

# Monthly Bulletin

Februari 2021

## What's Inside



### Calendar

- US CPI YoY (11-Feb)
- ID Trade Balance (15-Feb)
- CH PMI (28-Feb)



### Global Event

Berita terkait mutasi dari virus *covid-19* dari *South Africa* meningkatkan kehati-hatian investor global. Di saat bersamaan negara-negara telah melakukan program vaksinasi selama Jan 2021.



### Indonesia

Indonesia telah mencatatkan pertumbuhan PDB 4Q20 sebesar -2.19% dibandingkan dengan ekspektasi konsensus sekitar -2.30%. Sektor secara qoq tidak mengalami perubahan signifikan hal ini mengingat protokol kesehatan masih berlaku sepanjang 4Q20



### Equity Market

Kinerja IHSG ditutup sebesar -2.0% YTD atau -1.95% MoM (*cutoff date*: 29-Jan-2021). Top 3 *Leaders* 1) EMTK, 2) ARTO, 3) DCII dan Top 3 *Laggards* 1) TLKM, 2) BRPT, 3) HMSP. Investor asing melakukan *net sell* sebesar 775mio USD di Jan 2021.



### Fixed Income Market

Imbal hasil 10 tahun obligasi Indonesia ditutup di level 6.2% pada akhir Jan 2021. Kepemilikan investor asing masih berada di level relatif sama dibandingkan tahun 2020 yaitu 26%. Pembelian terbesar masih berasal dari perbankan dan bank indonesia. Investor asing mencatatkan pembelian bersih sebesar 11trn di bulan Jan 2021



# Section

## Syailendra Perspective

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# How We Based Our Expectation for 2021 (1)

## Liquidity driven, potential lower risk premium while earnings to gradually recover

Mempertimbangkan hal-hal yang terjadi sampai dengan akhir 2020. Kami mempertimbangkan beberapa faktor dalam penentuan ekpektasi indeks dan indikator makro lainnya.

- ⚠ Kami mengekspektasi pertumbuhan laba tahun ini untuk indeks (SC equity universe) berkisar -30 sd -35% YoY. Di saat yang bersamaan kami memprediksi laba 2021 berkisar 30% YoY dengan kontribusi terbesar berada di 2Q20 & 3Q20 akibat *lowbase effect*.
- ⚠ Normalisasi aktivitas ekonomi akan beberapa saat di 2H20 setelah distribusi vaksin secara *gradual*. Sehingga, *quarterly earnings* berangsur normal di 2H20.
- ⚠ Mempertimbangkan kondisi indeks saat ini, *risk tolerance* investor meningkat terlihat dari P/E 12M *Blended Forward* sudah berada sedikit di atas rata-rata (17.6x vs +2 Std Deviation 2008-2020 : 17.6x). Sebagian ini merupakan bagian dari investor memposisikan *ahead of curve* :
  - Tingginya likuiditas di pasar global bersamaan dengan perpindahan alokasi aset yang menghasilkan pertumbuhan berpotensi memberikan *foreign inflow* di 2021.
  - *Risk premium CDS* Indonesia sudah mencapai *range level* terendah saat Indonesia mendapatkan *investment grade* rating dari *S&P* dan *Moody's*. Sehingga, *foreign inflow* berpotensi kembali ke Indonesia.
  - Distribusi vaksin oleh pemerintah akan meningkatkan kepercayaan konsumen untuk berpartisipasi dalam aktivitas ekonomi.
  - Meningkatnya kepercayaan konsumen di saat PMI melebihi level 50 mendukung *recovery* ekonomi Indonesia
- ⚠ Adapun data-data makro lainnya kami melihat konsensus sebagian sudah mencerminkan pertumbuhan gradual GDP berkisar 5.2-5.4 dengan IDR berada di level yang sama 14,100-14,200.

# How We Based Our Expectation for 2021 (2)

Liquidity driven, potential lower risk premium while earnings gradually recover

## Syailendra Target Indicator in 2021

Based on each scenario

Indikator*	Bear	Base	Bull
<b>Makro Ekonomi</b>			
Central Bank Rates Indonesia	4.25	3.75	3.50
USDIDR	15,000	14,000	13,500
GDP Growth YoY	4.80	5.40	6.00
Current Account (% of GDP)	-2.70	-2.40	-2.10
Inflation YoY	4.00	3.20	2.60
Fiscal Deficit (% of GDP)	-6.00	-5.00	-4.00
<b>Fixed Income</b>			
Yield SBN 10 tahun	7.00	6.25	5.75
<b>Equity</b>			
IHSG	6,000	6,600	6,900
Pertumbuhan Laba Emiten (%) (2021)	30.0%	30.0%	36.0%
PE Ratio (2021)	16.33	17.60	18.00
PE Band	Mean	+0.75 Mean	+1 Mean

Source: Syailendra Research

⚠ Tabel di atas didasarkan terkait pada hal-hal yang telah kami uraikan pada halaman sebelumnya

# Section COVID-19 Updates

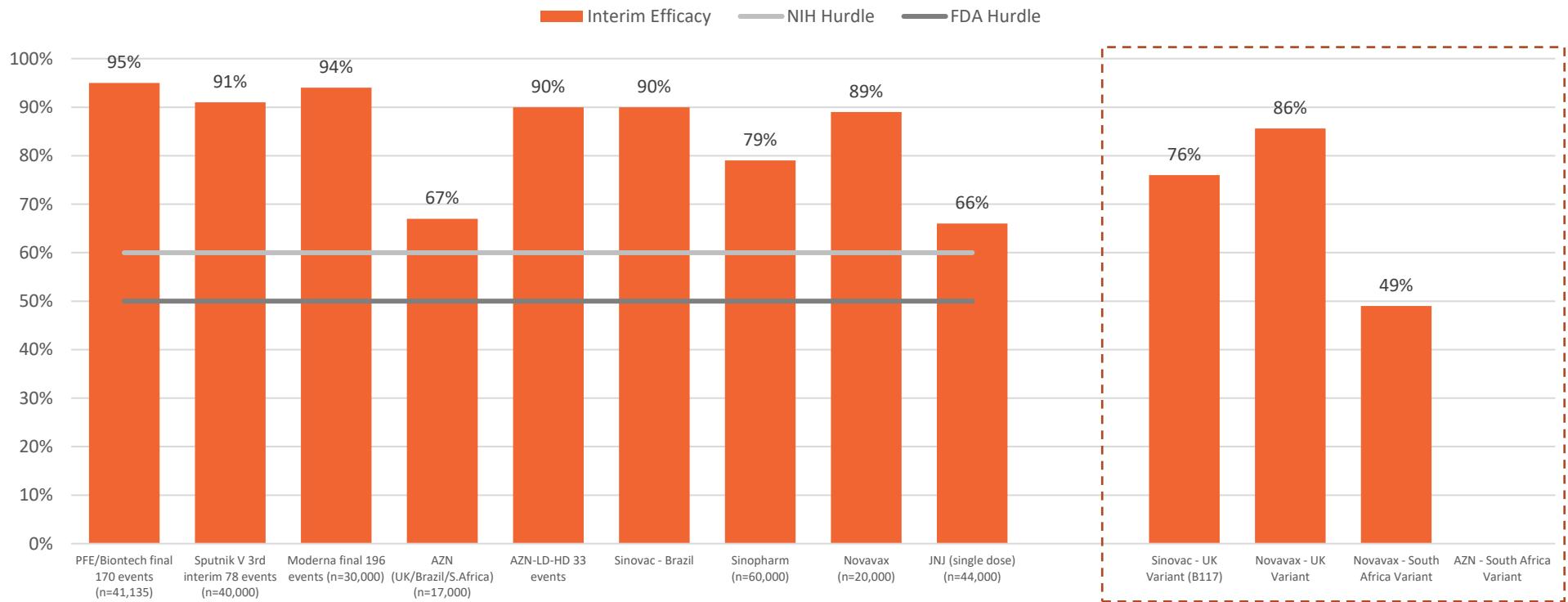
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# Updates with Vaccine Development

Some vaccine had been early test with new variants

## Latest Known Efficacy Results from Known Vaccine Supplier

Based on latest public information



Source: Credit Suisse, Trimegha, Various News

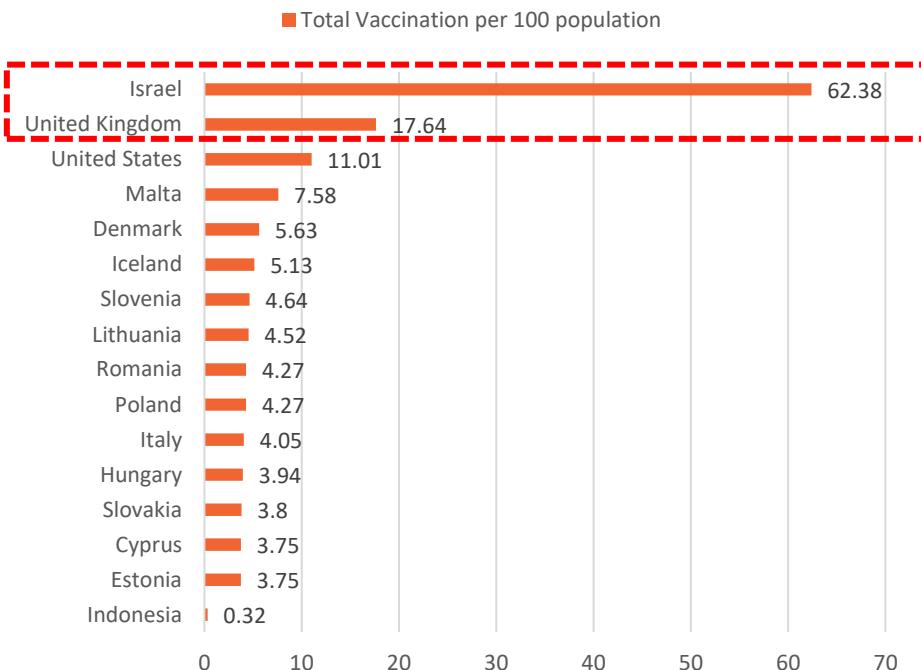
- ⚠ Berdasarkan perkembangan terakhir, Mayoritas dari supplier vaksin memiliki *efficacy* diatas tuntutan WHO and FDA. Namun, apabila kita melihat dari perkembangan *testing* atas *new variant* terdapat beberapa *new strain* yang membuat pasar keuangan sedikit volatil khususnya *South Africa strain* dimana pemerintahan SA menahan penggunaan vaksin AZN sementara.

# State of Vaccine Deployment Worldwide

Some countries had achieved significant coverage of population

## Top 15 Country Based on Vaccination Coverage and Indonesia

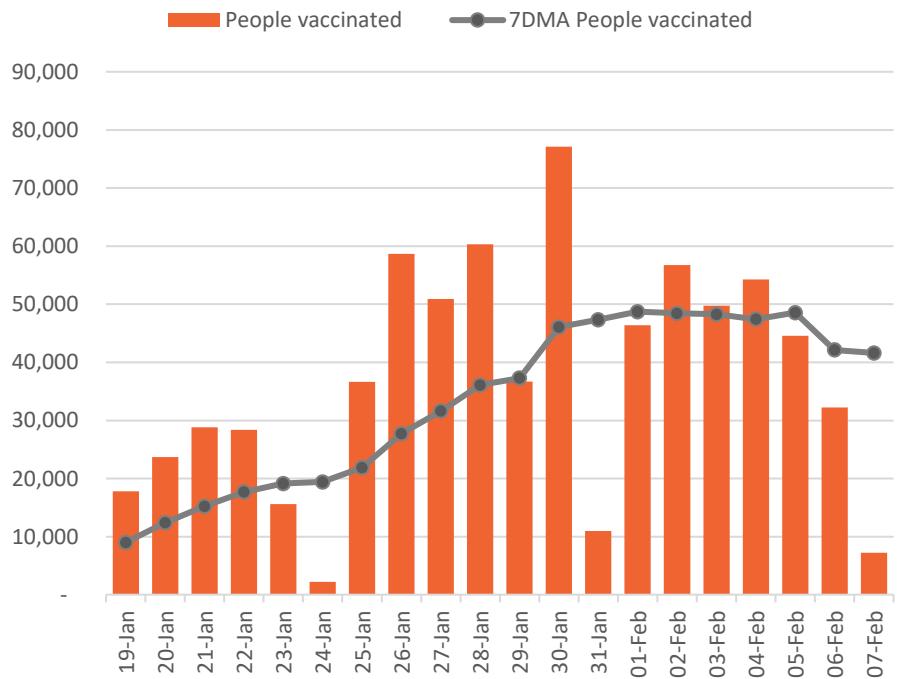
Total Vaccination per 100 population (5-Feb-2021)



Source: Our world in data

## Indonesia Daily Vaccination

Based on first dose vaccination, 7DMA



Source: CLSA, Syailendra Research

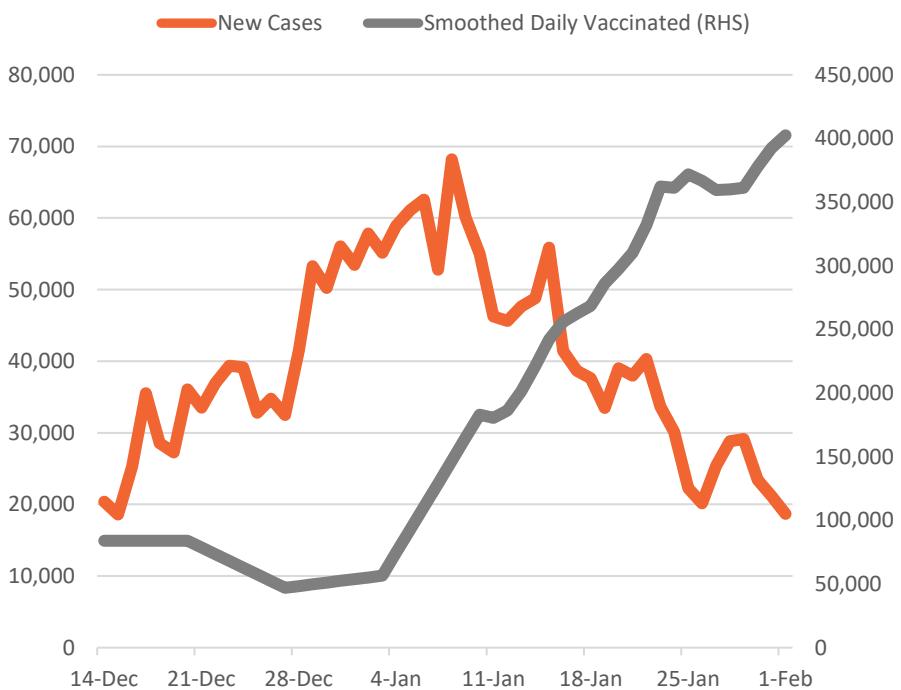
- ⚠ Seluruh dunia telah melakukan distribusi vaksin covid-19. Israel merupakan salah satu negara tercepat dalam 1 bulan kebelakang dimana 62.38 dari 100 populasi telah diberikan vaksin.
- ⚠ Distribusi vaksin Indonesia perlahan meningkat dengan rata-rata terakhir mencapai 40-60ribu vaksin per hari.

# UK Gives Hope on Pathway Forward

As vaccination rising, daily cases and hospital patients slowing down

UK Covid-19 New Cases and Smoothed Daily Vaccinated

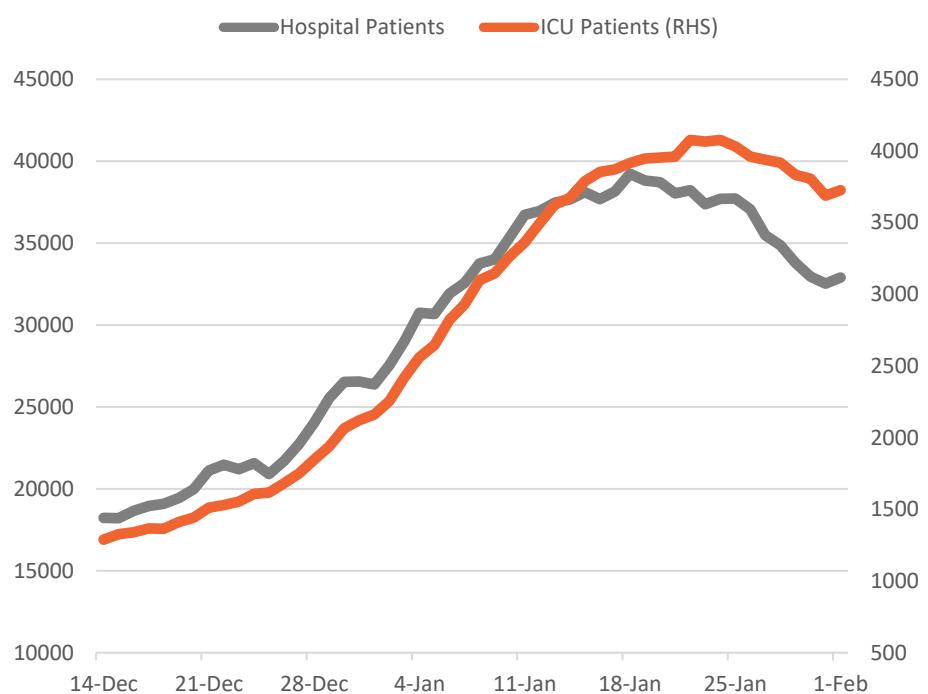
In no of people



Source: Our world in data, Syailendra

Indonesia Daily Vaccination

Based on first dose vaccination, 7DMA



Source: Our world in data, Syailendra

- Salah satu data yang memberikan gambaran terkait covid-19 kedepan ialah data statistik dari Inggris. Inggris telah mencapai vaksinasi 17.64% dari populasi. Di saat yang bersamaan data-data terkait kasus harian dan pasien baik di RS ataupun ICU juga menurun sejak 18-Jan-2021. Hal ini memberikan gambaran yang jelas apabila suatu negara telah melakukan vaksin dengan skala yang lebih besar.

# Indonesia Targets Herd Immunity in 1Q22

## Ministry of Health Vaccination Grand Design

### Indonesia Vaccine Roll-out Plan

In mio of people and doses

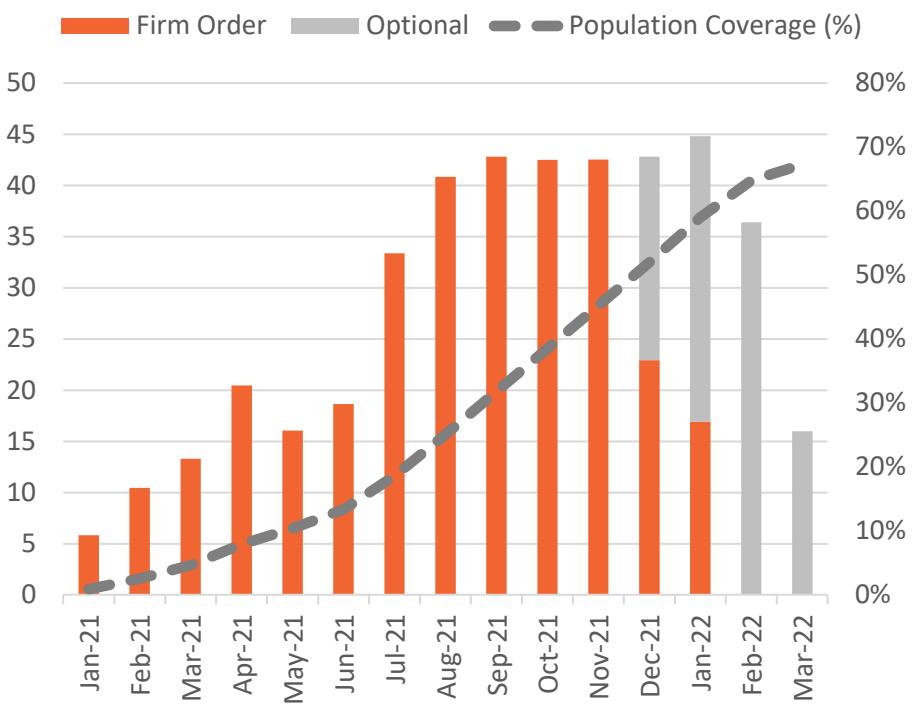
Covid-19 Vaccine Recipient Breakdown	Mio of People
Total Population	269.60
Total Population ≥ 18y old	188.70
Exclusion (Pregnant women, exposed to covid, severe comorbidities)	7.20
Eligible population	181.50
Coverage to achieve to herd immunity	67.3%
Number of vaccine doses (plus 15% wastage rate)	426.80

Vaccine Supplier (in Mio Doses)	Firm Order	Option
Sinovac	3.00	0.00
	122.50	0.00
	0.00	100.00
Novavax	50.00	80.00
COVAX/GAVI	54.00	54.00
AStrazeneca	50.00	50.00
Pfizer	50.00	50.00
Subtotal	329.50	334.00
<b>Total</b>	<b>663.50</b>	

Source: Syailendra Research, Ministry of Health Grand Design

### Vaccine Timeline and Population Coverage

In mio of doses and % of population coverage



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

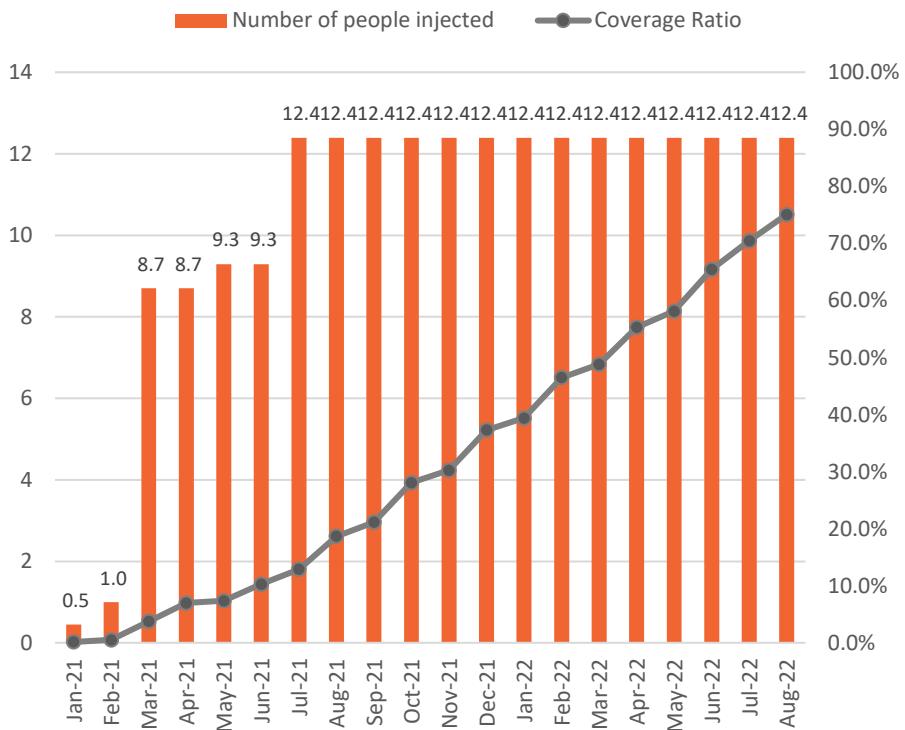
- ⚠️ Pemerintahan Indonesia menjabarkan telah mengamankan 329.5 juta dosis vaksin yang berasal dari 5 supplier dimana akan terdapat 334 juta dosis tambahan dari opsi tambahan yang dimiliki pemerintahan Indonesia. Mengikuti petunjuk WHO di mana *supply* harus ditambah dengan 15% *wastage rate*, Pemerintahan Indonesia menargetkan kebutuhan vaksin sebesar 426.80 juta dosis atau ekuivalen dengan 67.3% dari populasi total Indonesia.

# Herd Immunity Might Be Delayed

Better late than never

## Simulation of Vaccination Program

In mio of people injected per month



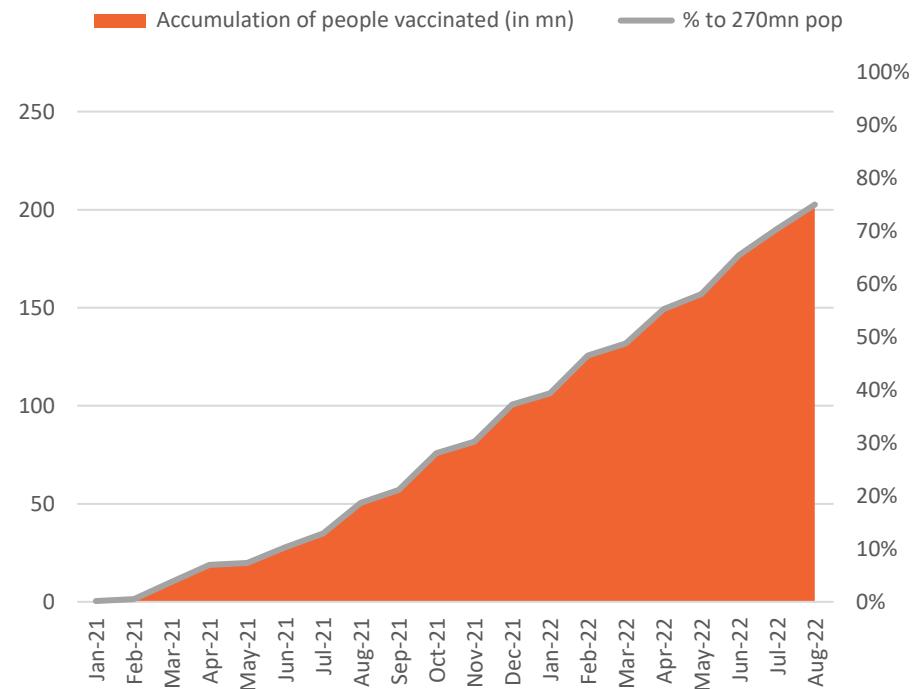
Desc	Assumption
Vaccinators available ('000)	30
Injections/day	30
Cancellation rate	6%
working days per mo	22

Source: Syailendra Research

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## Vaccine Timeline and Population Coverage

In mio of doses and % of population coverage



Source: Syailendra Research

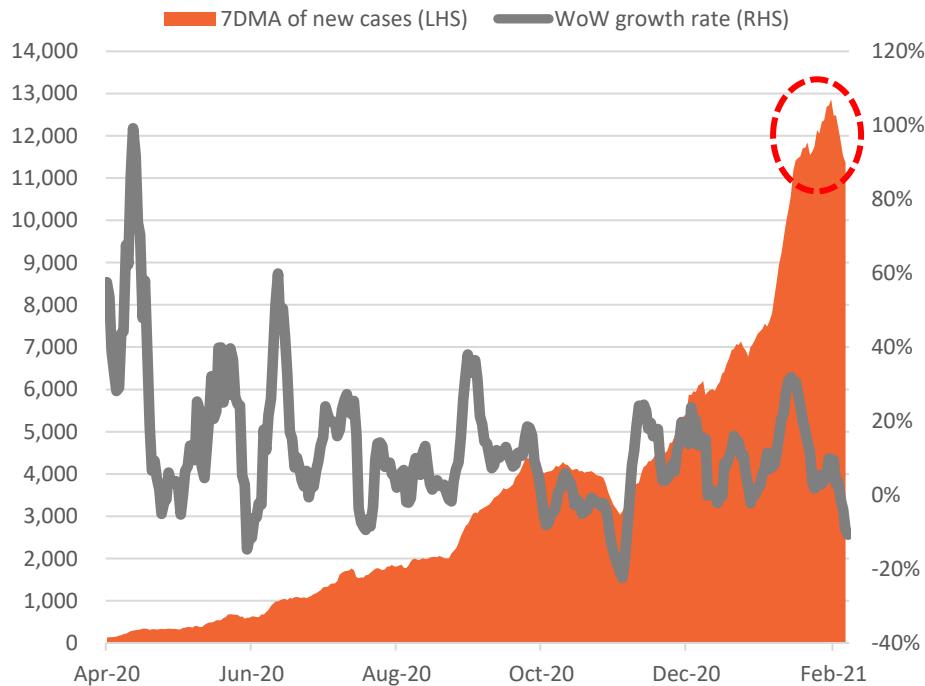
- ⚠ Target pemerintah Indonesia dalam mencapai *herd immunity* berkisar di Mar-Apr 2022. Kami melihat terdapat kemungkinan *herd immunity* dapat sedikit mundur dari target pemerintah.

# Update on Indonesia Covid-19 Statistics

Daily new cases already normalized yet infection rate still rising

## 7DMA of Covid-19 Indonesia New Cases

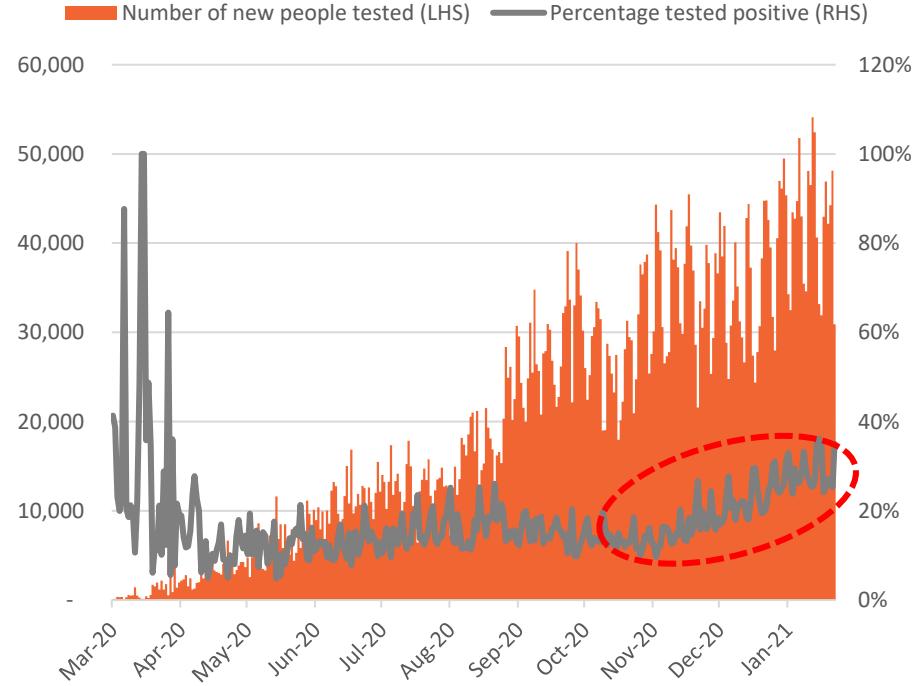
In mio of people injected per month



Source: CLSA, Syailendra Research

## Indonesia Daily Testing

In no of new people tested and % of tested positive



Source: CLSA, Syailendra Research

- ⚠ Sejak Libur panjang hari natal, Pertumbuhan kasus harian covid-19 di Indonesia meningkat hal ini pun bersamaan dengan *infection rate (percentage tested positive)* yang meningkat. Beberapa inisiatif pemerintah terkait PPKM sedikit menstabilkan angka pertumbuhan kasus harian namun *infection rate (percentage tested positive)* masih belum memperlihatkan penurunan signifikan

# Section Macro Update

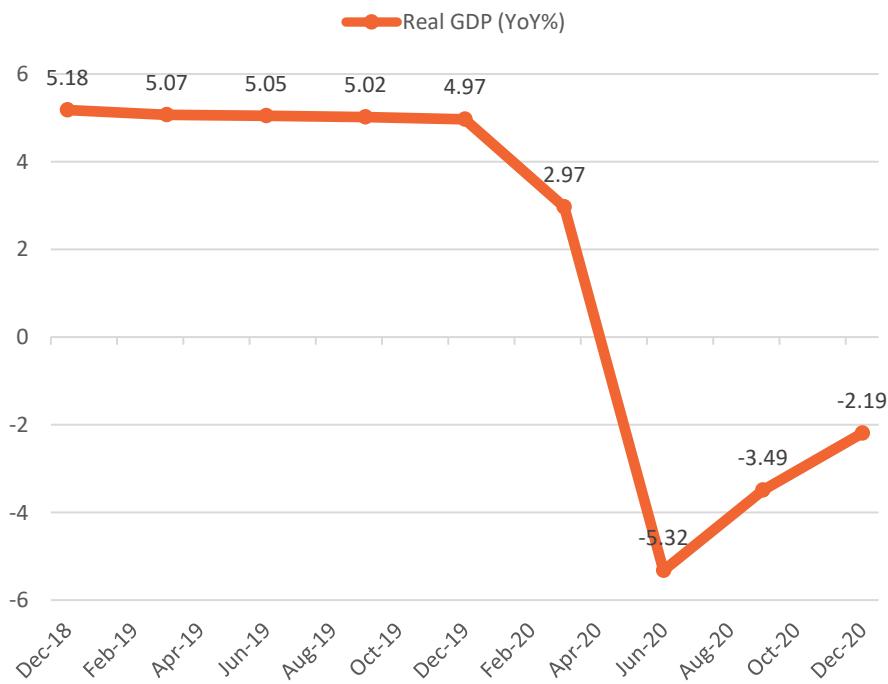
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# 4Q20 GDP was within expectation

Sluggish number as economic activity still in pandemic outbreak situation

Central Bank Holding of Government Securities

In % of outstanding public debt



Global Fiscal Deficit (Est.)

In % of global GDP

Desc	4Q20 W%	YoY Growth			Quarterly Growth		
		3Q20	4Q20	FY20	2Q20	3Q20	4Q20
Real GDP			-3.5	-2.2	-2.1	-5.0	-0.4
Domestic Demand	98.8	-3.8	-3.9	-3.1	6.9	4.1	4.1
Private Consumption	55.1	-4.0	-3.6	-2.7	4.6	0.5	0.5
Household	53.8	-4.0	-3.6	-2.6	-4.7	0.5	0.5
Non-Profit Institution	1.2	-2.0	-2.1	-4.3	0.8	0.2	0.2
Government Consumption	10.7	9.8	1.8	1.9	16.9	27.1	27.1
GFCF	33.0	-6.5	-6.2	-4.9	8.5	4.2	4.2
Chg. In Inventory	-2.1						
Net Exports	2.8						
Exports	20.0	-11.7	-7.2	-7.7	11.7	2.4	2.4
Imports	17.2	-23.0	-13.5	-14.7	0.0	16.3	16.3

Source: Bloomberg, BPS

Source: Syailendra Research, Maybank Securities

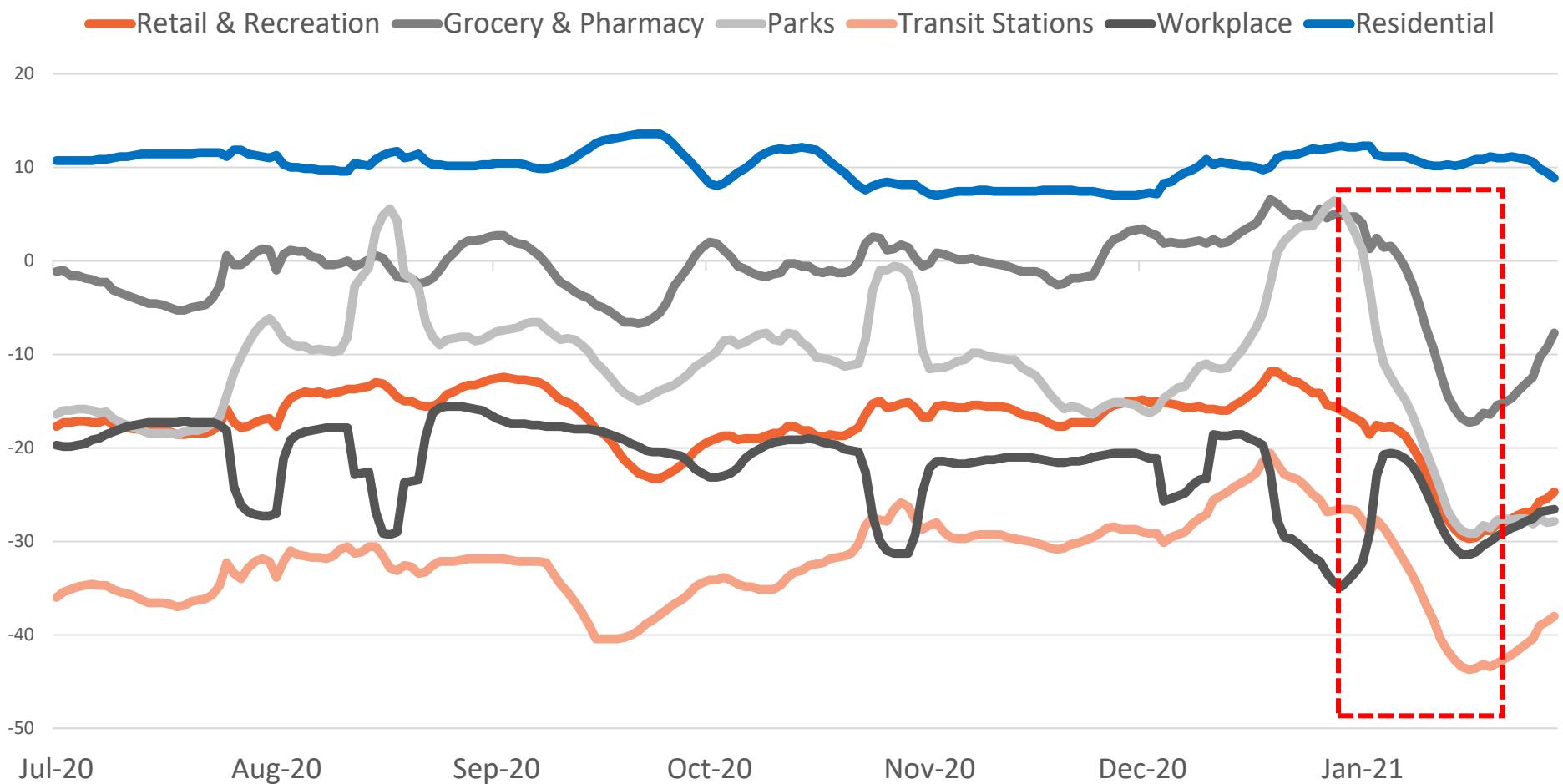
- Indonesia mencatatkan pertumbuhan ekonomi di 4Q20 sebesar -2.19% YoY. Hal ini relatif selaras dengan ekspektasi pasar yang berada di -2.30% YoY.
- Kami melihat ekonomi masih di dorong oleh pengeluaran pemerintah (4Q20 QoQ : 27.1%) disaat yang bersamaan sektor swasta relatif masih bergerak flat dari 3Q20. Namun, Impor secara kuartal meningkat. Hal ini menandakan sektor swasta melakukan *stocking-up* dari 2Q sebelumnya.

# 1Q21 Mobility Slightly Down in Early Jan

Potentially 1Q21 will result sluggish on economic growth

7DMA Google Mobility Report - Indonesia

7DMA of google mobility benchmark

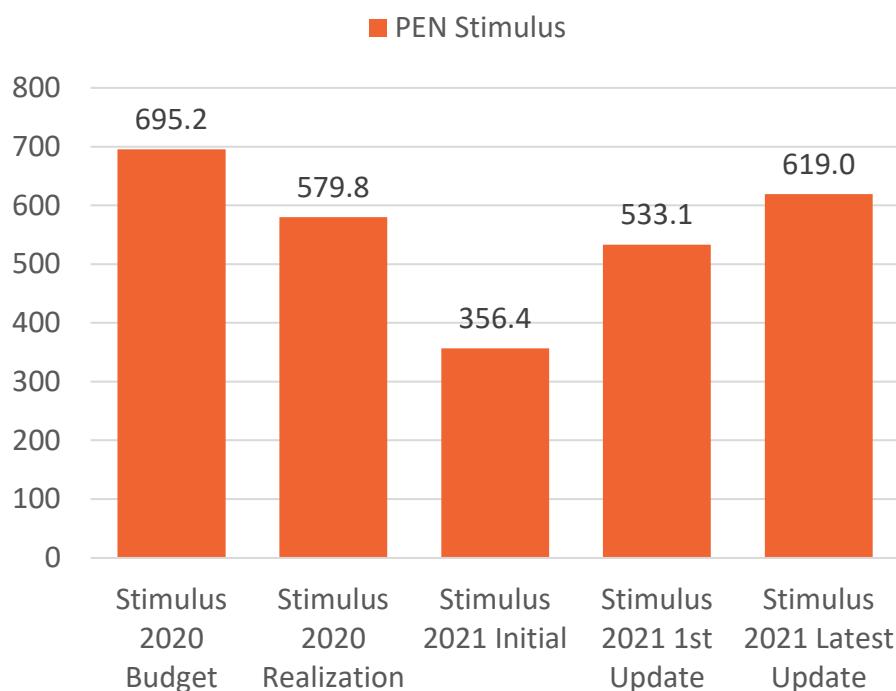


# Government is Double Down on Stimulus

Upping PEN from 533.1trn to 619.0trn

**Historical PEN Stimulus 2020 and 2021**

In trn IDR



Source: MoF, Mansek

- ⚠️ Pemerintah mengumumkan penambahan stimulus melalui program PEN (pemulihan ekonomi nasional) sebesar 65.9trn. Peningkatan terbesar terlihat dari 1) *Corporate financing* termasuk *equity injection*, 2) *Healthcare*, 3) *MSME*.
- ⚠️ Peningkatan PEN diperkirakan akan dibiayai dari 1) 2020 *unrealized stimulus* : 51bio, 2) 2020 *financing surplus below the line*, 3) *Budget reallocation*

**2021 PEN Breakdown and Additional Financing Resources**

In trn IDR

Desc	2020 Realization	2021			Desc	Additional Expenditure
		Initial	1st Update	2nd Update		
Healthcare	63.5	25.4	104.7	Not Disclosed yet	Additional PEN Stimulus	262.6
Social Safety Net	220.4	110.2	151.0		Additional reserve	77.0
SME and Business Support	173.2	63.7	156.1		Desc	Additional Financing
Ministry Spending/Regional Govt Support	66.6	136.7	141.4		2020 unrealized stimulus	51.0
Business Incentives	56.1	20.4	Not Disclosed yet		Financing surplus from below the line	40.0
Total	579.8	356.4	553.1		Reallocation other expenditure	134.0
					Budget reallocation	115.0

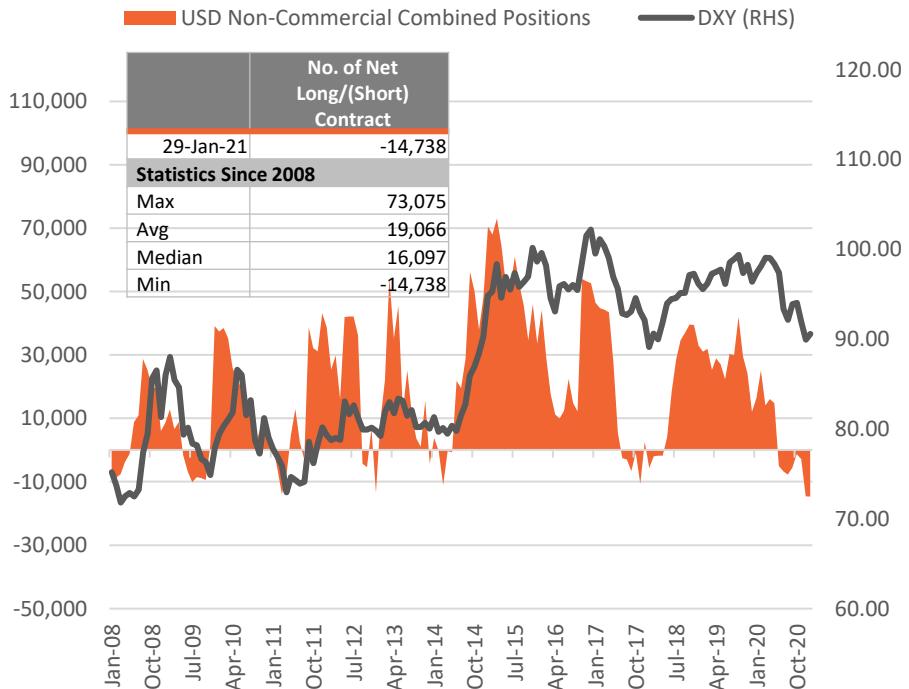
Source: MoF, Mansek

# Dollar Sell-off Might Slow

Rallies in several major currencies have decelerated

## USD Non-Commercial Position vs DXY

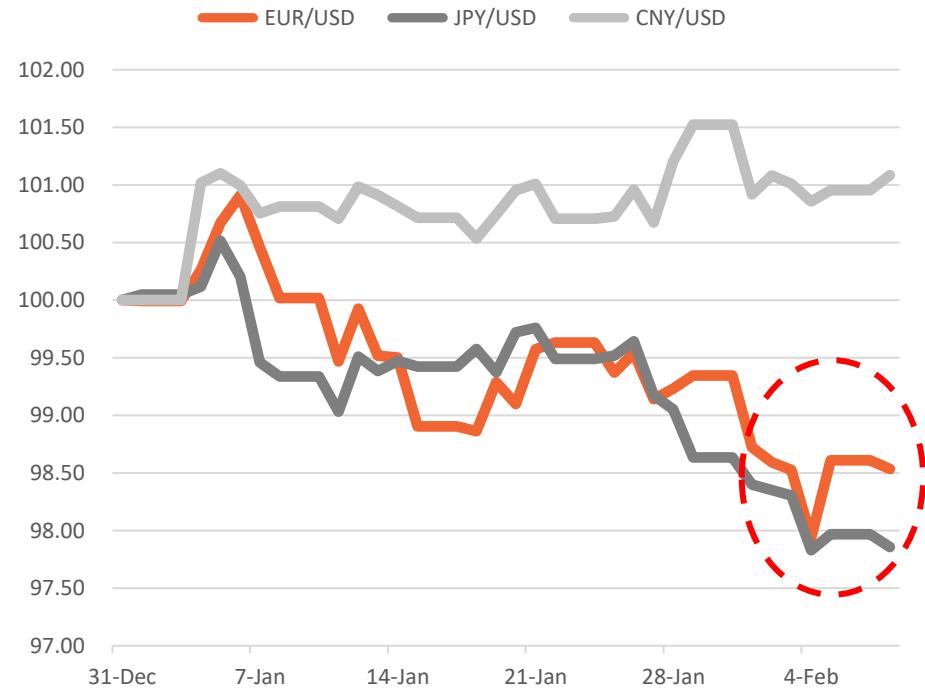
In no of contracts



Source: Bloomberg

## Currency Movement EUR, JPY and CNY

Normalized in USD based



Source: Syailendra Research

- ⚠️ Memasuki Feb-2021, Pelemahan mata uang USD sedikit melambat hal ini diperkirakan akibat beberapa hal yaitu : 1) Posisi *net-short* yang sudah sangat minim, 2) Kemenangan *democrat* pada senat Georgia tidak lagi dilihat sebagai *USD bear* namun menjadi *concern* terkait inflasi, 3)

# Section Fixed Income Update

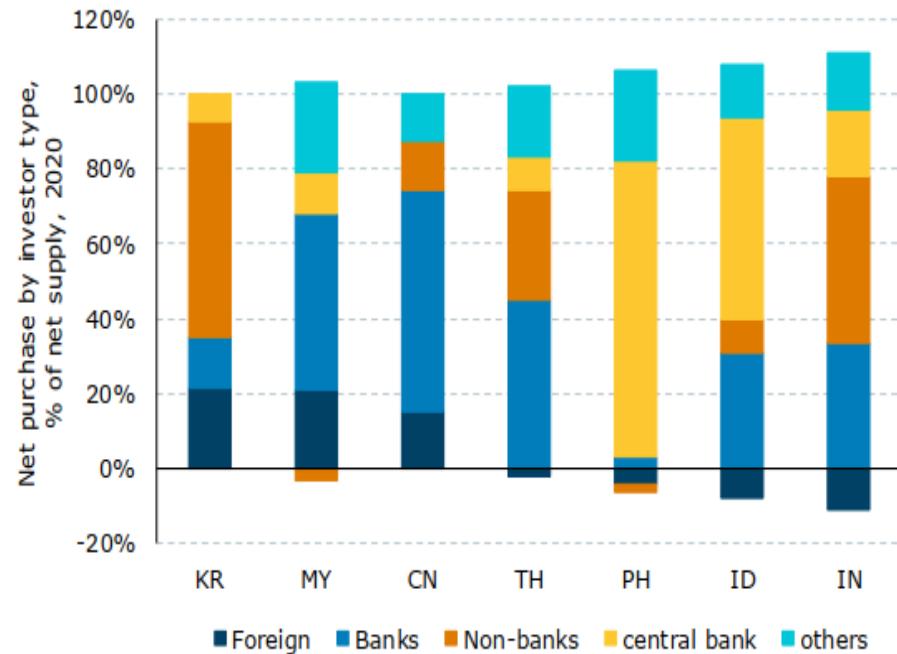
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# Excess Liquidity Still Supports Higher Deficit Financing

Banks and central banks become major buyer of govt bonds in 2020 except SK

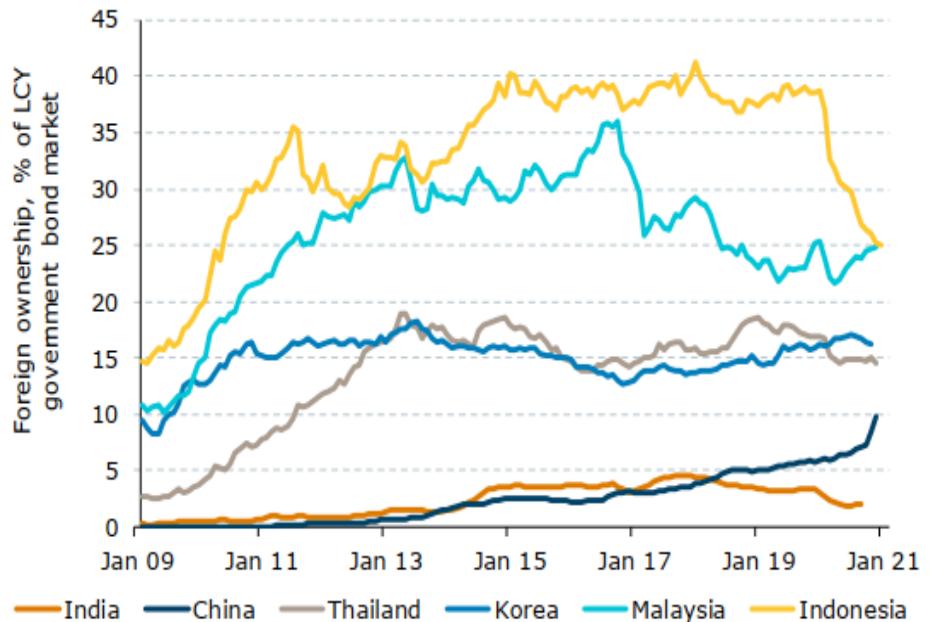
**Breakdown Bond Buyer in 2020**

In % of net supply by each category investor



**Foreign Ownership in Asia**

In % of foreign holder ownership in countries govt bonds



Source: ANZ

Source: ANZ

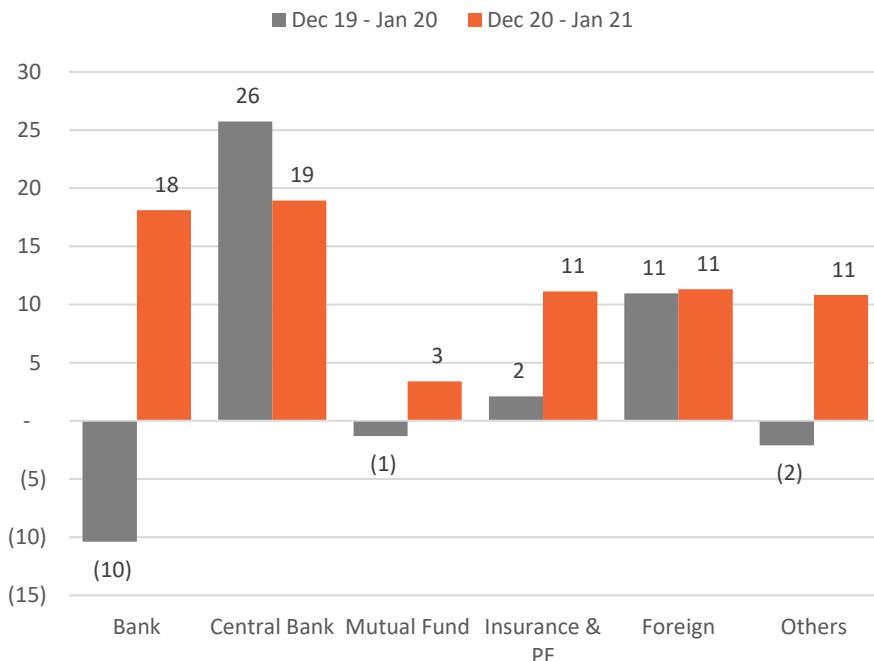
- Likuiditas global dan masing-masing negara yang meningkat akibat stimulus pemerintah akan menjadi kunci dalam memenuhi melihat prospek *demand*. Kita melihat peningkatan defisit diikuti oleh partisipasi signifikan oleh perbankan dan bank sentral kecuali untuk Korea Selatan. Hal ini diakibatkan IKNB korea selatan memiliki peran besar dalam pengelolaan aset.

# SBN Ownership

## Banks and BI continue the purchase

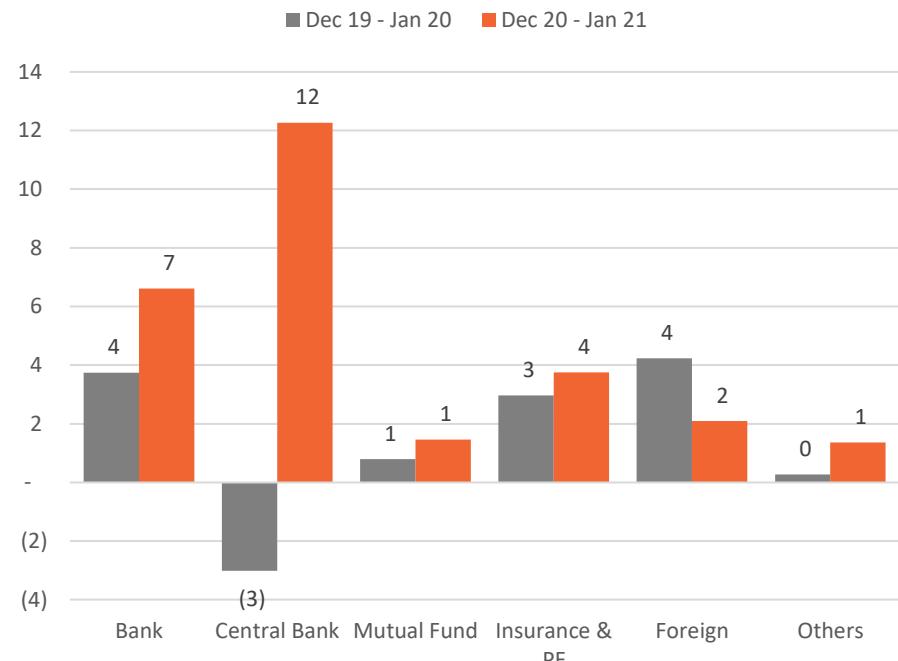
### Net New Ownership of SUN

Based on ownership change YTD, in IDR tr



### Net New Ownership of SBSN

Based on ownership change YTD, in IDR tr



Source: DJPPR, Syailendra Research

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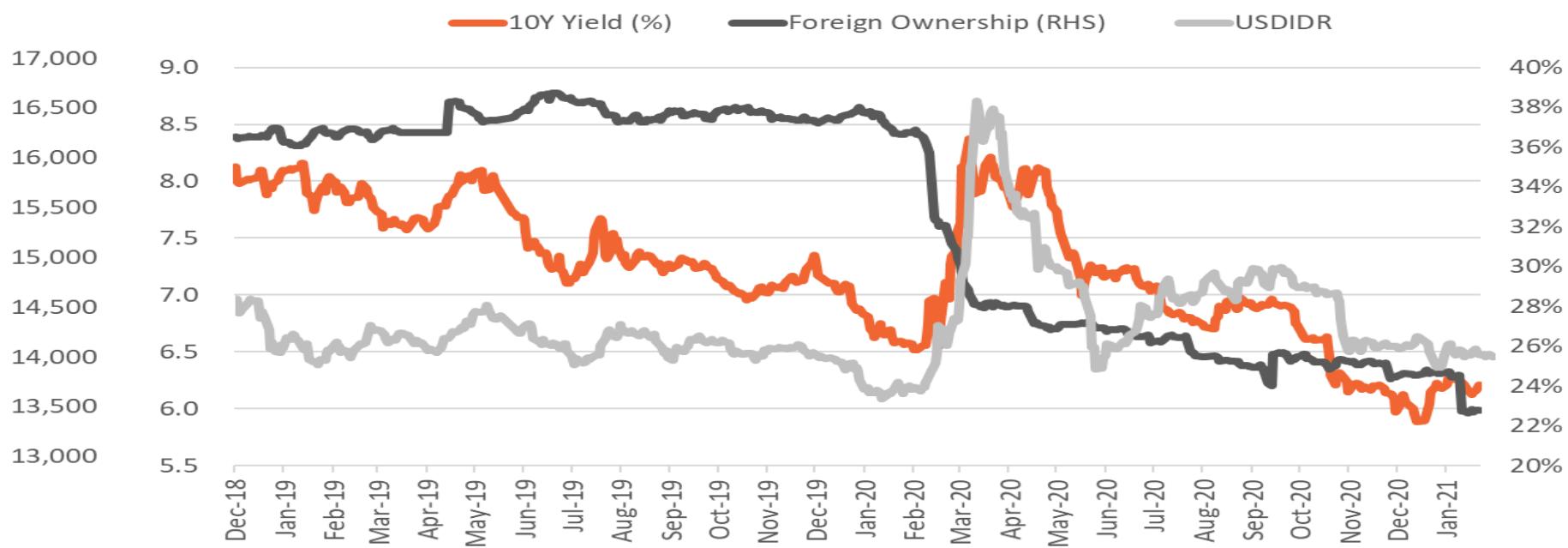
- ⚠️ Investor domestik pada SBN dilanjutkan oleh sektor perbankan dan bank sentral diikuti oleh investor asing dengan pembelian IDR11trn YTD per Jan'21.

# Government Bond Outlook

Risk of supply-demand imbalance remains?

10y Gov't Yield (%), Ownership of Foreign Investors (%) and USIDR 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. Kembalinya foreign flow berpotensi menjaga kondisi pasar obligasi menjadi stabil.
- ⚠️ Namun, kami masih melihat ada risiko *supply-demand imbalance* pada obligasi pemerintah tahun ini.
- ⚠️ Kami merekomendasikan menjaga portofolio focus pada tenor menengah dengan kisaran 5 – 10 tahun selama level imbal hasil 10Y berada pada range 6.0 – 6.5%.

# Section Equity Update

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# Global Indices Performance

Market had mixed performance due lack of catalyst

## Global Indices Historical Performance

Equities continued rally in July following rebound in previous month

No	Country	YTD	1M	3M	6M	1Y	P/E	P/BV	ROE
<b>Global Market</b>									
1	Dow Jones (US)	-1.40%	-1.16%	9.17%	12.97%	4.34%	19.88	4.29	21.92
2	S&P 500 (US)	-0.48%	-0.34%	9.54%	13.99%	13.47%	22.08	3.79	25.12
3	Nasdaq (US)	1.56%	1.72%	14.34%	23.98%	40.92%	32.89	4.94	54.10
4	London (UK)	-1.19%	-1.18%	8.21%	6.40%	-1.00%	16.66	1.82	11.13
5	DAX (GR)	-2.08%	-2.39%	11.35%	4.76%	0.66%	15.23	1.56	8.91
6	CAC (FP)	-3.58%	-3.79%	14.13%	8.88%	-9.33%	17.19	1.55	8.12
<b>Asia Market</b>									
1	Nikkei (JP)	0.80%	0.35%	17.79%	23.51%	18.32%	23.60	2.06	11.78
2	Hang Seng (HK)	4.19%	6.46%	14.11%	13.67%	4.13%	12.65	1.19	9.84
3	Shanghai (CN)	2.01%	3.08%	7.03%	5.72%		13.55	1.49	9.40
4	Shenzhen (CN)	4.66%	6.13%	13.89%	14.38%		15.91	2.13	10.43
5	NFT (IN)	-2.48%	-2.14%	14.68%	21.71%	12.41%	25.85	3.13	11.37
6	Kospi (KR)	3.58%	5.52%	27.69%	31.51%	36.19%	14.27	1.17	7.28
7	Kosdaq (KR)	-4.10%	-3.00%	18.50%	14.86%	38.58%			
<b>ASEAN Market</b>									
1	Singapore (SG)	1.16%	1.91%	15.51%	12.79%	-8.80%	15.35	0.99	7.12
2	Kuala Lumpur (MK)	-4.74%	-4.20%	4.40%	-2.79%	1.03%	13.75	1.52	10.96
3	Thailand (TH)	1.22%	0.34%	21.34%	9.61%	-3.78%	19.05	1.61	6.23
4	Vietnam (VN)	-3.73%	-3.90%	11.64%	33.61%		13.81	2.08	16.83
<b>Indonesia Market</b>									
1	JCI / IHSG (ID)	-1.95%	14.32%	14.32%	14.70%	-4.10%	15.34	1.88	14.08
2	JII / ISSI (ID)	-2.96%	14.46%	14.46%	15.40%	-3.11%	16.80	2.15	14.95
3	IDX30 (ID)	-3.12%	13.51%	13.51%	12.15%	-11.17%	15.42	1.91	14.73
4	LQ45 (ID)	-2.45%	15.37%	15.37%	14.66%	-8.83%	15.99	1.93	14.56

# Foreign Equity Flow

Inflow is gradually coming in januari 2021

(in US\$ mn.)	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China
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
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
<b>Jan-21</b>	<b>1,978</b>	<b>775</b>	<b>-5,254</b>	<b>-273</b>	<b>-3,389</b>	<b>-365</b>	<b>-208</b>	<b>-6,735</b>

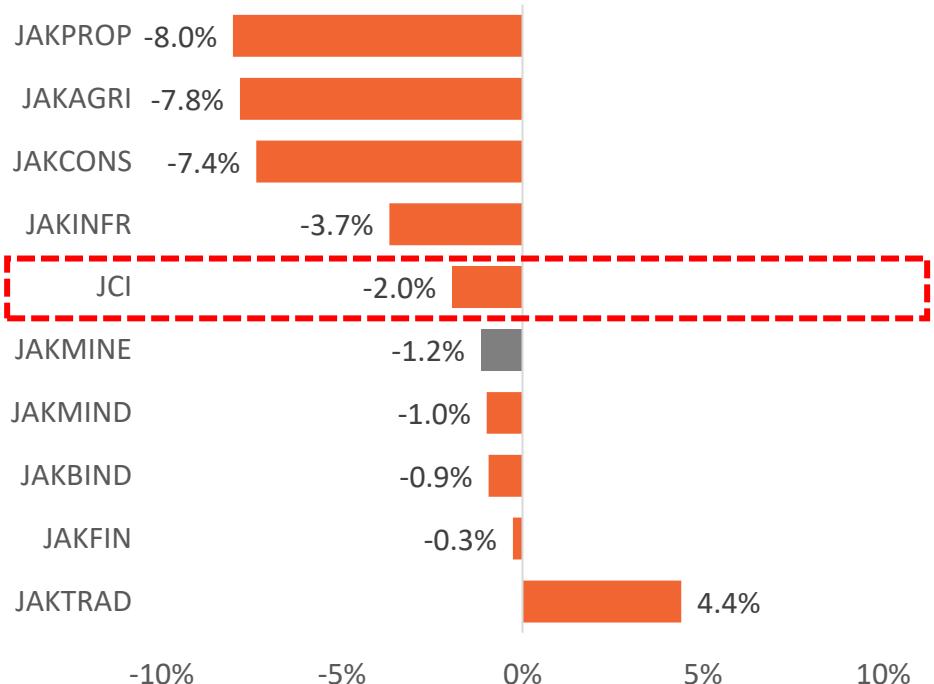
Yearly	YTD	1,978	775	-5,254	-273	-3,389	-365	-208	-6,735
2020	14,234	-1,306	924	-240	9,377	-1,496	-2,683	18,811	
2019	14,234	-1,306	924	-240	9,377	-1,496	-2,683	18,811	
2018	-4,557	-3,656	-5,676	-1,080	-12,231	-8,913	-2,885	-38,999	
2017	8,014	-2,960	8,267	1,095	6,587	-796	2,456	22,664	
2016	2,903	1,259	10,480	83	10,956	2,240	-628	27,294	

Source: Syailendra Research, Bloomberg

# Jan'21 was Driven by Individual Investor

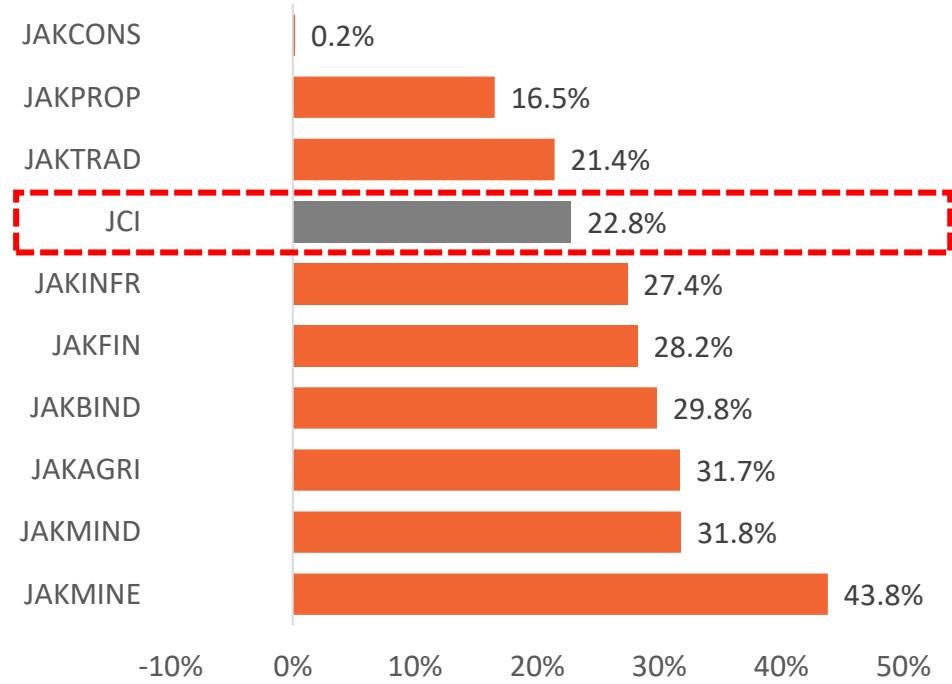
Due lack of catalyst and technical issue on retail investor

JCI Performance By Sector  
Jan 2021



Source: Syailendra Research

JCI Performance By Sector  
In 4Q20



Source: Syailendra Research

- ⚠️ Kinerja IHSG di Jan'2021 sedikit melambat hal ini distribusi vaksin dan isu terkait efektifitas vaksin terhadap *new strain virus* menurunkan *apetite investor*.
- ⚠️ Adapun isu perihal transaksi *retail investor* i.e *list margin saham*. Mengakibatkan investor *retail* mengurangi posisi *leverage* akibat margin.

# Retail would Still be Around

Retail Participation is global phenomenon

## Gamestop Price Jump Significantly Anticipating Big Short Position

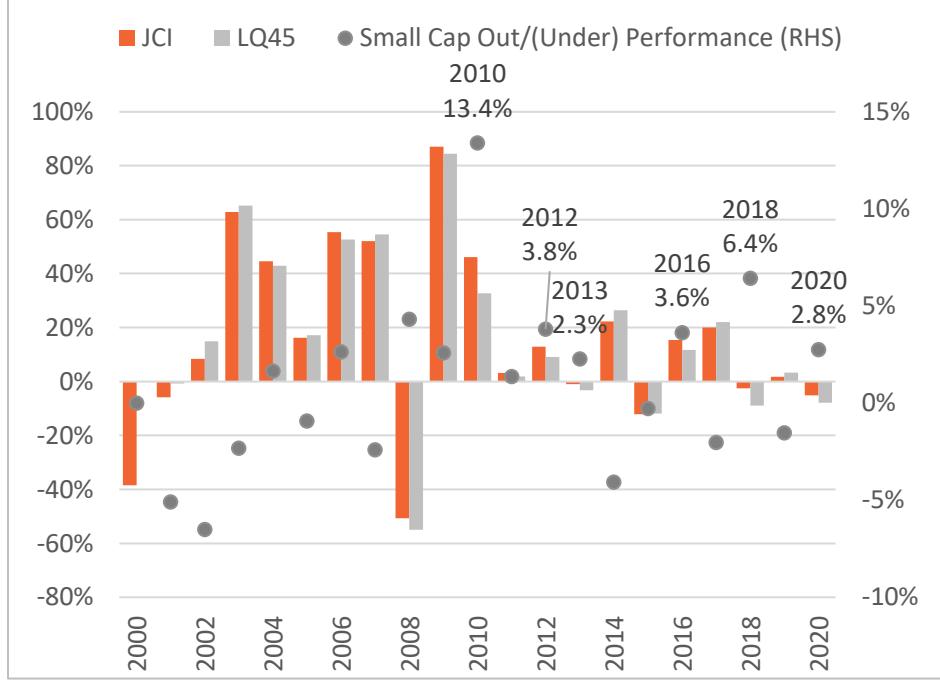
In logartimic USD/shares



Source: Bloomberg

## JCI vs LQ45 Performance Comparisson

In bio USD and 2020FY Earnings YoY%



Source: Syailendra Research

- ⚠ Kami juga melihat partisipasi retail meningkat di tahun 2020. Hal ini merupakan fenomena global yang terjadi di berbagai negara. Beberapa kasus ternama dalam beberapa minggu sebelumnya ialah GME trading. Hal ini menandakan partisipasi retail akan berlanjut kedepannya.

# JCI Valuation Slightly Higher Compared to Peers

Consensus expect ID still deliver better-off growth in 2022 compared to peers

Desc.	P/E		EPS Growth		P/B		Dividend Yield		ROE	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
<b>South East Asia</b>	<b>16.83</b>	<b>14.07</b>	<b>41.4%</b>	<b>20.0%</b>	<b>1.56</b>	<b>1.47</b>	<b>2.75</b>	<b>3.03</b>	<b>9.51</b>	<b>10.63</b>
<b>Indonesia</b>	<b>15.93</b>	<b>12.01</b>	<b>64.5%</b>	<b>32.6%</b>	<b>1.95</b>	<b>1.80</b>	<b>1.82</b>	<b>2.22</b>	<b>14.12</b>	<b>15.84</b>
Malaysia	13.74	14.17	21.3%	-3.0%	1.53	1.47	4.07	3.93	10.98	10.30
Phillipines	19.20	14.89	46.2%	28.9%	1.62	1.50	1.50	1.82	8.89	10.10
Singapore	15.43	12.60	29.0%	22.5%	1.00	0.96	3.83	4.33	7.16	8.68
Thailand	19.83	16.67	46.1%	18.9%	1.68	1.61	2.52	2.85	6.41	8.23
Vietnam	14.52	11.91	32.1%	21.9%	2.19	1.93	1.57	2.19	16.93	17.63
<b>Asia</b>										
China	13.34	12.39	21.1%	7.7%	1.56	1.42	2.18	2.46	9.44	9.64
Hong Kong	13.13	11.54	19.4%	13.8%	1.24	1.16	2.82	3.15	9.87	10.08
India	30.01	22.68	4.5%	32.3%	3.66	3.34	1.07	1.28	11.48	14.17
Korea	14.72	12.15	49.9%	21.1%	1.22	1.13	1.58	1.69	7.36	13.88
Taiwan	17.81	16.24	22.7%	9.6%	1.97	2.35	3.07	3.34	15.86	16.53
Japan	25.01	21.93	10.3%	14.1%	2.19	2.07	1.42	1.59	11.86	9.17
<b>Europe</b>										
German	15.85	13.77	30.6%	15.1%	1.60	1.51	2.80	3.07	8.98	10.82
France	18.04	15.17	58.9%	18.9%	1.64	1.55	2.85	3.21	8.20	9.53
Spain	18.00	13.56	104.4%	32.8%	1.23	1.19	3.67	4.21	6.27	7.45
Italy	14.19	11.52	74.3%	23.2%	1.21	1.12	3.79	4.23	7.08	8.06
Switzerland	17.86	16.11	16.0%	10.8%	2.72	2.57	2.99	3.16	15.20	15.93
Russia	7.92	6.95	76.2%	14.0%	0.93	0.86	6.56	7.42	10.01	10.82
<b>Middle East</b>										
Saudi Arabia	19.39	16.46	35.1%	17.8%	1.94	1.85	2.94	3.37	25.48	29.24
UAE	15.95	13.84	16.1%	15.2%	1.59	1.54	3.94	4.36	11.04	12.14
Egypt	8.94	7.47	32.1%	19.6%	1.22	1.09	3.38	4.09	14.90	15.66
<b>South Africa</b>										
South Africa	12.37	11.20	25.4%	10.5%	1.70	1.62	3.59	3.88	16.50	15.71

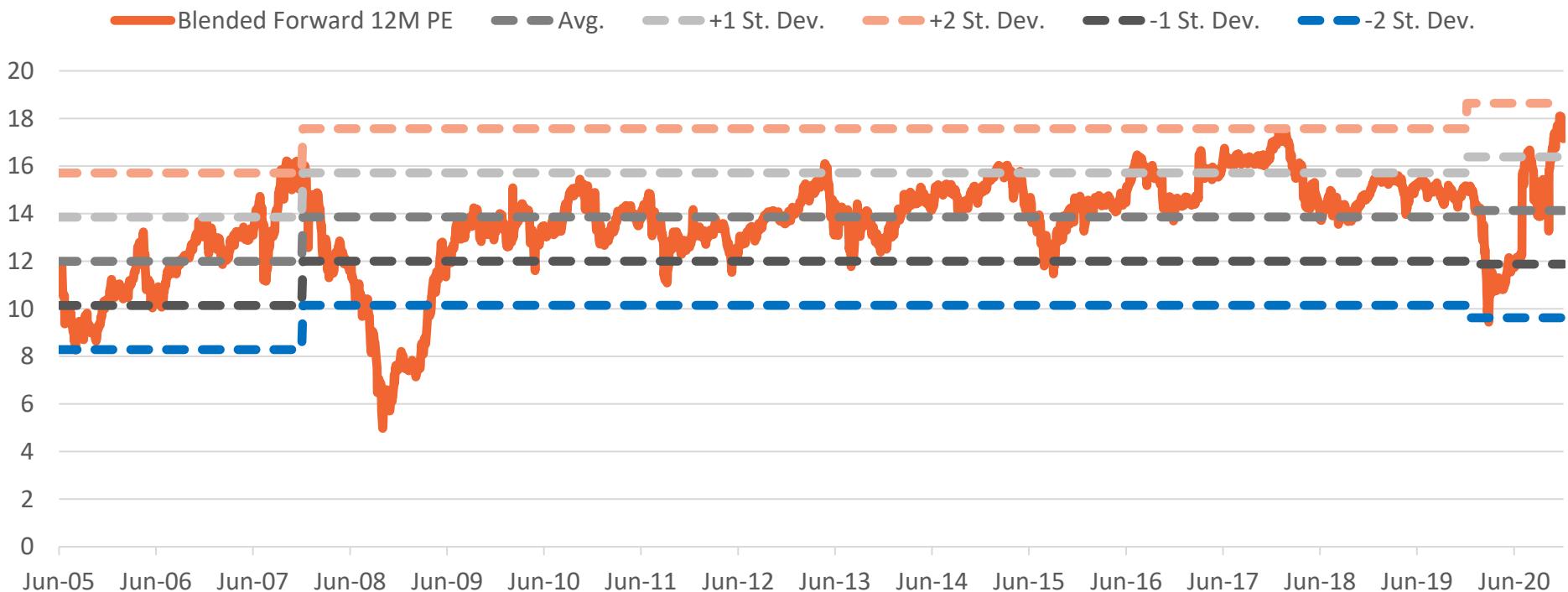
Source: Bloomberg

# 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

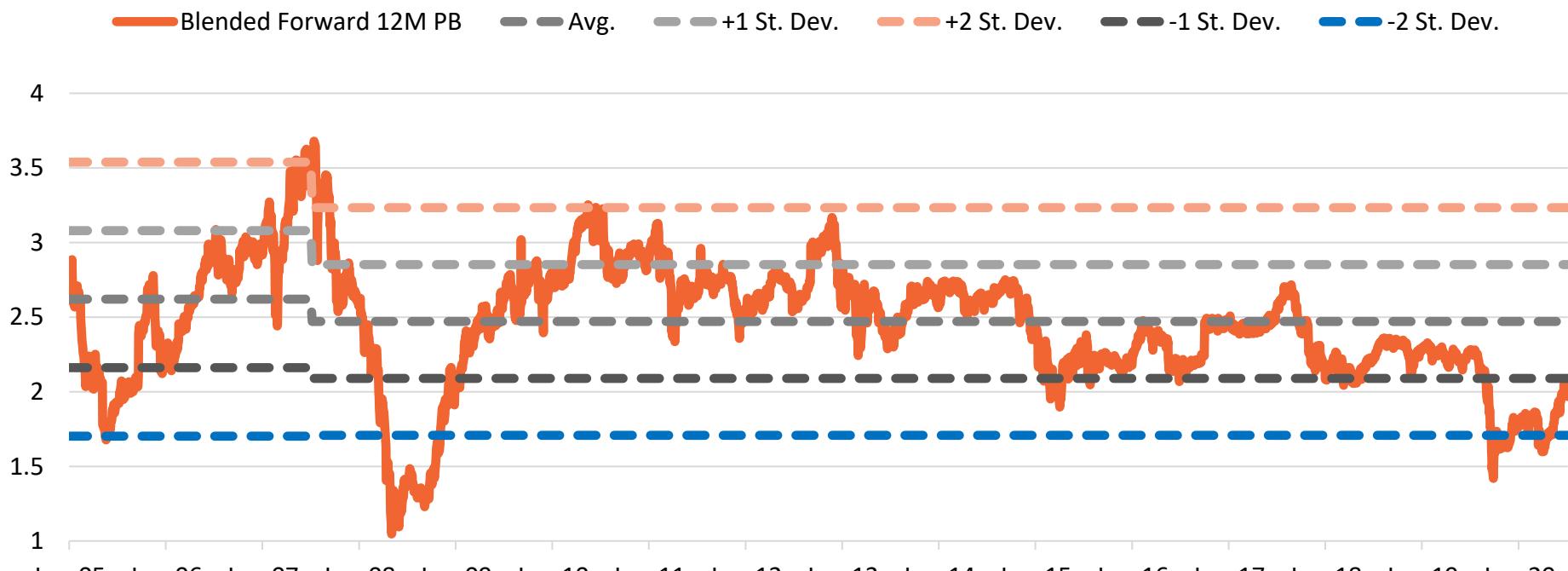
- ⚠️ Rally yang terjadi dalam 2 quarter merupakan antisipasi dari investor atas *recovery earnings* dan katalis-katalis positif yang telah terjadi selama 1H20. Sehingga, JCI mempunyai valuasi di *+2 standard deviation band* dibandingkan historis sejak 2008-2019.

# 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.

# Equity Strategy

## Toward the end of tunnel

Arguments for Equity Market	Arguments Against Equity Market – and Why We Think It Is In the Price
<ol style="list-style-type: none"><li>1. <i>Liquidity</i> Domestik dan global masih <i>supportive</i> terhadap <i>equity market</i>.</li><li>2. <i>Risk appetite</i> investor secara umum telah kembali.</li><li>3. Pergerakan <i>USD</i> cenderung melemah. Hal ini memberikan <i>support</i> pada <i>emerging market</i> secara umum termasuk Indonesia.</li><li>4. Program vaksinasi akan dimulai di 1Q21 dan sejalan dengan itu secara gradual aktivitas ekonomi akan kembali normal.</li><li>5. <i>Recovery</i> dari <i>earnings</i> akan mulai terlihat di 2Q21 dan 3Q21.</li><li>6. Valuasi terlihat masih cukup menarik.</li></ol>	<ol style="list-style-type: none"><li>1. Pandangan terhadap pelemahan <i>USD</i> merupakan pandangan umum yang dimiliki kebanyakan investor. Sehingga, Kita harus lebih berhati-hati.</li><li>2. Volatilitas dari <i>earnings</i> masih ada mengingat peningkatan kasus dan pengetatan kembali aktivitas secara umum.</li></ol>

⚠ Berdasarkan hal-hal di atas, kami menargetkan JCI untuk akhir tahun 2021 berkisar pada 6,600– 6,900. Kami mengasumikan pertumbuhan laba 2021F di kisaran : 30% dengan P/E dikisaran 16-18x laba tahun 2021.

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