

## ON THE SPOTLIGHT

**China Pauses Rate Cuts as Focus Shifts to Credit Stability**

China may be done with rate cuts for now as policymakers turn to other means to support the economy and stabilize credit growth headed into the new year. The nation's commercial lenders maintained their benchmark lending rates — including the five-year loan prime rate used as a reference for mortgages — on Monday. That was broadly in line with expectations after the People's Bank of China kept a key policy rate called the medium-term lending facility rate on hold last week. The loan rates are quoted as a spread over that rate and usually but don't always track its moves. Policymakers and lenders have cut their rates on a handful of occasions this year to help the economic recovery, though their room to maneuver has become more limited due to pressures on the yuan and capital outflows, along with narrowing profit margins for banks. A rise in time deposits also pushed up lenders' costs.

## NEWS HIGHLIGHTS

INCO - Vale and Sumitomo transfer 14% of INCO to MIND ID.  
PTPP - PTPP's new contract grew 34.31% as of October 2023.  
MPXL - Acquire credit facility of IDR 40.94 billion from BCA for IKN.

## CORPORATE ACTIONS

SURI - IPO, Maja Agung Latexindo to offer 1.26 billion shares.  
SPTO - Surya Pertiwi to pay out interim dividend IDR 67.5 billion.

## FOREIGN FUND FLOW (EQUITY)

TOP NET BUY		TOP NET SELL	
Ticker	Value (IDR bn)	Ticker	Value (IDR bn)
AMRT	74.7	BBCA	-355.6
FILM	47.6	AMMN	-118.1
ASII	31.5	BBRI	-78.9
BBNI	28.5	BREN	-45.0
GOTO	19.5	ANTM	-12.9
<b>TOTAL NET BUY</b>	<b>473.3</b>	<b>TOTAL NET SELL</b>	<b>-782.7</b>
<b>TOTAL NET BUY/SELL</b>		<b>-309.4</b>	

## GLOBAL MARKET BRIEFS

Asia-Pacific markets largely rose on Tuesday, mirroring similar moves on Wall Street after a tech-fueled rally. Microsoft shares gained 2%, reaching a new 52-week high, after CEO Satya Nadella said former OpenAI chief Sam Altman will join the tech giant to lead a new AI research team. Nvidia also added 2.3%, closing at an all-time high for the stock ahead of its earnings report Tuesday.

Overnight in the U.S., all three major indexes posted gains, with the the S&P 500 and Nasdaq Composite recording a fifth consecutive day of gains. The tech-heavy Nasdaq led gains, rising 1.13%, while the Dow Jones Industrial Average climbed 0.58% and the S&P 500 added 0.74%. Oil prices rose more than 2% on Monday amid anticipation that the Organization of Petroleum Exporting Countries could implement another production cut this weekend.

INDICES	Close	% Change
Dow Jones	35151.04	0.58
Nasdaq	14284.53	1.13
S&P 500	4547.38	0.74
EURO Stoxx 50	4342.41	0.04
FTSE 100	7496.36	(0.11)
Nikkei	33388.03	(0.59)
Hang Seng	17778.07	1.86
Jakarta Comp	6994.89	0.25

Commodities	Close	% Change
Brent Crude Oil (USD/bbl)	82.32	2.12
Gold Spot (USD/toz)	1981.27	0.16
LME Copper (USD/ton)	8340.25	2.11
LME Aluminium (USD/ton)	2208	1.80
LME Nickel (USD/ton)	16721	0.29
LME Tin (USD/ton)	24645	0.02
Newcastle Coal (USD/ton)	123	(0.61)
Palm Oil (MYR/ton)	3855	1.37

BONDS	Yield	Change
UST 2Y	4.900	(0.011)
UST 10Y	4.412	(0.008)
IDN 2Y	6.826	(0.008)
IDN 10Y	6.660	(0.001)

FOREX	Last	% Change
Dollar Index	103.438	(0.46)
USDIDR	15445	0.31
EURIDR	16868	(0.46)

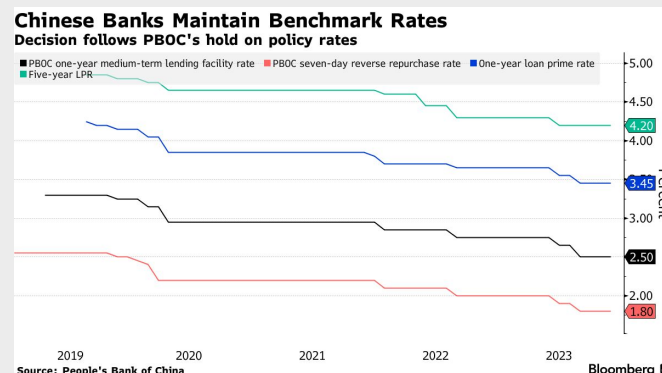
JAKARTA COMP	Price	% Change
<b>GAINERS</b>		
M IKA	2780	2.96
MNCN	378	2.16
AKRA	1460	2.10

LOSERS	Price	% Change
BBCA	8875	(2.20)
BRPT	140	(2.15)
TPIA	2890	(2.03)

# NEWS FLOW

## CHART OF THE DAY

That shift in focus was apparent last Friday, when the PBOC and other financial regulators told the country's biggest lenders and asset managers to meet all "reasonable" funding needs from property firms. They said banks should coordinate credit growth from now through early next year, adding that a stable expansion of credit can help boost the economy. That meeting signaled "a smoother pace of credit support," Pang said. Loan growth is usually slower in the final months of the year, before banks push to hit their lending targets in the first quarter. This year credit growth was strong in the first three months because of the post-pandemic reopening, but borrowing demand has been weak ever since. The offshore yuan extended morning gains to trade 0.5% stronger than the dollar to 7.1816, as sentiment buoyed risk-assets globally. Ten-year government bond yields were little changed at 2.66%.



## MACRO & SECTOR NEWS

- **U.K.:** retail sales slide again in October in new blow for economy. British retail sales volumes fell unexpectedly in October as consumer finances remain stretched, official data showed on Friday, in a new warning sign for the economy. Retail sales volumes dropped 0.3% month-on-month, following a revised 1.1% decline in September that was worse than first estimated, the Office for National Statistics (ONS) said. Overall the figures fit with the darkening outlook for Britain's economy, with economic growth stagnant and strong price pressures fading only slowly.
- **U.S.:** housing starts to rise moderately; tight supply supporting new construction. Single-family housing starts, which account for the bulk of homebuilding, rose 0.2% to a seasonally adjusted annual rate of 970,000 units last month, the Commerce Department's Census Bureau said, with permits rising 0.5% to a rate of 968,000 units last month, the highest level since May 2022. Meanwhile, starts for housing projects with five units or more jumped 4.9% to a rate of 382,000 units in October with permits rebounding 2.2% to a rate of 469,000.

## CORPORATE ACTION

- **SURI:** IPO, Maja Agung Latexindo to offer 1.26 billion shares. A latex glove manufacturer, will offer 1.26 billion shares through its IPO. The number of shares issued by SURI is equal to 20% of its total issued and paid-up capital. Each share has a face value of IDR 20 per share and will be offered for IDR 160-170 per share. Assuming the price is set within said range, SURI will potentially gain IDR 202.7 billion to IDR 215.37 billion from this IPO. In this IPO prospectus, SURI will allocate approximately 49.45% of the IPO proceeds to its capital expenditure. Then, another 50.55% will be used for working capital.
- **SPTO:** Surya Pertiwi to pay out interim dividend IDR 67.5 billion. A distributor of sanitation products and exclusive agent for the TOTO brand from Japan will distribute an interim dividend of IDR 67.5 billion. The interim dividend will be distributed to SPTO shareholders, whose names are recorded in the shareholder register on November 27 2023.

## COMPANY NEWS

- **INCO:** Vale and Sumitomo transfer 14% of INCO to MIND ID. Vale Canada Limited (VCL) and Sumitomo Metal Mining Co. Ltd. have signed on a divestment agreement of approximately 14% of PT Vale Indonesia Tbk (INCO) to MIND ID. This divestment agreement took place in the United States on November 17, 2023. The signing was witnessed directly by Joko Widodo and several of his ministers. After this divestment, MIND ID, as a state-owned mining holding company, will become the biggest shareholder of INCO. For the record, prior to this, MIND ID had possessed 20% of INCO's shares.
- **PTPP:** PTPP's new contract grew 34.31% as of October 2023. A state-owned construction and investment company managed to round up new contracts worth IDR 29.31 trillion until the end of October 2023. This new contract grew 34.31% compared to January-October (10M) 2022. In the same period last year, the new contracts were only recorded at IDR 21.82 trillion. In terms of segment, most of the new contracts of PTPP came from roads and bridges projects, covering 37.70% of total projects.
- **MPXL:** Acquire credit facility of IDR 40.94 billion from BCA for IKN. MPXL has managed to obtain a credit facility of IDR 40.94 billion. This credit facility is granted by PT Bank Central Asia. This facility will be given in the form of an investment. This investment credit will be used to fund the acquisition of a new heavy-duty truck, the construction of a garage and workshop of the company.

# FUNDAMENTAL HIGHLIGHTS

	Market Cap (IDR tn)	Last Price	Target Price	EPSg FY22 (%)	EPSg FY23E (%)	PBV (x)	LDR (%)	NPL	NIM (%)	ROE (%)	Div Yield %
<b>Financials</b>											
BBCA	1,094	8,875	11,650	29.4	20.1	4.6	68.9	1.7	5.5	21.5	2.5
BBRI	796	5,250	5,650	31.9	16.7	2.6	90.0	2.7	8.1	18.6	4.6
BMRI	548	5,875	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	1,285	1,480	33.3	(14.1)	0.6	92.7	3.4	3.8	12.3	3.5
Avg peers.				41.8	13.2	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 %
<b>Comm. Services</b>											
TLKM	356	3,590	4,000	(16.2)	25.0	2.7	13.7	5.4	42.2	18.6	5.0
ISAT	73	9,100	11,200	(52.8)	(23.3)	2.5	20.3	5.0	178.5	13.6	3.3
EXCL	27	2,090	3,200	(13.2)	(4.6)	1.1	20.8	4.7	170.6	5.0	
TOWR	50	980	1,550	0.2	(1.9)	3.1	14.4	11.2	311.6	22.2	2.5
TBIG	46	2,030	3,050	2.4	(9.1)	4.3	30.5	15.6	271.2	12.9	1.8
MNCN	6	378	780	(15.4)	(34.8)	0.3	3.7	3.0	10.9	6.6	2.1
SCMA	11	150	210	(37.2)	(40.0)	1.3	18.5	8.9	3.5	3.4	3.0
Avg peers.				-18.9	-12.7	2.2	17.4	7.7	141.2	11.7	2.9

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<b>Materials</b>											
MDKA	57	2,350	N/A	62.4	(140.0)	4.0	#N/A/N/	30.7	69.7	(9.0)	
INCO	46	4,650	7,250	21.0	33.7	1.2	11.2	8.9	0.2	10.5	
ANTM	39	1,610	2,700	105.2	(2.5)	1.6	10.4	9.3	13.3	17.1	2.8
SMGR	45	6,700	8,600	15.4	(1.3)	1.1	17.0	7.2	30.4	6.1	3.3
INTP	35	9,550	15,900	8.8	8.0	1.6	16.7	10.1	5.0	11.1	1.7
Avg peers.				42.5	-20.4	1.9	13.8	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 %
<b>Cons. Staples</b>											
UNVR	132	3,460	3,890	(6.6)	2.8	24.5	23.8	21.5	32.1	89.0	4.2
ICBP	123	10,525	13,150	(28.4)	100.3	3.0	13.4	11.8	80.0	21.9	2.3
INDF	56	6,400	8,800	(17.1)	53.2	1.0	5.8	5.9	70.8	16.0	4.1
HMSP	110	945	970	(11.5)	28.5	3.9	13.6	10.7	1.7	27.9	5.8
GGRM	43	22,200	27,800	(50.4)	120.1	0.7	7.0	5.9	17.6	9.9	5.4
CPIN	89	5,400	6,000	(19.0)	7.4	3.1	28.1	18.5	35.5	8.7	1.9
JPFA	14	1,195	1,070	(29.8)	(9.8)	1.1	10.9	7.2	94.2	7.2	4.2
Avg peers.				-23.3	43.2	5.3	14.6	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 %
<b>Agriculture</b>											
AALI	14	7,025	7,100	(12.4)	(44.6)	0.6	14.1	5.0	18.2	6.1	5.3
LSIP	6	935	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	12.1	3.5	9.1	6.4	2.7

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<b>Cons. Discre</b>											
ASII	235	5,800	7,800	43.3	9.7	1.2	7.4	5.3	29.0	16.5	11.2
ACES	14	830	970	(3.8)	7.0	2.4	20.1	5.4	11.9	14.1	2.9
MAPI	27	1,650	2,350	412.0	2.8	2.9	12.4	5.0	58.2	24.9	
ERAA	5	340	650	(0.2)	(12.7)	0.8	6.1	4.3	67.1	12.5	6.2
Avg peers.				112.8	1.7	1.8	11.5	5.0	41.6	17.0	6.7
<b>Energy</b>											
UNTR	86	22,950	29,500	106.1	(7.0)	1.1	4.3	1.7	3.4	26.6	29.8
ADRO	82	2,550	2,500	174.4	(39.0)	0.8	3.4	1.2	24.2	28.8	19.4
PTBA	28	2,420	2,750	55.8	(52.2)	1.4	4.6	1.7	4.7	28.0	54.8
ITMG	29	25,600	25,000	148.8	(51.5)	1.1	3.2	0.8	2.6	39.2	30.6
HRUM	19	1,415	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	1,460	1,650	116.2	8.4	2.7	11.0	8.1	22.9	24.5	#N/A/N/A
MEDC	29	1,140	1,500			1.0	6.7	2.8	191.0	23.0	1.4
Avg peers.				153.6	-28.1	1.2	5.0	2.5	41.4	28.5	27.2
<b>Health Care</b>											
KLBF	76	1,625	2,040	7.1	(8.3)	3.6	24.2	19.3	5.3	14.8	2.6
MIKA	40	2,780	3,100	(17.0)	(3.9)	6.9	39.8	27.7	-	17.7	1.3
HEAL	22	1,475	1,700	(69.7)	53.5	5.8	47.3	21.9	28.0	11.4	
Avg peers.				-26.6	13.8	5.4	37.1	23.0	11.1	14.6	2.0
<b>Industrials</b>											
JSMR	34	4,660	5,100	70.1	(18.5)	1.5	15.1	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	416	590			0.3		31.7	190.9	(16.0)	-
PTPP	4	610	850			0.3		10.6	135.0	3.3	6.0
ADHI	3	410	470	24.5		0.4	35.2	12.1	118.9	1.2	5.4
Avg peers.						0.6	25.1	15.8	221.1	-12.0	3.3
<b>Utilities</b>											
PGAS	28	1,145	1,600	-	(15.4)	0.7	8.0	3.8	64.1	8.2	12.2
Avg peers.						0.7	8.0	3.8	64.1	8.2	12.2
<b>Real Estate</b>											
PWON	20	420	620	11.3	25.3	1.1	11.0	8.2	30.3	10.3	
BSDE	22	1,035	1,350	80.4	(0.6)	0.6	6.6	5.7	31.5	9.6	
CTRA	21	1,115	1,500	7.4	(2.0)	1.1	13.7	6.3	42.4	8.1	
SMRA	10	595	755	81.9	23.8	1.0	10.1	8.9	50.3	10.4	
Avg peers.				45.3	11.6	0.9	10.4	7.3	38.6	9.6	
<b>IT</b>											
GOTO	107	89				0.8			2.0	(22.2)	
BUKA	21	208				0.8			0.2	(9.1)	
Avg peers.						0.8			1.1	-15.7	



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