oil (USD/brl) | 79.54 | (2.54) |
| Gold Spot (USD/toz) | 1949.43 | (0.04) |
| LME Copper (USD/ton) | 8058.50 | (0.52) |
| LME Aluminium (USD/ton) | 2249 | 0.06 |
| LME Nickel (USD/ton) | 17858 | 1.09 |
| LME Tin (USD/ton) | 24674 | 1.48 |
| Newcastle Coal (USD/ton) | 123 | 2.00 |
| Palm Oil (MYR/ton) | 3642 | 1.08 |

| BONDS | Yield | Change |
|---------|-------|---------|
| UST 2Y | 4.932 | 0.000 |
| UST 10Y | 4.494 | 0.002 |
| IDN 2Y | 6.852 | (0.009) |
| IDN 10Y | 6.798 | 0.000 |

| FOREX | Last | % Change |
|--------------|---------|----------|
| Dollar Index | 105.593 | 0.05 |
| USDIDR | 15650 | (0.13) |
| EURIDR | 16710 | 0.17 |

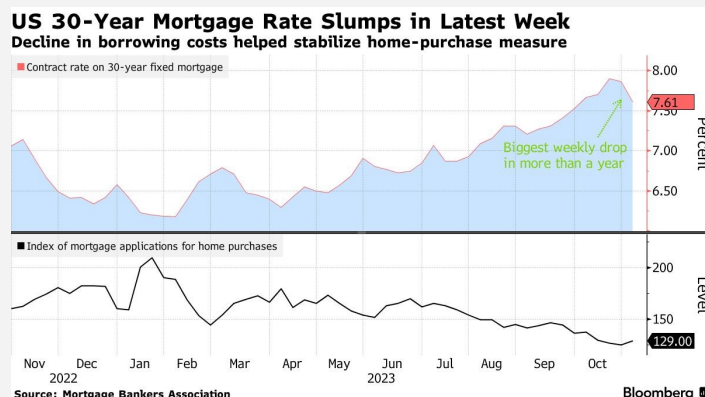
| JAKARTA COMP | Price | % Change |
|--------------|-------|----------|
| GAINERS | | |
| MIKA | 2740 | 3.01 |
| EXCL | 2160 | 2.37 |
| CPIN | 5675 | 2.25 |

| | | |
|--------|------|--------|
| LOSERS | | |
| MDKA | 2360 | (5.98) |
| PGAS | 1140 | (5.79) |
| MEDC | 1110 | (5.53) |

NEWS FLOW

CHART OF THE DAY

The Federal Reserve's decision last week to hold interest rates steady for a second straight meeting is offering some hope for the housing sector. While policymakers reaffirmed they will keep borrowing costs elevated in the near term, real estate stocks rallied last week on speculation the central bank could be nearing the end of its tightening cycle. That outlook has helped bring the 10-year Treasury yield down from the peaks reached in October. Mortgage rates tend to move in tandem with government yields. The MBA's overall index of applications, which includes purchasing and refinancing, rose 2.5% last week from the lowest level since 1995. Refinancing activity also edged up. The MBA survey, which has been conducted weekly since 1990, uses responses from mortgage bankers, commercial banks and thrifts.



MACRO & SECTOR NEWS

- **U.K.:** job market remains sluggish in October, KPMG/REC survey shows. A decline in hiring by British employers eased slightly in October, but pay growth slowed and rising redundancies led to an increase in the number of job-seekers, an industry survey showed on Wednesday. October's REC data showed that growth in starting salaries for permanent roles was the slowest since March 2021, and below rates seen in the run-up to the pandemic. Overall availability of staff rose at the third-fastest rate since the start of 2021. There were frequent reports that redundancies and subdued hiring activity had contributed to the latest increase in staff availability.
- **U.S.:** Fed's Waller calls Q3 US GDP growth a 'blowout,' but newer data suggest slowdown. Third-quarter U.S. economic growth, at an annualized 4.9% rate, was a "blowout" performance that warrants "a very close eye when we think about policy going forward, Fed Governor Christopher Waller said on Tuesday. Federal Reserve policymakers fresh from last week's decision to hold the policy rate steady are weighing strong economic data, some signs of a slowdown, and the impact of higher long-term bond yields as they consider if they will need to hike rates further to bring down inflation.

CORPORATE ACTION

- **CPIN:** to allocate interim dividend of IDR 1.63 trillion or IDR 100 per share for the fiscal year 2023 on November 29, 2023. The cum and ex-dividend in the regular and negotiation market is set to November 16-17, while the cum and ex-dividend in the cash market followed on November 20-21. The shareholders entitled to the interim dividend is based on the Official Register of Shareholders listed by the recording date on November 20.
- **INKP:** to issue IDR 4.09 tn sukuk and bonds. The company issues its Shelf-Registration Bonds IV Phase III Year 2023 and Shelf-Registration Sukuk Mudharabah III Phase III Year 2023. The bonds phase III are offered with a total principal of IDR 3 tn, while the sukuk mudharabah phase III has a total principal of IDR 1.09 tn. INKP will issue these bonds in 3 series, equipped with coupons ranging from 6.75% to 10.75% per annum. For sukuk issuance, it offers along 3 series with a profit-sharing yield of equivalent of 6.75%-10.75%.

COMPANY NEWS

- **CUAN:** to acquire 34% of Petrosea (PTRO). The director of PTRO said that those shares will be taken over by CUAN from PT Caraka Reksa Optima (CRO). CUAN and CRO signed a Conditional Shares Acquisition Agreement (CSAA) earlier today (7/11). CRO's portion in PTRO will be lowered to 55.8% from approximately 89.80% previously. The value of the shares acquisition transaction between CRO and CUAN is not publicly disclosed.
- **TBIG:** Bersama Digital Infrastructure (BDIA) to hold a tender offer of TBIG's shares worth IDR 2.3 trillion. TBIG's shares offered by BDIA clock up to 1 billion shares, equal to 4.42% of issued and paid-up capital. The offering price was set to IDR 2,300 per share, thus bringing the total tender offer to IDR 2.3 trillion. Therefore, BDIA aims to raise its stakes in TBIG by another 4.42%.
- **DMMX:** to raise investments in Digital Maxima Indonesia (DMI). DMMX has increased its stock ownership in DMI through extra paid-up capital of IDR 1.17 billion. With this extra capital, the stock portion in DMI is now 99.49%.
- **ALKA:** to divest subsidiary for IDR 10.89 billion. The company has sold off one of its subsidiaries, PT Alakasa Alumina Refineri (AAR). The number of AAR's shares divested by the company is equal to 70% of total shares. These shares are transferred to PT Selaras Investama Globalindo.

FUNDAMENTAL HIGHLIGHTS

| | Market Cap (IDR tn) | Last Price | Target Price | EPSg FY22 (%) | EPSg FY23E (%) | PBV (x) | LDR (%) | NPL | NIM (%) | ROE (%) | Div Yield % |
|------------|---------------------------|------------|-----------------|---------------------|-------------------|---------|------------|-----|------------|------------|----------------|
| Financials | | | | | | | | | | | |
| BBCA | 1,109 | 9,000 | 11,650 | 29.4 | 20.1 | 4.7 | 68.9 | 1.7 | 5.5 | 21.5 | 2.5 |
| BBRI | 792 | 5,225 | 5,650 | 31.9 | 16.7 | 2.6 | 90.0 | 2.7 | 8.1 | 18.6 | 4.6 |
| BMRI | 546 | 5,850 | 6,675 | 46.8 | 27.0 | 2.2 | 82.8 | 1.9 | 5.6 | 21.8 | 5.4 |
| BBNI | 182 | 4,880 | 8,875 | 67.8 | 16.1 | 1.3 | 86.7 | 2.8 | 4.9 | 15.0 | 4.9 |
| BBTN | 17 | 1,210 | 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 | 349 | 3,520 | 4,000 | (16.2) | 25.4 | 2.7 | 13.4 | 5.4 | 42.2 | 18.6 | 5.1 |
| ISAT | 74 | 9,200 | 11,200 | (52.8) | (21.7) | 2.6 | 20.0 | 5.0 | 178.5 | 13.6 | 3.3 |
| EXCL | 28 | 2,160 | 3,200 | (13.2) | (3.9) | 1.1 | 21.4 | 4.7 | 170.6 | 5.0 | |
| TOWR | 48 | 950 | 1,550 | 0.2 | (0.9) | 3.0 | 13.9 | 11.2 | 311.6 | 22.2 | 2.5 |
| TBIG | 46 | 2,050 | 3,050 | 2.4 | (9.1) | 4.3 | 30.8 | 15.6 | 271.2 | 12.9 | 1.8 |
| MNCN | 7 | 432 | 780 | (15.4) | (17.9) | 0.3 | 3.4 | 3.0 | 10.9 | 6.6 | 1.9 |
| SCMA | 11 | 149 | 210 | (37.2) | (35.0) | 1.3 | 17.1 | 8.9 | 3.5 | 3.4 | 3.0 |
| Avg peers. | | | | -18.9 | -9.0 | 2.2 | 17.1 | 7.7 | 141.2 | 11.7 | 2.9 |

| | | | | | | | | | | | |
|------------|----|-------|--------|-------|---------|-----|---------|------|------|-------|-----|
| Materials | | | | | | | | | | | |
| MDKA | 57 | 2,360 | N/A | 62.4 | (140.0) | 4.0 | #N/A N/ | 30.7 | 69.7 | (9.0) | |
| INCO | 48 | 4,820 | 7,250 | 21.0 | 33.7 | 1.2 | 11.4 | 8.9 | 0.2 | 10.5 | |
| ANTM | 40 | 1,660 | 2,700 | 105.2 | (2.3) | 1.6 | 10.7 | 9.3 | 13.3 | 17.1 | 2.7 |
| SMGR | 43 | 6,350 | 8,600 | 15.4 | (0.1) | 1.0 | 16.0 | 7.2 | 30.4 | 6.1 | 3.5 |
| INTP | 36 | 9,700 | 15,900 | 8.8 | 9.9 | 1.6 | 16.7 | 10.1 | 5.0 | 11.1 | 1.6 |
| Avg peers. | | | | 42.5 | -19.8 | 1.9 | 13.7 | 13.2 | 23.7 | 7.2 | 2.6 |

| | | | | | | | | | | | |
|---------------|-----|--------|--------|--------|--------|------|------|------|------|------|-----|
| Cons. Staples | | | | | | | | | | | |
| UNVR | 137 | 3,600 | 3,890 | (6.6) | 2.8 | 25.5 | 24.8 | 21.5 | 32.1 | 89.0 | 4.0 |
| ICBP | 122 | 10,475 | 13,150 | (28.4) | 102.1 | 3.0 | 13.2 | 11.8 | 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 | 111 | 950 | 970 | (11.5) | 26.7 | 3.9 | 13.9 | 10.7 | 1.7 | 27.9 | 5.8 |
| GGRM | 41 | 21,075 | 27,800 | (50.4) | 119.2 | 0.7 | 6.7 | 5.9 | 17.6 | 9.9 | 5.7 |
| CPIN | 93 | 5,675 | 6,000 | (19.0) | 7.4 | 3.2 | 29.5 | 18.5 | 35.5 | 8.7 | 1.8 |
| JPFA | 14 | 1,205 | 1,070 | (29.8) | (14.1) | 1.1 | 11.5 | 7.2 | 94.2 | 7.2 | 4.1 |
| Avg peers. | | | | -23.3 | 42.3 | 5.5 | 15.0 | 11.6 | 47.4 | 25.8 | 4.0 |

| | | | | | | | | | | | |
|-------------|----|-------|-------|--------|--------|-----|------|-----|------|-----|-----|
| Agriculture | | | | | | | | | | | |
| AALI | 13 | 7,000 | 7,100 | (12.4) | (44.6) | 0.6 | 14.1 | 5.0 | 18.2 | 6.1 | 6.0 |
| LSIP | 6 | 915 | 980 | 4.1 | (39.7) | 0.6 | 10.0 | 1.9 | 0.0 | 6.1 | 0.1 |
| Avg peers. | | | | -4.2 | -42.1 | 0.6 | 12.0 | 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 | 232 | 5,725 | 7,800 | 43.3 | 8.7 | 1.2 | 7.4 | 5.3 | 29.0 | 16.5 | 11.4 |
| ACES | 14 | 830 | 970 | (3.8) | 6.8 | 2.4 | 20.0 | 5.4 | 11.9 | 14.1 | 2.9 |
| MAPI | 27 | 1,655 | 2,350 | 412.0 | 3.5 | 2.9 | 12.5 | 5.0 | 58.2 | 24.9 | |
| ERAA | 5 | 328 | 650 | (0.2) | (8.3) | 0.8 | 5.6 | 4.3 | 67.1 | 14.7 | 6.4 |
| Avg peers. | | | | 112.8 | 2.7 | 1.8 | 11.4 | 5.0 | 41.6 | 17.5 | 6.9 |
| Energy | | | | | | | | | | | |
| UNTR | 85 | 22,800 | 29,500 | 106.1 | (7.9) | 1.1 | 4.4 | 1.7 | 3.4 | 26.6 | 30.0 |
| ADRO | 78 | 2,440 | 2,500 | 174.4 | (39.0) | 0.7 | 3.2 | 1.2 | 24.2 | 28.8 | 20.6 |
| PTBA | 27 | 2,330 | 2,750 | 55.8 | (52.4) | 1.4 | 4.5 | 1.7 | 4.7 | 28.0 | 56.9 |
| ITMG | 28 | 24,725 | 25,000 | 148.8 | (48.5) | 1.0 | 2.9 | 0.8 | 2.6 | 63.7 | 31.7 |
| HRUM | 20 | 1,465 | 1,850 | 299.2 | (16.5) | 1.4 | 4.9 | 2.7 | 0.2 | 40.1 | |
| INDY | 8 | 1,540 | 2,100 | 174.5 | (39.1) | 0.4 | 1.9 | 0.8 | 81.9 | 18.1 | |
| AKRA | 30 | 1,475 | 1,650 | 116.2 | 8.4 | 2.7 | 11.2 | 8.1 | 22.9 | 24.5 | #N/A N/A |
| MEDC | 28 | 1,110 | 1,500 | | | 1.0 | 6.4 | 2.8 | 191.0 | 23.0 | 1.4 |
| Avg peers. | | | | 153.6 | -27.9 | 1.2 | 4.9 | 2.5 | 41.4 | 31.6 | 28.1 |
| Health Care | | | | | | | | | | | |
| KLBF | 76 | 1,615 | 2,040 | 7.1 | (4.6) | 3.6 | 23.3 | 19.3 | 5.3 | 14.8 | 2.7 |
| MIKA | 39 | 2,740 | 3,100 | (17.0) | (4.6) | 6.8 | 39.6 | 27.7 | - | 17.7 | 1.3 |
| HEAL | 23 | 1,525 | 1,700 | (69.7) | 53.7 | 6.0 | 48.1 | 21.9 | 28.0 | 11.4 | |
| Avg peers. | | | | -26.6 | 14.8 | 5.5 | 37.0 | 23.0 | 11.1 | 14.6 | 2.0 |
| Industrials | | | | | | | | | | | |
| JSMR | 32 | 4,410 | 5,100 | 70.1 | (18.6) | 1.4 | 14.3 | 9.0 | 199.9 | 14.5 | 1.8 |
| WSKT | #VALUE! | #N/A N/A | 390 | (58.3) | | #N/A N/A | | | 461.0 | (62.8) | #N/A N/A |
| WIKA | 3 | 390 | 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 | 406 | 470 | 24.5 | | 0.4 | 35.3 | 12.1 | 118.9 | 1.2 | 5.4 |
| Avg peers. | | | | | | 0.6 | 24.8 | 15.8 | 221.1 | -12.0 | 3.4 |
| Utilities | | | | | | | | | | | |
| PGAS | 28 | 1,140 | 1,600 | - | (15.4) | 0.7 | 7.8 | 3.8 | 64.1 | 8.2 | 12.3 |
| Avg peers. | | | | | | 0.7 | 7.8 | 3.8 | 64.1 | 8.2 | 12.3 |
| Real Estate | | | | | | | | | | | |
| PWON | 20 | 420 | 620 | 11.3 | 25.4 | 1.1 | 11.0 | 8.2 | 30.3 | 10.3 | |
| BSDE | 22 | 1,030 | 1,350 | 80.4 | 0.5 | 0.6 | 6.6 | 5.7 | 31.5 | 9.6 | |
| CTRA | 21 | 1,130 | 1,500 | 7.4 | (2.0) | 1.1 | 13.9 | 6.3 | 42.4 | 8.1 | |
| SMRA | 10 | 600 | 755 | 81.9 | 24.1 | 1.0 | 10.2 | 8.9 | 50.3 | 10.4 | |
| Avg peers. | | | | 45.3 | 12.0 | 0.9 | 10.4 | 7.3 | 38.6 | 9.6 | |
| IT | | | | | | | | | | | |
| GOTO | 91 | 76 | | | | 0.7 | | | 2.0 | (22.2) | |
| BUKA | 21 | 208 | | | | 0.8 | | | 0.2 | (9.1) | |
| Avg peers. | | | | | | 0.8 | | | 1.1 | -15.7 | |



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