

MORNING NOTES

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ON THE SPOTLIGHT



ByteDance, GoTo to Strike Deal to Save Indonesia TikTok Shop

ByteDance Ltd.'s TikTok has struck an agreement to invest in a unit of Indonesia's GoTo Group and cooperate on an online shopping service, pioneering a template for e-commerce beyond Southeast Asia's biggest economy. The Chinese-owned video service has agreed broadly to work with GoTo's Tokopedia across several areas rather than compete directly with the Indonesian platform, people familiar with the pact said. The pair aim to announce details of that tie-up as soon as next week, the people said, asking not to be identified disclosing a deal before it's formalized. GoTo's shares erased morning declines to climb as high as 5% in Jakarta. While the two companies have reached an informal agreement, the final details of that alliance are getting hammered out and could change before announcement, the people said.

NEWS HIGHLIGHTS

BRIS - collaborate with the UAE, optimize business opportunities in Dubai.
JSMR - revenue reaches IDR 11 tn in the third quarter of 2023, up 7.7%.
BNBR - to divest in Fitzroy Offshore to pay off loans.

CORPORATE ACTIONS

PALM - in need of extra capital, to offer rights issue of 21.28 billion shares.

FOREIGN FUND FLOW (EQUITY)

TOP NET BUY		TOP NET SELL	
Ticker	Value (IDR bn)	Ticker	Value (IDR bn)
TLKM	95.2	BBRI	179.0
BRPT	26.0	BBCA	160.3
UNVR	21.7	BMRI	61.6
MEDC	20.2	UNTR	56.3
BRIS	13.2	BREN	37.8
TOTAL NET BUY	365.8	TOTAL NET SELL	965.3
TOTAL NET BUY/SELL		-599.5	

GLOBAL MARKET BRIEFS

Asia-Pacific markets rebounded across the region, following a broad sell-off on Monday. Wednesday will see Australia release its third-quarter GDP numbers, while investors will also digest the Reuters Tankan survey for Japan in December, which showed improving business sentiment among large Japanese manufacturers. The Tankan survey, done by the Bank of Japan quarterly, measures economic conditions in Japan and the survey results are considered a key economic indicator.

Overnight in the U.S., the Dow Jones Industrial Average and the S&P 500 slid on Tuesday as a recent rally on Wall Street lost steam. The 30-stock Dow slid 0.22%, while the S&P 500 inched lower by 0.06%. In contrast, the Nasdaq Composite gained 0.31% to end at 14,229.91 as technology shares outperformed.

INDICES	Close	% Change
Dow Jones	36124.56	(0.22)
Nasdaq	14229.91	0.31
S&P 500	4567.18	(0.06)
EURO Stoxx 50	4452.77	0.86
FTSE 100	7489.84	(0.31)
Nikkei	32775.82	(1.37)
Hang Seng	16327.86	(1.91)
Jakarta Comp	7100.86	0.10

Commodities	Close	% Change
Brent Crude Oil (USD/bbl)	77.20	(1.06)
Gold Spot (USD/toz)	2019.75	0.02
LME Copper (USD/ton)	8252.75	(1.32)
LME Aluminium (USD/ton)	2122	(0.88)
LME Nickel (USD/ton)	15940	(3.54)
LME Tin (USD/ton)	23774	(0.17)
Newcastle Coal (USD/ton)	134	(0.22)
Palm Oil (MYR/ton)	3620	(0.44)

BONDS	Yield	Change
UST 2Y	4.579	0.002
UST 10Y	4.173	0.008
IDN 2Y	6.645	(0.012)
IDN 10Y	6.590	(0.001)

FOREX	Last	% Change
Dollar Index	104.050	0.33
USDIDR	15505	(0.32)
EURIDR	16794	0.01

JAKARTA COMP	Price	% Change
GAINERS		
TPIA	3170	8.93
JSMR	4840	3.64
BRPT	1050	3.45

LOSERS		
MNCN	398	(5.69)
MDKA	2520	(4.55)
ITMG	23950	(2.54)

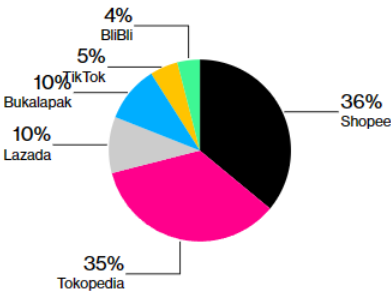
NEWS FLOW

CHART OF THE DAY

An investment in Tokopedia will be a first of its kind for TikTok Shop, the rapidly growing arm of ByteDance’s video service that’s making inroads into online shopping from the US to Europe. Its progress in Indonesia against Sea Ltd. and Tokopedia, however, came to a halt when Jakarta — responding to complaints from local merchants — forced TikTok to split payments from shopping in the country. Now, a tieup with a savvy local operator could provide a model for TikTok as it pursues expansion in other markets such as Malaysia, where the government has signaled a willingness to review the influence of overseas players like TikTok. Bloomberg News reported last month that TikTok and GoTo were discussing a potential investment but another option was a joint venture. That could entail building a new e-commerce platform.

Shopee and Tokopedia Lead in Indonesia as TikTok Gains

Shopee and Tokopedia dominated Indonesia’s e-commerce market in 2022, while TikTok grew its presence to 5% in just a year after its launch



Source: Momentum Works

MACRO & SECTOR NEWS

- U.K.:** retailers see weak sales growth in November despite Black Friday deals. The British Retail Consortium (BRC) said spending increased 2.7% in annual terms last month, well below the 4.2% rise a year ago, and similar to the 2.5% increase in October, despite Black Friday deals, as the ongoing cost-of-living squeeze prompted shoppers to rein in spending on non-essential items, the BRC said on Tuesday.
- Japan:** inflation in Japan's capital slows, clouds BOJ exit path. The core consumer price index (CPI), which excludes volatile fresh food but includes fuel costs, for Tokyo rose 2.3% in November from a year earlier, government data showed on Tuesday, slightly below a median market forecast for a 2.4% gain. It was slower than the 2.7% increase in October and matched a low marked in July last year, as fuel costs kept falling and price hikes for food moderated, the data showed. With inflation having exceeded the BOJ's 2% inflation target for more than a year, many market players expect the bank to phase out its massive stimulus sometime next year.

CORPORATE ACTION

- PALM:** in need of extra capital, to offer rights issue of 21.28 billion shares. The number of shares that will be offered is equal to 74.93% of the total issued and paid-up capital of the company post-rights issue. Each new share of PALM will have a face value of IDR 15 per share. Meanwhile, the offering price is yet to be determined. The management will firstly ask for approval from shareholders regarding this rights issue plan. The Extraordinary General Meeting of Shareholders is scheduled on January 10, 2024. In general, PALM will spend all the proceeds of the rights issue to expand its investment portfolio in the form of acquisition of shares or other capital.

COMPANY NEWS

- BRIS:** collaborates with the UAE to optimize business opportunities in Dubai. The management said that by obtaining a full branch office business permit, BSI will have greater flexibility in carrying out international business. This collaboration is to facilitate and improve economic, business, and trade relations between Indonesia and the UAE and the Middle East & Africa region through Sharia financial services. By utilizing its strategic position in Dubai, BSI is expected to become a major player connecting Indonesia with the world's sharia economic center, with a potential market share of 10%-20% of the export-import trade volume worth US\$ 4-5 billion.
- JSMR:** revenue reaches IDR 11 trillion in the third quarter of 2023, up 7.7%. The increase was driven by the contribution of toll revenue which reached Rp9.8 trillion, an increase of 5.1% yoy. At the same time, the performance of other operating incomes reached IDR 1.2 trillion, up 34.8% yoy. It is known, JSMR recorded operating revenues of IDR 14 trillion, including construction revenues.
- BNBR:** to divest in Fitzroy Offshore to pay off loans. This divestment follows the Novation Agreement and Settlement Agreement signed by BNBR, Glencore, and Telopea on December 1, 2023. In this agreement, it is said that accounts receivables of Glencore owned by the company has been transferred to Telopea. The company then pays off its obligations to Telopea through the transfer of investment in Fitzroy to Telopea.

FUNDAMENTAL HIGHLIGHTS

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	LDR (%)	NPL	NIM (%)	ROE (%)	Div Yield %
Financials											
BBCA	1,097	8,900	11,650	29.4	20.2	4.7	68.9	1.7	5.5	21.5	2.5
BBRI	826	5,450	5,650	31.9	15.7	2.7	90.0	2.7	8.1	18.6	4.5
BMRI	558	5,975	6,675	46.8	24.3	2.3	82.8	1.9	5.6	21.8	5.3
BBNI	198	5,300	8,875	67.8	16.7	1.4	86.7	2.8	4.9	15.0	4.5
BBTN	18	1,285	1,480	33.3	(14.8)	0.6	92.7	3.4	3.7	12.2	3.5
Avg peers.				41.8	12.4	2.3	84.2	2.5	5.6	17.8	4.1

	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	381	3,850	4,000	(16.2)	25.3	2.9	14.7	5.4	42.2	18.6	4.7
ISAT	76	9,400	11,200	(52.8)	(24.5)	2.6	21.3	5.0	178.5	13.6	3.2
EXCL	27	2,050	3,200	(13.2)	(5.5)	1.0	20.7	4.7	170.6	4.9	
TOWR	50	980	1,550	0.2	(2.4)	3.1	14.5	11.2	311.6	22.2	2.5
TBIG	48	2,110	3,050	2.4	(9.1)	4.5	31.7	15.6	271.2	13.2	2.9
MNCN	6	398	780	(15.4)	(51.8)	0.3	5.3	3.0	10.9	6.6	2.0
SCMA	11	155	210	(37.2)	(37.9)	1.3	18.6	8.9	3.5	3.4	2.9
Avg peers.				-18.9	-15.1	2.2	18.1	7.7	141.2	11.8	3.0

Materials											
MDKA	61	2,520	N/A	62.4	(100.0)	4.2	#N/A/N/	30.7	69.7	(3.6)	
INCO	43	4,320	7,250	21.0	33.7	1.1	10.3	8.9	0.2	10.5	
ANTM	42	1,745	2,700	105.2	(1.5)	1.7	11.1	9.3	13.3	17.1	2.6
SMGR	43	6,375	8,600	15.4	(3.6)	1.0	16.7	7.2	30.4	6.1	3.5
INTP	35	9,475	15,900	8.8	6.2	1.6	16.9	10.1	5.0	11.1	1.7
Avg peers.				42.5	-13.1	1.9	13.7	13.2	23.7	8.2	2.6

Cons. Staples											
UNVR	138	3,620	3,890	(6.6)	3.1	25.7	24.9	21.5	32.1	89.0	3.7
ICBP	124	10,675	13,150	(28.4)	98.5	3.0	13.7	11.8	80.0	21.9	2.2
INDF	57	6,475	8,800	(17.1)	48.0	1.0	6.0	5.9	70.8	16.0	4.0
HMSP	108	930	970	(11.5)	31.5	3.9	13.1	10.7	1.7	27.9	5.9
GGRM	40	20,850	27,800	(50.4)	118.2	0.7	6.6	5.9	17.6	9.9	5.8
CPIN	84	5,100	6,000	(19.0)	14.5	2.9	24.9	18.5	35.5	8.7	2.0
JPFA	14	1,210	1,070	(29.8)	(7.1)	1.1	10.7	7.2	94.2	7.2	4.1
Avg peers.				-23.3	43.8	5.5	14.3	11.6	47.4	25.8	4.0

Agriculture											
AALI	14	7,075	7,100	(12.4)	(33.7)	0.6	11.9	5.0	18.2	6.1	5.3
LSIP	6	900	980	4.1	(37.6)	0.6	9.5	1.9	0.0	6.8	0.1
Avg peers.				-4.2	-35.7	0.6	10.7	3.5	9.1	6.4	2.7

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	13.4	1.2	7.1	5.3	29.0	16.5	11.4
ACES	12	710	970	(3.8)	7.6	2.1	17.0	5.4	11.9	14.1	3.3
MAPI	28	1,670	2,350	412.0	3.1	2.9	12.7	5.0	58.2	24.9	
ERAA	6	378	650	(0.2)	(18.6)	0.9	7.3	4.3	67.1	12.5	5.6
Avg peers.				112.8	1.4	1.8	11.0	5.0	41.6	17.0	6.7
Energy											
UNTR	82	22,050	29,500	106.1	(6.4)	1.1	4.1	1.7	3.4	26.6	31.0
ADRO	80	2,510	2,500	174.4	(42.7)	0.7	3.5	1.2	24.2	28.8	19.7
PTBA	28	2,420	2,750	55.8	(59.7)	1.4	5.5	1.7	4.7	28.0	54.8
ITMG	27	23,950	25,000	148.8	(52.6)	1.0	3.1	0.8	2.6	39.2	32.7
HRUM	18	1,320	1,850	299.2	(29.7)	1.4	5.3	2.7	0.2	21.8	
INDY	8	1,490	2,100	174.5	(39.1)	0.4	1.8	0.8	81.9	18.1	
AKRA	28	1,405	1,650	116.2	7.5	2.6	10.7	8.1	22.9	24.5	#N/A N/A
MEDC	26	1,040	1,500			0.9	5.6	2.8	191.0	23.0	1.5
Avg peers.				153.6	-31.8	1.2	5.0	2.5	41.4	26.2	27.9
Health Care											
KLBF	78	1,660	2,040	7.1	(12.3)	3.7	26.0	19.3	5.3	14.8	2.6
MIKA	38	2,700	3,100	(17.0)	(6.5)	6.7	39.8	27.7	-	17.7	1.3
HEAL	22	1,495	1,700	(69.7)	53.6	5.9	47.1	21.9	28.0	11.4	
Avg peers.				-26.6	11.6	5.4	37.7	23.0	11.1	14.6	2.0
Industrials											
JSMR	35	4,840	5,100	70.1	(14.3)	1.3	14.9	9.0	199.9	31.7	1.6
WSKT	#VALUE!	#N/A N/A	390	(58.3)		#N/A N/A			461.0	(62.8)	#N/A N/A
WIKA	3	368	590			0.5		31.7	190.9	(58.5)	-
PTPP	3	545	850			0.3		10.6	135.0	3.3	6.7
ADHI	3	372	470	24.5		0.4	31.9	12.1	118.9	1.2	5.9
Avg peers.						0.6	23.4	15.8	221.1	-17.0	3.6
Utilities											
PGAS	27	1,115	1,600	-	(15.4)	0.7	7.8	3.8	64.1	8.2	12.6
Avg peers.						0.7	7.8	3.8	64.1	8.2	12.6
Real Estate											
PWON	20	422	620	11.3	27.1	1.1	11.1	8.2	30.3	10.3	
BSDE	22	1,050	1,350	80.4	(0.4)	0.6	6.7	5.7	31.5	9.6	
CTRA	22	1,175	1,500	7.4	(4.9)	1.1	14.4	6.3	42.4	8.1	
SMRA	10	605	755	81.9	44.4	1.0	10.3	8.9	50.3	10.4	
Avg peers.				45.3	16.5	1.0	10.6	7.3	38.6	9.6	
IT											
GOTO	121	101				0.9			2.0	(22.2)	
BUKA	21	206				0.8			0.2	(9.1)	
Avg peers.						0.9			1.1	-15.7	





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