

Monthly Bulletin

April 2021

What's Inside



Calendar

ID Fx Reserve (7-Apr)
US CPI YoY (13-Apr)
CH GDP YoY(16-Apr)
US GDP YoY (29-Apr)



Global Event

10Y Yield negara Amerika Serikat masih dibulan Mar-21 disaat yang bersamaan kasus harian *covid-19* meningkat di beberapa negara khususnya regional Eropa.



Indonesia

Peningkatan yield di negara Amerika Serikat mengakibatkan pelemahan terhadap IDR mencapai level 14,500. Hal ini diakibatkan kecemasan investor terhadap potensi inflasi US yang melebihi ekspektasi .



Equity Market

Kinerja IHSG ditutup sebesar 0.11% YTD atau -4.11% MoM (*cutoff date: 26-Feb-2021*). Top 3 *Leaders* 1) TPIA, 2) SMMA, 3) ARTO dan Top 3 *Laggards* 1) BBKA. 2) BBRI, 3) BRIS. Investor asing melakukan *net sell* sebesar -186mio USD di Mar 2021.



Fixed Income Market

Imbal hasil 10 tahun obligasi bergerak flat di kisaran 6.6-6.7% sampai dengan akhir Mar-2021. Hal ini dikarenakan penjualan dari investor asing dimana kepemilikan investor asing menurun ke level 22.9% di bulan Mar-2021 dibandingkan level sebelumnya di 23.8% di Feb-2021.



Section

Macro updates

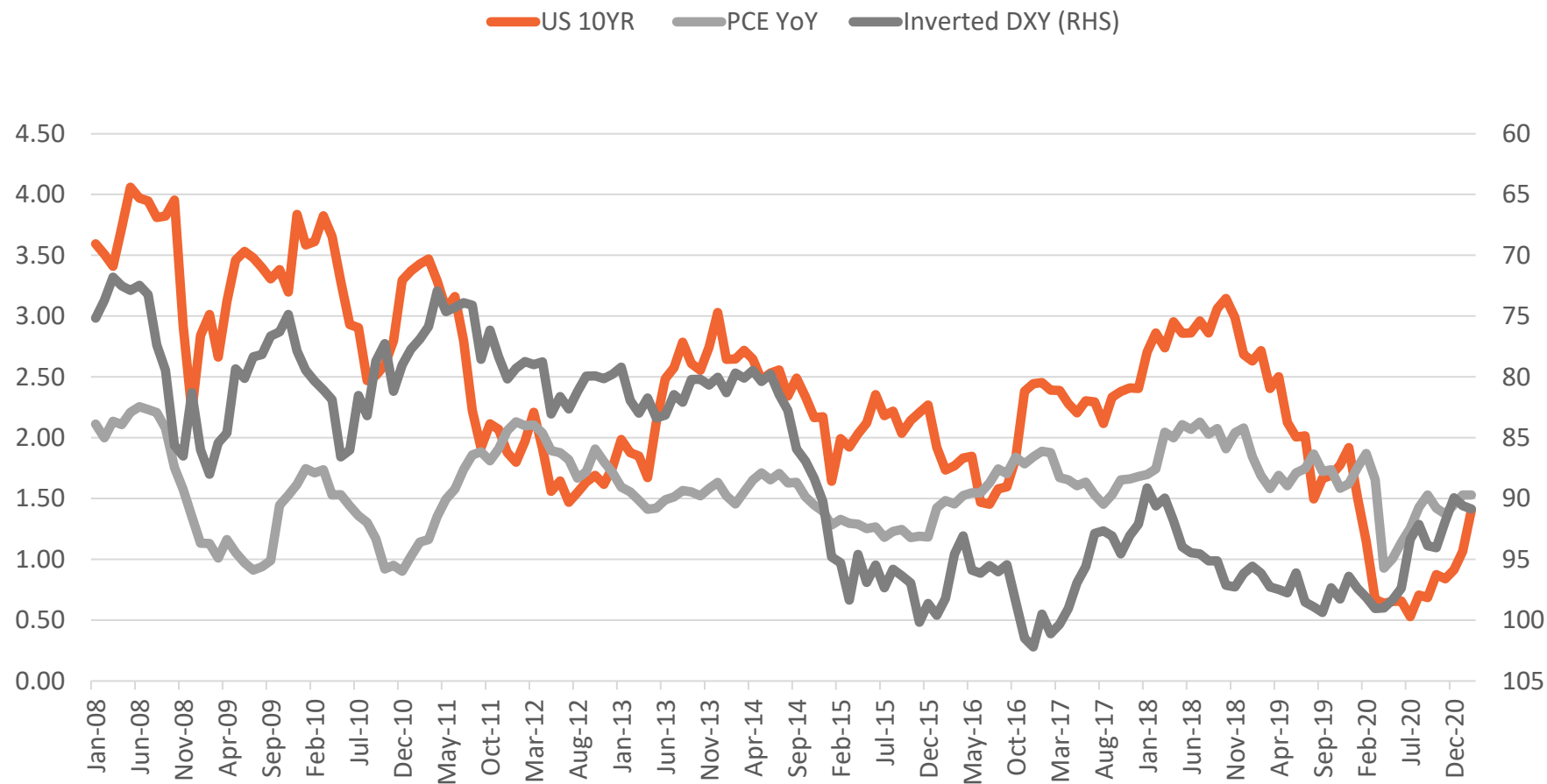
1

US yield, Inflation and USD

Higher inflation could affect short-term UST and DXY volatility

US 10YR, PCE, and Inverted DXY

In %, % YoY and unit of Index

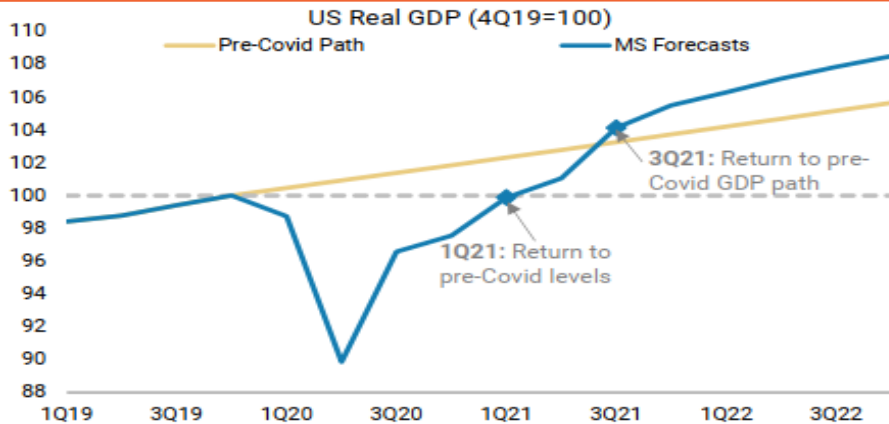


Source: Syailendra Research, Bloomberg

US Economy is Normalizing in 2021

But inflation is becoming a concern due sharp recovery

US Real GDP is Expected to Return to its Pre-Covid Path in 3Q21
In normalized real GDP (4Q19 = 100)



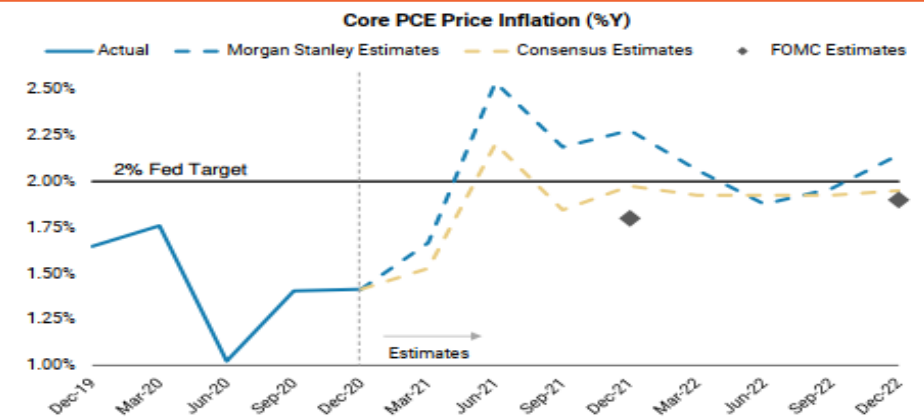
Source: BEA, Haver Analytics, MS Research

ISM Manufacturing Priced Paid is Surging
In unit of Index



Source: Bloomberg, MS Research

Market is now Expecting Core PCE Inflated above Fed Target
In % YoY



Source: Blue Chip Economic Indicators, Federal Reserve, MS Research

Michigan Consumer Sentiment Price Hange also Rising
In YoY% of index



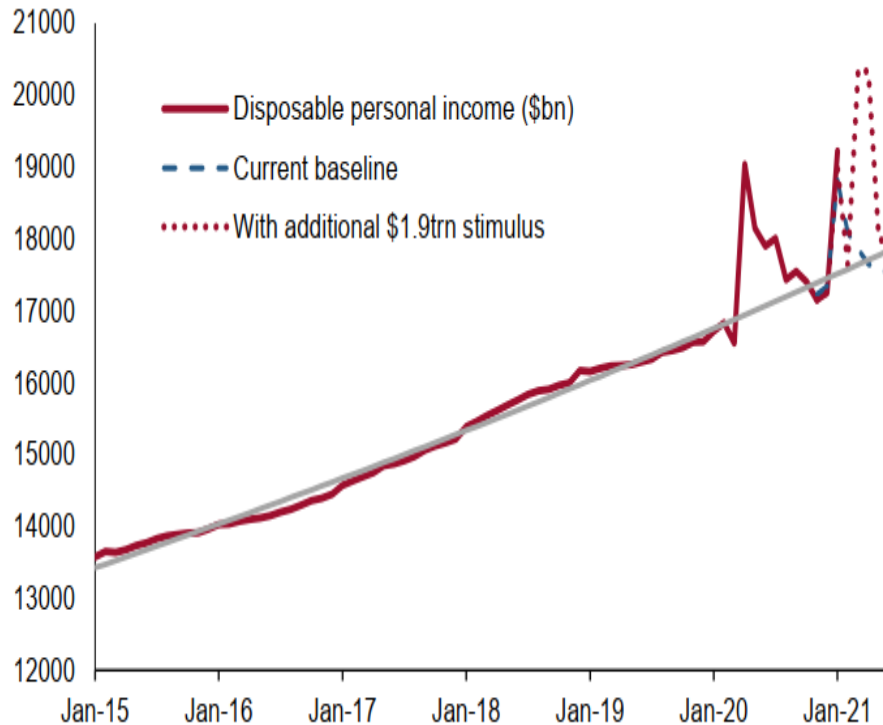
Source: Bloomberg, MS Research

Upcoming USD1.9tn Stimulus Further Push Inflation Up

Disposable Income will be above baseline temporarily

Disposable income could be temporarily higher on fiscal stimulus

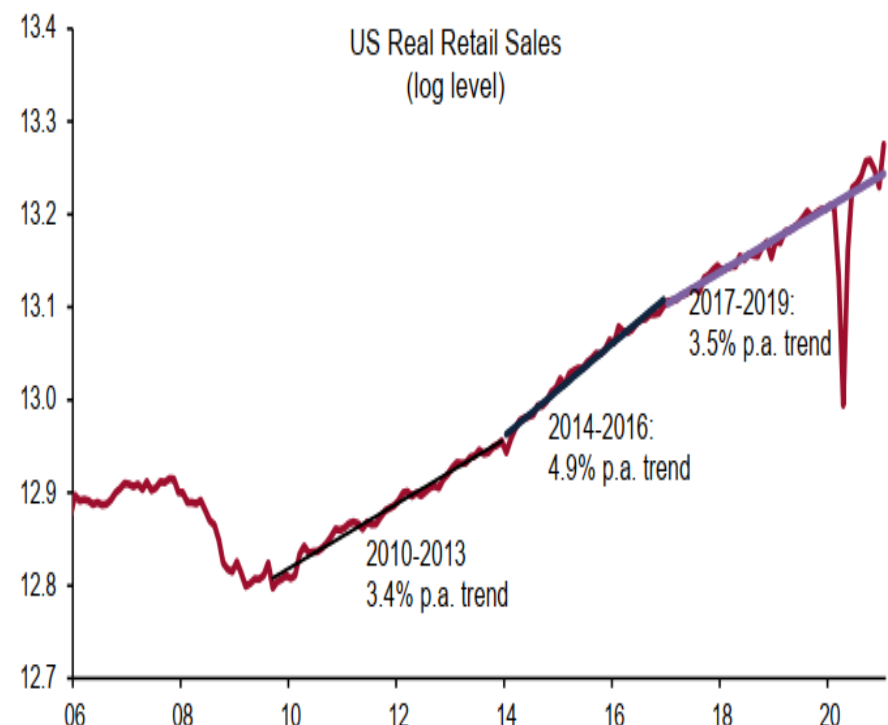
In normalized real GDP (4Q19 = 100)



Source: CEIC, Haver, MS Research

US retail sales is moving above trend

In % YoY



Source: CEIC, MS Research

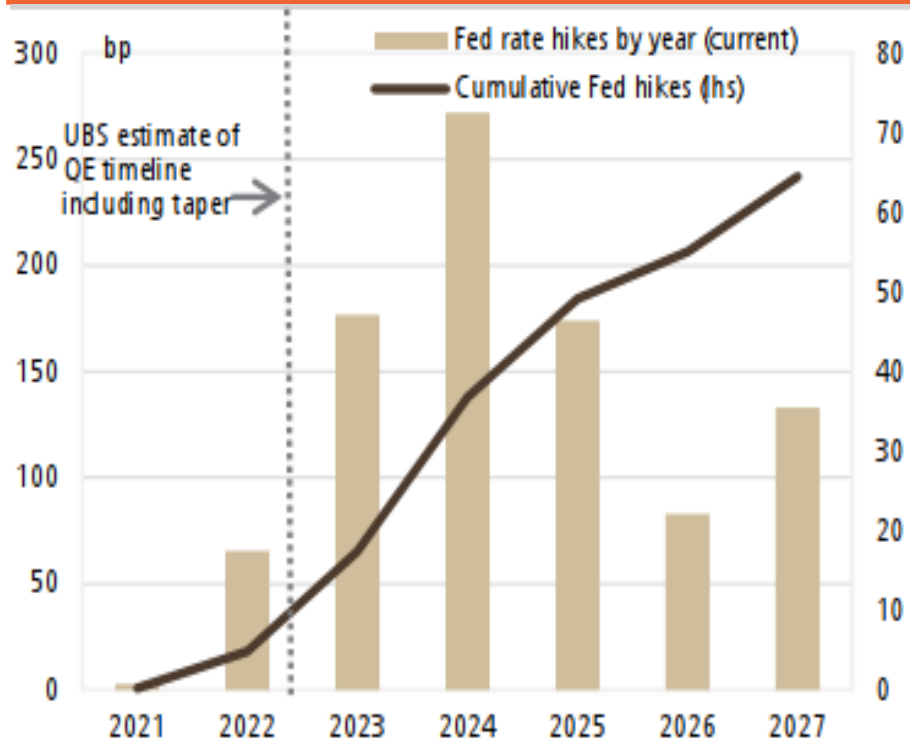
- 🏗️ Penguatan ekonomi Amerika Serikat secara teori dapat melukai sentimen pasar Asia mengingat penguatan ekonomi sering diikuti oleh penguatan USD. Namun, Apabila dibandingkan 2013 rasio-rasio stabilitas keuangan negara-negara di Asia jauh lebih baik.

Market is Concern on Tapering & Rate Hike

On the back of rising inflation expectation

Market has brought forward fed rate hikes

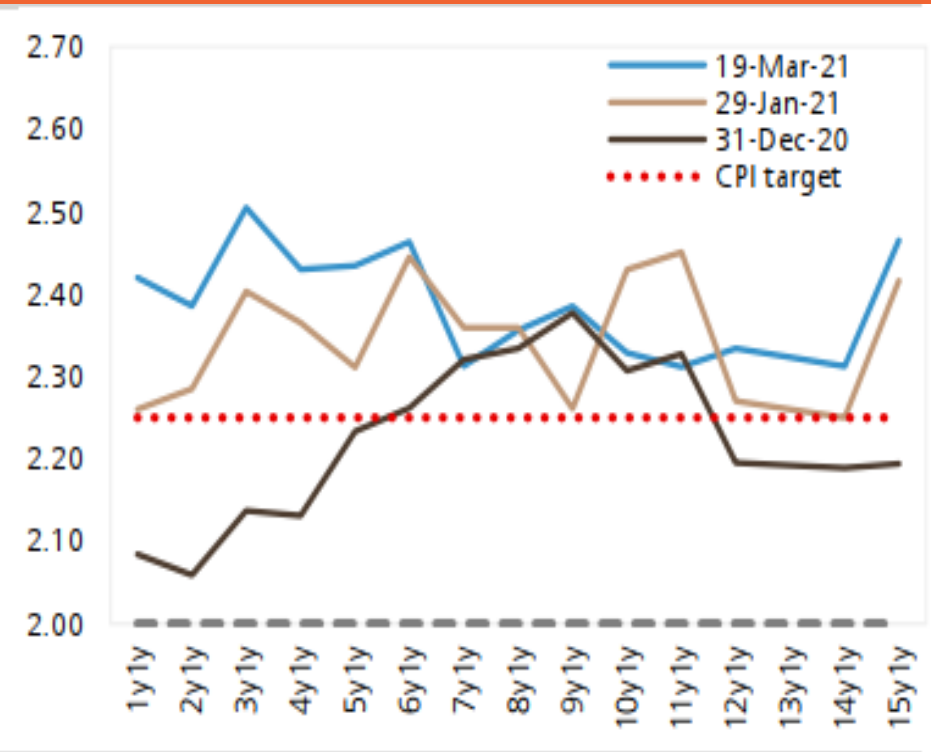
Est interest hike



Source: Bloomberg, UBS

Marklet assumes inflation to overshoot 2% threshold

In % YoY



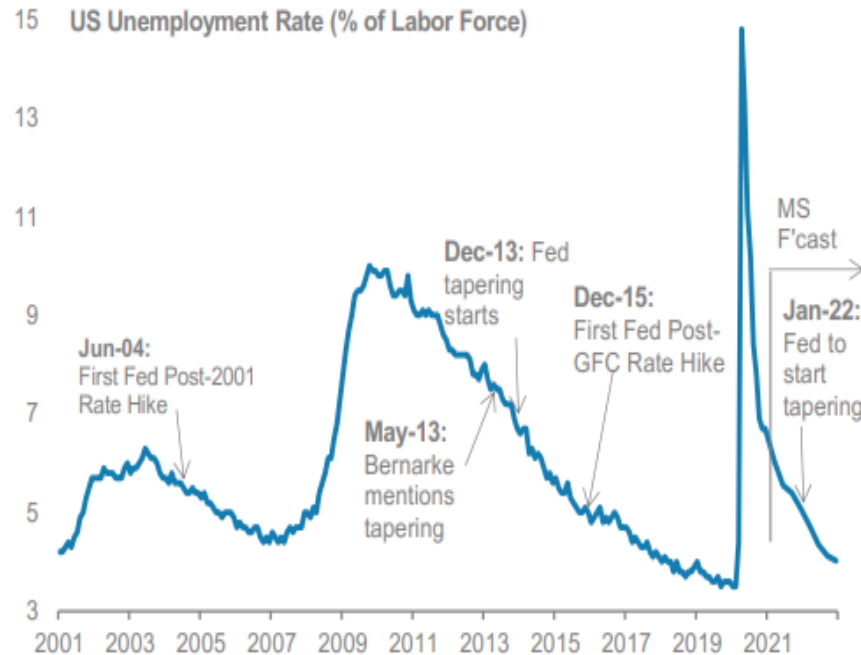
Source: CEIC, MS Research

- 🏗️ Penguatan ekonomi Amerika Serikat berakibat pada peningkatan inflasi. Investor cenderung berhati-hati terkait dengan inflasi karena dapat memicu *Fed* untuk melakukan pengetatan moneter lebih cepat daripada ekspektasi apabila inflasi meningkat diatas ekspektasi pasar.

FOMC is Targetting Full Employment

Historically, US natural rate of unemployment hovers around 4%

US Unemployment rate
% of labor force



Source: MS, Haver Analytics

FOMC is targetting for US full employment capacity
In % of each economic metrics

Variable	FOMC's Central Tendency and Median Forecasts			
	2021	2022	2023	Longer Run
Change in Real GDP				
March CS Median	6.5	3.0	2.0	1.9
December Projection	3.7 to 5.0	3.0 to 3.5	2.2 to 2.7	1.7 to 2.0
Median	4.2	3.2	2.4	1.8
Unemployment Rate				
March CS Median	4.5	3.7	3.5	4.0
December Projection	4.7 to 5.4	3.8 to 4.6	3.5 to 4.3	3.9 to 4.3
Median	5.0	4.2	3.7	4.1
PCE Inflation				
March CS Median	2.0	2.0	2.0	2.0
December Projection	1.7 to 1.9	1.8 to 2.0	1.9 to 2.1	2.0
Median	1.7	1.8	2.0	2.0
Core PCE Inflation				
March CS Median	2.0	2.0	2.1	--
December Projection	1.7 to 1.8	1.8 to 2.0	1.9 to 2.1	--
Median	1.8	1.9	2.0	--

Source: CS, Federal Reserve

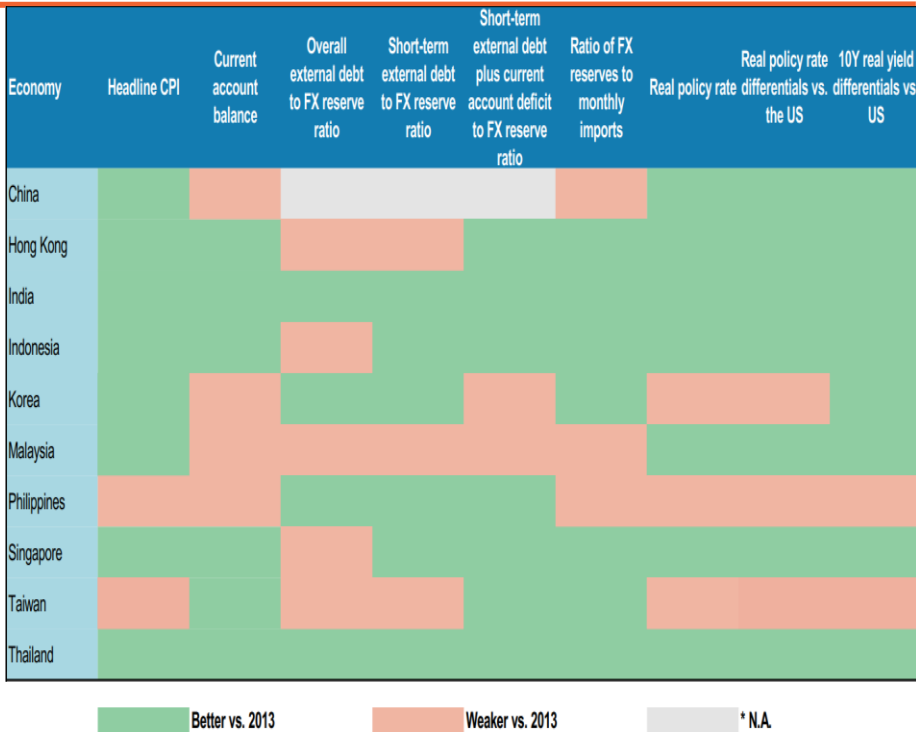
- 🏗 Dengan stimulus pemerintah sebelumnya, FOMC menargetkan sebagai pertimbangan melakukan pengetatan moneter apabila US *unemployment rate* telah mencapai level *natural rate of unemployment* (NAIRU).

Would Strong US Economy Hurt Asia?

Asia countries position is much better compare to the past

Better Macro Stability for Asia Countries Compare 2013 Level

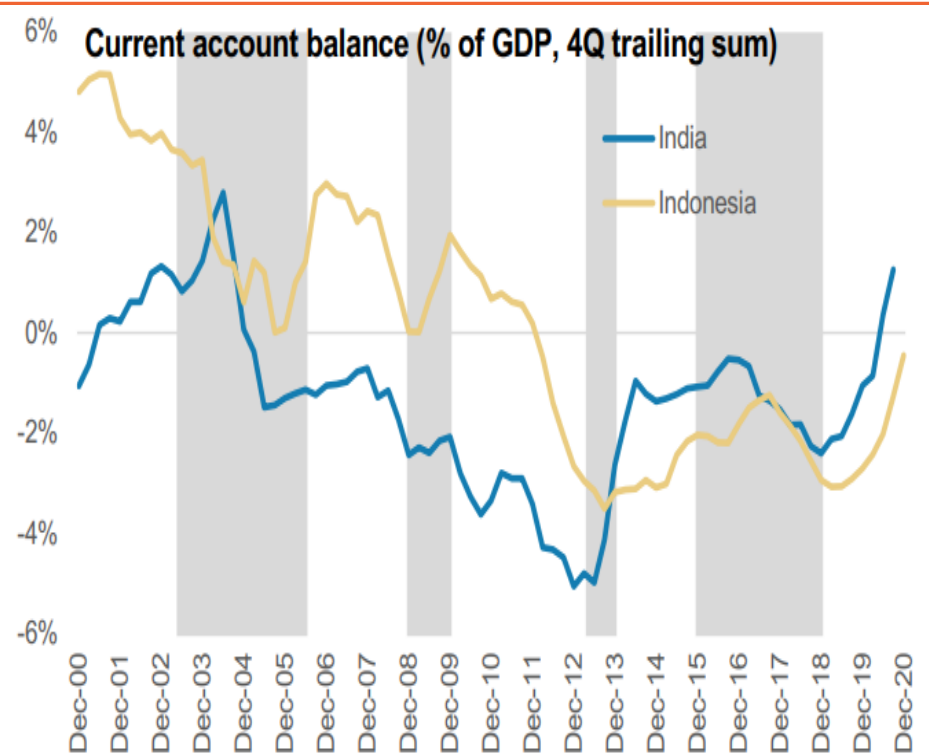
Heatmap of macro matrices



Source: CEIC, Haver, MS Research

Lower Current Account Deficit Compare 2002 & 2013

In % of GDP



Source: CEIC, MS Research

- 🏗️ Penguatan ekonomi Amerika Serikat mungkin mengurangi sentimen positif ke pasar Asia mengingat penguatan ekonomi sering diikuti oleh penguatan USD. Namun, Apabila dibandingkan 2013 rasio-rasio stabilitas keuangan negara-negara di Asia jauh lebih baik dan tentunya Asia juga diuntungkan dengan perbaikan permintaan secara umum dari AS.

Section

COVID-19 Updates

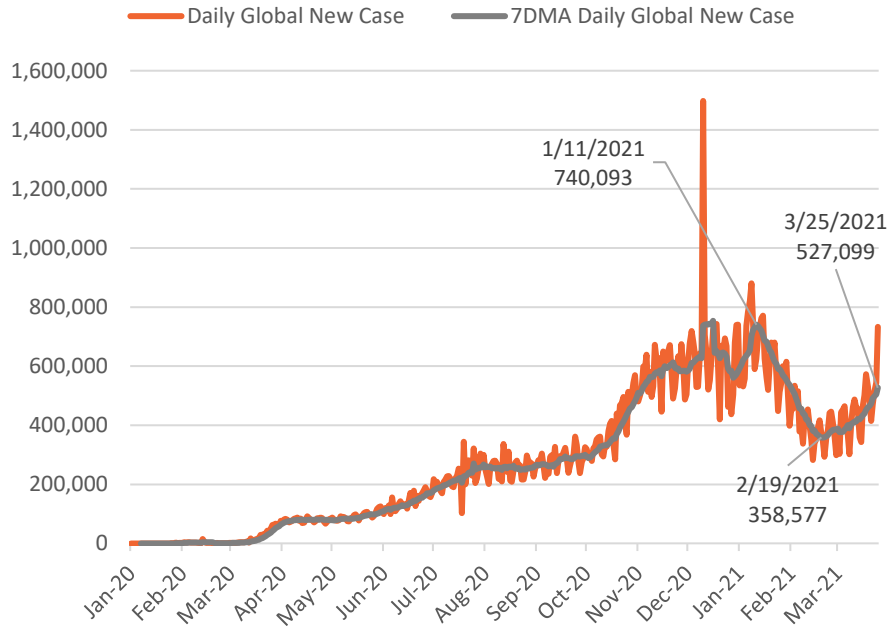
2

Global State of Covid-19

Few countries already reach herd immunity while infection down by 50% from peak

Global Daily Covid-19 Confirmed Cases

In no. of confirmed cases each day

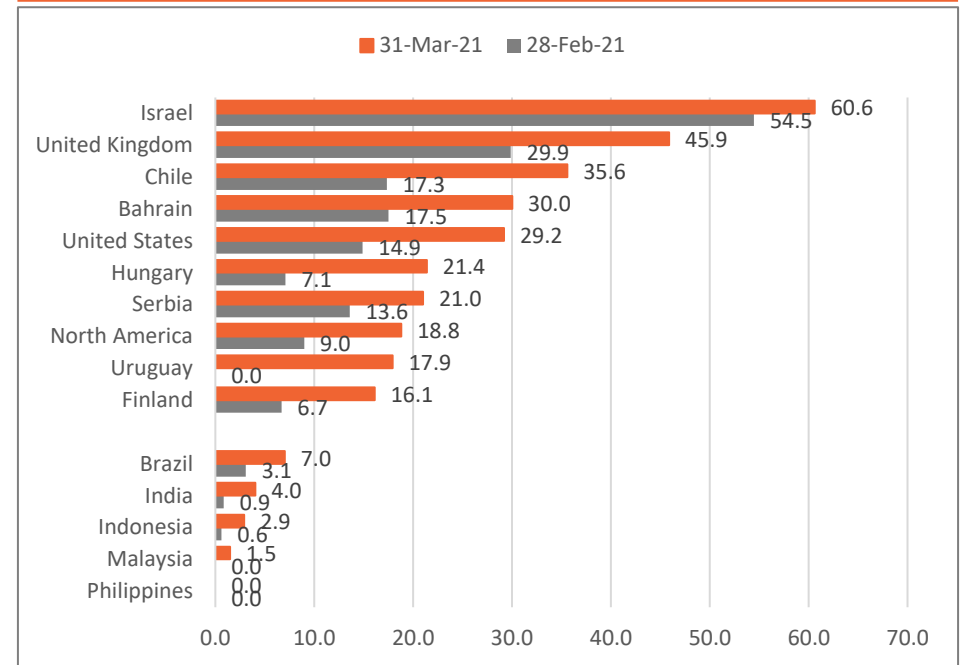


Source: Our world in data

- Beberapa negara mengalami *improvement* signifikan terkait *vaccine coverage ratio* i.e US meningkat dua kali lipat dalam waktu 1 bulan dari 14.9% populasi dibulan Feb 2021 menjadi 29.2% populasi di bulan 19-Mar-2021.
- Di saat yang bersamaan *daily global confirmed case* menurun signifikan dari level tertinggi di akhir tahun 2020 sampai dengan sekarang. Adapun sedikit peningkatan diakibatkan peningkatan di regional Eropa

People Vaccinated by Covid-19 Vaccines

People vaccinated per 100 population (31-Mar-2021)



Source: Our world in data

Latest Update on Indonesia Vaccines Supply

Government allow corporates to access small portion of vaccine supply

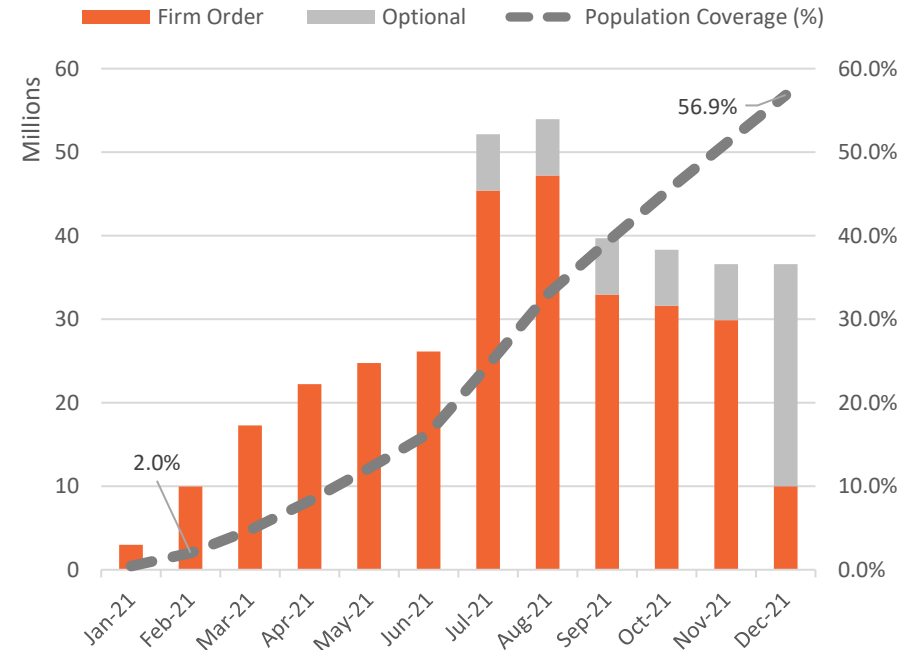
Indonesia Vaccine Roll-out Plan

In mio of people and doses

Date	Supply Program Vaksin Pemerintah					Supply Vaksin Gotong Royong	
	Sinovac	Novavax	Covax/Gavi	AstraZeneca	Pfizer	Sinopharm	Moderna
Jan-21	3,000	0	0	0	0		
Feb-21	7,567	0	2,398	0	0		
Mar-21	11,400	0	2,398	0	0	3,500	
Apr-21	7,600	0	2,968	150	0		
May-21	21,647	0	2,968	150	0		
Jun-21	18,170	4,000	2,968	1,000	0	11,500	
Jul-21	24,860	8,000	6,717	2,400	6,667		
Aug-21	24,860	8,000	6,717	7,700	6,667		
Sep-21	6,400	8,000	6,717	11,900	6,667		3,500
Oct-21	0	8,000	6,717	11,900	10,000		
Nov-21	0	8,000	6,717	11,900	10,000		
Dec-21	0	8,000	6,717	11,900	10,000		1,700
Total	125,504	52,000	54,000	59,000	50,000	15,000	5,200
Legend :							
	: Firm Order						
	: Optional order						

Vaccine Timeline and Population Coverage

In mio of doses and % of population coverage (Until 2021)



Source: Syailendra Research, Ministry of Health Grand Design, Assume 2 doses for each vaccine supply

- 🏗️ Pemerintah memperkenalkan program vaksin gotong royong yang diperkirakan akan dimulai pada bulan Maret 2021. Hal ini diperuntukkan untuk korporasi yang ingin melakukan vaksin secara mandiri melalui *supply* pemerintah.
- 🏗️ Berdasarkan informasi dari Kemenkes, Indonesia seharusnya telah memiliki suplai vaksin 2.0% dari populasi. Namun, jumlah masyarakat yang berhasil di vaksin berkisar 0.6%.

Section

Bond and Equity Outlook

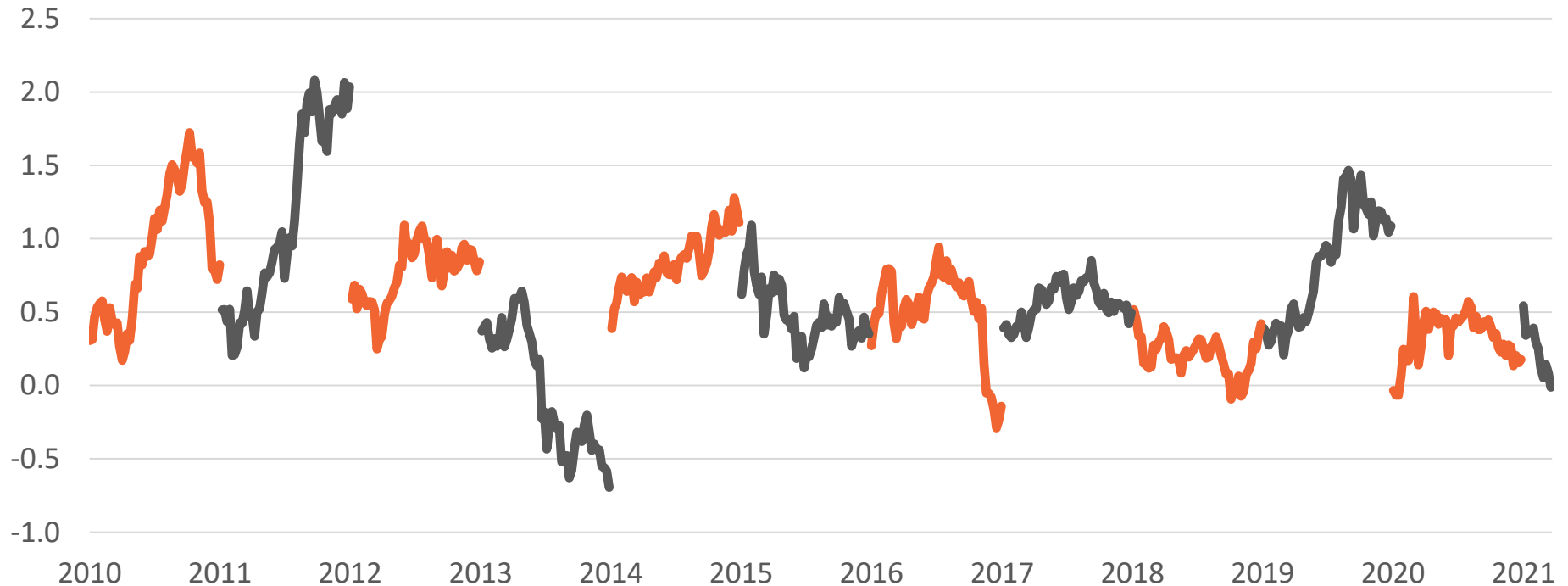
4

US Treasury Outlook

Partly a random-walk?

Spread of 10y UST Consensus vs Realization

Positive means consensus overestimates the UST 10y yield at the end of each year, vice versa; numbers in percentage



Source: Bloomberg, Syailendra Research

- ⚠ Berdasarkan data tahun 2010-2020, konsensus pasar cenderung *overestimate* imbal hasil UST tenor 10 tahun dengan rata-rata sebesar 70bps.
- ⚠ Hanya ada dua tahun konsensus *underestimate* UST, yaitu pada tahun 2013 dan 2016.

Real Rate Comparison among EMs

Indonesia still has attractive real yield compared to peers

Real 10Y YTM – Indonesia vs. Peers

Sorted by real yield (%), data as of Mar-21

Country/Tur	10Y Yield (%) as of Mar'21	10yr yield chg (in bps)	Currency chg in %	Inflation rate (%)	Real Yield (ppt)	Est. Current Account Balance (%GDP)	Est. Fiscal balance (% GDP)	S&P Credit Rating	Rating/Outlook Changes
		YTD	YTD (%)						
Egypt	14.65	67	0.00	4.50	10.15	-3.70	-8.40	B	Stable
South Africa	9.48	74	-17.62	2.90	6.58	-0.30	-9.60	BB	Stable
Indonesia	6.76	89	-14.53	1.38	5.38	-1.50	-5.60	BBB	Negative
Ukraine	7.29	114	2.55	7.50	-0.21	-1.20	-5.20	B	Stable
Brazil	9.28	237	-0.21	5.20	4.08	-1.30	-7.78	BB-	Stable
China	3.19	5	-7.84	-0.20	3.39	1.50	-5.80	A+	Stable
Colombia	6.96	158	-15.74	1.56	5.40	-3.55	-6.60	BBB	Negative
Malaysia	3.26	61	-6.84	0.10	3.16	3.20	-5.70	BB-	Stable
Thailand	1.97	65	-8.31	-1.17	3.14	3.15	-4.90	A-	Stable
Mexico	6.84	131	-16.10	3.76	3.08	1.05	-3.40	BBB+	Negative
Peru	4.95	144	5.45	2.79	2.16	0.05	-5.70	A-	Stable
India	6.17	30	-3.02	5.03	1.14	1.00	-9.50	BBB-u	Stable
Russia	7.04	112	-5.77	5.70	1.34	2.80	-1.50	BBB	Stable
Pakistan	10.41	44	-3.50	8.70	1.71	-0.70	-7.60	B-	Stable
South Korea	2.08	36	-10.64	1.10	0.98	4.00	-3.90	AA-	Stable
Romania	3.10	14	-9.19	3.16	-0.06	-4.45	-7.20	BBB-	Negative
Vietnam	2.45	13	-2.19	0.70	1.75	3.45	-4.40	BB	Stable
Hungary	2.70	62	-9.20	3.10	-0.40	-0.40	-6.00	BBB	Stable
Turkey	18.27	582	12.33	15.61	2.66	-3.00	-4.55	BB-u	Stable

Source: Bloomberg, Syailendra Research

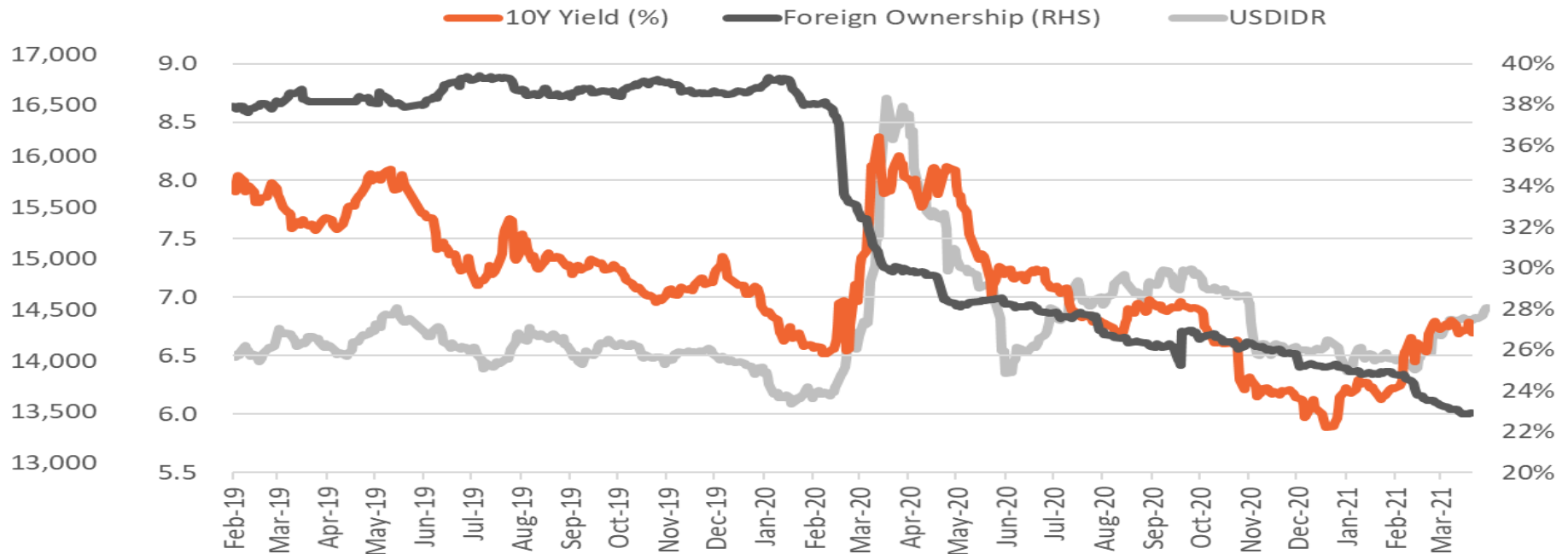
🏠 Real 10yr Yield Indonesia masih menarik dibandingkan negara berkembang lainnya yaitu sebesar 5.23%, dan berada pada posisi pertama di Asia Tenggara.

Government Bond Outlook

Risk of supply-demand imbalance remains?

10y Gov't Yield (%), Ownership of Foreign Investors (%) and USDIDR movement

Foreign ownership is still in declining trend



Source: Bloomberg, Syailendra Research

- Permintaan signifikan dari investor asing belum terlihat, i.e. level kepemilikan masih dalam tren penurunan.
- Kami masih melihat ada risiko *supply-demand imbalance* pada obligasi pemerintah tahun ini, namun size issuance bisa menurun dan ada juga SAL dari 2020.
- Kami merekomendasikan menjaga *portfolio focus* pada tenor menengah dengan kisaran 5 – 10 tahun selama level imbal hasil 10Y berada pada *range* 6.0 – 6.5%, di atas range tersebut merupakan *buying opportunity*.

Foreign Equity Flow

Inflow is still coming in Feb 2021

(in US\$ mn.)	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China
Feb-20	414	-340	-3,000	-179	-4,659	-627	-469	-8,859
Mar-20	-8,390	-375	-10,544	-303	-12,077	-2,450	-1,288	-35,426
Apr-20	-31	-560	-3,964	-325	818	-1,439	-612	-6,113
May-20	1,719	-548	-3,302	-166	-5,051	-984	-690	-9,021
Jun-20	2,473	-318	-705	-190	3,269	-737	-698	3,096
Jul-20	1,153	-264	725	-124	269	-323	-601	835
Aug-20	6,096	-581	-2,295	-261	-2,183	-887	-356	-468
Sep-20	-767	-1,049	-990	-306	-1,425	-738	-476	-5,751
Oct-20	2,506	-252	-434	-156	-609	-701	-161	193
Nov-20	9,559	245	5,205	-169	4,507	1,081	-251	20,178
Dec-20	7,267	-279	-614	-171	2,285	82	-147	8,424
Jan-21	1,978	775	-5,254	-273	-3,389	-365	-208	-6,735
Feb-21	3,016	258	-1,781	-191	-3,224	-621	-215	-2,759
Mar-21	2,627	-186	-1,312	-483	-5,523	-1	-7	-4,884

Yearly								
YTD	7,621	847	-8,348	-947	-12,137	-986	-429	-14,379
2020	14,234	-1,306	924	-240	9,377	-1,496	-2,683	18,811
2019	14,234	-1,306	924	-240	9,377	-1,496	-2,683	18,811
2018	-4,557	-3,656	-5,676	-1,080	-12,231	-8,913	-2,885	-38,999
2017	8,014	-2,960	8,267	1,095	6,587	-796	2,456	22,664
2016	2,903	1,259	10,480	83	10,956	2,240	-628	27,294

Source: Syailendra Research, Bloomberg

2 out of JCI Return Explained by Small Cap

30 multiple bagger small cap drive JCI, most of stocks wasn't well known

	Dec-20	Mar-21	Chg.	YTD (%)
JCI	5,979.07	5,985.52	6.45	0.11%
Return above 100%			157.56	2.64%
Others (inc Big Cap)			-151.11	-2.53%

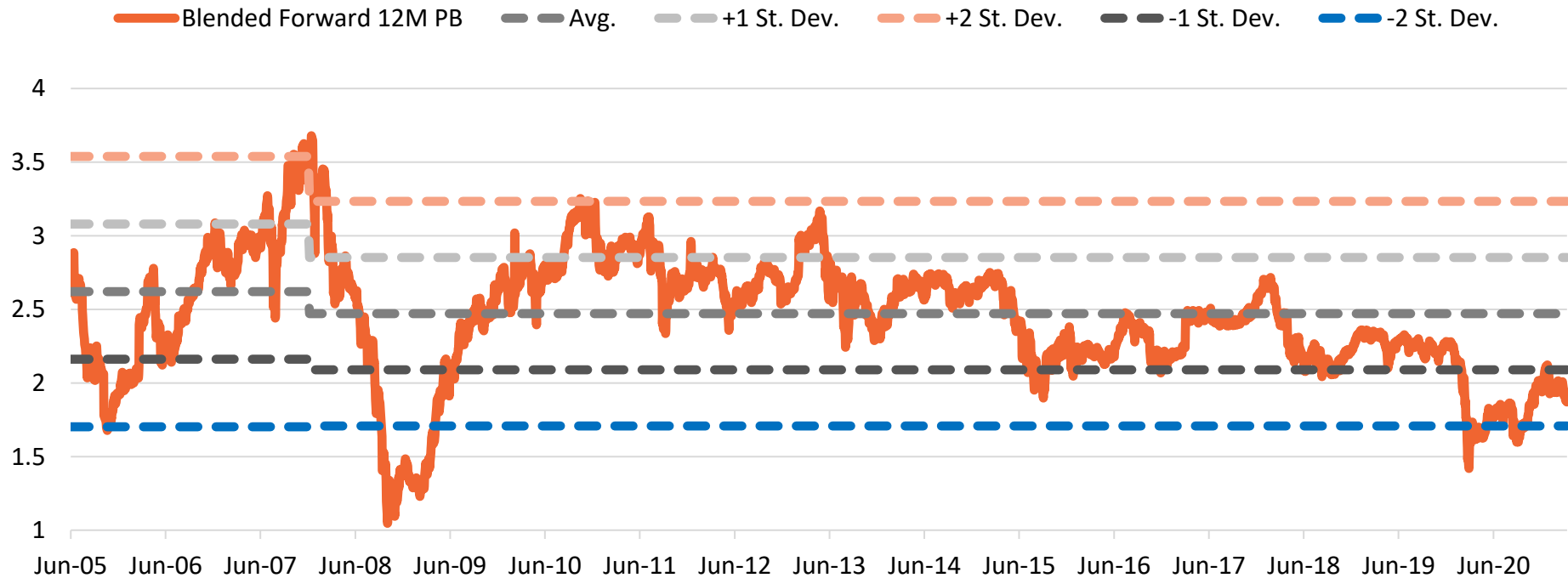
Ticker	Name	Price	Net Chg	% Chg	Total 157.556			Market Cap	
					Points	12/30/2020	3/31/2021	12/30/2020	3/31/2021
ARTO IJ Equity	Bank Jago Tbk PT	9725	6158.89	172.71%	71.94	46,681,875	134,752,031		
BANK IJ Equity	Bank Net Indonesia Syariah Tbk	2,650	2,547	2472.82%	29.84	NA	34,612,026		
DCII IJ Equity	DCI Indonesia Tbk PT	10,525	10,105	2405.95%	21.61	NA	25,088,926		
BINA IJ Equity	Bank Ina Perdana PT	1,585	895	129.71%	4.49	3,901,534	8,962,220		
ASSA IJ Equity	Adi Sarana Armada Tbk PT	1675	1040	163.78%	3.17	2,157,413	5,690,813		
BBHI IJ Equity	Bank Harda Internasional Tbk P	1120	696	164.15%	2.59	1,774,199	4,686,564		
BNBA IJ Equity	Bank Bumi Arta Tbk PT	1630	1252	331.22%	2.57	873,180	3,765,300		
BKSW IJ Equity	Bank QNB Indonesia Tbk PT	224	118	111.32%	2.14	2,166,289	4,577,818		
SAME IJ Equity	Sarana Meditama Metropolitan T	440	224.78	104.44%	1.89	1,722,800	5,235,872		
FILM IJ Equity	MD Pictures Tbk PT	402	212	111.58%	1.81	1,807,131	3,823,509		
TECH IJ Equity	Indosterling Technomedia Tbk P	2380	1580	197.50%	1.78	1,005,040	2,989,994		
TPMA IJ Equity	Trans Power Marine Tbk PT	1030	680	194.29%	1.61	921,655	2,712,299		
PTDU IJ Equity	Djasa Ubersakti Tbk PT	2060	1145	125.14%	1.54	1,372,500	3,090,000		
IFSH IJ Equity	Ifishdeco Tbk PT	1100	704	177.78%	1.34	841,500	2,337,500		
INPC IJ Equity	Bank Artha Graha Internasional	156	87	126.09%	1.21	1,089,937	2,487,422		
TIFA IJ Equity	KDB Tifa Finance Tbk PT	1705	1145	204.46%	1.11	604,632	1,840,889		
TFAS IJ Equity	Telefast Indonesia PT	885	705	391.67%	1.05	300,000	1,475,000		
UFOE IJ Equity	Damai Sejahtera Abadi Tbk PT	600	499	494.06%	1.02	NA	1,372,500		
MPPA IJ Equity	Matahari Putra Prima Tbk PT	254	149	141.90%	1.01	790,561	1,912,404		
CSMI IJ Equity	Cipta Selera Murni Tbk PT	1715	1175	217.59%	0.86	440,673	1,399,545		
MARI IJ Equity	Mahaka Radio Integra Tbk PT	226	136	151.11%	0.64	472,738	1,187,098		
DGNS IJ Equity	Diagnos Laboratorium Utama Tbk	675	475	237.50%	0.53	NA	843,750		
OPMS IJ Equity	Optima Prima Metal Sinergi Tbk	650	484	291.57%	0.43	166,000	650,000		
UANG IJ Equity	Pakuan Tbk PT	470	274	139.80%	0.30	237,160	568,700		
ZBRA IJ Equity	Zebra Nusantara Tbk PT	434	319	277.39%	0.25	98,455	371,562		
KIOS IJ Equity	Kioson Komersial Indonesia Tbk	520	372	251.35%	0.24	106,152	372,965		
ABBA IJ Equity	Mahaka Media Tbk PT	174	92	112.20%	0.23	225,920	479,392		
GLOB IJ Equity	Global Teleshop Tbk PT	314	205	188.07%	0.20	121,111	348,889		
HELI IJ Equity	Jaya Trishindo Tbk PT	434	218	100.93%	0.16	176,904	361,462		

JCI Historical Valuation

However, JCI price to book is still cheap in historical sense

JCI Blended 12M Forward P/B

In times of P/B with 2005-2007 and 2008-2019 deviation band



Source: Bloomberg, Syailendra Research

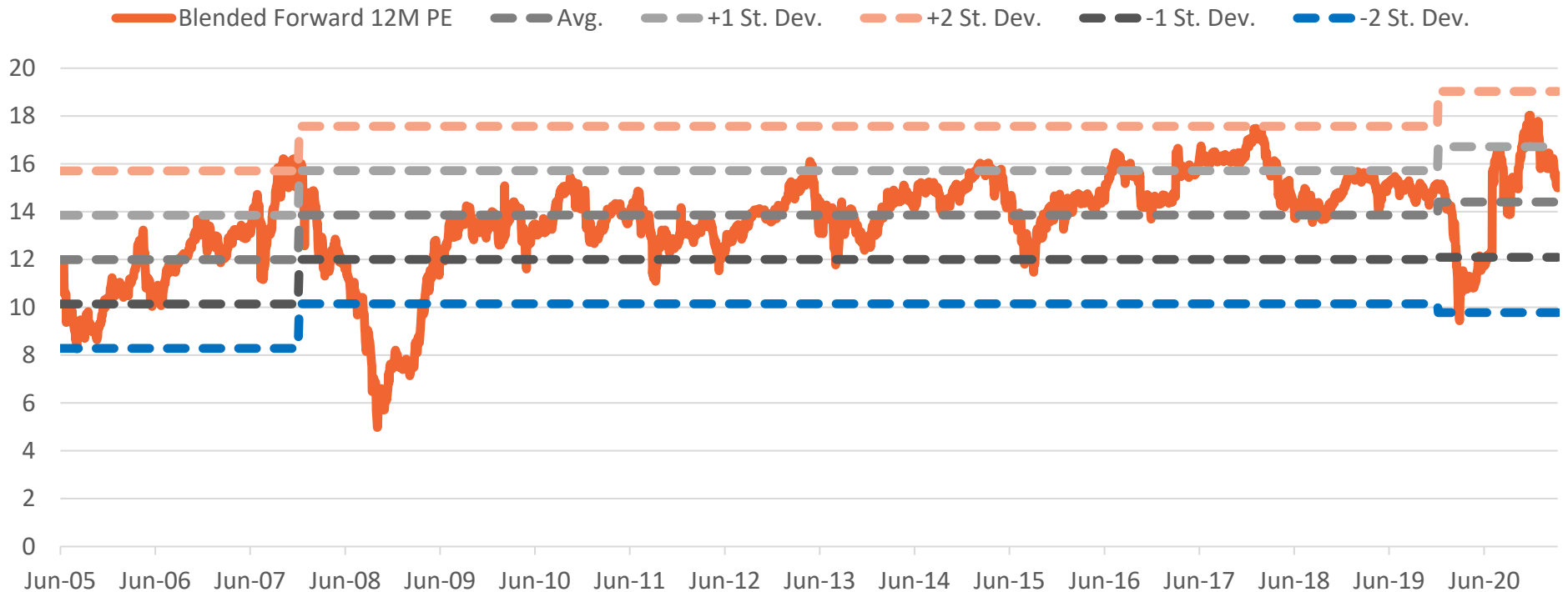
- Di saat yang bersamaan valuasi JCI menggunakan *price to book* masih dapat dikatakan memiliki potensi *upside*. Secara historis sejak 2015, P/B JCI berkisar di antara 2.1 – 2.5 dibandingkan level saat ini masih berada di 1.94x.

JCI Historical Valuation

JCI price to earnings is already ahead of its earnings...

JCI Blended 12M Forward P/E

In times of P/E with 2005-2007 and 2008-2019 deviation band



Source: Bloomberg, Syailendra Research

- 📈 Rally yang terjadi dalam 2 *quarter* merupakan antisipasi dari investor atas *recovery earnings* dan katalis-katalis positif yang telah terjadi selama 1H20. Sehingga, JCI mempunyai valuasi di +2 *standard deviation band* dibandingkan historis sejak 2008-2019.

2Q21 Sector View

Investment Thesis Per Equity Sector

Sector	2Q21 Update So Far			Reason to Invest	
	2021	Guidance	Upside/ (Downside) Surprise	Pros	Cons
Agriculture	Marketweight	CPO : volume well guided	CPO : Potential early normalized CPO. Consensus expect weaker CPO price going into 2021	CPO : ASP in 1Q21 still higher in YoY%	
Basic Industry	Underweight	- Cement : limited guidance - Poultry : No guidance	Poultry: Possible downside from strong soybean prices	- Cement : ASP in 2020 seems stable despite -10% volume - Poultry: Recovery of broiler demand in 2021 - Poultry: Stable profitable broiler prices provide support to feed margin	- Coal : Strong coal might pressure margin. - Poultry: Margin compression from the feed segment
Consumer Staples & Discretionary	Marketweight	- FMCG: limited guidance - Pharma : better volume - Cigs : HJE will remain sluggish, margin pressure due to downtrading	- FMCG : Margin pressure from soft commodities - Pharma : if purchasing power was better than expected, private co to be involved in vaccine distribution. - Cigs : if tier 1 player would like to sacrifice market share over margin	- FMCG : earnings variability seems relative low for big names in FMCG. - Pharma: sentiment from vaccination involvement or if market back to defensive mode. Consensus hasn't put in super tax deduction scheme. - Cigs: sentiment play on market expectation on volume & ASP hike	- FMCG : rising cost might pressure slight margin, recovery might means slightly higher A&P to take back mkt shares. - Cigs: likely having negative earnings in 2021, excise might be higher for 2022
Banks	Underweight	Banks : possibility of relapse from COVID restructuring (due to prolong COVID cases) and higher provisioning than consensus	Banks: if the relapse from COVID better than first guidance and sustain for the next 2-3 quarters. Downside: if loss rate from COVID19 was worse than expected in which >10% of it went to NPL.	Banks: valuation wise some banks are still laggards compared to others	Banks: asset quality getting worse after first restructuring

2Q21 Sector View

Investment Thesis Per Equity Sector

Sector	2021	2Q21 Update So Far		Reason to Invest	
		Guidance	Upside/ (Downside) Surprise	Pros	Cons
Infra, Utility & Transport	Overweight	- Toll Road : Well Guided - Telco : Limited guidance	Telco: Possible upside from industry consolidation	- Toll Road : Lower CoF, better recovery and potential divestment - Telco: Industry consolidation to ease competition pressure	- Toll Road : New operating toll roads might had lower EBITDA than expected - Telco: Plateuing usage growth to hamper revenue growth
Miscellaneous	Underweight	Auto : Limited guidance	Auto: Downside from slower volume recovery	- Auto: Recovery of auto volume demand in 2021 - Auto: Recovery of auto volume demand in 2021 supported by tax stimulus	Auto: Slower than expected recovery due to weak purchasing power
Mining	Marketweight	Coal : Limited guidance	Coal : potential upside from better coal price		
Property & Real Estate	Overweight	- Residential/Commercial: Limited Guidance - Industrial: Limited Guidance	Residential/Commercial: Upside from purchasing power recovery and favorable mortgage environment.	Residential/Commercial: Better than expected presales number, lower mortgage rates. Sector was supported by stimulus from government	Residential/Commercial: Prolonged weak economy and Covid situation could hinder property buyer and also affect recurring income.
Building Construction	Marketweight	Construction: Well Guided		Construction: Higher burn rate, higher new contract growth, divestments	Construction: Valuation is starting to look fair compared to 2020.
Trade, Services & Inv	Overweight	- Hospital : still questioning the comeback of non-COVID - Retail : No guidance - Media: Limited guidance	- Hospital : BPJS one-tariff halted 'till 2023 for the latest, if non-COVID volume was better than expected - Retail : Recent dropped traffic might hurt 1Q21. - Media: Possible upside from digital growth	- Hospital: more on the long-term basis due to IT implementation on several hospitals, better margin. - Retail : Very low earnings base in 2020. - Media: Ads recovery and resilient digital growth	- Hospital: revenue might not yet comeback to pre-COVID after COVID volume slow down, earnings pressure on the near term - Retail : Very low visibility on sales. - Media: Slower than expected ads recovery due to still weak purchasing power

Section

Medium Term Outlook

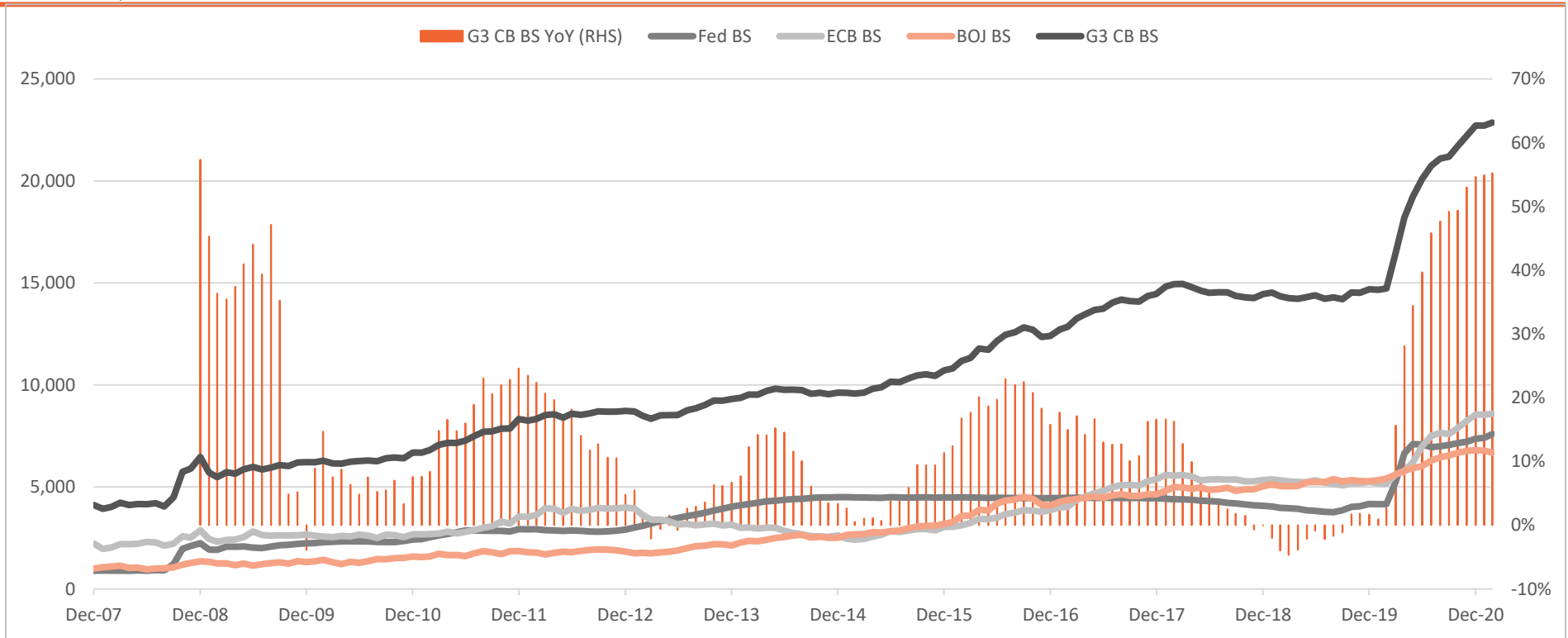
3

Central Bank is Pouring Liquidity at New Level

Significant liquidity into market as covid-19 spread in 2020

G3 Central Bank Balance Sheet

In bio USD, YoY



Source: Syailendra Research, Bloomberg

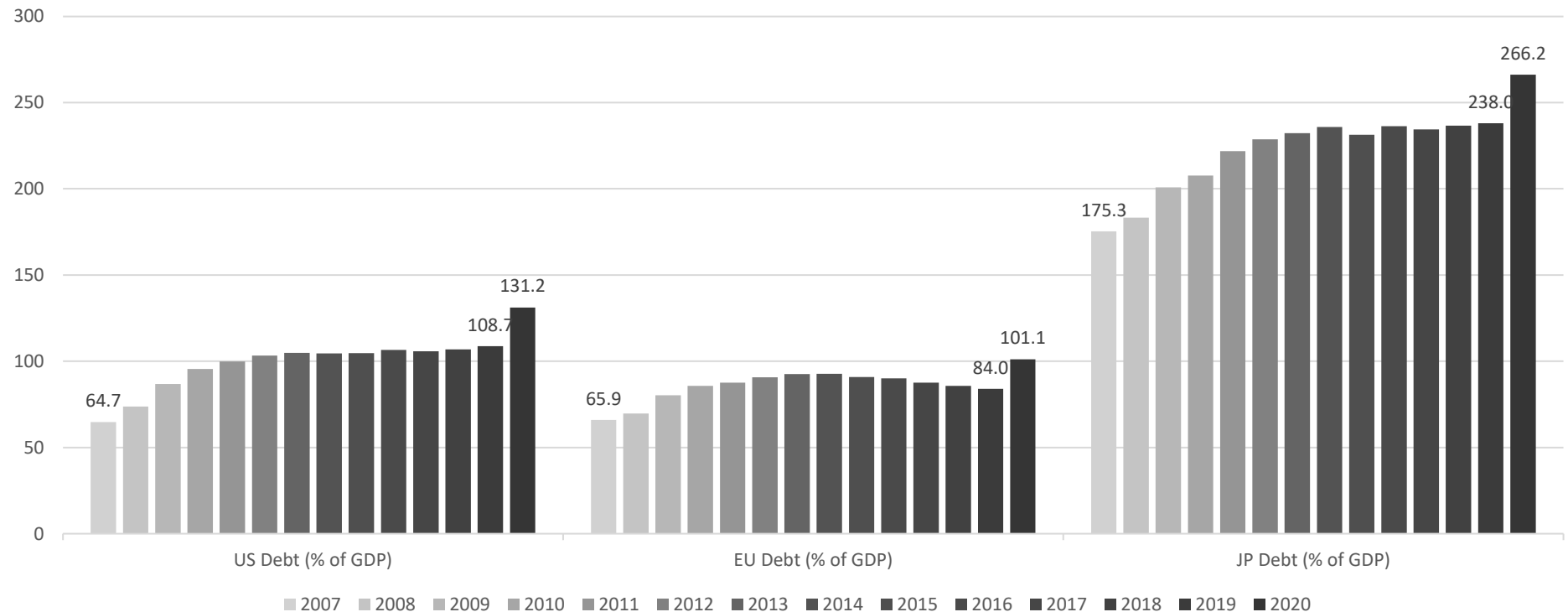
- Terjadinya pandemi covid-19 mulai di awal 2020 menyebabkan bank sentral dunia melakukan kebijakan pelonggaran moneter dengan melakukan pembelian SUN negara masing-masing agar dapat disalurkan melalui program belanja negara.

Each Country Debt Level Rising to New Level

Significant liquidity into market as covid-19 spread in 2020

G3 public debt

In bio USD, YoY



Source: Syailendra Research, Bloomberg

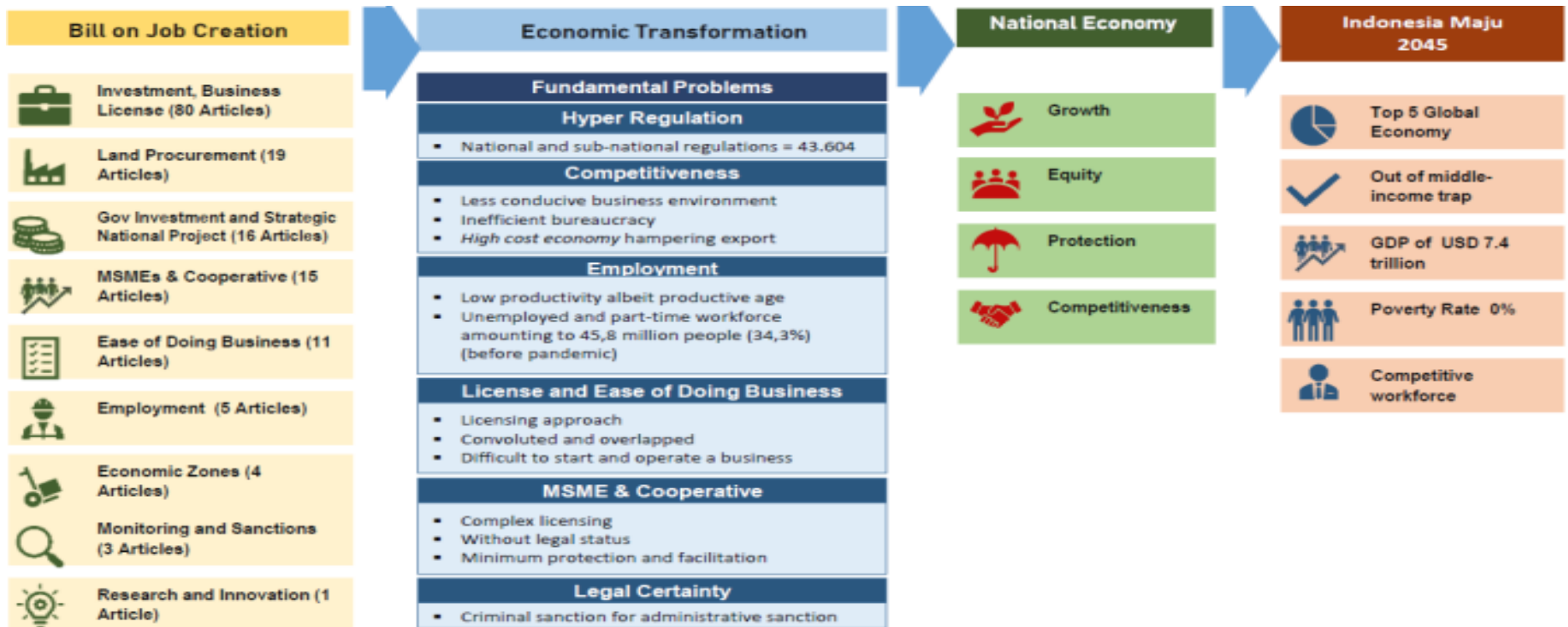
- US, EU dan JP meningkatkan tingkat hutang berkisar dari 20-30% dari GDP mereka di tahun 2020. Dibandingkan level 2007, Level hutang negara telah mencapai 2x di akhir tahun 2020.

Omnibus Law : Potential Mid-Term Game Changer

Addressing Indonesia economic bottleneck

Jobs Creation Law Framework

General summary jobs creation law



Source: Bloomberg, Syailendra Research

- 🏗️ *Omnibus law* terdiri dari 15 bagian dan 174 ayat yang merubah 73 UU yang ada dengan tujuan melakukan simplifikasi bisnis untuk meningkatkan *FDI*.

Omnibus Implementing Rules

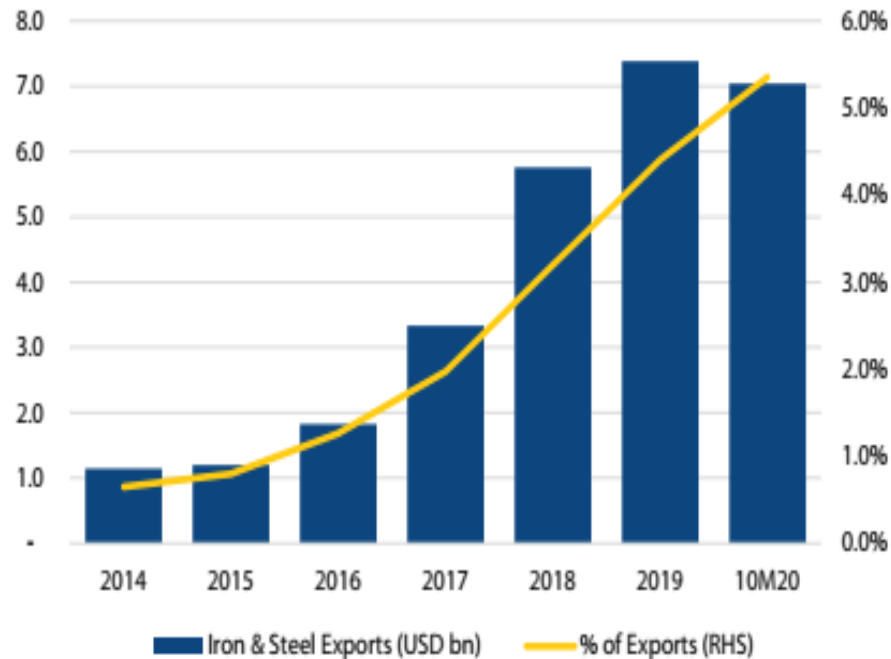
Better detail both for local and foreign investor

Section	Previous	Omnibus Law	Implementing Regulation
Labor Law			
Salary based on unit produced	NA	Daily, Weekly, Month or based on unit produced/sold	Daily, Weekly, Month or based on unit produced/sold
Minimum wage per region	Min. wage is determined by each region (Province, District and Job Sector)	Removed min. wage based on job sector. Min, wage can be determined base on Province or District	Removed min. wage based on job sector. Min, wage can be determined base on Province or District
Minimum wage formula	Min. wage x Inflation rate x GDP Growth	Similar	Min. Wage : Min. wage (t+0) + Max(GDP, Inflation) x (Upper boundary - Min. wage)/(Upper boundary - Low Boundary) x Min. Wage (t+0) Upper boundary : Avg. Consumption per Capita x Avg. No of people in household x avg. no of working people in household Lower Boundary : 50% of upper boundary MSME wage : 50% average consumption by province or 25% above poverty line
Soacial Guarantee			
Program Jaminan Kehilangan Pekerjaan (JKP)		Cash benefit and skill enhancing program	Cash benefit (6 months) and skill enhancing program Eligibility : Has paid 12 month dues of of past 24 months and 6 consecutive months Dues : 0.46% of monthly salary to government Cash amount 45% of monthly salary for 6 months and 25% of monthly salary for last 3 months
Ease of doing business			
Foreign workers	Companies that hire foreign workers must have an Employment Plan for the use of foreign workers that is approved by the Ministry of appointed official. Selective jobs that can employ foreign workers	Further clarifications needed	Companies that hire foreign workers must have an Employment Plan (RPTKA) for the use of foreign workers that is approved by the Ministry of appointed official. RPTKA has a maximum limit of 2 years and 5 years for Special Economic Zones, and both can be extended. Start-ups can employ foreign workers up to 3 months without obtaining RPTKA
Contract Workers	Requirements for contract workers: (1) only eligible for specific roles (seasonal job, temporary job, new project and/or trial phase), (2) cannot substitute full-time positions, and (3) maximum length of 2 years and can only be extended once for an additional 1 year Requirements (1) and (2) still apply	Removed maximum length of 2 years; TBD by implementing regulation. Requirements (1) and (2) still apply	Contract workers: (1) only eligible for specific roles (seasonal job, temporary job, new project and/or trial phase), (2) cannot substitute full-time positions, and (3) maximum length of 5 years.
Direct Investment List			
Negative Investment List			
Positive Investment List			Priority business activity: National Strategic Projects (PSN), labor intensive, capital intensive (technology, machine), pioneer industry, export oriented, innovative Business activity with partnership with MSMEs Business activity with special permission Others (business activity that doesn't fall into first 3 categories); can be invested as long as not listed in Negative investment list
Incentives			Fiscal & Non-Fiscal Incentives
Others item that couldn't be written in detail			

Indonesia is key in Global EV Value Chain

Potential sustained trade inflow for Indonesia

Indonesia Iron & Steel Export Had Risen Significantly
In bio USD and % of export



Source: Mandiri Sekuritas

Indonesia Nickel Industry Map
No of companies in Indonesia



Sources : Mandiri Sekuritas, Ministry of Industry

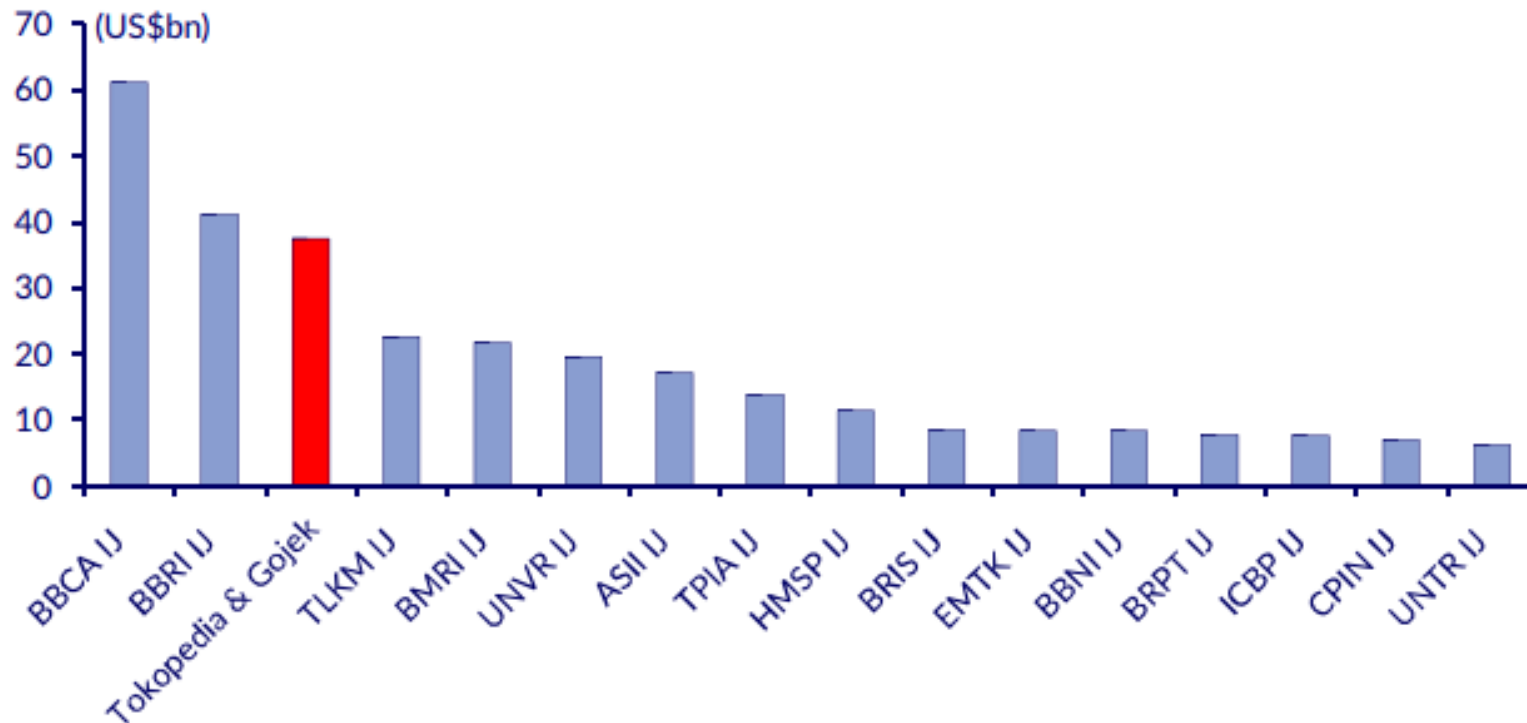
▲ Ekspor Indonesia dalam kategori *base metal* meningkat signifikan sejak tahun 2016. Hal ini diakibatkan produksi smelter *nickel* yang telah selesai di tahun 2016-2017. Adapun 20 *smelter* yang masih dalam konstruksi akan meningkatkan produksi *nickel* signifikan dalam 5 tahun ke depan, bisa memproduksi tambahan 2m tpa.

JCI Market Structure is Going to Some Changes

Upcoming Tech IPO will had big market capitalization in the market

Top 15 Companies in JCI estimated with Tokopedia and Gojek Inclusion

In bio USD



⚠ Berdasarkan data yang kami baca di media, merger antara Gojek-Tokopedia berpotensi memiliki valuasi di harga 35-40bio USD. Kedua perusahaan ini dapat menjadi emiten terbesar ketiga di IHSG saat ini. Adapun, Fintech lain seperti Traveloka, Bukalapak yang juga merencanakan untuk listing di tahun 2021.

⚠ Apabila proses ini terjadi, Indonesia dapat menjadi negara kedua di ASEAN yang memiliki *proxy* signifikan atas *tech* di indeks.

Disclaimer



This document is prepared by PT Syailendra Capital (“Syailendra”) and is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. Accordingly, this document and its contents may not be reproduced, redistributed, transmitted or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

The information contained in this document does not constitute an offer to sell securities or the solicitation of an offer to buy, or recommendation for investment in, any securities in any jurisdiction. The information in this document is not intended as financial advice and is only intended for professionals with appropriate investment knowledge who can be classified as a ‘Professional Client’ under the Rules & Regulations of the appropriate financial authority. Moreover, none of the documents are intended as a prospectus within the meaning of the applicable laws of any jurisdiction and none of the documents are directed to any person in any country in which the distribution of such presentation is unlawful.

This document provides general information only. The information and opinions in the document constitute a judgment as at the date indicated and are subject to change without notice. The information may therefore not be accurate or current. The information and opinions contained in this document have been compiled or arrived at from sources believed to be reliable in good faith, but no representation or warranty, express, or implied, is made by Syailendra, as to their accuracy, completeness or correctness and Syailendra does also not warrant that the information is up to date. Moreover, you should be aware of the fact that investments in undertakings, securities or other financial instruments involve risks. Past results do not guarantee future performance. Syailendra accepts no liability for any loss arising from the use of material presented in this presentation.



PT Syailendra Capital

District 8 Treasury Tower
39th Fl. Unit 39A, SCBD Lot 28
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
P. : +62 21 2793 9900
F. : +62 21 2972 1199

www.syailendracapital.com

