

Monthly Bulletin

May 2025

What's Inside



Calendar

CN – PMI (6-May-25)

CN – Industrial Production (19-May-25)

US – Jobless Claims (Every week)



Events

US mencatatkan kontraksi atas pertumbuhan GDP di 1Q25 sebesar -0.3% di saat bersamaan hal ini sebelum terjadinya *liberation days* oleh Trump. Sehingga, Ekspektasi pasar memasuki 2Q25 akan melambat lebih signifikan.



Equity Market

IHSG mencatatkan kinerja sepanjang bulan Maret sebesar 3.93% MoM (*cutoff date*: 30 Apr 2025). Di saat bersamaan, investor asing melakukan penjualan (*outflow*) sebesar 1.2 miliar juta USD di bulan Apr'25.

Top 3 Leaders YTD 1) AMMN, 2) TLKM, 3) BBKA, dan Top 3 Laggards 1) ASII, 2) BYAN, 3) DCII



Fixed Income Market

Yield SUN 10 tahun di akhir Apr'25 tercatat di level 6.87% menurun 13bps dari akhir Mar'25 di 7.00%.

Kepemilikan investor asing di SUN terlihat *inflow* 440 juta USD di bulan Apr'25



Section 01



Macro Updates

2025F Macro Background – Shifts in Global Order

Shifts from free trade (efficiency) to fair trade (resiliency)

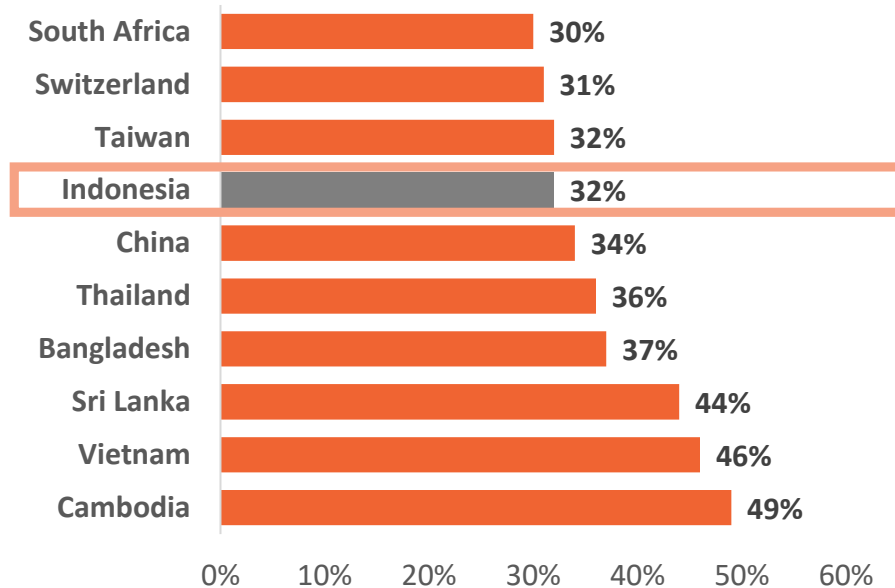
Updates on Macro View So Far Explained

- 2-Apr-2025 mencatatkan awal dari suatu perubahan signifikan atas perdagangan global. Hal ini mengakibatkan perubahan signifikan untuk iklim investasi yang diikuti oleh koreksi masif di setiap kelas aset. Satu hal yang pasti **volatilitas pasar** masih akan **tinggi** selaras dengan **ketidakpastian global** dan **isu domestik** (politik, hukum dan daya beli). Dibawah ini merupakan isu-isu kunci :
- **US Reciprocal Tariff was it negotiation tools or more strategic moves** : Salah satu hal penting yang perlu dipahami bagaimana *framework* yang digunakan oleh US untuk melihat adanya ketidakadilan aturan dagang (*tariff, trade barrier, currency manipulation, etc*). Kami melihat dengan terdapat pemahaman baru oleh pemerintah US untuk mencapai *trade deficit* tiap negara lebih mendekati *neutral (minimum surplus/deficit)*. Hal ini sangat bertolak belakang atas pemahaman *economist* atas *competitive advantage* masing-masing negara (*resources, labor for goods*). Di mana US hanya melihat *goods trade* tidak memasukkan *services* untuk melihat *imbalance trade*. Hal ini akan meningkatkan konflik geopolitik dari perspektif perdagangan yang dapat berujung resesi.
- **Things could go worse before it get better, but how far we've gone Comparing to Covid-19** : Setiap *economy shock* menurut kami memiliki hal yang sama. Kami mencoba membandingkan dengan periode 2020. Kami melihat walaupun saat ini terlihat seperti masa yang sangat sulit, *in hindsight* di 2020 juga terasa hal yang sama sampai dengan terlihat ada harapan terkait *exit plan* atas krisis yang terjadi. Hal yang sama kami rasa akan berulang untuk krisis ini.
- **Things could go better, few catalysts that might help** : Terdapat beberapa katalis yang dapat menjadi acuan bagi investor untuk lebih optimis kedepannya jika terjadi beberapa kejadian baik dari sisi eksternal global ataupun domestik.
- **Eksternal global** : 1) Intervensi Bank Sentral: Volatilitas mata uang akan direspons dengan intervensi pasar atau *quantitative easing*. 2) Stimulus China: China diproyeksi mengeluarkan stimulus fiskal besar yang berdampak positif bagi mitra dagangnya. 3) Dinamika Politik AS: Menjelang Pemilu 2026, tekanan politik bisa mendorong Trump melonggarkan kebijakan perdagangan jika resesi memburuk.
- **Domestik** : 1) Isu Danantara: seharusnya dilihat netral oleh investor dengan potensi positif karena mendorong perbaikan tata kelola BUMN. 2) Potensi reshuffle kabinet: Reshuffle diperkirakan jadi katalis positif jika figur yang ditunjuk sesuai ekspektasi pasar. 3) Prospek Konsumsi : Konsumsi diproyeksi membaik di 2H25 seiring program makan gratis pemerintah mulai berjalan masif pada Agustus 2025.

Reciprocal Tariff : Negotiation Tools or Global New Order

Background and How current government mindset on this policy

Top 10 highest tariff announced on Liberation Day (Selected partners)



Source : Syailendra Research, Bloomberg

Illustration how US come-up with Indonesia Tariff Explained

Reciprocal Tariff Calculations

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \varphi * m_i}.$$

Illustration	(billion dollar)
US Export to Indo	10.2
US Import from Indo	28.1
Trade Deficit	17.9
Price elasticity of import demand	4
Price elasticity of import prices with respect to tariffs	0.25
Tariffs charged to US because of manipulation	64%
Discount factor 50%	50%
New Tariff for Indonesia	32%

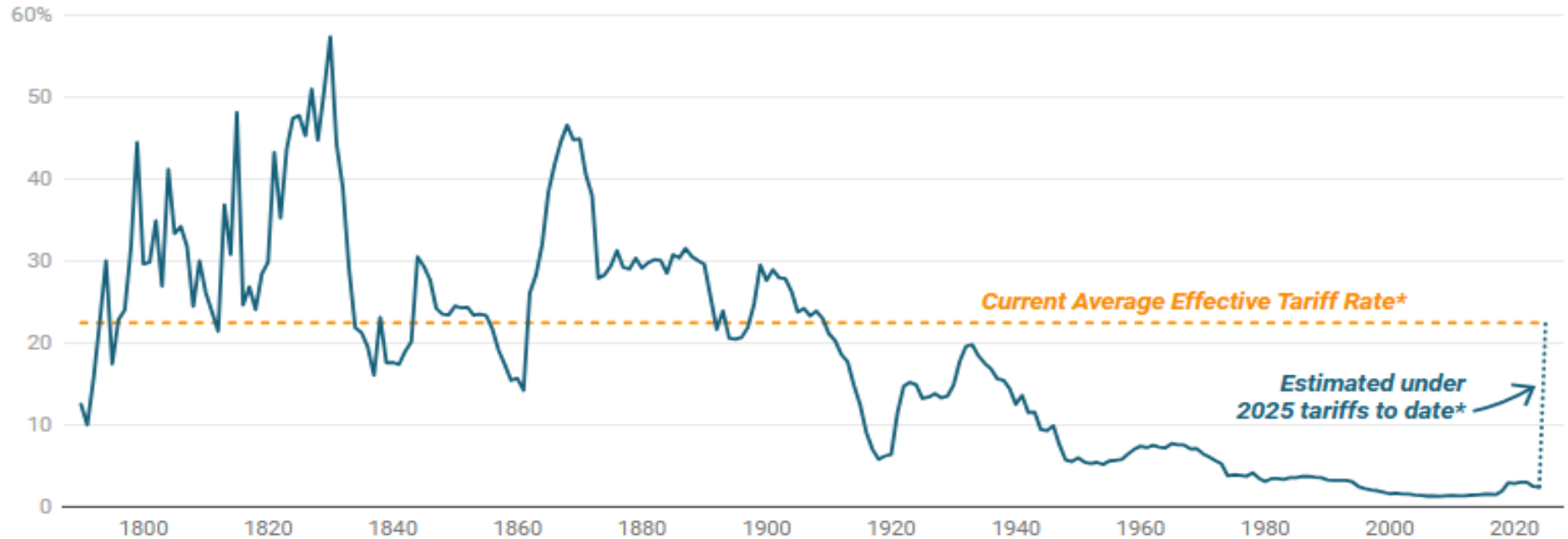
Source : Syailendra Research, Bloomberg

- 🚩 The US has implemented reciprocal tariffs as a response to what it perceives as trade manipulation or unfair trade practices. These tariffs aim to enforce a more 'balanced' trade relationship, ideally targeting a near zero trade deficit. However, this assumption is fundamentally flawed. Achieving perfectly balanced trade is highly unrealistic due to differences in economic structure, production capacity, and consumer preferences. Enforcing reciprocal tariffs may signal the rise of a new trade doctrine, potentially shifting the global economic order toward more protectionist and fragmented systems.

Why It Might Be the new start of Global Order ?

If fully implemented, newest tariff will be the highest since 1920-1930

US Average Effective Tariff Rate History
1790 – 2025F



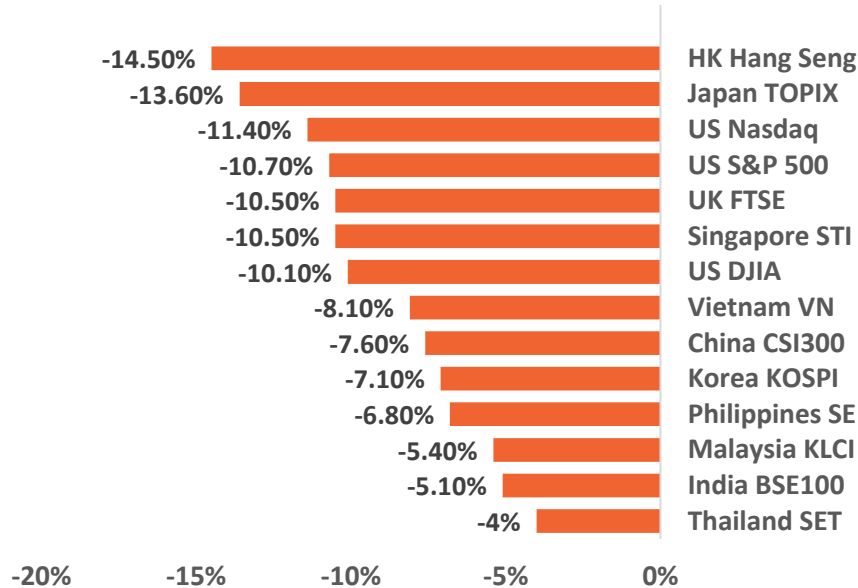
Source : Syailendra Research, The BudgetLab

- 🏰 Tarif resiprokal yang diterapkan AS kali ini tidak hanya dikenakan kepada China namun juga seluruh negara di dunia.
- 🏰 Penerapan tarif yang melebihi ekspektasi investor ini membuat *average tariff rate* naik signifikan dari ~2% menjadi 22,5% dan mencapai level tertinggi sejak 1909.

Market React Negatively on Reciprocal Tariff

Market start pricing-in recession, slowdown and currency issues

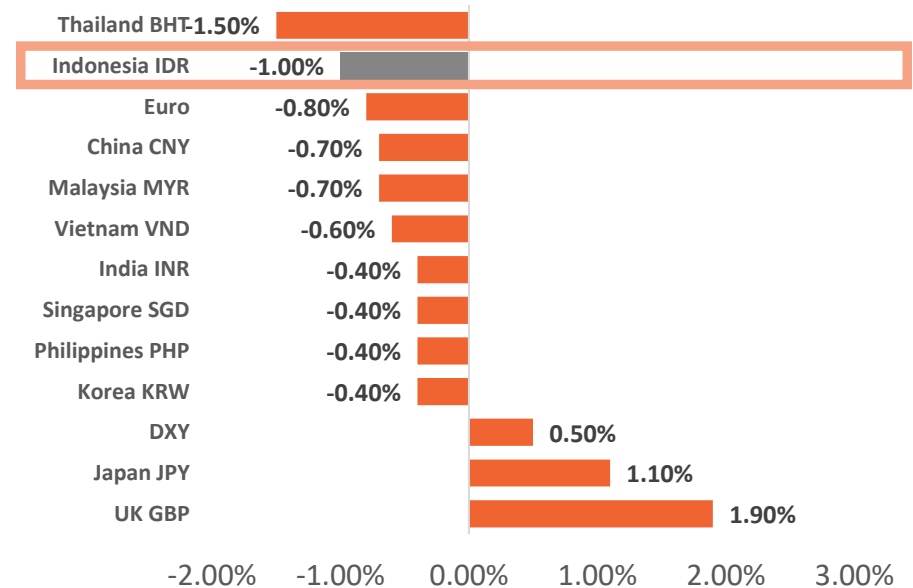
Global stock market performances since the Tariff Day
02 April – 07 April 2025



Source : Syailendra Research, Bloomberg

- ⚠ Koreksi akibat tarif AS kali ini bersifat *broad-based* (menyeluruh) dengan penurunan terbesar dialami oleh bursa HK sebesar -14,5%.
- ⚠ Sementara itu, IHSG mengalami dampak yang relative *lagging* dibandingkan bursa global karena libur lebaran.

Currency performance against USD since the Tariff Day
02 April – 07 April 2025



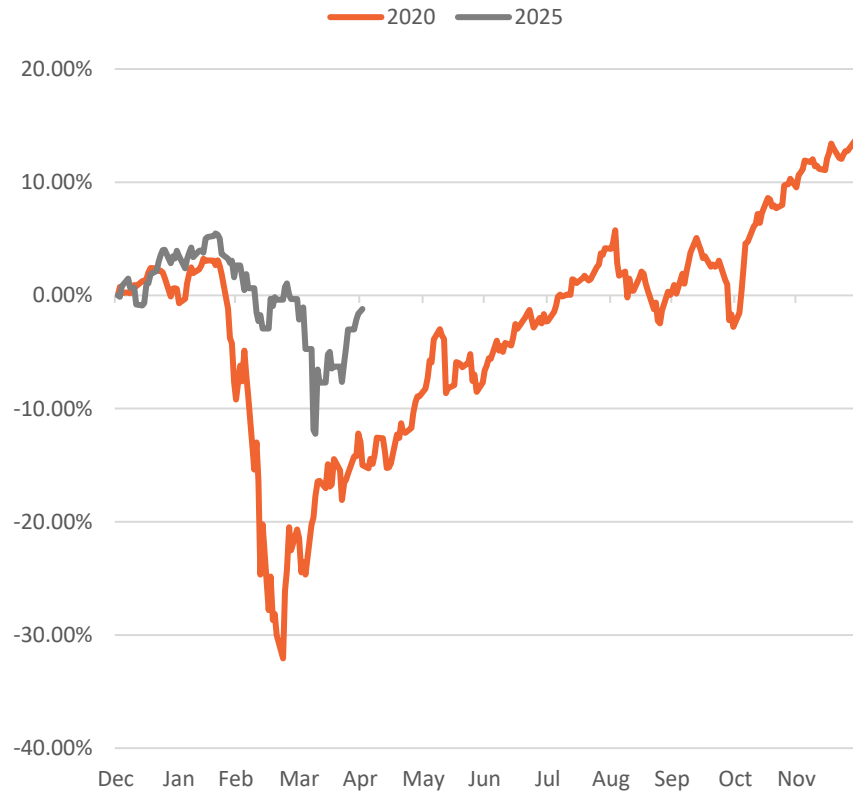
Source : Syailendra Research, Bloomberg

- ⚠ Pergerakan mata uang negara global terhadap USD juga kompak melemah, termasuk pula Rupiah sebesar -1%.
- ⚠ Hal ini membuat pergerakan Rupiah menyentuh level 16,900 di pasar spot dan telah menembus 17,000 di pasar NDF akibat kekhawatiran investor global.

Things Could Go Worse Than Better, But...

How far we are compare to recent market crash (2020 covid-19)

MSCI World during Market Crash (2020 vs 2025)
Based in 100



Source : Syailendra Research, Bloomberg

JCI during Market Crash (2020 vs 2025)
Based in 100



Source : Syailendra Research, Bloomberg

Things Could Go Worse Then Better, But... (2)

How far we are compare to recent market crash (2020 covid-19)

Brent Oil during Market Crash (2020 vs 2025)
Based in 100



Source : Syailendra Research, Bloomberg

Copper during Market Crash (2020 vs 2025)
Based in 100



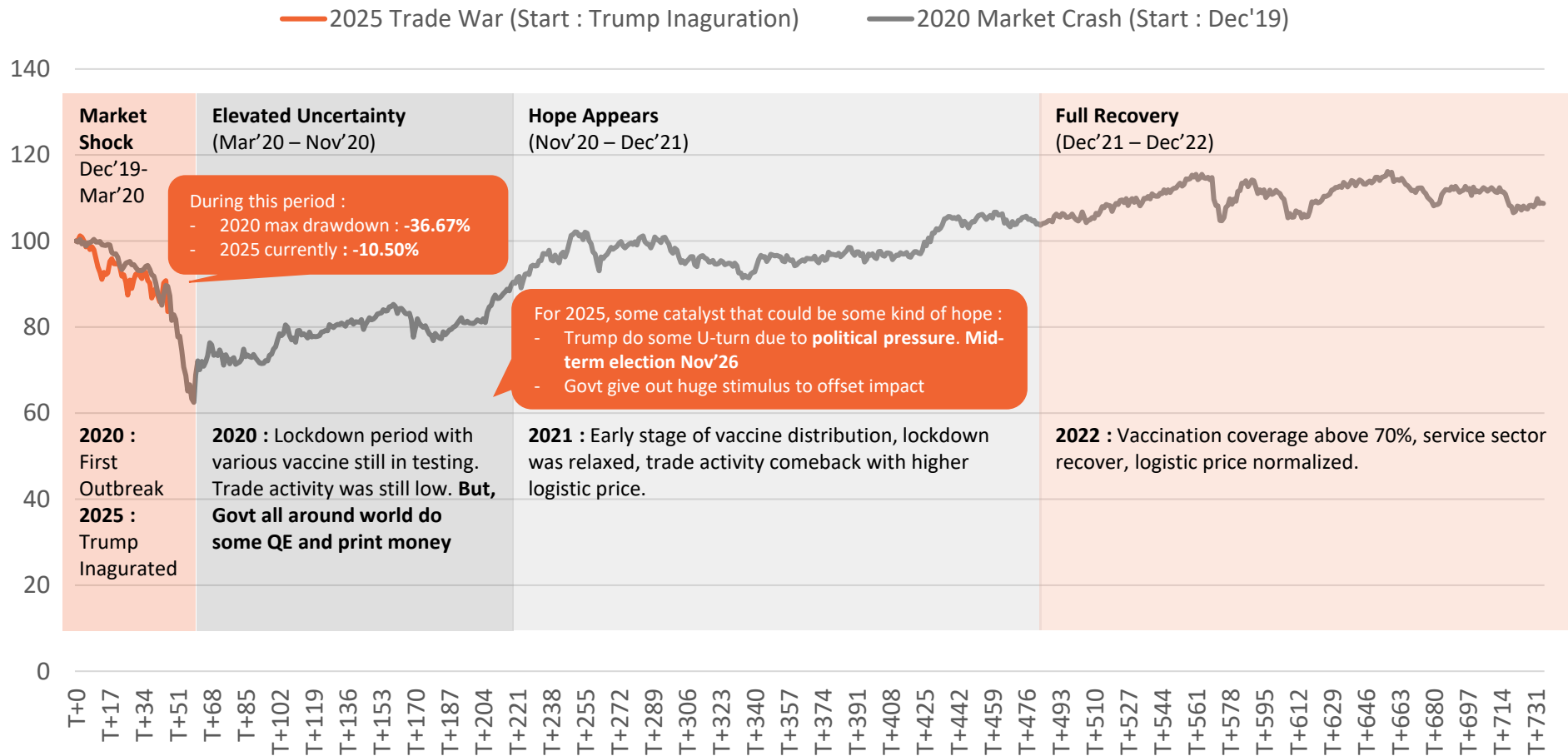
Source : Syailendra Research, Bloomberg

Case Study 2020 : Similar But Might Not Be Same

But, there always gonna be light at the end of tunnel

There will be some phases in this crisis (JCI Movement 2020 vs 2025)

Based in 100



Source : Syailendra Research, Bloomberg

Possible Catalysts Going Forward...

Both from global and domestic

Potential Catalysts From External Global Explained

- **Escalating Trade War should followed by Huge Stimulus from Fiscal and Monetary:** Regardless, Global trade regime will get back or change forever. Escalating trade war should induce recession which force government to do huge stimulus. We expect China willing to do huge stimulus which already said multiple times publicly.
- **Despite Escalated Trade War, Indonesia was known to be friendly with both US and China compare to our competitor Vietnam :** Therefore, we could be benefitted in terms of growth opportunity from both parties. Indonesia trade deficit with US also much more easy to solve by relocating some import from other countries i.e oil gas which could softened our relationship with US.
- **Trump did have constraint from their political environment despite winning popular vote in 2024 :** All of president that had recession during their period had their popularity dropped significantly. In 2026, There will be mid-term election that force govt to relax some of tariffs.

Potential Catalysts From Domestic Explained

- **Upcoming Reshuffle Cabinet potentially better than expected :** Listening to few market talks, It seems upcoming cabinet reshuffle should give better than expected.
- **Better Consumer Purchasing Power Gradually :** Government in track to scale free lunch programme 19.47mio consumer by Aug'25. Currently on budget for free lunch programme was 71trn IDR.
- **Danantara should be viewed at least Neutral with potential turnaround for SOE corporate governance :** Talking with several professional appointed in danantara team, the team seems serious building good corporate governance practice into SOEs i.e shortening/pro-long BoD above its term (5Y) based on their KPI.

FOMC Mar'25 Meeting Hasn't Pricing-in Trade War

No significant change so far from FOMC (before reciprocal tariff)

Market Repricing Faster Rate Cut starting 1H25F

Interest rate prob % for each fed meeting

Cum. Prob	325-350	350-375	375-400	400-425	425-450	Notes
Jun-25	0.0%	0.0%	0.0%	36.8%	63.2%	Latest FFR : 4.25 - 4.50%
Jul-25	0.0%	0.0%	5.0%	95.0%	0.0%	
Sep-25	0.0%	0.0%	91.0%	9.0%	0.0%	
Oct-25	0.0%	53.0%	47.0%	0.0%	0.0%	
Dec-25	23.4%	76.6%	0.0%	0.0%	0.0%	2025F : 3.9
Jan-26	61.0%	39.0%	0.0%	0.0%	0.0%	
Mar-26	95.7%	0.0%	0.0%	0.0%	0.0%	
Apr-26	75.0%	0.0%	0.0%	0.0%	0.0%	
Jun-26	48.8%	0.0%	0.0%	0.0%	0.0%	
Jul-26	36.0%	0.0%	0.0%	0.0%	0.0%	
Sep-26	25.2%	0.0%	0.0%	0.0%	0.0%	
Oct-26	23.0%	0.0%	0.0%	0.0%	0.0%	2026F : 3.4
Dec-26	45.6%	0.0%	0.0%	0.0%	0.0%	Terminal : 3.0-3.1

Source: Bloomberg, Syailendra Research

FOMC SEP hasn't change much compare Dec'25

Mar'25 summary economic projection

Variable	Latest	Median				Notes
		2025	2026	2027	Long er run	
Real GDP (%YoY%)	2.5	1.70	1.80	1.80	1.80	FOMC seems only expect slowdown
Dec Proj.		2.10	2.00	1.90	1.80	
Unemployment rate (%)	4.1	4.40	4.30	4.30	4.20	FOMC hasn't yet price-in significant recession
Dec Proj.		4.30	4.30	4.30	4.20	
PCE Inflation (%)	2.5	2.70	2.20	2.00	2.00	Higher inflation for 2025F
Dec Proj.		2.50	2.10	2.00	2.00	
Core PCE inflation	2.8	2.80	2.20	2.00		
Dec Proj.		2.50	2.20	2.00		
FFR	4.25-4.50	3.90	3.40	3.10	3.00	No changes so far on rates trajectory
Dec Proj.		3.90	3.40	3.10	3.00	

Source: Bloomberg, Syailendra Research

- ⚠ Kekhawatiran nvestor US atas perlambatan ekonomi akibat beberapa kebijakan Trump mengakibatkan terjadinya penurunan FFR untuk tahun 2025F dari 2x menjadi 3x sampai dengan 2025F. Lalu, konsensus juga masih memiliki ekspektasi penurunan 2x di tahun 2026F.

Section 02



Fixed Income

2025F Fixed Income Narrative

New regime shift on global fixed income, elevated uncertainty

Updates on Our View this month

Explained

- 🏠 Di awal tahun, kami melihat isu terkait *fixed income* berkisar antara *rate-cut*, *SRBI* dan *INDOGB supply issue*. Namun, hal ini menjadi *less relevant* menurut kami dengan di umulkannya oleh *US reciprocal tariff*. Dibawah ini mengapa kami merasa akan terjadi *structural shift* untuk *asset fixed income* dalam jangka panjang:
 - ***Since 1973 (Collapse of Bretton Woods), US Dollar and Treasury become base of asset investment in the world. Now, This might change*** : Saat dunia melakukan transisi ke *floating exchange rates*. USD menjadi dasar transaksi dan investasi seluruh aset negara (DM and EM). Hal ini melihat stabilitas politik US, *size economy* dan *liquidity*. Sehingga, *US Treasury* sering dianggap sebagai *true risk free assets*. Umum suatu *yield* sovereign govt. bond EM (i.e INDOGB) di tandingan dengan *yield* UST. Hal ini digunakan sebagai basis valuasi suatu sovereign govt. bond.
 - ***If USD de-couple against other currency, cross-currency settlement becoming much normal. IDR might be benefitted as long our central bank infrastructure increase*** : Indonesia sering kali bermasalah akibat *supply* USD yang diakibatkan baik isu domestic *twin deficit* atau sentimen negara US. Hal ini mengakibatkan sering terjadinya lompatan dari *yield* dan IDR. Meningkatnya *cross-currency settlement* menurunkan ketergantungan kita terhadap USD tapi di saat bersamaan memaksa pemerintah untuk lebih aktif dalam operasi moneter menggunakan berbagai jenis FX.
 - ***Global recession should pressure global yield inc. INDOGB*** : Walaupun terdapat hal yang perlu diperhatikan apabila *reciprocal tariff* berjalan mungkin akan memberikan *shock akibat inflation* ke sovereign govt bond dalam jangka pendek.
- 🏠 Namun, kedua hal diatas membuat kami menjadi sulit untuk *fair yield* atas INDOGB terdapat kemungkinan kami dapat melakukan revisi target lebih sering. Berikut target 10Y kami Berdasarkan skenario: Bullish (Dovish) 6.25%, Base 7,00%, Bearish (Hawkish) 7,50%.

INDOGB Peers Comparison

IDR performance makes INDOGB expected carry yield bismal

EM Peers Yield Comparison

In %

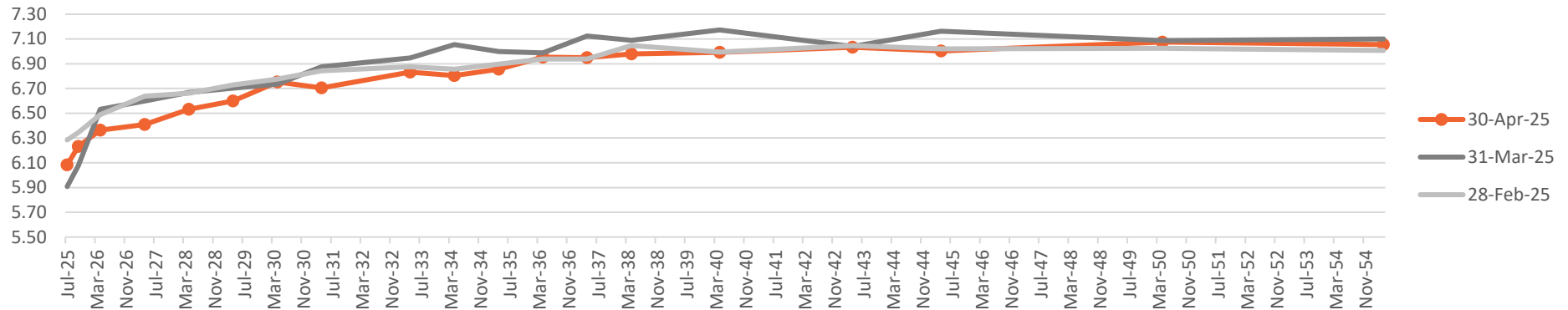
Country	10Y Yield (%)		Spread to US 10Y			Currency		Carry Yield	Inflation	Real Yield (%)	CAD	Fiscal Deficit	Credit Rating
	Current	YTD Chg. (bps)	2024	Current	Chg.	YTD Chg (in ppt)	vs Cons. Forecast (2025F)	2025F	2025F	2025F Inflation	2025F	2025F	
Brazil	14.07	-109	10.59	9.76	-0.83	9.20	2.96	17.03	5.33	8.74	-2.52	-8.60	BB
South Africa	10.60	28	5.74	6.29	0.55	2.61	1.31	11.91	3.66	6.94	-1.50	-4.88	BB
India	6.35	-41	2.19	2.04	-0.14	1.24	-1.94	4.42	4.60	1.75	-0.85	-4.80	BBB-u
Italy	3.64	11	-1.05	-0.67	0.38	9.51	8.17	11.81	2.10	1.54	1.40	0.30	BBBu
Portugal	3.07	23	-1.73	-1.24	0.49	9.51	8.17	11.25	2.10	0.97	1.65	0.30	A-u
Mexico	9.39	-103	5.85	5.08	-0.77	6.26	1.84	11.24	3.70	5.69	-0.40	-3.90	BBB+
Romania	7.54	20	2.76	3.23	0.47	9.27	3.53	11.07	4.40	3.14	-7.80	-7.25	BBB-
Hungary	6.81	25	1.99	2.50	0.52	11.55	6.99	13.80	4.60	2.21	1.65	-4.40	BBB-
Indonesia	6.86	-11	2.40	2.55	0.15	-1.76	-3.29	3.57	2.00	4.86	-1.10	-2.70	BBB
Average Peers in BBB & BB*			3.60	3.76						5.95			
Spain	3.19	13	-1.52	-1.12	0.39	9.51	8.17	11.36	2.40	0.79	2.60	-2.90	Au
South Korea	2.59	-27	-1.72	-1.72	-0.01	5.06	3.26	5.85	2.00	0.59	3.90	-1.75	AA
China	1.62	-5	-2.91	-2.69	0.22	0.38	-0.69	0.93	0.40	1.22	1.40	-5.60	A+
Chile	5.70	-2	1.15	1.39	0.24	4.95	5.06	10.76	4.40	1.30	-2.30	-1.90	A+
Thailand	1.90	-35	-2.32	-2.41	-0.09	3.12	-0.60	1.30	1.00	0.90	2.70	-4.50	A-
Malaysia	3.58	-23	-0.76	-0.73	0.03	6.42	1.64	5.22	2.30	1.28	2.00	-3.80	A
Poland	5.23	-65	1.31	0.92	-0.39	9.55	6.46	11.69	4.00	1.23	-0.30	-5.80	A
Avg. Peers in A Credit			-0.97	-0.91						1.04			
United States	4.31	-26							3.20	1.11	-3.86	-6.5	AA+u

Source: Bloomberg, Syailendra Research

INDOGB Curve back to 1H24 Level

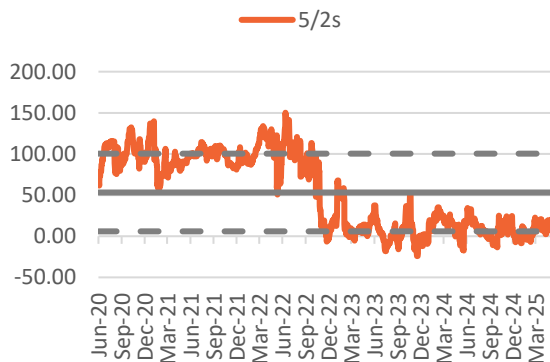
Yield curve show some steepening with pullback on shorter-term

INDOGB Yield Curve
In ppt



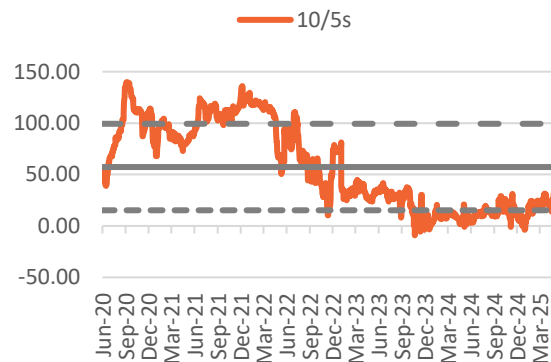
Source : Syailendra Research, Bloomberg

5/2s Historical Spread
In bps



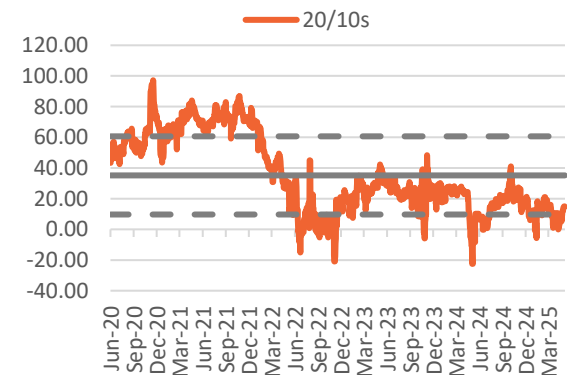
Source : Syailendra Research, Bloomberg

10/5s Historical Spread
In bps



Source : Syailendra Research, Bloomberg

20/10s Historical Spread
In bps



Source : Syailendra Research, Bloomberg

Foreign Government Bond Flows

Foreign seems to favor EM bond compare to its equities

Monthly Data	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
Sep-23	197	-1,093	4,047	-290	-618	-114	2,243	2,129	-3,634
Oct-23	760	-805	3,106	-290	458	-348	3,229	2,882	-15,167
Nov-23	1,677	1,505	2,221	-924	474	713	4,953	5,666	9,948
Dec-23	2,373	498	3,574	1,107	-331	-33	7,220	7,187	-6,142
Jan-24	2,535	-53	1,297	-885	-112	-382	2,781	2,399	4,931
Feb-24	2,374	-301	3,837	-209	-429	119	5,272	5,391	100
Mar-24	2,224	-1,313	1,454	47	-255	163	2,156	2,318	5,871
Apr-24	-1,910	-1,064	3,980	555	-697	233	864	1,097	-14,646
May-24	1,005	1,199	2,749	2,737	511	707	8,201	8,908	3,930
Jun-24	2,136	117	3,046	38	-287	-549	5,050	4,501	-9,891
Jul-24	2,615	305	1,958	38	779	1,099	5,695	6,793	8,947
Aug-24	2,806	2,492	6,463	-1,813	762	1,394	10,709	12,103	8,798
Sep-24	2,295	1,343	7,260	2,228	129	-155	13,255	13,099	188
Oct-24	-343	967	6,377	1,248	-993	-1,607	7,256	5,649	12,889
Nov-24	-114	-806	2,763	224	-854	-318	1,213	895	4,443
Dec-24	1,578	293	1,955	-708	356	-429	3,474	3,045	-6,835
Jan-25	1,384	133	280	391	-358	349	1,830	2,179	8,876
Feb-25	1,353	546	1,796	3,064	146	-38	6,904	6,866	12,024
Mar-25	3,687	111	8,186	3,097	618	379	15,700	16,079	12,317
Apr-25	-3,030	440	3,591	3,097	1,683	379	5,781	6,160	42,082

Yearly	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	3,395	1,230	13,854	9,649	2,088	1,069	30,215	31,284	75,298
2024	17,199	3,180	43,139	3,499	-1,092	275	65,925	66,199	18,726
2023	8,445	5,142	60,647	2,130	319	3,767	76,682	80,449	-36,506
2022	-2,012	-7,070	54,020	6,334	6,227	-732	57,499	56,767	-77,953
2021	-1,525	-4,906	106,256	3,900	6,550	2,976	110,274	113,251	111,916
2020	-13,853	-4,684	62,283	6,297	-1,005	3,248	49,038	52,286	-22,017
2019	3,489	6,995	45,764	1,034	-502	4,303	56,780	61,083	88,890
2018	-6,745	3,462	46,282	3,912	8,854	-4,539	55,765	51,226	20,971

Indonesia Bonds Ownership

Bank Indonesia step-up into INDOGB while others swait and see

Ownership on Tradeable Indonesia Government Bonds

In IDR Trn

Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
2017	22.5%	7.6%	4.8%	18.4%	37.5%	3.3%	5.9%	100.0%
2018	23.4%	6.8%	5.0%	16.6%	39.8%	2.8%	5.6%	100.0%
2019	20.3%	10.7%	5.0%	17.5%	37.7%	3.1%	5.7%	100.0%
2020	21.1%	9.5%	4.8%	17.1%	38.6%	2.9%	5.9%	100.0%
2021	35.5%	11.7%	4.2%	14.0%	25.2%	3.4%	6.0%	100.0%
2022	34.0%	17.1%	3.4%	14.0%	19.0%	4.7%	7.7%	100.0%
2023	32.0%	19.2%	2.7%	16.4%	14.4%	6.5%	8.8%	100.0%
2024	26.5%	19.4%	3.2%	18.5%	14.9%	7.7%	9.8%	100.0%
2025	17.4%	26.8%	3.1%	19.0%	14.5%	9.0%	10.2%	100.0%

								Net flow
Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Retail	Others	Total
2017	92	8	18	23	170	2	13	326
2018	-10	112	15	66	57	13	17	269
2019	100	9	12	57	169	8	29	384
2020	794	192	30	71	-88	50	68	1,118
2021	216	347	-3	112	-83	90	129	808
2022	106	219	-12	218	-129	123	106	630
2023	-202	75	32	168	80	91	85	330
2024	-444	522	9	104	35	107	67	400
YTD	87	18	4	44	24	26	25	227
YTD								
1Q	70	25	-1	38	15	25	22	196
2Q	17	-7	4	6	9	1	3	
QTD								
Apr	17	-7	4	6	9	1	3	32
May								
June								

Section 03



Equity

2025F Equity Narrative

New regime shift, cautious and defensive mode while wait for turnaround

Updates on Our View this month

Explained

- ▲ Di awal tahun, kami melihat isu terkait *equity* berkisar antara *tactical play* seperti *MSCI/FTSE inclusion*, *thematic play* (*regulation turnaround*) dan *bottom-pick* diikuti potensi *currency risk*. Namun, kami merasa terjadi *structural shift* yang mengakibatkan iklim investasi untuk *risky asset* akan menjadi lebih sulit. Sehingga kami melihat terdapat beberapa perubahan yang diperlukan dari sisi pengelolaan portfolio :
 - ***Elevated Global Uncertainty means prioritize Lower Foreign Ownership in a stock*** : Melihat kinerja emiten YTD, salah satu tema yang dirasa cukup berjalan saat ini ialah melihat *foreign ownership level*.
 - ***Cheap valuation might not just enough dividend paying stock might help*** : Indonesia sering kali bermasalah akibat *supply* USD yang diakibatkan baik isu domestik *twin deficit* atau sentimen negara US. Hal ini mengakibatkan sering terjadinya lompatan dari *yield* dan IDR. Meningkatnya *cross-currency settlement* menurunkan ketergantungan kita terhadap USD tapi di saat bersamaan memaksa pemerintah untuk lebih aktif dalam operasi moneter menggunakan berbagai jenis FX.
 - ***Some defensive stock (isolated business model, relatively stable cashflow) with clear earnings trajectory without depressed valuation might be interesting*** : Walaupun terdapat hal yang perlu diperhatikan apabila *reciprocal tariff* berjalan mungkin akan memberikan *shock* akibat *inflation* ke sovereign govt bond dalam **jangka pendek**.
 - ***Tactical strategy with stock-picking*** : Strategi ini akan disesuaikan dengan kondisi *thesis* yang dibuat berdasarkan masing-masing emiten.
- ▲ Berdasarkan hal-hal diatas, kami melihat pertumbuhan laba memasuki 2025F dan 2026F berada di 0% dan 5-10%. Kami menaruh valuasi di level -1 std deviasi. Target IHSG Headline untuk 2025F di level 6,800.

Global Indices Performance

Indonesia was quick to rebound in the past 1 month

Global Indices Historical Performance

In % of return

No	Country	YTD	1M	3M	6M	1Y	P/E	P/BV	ROE
Global Market									
1	Dow Jones (US)	-4.41%	-2.20%	-9.39%	-3.49%	7.55%	16.47	4.03	23.34
2	S&P 500 (US)	-5.31%	-0.21%	-8.27%	-4.21%	10.59%	18.42	3.74	19.15
3	Nasdaq (US)	-9.65%	0.71%	-11.36%	-6.24%	11.42%	23.97	4.57	17.75
4	London (UK)	0.46%	0.33%	-3.75%	1.36%	14.40%	13.30	1.69	12.11
5	DAX (GR)	13.00%	0.16%	3.54%	16.82%	25.46%	11.49	1.41	11.64
6	CAC (FP)	2.89%	-4.07%	-4.38%	2.23%	-4.90%	12.88	1.74	13.16
Asia Market									
1	Nikkei (JP)	-9.65%	-2.90%	-8.78%	-8.23%	-6.15%	19.89	1.95	9.75
2	Hang Seng (HK)	10.27%	-5.58%	9.37%	8.53%	24.52%	8.21	0.90	10.43
3	Shanghai (CN)	-2.17%	-2.16%	0.87%	0.39%	5.61%	10.03	1.10	10.94
4	Shenzhen (CN)	-4.18%	-3.69%	-1.22%	-3.06%	4.61%	10.69	1.25	11.80
5	NFT (IN)	2.92%	3.46%	4.67%	-0.03%	7.65%	17.77	2.87	16.00
6	Kospi (KR)	6.55%	-0.05%	0.78%	-1.43%	-5.03%	8.70	0.84	9.67
ASEAN Market									
1	Singapore (SG)	1.19%	-3.52%	0.83%	7.69%	16.39%	10.38	1.09	10.56
2	Kuala Lumpur (MK)	-6.22%	1.76%	-0.80%	-3.85%	-2.27%	13.16	1.27	9.60
3	Thailand (TH)	-14.49%	1.86%	-10.36%	-17.27%	-12.48%	12.97	1.25	9.59
4	Vietnam (VN)	-3.20%	-6.92%	-3.06%	-2.57%	1.39%	9.30	1.42	15.18
5	Philippines (PH)	-2.66%	3.38%	4.05%	-12.71%	-5.16%	10.36	1.29	12.74
Indonesia Market									
1	JCI / IHSG (ID)	-4.42%	3.93%	-4.34%	-10.61%	-6.46%	12.67	1.78	13.52
2	JII / ISSI (ID)	-0.28%	6.76%	1.47%	-6.72%	1.80%	12.13	1.49	11.70
3	IDX30 (ID)	-6.64%	2.20%	-6.19%	-16.98%	-15.99%	11.35	1.67	14.70
4	LQ45 (ID)	-7.88%	3.68%	-6.85%	-17.64%	-17.83%	11.21	1.63	14.45

Equity Peers Comparison

Potential earnings downgrade looking at 1Q25 result despite past downgrade

Global Indices Historical Performance

In % of return

Desc.	P/E		EPS Growth		P/B		ROE	
	2025	2026	2025	2026	2025	2026	2025	2026
MSCI SEA	13.6	12.7	7.8%	7.2%	1.7	1.6	12.3	12.2
Indonesia*	11.7	10.8	3.4%	8.2%	1.9	1.8	16.1	16.1
Malaysia	13.4	12.6	9.8%	5.9%	1.5	1.2	10.9	9.8
Phillipines	10.8	9.8	8.8%	10.1%	1.6	1.4	14.8	14.7
Singapore	14.1	13.2	2.0%	6.4%	1.7	1.6	12.0	12.2
Thailand	15.4	14.2	10.6%	8.6%	1.6	1.5	10.2	10.6
MSCI AxJ	13.4	11.9	11.7%	12.4%	1.7	1.5	12.2	12.5
Hong Kong	12.4	11.6	6.6%	6.5%	1.0	0.9	7.9	8.2
India	23.5	20.5	8.7%	14.6%	3.4	3.2	14.3	15.0
Korea	8.6	7.4	20.9%	15.1%	0.9	0.8	10.5	11.1
Taiwan	15.1	13.3	15.9%	13.8%	2.5	2.3	16.7	17.5
MSCI EMEA	11.1	9.8	19.5%	13.2%	1.6	1.5	15.3	15.6
South Africa	10.5	9.2	28.2%	13.6%	1.8	1.6	17.7	18.0
Turkey	5.9	3.7	68.9%	61.2%	0.8	0.6	13.8	18.6
MSCI LATAM	9.5	8.8	41.6%	8.1%	1.5	1.4	16.0	16.0
Brazil	8.5	7.9	55.3%	7.5%	1.4	1.3	16.5	16.4
Mexico	12.4	11.3	27.1%	9.4%	2.0	1.9	16.2	16.7
MSCI EMEA	11.1	9.8	19.5%	13.2%	1.6	1.5	15.3	15.6
MSCI World	19.4	17.5	7.3%	11.2%	3.2	2.9	15.2	15.8
Australia	18.2	17.8	1.7%	2.3%	2.4	2.3	12.5	12.6
Europe	15.1	13.7	-1.7%	9.9%	2.1	1.9	12.9	13.3
Japan	15.5	14.0	-3.9%	11.0%	1.4	1.3	9.0	9.5
USA	21.7	19.3	7.6%	12.2%	4.4	4.0	18.7	19.4
Local Index								
JCI*	11.1	10.0	34.8%	11.0%	1.4	1.3	12.3	12.6

Consensus Downgrade their growth expectation...

2025F earnings growth within our coverage was at 3.8% (2025F) 7.4% (2026F)

JCI Earnings growth breakdown by sectors

In % yoy, weight in JCI

#Sector	Weight	2025F		2026F	
		NPAT Growth	Contribution	NPAT Growth	Contribution
Our Coverage (Consensus)					
Financials	28.7	3.4	1.0	8.9	2.5
Communication Services	5.6	8.7	0.5	5.5	0.3
Consumer Staples	2.7	9.7	0.3	10.2	0.3
Materials	2.1	3.5	0.1	18.4	0.4
Consumer Discretionary	1.1	0.6	0.0	-22.5	-0.3
Health Care	1.1	9.6	0.1	9.8	0.1
Industrials	3.7	-2.8	-0.1	4.2	0.2
Information Technology	0.0	7.9	0.0	8.6	0.0
Utilities	0.8	7.4	0.1	2.5	0.0
Real Estate	0.8	-1.2	0.0	3.9	0.0
Energy	2.2	-1.3	0.0	1.2	0.0
Total	48.8	3.8		7.4	
Indices					
MSCI Indonesia		0.6		9.1	
IDX 80		3.9		11.6	

1Q25 Earnings Result : Below

Missed earnings coming from multiple sector

JCI 1Q25 Earnings Result was disappointing

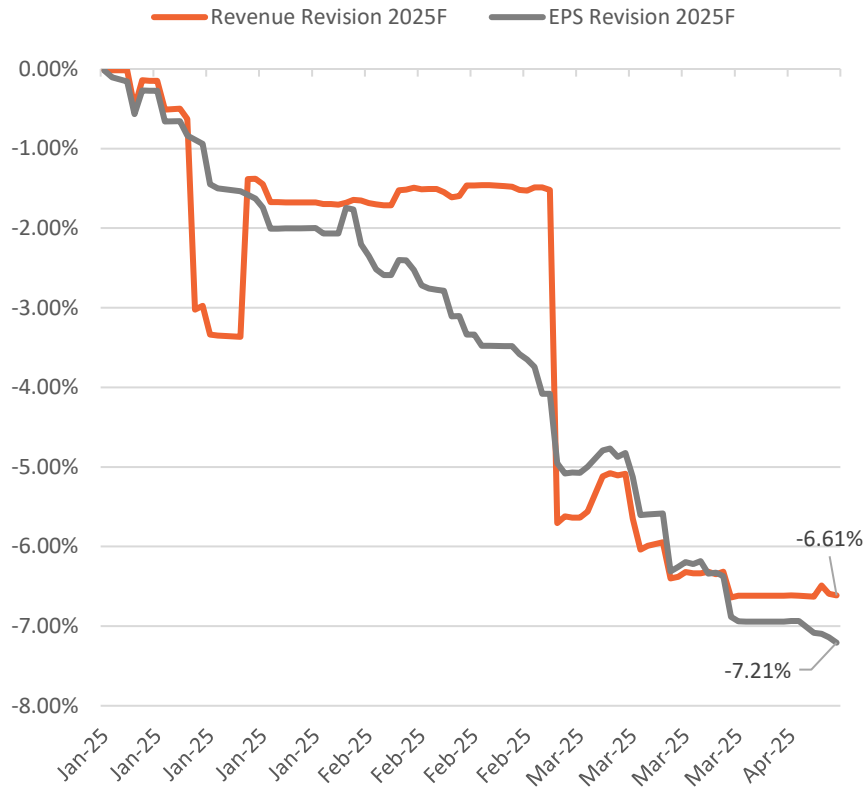
In % YTD

Sector	Weight	YoY		QoQ		Avg. 1Q25 (% Cons)	Notes
		1Q25	Cont.	1Q25	Cont.		
Financials	28.9	-2.4	-0.7	1.2	0.4	23.7%	
Communication Services	5.2	1.2	0.1	-23.0	-1.2	15.6%	CNMA dragged down the sector on % cons. Otherwise around 23% of consensus for 1Q25
Consumer Staples	3.6	-15.9	-0.6	-4.4	-0.2	22.4%	
Materials	3.1	0.2	0.0	239.4	7.4	23.1%	QoQ earnings uplifted coming from ANTM and BRMS
Consumer Discretionary	1.3	-1.4	0.0	5.5	0.1	31.2%	Uplifted due LPPF numbers as majority earnings deliver in lebaran
Health Care	1.4	32.1	0.4	-1.5	0.0	19.6%	PRDA dragged the whole sector with -89% yoy
Industrials	3.9	-18.1	-0.7	-2.1	-0.1	18.9%	SSIA dragged down the sector on % cons. Sector earnings already downgraded
Information Technology	0.0	-47.2	0.0	9.6	0.0		
Utilities	0.8	-16.0	-0.1	-43.8	-0.3	18.6%	
Real Estate	0.8	-55.3	-0.4	48.8	0.4	29.5%	
Energy	2.7	-51.7	-1.4	-19.8	-0.5	16.5%	
Avg. Weighted	51.70	-6.67		11.30			
Sum. Weighted		-6.51		3.56			

...Market downgrade about 7-8% of earnings this year

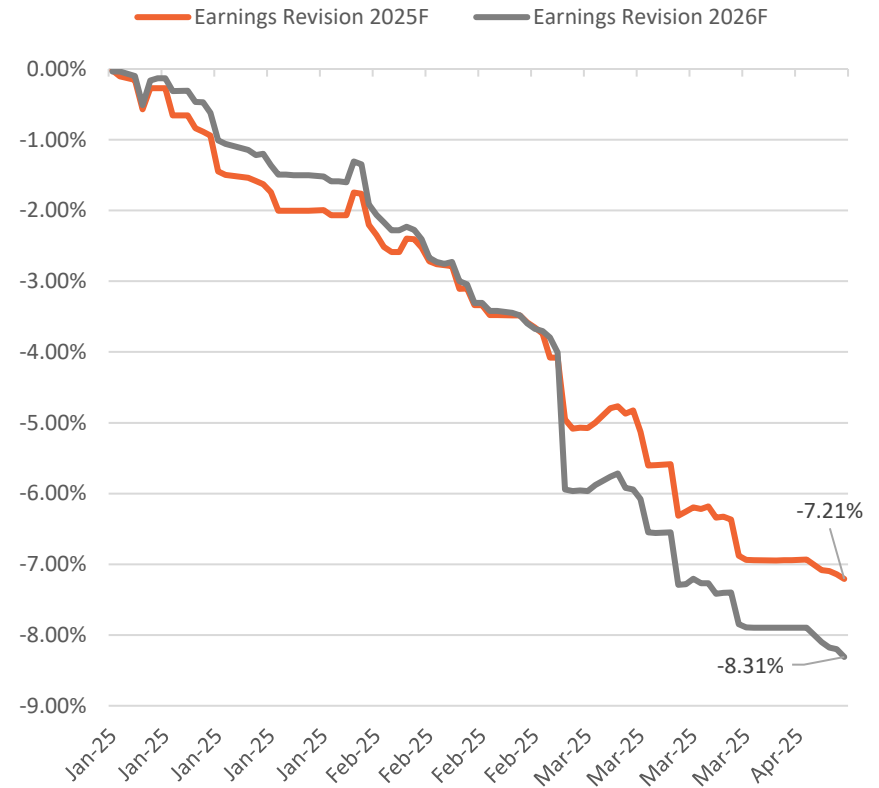
Downgrade happen from topline pricing-in slowdown on economy

MSCI Indonesia Revenue and EPS Revision
In % YTD



Source: Bloomberg, Syailendra Research

MSCI Indonesia 2025F and 2026F revision
In % YTD

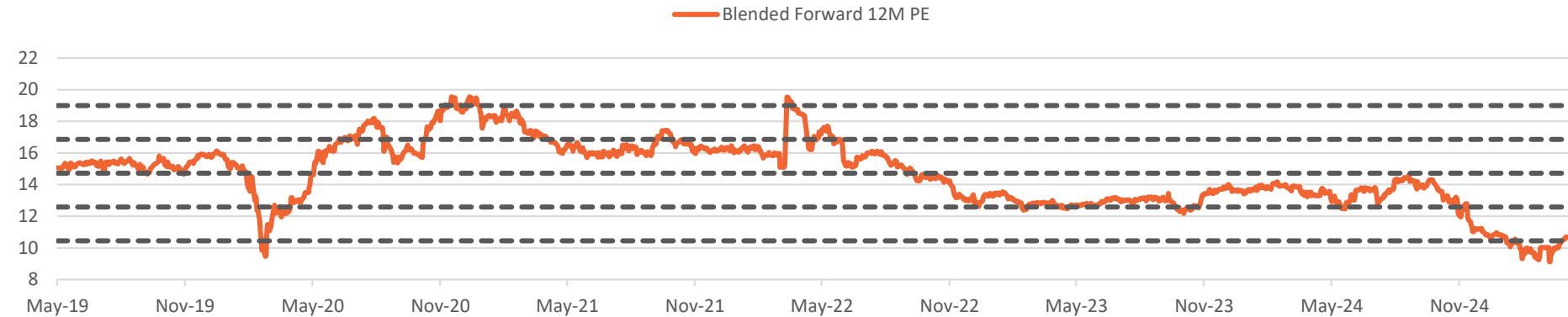


Source: Bloomberg, Syailendra Research

JCI & MSCI Tracking P/E Movement

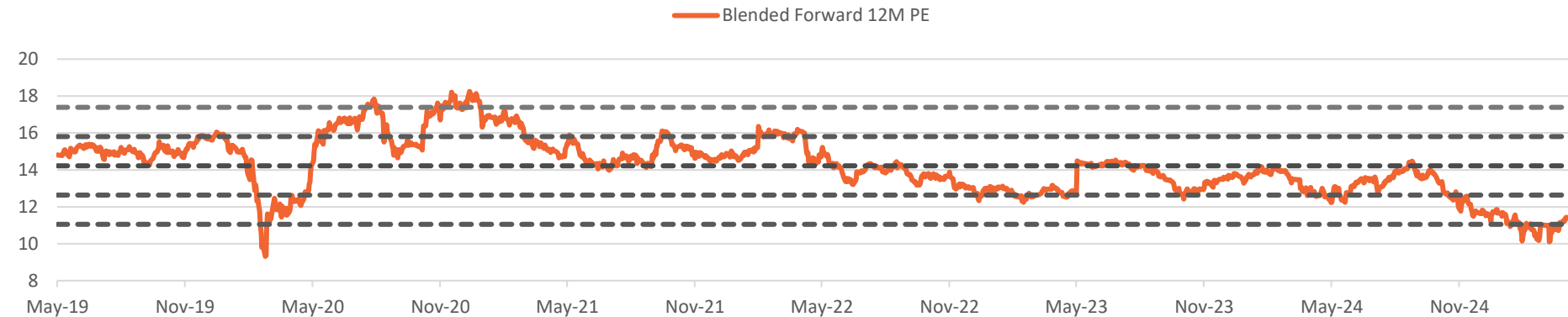
Current P/E Relatively Mirrors Covid-19 Market Crash Level

JCI P/E Ratio History
2020 - 2025



Source: Bloomberg, Syailendra Research

MSCI P/E Ratio History
2020 - 2025



Source: Bloomberg, Syailendra Research

Foreign Equity Flows

Foreign still continue to outflow from EM market

Monthly Data	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
Aug-23	1,726	-1,319	-570	-131	-4,549	-443	31	-5,253	-5,285
Sep-23	-2,273	-263	-1,694	-464	-5,885	-616	143	-11,051	-11,195
Oct-23	-2,657	-511	-2,497	-171	-4,957	-431	-461	-11,684	-11,223
Nov-23	2,301	-30	3,257	19	8,361	-548	332	13,692	13,359
Dec-23	7,024	497	3,637	18	5,361	-2	56	16,591	16,535
Jan-24	-3,141	534	2,254	80	1,433	-870	145	435	290
Feb-24	483	646	6,120	129	3,390	82	277	11,125	10,849
Mar-24	4,016	506	3,816	-46	-93	-1,145	-609	6,444	7,053
May-24	-3,023	-881	-676	-174	2,708	-455	314	-2,186	-2,500
Jun-24	3,111	-92	3,821	-104	1,773	-950	-13	7,546	7,559
Jul-24	3,347	411	1,240	60	-11,562	-47	282	-6,269	-6,551
Aug-24	1,393	1,847	-2,078	143	-2,519	-170	587	-797	-1,384
Sep-24	5,944	1,418	-5,727	346	-3,642	867	110	-684	-794
Oct-24	-10,945	-719	-3,404	22	1,130	-845	-413	-15,173	-14,761
Nov-24	-2,680	-1,063	-3,203	-349	-8,045	-398	-699	-16,437	-15,739
Dec-24	1,321	-313	-1,530	-103	708	-308	-637	-863	-226
Jan-25	-8,418	-229	-1,002	-114	-1,261	-330	-702	-12,057	-11,355
Feb-25	-5,353	-1,111	-2,846	-145	-3,884	-195	-495	-14,030	-13,534
Mar-25	234	-490	-1,461	50	-13,144	-647	-1,045	-16,502	-15,457
Apr-25	1,271	-1,233	-6,955	-54	-170	-432	-417	-7,991	-7,574

Yearly	India	Indonesia	Korea	Philippines	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
YTD	-12,266	-3,063	-12,264	-264	-18,459	-1,605	-2,659	-50,579	-47,920
2024	-174	2,295	632	4	-14,720	-4,240	-654	-16,858	-16,203
2023	21,427	-353	10,705	-863	6,933	-5,507	-514	31,827	32,341
2022	-15,392	4,058	-7,860	-1,029	-38,259	6,616	1,451	-50,416	-51,867
2021	3,761	3,674	-23,010	-5	-15,604	-1,632	-767	-33,582	-32,815
2020	23,373	-4,320	-20,082	-2,513	-15,257	-8,287	-5,782	-32,867	-27,085
2019	14,234	-1,306	924	-240	9,377	-1,496	-2,683	18,811	21,493
2018	-4,617	-3,656	-5,676	-1,080	-12,196	-8,913	-2,885	-39,024	-36,138

JCI Valuation Post US Tariff

How we value both fundamental and non-fundamental composition in JCI

How do we come-up with JCI Level in midst of non-fundamental stocks

Illustrated

Desc	2024	2025F			2026F		
		Bear	Base	Bull	Bear	Base	Bull
Our Methodology to Forecast JCI							
JCI Equity Return and Composition (%)	100.0%	1. Identify 2023-2024 return contributed from non-fundamental stocks. 2. Categorize JCI weighting based on three category (fundamental-cover, non-fundamental). 3. Create return contribution (mirror to SOTP) : - Fundamental (Cover and Non-Cover) estimate using using PE x EPS Growth proportionate to its weight in Index - Isolate Non-Fundamental with scenario as follow (Bear : -25%, Base : -15%, Bull : +5%) for 2026 (-10% vs +10%)					
Fundamental-Coverage	66.6%						
Non-Fundamental	13.8%						
Non-Coverage	19.6%						
Result							
JCI Price Level	7,060	6,200	6,800	7,400	6,400	7,200	7,800
Non-Fundamental Factor	-925	-394	-606	-925	-425	-606	-787
JCI Index Adj.	6,135	5,806	6,194	6,475	6,575	6,894	7,113
Our JCI Price Level Target (Inc. Non-Fundamental)	7,060	6,200	6,800	7,400	7,000	7,500	7,900
Price Return YoY%		-12.2%	-3.7%	4.8%	2.9%	10.3%	16.2%
Assumption							
Fundamental-Coverage							
EPS Growth (Coverage and Non-Covered)	2.50	0.00%	2.50%	7.50%	5.00%	10.00%	12.50%
P/E (Set at -1 Std Dev)	12.60	12.60	12.60	12.60	12.60	12.60	12.60

Section 04



Appendix

Syailendra Benchmark View

Rolling our Macro and Benchmark Assumption for 2025F and 2026F

Syailendra Macro Indicator and Benchmark

In each unit

Desc	Unit	Syailendra						
		2024	2025F			2026F		
			Bear	Base	Bull	Bear	Base	Bull
Macro Indicator								
GDP Growth YoY	Average full year	5.00	4.60	4.80	5.20	5.10	5.20	5.30
Inflation YoY	Average full year	2.30	1.80	2.10	2.40	2.50	2.75	3.25
Fiscal Deficit (% of GDP)	End of year	-2.29	-2.95	-2.80	-2.65	-2.95	-2.80	-2.65
Current Account (% of GDP)	Average full year	-0.60	-1.00	-0.80	-0.60	-1.75	-1.25	-1.00
USDIDR	End of year	16,102	17,250	16,500	16,000	15,800	15,500	15,250
Rates								
Central Bank Rates Indonesia*	End of year	6.00	5.50	5.00	4.50	5.00	4.50	4.00
10 YR Govt Bond Yield IDR	Average full year	7.00	7.50	7.00	6.25	7.25	6.50	6.00
Equities								
JCI Headline	End of year	7,060	6,200	6,800	7,400	7,000	7,500	7,900
JCI Adj.	End of year	6,135	5,806	6,194	6,475	6,575	6,894	7,113
Earnings Growth*	End of year	3.00%	-5.00%	2.50%	7.50%	2.50%	7.50%	12.50%
P/E*	End of year	12.6	12.6	12.6	12.6	12.6	12.6	12.6

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