

ON THE SPOTLIGHT



China's Consumer Deflation Returns as Recovery Remains Fragile

China's deflation pressures worsened in October as consumer prices dipped back below zero and producer cost declines deepened, adding to expectations the economy needs more stimulus to shore up growth. Consumer prices fell 0.2% last month after hovering near zero in the previous two months, according to data from the National Bureau of Statistics Thursday, lower than the median forecast in a Bloomberg survey of economists. Producer prices fell for a 13th straight month, dropping 2.6%. China has battled stubbornly weak prices for much of this year. Consumer prices slipped below zero in July and have been teetering on and off the edge of negative year-on-year growth, undermining an August assessment by the People's Bank of China that prices would rebound from the summer's rough patch. Coupled with the ongoing declines in factory-gate costs.

NEWS HIGHLIGHTS

ELSA - has realized 57% of capex as of September 2023.  
ACST - surpassing target, new contract reached IDR 2.4 trillion.  
TKIM - price picking up, confident of performance growth.  
MUTU - revenue went 23.9% higher in 9M 2023.

CORPORATE ACTIONS

TRIS - to set up an interim dividend of IDR 8.6 billion  
IGAR - to ready IDR 22.64 billion for buyback.

FOREIGN FUND FLOW (EQUITY)

TOP NET BUY		TOP NET SELL	
Ticker	Value (IDR bn)	Ticker	Value (IDR bn)
BREN	76.2	BBRI	67.4
UNTR	26.2	TLKM	58.1
AMMN	24.6	CUAN	52.9
BBCA	23.8	BBNI	29.2
MEDC	16.2	GOTO	25.4
TOTAL NET BUY	304.0	TOTAL NET SELL	517.8
TOTAL NET BUY/SELL		-213.8	

GLOBAL MARKET BRIEFS

Asia markets ease after Powell comments. Asia-Pacific markets opened softer on Friday, retreating from small gains made in the previous session amid a downbeat tone set by U.S. markets overnight. The U.S. benchmark S&P 500 index ended an eight-day winning streak as Treasury yields spiked and Federal Reserve Chair Jerome Powell signaled more work may be needed to bring down inflation.

S&P 500, Nasdaq snap winning streaks after Powell, Treasury auction. U.S. stocks closed lower on Thursday, snapping the longest winning streaks for the Nasdaq and S&P 500 in two years, as Treasury yields climbed after a disappointing auction of 30-year bonds and comments from Federal Reserve Chair Jerome Powell. Powell said central bank officials "are not confident" interest rates are high enough to tame inflation.

INDICES	Close	% Change
Dow Jones	33891.94	(0.65)
Nasdaq	13521.45	(0.94)
S&P 500	4347.35	(0.81)
EURO Stoxx 50	4229.20	1.21
FTSE 100	7455.67	0.73
Nikkei	32646.46	(0.55)
Hang Seng	17511.29	(0.33)
Jakarta Comp	6838.23	0.50

Commodities	Close	% Change
Brent Crude Oil (USD/brl)	80.01	0.59
Gold Spot (USD/toz)	1959.28	0.04
LME Copper (USD/ton)	8068.11	0.12
LME Aluminium (USD/ton)	2230	(0.83)
LME Nickel (USD/ton)	17584	(1.54)
LME Tin (USD/ton)	24605	(0.28)
Newcastle Coal (USD/ton)	123	0.41
Palm Oil (M YR/ton)	3620	(0.60)

BONDS	Yield	Change
UST 2Y	5.031	0.011
UST 10Y	4.646	0.022
IDN 2Y	6.838	(0.025)
IDN 10Y	6.775	0.002

FOREX	Last	% Change
Dollar Index	105.910	0.30
USDIDR	15655	(0.03)
EURIDR	16757	(0.28)

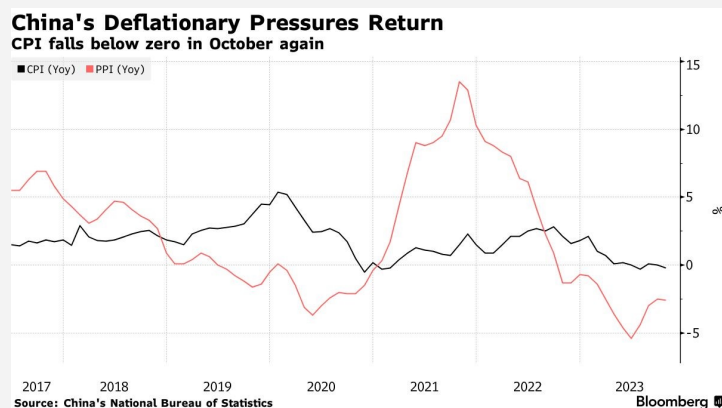
JAKARTA COMP	Price	% Change
GAINERS		
MEDC	1170	5.41
BRPT	1070	4.90
TKIM	7725	4.75

LOSERS		
MDKA	2300	(2.54)
INCO	4700	(2.49)
PGAS	1115	(2.19)

# NEWS FLOW

## CHART OF THE DAY

Low inflation has been one of the main reasons cited by economists who argue that China's economy is growing below its potential and needs more monetary and fiscal stimulus. Beijing has stepped up monetary and fiscal easing in recent months, such as cutting interest rates and the amount of cash banks must keep in reserve, as well as issuing additional sovereign bonds. "Combating persistent disinflation amid weak demand remains a challenge for Chinese policymakers," said Bruce Pang, chief economist for Greater China at Jones Lang LaSalle Ltd. "An appropriate policy mix and more supportive measure are needed to prevent the economy from a downward drift in inflation expectations that could threaten business confidence and household spending."



## MACRO & SECTOR NEWS

- **U.S.:** New US jobless claims edge down; continued claims on the rise. The number of Americans filing new claims for unemployment benefits edged down last week, signaling that layoffs remain low even as the still-strong job market shows some signs of cooling. Initial claims for state unemployment benefits fell 3,000 to a seasonally adjusted 217,000 for the week ended Nov. 4 from an upwardly revised 220,000 in the prior week, the Labor Department said on Thursday.
- **China:** China's consumer prices back in decline as recovery wobbles. China's consumer prices swung lower in October, as key gauges of domestic demand pointed to weakness not seen since the pandemic, while factory-gate deflation deepened, casting doubts over the chances of a broad-based economic recovery. The consumer price index (CPI) dropped 0.2% in October from a year earlier and slipped 0.1% from September, data from the National Bureau of Statistics (NBS) showed on Thursday. The declines undershot the median 0.1% year-on-year fall and flat month-on-month reading predicted in a Reuters poll. Both indicators were last negative at the same time in November 2020 during the COVID-19 pandemic.

## CORPORATE ACTION

- **TRIS:** to set up an interim dividend of IDR 8.6 billion or IDR 2.76 per share. This plan follows the decision made by the Board of Directors of TRIS and had been approved by the board of commissioners on November 6, 2023. The interim dividend will be given out to TRIS's shareholders whose names have been registered by the recording date on November 20, 2023. The payment of an interim dividend is due December 1, 2023.
- **IGAR:** to ready IDR 22.64 billion for buyback. The management of IGAR mentioned that the number of shares that will be repurchased by the company is 50 million. They are equal to 5.14% of total issued and paid-up capital of the company. The maximum allocated budget is IDR 22.64 billion. The company will firstly ask for approval from the Extraordinary General Meeting of Shareholders to conduct this buyback. The meeting is scheduled to take place on December 15, 2023.

## COMPANY NEWS

- **ELSA:** to has realized 57% of capex as of September 2023. The company had realized IDR 285 billion of its capital expenditure from IDR 500 billion set for the fiscal year 2023. The biggest portion of ELSA's capex realisation until September 2023 is upstream business, which covers the Cementing Unit, Equipment Slickline, dan Electric Wireline (EWL) Onshore.
- **ACST:** surpassing target, new contract reached IDR 2.4 trillion. This new contract procurement rate is 0.09% higher than the ACST's new contract target in 2023, which is set to IDR 2.2 trillion. For comparison, the contract obtained in 9M 2022 was only IDR 2.1 trillion.
- **TKIM:** price picking up, confident of performance growth. The company is optimistic that the revenue and profit performance will recover as the price of pulp showed increases starting from the third quarter of 2023. Even, in this month alone, the price has been increasing. And we predict that until the end of this year, it will continue to rise until next year, the management said.
- **MUTU:** revenue went 23.9% higher in 9M 2023. The company managed to book revenue of IDR 202.11 billion. Most of MUTU's revenue came from product certification services, generating IDR 79.65 billion. MUTU managed to collect a net profit of IDR 28.12 billion in 9M 2023. It grew 56.3% yoy.

# 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	788	5,200	5,650	31.9	16.7	2.6	90.0	2.7	8.1	18.6	4.7
BMRI	548	5,875	6,675	46.8	27.0	2.3	82.8	1.9	5.6	21.8	5.4
BBNI	181	4,860	8,875	67.8	16.1	1.3	86.7	2.8	4.9	15.0	5.0
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	350	3,530	4,000	(16.2)	25.2	2.7	13.5	5.4	42.2	18.6	5.1
ISAT	76	9,375	11,200	(52.8)	(23.4)	2.6	20.9	5.0	178.5	13.6	3.2
EXCL	28	2,170	3,200	(13.2)	(3.9)	1.1	21.5	4.7	170.6	5.0	
TOWR	49	955	1,550	0.2	(0.9)	3.0	13.9	11.2	311.6	22.2	2.5
TBIG	48	2,100	3,050	2.4	(9.1)	4.5	31.5	15.6	271.2	12.9	1.7
MNCN	7	432	780	(15.4)	(17.9)	0.3	3.4	3.0	10.9	6.6	1.9
SCMA	11	150	210	(37.2)	(35.0)	1.3	17.2	8.9	3.5	3.4	3.0
Avg peers.				-18.9	-9.3	2.2	17.4	7.7	141.2	11.7	2.9
Materials											
MDKA	55	2,300	N/A	62.4	(140.0)	3.9	#N/A/N/	30.7	69.7	(9.0)	
INCO	47	4,700	7,250	21.0	33.7	1.2	11.1	8.9	0.2	10.5	
ANTM	40	1,655	2,700	105.2	(2.3)	1.6	10.7	9.3	13.3	17.1	2.7
SMGR	43	6,375	8,600	15.4	(0.1)	1.0	16.1	7.2	30.4	6.1	3.5
INTP	35	9,600	15,900	8.8	10.0	1.6	16.5	10.1	5.0	11.1	1.7
Avg peers.				42.5	-19.8	1.9	13.6	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	10,450	13,150	(28.4)	101.2	3.0	13.2	11.8	80.0	21.9	2.3
INDF	56	6,325	8,800	(17.1)	52.4	1.0	5.7	5.9	70.8	16.0	4.1
HMSP	111	955	970	(11.5)	28.5	4.0	13.8	10.7	1.7	27.9	5.7
GGRM	42	21,600	27,800	(50.4)	119.2	0.7	6.8	5.9	17.6	9.9	5.6
CPIN	93	5,650	6,000	(19.0)	7.4	3.2	29.4	18.5	35.5	8.7	1.8
JPFA	14	1,210	1,070	(29.8)	(14.1)	1.1	11.5	7.2	94.2	7.2	4.1
Avg peers.				-23.3	42.5	5.5	15.0	11.6	47.4	25.8	3.9
Agriculture											
AALI	14	7,025	7,100	(12.4)	(44.6)	0.6	14.1	5.0	18.2	6.1	6.0
LSIP	6	910	980	4.1	(39.7)	0.6	9.9	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	233	5,750	7,800	43.3	8.7	1.2	7.4	5.3	29.0	16.5	11.3
ACES	14	825	970	(3.8)	6.8	2.4	19.9	5.4	11.9	14.1	2.9
MAPI	28	1,665	2,350	412.0	3.5	2.9	12.6	5.0	58.2	24.9	
ERAA	5	340	650	(0.2)	(8.3)	0.8	5.8	4.3	67.1	14.7	6.2
Avg peers.				112.8	2.7	1.8	11.4	5.0	41.6	17.5	6.8
Energy											
UNTR	85	22,875	29,500	106.1	(7.9)	1.1	4.4	1.7	3.4	26.6	29.9
ADRO	78	2,450	2,500	174.4	(39.0)	0.7	3.2	1.2	24.2	28.8	20.5
PTBA	27	2,350	2,750	55.8	(52.4)	1.4	4.5	1.7	4.7	28.0	56.5
ITMG	28	24,775	25,000	148.8	(48.5)	1.0	2.9	0.8	2.6	63.7	31.6
HRUM	20	1,475	1,850	299.2	(16.5)	1.4	5.0	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	29	1,170	1,500			1.0	6.8	2.8	191.0	23.0	1.3
Avg peers.				153.6	-27.9	1.2	5.0	2.5	41.4	31.6	27.9
Health Care											
KLBF	76	1,620	2,040	7.1	(6.4)	3.6	23.8	19.3	5.3	14.8	2.7
MIKA	39	2,720	3,100	(17.0)	(4.9)	6.8	39.4	27.7	-	17.7	1.3
HEAL	22	1,495	1,700	(69.7)	54.4	5.9	46.9	21.9	28.0	11.4	
Avg peers.				-26.6	14.4	5.4	36.7	23.0	11.1	14.6	2.0
Industrials											
JSMR	32	4,470	5,100	70.1	(18.6)	1.4	14.5	9.0	199.9	14.5	1.7
WSKT	#VALUE!	#N/A N/A	390	(58.3)		#N/A N/A			461.0	(62.8)	#N/A N/A
WIKA	4	394	590			0.3		31.7	190.9	(16.0)	-
PTPP	4	575	850			0.3		10.6	135.0	3.3	6.4
ADHI	3	406	470	24.5		0.4	34.8	12.1	118.9	1.2	5.4
Avg peers.						0.6	24.7	15.8	221.1	-12.0	3.4
Utilities											
PGAS	27	1,115	1,600	-	(15.4)	0.7	7.7	3.8	64.1	8.2	12.6
Avg peers.						0.7	7.7	3.8	64.1	8.2	12.6
Real Estate											
PWON	20	418	620	11.3	25.4	1.1	11.0	8.2	30.3	10.3	
BSDE	22	1,020	1,350	80.4	0.5	0.6	6.5	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	585	755	81.9	24.1	1.0	10.0	8.9	50.3	10.4	
Avg peers.				45.3	12.0	0.9	10.3	7.3	38.6	9.6	
IT											
GOTO	90	75				0.7			2.0	(22.2)	
BUKA	22	210				0.8			0.2	(9.1)	
Avg peers.						0.8			1.1	-15.7	



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### 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