

### Upcoming election-related events

Date(s)	Events
15 Feb - 20 Mar 2024	KPU's vote recapitulation
20 Mar 2024	KPU's final result announcement
22-29 Apr 2024	Constitutional court's lawsuit trial period
30 Apr - 6 May 2024	Constitutional court's deliberation meeting
7 May 2024	Decision pronouncement of the constitutional court
14 Jun 2024	KPU's conclusion of program planning and budgeting
1 Oct 2024	KPU's DPR & DPRD officiation
20 Oct 2024	President & Vice President inauguration

Source: KPU, Antara news

### 2024 Legislative Election Quick Count Results\*

Political Parties	Votes (%)
Demokrasi Indonesia Perjuangan (PDI-P)	16.68%
Golongan Karya (Golkar)	15.21%
Gerakan Indonesia Raya (Gerindra)	13.44%
Kebangkitan Bangsa (PKB)	10.65%
Nasional Demokrat (Nasdem)	9.41%
Keadilan Sejahtera (PKS)	8.26%
Demokrat	7.58%
Amanat Nasional (PAN)	6.88%
Persatuan Pembangunan (PPP)	3.65%
Solidaritas Indonesia (PSI)	2.87%
Persatuan Indonesia (Perindo)	1.50%
Gelombang Rakyat Indonesia (Gelora)	0.88%
Hati Nurani Rakyat (Hanura)	0.78%
Buruh	0.70%
Ummat	0.53%
Bulan Bintang (PBB)	0.51%
Garda Perubahan Indonesia (Garuda)	0.38%
Kebangkitan Nusantara (PKN)	0.29%

\*Quick count results are taken from Indikator Politik as of 19 Feb 2024

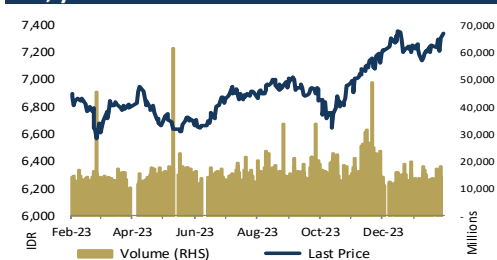
### 2024 Presidential Election Quick Count Results\*

Anies/Muhaimin	Prabowo/Gibran	Ganjar/Mahfud
		
25.19%	58.35%	16.46%

Source: Promedia Teknologi, LSI, Indikator, Litbang Kompas, Poltracking, Charta Politika

\*Quick count results are averaged throughout 5 different sources

### JCI, ytd



Source: Bloomberg, SSI Research

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Table 1. 12-month top picks

Ticker	Recommendation	CP IDR	TP IDR	Upside %	EPS Growth (%)		ROE (%)		Div. Yield (%)		P/BV Ratio		P/E Ratio	
					24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
BBRI	BUY	6,150	6,800	11%	10.9%	11.2%	20.9	22.1	5.6	6.2	2.2	2.1	10.0	9.0
BBNI	BUY	6,000	6,600	10%	13.5%	11.3%	15.1	15.5	4.6	5.3	1.3	1.2	9.0	8.1
TLKM	BUY	4,160	4,500	8%	6.2%	3.2%	17.0	17.1	5.0	5.4	2.4	2.4	14.6	14.1
ISAT	BUY	9,800	11,500	17%	6.2%	24.2%	11.3	12.4	2.4	3.2	2.1	1.8	19.2	15.5
ICBP	BUY	11,450	13,000	14%	5.1%	11.1%	19.4	20.2	2.7	2.0	3.1	2.7	15.8	14.2
SMGR	BUY	6,500	7,950	22%	20.3%	19.1%	6.1	7.0	3.0	3.7	0.8	0.8	13.7	11.5
CTRA	BUY	1,220	1,400	15%	7.9%	10.8%	9.2	9.0	1.2	1.4	1.1	0.9	11.3	10.3

Source: SSI Research

## 2024 Elections: What's Next?

- The legitimacy of Prabowo Gibran's votes based on 58% quick count would hinge on the judicial steps taken by the other two presidential pairs before the KPU's final result announcement on March 20th.
- If the election results are not contested, then we expect market sentiment to remain relatively solid with continuing foreign inflow into the JCI which amounted to IDR 3.8tn on February 15-16.
- However, given limited market euphoria thus far, we advise investors to remain vigilant on the trading side, particularly on further market increases in the lead up to October's cabinet formation (inauguration date: 20 October 2024).
- On the economic front, we expect potential fiscal expansions to stem from infrastructure projects, military spending, initial steps toward procurement of free meals and milk programs, and increased teachers' benefits.
- With Sri Mulyani unlikely to continue as FM, the possibility of widening fiscal deficit from our FY25 initial projection of 2.1% to 2.7%, coupled with current account deficit of 1.0%, we expect pressure on the IDR and the bond market to remain.
- Hence, we recommend stocks with heavy IDR costs (i.e. BBNI, BBRI, HMSP) but suggest investors to remain cautious on dollar earners (i.e. commodity related stocks) due to weak global economic outlook.
- Additionally, with our twin deficits, we are positive on high-yielding SOEs (i.e. BBRI, PTBA, PGAS, TLKM, JSRM).
- On beneficiary of IKN and the upcoming government food program, we respectively favor SMGR and ICBP.
- At this stage of the market cycle, we slightly adjust upward our index target from 7,600 to 7,800 (implied FY24 PE: 13.3x, EPSG: 8.6%) on the back of lower market risk premium, helped by continued stable security condition on the ground post elections.

**Table 2. Stock Beneficiaries of Prabowo-Gibran coalition**

Political Parties	Stock Beneficiaries
Gerindra	WIRG
Golkar	BUMI, BRMS, VKTR, ELTY, UNSP, BNBR, DEWA, ALII, BUKK, MKTR
Demokrat	
PAN	
PSI	PMMP
PBB	
Gelora	
Garuda	
<sup>§</sup> Affiliated	TOBA, GOTO, ENRG, ADRO, ADMR, ABBA, MARI, MRAT, LPCK, MLPL, MPPA, TLDN, TRIM, ESSA

Source: Companies, SSI Research

**Table 3. 2024 presidential election quick count**

	Anies Muhaimin	Prabowo Gibran	Ganjar Mahfud
Indikator	25.43%	57.89%	16.68%
LSI	25.21%	58.16%	16.64%
Charta Politika	25.68%	57.83%	16.47%
Poltracking	24.37%	59.28%	16.35%
Litbang Kompas	25.26%	58.60%	16.15%
<b>Average</b>	<b>25.19%</b>	<b>58.35%</b>	<b>16.46%</b>

Source: Indikator, LSI, Charta Politika, Poltracking, Litbang Kompas, SSI Research

*Prabowo and Gibran won convincingly in most quick counts, winning 58.35% of the votes on average*

**Table 4. 2024 presidential election "exit poll"**

	Anies Muhaimin	Prabowo Gibran	Ganjar Mahfud
Indikator	24.60%	56.10%	14.20%

Source: Indikator, LSI, Charta Politika, Poltracking, Litbang Kompas, SSI Research

*The exit poll, which was conducted at 3,000 TPS across Indonesia with random sampling method, showed that Prabowo-Gibran won more than 56% of the votes*

**Table 5. 2024 presidential election real count**

	Anies Muhaimin	Prabowo Gibran	Ganjar Mahfud
KPU	24.94%	57.06%	18.00%

Source: Indikator, LSI, Charta Politika, Poltracking, Litbang Kompas, SSI Research

*Vote counting progress (as of February 16, 17:30:22): 497,940 out of 823,236 TPS (60.49%)*

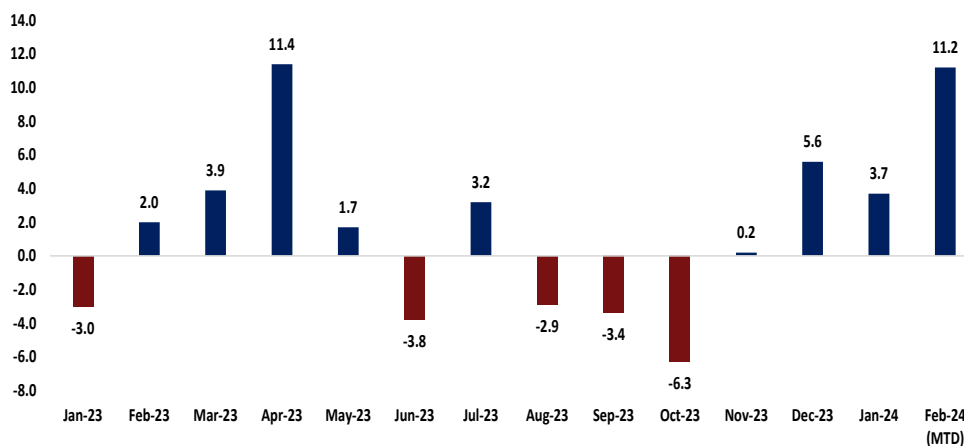
**Table 6. 2024 legislative election quick count**

Political Parties	Vote		Change
	2019	2024*	
Partai Demokrasi Indonesia Perjuangan	19.33%	16.68%	-2.65%
Partai Golkar	12.31%	14.75%	2.44%
Partai Gerakan Indonesia Raya	12.57%	13.65%	1.08%
Partai Kebangkitan Bangsa	9.69%	10.63%	0.94%
Partai Nasdem	9.05%	9.40%	0.35%
Partai Keadilan Sejahtera	8.21%	8.17%	-0.04%
Partai Demokrat	7.77%	7.53%	-0.24%
Partai Amanat Nasional	6.84%	6.97%	0.13%
Partai Persatuan Pembangunan	4.52%	3.66%	-0.86%
Partai Solidaritas Indonesia	1.85%	2.87%	1.02%
Partai Perindo	2.07%	1.42%	-0.65%
Partai Gelombang Rakyat Indonesia	-	0.93%	-
Partai Hati Nurani Rakyat	1.54%	0.84%	-0.70%
Partai Buruh	-	0.73%	-
Partai Ummat	-	0.59%	-
Partai Bulan Bintang	0.79%	0.48%	-0.31%
Partai Garda Perubahan Indonesia	0.50%	0.38%	-0.12%
Partai Kebangkitan Nusantara	-	0.32%	-

Source: Indikator Politik

*PDIP recorded the biggest drop in votes for house seats in 2024 election, while Golkar gained the most*

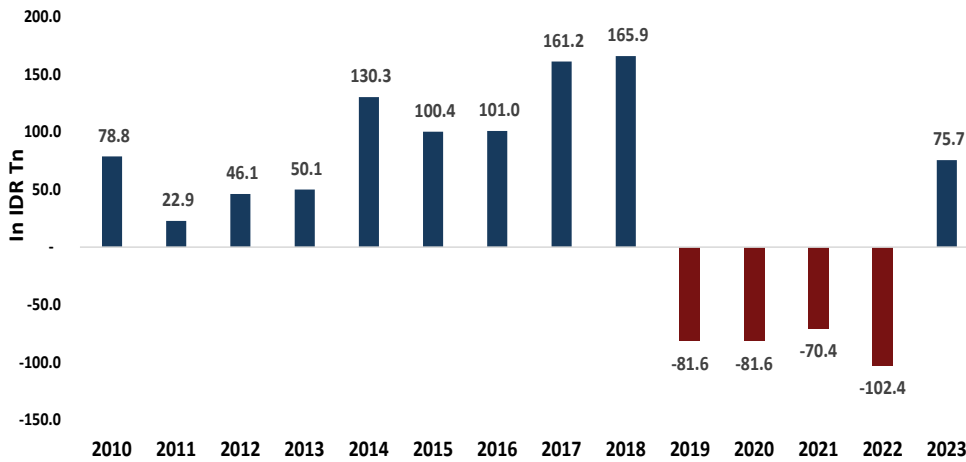
**Figure 1. Foreign monthly equity flows in the regular market (IDR, Tn)**



Source: Bloomberg, SSI Research

*In Feb-24 (MTD), BBKA, BMRI, and BBRI recorded the highest foreign inflows in the regular market, reaching IDR 7,293bn; while ASII, GOTO, MDKA recorded the largest foreign outflows, reaching IDR 665bn*

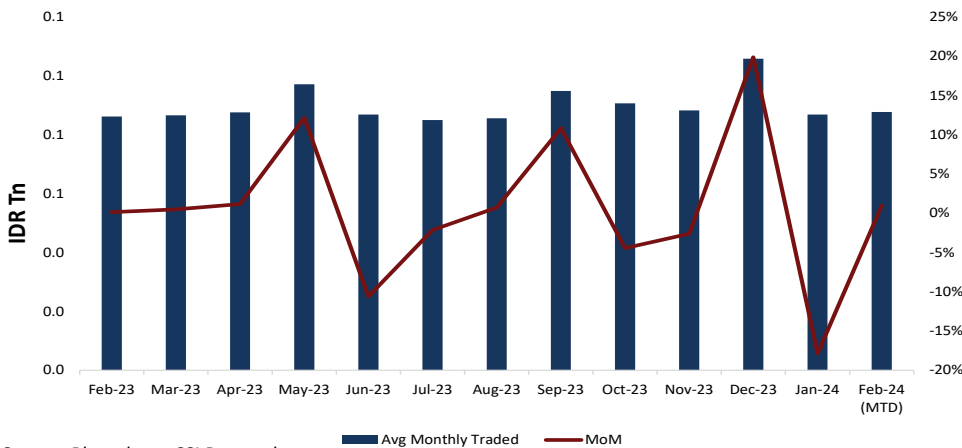
**Figure 2. Domestic bond flows (IDR, Tn)**



Source: Bloomberg, SSI Research

*There has been a trend reversal in the domestic bond market, with an inflow of IDR 75.7tn, marking a significant change from the outflows experienced over the past four years*

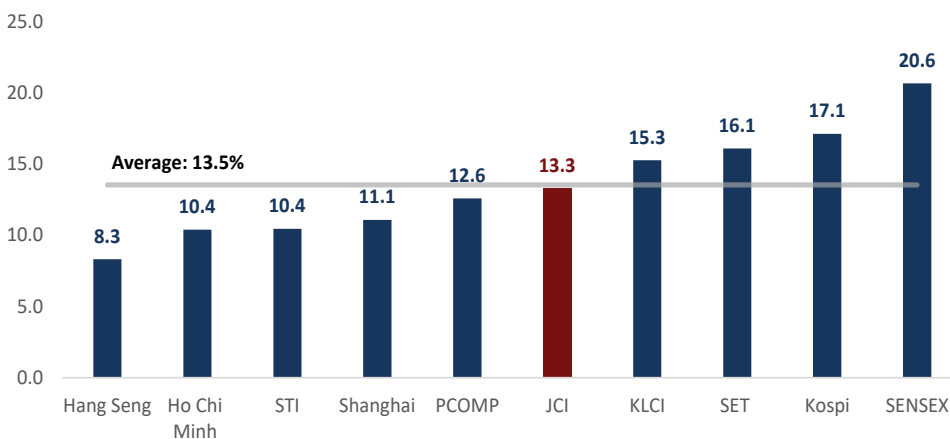
**Figure 3. Average daily trading value**



Source: Bloomberg, SSI Research

*In Jan-24, average daily trading fell -18% MoM, with a trading value of IDR 8.7tn due to investors' wait-and-see stance*

**Figure 4. JCI's PE vs. peers**



Source: Bloomberg, SSI Research

*We slightly raise our JCI target from 7,600 to 7,800, implying a forward valuation of 13.3x PE*

**Table 7. JCI vs developed markets**

NAME	2019 % yoy	2020 % yoy	2021 % yoy	2022 % yoy	2023 % yoy	2024 % YTD
S&P 500 Index	29.6	15.2	27.9	-19.7	23.9	5.4
Nasdaq Composite Index	35.9	42.9	22.0	-33.5	43.3	7.4
Taiwan Taiex Index	23.9	21.5	25.8	-22.4	27.3	4.4
Dow Jones Indus Avg	23.4	6.2	19.7	-8.9	13.5	1.9
FTSE 100 Index	12.7	-14.2	12.1	0.7	2.4	-2.0
KOSPI INDEX	7.7	30.4	6.0	-25.3	16.9	-1.8
NIKKEI 225	18.2	15.1	7.2	-9.4	46.2	13.3
SHANGAI SE COMPOSITE	21.9	13.6	6.5	-14.6	-3.2	-3.3
MSCI ASIA EX JAPAN	16.3	21.8	-4.0	-20.9	3.7	-2.0
FTSE MALAYSIA	-4.5	2.1	-6.1	-3.1	2.5	5.2
HANGSENG INDEX	11.0	-3.8	-12.2	-14.4	-13.6	-5.4
JCI INDEX	1.7	-5.5	8.0	4.1	6.2	0.8

Source: Bloomberg, SSI Research

The JCI went up 0.8% YTD, weighed down by the strong dollar and the possibility of fed fund rate staying higher for longer

**Table 8. JCI and sectoral performance (%)**

Index	DoD	WoW	MoM	YoY	YTD
JCI	-1.2	-0.5	-4.7	4.5	0.8
LQ45	-0.7	0.8	-2.3	3.7	5.7
IDXFİN	-0.5	0.9	-5.3	5.6	6.8
IDXBASIC	-2.0	-3.0	0.4	-3.3	0.4
IDXNCYC	-0.6	-1.4	6.5	-7.8	-3.4
IDXENER	0.0	0.2	-4.9	0.0	-8.3
IDXINFRA	-1.0	-1.3	-44.4	77.4	74.2
IDXCYC	-0.2	-1.0	-1.9	-0.2	-0.3
IDXTECH	-0.4	-0.6	29.5	-28.4	-22.8
IDXHLTH	-0.6	-1.5	20.8	-16.1	-13.7
IDXPROP	-0.7	-0.2	-1.2	-1.4	-2.2
IDXINDUS	-0.2	0.3	3.8	-7.0	-7.9
IDXTRANS	0.6	0.9	7.3	-14.5	-5.6

Source: Bloomberg, SSI Research

Throughout 2024 (YTD), IDXINFRA and IDXFİN outperform other sectors due to political euphoria caused by continuation of IKN and the amount of foreign inflows into big banks which are liquid

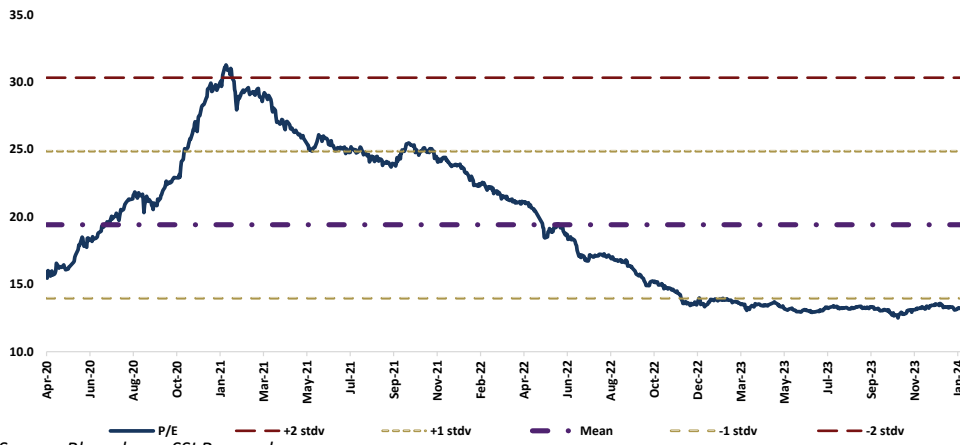
**Table 9. JCI target scenario**

	Bear	Base	Bull
Earnings growth (%)	3.6	8.6	13.6
5 years average JCI index P/E	19.4	19.4	19.4
Fair P/E multiple	13.1	13.3	13.5
EPS 2024	558.5	585.5	612.4
Fair index target	7300	7800	8300

Source: Bloomberg, SSI Research

Our bear case is IDR 7,300 for 2024, due to disappointing cabinet formation; our bull case is IDR 7,800 for 2024 due to better-than-expected cabinet formation

Figure 5. JCI's 5-year PE band



Source: Bloomberg, SSI Research

*Remaining attractive on 13.3x PE, still lower than -1 SD, translating to 7,800 index target*

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