Equity Market Outlook

Strategy Report

16 April 2025

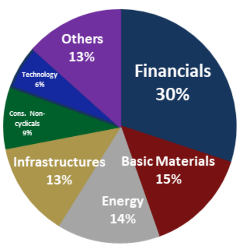
SAMUEL SEKURITAS INDONESIA

JCI Index: 6,442

JCI Target: 6,900

Asian Market Perormances (14-Apr)	Since 2-Apr (%)	YTD (%)	2024 (%)
PCOMP (Phillippines)	(1.6)	(5.9)	1.2
SENSEX (India)	(1.9)	(3.8)	8.2
KOSPI (South Korea)	(2.0)	2.4	(9.6)
JCI (Jakarta)	**(2.2)**	**(10.0)**	**(2.7)**
SHCOMP (Shanghai)	(2.6)	(2.7)	12.7
KLCI (Kuala Lumpur)	(3.0)	(9.8)	12.9
SET (Thailand)	(3.8)	(19.4)	(1.1)
Nikkei 225 (Tokyo)	(4.9)	(14.8)	19.2
VNINDEX (Vietnam)	(5.8)	(2.0)	12.1
Hang Seng (Hong Kong)	(7.7)	6.8	17.7
TWSE (Taiwan)	(8.4)	(15.3)	28.5
FSTAS (Singapore)	(9.8)	(6.4)	14.1
Average	**(4.5)**	**(6.7)**	**9.4**
USD Adjusted Index Changes (14-Apr)	**Since 2-Apr (%)**	**YTD (%)**	**2024 (%)**
KLCI (Kuala Lumpur)	7.1	6.9	18.2
SENSEX (India)	5.1	5.7	(22.1)
TWSE (Taiwan)	(2.7)	(3.3)	7.3
FSTAS (Singapore)	(3.3)	(2.8)	9.9
JCI (Jakarta)	**(4.2)**	**(2.6)**	**10.7**
SHCOMP (Shanghai)	(4.4)	(4.3)	5.4
Hang Seng (Hong Kong)	(5.6)	(4.5)	(3.0)
SET (Thailand)	(8.9)	(8.5)	15.6
VNINDEX (Vietnam)	(10.7)	(5.2)	8.9
PCOMP (Phillippines)	(11.3)	(14.1)	(7.0)
KOSPI (South Korea)	(13.4)	(14.4)	22.1
SET (Thailand)	(17.8)	(18.0)	(1.0)
Average	**(4.6)**	**(10.9)**	**5.4**

JCI Sectoral Weighting (Apr-11)



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Post Trump Tariffs: Down But Not Out

Indonesia: Lower FY25 GDP Growth to 4.8% and Wider CAD to 1.5%. Trump tariffs will slow global economic growth, including Indonesia's. Despite our limited reliance on U.S. exports (just 1.9% of GDP), indirect risks exist stemming from Indonesia's exposure to China. As a result, our economist has recently cut Indonesia's GDP growth to 4.8% in 2025, down from 4.97% previously. This is primarily on the back of worsening IDR depreciation driven by widening current account deficit to 1.5% from 1.4% previously. With the U.S. 10-year Treasury yield at beyond 4.4% (as of April 11, 2025), we expect the Fed Rate to remain high longer, resulting in limited ability by Bank Indonesia to cut interest rate ahead as the central bank focusses on IDR stability.

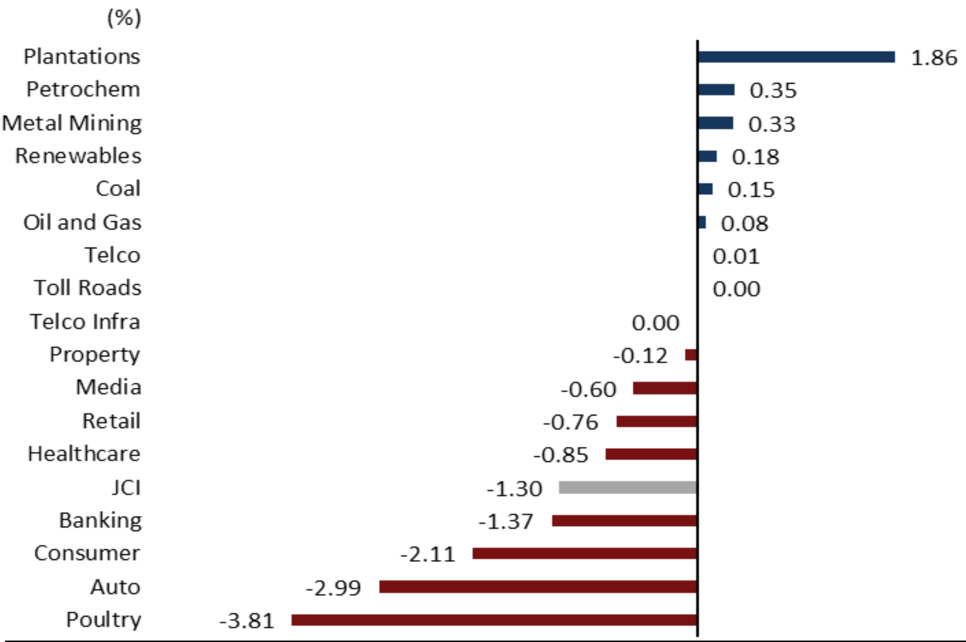
Preference for Defensives, High Dividend Plays & Selective Alpha Stocks. Prolonged tariff turmoil poses downside risks to JCI's EPS growth this year, primarily driven by weak demand outlook due to subdued purchasing power, lower margins from rising USD-linked input costs, and interest rate levels remaining elevated. Given these conditions, we maintain OW stance on stocks with high dividends and solid fundamentals that can raise prices to maintain margins, particularly in the Consumer, Poultry, and Telco sectors. Support for these sectors include government stimulus such as the free meal program and the 6.5% minimum wage increase. On the flip side, we remain cautious about the metal mining sector on lower volumes and prices due to China's economic slowdown, despite certain metals like copper and nickel being exempted from the tariff hike.

Cut Year-end 2025F JCI to 6,900 on Lower EPS Growth Estimate of 1.6%. Recent domestic developments, including the announcement of higher dividend payouts from SOE banks post the formation of Danantara and OJK's new policy allowing share buybacks without GMS amid market volatility, have alleviated some domestic negative sentiments. However, we have revised our 2025 JCI base case target to 6,900 (from 7,300), reflecting FY25 PE of 12.0x, still above the regional average of 11.3x. This adjustment reflects our downgraded FY25F JCI EPS growth forecast of 1.6% (previously 4.7%), in line with our economist's revised USD/IDR assumption of IDR 16,900 (vs. IDR 16,600). Our sensitivity analysis suggests that for every 1% depreciation in the IDR would reduce JCI earnings by 1.3%. Our top-picks consist of defensive stocks: **BBCA**, **TLKM**, **ICBP**, **AMRT**, and **JPFA**. Our dividend plays remain unchanged: **ASII**, **HMSP**, **UNVR**, **PTBA**, and **TAPG**. Finally, we have made a couple of changes to our alpha picks as follows: **BRMS**, **SSMS**, **RAJA**, **WIFI**, and **SSIA**. On a more negative note, stocks which may be at risk of reporting soft 1Q25 earnings are: **BBRI**, **JSMR**, **MEDC**, **INCO**, and **AKRA**.

Figure 1. US Tariffs: Potential Short-Term Impacts on Indonesian Companies

	Impacted Companies		Comments
Chinese competition	• ARNA • GJTL • KRAS	• RALS • SMGR • TPIA	Chinese manufacturers are looking for alternative markets for their products, with Indonesia emerging as a key destination—particularly in textile & apparel, steel & iron, glass & ceramics, cement, tires, as well as petrochemicals. This could raise concerns about market saturation and unfair dumping practice for domestic producers.
Margin compression	• ACES • ASII • INDF	• KLBF • PWON • UNVR	Companies with relatively high USD-linked input costs and high net gearing ratio are likely to experience margin compression in the future. However, the impact of tariff hikes could be partially offset by potential declines in raw materials, helping to mitigate the rise in COGS.
Slower sales growth	• ASII • BBNI • BMRI	• CNMA • MAPI • WOOD	Listed Indonesian manufacturers are largely insulated from possible slowdown in US sales, as most exports consist of machinery, clothing & apparel, footwear, and furniture. However, the majority of companies within our coverage will still be affected by global economic slowdown and interest rates staying high longer, adversely impacting particularly those in the consumer discretionary sector which are expected to experience slowing demand. Furthermore, banks may face subdued loan growth moving forward as economic conditions remain uncertain.

Figure 2. USD Sensitivity Every 1% IDR Depreciation



Sources: SSI Research

Every 1% depreciation in the IDR results in +1.86% increase in plantation sector's EPS, -1.30% decline in JCI earnings, and -3.81% drop in poultry sector's EPS

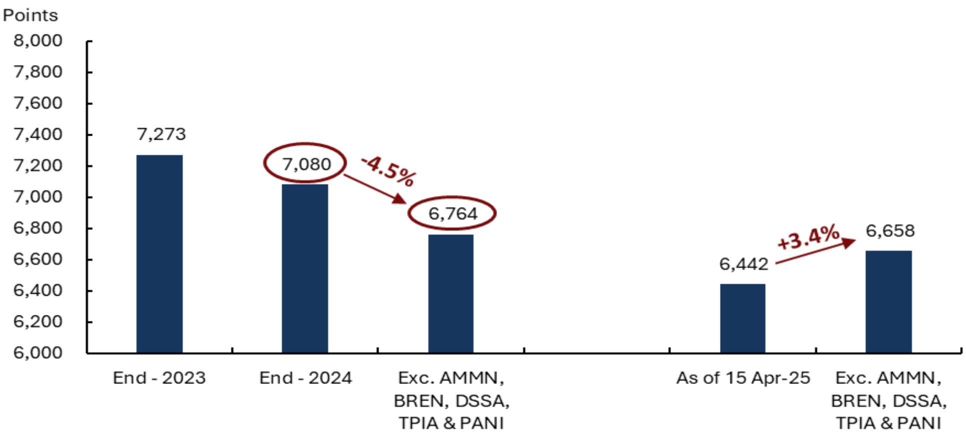
Figure 3. JCI Target Scenario

	Bear	Base	Bull
Earnings growth (%) - (Old)	1.7	4.7	7.7
Earnings growth (%) - (New)	-1.4	1.6	4.6
5-year average JCI index P/E	18.1	18.1	18.1
Fair P/E multiple	11.8	12.0	12.2
EPS 2025	560.0	577.0	594.0
Fair index target	6,600	6,900	7,200

Source: SSI Research

Our fundamental base case scenario for JCI's 2025F target is cut by 5.5% from 7,300 to 6,900, implying FY25 PE of 12.0x

Figure 4. JCI Without AMMN, BREN, DSSA, TPIA, & PANI



Sources: Bloomberg, SSI Research

Excluding AMMN, BREN, DSSA, TPIA, and PANI, JCI would have risen +3.4% to 6,658

Figure 4. Top Picks

Ticker	Rating	Market Cap	CP	TP	Upside	EPS Growth (%)		P/E (x)		Div. Yield (%)		P/BV (x)		ROE (%)		Net Gearing (x)	
		(IDR tn)	(IDR)	(IDR)	(%)	25F	26F	25F	26F	25F	26F	25F	26F	25F	26F	25F	26F
BBCA	BUY	1,047	8,575	11,500	34.1	7.1	8.1	18.0	16.7	2.4	2.5	3.6	3.3	21.2	20.7	n.m.	n.m.
TLKM	BUY	241	2,430	3,500	44.0	7.8	5.7	9.6	9.0	8.1	8.7	1.7	1.6	17.6	18.0	0.3	0.3
ICBP	BUY	122	10,475	14,000	33.7	42.5	13.5	12.1	10.7	2.9	4.1	1.7	1.6	13.6	14.7	n.c.	n.c.
AMRT	BUY	86	2,080	4,000	92.3	36.9	17.5	20.0	17.0	1.6	2.2	4.6	3.9	22.7	23.3	n.c.	n.c.
JPFA	BUY	23	2,060	2,400	16.5	18.7	8.3	6.5	6.0	5.0	4.5	1.1	0.9	18.8	19.0	60.0	53.0

Sources: Bloomberg, SSI Research

Figure 5. Top Dividend Plays

Ticker	Rating	Market Cap	CP	TP	Upside	EPS Growth (%)		P/E (x)		Div. Yield (%)		P/BV (x)		ROE (%)		Net Gearing (x)	
		(IDR tn)	(IDR)	(IDR)	(%)	25F	26F	25F	26F	25F	26F	25F	26F	25F	26F	25F	26F
ASII	BUY	200	4,930	5,900	19.7	5.5	8.0	5.4	5.0	12.2	12.9	0.9	0.9	15.3	14.9	0.6	0.7
HMSP	N.R.	66	570	N.R.	N.R.	(13.0)	17.3	10.6	9.0	12.6	11.6	2.6	2.5	24.3	27.9	n.c.	n.c.
UNVR	BUY	51	1,330	1,400	5.3	8.9	9.2	13.8	12.7	13.7	6.8	19.1	15.7	131.1	123.8	17.4	n.c.
PTBA	BUY	32	2,740	3,200	16.8	(14.5)	(2.8)	7.2	7.4	8.2	9.6	1.4	1.3	19.2	18.0	21.4	20.6
TAPG	BUY	18	875	1,200	37.1	10.5	2.3	5.2	5.1	14.4	15.0	1.6	1.6	31.6	32.0	n.c.	n.c.

Sources: Bloomberg, SSI Research

Figure 6. Alpha Picks

Ticker	Rating	Market Cap	CP	TP	Upside	EPS Growth (%)		P/E (x)		Div. Yield (%)		P/BV (x)		ROE (%)		Net Gearing (x)	
		(IDR tn)	(IDR)	(IDR)	(%)	25F	26F	25F	26F	25F	26F	25F	26F	25F	26F	25F	26F
BRMS	BUY	51	362	500	38.1	91.0	(9.7)	70.8	78.4	0.0	0.0	3.0	3.0	4.2	3.9	19.6	25.3
SSMS	BUY	16	1,670	2,500	49.7	38.3	15.1	13.5	11.7	2.7	4.5	4.4	3.7	40.1	37.1	124.5	94.4
RAJA	BUY	8	1,915	5,000	161.1	(5.2)	(10.0)	21.4	23.7	2.4	2.1	2.8	2.6	13.5	11.4	190.4	255.6
WIFI	BUY	5	2,330	5,200	123.2	45.3	84.9	16.4	8.9	0.0	0.0	1.1	1.0	4.8	10.9	n.c.	0.1
SSIA	BUY	4	800	1,400	75.0	39.0	22.8	8.7	6.3	0.0	0.0	0.6	0.6	5.2	6.8	n.c.	n.c.

Sources: Bloomberg, SSI Research

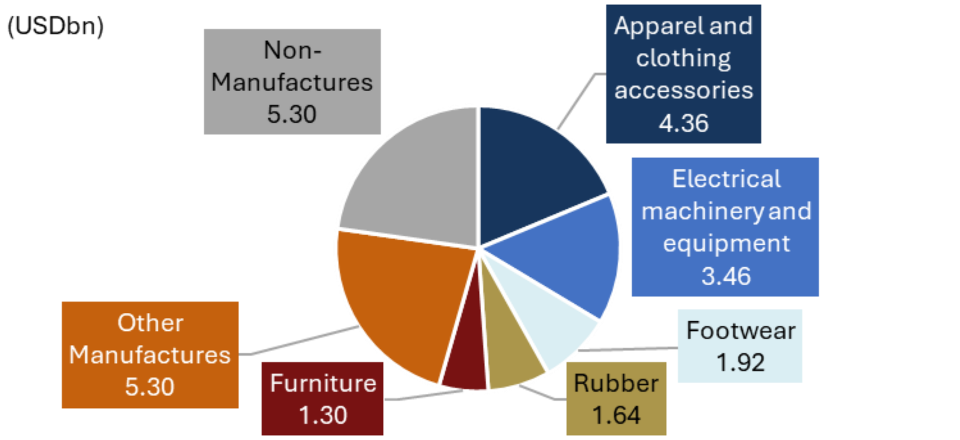
Figure 7. US Tariffs: Impact on ASEAN Exporters

Country	Tariff Proposal		% of GDP		
	Old	New	Exports to US	Exports to World	FDI
Vietnam	46%	10%	27%	80%	4%
Philippines	17%	10%	13%	17%	1%
Malaysia	24%	10%	12%	78%	2%
Thailand	36%	10%	11%	55%	1%
Singapore	0%	0%	8%	95%	35%
Indonesia	32%	10%	2%	19%	2%

Sources: World Bank, US Census Bureau, SSI Research

Vietnam has the highest export-to-GDP ratio to the US among ASEAN peers, while Indonesia has the lowest at 2%

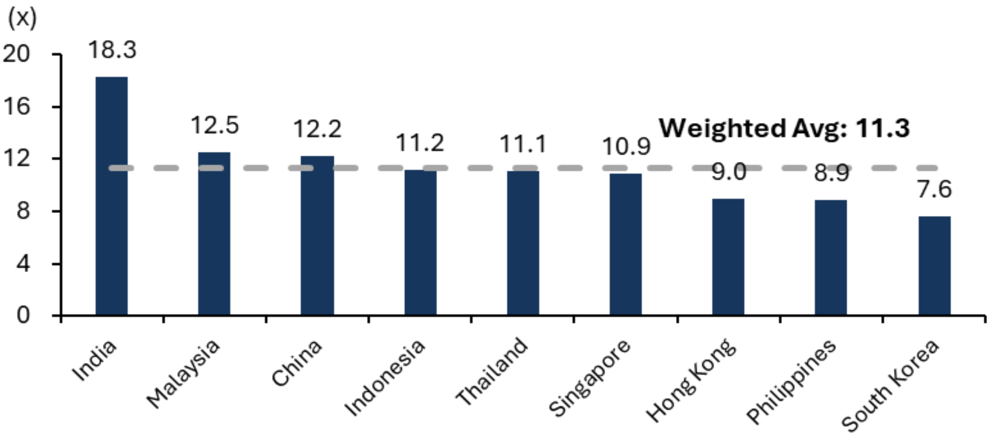
Figure 8. Indonesia's Exports to US



Sources: Trademap, SSI Research

Indonesia's manufacturing exports to the U.S. totaled USD 17.98 billion

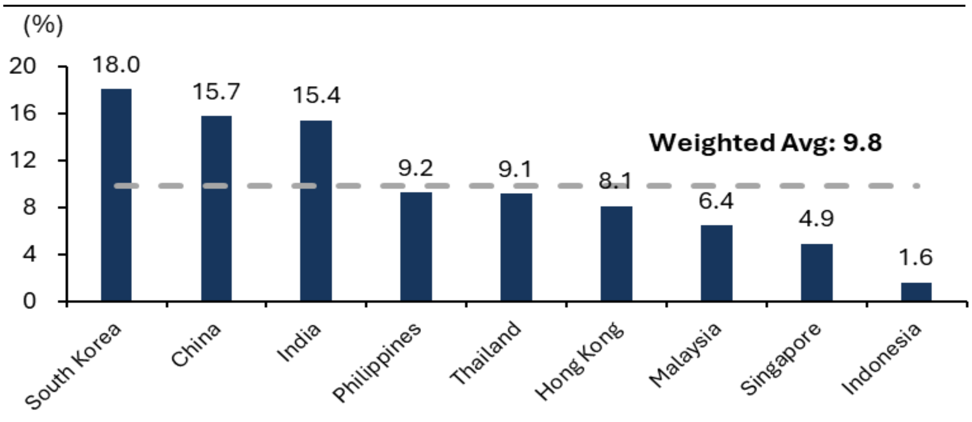
Figure 9. Regional 2025F P/E Comparables



Sources: Bloomberg, SSI Research

JCI's current P/E of 11.0x is slightly lower than regional average of 11.3x

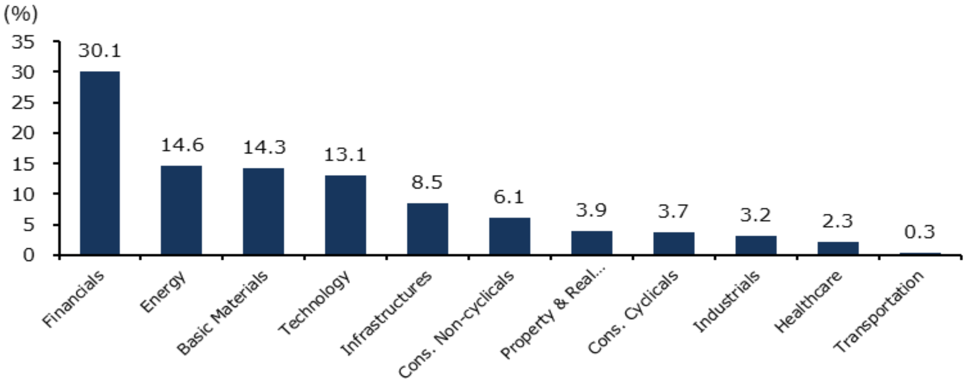
Figure 10. Regional 2025F EPS Growth Comparables



Sources: Bloomberg, SSI Research

JCI's EPS growth of 1.6% is relatively unattractive compared to regional peers

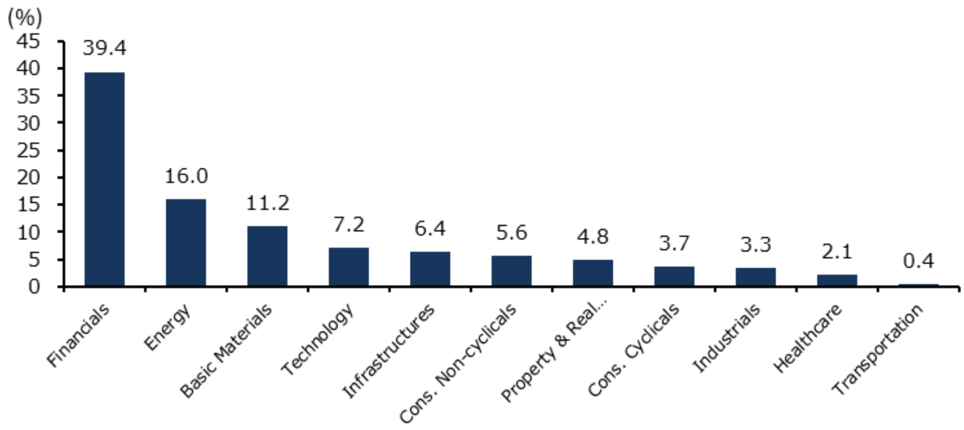
Figure 11. JCI Sectoral Weighting, YTD



Sources: Bloomberg, SSI Research

Financial sector has the highest weighting (based on market cap) in JCI

Figure 12. JCI Value Traded Sectoral Weighting, YTD



Sources: Bloomberg, SSI Research

Based on trading value, financial sector holds the highest weighting in JCI

Figure 13. Highest 1-Month Average Trading Value, by Stock

No.	Ticker	Marketcap (IDR)	AVG 1M Value Traded (IDRbn)	Daily (%)	3M (%)	YTD (%)	52 Weeks (%)
1	BBCA	1,057.1	1,544	2.1	(12.5)	(11.4)	(12.7)
2	BMRI	439.6	1,482	(0.8)	(18.1)	(17.4)	(31.0)
3	BBRI	559.3	1,271	0.0	(9.8)	(9.6)	(34.7)
4	BBNI	159.6	451	(5.9)	(2.9)	(1.6)	(19.2)
5	TLKM	242.7	311	0.8	(6.8)	(9.6)	(28.6)
6	GOTO	94.1	294	(1.3)	(1.3)	12.9	16.2
7	PTRO	24.4	294	3.4	(28.6)	(12.4)	440.2
8	WIFI	5.2	207	(5.6)	199.3	436.6	1,517.6
9	ASII	197.2	201	(1.2)	(1.4)	(0.6)	(7.7)
10	BRMS	51.0	156	(0.6)	(11.3)	4.0	125.0

Sources: Bloomberg, SSI Research

Three out of the Big 4 banks booked the highest average 1M trading values

Figure 14. Top Foreign YTD Net Buy (Regular market)

No.	Ticker	Marketcap (IDR)	YTD Net Buy (IDRbn)	Daily (%)	3M (%)	YTD (%)
1	ASII	197.2	751	(1.2)	(1.4)	(0.6)
2	ANTM	44.7	619	1.6	21.6	22.0
3	INDF	64.1	514	2.5	(5.2)	(5.2)
4	RATU	13.6	464	2.9	15.5	334.8
5	EXCL	28.5	423	(0.9)	(4.4)	(3.6)
6	AADI	50.4	346	2.0	(26.6)	(23.6)
7	JPFA	23.5	263	(2.4)	6.7	3.1
8	TLKM	242.7	256	0.8	(6.8)	(9.6)
9	BULL	1.6	255	(5.1)	(15.3)	(7.5)
10	MEDC	26.5	233	1.4	(11.7)	(4.1)
	Total		**4,123**	**1.5**	**(27.8)**	**305.7**

Sources: SSI Research, Bloomberg

ASII, ANTM, and INDF are the top 3 in net foreign buy value YTD

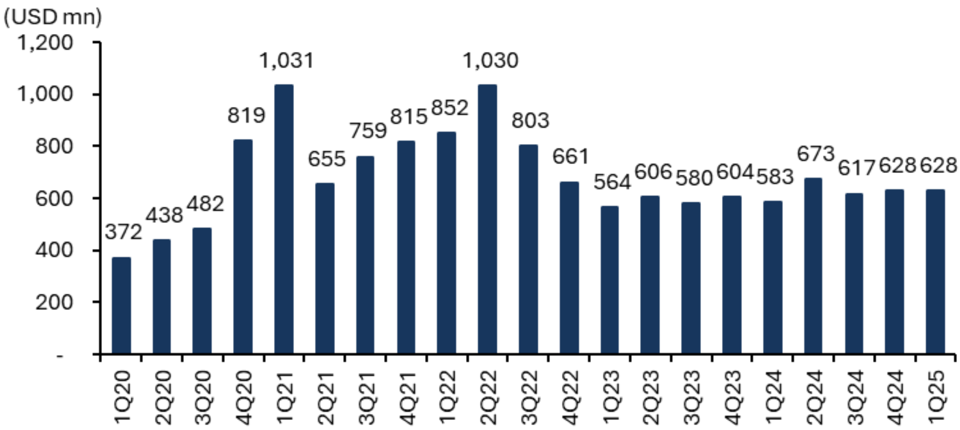
Figure 15. Top Foreign YTD Net Sell (Regular market)

No.	Ticker	Marketcap (IDR)	YTD Net Sell (IDRbn)	Daily (%)	3M (%)	YTD (%)
1	BBCA	1,057.1	11,006	2.1	(12.5)	(11.4)
2	BMRI	439.6	9,368	(0.8)	(18.1)	(17.4)
3	BBRI	559.3	5,096	0.0	(9.8)	(9.6)
4	BBNI	159.6	2,853	(5.9)	(2.9)	(1.6)
5	GOTO	94.1	1,335	(1.3)	(1.3)	12.9
6	MDKA	35.0	1,292	(0.7)	(11.2)	(11.5)
7	PTRO	24.4	892	3.4	(28.6)	(12.4)
8	KLBF	56.0	674	(3.6)	(4.8)	(12.1)
9	INKP	27.2	642	(1.1)	(23.8)	(26.9)
10	ADRO	55.4	614	2.0	(25.0)	(25.9)
	Total		**33,773**	**(6.0)**	**(138.0)**	**(115.9)**

Sources: SSI Research, Bloomberg

BBCA, BMRI, and BBRI are the top 3 in net foreign sell value YTD

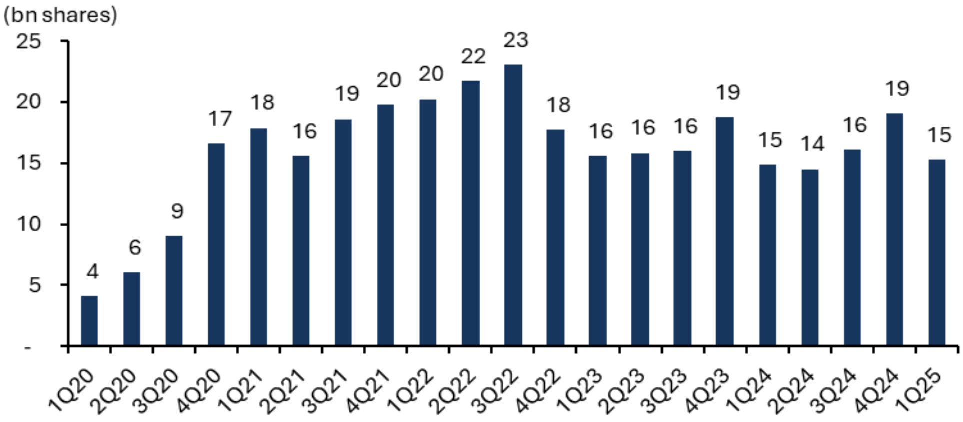
Figure 16. JCI Average Quarterly Daily Turnover, 2020-2025



Sources: Bloomberg, SSI Research

JCI's 1Q25 average quarterly daily turnover was 7.7% higher than in 1Q24, but flat QoQ

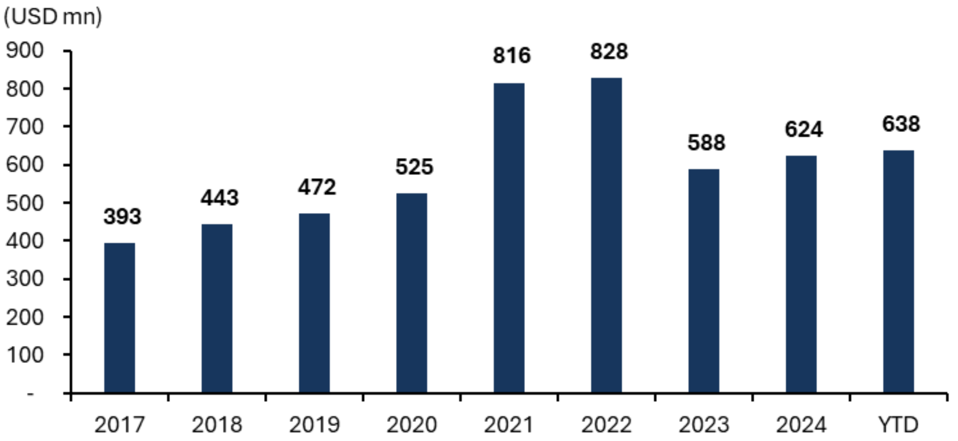
Figure 17. JCI Average Quarterly Daily Volumes, 2020-2025



Sources: Companies, SSI Research

JCI's 1Q25 average daily volume was relatively flat compared to 1Q24 and down 21% QoQ

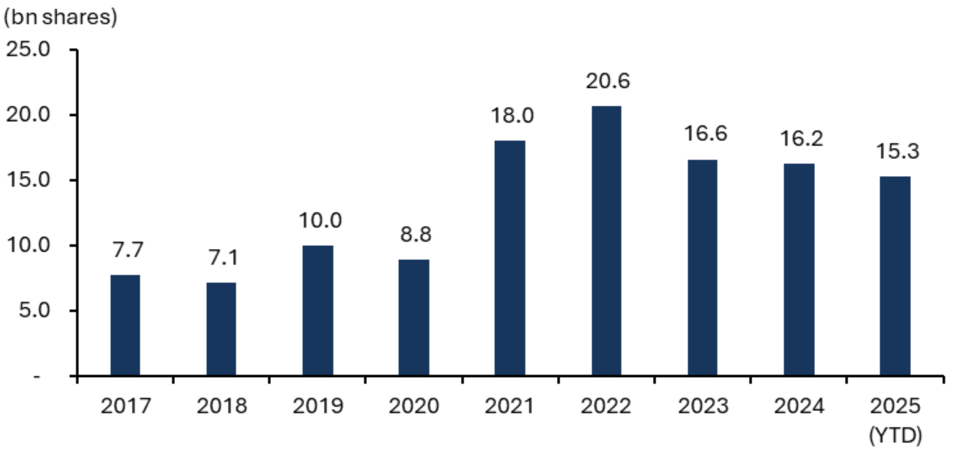
Figure 18. JCI Average Daily Turnover, 2017-YTD



Sources: SSI Research, Bloomberg

JCI's average daily turnover increased 2% to USD 638mn YTD vs. USD 624mn in FY24

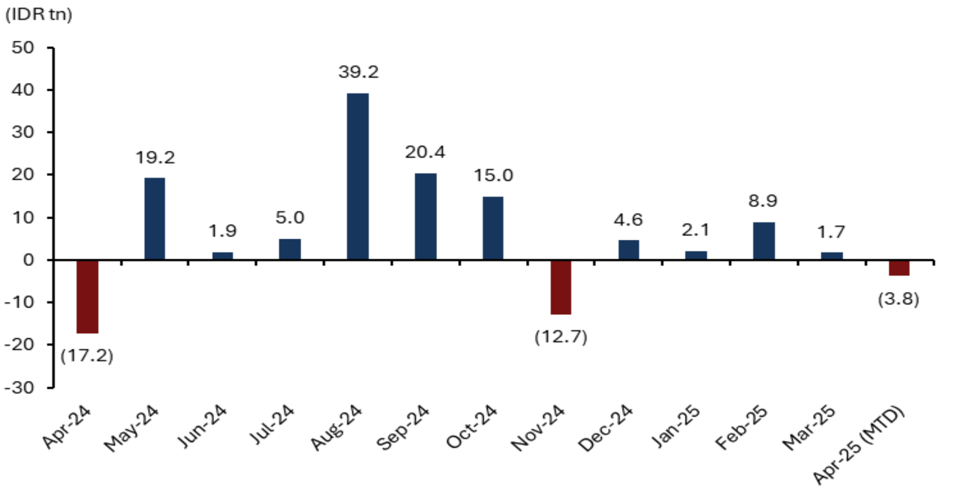
Figure 19. JCI Average Daily Volumes, 2017-YTD



Sources: SSI Research, Bloomberg

JCI's average daily volumes decreased 5.6% to 15.3 bn shares YTD vs. 16.2 bn shares in FY24

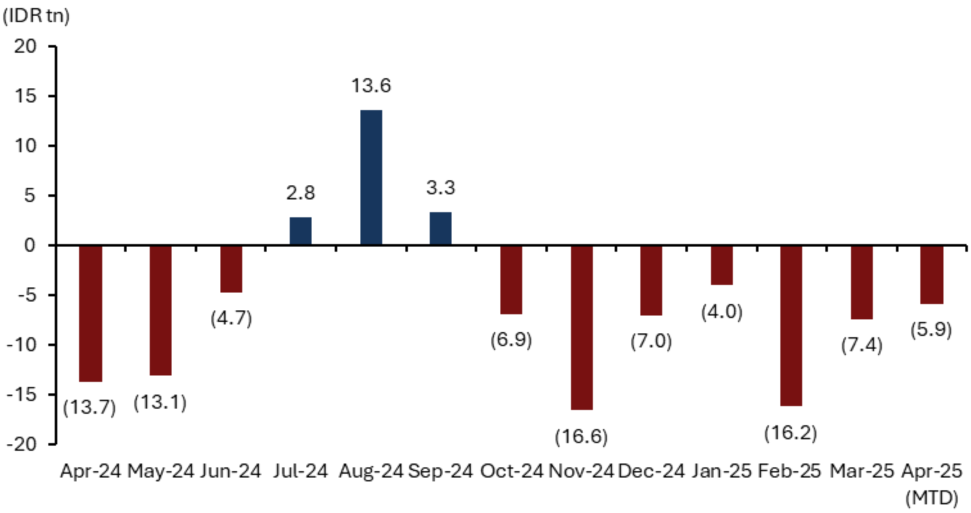
Figure 20. Monthly Bond Flows



Sources: SSI Research, Bloomberg

April MTD, GOI bonds is making a reversal outflow in April ...

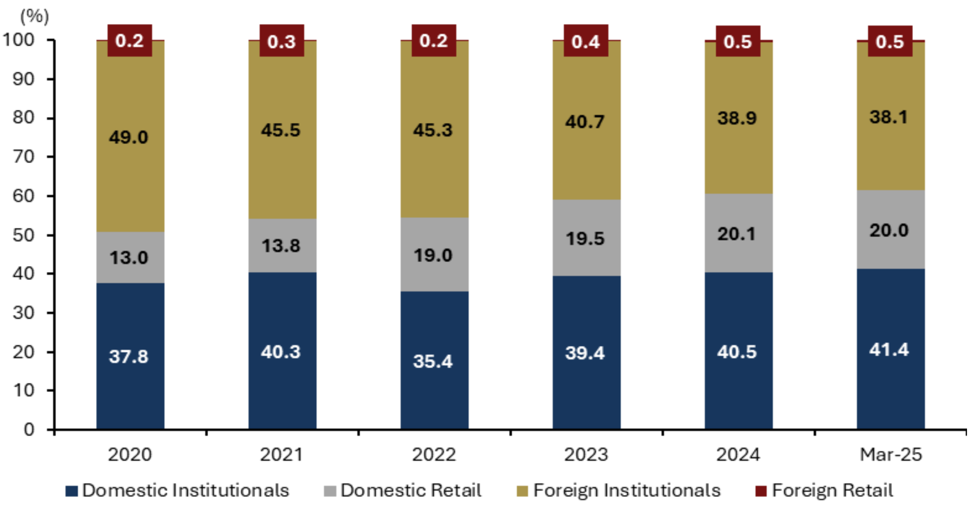
Figure 21. Monthly Net Foreign Flows (Regular Market)



Sources: SSI Research, Bloomberg

... while equity remains in foreign net sell, peaking in Feb-25 at IDR -16.2tn, bringing YTD outflow to IDR -33.5tn

Figure 22. JCI's Domestic vs Foreign Equity Ownership



Sources: SSI Research, Bloomberg

Foreign institutional ownership in JCI fell -80bps YTD to 38.1%

Figure 23. Indonesia's Foreign Equity Ownership, by Sector (%)

Sector	1Q24	2Q24	3Q24	4Q24	1Q25
Mining Contracting	36.9	35.8	35.0	35.9	37.5
Bank	38.3	38.2	39.0	38.5	36.7
Utilities	25.4	24.4	23.4	24.1	24.7
Consumer Staples	24.7	23.4	24.1	24.2	22.5
Cement	20.6	19.6	21.2	21.6	21.3
Telco	17.6	17.1	17.7	18.1	18.0
Auto	15.0	15.0	15.0	15.5	15.8
Oil and Gas	11.5	12.7	13.3	13.8	14.3
Property	13.1	13.0	12.7	12.9	12.1
Coal	11.9	11.6	11.5	11.7	11.6
Retail	14.5	14.3	12.4	13.0	11.4
Telco Infra	10.9	10.3	9.1	9.1	8.3
Metal	8.5	8.4	7.9	8.7	7.9
Industrial estate	6.8	7.1	7.2	8.0	7.2
Cigarette	8.0	7.6	7.5	6.9	6.8
Technology	5.4	5.7	6.0	5.9	5.9
Plantation	5.4	5.1	4.5	4.9	5.5
Construction	6.0	4.6	4.4	5.0	4.8
Poultry	4.8	4.6	4.7	4.8	4.8
Media	5.3	4.7	4.1	4.1	4.7
Pulp and Paper	6.3	6.4	6.3	5.9	4.4
Healthcare	3.6	3.8	3.7	4.0	4.2
Chemical	1.7	1.9	2.4	2.6	2.5
Precast	2.6	2.1	1.8	1.7	1.4
Digital banks	0.5	0.6	0.9	1.2	1.1

Sources: SSI Research, KSEI

Large banks have been the most impacted by Trump's tariffs policy, losing its number one most-foreign-owned spot to 36.7%, and replaced by mining contracting at 37.5%

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