

Monthly Bulletin

June 2021

What's Inside



Calendar

US CPI YoY (10-June)
US Job Claim (10-June)
ID 4W Sales (15-21 June)
ID BI Meeting (17-June)



Global Event

Kasus harian *covid-19* global relatif menurun dibandingkan pada bulan Mar-Apr'21. Hal ini juga selaras dengan peningkatan vaksin beberapa negara besar sudah lebih dari 50%.



Indonesia

Indonesia mencatatkan surplus *trade balance* sebesar 2.2bio USD vs ekspektasi 1.2bio USD. Indonesia telah mencatatkan 12 bulan sejak May'20. Hal ini mengakibatkan USDIDR menguat ke level 14,200 – 14,300.



Equity Market

Kinerja IHSG ditutup sebesar -1.09% YTD atau 0.17% MoM (*cutoff date: 31-May-2021*). Top 3 *Leaders* 1) ARTO, 2) TLKM, 3) BBRI dan Top 3 *Laggards* 1) TPIA, 2) BRIS, 3) BMRI Investor asing melakukan *net buy* sebesar -247 mio USD di May 2021.



Fixed Income Market

Imbal hasil 10 tahun obligasi bergerak *flat* di kisaran 6.4-6.5% sampai dengan akhir May-21. Kepemilikan investor asing bergerak flat di level 22.7% pada May-21 dibandingkan level sebelumnya di 22.7% di Apr-21.



Section

Macro updates

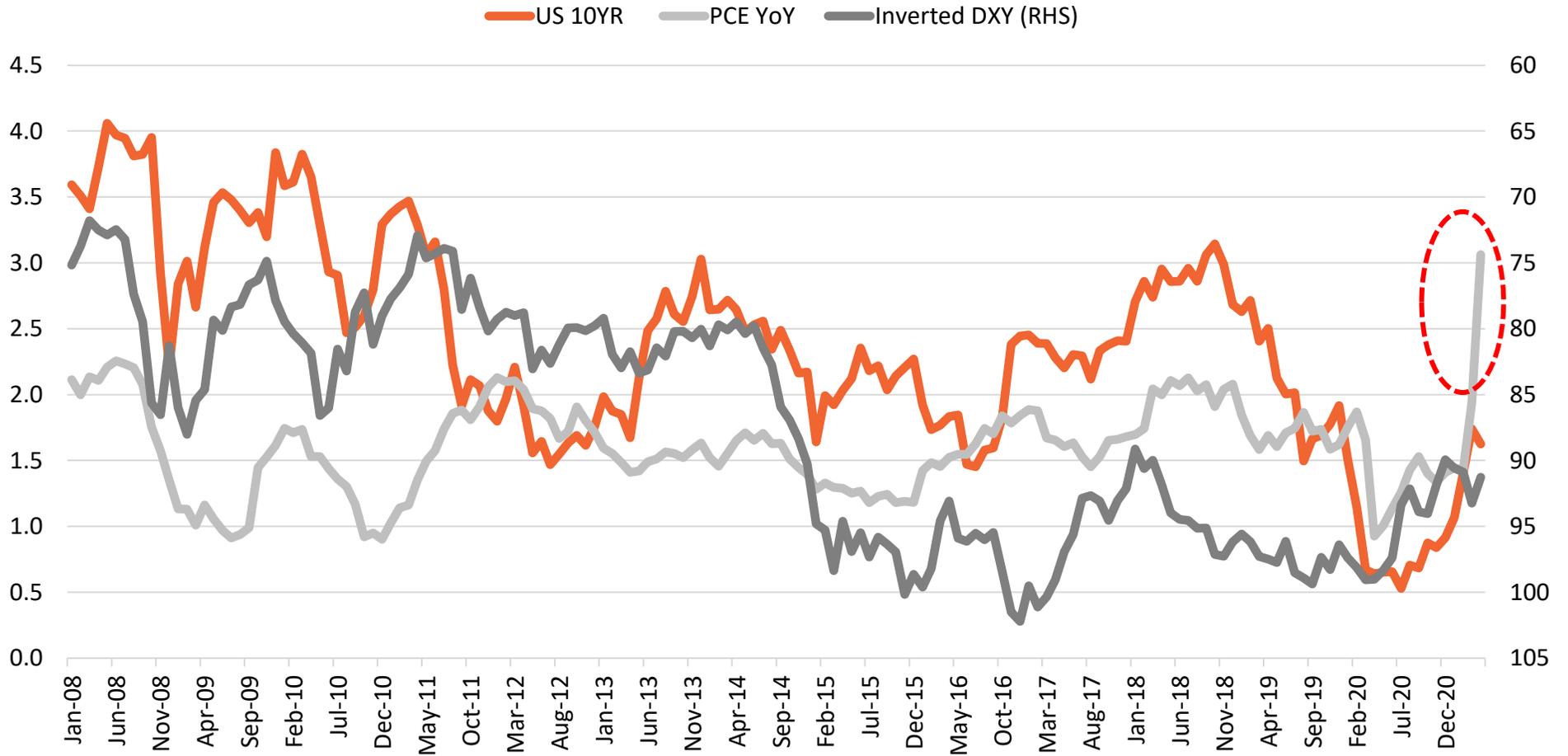
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US Yield, Inflation and USD

Higher inflation could affect short-term UST and DXY Volatility

US 10YR, PCE, and Inverted DXY

In %, % YoY and unit of Index

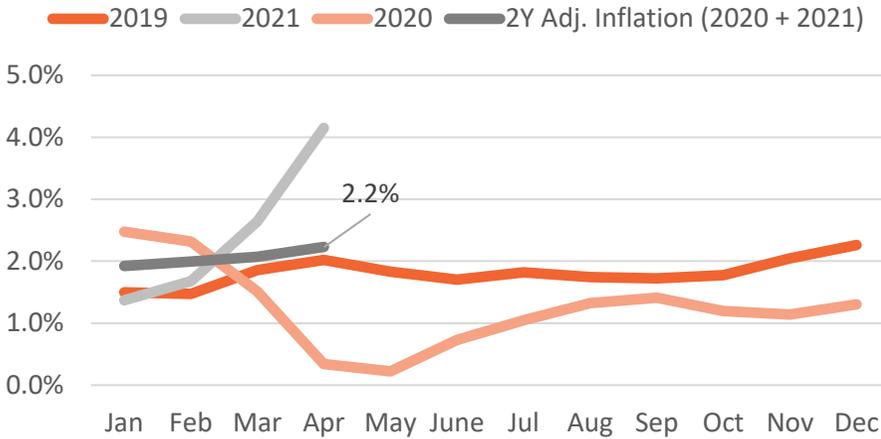


Source: Syailendra Research, Bloomberg

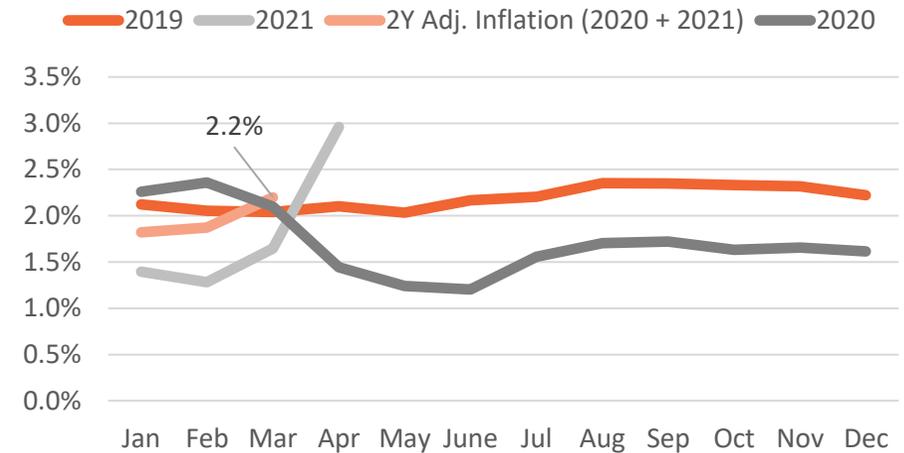
Low Base Effect on Apr-21 Inflation Number

Compounded inflation for 2020 & 2021 relatively still on track with 2019 level

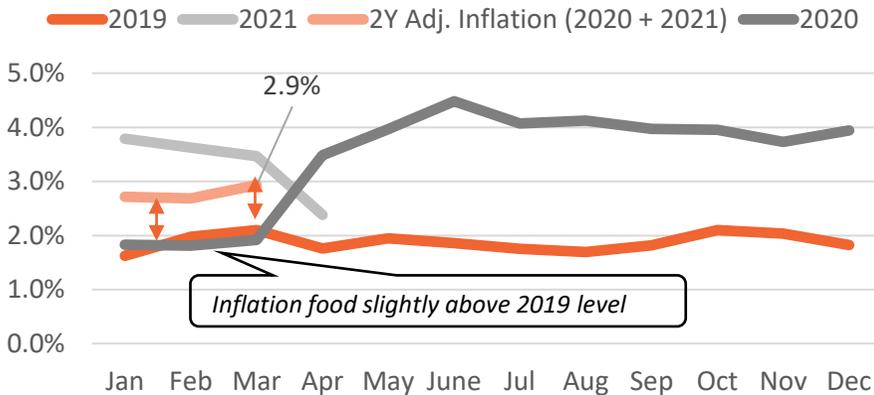
US CPI YoY
In %YoY



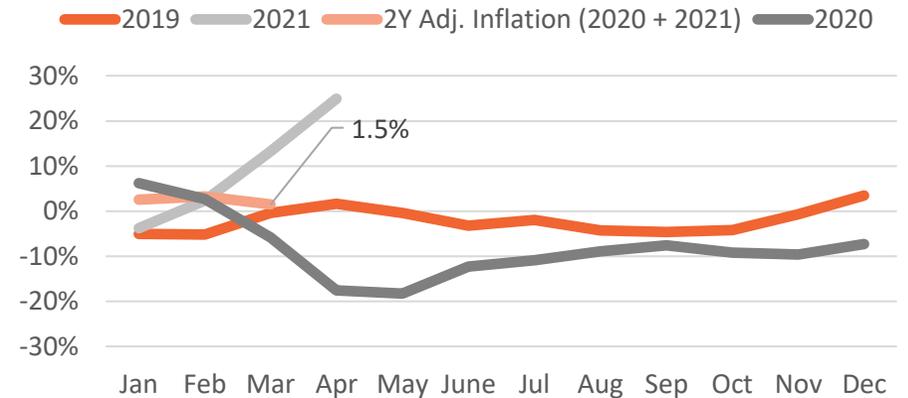
US CPI – Ex Foods and Energy (Core)
In % YoY



US CPI Foods
In %YoY



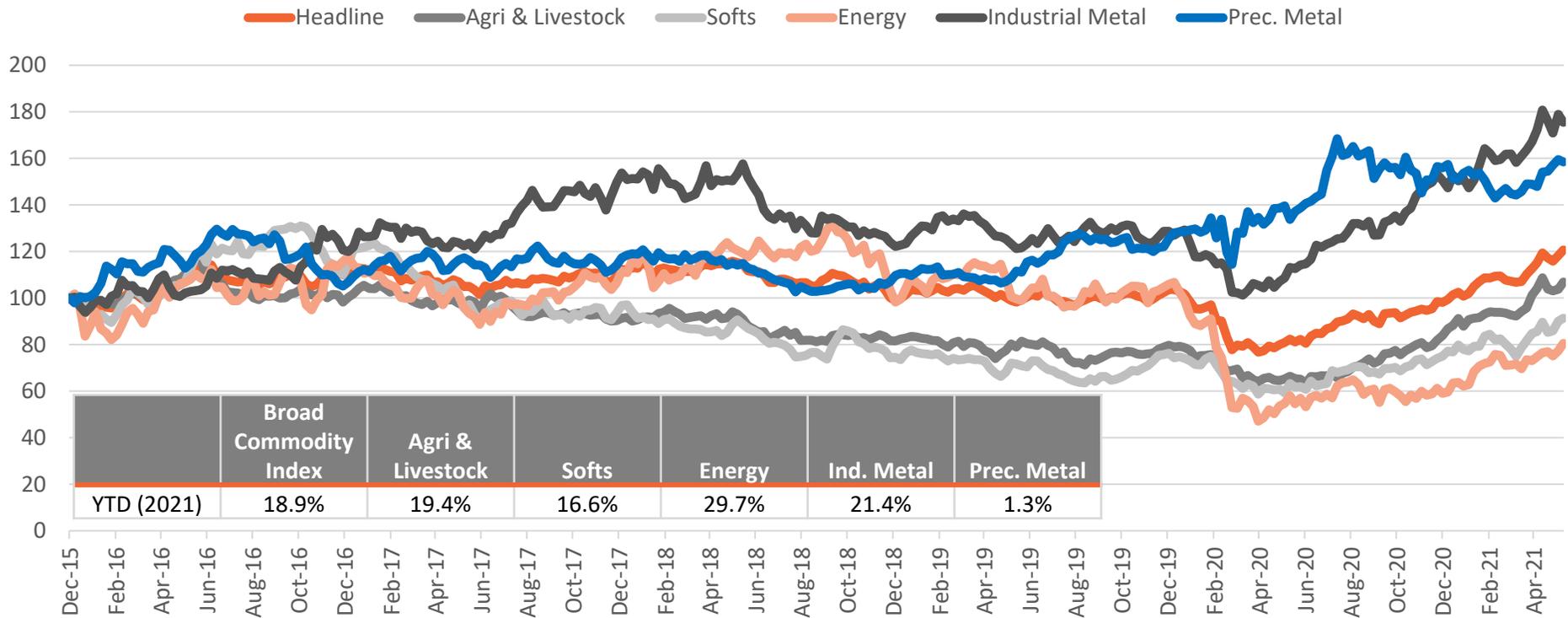
US CPI Energy
In %YoY



Rising Commodity Prices – Main Cause of Inflation

Contribute to rising US CPI Foods and Energy

Country Real GDP Growth In % YoY

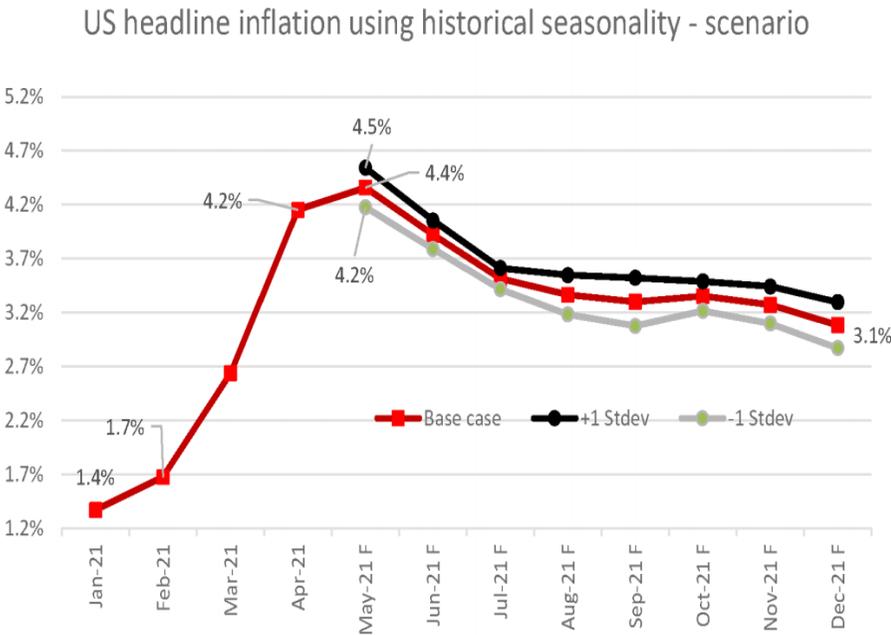


📈 Peningkatan inflasi baik dari sisi makanan dan energi diakibatkan oleh peningkatan harga komoditas. *Agriculture, Livestock* dan *Softs* merupakan *raw material* umum dari komponen *CPI Foods*. *Energy (Oil & Gas, Coal, etc)* merupakan input dasar dari komponen *CPI Energy*.

More Gradual Inflation Slowdown Is More Likely

Excess liquidity might boost inflation for a while

Us Headline Inflation Using Historical Seasonality Scenario In % YoY



Source: Verdhana, Nomura, CEIC

Additional Demand From Past Stimulus - US As of % GDP

Source of pent-up demand	as of % GDP
\$1.4tn to be distributed via American rescue plan with multiplier 0.7	4.70%
Excess savings \$2.3tn	11%
Increase in household equity wealth (\$10.2trn) and housing wealth (\$2.5trn), 3-5% get spent	2-3%
\$2tn infrastructure package in Q4	1-2% per year

Source: Bloomberg, ANZ Research

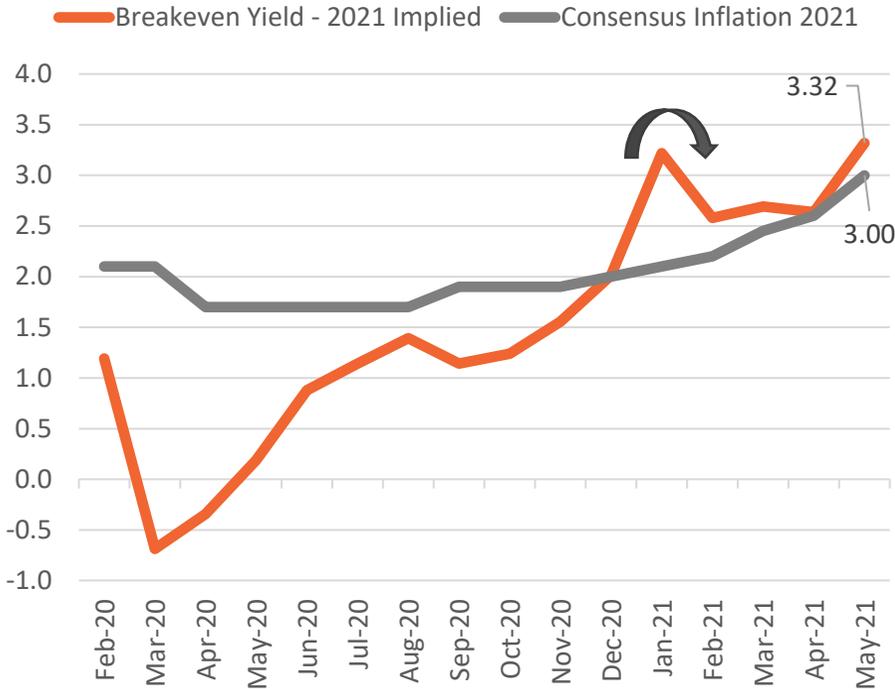
- 🏗️ Inflasi bulan Apr'21 mencatatkan sebesar 4.15% YoY. Angka ini di atas ekspektasi pasar (Apr'21 Cons : 3.6%) dan diakibatkan oleh *low base effect* dan peningkatan harga komoditas untuk berbagai segmen (agri, livestock, energy)

Market Is Getting More Comfortable with Inflation

Inflation expectation (breakeven) vs consensus inflation is narrowing

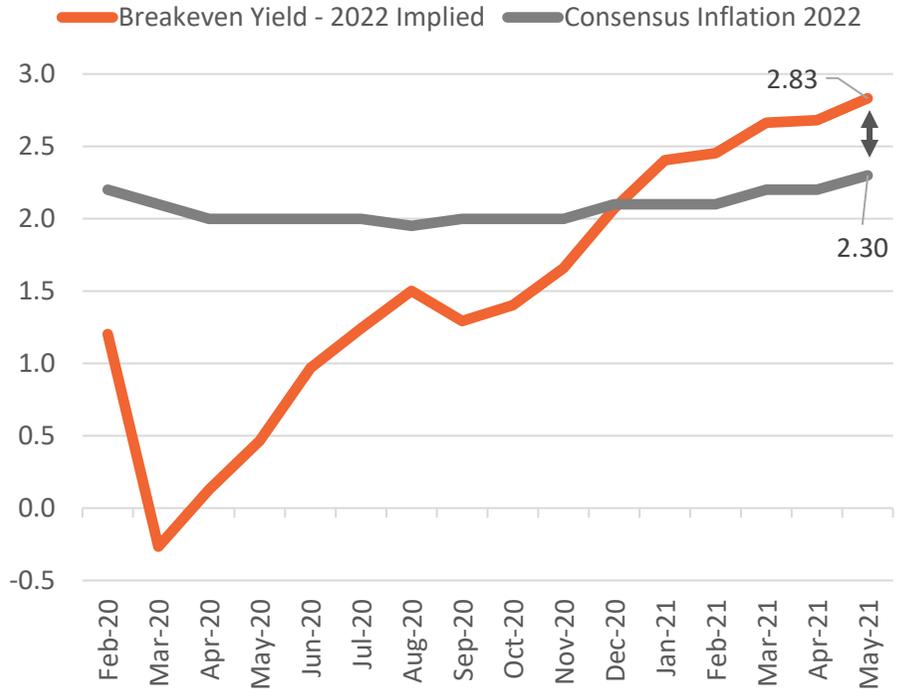
Breakeven Yield vs Consensus Inflation for 2021

In % YoY



Breakeven Yield vs Consensus Inflation for 2022

In % YoY



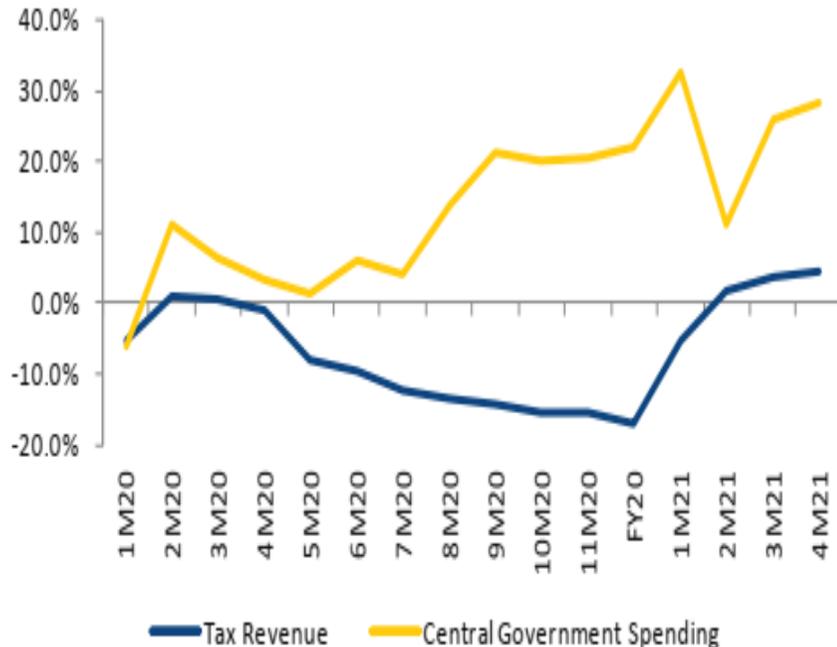
*2021 implied breakeven combination of 1Y & 2Y breakeven treasury yields, Source : Syailendra Research, Bloomberg

- 🏗️ Ekspektasi inflasi pasar meningkat bersamaan dengan konsensus atas inflasi di US. *Spread* antara konsensus *economist* atas inflasi dan ekspektasi inflasi pasar di tahun 2021 menurun. Pada saat bersamaan inflasi ekspektasi masih lebih tinggi dibandingkan konsensus *economist* untuk tahun 2022.

Possibility of Tax Update (Reform)

Government is testing public with changes in tax policy

Tax Revenue and Government Spending Growth
In % YoY



Source : Mandiri Sekuritas, Various Article

What We Know About Tax Update (Reform)
Sourced from public articles

- Multi-tariff VAT schemes
 - VAT up to 12% (for general tariff).
 - Final VAT tariff: 1% of revenue (applicable for SME w/ revenue sub-IDR4.8bn/yr).
 - Luxury goods VAT ranging from 15-25%
- VAT charged for mining goods
- Personal income progressive tax of +35% for above IDR5bn/yr.
- E-commerce taxation and Carbon tax
- 1% tax revenue as alternative for losing companies

Pemerintah telah memberikan sinyal terkait peningkatan tarif terkait perpajakan Indonesia baik melalui peningkatan VAT ataupun tambahan pajak seperti *e-commerce* dan *carbon tax*. Hal ini selaras dengan tujuan pemerintah untuk mencapai fiskal defisit di bawah 3% pada tahun 2023.

Section
COVID-19 Updates

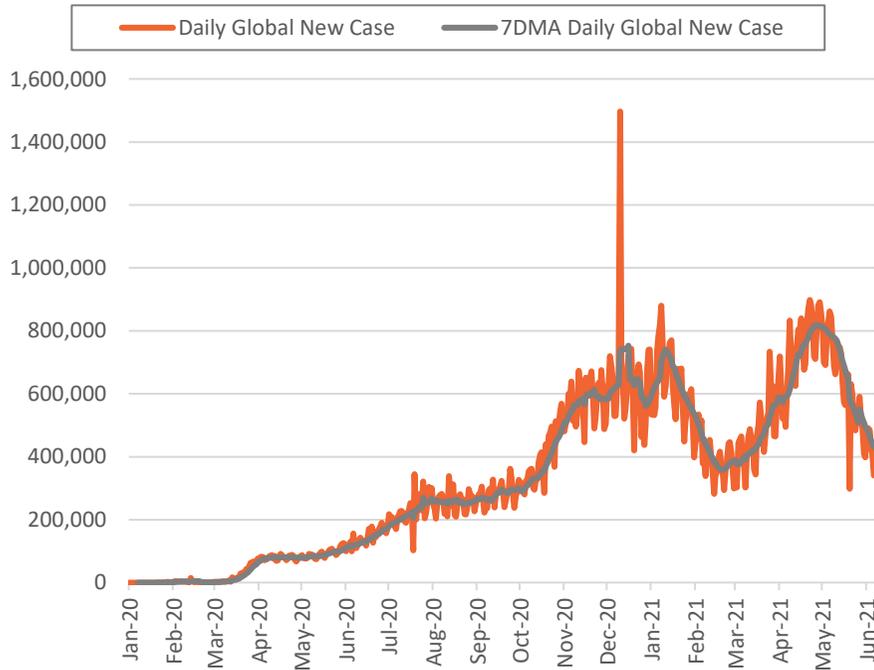
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Global State of Covid-19

Cases already came back to normal level before India outbreak

Global Daily Covid-19 Confirmed Cases

In no. of confirmed cases each day

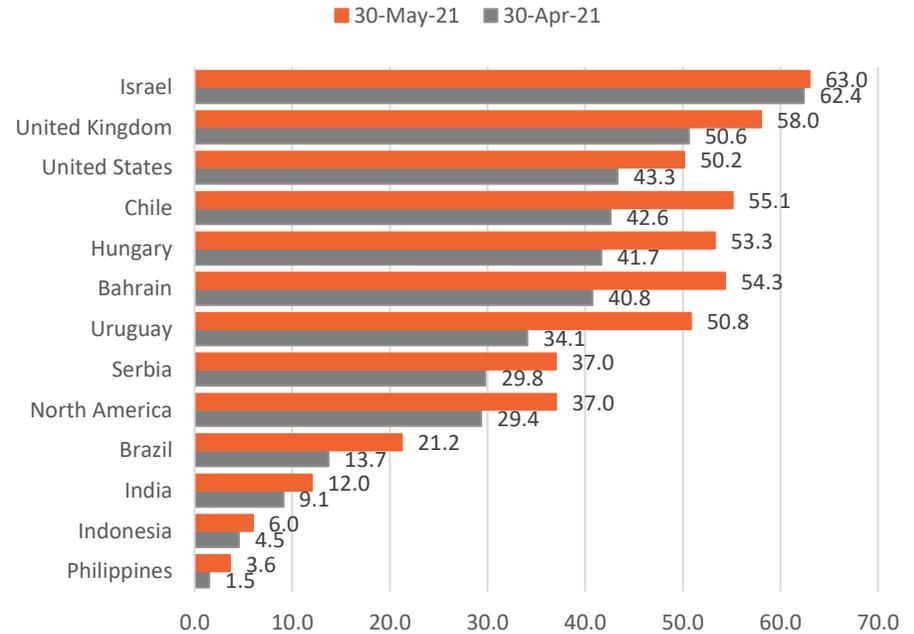


Source: Our world in data

- YTD, berbagai negara mencatatkan *improvement* signifikan terkait *vaccine coverage ratio*. Beberapa negara telah mendekati level *herd immunity*.
- Kasus *covid-19* harian global pun telah menurun ke level normal pada saat Jan-Feb 2021 sebelum peningkatan signifikan yang di pimpin oleh *outbreak* di negara india.

People Vaccinated by Covid-19 Vaccines

People vaccinated per 100 population (30-May-2021)



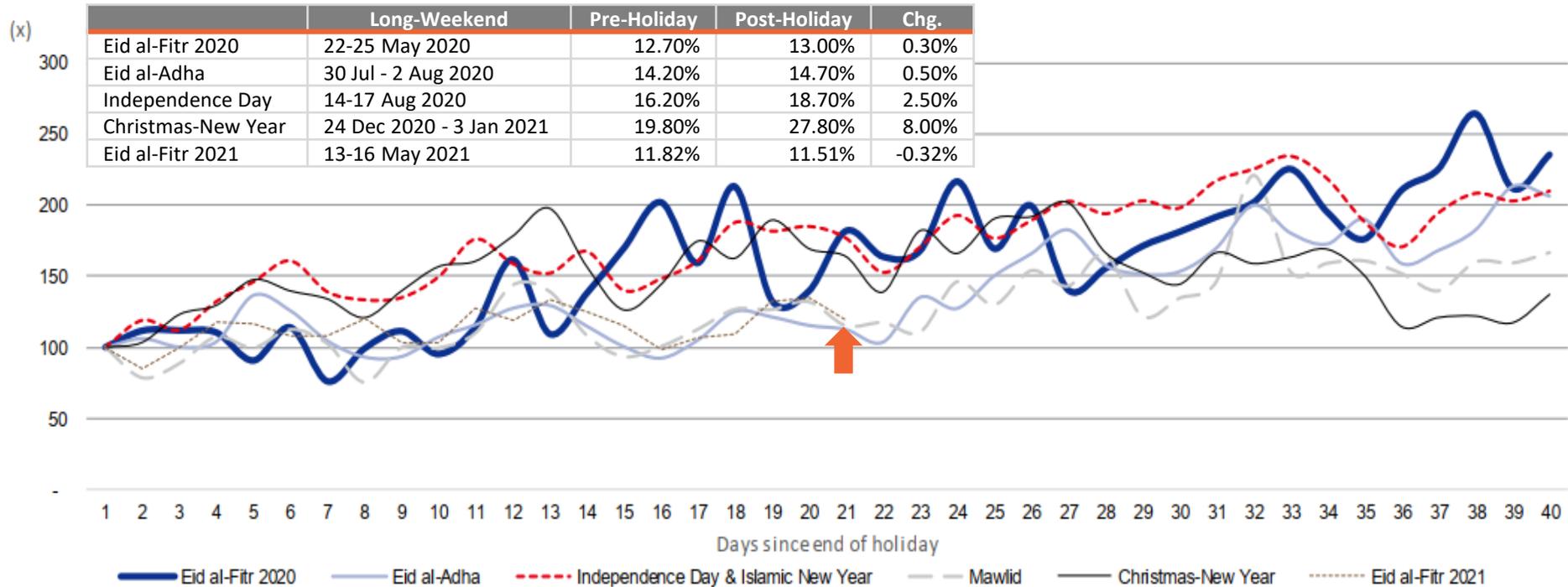
Source: Our world in data

Tracking Covid Cases Post Holiday Eid al-Fitr 2021

Increase in cases is still manageable

Normalized Daily Cases 100 during its 1st day

In times of first day confirmed cases



Source: CIMB Research, Syailendra Capital

- Sejak libur panjang May'21 (Eid Al-Fitr), tingkat kasus harian covid-19 di Indonesia dibandingkan kasus historikal harian di masa lampau, berada pada skenario bawah mendekati liburan mawlid dan Eid Al-Adha.

Latest Update on Indonesia Vaccines Supply

Astrazeneca vaccine supply probably delayed, planning to add sinovac

List of Vaccine Supply (Candidate)

In mio of people and doses

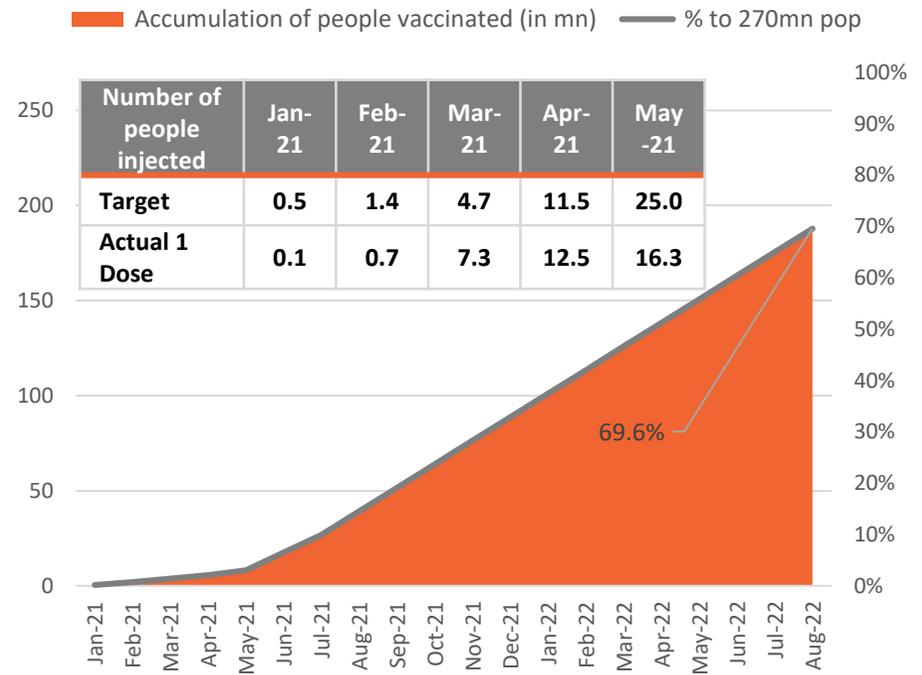
Vaccine candidate	Vaccine Supply (mn) Firm and Optional until 2022			
	Before	After	Changes	Notes
Sinovac	125.5	234.0	108.5	Additional optional supply
Novavax	74.0	50.0	-24.0	Only count for firm supply
COVAX/GAVI	78.0	54.0	-24.0	Supply confirm for 2020, possibility of delay
AstraZeneca	82.8	50.0	-32.8	Only firm supply, possibility for delayed delivery
Pfizer/BioNTech	66.5	50.0	-16.5	Only firm supply
Total	426.8	437.9	11.1	
Vaccine needs	427	427		

Source: Syailendra Research, MoH, *Various Sources

- 🏗 Berdasarkan data terakhir dari Kementerian Kesehatan Republik Indonesia, terdapat beberapa perubahan suplai vaksin dikarenakan keterlambatan vaksin dari Astrazeneca. Pemerintah merencanakan penambahan suplai dari Sinovac sampai dengan tahun 2022 menjadi 234 juta dosis vaksin dibandingkan sebelumnya 125.5 juta dosis vaksin.

Est. Vaccine Timeline and Population Coverage

In mio of doses and % of population coverage



Section

Bond and Equity Outlook

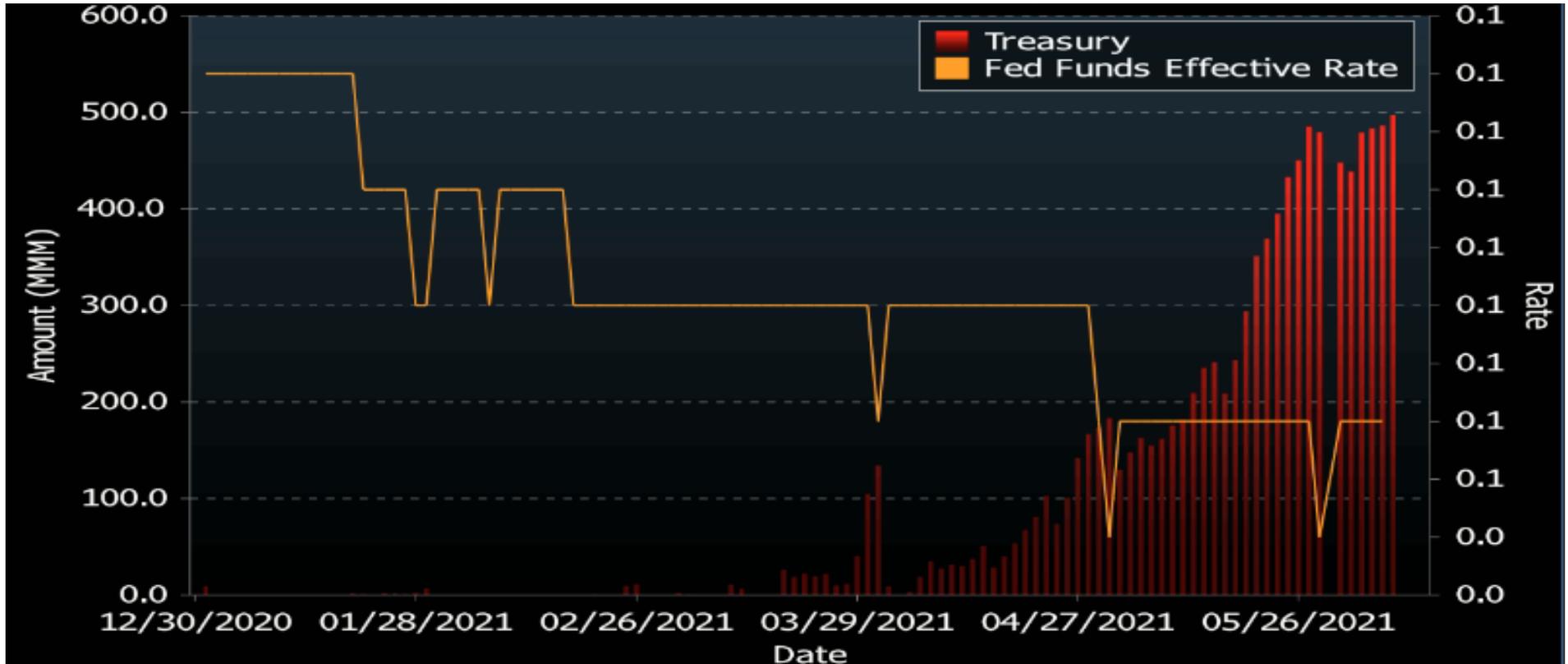
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US Repo Reaches All-Time High

US banking system is facing excess liquidity

US Treasury Reverse Repo

In billion USD



Source: Bloomberg,

- Walaupun *Fed reverse repo facility* memberikan 0% rate, permintaan atas reverse repo masih tinggi. Hal ini menandakan *excess liquidity* di sistem perbankan. Hal ini pun dapat di implikasikan sebagai sinyal dari Fed untuk tidak melakukan kembali *quantitative easing* selama *excess liquidity* terjadi di sistem perbankan.

Real Rate Comparison Among EMs

Indonesia still offers attractive real yield compared to peers

Real 10Y YTM – Indonesia vs. Peers

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

Country	10Y Yield (%)	10Y Yield chg. (in bps)	Currency chg. in %	Inflation Rate (%)	Real 10Y Yield (%)	Est. Current Account (% GDP)	Est. Fiscal Balance (% GDP)	S&P Credit Rating
	per May-21	YTD	YTD (%)					
Egypt	14.7	75	0.3	4.1	10.6	-3.6	-8.4	B
Indonesia	6.4	54	-2.5	1.4	5.0	-1.3	-5.7	BBB
South Africa	9.3	53	6.9	4.4	4.9	0.9	-9.0	BB
Brazil	9.1	222	-0.5	6.8	2.4	-0.3	-7.9	BB-
Peru	4.8	126	-5.4	2.6	2.2	0.1	-5.7	A-
China	3.1	-7	2.5	0.9	2.2	1.7	-5.2	A+
India	6.0	15	0.8	4.3	1.7	1.0	-9.5	BBB-u
Russia	7.2	128	0.8	5.5	1.7	3.8	-0.9	BBB
Turkey	17.8	540	-12.5	17.1	0.7	-3.5	-4.0	BB-u
Mexico	6.6	105	-0.3	6.1	0.5	1.1	-3.3	BBB+
Romania	3.3	29	-1.1	3.2	0.0	-4.8	-7.6	BBB-
Vietnam	2.4	3	0.2	2.7	-0.4	3.1	-4.1	BB
Malaysia	3.2	58	-2.5	4.7	-1.5	3.4	-6.0	A
Thailand	1.8	52	-3.7	3.4	-1.6	1.2	-5.3	A-
Ukraine	6.6	44	3.1	8.4	-1.8	-1.1	-5.3	B
Hungary	2.9	82	4.5	5.1	-2.2	0.3	-6.9	BBB

Source: Bloomberg, Syailendra Research

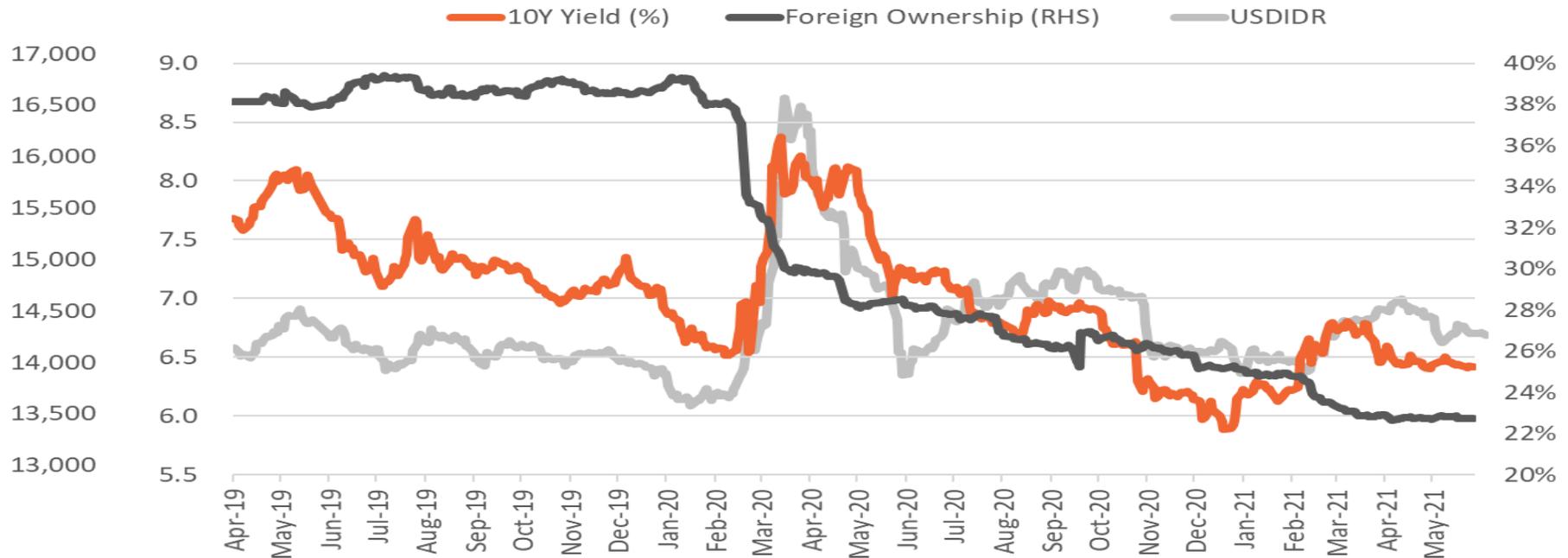
🏠 Real 10yr Yield Indonesia masih menarik dibandingkan negara berkembang lainnya yaitu sebesar 4.87%, dan berada pada posisi pertama di Asia Tenggara.

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, namun level kepemilikan sudah bergerak *flat* sejak Apr'21
- 🔺 Kami masih melihat ada risiko *supply-demand imbalance* pada obligasi pemerintah tahun ini. Namun, risiko akan menurun jika *issuance size* berkurang yang salah satunya adalah dampak realokasi SAL dari APBN 2020.
- 🔺 Kami merekomendasikan menjaga portofolio fokus 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*.

Digital Banking : What We Know (1)

Few digital challenger banks are profitable

Period of Profitability during Banks Operation, Number of User

Period of operation, mio of user



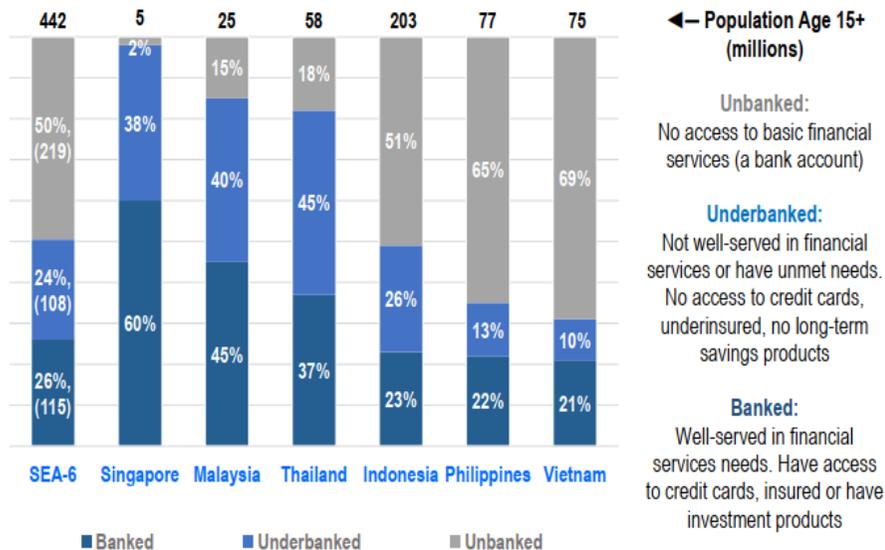
Source: BCG Fintech

Digital Banking : What We Know (2)

Focus on consumer and SME banking due to massive underserved population

Types of Digital Challenger Banks

Type of digital banks



Source: Google, Bain, Citi Research

- 🏠 Digital bank di ASEAN umumnya akan memiliki target segmen berfokus pada produk konsumen dan *small medium enterprise*.
- 🏠 Salah satu hal penting terkait penilaian *digital bank* ialah eksekusi atas *onboarding user*. Umumnya user yang relatif mudah untuk diakusisi *digital bank* ialah : 1) *near-prime*, 2) *young adult* dan 3) *internet platform customers*

Number of User in Each digital Banks

In mio of user

Figure 3. Asean-5 Digital Banks Summary

	Singapore ¹	Malaysia ¹	Philippines ¹	Indonesia ²	Thailand ³
Internet-backed	Singtel-Grab Sea Ltd			Bank Jago Sea Bank	Line Financial
Bank-backed			Overseas Filipino Bank DiskarTech	Jenius Bank Royal Bank Agro DBS digibank UOB TMRW	ME by TMB
Investor-backed	Greenland Consortium		ING CIMB		UOB TMRW
			Tonik	Tyme Digital	

Source: Citi Research

1Q21 Earnings Recap

JCI recorded earnings improvement in 1Q21

1Q21 Earnings Recap Per Sector

In bio IDR, % YoY

Sector	4Q20	1Q21	QoQ%	1Q20	1Q21	YoY%
Banks	16,359,311	27,673,882	69.2%	32,366,525	27,673,882	-14.5%
Consumer	2,820,850	3,415,507	21.1%	3,736,975	3,415,507	-8.6%
Telco	-772,742	1,796,832	-332.5%	1,859,293	1,796,832	-3.4%
Petrochemical	1,380,161	1,839,642	33.3%	-284,099	1,839,642	-747.5%
Cigarettes	3,671,077	4,332,825	18.0%	5,768,259	4,332,825	-24.9%
Mining	749,386	3,280,760	337.8%	2,166,064	3,280,760	51.5%
Auto	2,436,659	3,902,117	60.1%	4,471,034	3,902,117	-12.7%
Healthcare	1,333,512	1,335,453	0.1%	919,015	1,335,453	45.3%
Building Materials	1,940,114	801,680	-58.7%	846,891	801,680	-5.3%
Poultry	693,192	947,568	36.7%	357,959	947,568	164.7%
Property	1,632,330	984,315	-39.7%	-537,857	984,315	-283.0%
Retail	604,091	632,602	4.7%	458,513	632,602	38.0%
Heavy Equipment	664,923	1,866,801	180.8%	1,823,085	1,866,801	2.4%
Construction	-329,342	59,447	-118.1%	122,975	59,447	-51.7%
Utilities	-4,194,114	1,151,993	-127.5%	727,344	1,151,993	58.4%
Media	234,729	331,535	41.2%	311,520	331,535	6.4%
Plantation	250,541	162,433	-35.2%	371,063	162,433	-56.2%
Oil & Gas	259,510	305,312	17.6%	227,774	305,312	34.0%
Infrastructures	0	0	0.0%	0	0	0.0%
Industrial Estate	1,147,837	137,930	-88.0%	-190,422	137,930	-172.4%
Airplane	0	0	0.0%	0	0	0.0%
Financials Non-Bank	180,963	229,535	26.8%	327,859	229,535	-30.0%
Transportation	-5,340	-28,251	429.0%	13,744	-28,251	-305.6%
Coverage Aggregate	31,057,646	55,159,916	77.6%	55,863,514	55,159,916	-1.3%
Ex-Airplane	31,057,646	55,159,916	77.6%	55,863,514	55,159,916	-1.3%
Ex-Commodity (Oil, Mining, Plantation)	29,798,209	51,411,412	72.5%	53,098,613	51,411,412	-3.2%
Coverage Ratio		58.91%			58.91%	

Source: Company, Syailendra Research

JCI Adopt New Weight Schematic

Significant rebalancing will happen in 3 Stages

Top 20 Stock Weight Impact

In %

No	Ticker	Full Mkt Cap Weight (31 May 2021)	Float Mkt Cap Weight (31 May 2021) with 9% Cap	Changes
1	BBCA	11.6%	9.0%	-2.6%
2	BBRI	7.4%	9.0%	1.6%
3	TLKM	4.8%	7.7%	2.9%
4	BMRI	4.0%	5.1%	1.1%
5	ASII	3.1%	5.1%	2.0%
6	UNVR	3.3%	1.6%	-1.7%
7	TPIA	2.0%	0.5%	-1.5%
8	HMSF	2.2%	0.5%	-1.7%
9	ARTO	2.5%	2.3%	-0.2%
10	EMTK	2.1%	1.6%	-0.5%
11	CPIN	1.6%	2.4%	0.8%
12	BBNI	1.4%	1.9%	0.5%
13	ICBP	1.4%	0.9%	-0.5%
14	BRPT	1.2%	1.1%	-0.1%
15	BRIS	1.1%	0.3%	-0.8%
16	SMMA	1.1%	1.5%	0.4%
17	UNTR	1.2%	1.6%	0.4%
18	KLBF	1.0%	1.4%	0.4%
19	GGRM	0.9%	0.7%	-0.2%
20	ANTM	0.9%	1.0%	0.1%

Timeline of New Weight Adoption

Each adoption timeline and weight cap

No.	Index	Adoption Timeline			Weight Cap
		30%	60%**	100%**	
1	SRI-KEHATI	1-Jul-21	1-Sep-21	1-Dec-21	15%
2	INVESTOR33	1-Jul-21	1-Sep-21	1-Dec-21	15%
3	BISNIS-27	1-Jul-21	1-Sep-21	1-Dec-21	15%
4	Pefindo i-GRADE	1-Jul-21	1-Sep-21	1-Dec-21	20%
5	PEFINDO25	2-Aug-21	1-Nov-21	1-Feb-21	15%
6	KOMPAS100	2-Aug-21	1-Nov-21	1-Feb-21	9%
7	JII	2-Aug-21	1-Nov-21	1-Feb-21	15%
8	JII70	2-Aug-21	1-Nov-21	1-Feb-21	9%
9	INFOBANK15	2-Aug-21	1-Nov-21	1-Feb-21	20%
10	SMINFRA18	2-Aug-21	1-Nov-21	1-Feb-21	15%
11	MNC36	2-Aug-21	1-Nov-21	1-Feb-21	15%
12	IDXBUMN20	4-Aug-21	1-Nov-21	1-Feb-21	15%
13	IDXSMC-LIQ	4-Aug-21	1-Nov-21	1-Feb-21	9%
14	ISSI	1-Oct-21	3-Jan-22	1-Apr-22	9%
15	JCI*	1-Oct-21	3-Jan-22	1-Apr-22	9%

Source: Mandiri Sekuritas

🔺 Di akhir bulan May'21, IDX mengumumkan perubahan terkait perhitungan bobot untuk indeks yang dibentuk oleh IHSG atau mitra IDX.

🔺 Rebalancing akan dilakukan secara bertahap.

Foreign Equity Flow

Foreign inflow despite flattish market movement mom

(in US\$ mn.)	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China
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	2,333	-186	-1,312	-483	-5,523	-1	-7	-5,179
Apr-21	-1,489	-244	68	-278	2,758	-107	-276	431
May-21	749	247	-7,964	-239	-1,911	-1,061	-40	-10,220

Yearly								
YTD	6,586	849	-16,244	-1,464	-11,290	-2,155	-744	-24,463
2020	23,373	-4,320	-20,082	-2,513	-15,997	-8,287	-5,782	-33,607
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

JCI Sector Rotation

As of May 2021

Sectoral Weight Changes as of May 21

In MoM

	Local Institution	Mutual Fund	Pension Fund	Insurance	Local Retail	Foreign Institution	Foreign MF	Foreign PF	Foreign IS	Foreign Retail
Energy	-0.01%	0.04%	-0.18%	-0.02%	-0.49%	-0.11%	-0.10%	-0.16%	-0.10%	0.21%
Basic industry	-0.24%	-0.11%	0.17%	-0.38%	-0.14%	-0.18%	-0.15%	-0.27%	-0.17%	-1.03%
Industrial	0.09%	0.17%	0.12%	0.04%	1.23%	-0.13%	-0.10%	-0.03%	-0.86%	-0.28%
Consumer non-cyclical	-0.39%	-0.38%	-0.16%	-0.43%	-0.45%	-0.24%	-0.26%	-0.19%	-0.27%	-0.06%
Consumer cyclical	-0.01%	-0.08%	-0.05%	0.03%	-0.15%	-0.09%	-0.07%	-0.14%	0.09%	1.05%
Healthcare	0.05%	0.05%	0.15%	0.03%	-0.05%	0.04%	0.03%	0.07%	-0.02%	-0.23%
Financial	-0.19%	-0.01%	-0.77%	-0.21%	-0.31%	0.50%	0.69%	-0.04%	0.58%	0.21%
Property	-0.02%	-0.12%	0.11%	0.03%	-0.13%	-0.12%	-0.11%	-0.14%	-0.09%	0.43%
Technology	0.12%	0.18%	0.03%	0.10%	0.74%	-0.01%	0.00%	0.00%	0.00%	0.03%
Infrastructure	0.57%	0.22%	0.48%	0.81%	-0.27%	0.35%	0.09%	0.90%	0.86%	-0.45%
Transportation & logistics	0.01%	0.02%	0.10%	-0.01%	0.02%	0.00%	-0.01%	0.00%	0.00%	0.10%

Source: CIMB Research

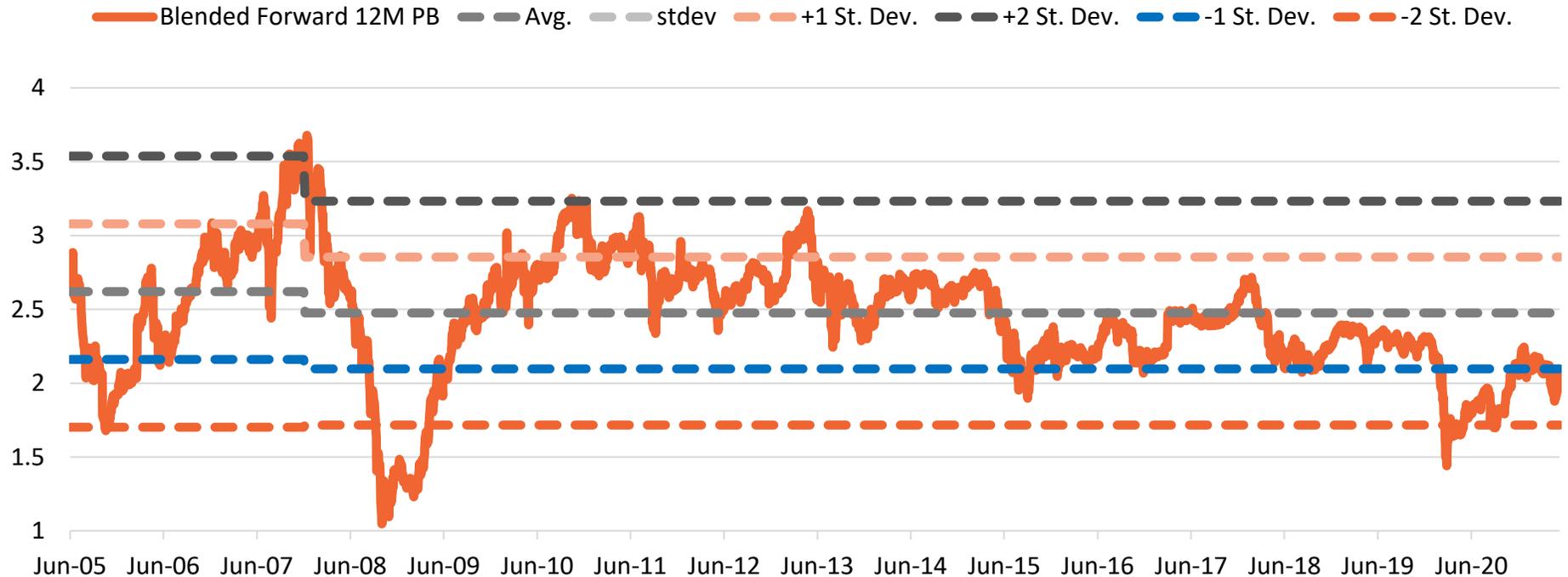
- ▲ Local Institution : Add : Infrastructure, Industrial and technology. Cut : Consumer, Financial and Basic Industry.
- ▲ Foreign Institution : Add : Financial and Infrastructure. Cut : Broad based reduction.
- ▲ Retail : Add : Industrial and Technology. Cut : Other Sector.

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

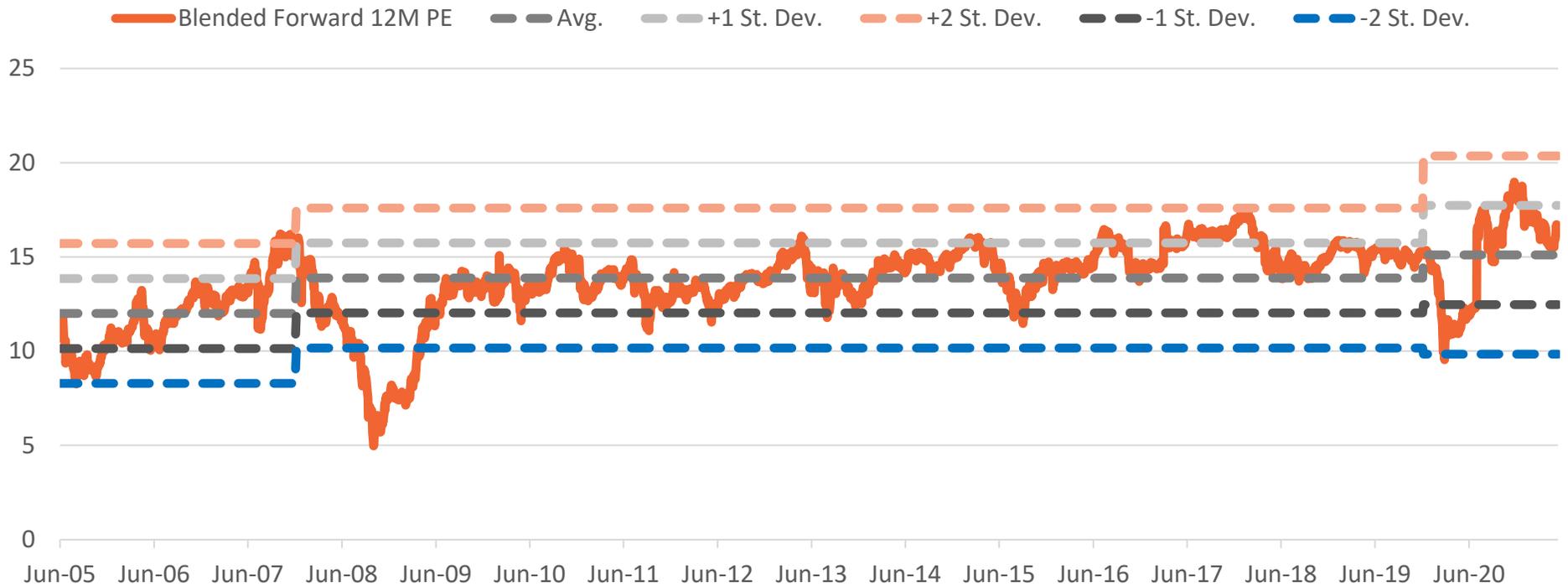
- Di saat yang bersamaan valuasi JCI menggunakan *price to book* masih dapat dikatakan memiliki potensi *upside*. Secara historis sejak 2015, P/B JCI berkisar di antara 2.1x – 2.5x dibandingkan level saat ini masih berada di 1.99x mendekati level -2 Std. Deviasi di 1.71x.

JCI Historical Valuation

JCI price to earnings down to its mean

JCI Blended 12M Forward P/E

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



Source: Bloomberg, Syailendra Research

- ⚠️ Dalam 2 bulan kebelakang, IHSG mengalami koreksi bergerak relatif flat 5,900 - 6,000. Di saat yang bersamaan, ekspektasi laba tidak menurun signifikan. Hal ini terlihat pada P/E menurun di antara level rata-rata dan +1 Std Dev.

Section
Medium term outlook

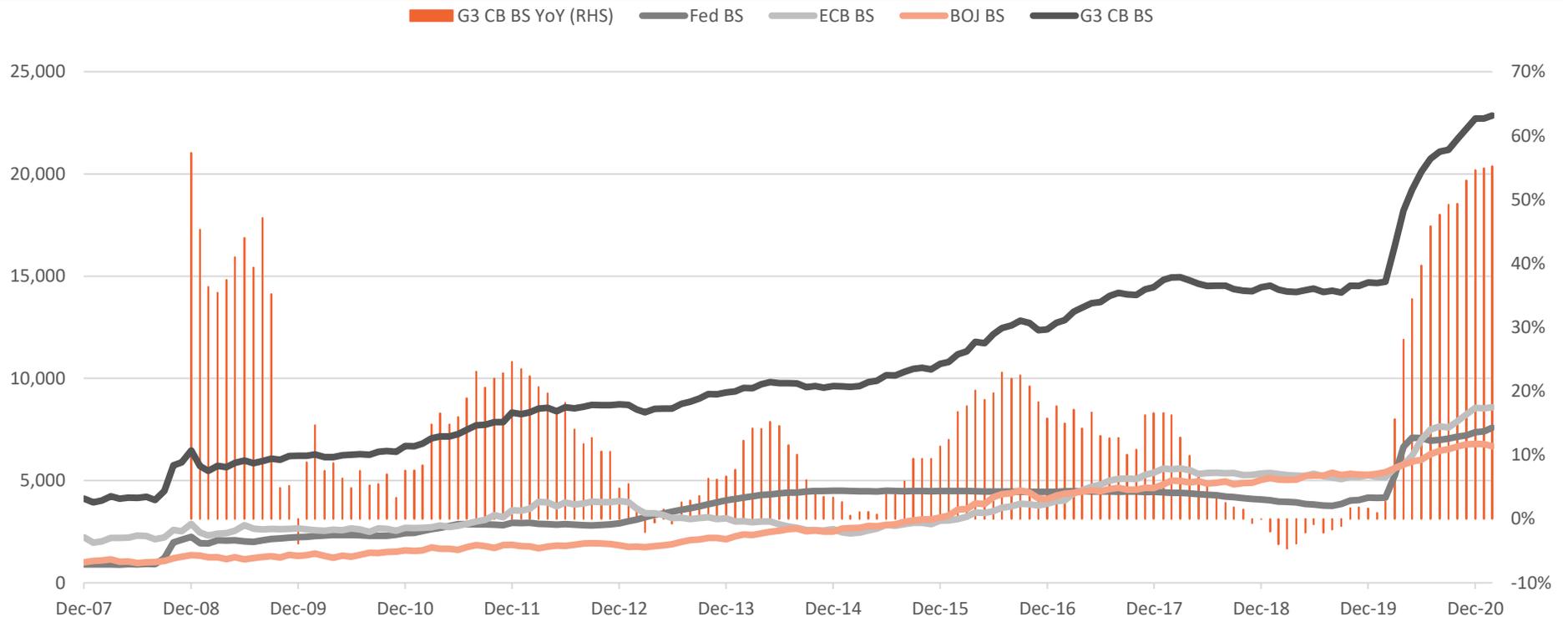
3

Central Bank is Pouring Liquidity at New Level

Significant liquidity injected into the market as covid-19 spread in 2020

G3 Central Bank Balance Sheet

In bio USD, YoY



Source: Syailendra Research, Bloomberg

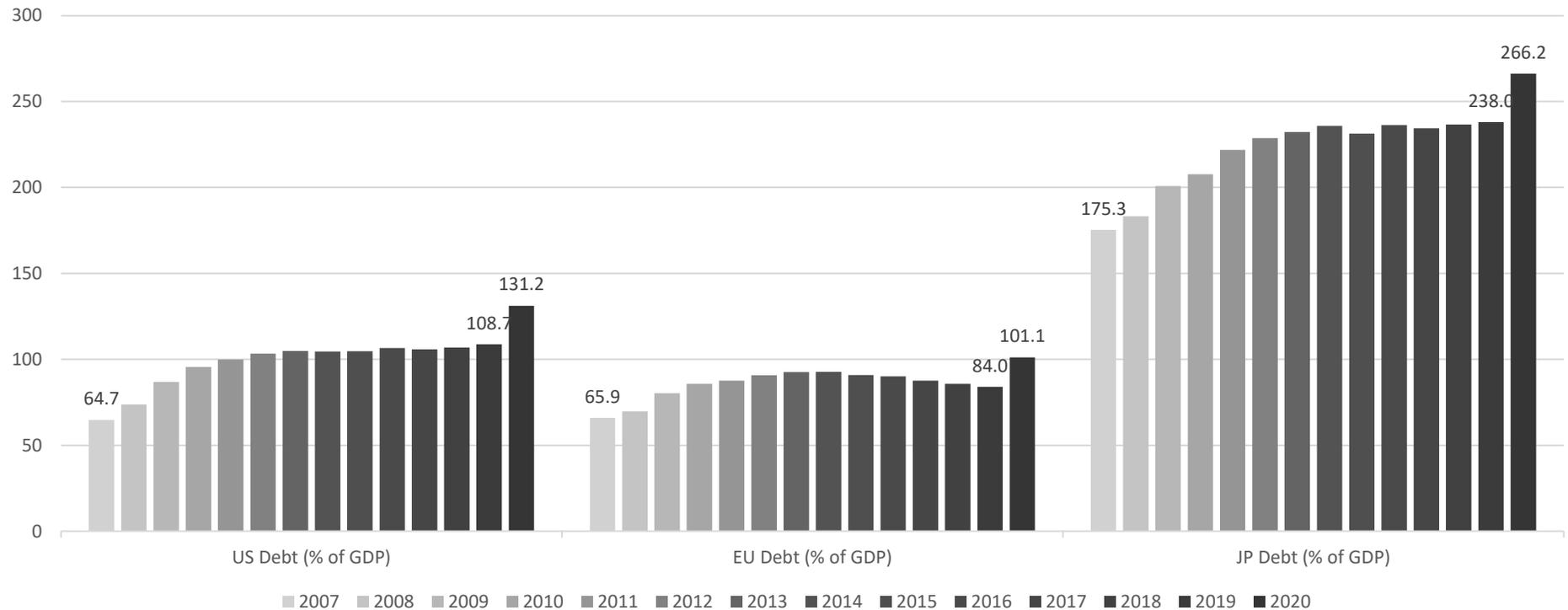
- Terjadinya pandemi *covid-19* mulai di awal 2020 menyebabkan bank sentral dunia melakukan kebijakan pelonggaran moneter dengan melakukan pembelian SUN negara masing-masing agar dapat disalurkan melalui program belanja negara.

Each Country Debt Level Rising to New Level

Significant liquidity injected into the market as covid-19 spread in 2020

G3 public debt

In bio USD, YoY



Source: Syailendra Research, Bloomberg

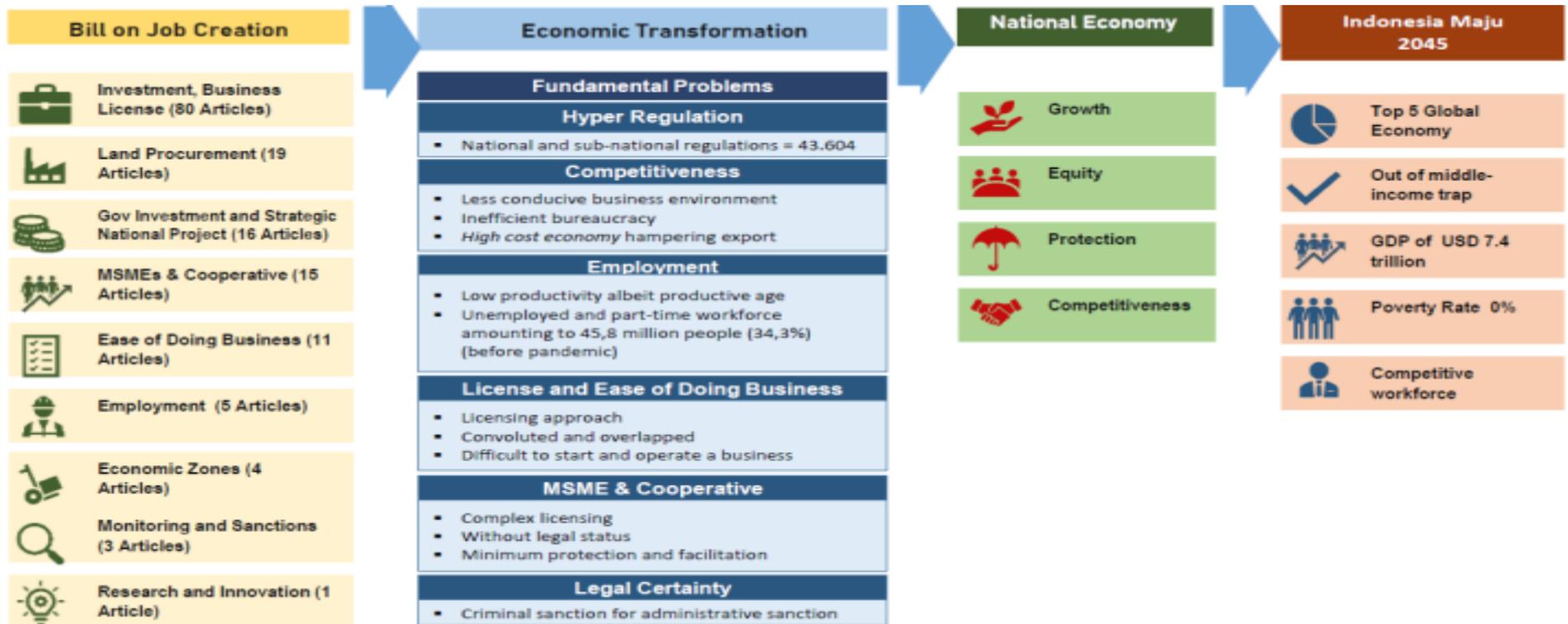
- US, EU dan JP meningkatkan tingkat hutang berkisar dari 20-30% dari GDP mereka di tahun 2020. Dibandingkan level 2007, Level hutang negara telah mencapai 2x di akhir tahun 2020.

Omnibus Law: Potential Mid-Term Game Changer

Addressing Indonesia's 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

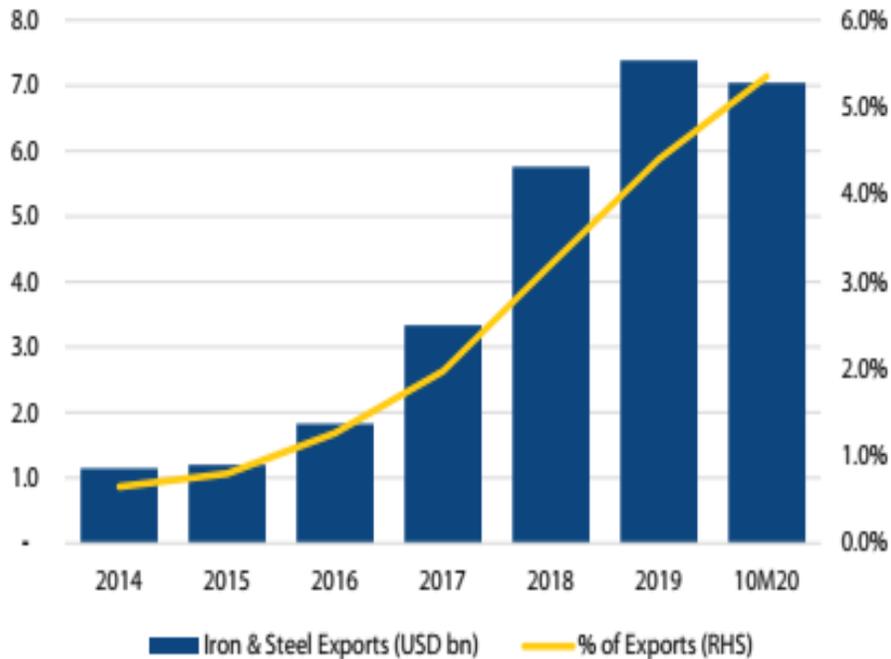
Section	Previous	Omnibus Law	Implementing Regulation
Labor Law			
Salary based on unit produced	NA	Daily, Weekly, Month or based on unit produced/sold	Daily, Weekly, Month or based on unit produced/sold
Minimum wage per region	Min. wage is determined by each region (Province, District and Job Sector)	Removed min. wage based on job sector. Min, wage can be determined based on Province or District	Removed min. wage based on job sector. Min, wage can be determined based 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

Potentially sustainable 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

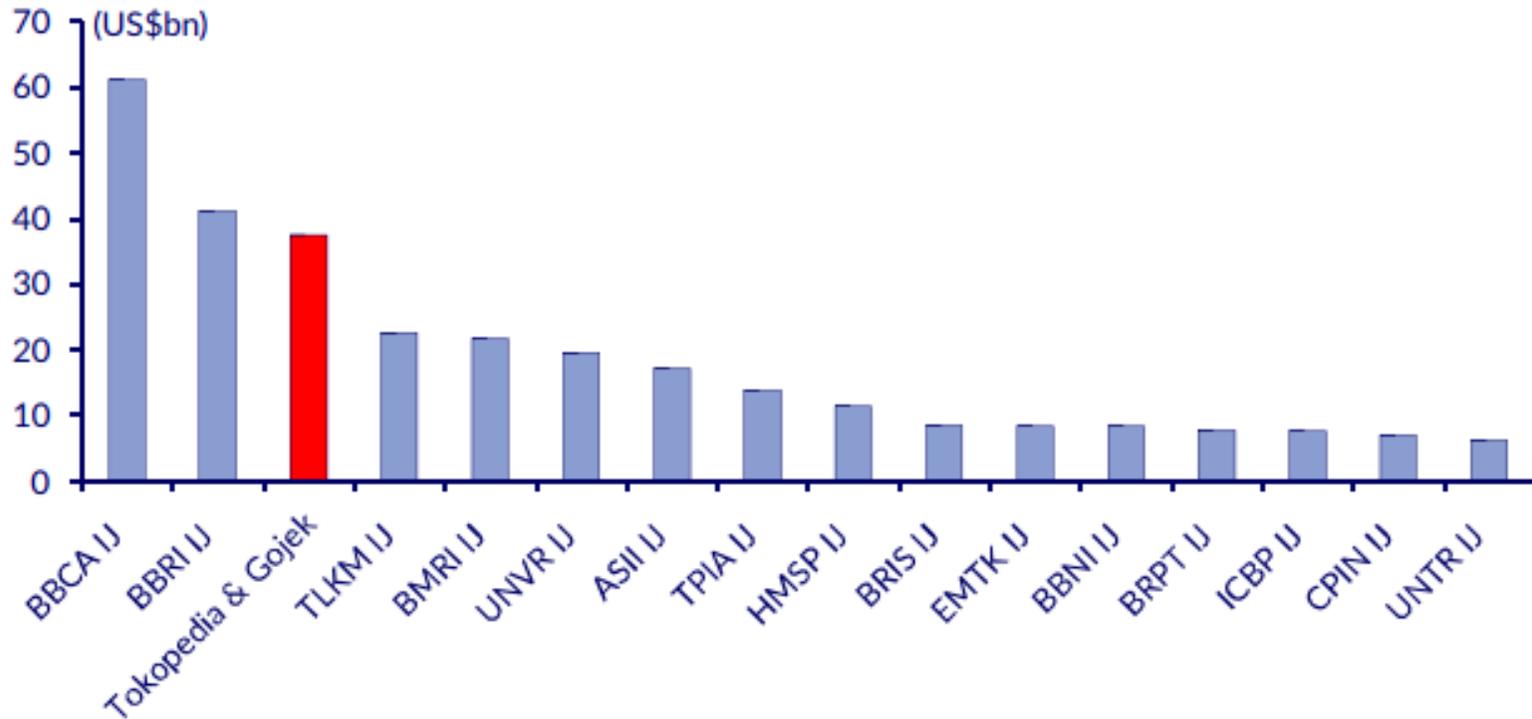
▲ Ekspor Indonesia dalam kategori *base metal* meningkat signifikan sejak tahun 2016. Hal ini diakibatkan produksi smelter *nickel* yang telah selesai di tahun 2016-2017. Adapun 20 smelter yang masih dalam konstruksi akan meningkatkan produksi *nickel* secara signifikan dalam 5 tahun ke depan, bisa memproduksi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

JCI Market Structure is Going Through Changes

Upcoming tech IPO will have 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 terbesr 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.

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