

MORNING NOTES

Published on: Thursday, December 7, 2023

ON THE SPOTLIGHT



Oil Sends Commodities to Two-Year Low; Bonds Rally; Markets Wrap

The price of oil fell below \$70, leading a slump in commodity prices, while long-dated Treasuries resumed a rally as fresh data indicated US labor market softness. Shares in Asia were gearing for declines with futures contracts for Japan and Hong Kong benchmarks and Australian shares trending lower. That followed a third daily decline for the S&P 500, its longest stretch of losses since October. US futures were little changed in early Asian trading Thursday. Long-dated Treasuries rallied, pulling the 10-year yield to 4.1% Wednesday, the lowest since August. Short-dated US debt inched lower with the policy -sensitive two-year yield climbing slightly higher to 4.6%. Australian bond yields fell in early Asian trading. The moves partly reflected private payrolls data that fell short of estimates in a sign of softening in the employment market.

NEWS HIGHLIGHTS

BYAN - recorded a net profit of USD 910.5 million.
SAPX - sign shipping partnership contract with Semangat Logistik Andalan.
BBTN - collaborates with Mandiri Capital Indonesia to form BTN Fund.

CORPORATE ACTIONS

BTPN - needing extra capital for acquisition, hold right issue of 3.09 bn shares

FOREIGN FUND FLOW (EQUITY)

TOP NET BUY		TOP NET SELL	
Ticker	Value (IDR bn)	Ticker	Value (IDR bn)
TLKM	190.9	BMRI	297.8
BRPT	78.5	GOTO	172.3
BREN	44.3	BBRI	118.7
INCO	23.8	BBCA	90.7
BRIS	22.8	UNTR	47.1
TOTAL NET BUY	567.9	TOTAL NET SELL	1,084.8
TOTAL NET BUY/SELL		-516.9	

GLOBAL MARKET BRIEFS

Asia-Pacific markets slumped across the board, mirroring moves on Wall Street as investors assessed trade data from China and Australia. Economists polled by Reuters expect China's November exports to fall 1.1% year-on-year, with imports climbing 3.3% during the same period. The trade surplus for the world's second largest economy is forecast to increase to \$58 billion, up from \$56.53 billion in October.

Overnight in the U.S., all three major indexes retreated on Wednesday as investors assessed data indicating falling inflation while awaiting jobs report. The Dow Jones Industrial Average lost 0.19%, while the S&P 500 shed 0.39% and the Nasdaq Composite dropped 0.58%. It was the third losing day for the 30-stock Dow and the S&P 500 — the first since October for both indexes.

INDICES	Close	% Change
Dow Jones	36054.43	(0.19)
Nasdaq	14146.71	(0.58)
S&P 500	4549.34	(0.39)
EURO Stoxx 50	4483.26	0.68
FTSE 100	7515.38	0.34
Nikkei	33445.90	2.04
Hang Seng	16463.26	0.83
Jakarta Comp	7087.40	(0.19)

Commodities	Close	% Change
Brent Crude Oil (USD/bbl)	74.30	(3.76)
Gold Spot (USD/toz)	2027.12	0.08
LME Copper (USD/ton)	820125	(0.62)
LME Aluminium (USD/ton)	2109	(0.58)
LME Nickel (USD/ton)	16015	0.47
LME Tin (USD/ton)	24360	2.46
Newcastle Coal (USD/ton)	140	4.70
Palm Oil (MYR/ton)	3540	(1.72)

BONDS	Yield	Change
UST 2Y	4.591	(0.002)
UST 10Y	4.112	0.008
IDN 2Y	6.594	(0.004)
IDN 10Y	6.590	(0.001)

FOREX	Last	% Change
Dollar Index	104.153	0.10
USDIDR	15493	0.08
EURIDR	16723	0.42

JAKARTA COMP	Price	% Change
GAINERS		
BRPT	1310	24.76
TPIA	3480	9.78
EXCL	2140	4.39

LOSERS		
WIKA	344	(6.52)
TOWR	950	(3.06)
UNVR	3510	(3.04)

NEWS FLOW

CHART OF THE DAY

A key gauge for prices of raw materials tumbled to the lowest level since August 2021, paced by a slump in oil and natural gas prices. West Texas Intermediate fell 4.1% to a six-month low on Wednesday while Brent, the international benchmark, slipped 3.9% on concerns of oversupply. In Asia, economic reports set for release Thursday include China trade and forex reserves, Australian trade figures for October and November inflation data for Thailand. Investors also braced for fallout from Moody's Investors Service cutting its outlook for eight Chinese banks to negative from stable, a day after unveiling a bearish stance on the nation's sovereign bonds due to concern over the level of debt. Fed policymakers meet next week for the last time in 2023. While no change is expected in their target for the federal funds rate.



MACRO & SECTOR NEWS

- **U.K.:** dominant services sector rebounds, cost burdens persist. The final S&P Global/CIPS UK Services Purchasing Managers' Index (PMI) rose to 50.9 from 49.5 in October, above the 50 threshold for growth, and stronger than the 50.5 provisional estimate for November, but companies reported an uptick in prices charged, a potential concern for the Bank of England ahead of its interest rates decision next week. November data provided a note of caution with regard to the near-term inflation outlook as service providers signaled another round of strong input cost pressures, largely due to rising staff wages.
- **Australia:** economy slows to a crawl, consumer spending surprisingly weak. Marking an eighth straight quarter of growth, albeit its slowest in a year, real GDP inched 0.2% higher in July-September from the previous quarter as exports flagged and households - reeling from a surge in mortgage payments - were reluctant to spend, suggesting rate hikes were working to restrain demand. Annual GDP growth stood at 2.1%, little changed from the previous quarter, the data from the Australian Bureau of Statistics showed on Wednesday.

CORPORATE ACTION

- **BTPN:** needing extra capital for acquisition, to hold rights issue of 3.09 billion shares. The management mentioned that the number of shares offered by the company in this corporate action is IDR 3.09 billion shares. Each share has a face value of IDR 20 per share. The suggested offering price has not been announced by the management of BTPN. However, next Thursday (7/12), the company will ask for approval from the Extraordinary General Meeting of Shareholders regarding this rights issue plan. PMHMETD II is projected to take place and conclude by Q1 2024. The proceeds gained by BTPN from this rights issue will be utilized to fund upcoming projects of the company. This is believed to be able to support the company's growth inorganically, through another acquisition.

COMPANY NEWS

- **BYAN:** recorded a net profit of USD 910.5 million or around IDR 14.13 trillion (exchange rate of IDR 15,524 per USD) in the first 9 months of 2023 or shrank 44.05% year-on-year (yoy). The decline in net profit is in line with revenue which shrank 17.65% yoy to USD 2.75 billion or around IDR 42.8 trillion. Interestingly, even though the revenue fell, the company's cost of goods actually rose 37.54% yoy to USD 1.43 billion as of 30 September 2023.
- **SAPX:** signed shipping partnership contract with PT Semangat Logistik Andalan (SLA). In a contract signed earlier this month, SAPX provides shipping services to accommodate works commissioned by SLA. In addition, the company will also offer a host-to-host system integrated with SLA's service to track the goods in real-time. This cooperation will last for one year.
- **BBTN:** collaborates with PT Mandiri Capital Indonesia (MCI) to form BTN Fund. Through the BTN Fund, BBTN can invest in start-up companies operating in the property sector and other related industries to boost the housing sector in the country. This collaboration would complement the company's digital-based housing ecosystem. This partnership is also an effort to increase BBTN's capabilities in the housing sector amidst the momentum of the 0 percent tax stimulus for houses under IDR 2 billion from the Government.

FUNDAMENTAL HIGHLIGHTS

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	LDR (%)	NPL	NIM (%)	ROE (%)	Div Yield %
Financials											
BBCA	1,085	8,800	11,650	29.4	20.2	4.6	68.9	1.7	5.5	21.5	2.6
BBRI	822	5,425	5,650	31.9	15.7	2.7	90.0	2.7	8.1	18.6	4.5
BMRI	541	5,800	6,675	46.8	24.3	2.2	82.8	1.9	5.6	21.8	5.5
BBNI	195	5,225	8,875	67.8	16.7	1.4	86.7	2.8	4.9	15.0	4.6
BBTN	18	1,265	1,480	33.3	(14.8)	0.6	92.7	3.4	3.7	12.2	3.6
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	388	3,920	4,000	(16.2)	25.3	3.0	14.9	5.4	42.2	18.6	4.6
ISAT	75	9,300	11,200	(52.8)	(24.5)	2.6	21.0	5.0	178.5	13.6	3.2
EXCL	28	2,140	3,200	(13.2)	(5.5)	1.1	21.6	4.7	170.6	4.9	
TOWR	48	950	1,550	0.2	(2.4)	3.0	14.1	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	13.2	3.0
MNCN	6	392	780	(15.4)	(51.8)	0.3	5.2	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	3.1

Materials											
MDKA	60	2,500	N/A	62.4	(100.0)	4.2	#N/A/N/	30.7	69.7	(3.6)	
INCO	44	4,450	7,250	21.0	33.7	1.1	10.6	8.9	0.2	10.5	
ANTM	41	1,700	2,700	105.2	(1.5)	1.7	10.9	9.3	13.3	17.1	2.7
SMGR	44	6,425	8,600	15.4	(3.6)	1.0	16.8	7.2	30.4	6.1	3.4
INTP	35	9,500	15,900	8.8	5.7	1.6	17.0	10.1	5.0	11.1	1.7
Avg peers.				42.5	-13.2	1.9	13.8	13.2	23.7	8.2	2.6

Cons. Staples											
UNVR	134	3,510	3,890	(6.6)	3.1	24.9	24.1	21.5	32.1	89.0	3.8
ICBP	124	10,650	13,150	(28.4)	98.5	3.0	13.6	11.8	80.0	21.9	2.2
INDF	57	6,500	8,800	(17.1)	48.0	1.0	6.1	5.9	70.8	16.0	4.0
HMSP	106	910	970	(11.5)	31.0	3.8	12.9	10.7	1.7	27.9	6.0
GGRM	41	21,050	27,800	(50.4)	117.9	0.7	6.7	5.9	17.6	9.9	5.7
CPIN	83	5,050	6,000	(19.0)	14.5	2.9	24.6	18.5	35.5	8.7	2.0
JPFA	14	1,225	1,070	(29.8)	(7.1)	1.1	10.8	7.2	94.2	7.2	4.1
Avg peers.				-23.3	43.7	5.3	14.1	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	905	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	13	730	970	(3.8)	7.6	2.1	17.5	5.4	11.9	14.1	3.2
MAPI	27	1,640	2,350	412.0	3.1	2.8	12.4	5.0	58.2	24.9	
ERAA	6	370	650	(0.2)	(18.6)	0.8	7.1	4.3	67.1	12.5	5.7
Avg peers.				112.8	1.4	1.8	11.0	5.0	41.6	17.0	6.8
Energy											
UNTR	81	21,625	29,500	106.1	(6.4)	1.1	4.1	1.7	3.4	26.6	31.6
ADRO	81	2,530	2,500	174.4	(42.7)	0.7	3.5	1.2	24.2	28.8	19.6
PTBA	28	2,410	2,750	55.8	(59.7)	1.4	5.5	1.7	4.7	28.0	55.1
ITMG	27	23,850	25,000	148.8	(52.6)	1.0	3.0	0.8	2.6	39.2	32.8
HRUM	17	1,270	1,850	299.2	(29.7)	1.3	5.1	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	1,400	1,650	116.2	7.5	2.6	10.7	8.1	22.9	24.5	#N/A/N/A
MEDC	26	1,030	1,500			0.9	5.5	2.8	191.0	23.0	1.5
Avg peers.				153.6	-31.8	1.2	4.9	2.5	41.4	26.2	28.1
Health Care											
KLBF	80	1,700	2,040	7.1	(12.3)	3.8	26.7	19.3	5.3	14.8	2.5
MIKA	40	2,780	3,100	(17.0)	(6.5)	6.9	41.0	27.7	-	17.7	1.3
HEAL	22	1,465	1,700	(69.7)	53.6	5.7	46.2	21.9	28.0	11.4	
Avg peers.				-26.6	11.6	5.5	38.0	23.0	11.1	14.6	1.9
Industrials											
JSMR	36	4,940	5,100	70.1	(14.3)	1.3	15.2	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	344	590			0.4		31.7	190.9	(58.5)	-
PTPP	3	550	850			0.3		10.6	135.0	3.3	6.7
ADHI	3	368	470	24.5		0.4	31.6	12.1	118.9	1.2	6.0
Avg peers.						0.6	23.4	15.8	221.1	-17.0	3.6
Utilities											
PGAS	27	1,125	1,600	-	(15.4)	0.7	7.8	3.8	64.1	8.2	12.4
Avg peers.						0.7	7.8	3.8	64.1	8.2	12.4
Real Estate											
PWON	20	420	620	11.3	27.1	1.1	11.0	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	1,150	1,500	7.4	(4.9)	1.1	14.1	6.3	42.4	8.1	
SMRA	9	570	755	81.9	44.4	1.0	9.7	8.9	50.3	10.4	
Avg peers.				45.3	16.5	0.9	10.3	7.3	38.6	9.6	
IT											
GOTO	111	92				0.8			2.0	(22.2)	
BUKA	21	204				0.8			0.2	(9.1)	
Avg peers.						0.8			1.1	-15.7	





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