

Monthly Bulletin

May 2020

What's Inside



Calendar

US Initial Jobless Claim (14,21,28-Mei)
 ID CAD (11-Mei)
 ID Trade Balance (15-Mei)
 CN Retail Sales (15-Mei)
 CN Industrial Production (15-Mei)



Global Event

Regional Eropa memperlihatkan tanda-tanda perlambatan penyebaran COVID-19. Hal ini menyebabkan meningkatnya *risk appetite* investor secara umum.



Indonesia

Pemerintah telah mengeluarkan rencana relaksasi kebijakan PSBB secara gradual dengan ekspektasi mulai pada 1 Juni 2020. Hal ini didukung dengan peningkatan kapasitas *testing* di bulan April.



Equity Market

Kinerja IHSG ditutup sebesar -25.13% YTD atau +3.19% MoM (*cutoff date: 30-Apr-20*). Hal ini didukung dengan perlambatan infeksi COVID-19 global dan peningkatan kapasitas *testing* di Indonesia. Di bulan Maret, sektor industri dasar memiliki kinerja terbaik sedangkan sektor konstruksi yang paling buruk.



Fixed Income Market

Yield 10 tahun obligasi Indonesia ditutup di level 7.9% pada akhir April 2020. Kepemilikan investor asing menurun selama bulan April dengan level yang lebih kecil dibandingkan penurunan bulan Maret. Di sisi lain, BI melakukan penambahan porsi kepemilikan SBN.





Section

COVID-19 Updates

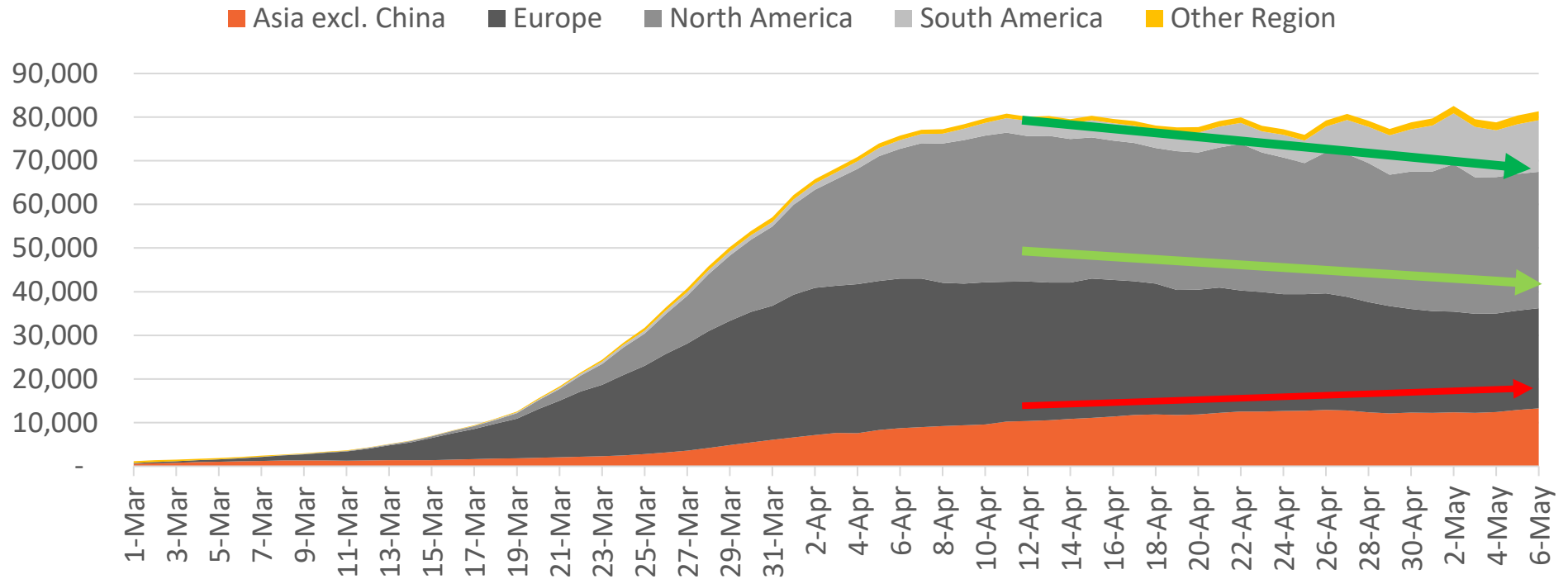
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US and EU: Daily Cases Plateauing

At the same time, Asia ex-China still hasn't shown significant slowdown

Daily New Cases per Region: Asia, Europe, United States, and the World (excl. China)

In 7 days moving average



Sumber: Our World in Data, Syailendra Research

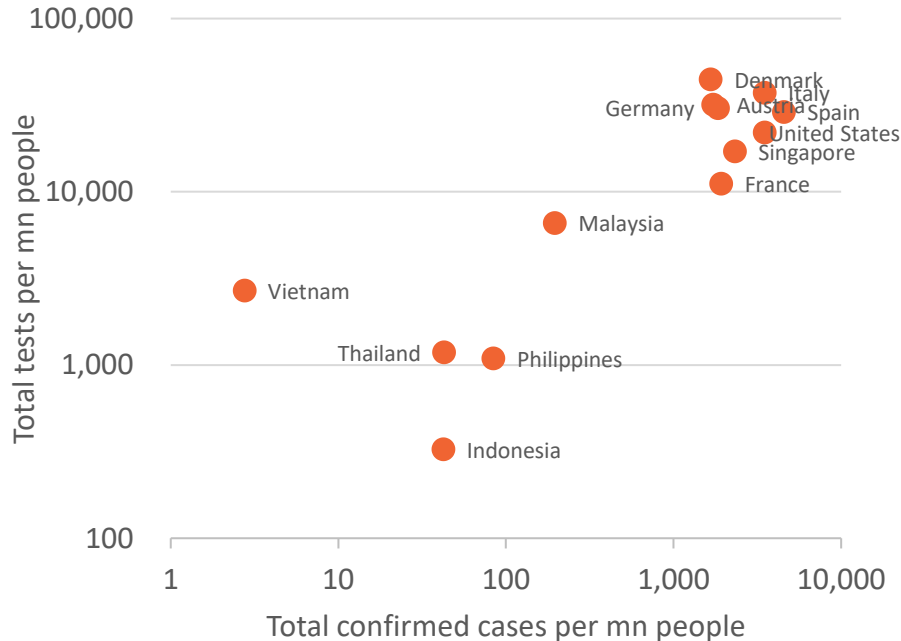
- 🚩 WHO mengkategorikan COVID-19 sebagai pandemic sejak awal Maret. Kasus positif di Eropa dan Amerika Utara (*inc. USA*) mengalami pertumbuhan eksponensial. Namun, kasus hariannya sudah terlihat memuncak sejak awal April.
- 🚩 Di sisi lain, regional *Asia ex-China* dan Amerika Selatan belum memberikan tanda-tanda perlambatan signifikan. Hal ini diduga akibat kapasitas *testing* yang lebih rendah dibandingkan negara-negara di Amerika Utara dan Eropa.

Few Countries Proceed with Gradual Reopening

Those who have conducted enough tests might further ease the lockdown

Test Conducted vs. Confirmed Cases Per mn People

Based on latest reported data per country



Sumber: Our World in Data, Syailendra Research

European & ASEAN Countries Schedule on Easing Lockdown

Lockdown to be lifted by early to mid-May

Country	Easing Start	Reopening of facilities	Lockdown Ends
Austria	14-Apr	Small non-essential shops	
Denmark	15-Apr	Day care & schools, small businesses	
France	11-May	Schools & some businesses	11-May
Germany	20-Apr	Shops of 800m2	4-May
Italy	14-Apr	Shops, forestry & timber	3-May
Malaysia	4-May	Businesses	12-May
Singapore	12-May	Biopharma, petrochemicals and precision manufacturing	1-Jun
Spain	14-Apr	Some shops, manufacturing & construction	10-May
Thailand	4-May	Shop and restaurant	31-May
US	end of Apr	39 states easing lock down for several businesses & activities	Mid-End of May
Vietnam	23-Apr	Businesses & schools	5-May

Sumber: News, Syailendra Research

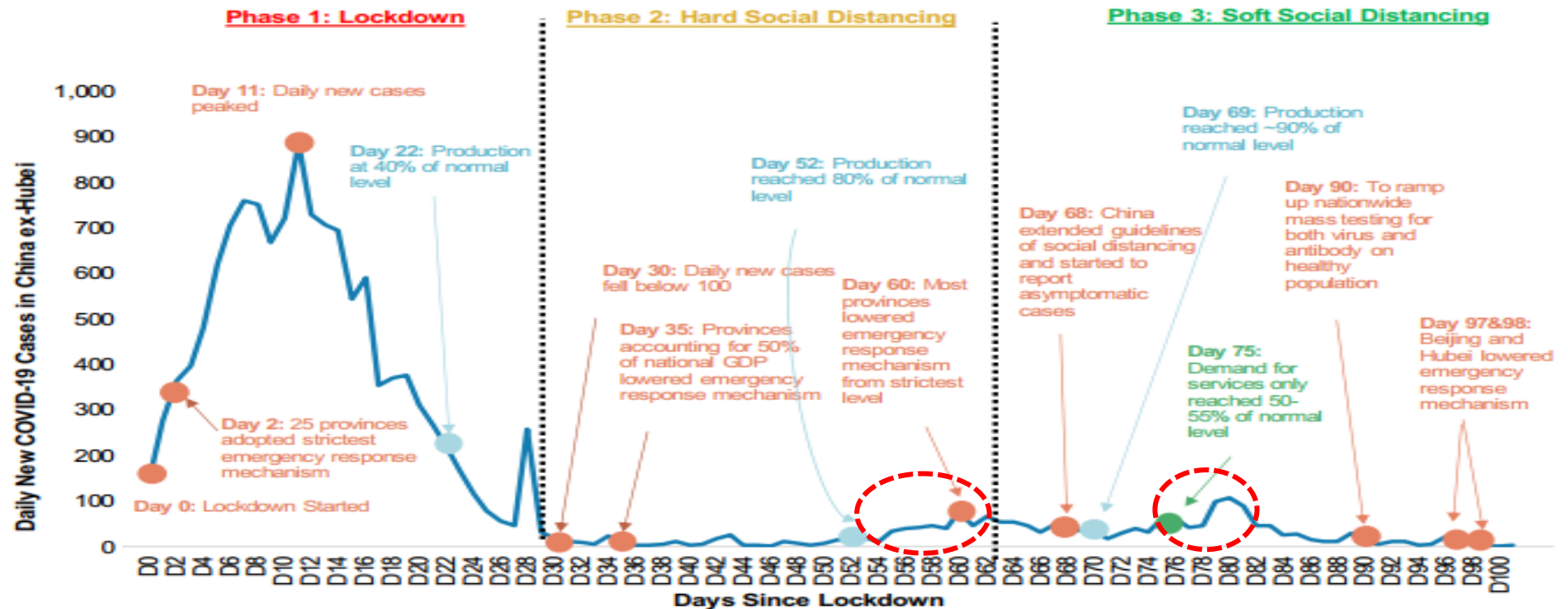
- Beberapa negara telah memberikan *guidance* atas kebijakan relaksasi *physical distancing* yang telah dimulai sejak pertengahan April. Hal ini mempertimbangkan kasus positif harian negara tersebut yang telah menurun dan *testing per capita* yang relatif tinggi.

What Happen to China Post-Lockdown

Slight increase on daily cases but at a much lower level

China Timeline on Eased Social Distancing

Daily new COVID-19 cases in China ex-hubei



Sumber: CEIC, Morgan Stanley Research

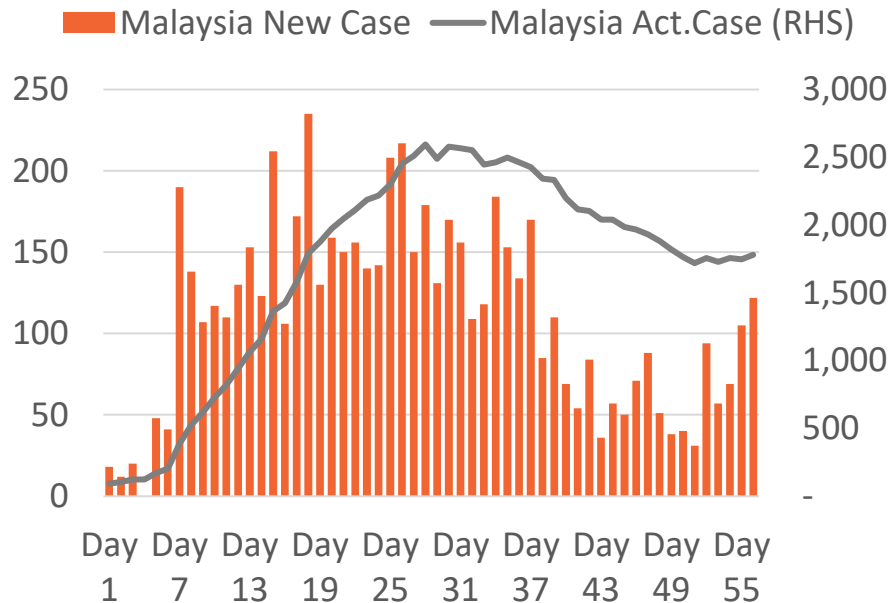
- China merupakan salah satu negara yang perekonomiannya telah kembali ke level yang relatif normal. Namun, Ketika kebijakan *social distancing* di buka secara bertahap, terlihat beberapa peningkatan di kasus positif harian *China ex-Hubei*. Relaksasi *social distancing* perlu diikuti oleh pemantauan yang kuat dari masing-masing pemerintah untuk mencegah penyebaran yang lebih luas.

Thailand and Malaysia: Gradually Opening the Economy

Cases in both countries have been trending down in the past few weeks

Contained Country Profile – Malaysia

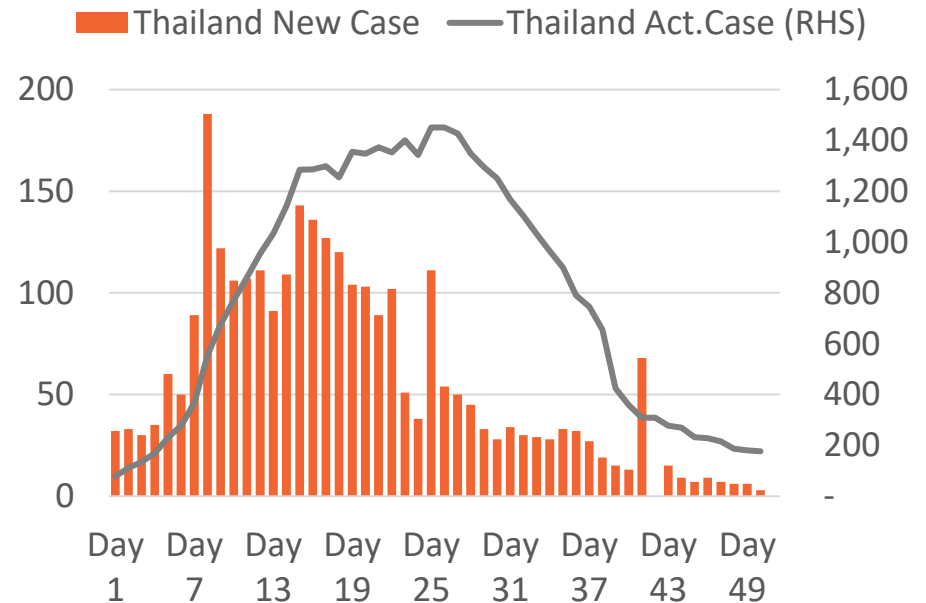
Daily of new cases, since 1st day of 100 conf. cases



Sumber: JHU

Contained Country Profile - Thailand

Daily of new cases, since 1st day of 100 conf. cases



Sumber: JHU

🚧 Berdasarkan *slide* sebelumnya, Malaysia dan Thailand diperkirakan akan membuka perekonomian di 12-Mei dan 31-Mei. Pembukaan ekonomi yang mengikuti tren penurunan kasus COVID-19 selama beberapa minggu sebelumnya, baik kasus yang baru maupun yang aktif, akan menjadi sebuah katalis positif.

🚧 Pembukaan ekonomi secara gradual juga telah dimulai sejak 4-Mei.

Indonesia: Rolling Down Lockdown Easing Plan

Five-phase plan starting from 1st of June

Timeline for Economy Recovery

Gradual reopening in 5 phases

	Phase 1 (1-Jun)	Phase 2 (8-Jun)	Phase 3 (15-Jun)	Phase 4 (6-Jul)	Phase 5 (20 & 27 Jul)
Businesses	<ul style="list-style-type: none"> • B2B industry and services to reopen with social distancing measures, health protocols • Shops, wet markets, and malls aren't allowed to reopen, except for healthcare-related • Healthcare services are allowed to operate fully by taking capacity measures 	<ul style="list-style-type: none"> • Shops, wet markets, and malls to reopen regardless of the sector with stricter measures: employee shift and no crowd inside the store • Services with physical contact (e.g. salon, spa, etc.) are not allowed to reopen 	<ul style="list-style-type: none"> • Shops, wet markets, and malls to continue phase 2 protocol with additional evaluation and health protocol measures for services with physical contact. 	<ul style="list-style-type: none"> • Phase 3 economy activities to continue with additional evaluation of gradual reopening of restaurant, café, bar, gym with strict health protocol 	<ul style="list-style-type: none"> • Phase 4 evaluation with reopening of venues and economic activities involving large scale participants • All economy activities to reopen by end-Jul or early-Aug • Regular evaluation to persist until vaccines are available
Cultural Sites			<ul style="list-style-type: none"> • Museum to reopen, live performance is allowed with no physical contact (online ticket sales) 		
Education			<ul style="list-style-type: none"> • School to reopen with a shift on study hours based on school capacity 		
Daily & Outdoor Activities	<ul style="list-style-type: none"> • Meeting of >2 people in a room, outdoor exercise are not allowed 	<ul style="list-style-type: none"> • Meeting of >2 people in a room, outdoor exercise are not allowed 	<ul style="list-style-type: none"> • Exercise is allowed with protocol • Additional evaluation to reopen the venue for social events of >10 people 	<ul style="list-style-type: none"> • Outdoor activities of >10 people • Domestic travel with limited no. of flights • Pray & Religious activities • Limited massive events 	

Sumber: Kementerian Perekonomian

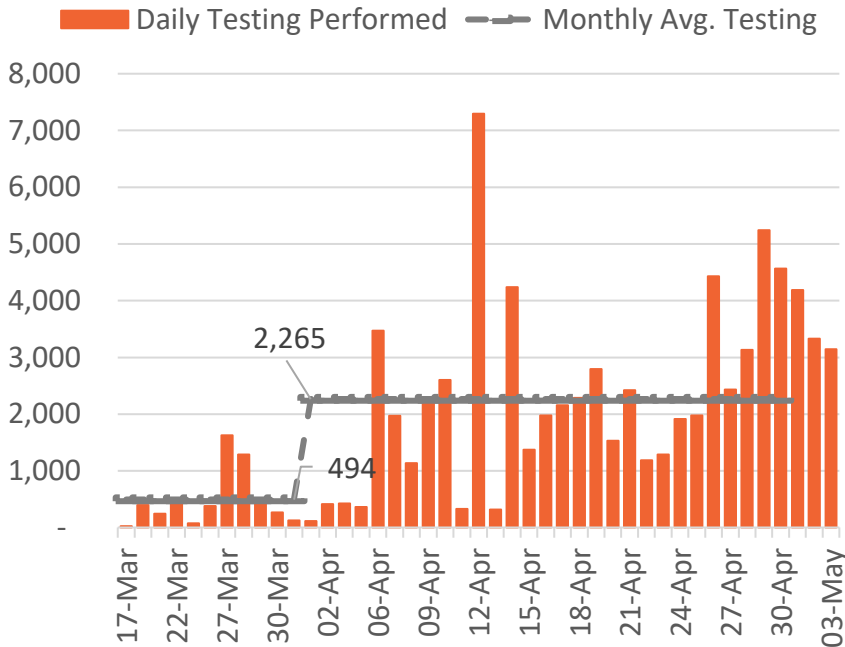
📌 Kementerian Perekonomian mencanangkan *timeline* untuk pemulihan ekonomi yang akan dimulai pada tanggal 1 Juni dan mengespektasikan aktivitas ekonomi terbuka secara signifikan pada akhir Juli.

📌 Aktivitas ekonomi masih mengharuskan aspek-aspek protokol Kesehatan, e.g. masker dan pengukuran suhu.

Indonesia: Relaxing Economy a Month Later

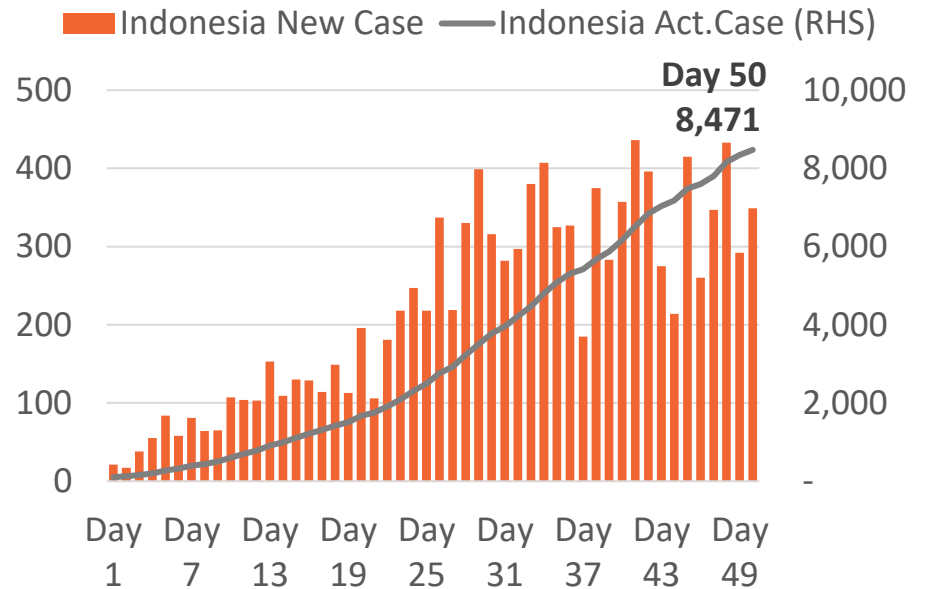
Gov't is going to ramp-up testing capacity while expecting trending down in cases

Daily Testing Performed in Indonesia
In times of COVID-19 testing



Sumber: CLSA

Indonesia Hasn't Shown Any Peaking Pattern Yet
Daily of new cases, since 1st day of 100 confirmed cases



Sumber: JHU

- ▲ Kapasitas *testing* yang meningkat pada bulan April belum memperhitungkan beberapa alat *testing* baru yang telah diimpor pemerintah, yaitu 18 PCR dan 2 TCM sehingga angka kasus belum menunjukkan tren pemuncakan.
- ▲ Membandingkan dengan TH dan MY, *timeline* pembukaan ekonomi Indonesia akan lebih lambat satu bulan dengan mempertimbangkan tren kasus yang belum memuncak akibat dari potensi peningkatan kapasitas *testing* bulan ini.



Section

Macro Update

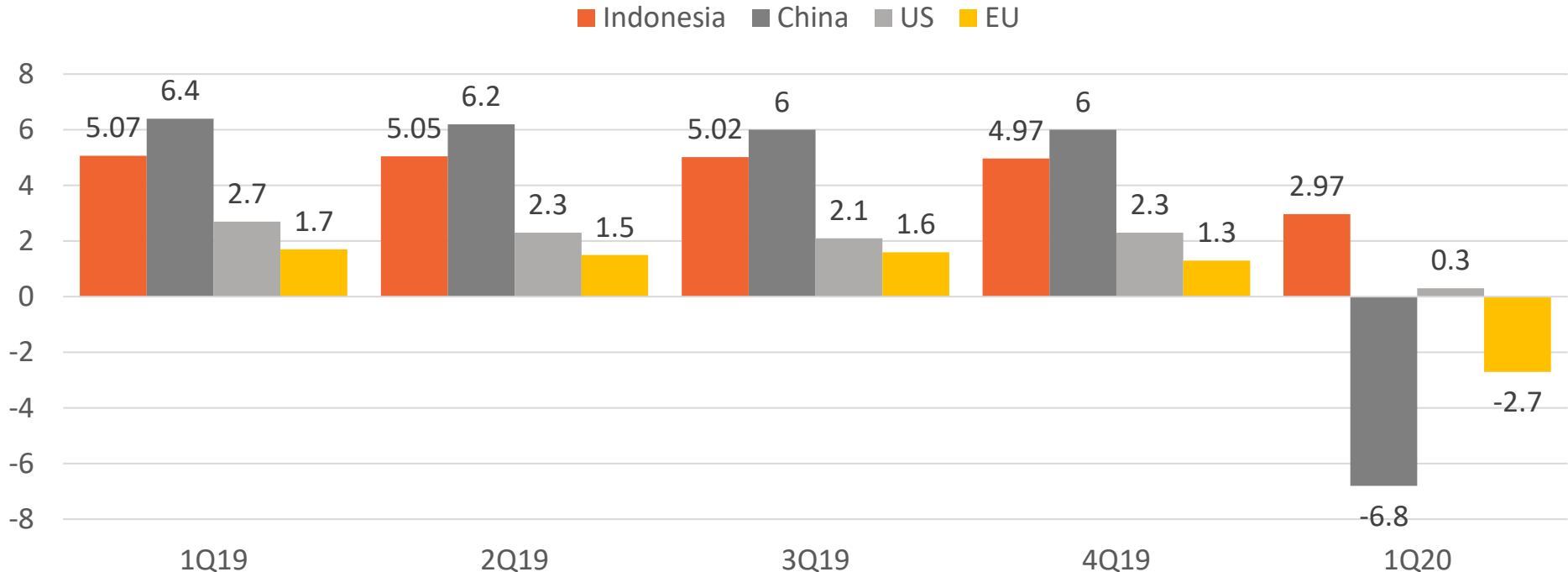
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Shrinking Economies

Global GDP plunged in first quarter

Quarterly GDP, YoY

ID, CN, US, EU GDP YoY



Source: Bloomberg, Syailendra research

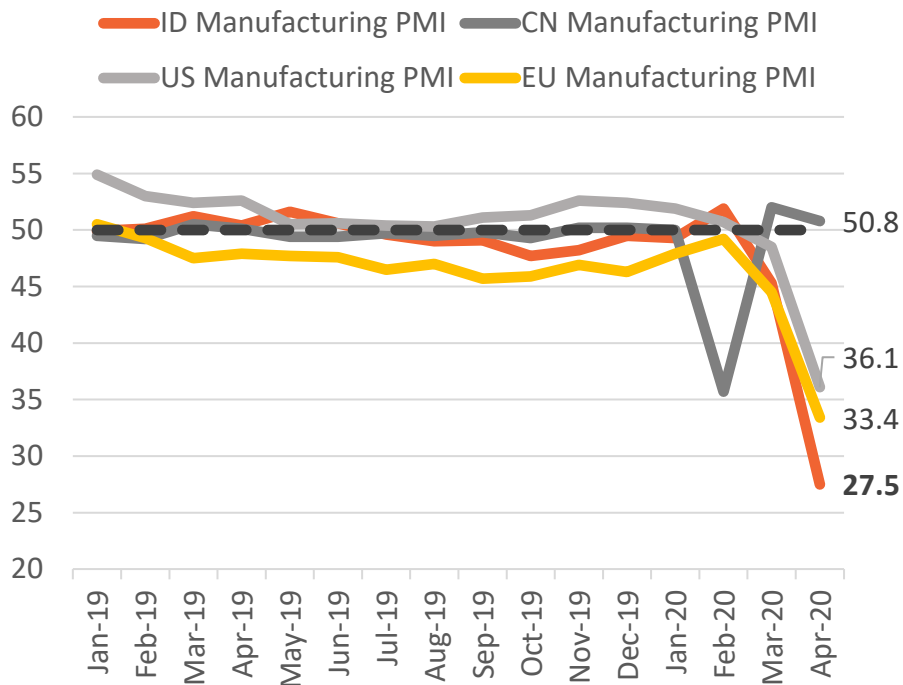
- Indonesia, China, Eropa, dan AS mengalami kontraksi ekonomi di kuartal pertama. Hal ini menggambarkan dampak dari kebijakan masing-masing negara dalam mengatasi wabah COVID-19. Untuk Indonesia, hal ini merupakan salah satu dampak dari kegiatan PSBB yang telah diberlakukan di beberapa wilayah di Indonesia.

Economic Data Weakens

Manufacturing PMI, cement, auto, and retail sales weakened in 1Q20

Manufacturing Collapse

ID, CN, US, EU monthly Manufacturing PMI

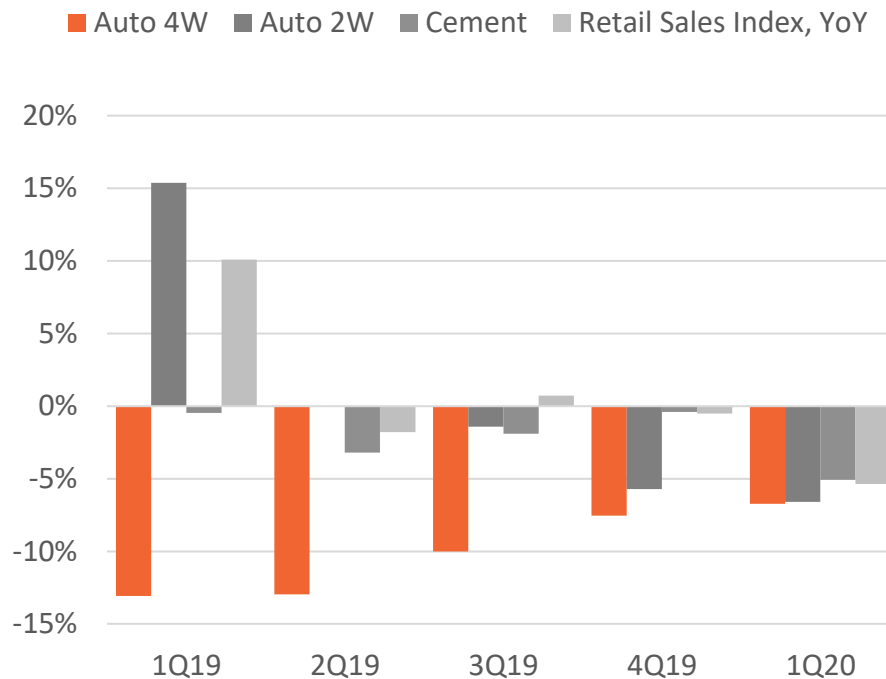


Source: Bloomberg, Syailendra research

- Indonesia, Eropa, dan AS mengalami kontraksi kegiatan manufaktur di bulan April. Di periode yang sama, berbeda dengan negara-negara lain, China justru mengalami ekspansi kegiatan manufaktur.

Consumption Slump

Cement, auto, and retail quarterly sales, YoY



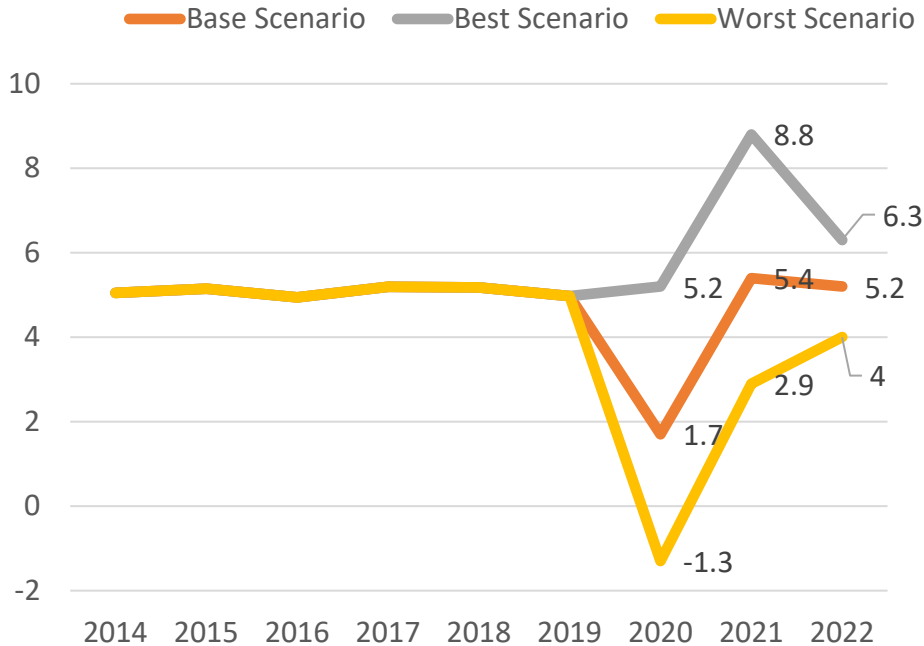
Source: Mansek, Bloomberg, Syailendra research

- Konsumsi masyarakat melemah di kuartal pertama 2020. Hal ini terlihat dari pertumbuhan penjualan mobil, motor, dan semen yang berkontraksi pada periode tersebut. Tren penjualan retail juga kian menurun.

Market Downward Revision for 2020 Growth

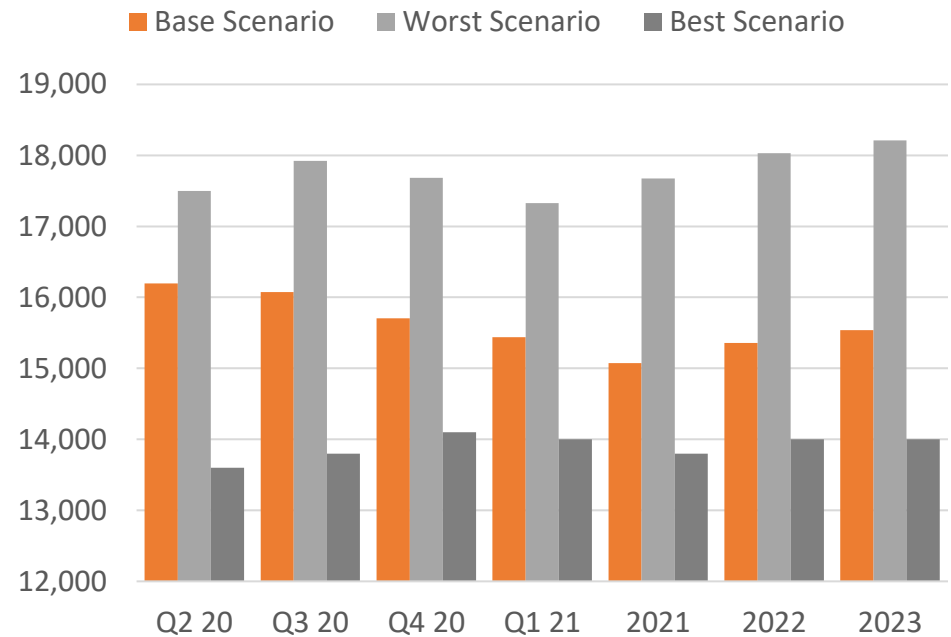
Reacting to latest 1Q20 GDP results

Indonesia GDP Growth Forecast
In %



Sumber: Bloomberg

USDIDR Growth Forecast
In Rupiah



Sumber: Bloomberg

Seiring dengan hasil PDB 1Q20, Konsensus telah merevisi tingkat pertumbuhan Indonesia yang sebelumnya berada 3.1% menjadi 1.7% di tahun 2020. Pada saat yang sama, posisi USDIDR saat ini sudah berada di bawah *Base scenario* konsensus dengan range 13,300 -17,500.



Section

Fixed Income Update

3

Government Auction so Far

Higher bond auction partly absorbed by Bank Indonesia

Estimate Gov't Target Per Issuance

In trn per auction

	Amount	Notes
Deficit	5.07%	
Gross financing	1,439.8	
Bonds	1,289.3	90%
Loan	150.5	10%
Bond issuance		
Global bond	160.0	USD 10bio
Retail	50.0	
Regular auction target	1,079.3	
Total	1,289.3	
Issuance		
Q1 2020	221.6	
Apr-20	154.9	
Balance	702.8	For the rest of the year
Target per issuance		
Conventional	24 - 30	
Sukuk	11 - 15	

Source: Mansek

Auction Realization So Far

Nominal in IDR trn per auction; "B-to-C" denotes "Bid-to-cover" ratio

Date	Issuance	Bid	Awarded	B-to-C
Conventional				
3-Mar-20	Auction	78.4	17.5	4.5
17-Mar-20	Auction	51.3	17.1	3.0
31-Mar-20	Auction	33.5	22.2	1.5
14-Apr-20	Auction	27.7	16.9	1.6
28-Apr-20	Auction	44.4	16.6	2.7
29-Apr-20	GSO	14.0	11.4	1.2
Sharia				
10-Mar-20	Auction	36.7	8.0	4.6
24-Mar-20	Auction	14.6	6.6	2.2
7-Apr-20	Auction	18.0	6.3	2.9
21-Apr-20	Auction	18.8	10.0	1.9
22-Apr-20	GSO	6.3	4.0	1.6
5-May-20	Auction	18.1	5.6	3.3
6-May-20	GSO	2.3	2.3	1.0

Source: DJPPR

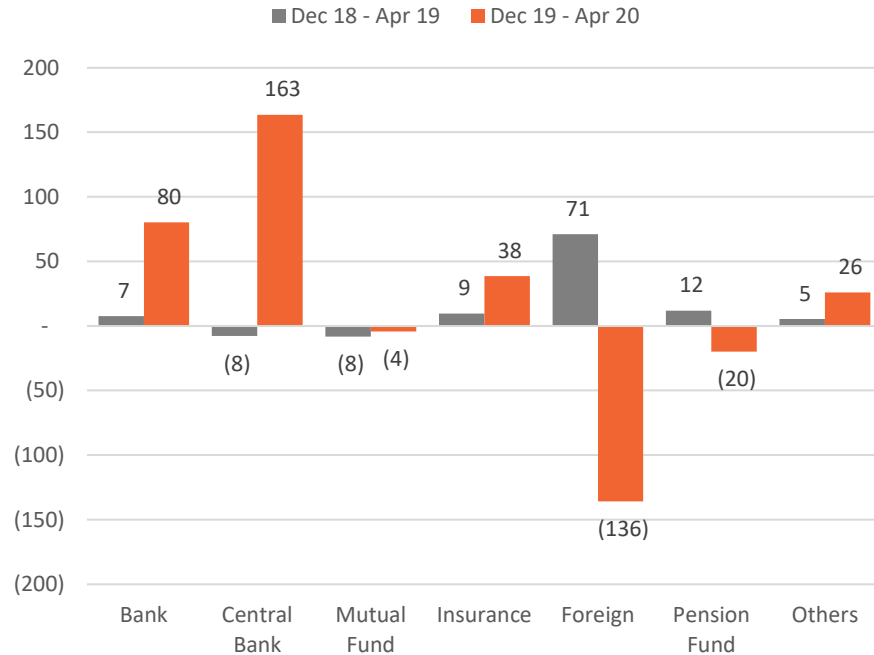
- 🏗 Pemerintah memerlukan penerbitan SUN dan SBSN dari lelang dengan kisaran 24-30bio dan 11-15bio. *Size* lelang meningkat relatif signifikan dibandingkan dengan lelang pada periode-periode sebelumnya.
- 🏗 Berdasarkan realisasi lelang 2 pekan yang lalu, terlihat jumlah lelang yang dimenangkan meningkat. Peningkatan ini sebagian dialokasikan melalui *greenshoe auction* (GSO).

SBN Ownership (1)

BI stabilizes the market along with continuous purchase from foreign investors

Net New Ownership of SUN

Based on ownership change YTD, in IDR tr

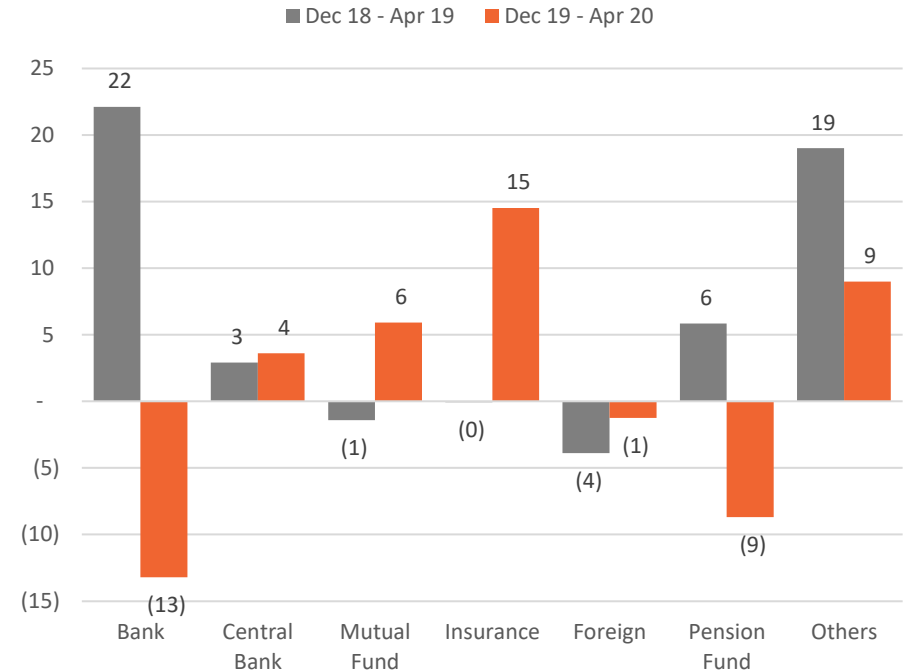


Source: DJPPR, Syailendra research

- Bank sentral masih terlihat meningkatkan akumulasi kepemilikan SUN sampai pada level 163trn . Kepemilikan asing masih mengalami penurunan. Perbankan terlihat kembali melanjutkan pembelian SUN.

Net New Ownership of SBSN

Based on ownership change YTD, in IDR tr



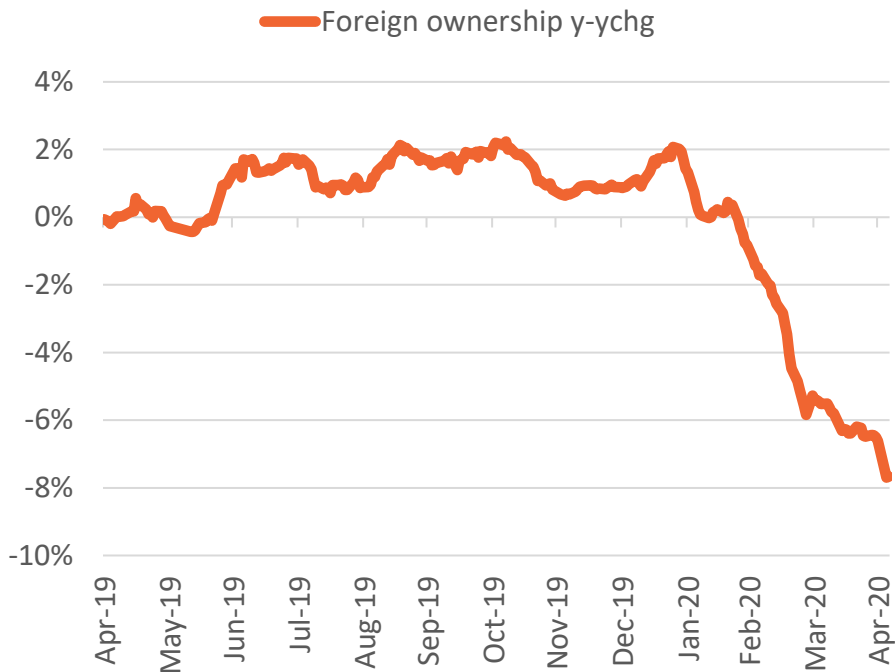
Source: DJPPR

- Permintaan lokal atas SBSN meningkat pada bulan April. Sementara itu, perbankan mengurangi posisi pada SBSN.

SBN Ownership (2)

BI is still showing supports in domestic bond market

Foreign ownership changes
In %



Source: Bloomberg, Syailendra research

- ▲ Kepemilikan asing pada obligasi negara merupakan yang terendah sejak tahun 2015. Adapun kepemilikan asing telah menurun sebanyak 7.7% dalam satu tahun terakhir menjadi 30.6%.

BI ownership changes
In %



Source: Bloomberg, Syailendra research

- ▲ Hal ini masih sejalan dengan peningkatan kepemilikan BI pada obligasi negara yang mencatatkan perubahan +6.1% dalam satu tahun terakhir menjadi 14.6%

Government Bond Outlook

Balanced upside-downside risk

Expectation Related to Indonesia Bonds

In points of argument

Arguments for (or against) Fixed Income Markets

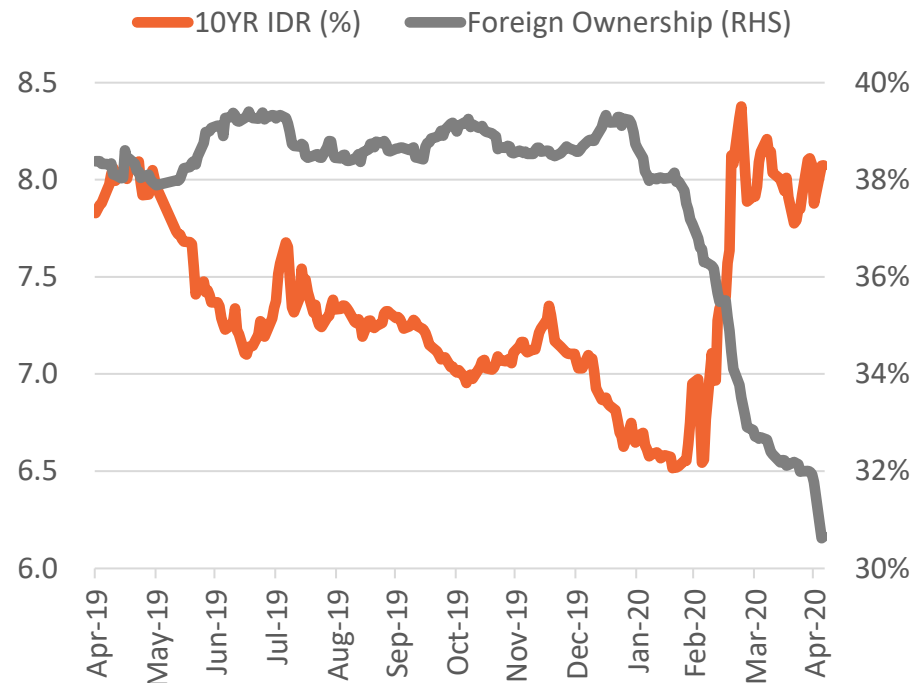
Ekonomi global akan melambat akibat COVID-19. Stimulus yang dicanangkan oleh negara-negara menentukan kembalinya pertumbuhan ekonomi.

Arus keluar investor asing cukup signifikan. Namun, intervensi BI akan membantu menjaga kestabilan imbal hasil obligasi.

Pasar masih mencoba mengestimasi dampak kenaikan defisit anggaran menjadi 5% selama beberapa tahun ke depan terhadap level imbal hasil obligasi pemerintah dalam jangka waktu menengah.

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

Yield level still has room for downside



Source: Bloomberg, Syailendra research

- ⚠ Dengan menggunakan asumsi *fair level* Rupiah di IDR14,800 – 15,400 dan *deficit-to-GDP* di 5.1%, kami memperkirakan *fair level* imbal hasil obligasi pemerintah 10 tahun di 7.7 – 8.3%
- ⚠ Volatilitas pasar obligasi akan tetap tinggi dalam beberapa bulan ke depan. Namun, imbal hasil tenor 10 tahun sudah cukup *fairly valued*. Kami merekomendasikan durasi netral untuk portofolio obligasi.



Section

Equity Update

4

Global Equity Markets Rebounded in April

Most major indexes recorded positive performance last month

Global Indices Historical Performance as of April 30th

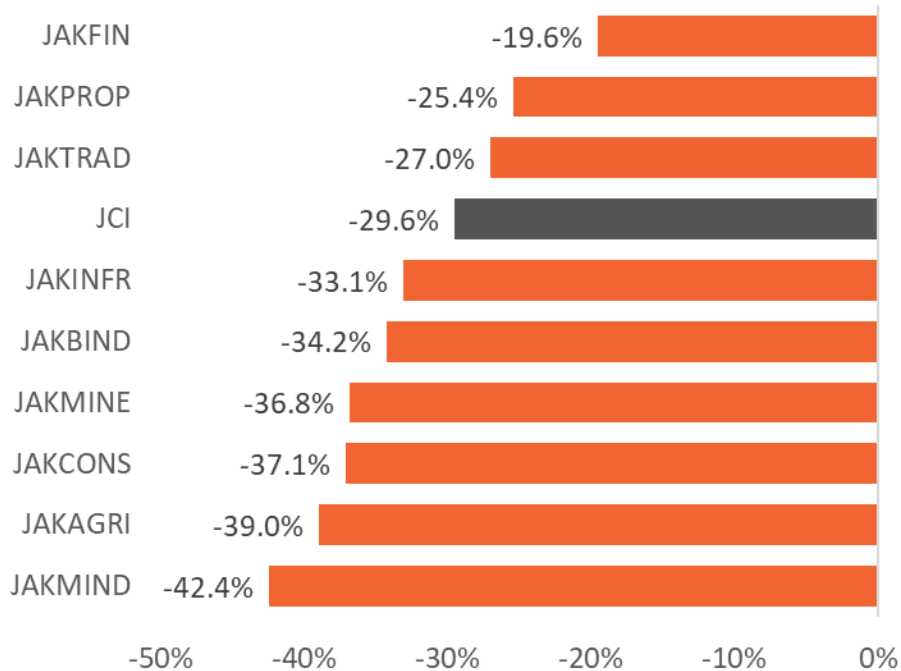
Equities recovered some losses in the month of April

No	Country	YTD	1M	3M	6M	1Y
Global Market						
1	Dow Jones (US)	-14.46%	11.08%	-13.84%	-9.98%	-8.45%
2	S&P 500 (US)	-9.59%	12.68%	-9.71%	-4.12%	-1.13%
3	London (UK)	-13.56%	10.48%	-14.65%	-10.33%	-10.86%
4	DAX (GR)	-18.02%	9.32%	-16.33%	-15.58%	-12.01%
5	CAC (FP)	-23.57%	4.00%	-21.26%	-20.20%	-18.16%
Asia Market						
1	Nikkei (JP)	-14.64%	6.75%	-12.98%	-11.92%	-9.28%
2	Hang Seng (HK)	-12.98%	6.34%	-6.83%	-8.41%	-17.02%
3	Shanghai (CN)	-5.92%	3.99%	-3.91%	-2.35%	-7.09%
4	Shenzhen (CN)	-4.14%	6.14%	-2.28%	0.66%	-0.02%
5	NFT (IN)	-19.55%	14.68%	-17.57%	-16.99%	-16.07%
6	Kospi (KR)	-11.38%	13.42%	-9.33%	-6.52%	-11.62%
ASEAN Market						
1	Singapore (SG)	-18.56%	5.76%	-16.79%	-18.75%	-22.82%
2	Kuala Lumpur (MK)	-12.87%	4.21%	-8.05%	-11.90%	-14.28%
3	Thailand (TH)	-17.61%	15.61%	-14.03%	-18.72%	-22.22%
4	Vietnam (VN)	-20.30%	16.13%	-19.85%	-23.00%	-21.49%
Indonesia Market						
1	JCI / IHSG (ID)	-25.13%	3.91%	-20.60%	-24.27%	-26.94%
2	JII / ISSI (ID)	-22.83%	8.12%	-16.33%	-23.55%	-23.12%
3	IDX30 (ID)	-29.26%	2.29%	-25.65%	-27.02%	-30.21%
4	LQ45 (ID)	-29.65%	3.26%	-25.82%	-27.54%	-29.99%

Equity Rebound Led by Selected Sectors

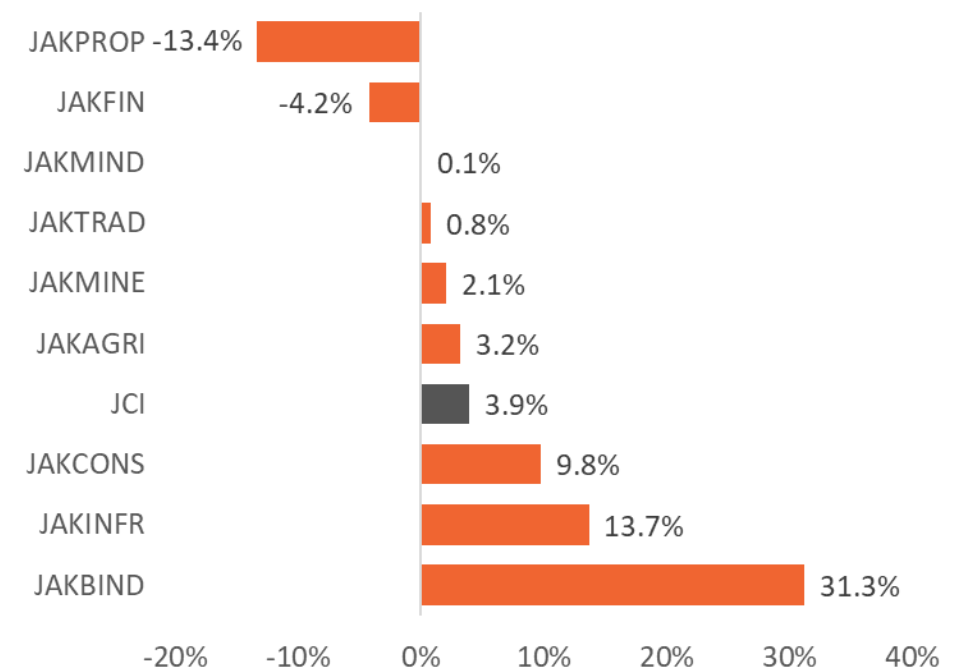
Some sectors performance diverged during April rebound

JCI Performance By Sector
In March 2020



Source: Bloomberg

JCI Performance By Sector
In April 2020



Source: Bloomberg

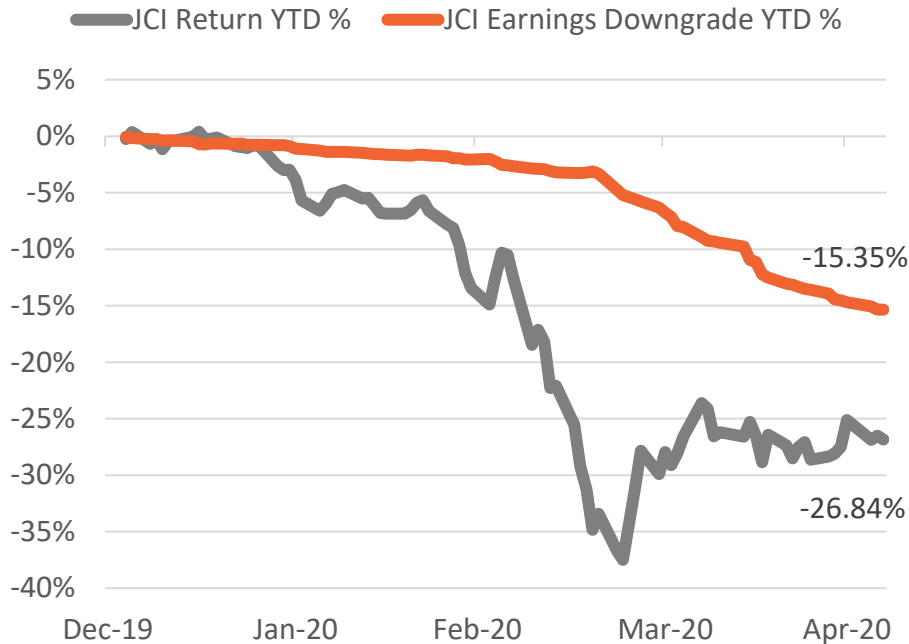
- Di bulan April, IHSI mencatatkan kenaikan sebesar 3.9%.
- Sektor Basic Industry, Consumer, dan Infrastruktur mengalami kenaikan terbesar. Sementara, sektor Property dan Finance masih mencatatkan penurunan pada bulan April.

Earnings Expectation Rationalizing

JCI 2020 earnings consensus is downgraded gradually

Earnings Downgrade Converging with Index Return

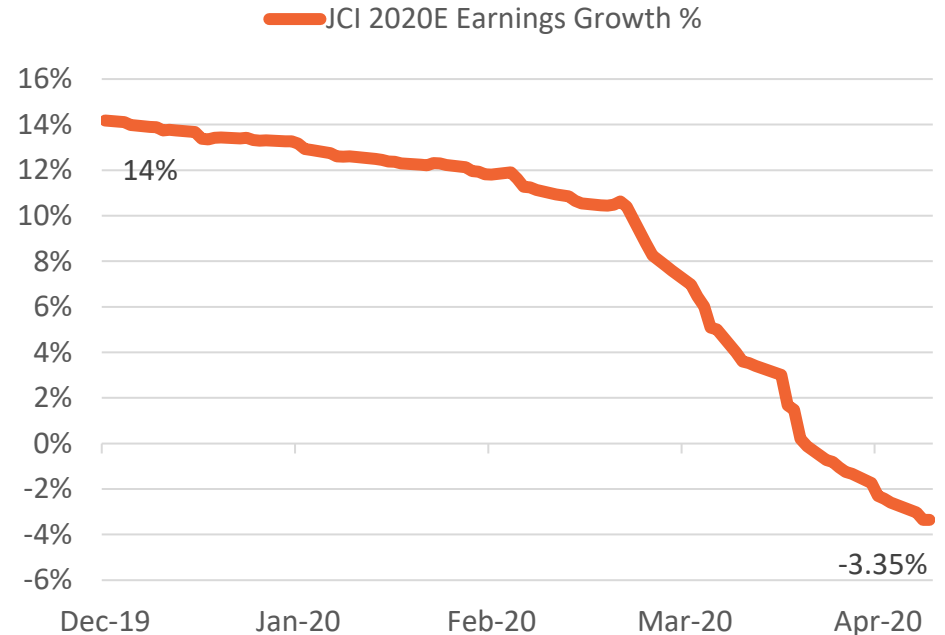
JCI return vs JCI earnings downgrade YTD %



Source: Bloomberg, as of April 6th

FY20E Earnings Growth Turned Negative in April

JCI FY20E earnings growth in % YoY



Source: Bloomberg, as of April 6th

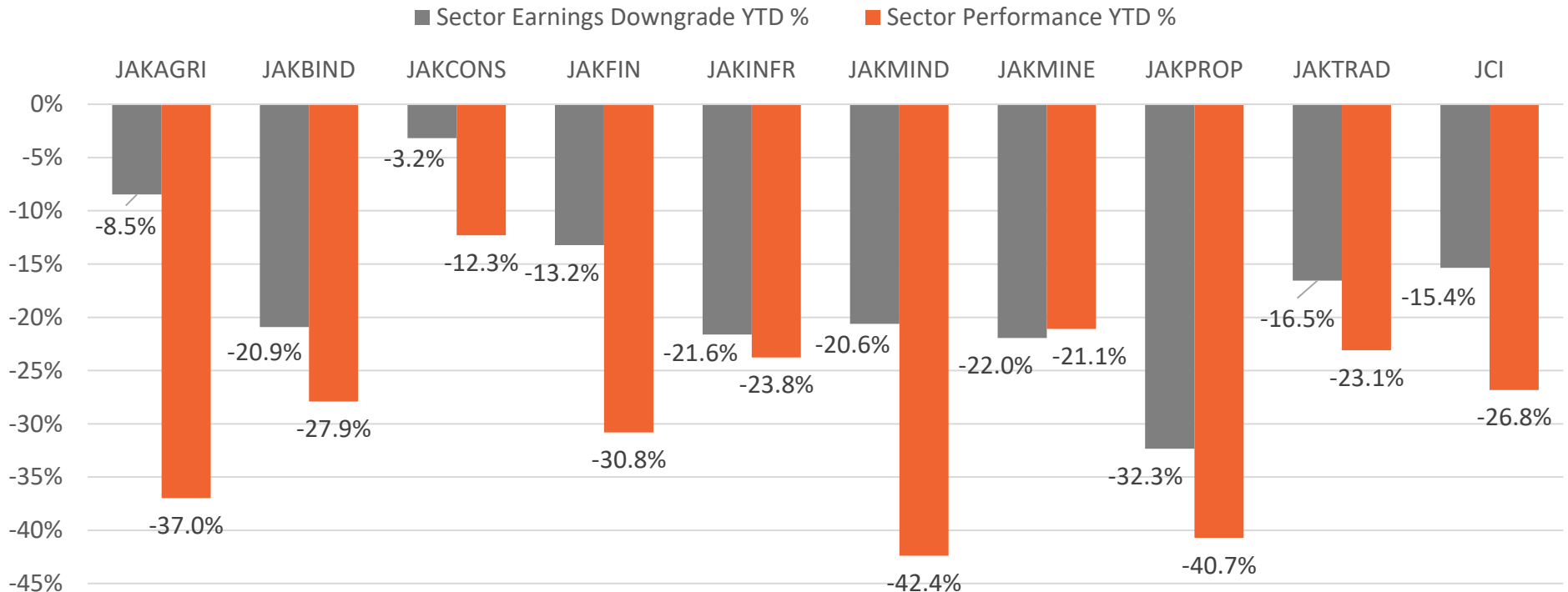
- ⚠️ Penurunan ekspektasi pasar atas pertumbuhan laba FY20 IHSB terjadi secara bertahap. Konsensus pasar mencoba memperkirakan seberapa besar sebenarnya dampak penyebaran virus COVID-19 terhadap pertumbuhan laba FY20.
- ⚠️ Ekspektasi pertumbuhan laba IHSB FY20 bergerak dari 14% YoY pada awal tahun menjadi -3.35% YoY saat ini, setelah berubah negatif pada bulan April.

Defensive Sectors Performed Better YTD

Select sectors outperformance followed by analogous earnings downgrade

Comparing JCI Sectors Performance and Consequent Earnings Downgrade

In x of P/E, P/B



Source: Syailendra research, Bloomberg

- ▲ Sektor JAKCONS adalah top performer IHSG secara YTD. Kinerja sektor JAKINFR, JAKMINE, dan JAKTRAD juga cenderung lebih baik dibanding sektor lainnya.
- ▲ Sektor-sektor tersebut didominasi oleh perusahaan-perusahaan dengan kinerja yang diekspektasi lebih sedikit terdampak oleh penyebaran virus COVID-19 dibanding sektor lainnya.

JCI Valuation Is Undemanding

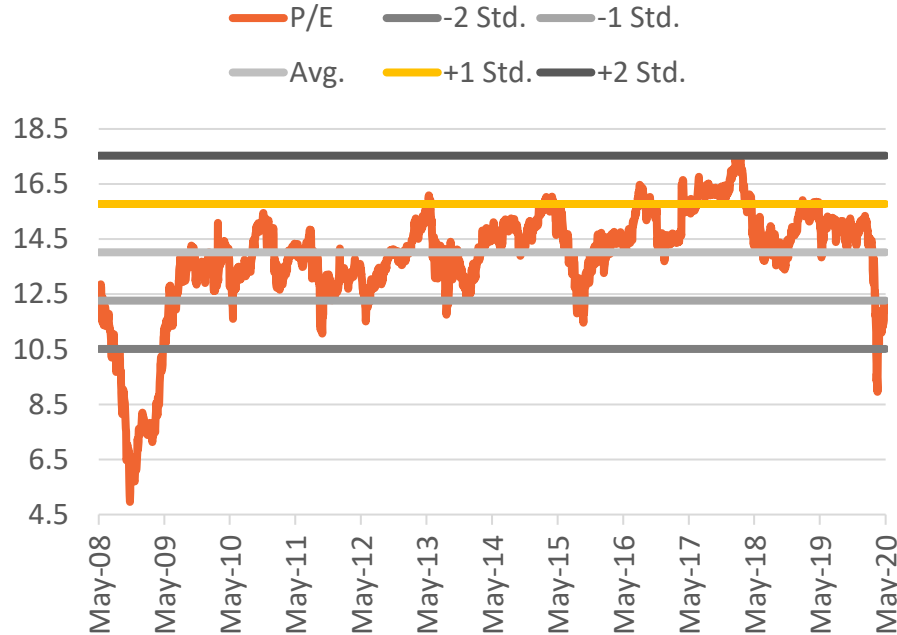
Indonesia's index valuation is attractive compared to other countries'

Indices	P/E		EPS Growth		P/B		Dividend Yield		ROE	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
South East Asia	14.41	12.47	-12.6%	15.6%	1.28	1.21	3.42	3.62	9.82	10.66
Indonesia	12.48	10.98	-3.6%	13.7%	1.55	1.45	2.94	3.12	15.59	16.46
Malaysia	16.04	14.46	-10.2%	10.9%	1.30	1.25	3.86	4.10	8.33	8.84
Phillipines	13.38	11.37	-9.1%	17.7%	1.31	1.18	2.24	2.28	9.86	10.98
Singapore	12.97	11.31	-18.3%	14.7%	0.86	0.83	4.85	5.08	8.05	8.98
Thailand	17.20	14.23	-21.6%	20.8%	1.39	1.33	3.20	3.51	7.26	8.04
Vietnam	12.65	10.27	5.8%	23.1%	1.91	1.69	2.13	2.44	16.72	17.40
Asia										
Hong Kong	10.95	9.50	-12.9%	15.2%	0.96	0.90	3.63	4.30	10.67	10.52
India	16.67	13.22	1.4%	26.1%	2.15	1.93	1.90	2.20	13.20	14.82
Korea	13.26	9.48	4.5%	39.9%	0.79	0.75	2.33	2.60	5.19	12.07
Taiwan	16.30	14.59	2.1%	11.7%	1.70	1.64	3.79	4.19	12.63	13.37
Japan	16.42	14.17	-6.7%	15.9%	1.40	1.32	2.30	2.49	7.97	8.71
Europe										
Germany	17.48	12.00	-28.1%	45.7%	1.26	1.20	3.38	3.80	6.52	9.22
France	18.42	13.43	-33.5%	37.1%	1.28	1.21	3.54	4.04	6.14	8.14
Spain	17.65	11.16	-47.7%	58.1%	0.94	0.90	4.20	5.42	4.90	5.96
Italy	16.50	11.25	-46.1%	46.7%	0.85	0.82	4.62	5.20	5.52	6.93
Latin America										
Mexico	17.38	11.46	-23.7%	51.7%	1.01	0.97	3.27	4.05	13.60	20.41
Argentina	8.93	5.37	-56.3%	66.3%	0.48	0.49	2.88	3.66	6.52	14.40
Brazil	14.86	10.31	-26.4%	44.2%	1.32	1.24	3.87	4.86	8.28	11.92
Colombia	13.86	8.24	-35.0%	68.2%	0.84	0.79	4.91	10.12	9.64	13.44
North America										
Canada	20.14	14.45	-30.7%	39.4%	1.48	1.46	3.59	3.77	8.03	9.74
United States	22.29	17.44	-22.0%	27.8%	3.07	2.87	2.12	2.22	14.77	17.77

Equity Valuation

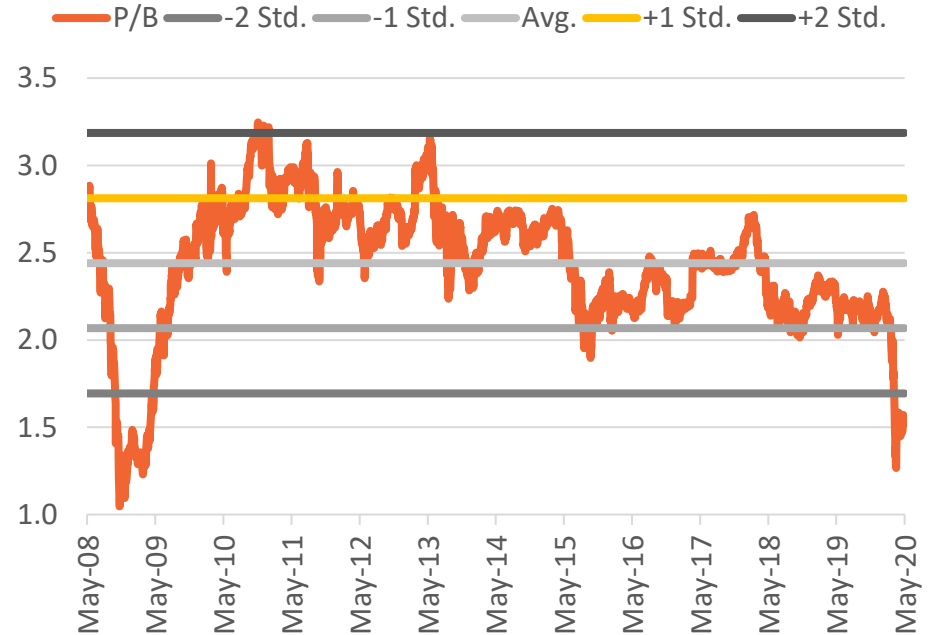
Attractive valuation, slight valuation rebound on Apr-20

JCI T12M Price to Earnings
In times of P/E



Source: Bloomberg

JCI Price to Book
In times of P/B



Source: Bloomberg

- 📌 Valuasi JCI dari segi P/E telah berada pada posisi di bawah *-2 std. deviation* P/E dan P/B Band sejak 2008 (*Post GFC*)
- 📌 Dibandingkan dengan negara lain seperti Malaysia, Filipina, Taiwan dan India, Indonesia masih berada pada valuasi yang menarik.

Net Equity Flows

JCI performance affected by net foreign outflows YTD 2020

In USD mn	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China
May-19	1,423	-514	-2,548	-270	-3,726	114	-489	-6,011
Jun-19	149	99	287	-139	1,091	1,505	33	3,025
Jul-19	-1,934	-20	1,620	81	-616	653	-20	-237
Aug-19	-2,199	-651	-2,142	-226	-2,785	-1,762	-620	-10,386
Sep-19	955	-519	-872	-143	2,532	-381	-133	1,437
Oct-19	2,062	-269	-208	73	4,094	-258	-116	5,379
Nov-19	3,150	-493	-3,025	-259	1,961	-254	-370	710
Dec-19	862	571	1,024	-173	1,058	-811	-292	2,239
Jan-20	1,373	1	-165	-164	-1,143	-562	-33	-693
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

Yearly								
YTD	-6,634	-1,273	-17,673	-971	-17,060	-5,079	-2,403	-51,092
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	5,232	-796	2,456	21,309
2016	2,903	1,259	10,480	83	10,956	2,240	-628	27,294

Equity Strategy

Expecting positive improvement ahead

Arguments for Equity Market

Penurunan pasar yang cukup dalam akibat kekhawatiran investor terhadap dampak COVID-19 menyebabkan valuasi saham menjadi menarik dengan mempertimbangkan pertumbuhan jangka menengah.

Penurunan bersifat sementara, karena tidak adanya perubahan secara fundamental terhadap perekonomian Indonesia secara jangka panjang.

Kebijakan pemerintah dalam pemberian stimulus dapat membantu perekonomian dalam waktu dekat. Di saat yang bersamaan, pemerintah tetap berencana untuk memunculkan reformasi guna menarik investasi asing, e.g. *omnibus tax law, labor reform*.

Posisi investor asing yang relatif minim dalam 3 tahun terakhir dan valuasi yang sangat atraktif berpotensi mengundang investor untuk kembali berinvestasi pada pasar saham Indonesia.

Arguments Against Equity Market – and Why We Think They Are In the Price

Pertumbuhan ekonomi dunia dan domestik post-COVID-19 akan negatif namun pasar masih belum bisa memastikan besarnya. Risiko penyebaran COVID-19 yang berkepanjangan dapat mengakibatkan dampak ekonomi yang lebih besar dari ekspektasi pasar.

Pemerintah mempunyai andil besar di tahun 2020 baik dari kebijakan stimulus ekonomi dan rencana reformasi pemerintahan. Adapun *trade-off* yang dilakukan mengakibatkan tingkat hutang Indonesia meningkat. Hal ini dapat menjadi *overhang* setelah beberapa periode ke depan, i.e. *crowding-out* sistem perbankan, meningkatnya instrumen cukai/pajak, dll. Sehingga, *recovery* beberapa sektor dapat menurun lebih dalam dari ekspektasi pasar.

- 📌 Kami melihat baik di level global ataupun domestik terdapat perbaikan dari sisi sentimen investor terhadap ketidakpastian dan *recovery* laba atas beberapa sektor. Hal ini selayaknya dapat memberikan *support* bagi IHSG.
- 📌 Kami mengasumsikan pertumbuhan laba 2020F dikisaran : 0%-3% dengan P/E di kisaran 13-15x. Target JCI 2020F berkisar pada 5,200 – 5,800

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