

MORNING NOTES

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ON THE SPOTLIGHT



Indonesia Tycoons Vying for \$3 Billion Tissue Brand Vinda

Asia Pulp & Paper Co., an arm of the late billionaire Eka Tjipta Widjaja clan's Sinar Mas Group, recently made a preliminary proposal to buy a significant holding in Vinda International Holdings Ltd., Bloomberg News reported last week. It's in talks with lenders to finance the potential purchase and has offered to buy a Vinda stake at more than HK\$20 per share, according to the people, who asked not to be identified as the information is private. APP, one of the world's biggest pulp producers and also sells tissues in China under brands such as Breeze and Virjoy, faces competition from Indonesian businessman Sukanto Tanoto's RGE Pte, which has operations spanning palm oil to energy. RGE, which also runs a pulp and paper business, has been working on a potential offer for a controlling stake in Vinda, Bloomberg News reported last month.

NEWS HIGHLIGHTS

ARKO - Introduces new subsidiary in Kalimantan, investing IDR 5 billion.

CITI - Citi Indonesia saw 46% jump in net profit in Q3 2023.

MAPI - Joining hands with MAP, Flying Tiger Copenhagen to open its third store in Indonesia.

CORPORATE ACTIONS

MCOL - Will distribute an interim dividend of IDR 888.89 billion.

JAYA - Armada Berjaya Trans to pay out dividends IDR 2 per share.

FOREIGN FUND FLOW (EQUITY)

TOP NET BUY		TOP NET SELL	
Ticker	Value (IDR bn)	Ticker	Value (IDR bn)
AMMN	75.6	GOTO	105.7
BBCA	35.3	BBRI	97.4
BMRI	31.5	ASII	58.2
PGEO	22.6	BRPT	36.2
AMRT	21.9	TLKM	25.1
TOTAL NET BUY	387.1	TOTAL NET SELL	501.5
TOTAL NET BUY/SELL		-114.4	

GLOBAL MARKET BRIEFS

Asia markets rise ahead of Biden-Xi talks. Asia-Pacific markets rose on Tuesday as investors look ahead to highly anticipated talks between the U.S. and China as well as more economic data. U.S. President Joe Biden and China's President Xi Jinping's will meet in-person in San Francisco later in the day, for the first time in about a year.

Moody's warning on the massive U.S. debt burden has turned into a nonevent. Markets on Monday shrugged at a warning Friday from Moody's Investor's Service that it was lowering its ratings outlook on Treasuries. When Standard & Poor's and Fitch issued similar warnings, they sent at least temporary shockwaves through Wall Street. But with the domestic fiscal and political mess seemingly old news, the ratings service saber-rattling just doesn't seem to have the same impact.

INDICES	Close	% Change
Dow Jones	34337.87	0.16
Nasdaq	13767.74	(0.22)
S&P 500	4411.55	(0.08)
EURO Stoxx 50	4232.19	0.83
FTSE 100	7425.83	0.89
Nikkei	32585.11	0.61
Hang Seng	17426.21	1.30
Jakarta Comp	6838.31	0.43

Commodities	Close	% Change
Brent Crude Oil (USD/brl)	82.52	1.34
Gold Spot (USD/toz)	1946.98	0.00
LME Copper (USD/ton)	808125	1.59
LME Aluminium (USD/ton)	2209	0.25
LME Nickel (USD/ton)	1767	0.83
LME Tin (USD/ton)	24623	1.17
Newcastle Coal (USD/ton)	122	(10.1)
Palm Oil (MYR/ton)	3673	1.46

BONDS	Yield	Change
UST 2Y	5.043	0.009
UST 10Y	4.642	0.002
IDN 2Y	6.927	(0.016)
IDN 10Y	6.933	0.081

FOREX	Last	% Change
Dollar Index	105.631	(0.22)
USDIDR	15700	(0.03)
EURIDR	16793	(0.28)

JAKARTA COMP	Price	% Change
GAINERS		
INKP	8750	3.24
ACES	825	2.48
MEDC	1185	2.16

LOSERS		
TPIA	2910	(3.00)
MNCN	404	(2.88)
ASII	5650	(2.16)

NEWS FLOW

CHART OF THE DAY

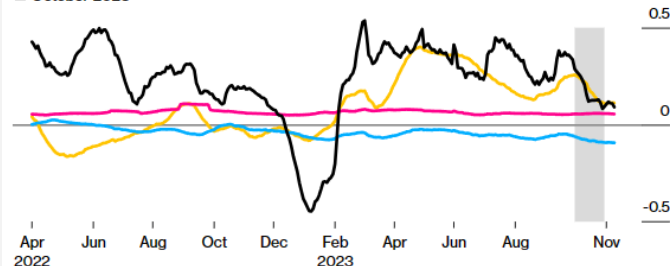
China's Economic Recovery Is Losing Momentum, Data Show. China's consumption rebound slowed and private business confidence lost momentum in October, according to independent surveys and alternative data that suggested the economic recovery remains bumpy. An indicator of Chinese consumer demand for recreation and transport published by Paris-based QuantCube Technology, along with an independent survey of consumer sentiment by US company Morning Consult, both fell in October from the previous month. A poll of private business sentiment from the Cheung Kong Graduate School of Business also declined in the month. Those measures — together with official data showing weak service sector growth and falling consumer prices in October — imply the nation's consumption rebound struggled last month, even as Beijing announced more fiscal stimulus.

China's Consumer Spending Seen Weakening in October

QuantCube indicator shows declines in recreation, transport demand

— Sectoral consumption leading indicator, recreation — Food — Housing — Transport

■ October 2023



Source: QuantCube Technology

Note: Sectoral consumption leading indicator measures real-time year-over-year variation of consumption, computed over the last 30 days.

MACRO & SECTOR NEWS

- **U.S.:** APEC's growth to slow as persistent inflation, US -China tensions weigh-report. Economic growth among Asia Pacific Economic Cooperation countries is expected to decline next year and remain below the global average as higher interest rates slow U.S. growth, as China continues to struggle with its recovery and tensions between the two hamper trade, the body said on Sunday. The APEC Secretariat's Policy Support Unit issued new forecasts on the eve of the APEC leaders' summit in San Francisco, showing that the 21-country region's growth rate would dip to 2.8% in 2024 from 3.3% in 2023. The APEC GDP growth rate will average 2.9% in 2025 and 2026, below the global average of 3.2% and 3.5-3.6% in the rest of the world.

CORPORATE ACTION

- **MCOL:** Prima Andalan Mandiri will distribute an interim dividend of IDR 888.89 billion. A coal mining company operating in North Kalimantan will distribute an interim dividend of IDR 888.89 billion or IDR 250 per share. MCOL recorded a net profit of US\$177.58 million as of September 30, 2023. The interim dividends will be given to shareholders whose names are registered in the shareholder register on November 9, 2023.
- **JAYA:** Armada Berjaya Trans to pay out dividends IDR 2 per share. A logistics and shipping company will distribute an interim dividend of IDR 2 per share. The interim dividends will be given to JAYA shareholders, whose names were recorded at the recording date on November 17, 2023. Interim dividend payments are scheduled for December 7, 2023. JAYA recorded a net profit of IDR 11.46 billion as of September 30 2023.

COMPANY NEWS

- **ARKO:** Introduces new subsidiary in Kalimantan, investing IDR 5 billion. A power plant company has established a new subsidiary called PT Arkora Hydro Kalimantan (AHK). The company controls 99.96% of AHK's shares worth IDR 2.49 billion through PT Arkora Pembangkitan Hijau. ARKO aims to build 13 hydro-power plants with a total capacity reaching 140.5 MW. The amount of investment required to reach this target is projected to reach USD 1.8 million to USD 2.22 million per MW.
- **CITI:** Citi Indonesia saw 46% jump in net profit in Q3 2023. Citi Indonesia skyrocketed, increasing as high as 46% yoy to IDR 1.7 trillion at the end of September 2023. As its credit grew, its total assets also soared 4.8% yoy. The profit surge resulted from the increase of net interest income, especially in the institutional banking business line. In general, all business lines of Citi Indonesia indicated growth, including commercial bank and retail banking.
- **MAPI:** Joining hands with MAP, Flying Tiger Copenhagen to open its third store in Indonesia. Flying Tiger Copenhagen, a variety store chain from Denmark, has cooperated with MAPI to open its third and latest store in Indonesia. This third store is located in Grand Indonesia Shopping Mall. This opening of new stores indicates the success and profitability of initial collaboration with Flying Tiger Copenhagen.

FUNDAMENTAL HIGHLIGHTS

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	LDR (%)	NPL	NIM (%)	ROE (%)	Div Yield %
Financials											
BBCA	1,094	8,875	11,650	29.4	20.1	4.6	68.9	1.7	5.5	21.5	2.5
BBRI	762	5,025	5,650	31.9	16.7	2.5	90.0	2.7	8.1	18.6	4.8
BMRI	544	5,825	6,675	46.8	27.0	2.2	82.8	1.9	5.6	21.8	5.5
BBNI	182	4,890	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	2.2	84.2	2.5	5.6	17.8	4.3

	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)	25.2	2.7	13.4	5.4	42.2	18.6	5.1
ISAT	76	9,450	11,200	(52.8)	(22.1)	2.6	20.7	5.0	178.5	13.6	3.2
EXCL	29	2,200	3,200	(13.2)	(4.6)	1.1	22.0	4.7	170.6	5.0	
TOWR	48	950	1,550	0.2	(1.6)	3.0	14.0	11.2	311.6	22.2	2.5
TBIG	47	2,070	3,050	2.4	(9.1)	4.4	31.1	15.6	271.2	12.9	1.7
MNCN	6	404	780	(15.4)	(17.9)	0.3	3.2	3.0	10.9	6.6	2.0
SCMA	11	151	210	(37.2)	(36.8)	1.3	17.8	8.9	3.5	3.4	3.0
Avg peers.				-18.9	-9.6	2.2	17.4	7.7	141.2	11.7	2.9

Materials											
MDKA	54	2,260	N/A	62.4	(140.0)	3.8	#N/A/N/	30.7	69.7	(9.0)	
INCO	46	4,640	7,250	21.0	33.7	1.2	10.9	8.9	0.2	10.5	
ANTM	39	1,620	2,700	105.2	(2.5)	1.6	10.4	9.3	13.3	17.1	2.8
SMGR	43	6,350	8,600	15.4	(0.6)	1.0	16.1	7.2	30.4	6.1	3.5
INTP	35	9,425	15,900	8.8	9.3	1.6	16.3	10.1	5.0	11.1	1.7
Avg peers.				42.5	-20.0	1.8	13.4	13.2	23.7	7.2	2.6

Cons. Staples											
UNVR	135	3,530	3,890	(6.6)	2.8	25.0	24.4	21.5	32.1	89.0	4.1
ICBP	121	10,375	13,150	(28.4)	100.3	3.0	13.2	11.8	80.0	21.9	2.3
INDF	57	6,450	8,800	(17.1)	53.2	1.0	5.8	5.9	70.8	16.0	4.0
HMSP	113	970	970	(11.5)	28.5	4.0	14.0	10.7	1.7	27.9	5.6
GGRM	41	21,450	27,800	(50.4)	119.2	0.7	6.8	5.9	17.6	9.9	5.6
CPIN	92	5,600	6,000	(19.0)	7.4	3.2	29.1	18.5	35.5	8.7	1.8
JPFA	14	1,195	1,070	(29.8)	(13.7)	1.1	11.3	7.2	94.2	7.2	4.2
Avg peers.				-23.3	42.5	5.4	14.9	11.6	47.4	25.8	3.9

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	925	980	4.1	(39.7)	0.6	10.1	1.9	0.0	6.1	0.1
Avg peers.				-4.2	-42.1	0.6	12.1	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	229	5,650	7,800	43.3	8.9	1.2	7.3	5.3	29.0	16.5	11.5
ACES	14	825	970	(3.8)	6.8	2.4	19.9	5.4	11.9	14.1	2.9
MAPI	27	1,610	2,350	412.0	3.5	2.8	12.2	5.0	58.2	24.9	
ERAA	5	332	650	(0.2)	(13.8)	0.8	6.0	4.3	67.1	12.5	6.3
Avg peers.				112.8	1.4	1.8	11.3	5.0	41.6	17.0	6.9
Energy											
UNTR	87	23,250	29,500	106.1	(7.9)	1.1	4.4	1.7	3.4	26.6	29.4
ADRO	79	2,480	2,500	174.4	(39.0)	0.7	3.2	1.2	24.2	28.8	20.3
PTBA	27	2,360	2,750	55.8	(52.4)	1.4	4.5	1.7	4.7	28.0	56.2
ITMG	28	24,675	25,000	148.8	(48.5)	1.1	2.9	0.8	2.6	39.2	31.7
HRUM	20	1,445	1,850	299.2	(16.5)	1.4	4.8	2.7	0.2	40.1	
INDY	8	1,510	2,100	174.5	(39.1)	0.4	1.8	0.8	81.9	18.1	
AKRA	29	1,455	1,650	116.2	8.4	2.7	11.0	8.1	22.9	24.5	#N/A/N/A
MEDC	30	1,185	1,500			1.1	6.9	2.8	191.0	23.0	1.3
Avg peers.				153.6	-27.9	1.2	4.9	2.5	41.4	28.5	27.8
Health Care											
KLBF	75	1,600	2,040	7.1	(6.6)	3.6	23.6	19.3	5.3	14.8	2.7
MIKA	38	2,690	3,100	(17.0)	(4.5)	6.7	38.8	27.7	-	17.7	1.3
HEAL	22	1,495	1,700	(69.7)	54.7	5.9	46.8	21.9	28.0	11.4	
Avg peers.				-26.6	14.5	5.4	36.4	23.0	11.1	14.6	2.0
Industrials											
JSMR	32	4,420	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	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	394	470	24.5		0.4	33.8	12.1	118.9	1.2	5.6
Avg peers.						0.6	24.1	15.8	221.1	-12.0	3.4
Utilities											
PGAS	27	1,125	1,600	-	(15.4)	0.7	7.7	3.8	64.1	8.2	12.4
Avg peers.						0.7	7.7	3.8	64.1	8.2	12.4
Real Estate											
PWON	20	412	620	11.3	25.3	1.1	10.8	8.2	30.3	10.3	
BSDE	22	1,025	1,350	80.4	0.4	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	9	575	755	81.9	23.9	1.0	9.8	8.9	50.3	10.4	
Avg peers.				45.3	11.9	0.9	10.2	7.3	38.6	9.6	
IT											
GOTO	95	79				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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