

ON THE SPOTLIGHT

**Indonesia to Trace Nickel in Bid for US Critical Minerals Deal**

Indonesia plans to introduce nickel tracing and push local producers to reach global mining standards to help the country move closer to securing a critical minerals deal with the US. Each ton of nickel ore sales will be tracked using the SIMBARA portal starting next quarter, Septian Hario Seto, a deputy at the Coordinating Ministry for Maritime Affairs and Investment, said in an interview. Top producers will also be encouraged to get certifications from global entities like The Initiative for Responsible Mining Assurance, he added. Indonesia is seeking a critical minerals agreement with the US to help realize President Joko Widodo's goal of building an entire electric-vehicle supply chain onshore by taking advantage of the country's nickel riches. Jokowi, as the leader is known, met with US President Joe Biden earlier this week and agreed to continue efforts to potentially reach such a deal.

NEWS HIGHLIGHTS

AUTO - Astra Otoparts booked IDR 1.3 trillion profit.
MBMA - To channel USD 27.05 million to subsidiaries.
SMDR - Will grant extra IDR 460 billion to subsidiary.

CORPORATE ACTIONS

TOWR - To issue bonds of IDR 1.51 trillion for refinancing.
ADHI - Eyes IDR 499.9 bn through bonds'

FOREIGN FUND FLOW (EQUITY)

TOP NET BUY		TOP NET SELL	
Ticker	Value (IDR bn)	Ticker	Value (IDR bn)
BBCA	85.8	BBRI	126.1
BMRI	78.7	GOTO	68.1
BREN	65.0	ASII	67.8
NCKL	26.0	UNTR	62.6
ITMG	16.5	MNCN	36.6
TOTAL NET BUY	470.7	TOTAL NET SELL	653.7
TOTAL NET BUY/SELL		-183.0	

GLOBAL MARKET BRIEFS

Asia markets rebound from Friday, ahead of China benchmark lending rate release. The People's Bank of China's one-year loan prime rate – the peg for most household and corporate loans in China – is currently at 3.45%. The five-year benchmark loan rate – the peg for most mortgages – stands at 4.2%, Hong Kong stocks led declines in Asia-Pacific on Friday, as shares of Alibaba plunged after the Chinese e-commerce giant said it would not proceed with the full spinoff of its cloud group.

Signs of cooling inflation have fueled hopes that the Federal Reserve is done raising interest rates, extends a rally on the S&P 500 (.SPX) gain over 9% since late October. The index is now up nearly 18% for the year and less than 2% away from its year-high, reached in July. Its record closing level, from January 2022, is some 6% away.

INDICES	Close	% Change
Dow Jones	34947.28	0.01
Nasdaq	14125.48	0.08
S&P 500	4514.02	0.13
EURO Stoxx 50	4340.77	0.89
FTSE 100	7504.25	1.26
Nikkei	33585.20	0.61
Hang Seng	17454.19	(2.12)
Jakarta Comp	6977.67	0.28

Commodities	Close	% Change
Brent Crude Oil (USD/brl)	80.65	0.05
Gold Spot (USD/toz)	1976.07	(0.24)
LME Copper (USD/ton)	8168.20	0.57
LME Aluminium (USD/ton)	2169	(0.33)
LME Nickel (USD/ton)	16673	(0.68)
LME Tin (USD/ton)	24640	(1.28)
Newcastle Coal (USD/ton)	123	0.12
Palm Oil (MYR/ton)	3809	(1.55)

BONDS	Yield	Change
UST 2Y	4.892	0.006
UST 10Y	4.457	0.022
IDN 2Y	6.891	(0.024)
IDN 10Y	6.952	0.002

FOREX	Last	% Change
Dollar Index	103.960	0.04
USDIDR	15493	0.34
EURIDR	16790	0.54

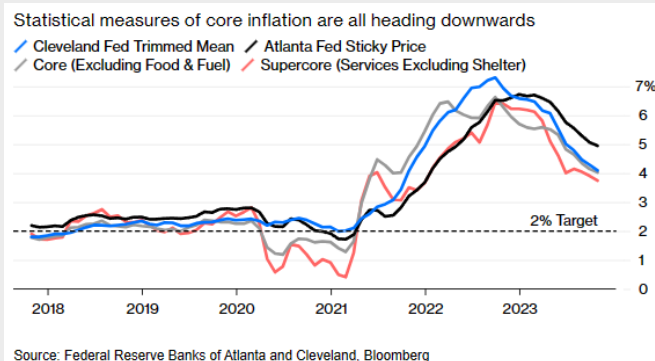
JAKARTA COMP	Price	% Change
GAINERS		
SMGR	6625	5.58
CPIN	5500	3.77
BBTN	1290	3.61

LOSERS	Price	% Change
BUKA	204	(3.77)
MEDC	120	(3.45)
HMSF	945	(3.08)

NEWS FLOW

CHART OF THE DAY

Investors Better Hope This Disinflation Stays Immaculate. It was about time we had a nice surprise, and the inflation figures for October provided one. It's possible to say that the market reaction overdid it (of which more later), but there's no way to deny that the latest numbers were very encouraging for anyone who wanted to see inflation fall, and about as good as was reasonable to hope. Critically, the various sophisticated statistical measures that have grown prominent in the last three years all point in the same direction — downward. This is true of the Cleveland Federal Reserve's "trimmed mean" (excluding the biggest outliers in either direction and taking the average of the rest), the Atlanta Fed Sticky Price index (covering goods and services whose price is difficult to reduce and takes time to move); the "core" measure excluding volatile food and energy prices, and the "supercore" currently beloved of the Fed, which takes only services and excludes shelter.



MACRO & SECTOR NEWS

- **U.S.:** debt risks to become a 'fact of life' for investors, says Citi. Rising U.S. government debt and fiscal deficits that have helped lift government bond yields this year will likely become secondary factors for investors, as their focus shifts to economic fundamentals, Citi analysts said. Concerns over increased government bond supply and larger fiscal deficits contributed to a surge in government bond yields - which moved inversely to prices - to 16-year highs this year, while pushing rating agencies Fitch and Moody's to turn negative on U.S. government creditworthiness. Even though those challenges are unlikely to recede, investors will eventually grow accustomed to the risks.
- **China:** vows to support the property sector, tackle local debt. China's central bank and financial regulators pledged on Friday to ensure financing support for the property sector and to work together to resolve local government debt risks. Chinese leaders are trying to revive the economy and fend off potential financial risks from a property slump and 92 trillion yuan (\$12.77 trillion) in local government debt. Financial institutions will meet reasonable financing needs of property firms and refrain from withdrawing or cutting off loans to them.

CORPORATE ACTION

- **TOWR:** To issue bonds of IDR 1.51 trillion for refinancing. A telco infrastructure company, issues Shelf-Registration Bonds VI of TBIG Phase II Year 2023 with a total principal of IDR 1.51 trillion. Said obligations are a part of a Public Offering VI of TBIG with a total target of raised funds of IDR 20 trillion. Previously, TBIG had also issued its first-phase bonds worth IDR 1.5 trillion. For the second phase, the coupon attached to the bonds is 6.75% per annum, while the tenor is else to 370 days.
- **ADHI:** Eyes IDR 499.9 bn through bonds' issuance. A real estate company under PT Adhi Karya, will issue Bonds III Year 2023 with a total principal of IDR 499.9 billion. These bonds will be offered in two series with a tenor set to 3 years for series A and 5 years for series B. The rate of coupons attached to each series of bonds are yet to be announced. In the initial prospectus, it is said that ADCP will allocate approximately 50% of the proceeds to pay off loan principal owed to BBTN.

COMPANY NEWS

- **AUTO:** Astra Otoparts booked IDR 1.3 trillion profit. An automotive component company under Astra Group, scored net profit of IDR 1.3 trillion in 9M23. AUTO's net profit grew 57.7% from the consolidated net profit in 2022, which was recorded at IDR 0.8 trillion. This profit surge aligns with the revenue that soared to IDR 14.1 trillion, 4.4% higher from IDR 13.5 trillion seen in 2022. The company is focusing on manufacturing and trading segments that have become its core business.
- **MBMA:** Merdeka Battery Minerals to channel USD 27.05 million to subsidiaries. A nickel mining company under PT Merdeka Copper Gold Tbk (MDKA), has channelled loan facility worth USD 28.05 million to one of its subsidiaries, PT Merdeka Industri Anantha (MIA). Said facility is given with an interest of SOFR (Secured Overnight Financing Rate) for each period, plus 4.75% per year. The tenor of this facility is set to 3 months since the effective date, and is extendable according to the written agreement between both parties.
- **SMDR:** Will grant extra IDR 460 billion to subsidiary. Samudera Indonesia has channelled extra capital investment worth IDR 460 billion. The capital investment is granted for PT Samudera Pelabuhan Indonesia (SPLI). For the record, SPLI is a company directly owned by SMDR with an ownership percentage of 99.98%. The transaction of capital investment is carried out to solidify SPLI's capital structure, as well as being included as one of strategic measures to promote SPLI's investment and business activities, so that it may increase its

FUNDAMENTAL HIGHLIGHTS

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	LDR (%)	NPL	NIM (%)	ROE (%)	Div Yield %
Financials											
BBCA	1,119	9,075	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	551	5,900	6,675	46.8	27.0	2.3	82.8	1.9	5.6	21.8	5.4
BBNI	186	4,980	8,875	67.8	16.1	1.3	86.7	2.8	4.9	15.0	4.8
BBTN	18	1,290	1,480	33.3	(11.8)	0.6	92.7	3.4	3.8	12.3	3.5
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	352	3,550	4,000	(16.2)	25.1	2.7	13.5	5.4	42.2	18.6	5.1
ISAT	73	9,100	11,200	(52.8)	(23.3)	2.5	20.2	5.0	178.5	13.6	3.3
EXCL	27	2,080	3,200	(13.2)	(4.6)	1.1	20.8	4.7	170.6	5.0	
TOWR	50	980	1,550	0.2	(1.6)	3.1	14.3	11.2	311.6	22.2	2.5
TBIG	47	2,060	3,050	2.4	(9.1)	4.4	30.8	15.6	271.2	12.9	1.7
MNCN	6	370	780	(15.4)	(34.8)	0.2	3.7	3.0	10.9	6.6	2.2
SCMA	11	149	210	(37.2)	(40.0)	1.3	18.5	8.9	3.5	3.4	3.0
Avg peers.				-18.9	-12.6	2.2	17.4	7.7	141.2	11.7	3.0

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	PER (x)	EV / EBITDA	DER (%)	ROE (%)	Div Yield %
Materials											
MDKA	57	2,360	N/A	62.4	(140.0)	4.0	#N/A/N/	30.7	69.7	(9.0)	
INCO	46	4,590	7,250	21.0	33.7	1.2	11.1	8.9	0.2	10.5	
ANTM	39	1,635	2,700	105.2	(2.5)	1.6	10.5	9.3	13.3	17.1	2.8
SMGR	45	6,625	8,600	15.4	(1.3)	1.0	16.9	7.2	30.4	6.1	3.3
INTP	35	9,450	15,900	8.8	8.3	1.6	16.5	10.1	5.0	11.1	1.7
Avg peers.				42.5	-20.4	1.9	13.7	13.2	23.7	7.2	2.6

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	PER (x)	EV / EBITDA	DER (%)	ROE (%)	Div Yield %
Cons. Staples											
UNVR	132	3,470	3,890	(6.6)	2.8	24.6	23.7	21.5	32.1	89.0	4.1
ICBP	122	10,475	13,150	(28.4)	100.3	3.0	13.4	11.8	80.0	21.9	2.3
INDF	56	6,425	8,800	(17.1)	53.2	1.0	5.8	5.9	70.8	16.0	4.0
HMSP	110	945	970	(11.5)	28.5	3.9	13.7	10.7	1.7	27.9	5.8
GGRM	42	21,850	27,800	(50.4)	120.1	0.7	6.9	5.9	17.6	9.9	5.5
CPIN	90	5,500	6,000	(19.0)	7.4	3.1	28.4	18.5	35.5	8.7	1.8
JPFA	14	1,210	1,070	(29.8)	(9.8)	1.1	11.0	7.2	94.2	7.2	4.1
Avg peers.				-23.3	43.2	5.3	14.7	11.6	47.4	25.8	4.0

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	PER (x)	EV / EBITDA	DER (%)	ROE (%)	Div Yield %
Agriculture											
AALI	14	7,025	7,100	(12.4)	(44.6)	0.6	14.1	5.0	18.2	6.1	5.3
LSIP	6	930	980	4.1	(39.7)	0.6	10.2	1.9	0.0	6.8	0.1
Avg peers.				-4.2	-42.1	0.6	12.2	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	231	5,700	7,800	43.3	9.6	1.2	7.3	5.3	29.0	16.5	11.4
ACES	14	815	970	(3.8)	6.9	2.4	19.7	5.4	11.9	14.1	2.9
MAPI	28	1,660	2,350	412.0	2.8	2.9	12.6	5.0	58.2	24.9	
ERAA	5	336	650	(0.2)	(14.9)	0.8	6.2	4.3	67.1	12.5	6.3
Avg peers.				112.8	1.1	1.8	11.4	5.0	41.6	17.0	6.9
Energy											
UNTR	85	22,875	29,500	106.1	(7.5)	1.1	4.4	1.7	3.4	26.6	29.9
ADRO	81	2,540	2,500	174.4	(39.0)	0.7	3.4	1.2	24.2	28.8	19.4
PTBA	28	2,400	2,750	55.8	(52.2)	1.4	4.6	1.7	4.7	28.0	55.3
ITMG	29	25,475	25,000	148.8	(50.5)	1.1	3.1	0.8	2.6	39.2	30.7
HRUM	19	1,410	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	1,430	1,650	116.2	8.4	2.6	10.8	8.1	22.9	24.5	#N/A/N/A
MEDC	28	1,120	1,500			1.0	6.6	2.8	191.0	23.0	1.4
Avg peers.				153.6	-28.1	1.2	4.9	2.5	41.4	28.5	27.3
Health Care											
KLBF	76	1,620	2,040	7.1	(8.3)	3.6	24.3	19.3	5.3	14.8	2.7
MIKA	38	2,700	3,100	(17.0)	(3.9)	6.7	38.8	27.7	-	17.7	1.3
HEAL	23	1,510	1,700	(69.7)	53.5	5.9	47.7	21.9	28.0	11.4	
Avg peers.				-26.6	13.8	5.4	36.9	23.0	11.1	14.6	2.0
Industrials											
JSMR	34	4,700	5,100	70.1	(18.6)	1.5	15.2	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	412	590			0.3		31.7	190.9	(16.0)	-
PTPP	4	605	850			0.3		10.6	135.0	3.3	6.1
ADHI	3	412	470	24.5		0.4	35.4	12.1	118.9	1.2	5.4
Avg peers.						0.6	25.3	15.8	221.1	-12.0	3.3
Utilities											
PGAS	27	1,125	1,600	-	(15.4)	0.7	7.9	3.8	64.1	8.2	12.4
Avg peers.						0.7	7.9	3.8	64.1	8.2	12.4
Real Estate											
PWON	20	416	620	11.3	25.3	1.1	10.9	8.2	30.3	10.3	
BSDE	22	1,040	1,350	80.4	(0.6)	0.6	6.6	5.7	31.5	9.6	
CTRA	21	1,135	1,500	7.4	(2.0)	1.1	13.9	6.3	42.4	8.1	
SMRA	10	595	755	81.9	23.9	1.0	10.1	8.9	50.3	10.4	
Avg peers.				45.3	11.7	0.9	10.4	7.3	38.6	9.6	
IT											
GOTO	101	84				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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