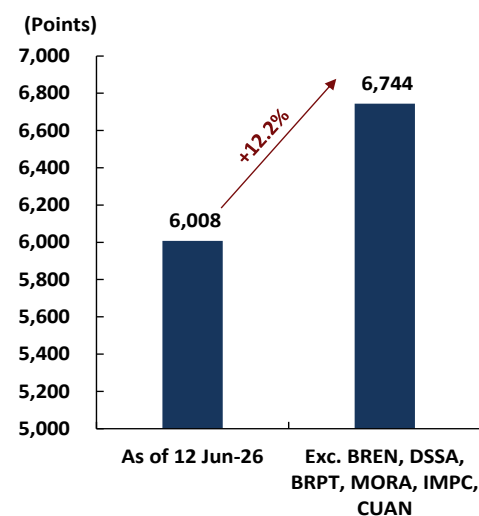


JCI Target: 6,600

| | Bear | Base | Bull |
|-----------------------|-------|-------|-------|
| Earnings growth (%) | -3.0 | 2.0 | 5.0 |
| 5Y avg. JCI index P/E | 18.1 | 18.1 | 18.1 |
| Fair P/E multiple | 10.0 | 10.9 | 11.8 |
| EPS 2026 | 577.0 | 606.7 | 624.6 |
| Fair index target | 5,700 | 6,600 | 7,300 |

JCI Without Liquidity Driven Stocks



Source: SSI Research

Worst is Over

IDR Appreciation with BI More Willing to Raise Interest Rates to Defend the Currency.

1) The rupiah — historically the precondition for every JCI trough — has recovered from beyond IDR 18,200/USD to below IDR 18,000/USD on an increasingly assertive policy response: 75bps of cumulative hikes in a month, including BI's off-cycle 25bps move to 5.50% on 9 June (the first unscheduled hike since May 2018). 2) Additionally, the strength of the IDR could be further boosted if the new mining policy under Danantara could eliminate under-invoicing and provide greater USD inflow into Indonesia. 3) On the state budget front, lower MBG expenditure coupled with Coops rationalization could also help to defend the local currency. 4) We are finally seeing net foreign inflow for the first time since 20 May amounting to IDR 287bn (USD 16mn) on 12 June — this should provide some positive sentiment towards the IDR as well.

Distressed Valuations with Support from Danantara-Backed SOE-Share Buybacks.

The 7.6% rebound on 9 June came off distressed valuations — 8.8 1Y forward P/E, trading -11% below the -2 stdev and -36% below the 5Y mean — with investors seeing buying opportunities. -41% peak-to-trough drawdown over 4.6 months overshoot every confidence-shock bear cycle on record (2013: -23.9%, 2015: -25.4%, Covid: -37.7%), second only to the solvency-driven GFC (-60.7%): the JCI, in our view, priced a crisis-level outcome, worse than current market conditions. If history holds, upside is substantial: across the four bear cycles, the JCI averaged +16.5% within 3M, +25.3% within 6M, and +58.5% within 12M of trough (+40.7% in 12M even ex-GFC; [Figure 3-6](#)). The remaining confirmation signals are clearing of index-related tail risk and sovereign rating reviews.

MSCI's 18 June Market Accessibility and FTSE Reviews: Minor Overhangs Remaining.

Feb & May reviews have already exacted their tolls: seven total Standard Index deletions (INDF, BREN, DSSA, AMMN, TPIA, CUAN, AMRT) cut the constituent count from 18 to 11 with Indonesia's MSCI EM weight having fallen to c.0.45–0.50% from c.0.75% and outflows of c. USD1.5bn concentrated at 29 May close. FTSE's 22 June rebalancing is more contained given AUM is smaller than MSCI's and stock deletions (GOTO, NCKL, DOID, CNMA) are less. Our MSCI base case retains EM classification for Indonesia without watchlist placement on 18 June with the review serving as judgement on whether reforms trajectory — 1% shareholder disclosure, HSC framework, and 15% free-float roadmap — are sufficient to reopen positive index actions. The Aug-26 review then becomes the first practical test of normalization, with ANTM, EMAS, and BUMI as potential re-inclusion candidates. With forced-selling risk cleared and valuations trading -11% below -2 stdev, we expect foreign inflows to resume following favorable verdict. The key residual risks: for MSCI, broader FIF recalibration in Aug-26 using new ownership data triggering second wave of outflows, while Vietnam's FTSE EM inclusion from Sep-26 creates ASEAN rotation pressure — largely offset by Korea's potential MSCI DM upgrade.

Sector strategy: rotate into solid & under-valued banks, dollar earners (metals & coal).

"More business-friendly" (no royalty hike, gross-split scheme, and sole supplier status) mining policy is a pillar of for our bottoming thesis, as the policy risks that drove commodity equities down recently look partially resolved with the latest RKAB quota being increased in 2H26. That said, lower lows in commodity equities look unlikely from a policy standpoint, though confidence requires time to rebuild until DSI's pricing and margin structure are clarified. This translates to our preference beyond gold into metals and coal. In this space, our top picks are ANTM, AMMN, BUMI, and TINS ([Figure 1](#)). ANTM doubles as our core gold play and the leading Aug-26 MSCI re-inclusion candidate flagged above; AMMN offers copper-gold dollar earnings with the 29-May deletion overhang cleared; BUMI provides leveraged exposure to USD-linked coal ASPs, although the DSI transition (deadline 31 Dec-26) is now an execution watchpoint. Separately, we include one bank as our top pick: BMRI, due to its high assets quality and dividend yield of 9%. Key residual risks: geopolitical tensions, widening budget & current account deficits, as well as government policy uncertainties.

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Figure 1. Top Picks

| Ticker | Rating | Market Cap (IDR tn) | CP (IDR) | TP (IDR) | Upside (%) | EPS Growth (%) | | P/E (x) | | Div. Yield (%) | | P/BV (x) | | ROE (%) | | Net Gearing (x) | |
|--------|--------|---------------------|----------|----------|------------|----------------|------|---------|------|----------------|------|----------|-----|---------|------|-----------------|------|
| | | | | | | 26F | 27F | 26F | 27F | 26F | 27F | 26F | 27F | 26F | 27F | | |
| BMRI | BUY | 392 | 4,200 | 6,000 | 42.9 | 3.0 | 7.8 | 6.8 | 6.3 | 8.9 | 9.6 | 1.2 | 1.1 | 19.0 | 18.8 | NM | NM |
| AMMN | BUY | 250 | 3,450 | 7,000 | 102.9 | 337.2 | 28.2 | 13.9 | 10.9 | 0.0 | 0.0 | 2.2 | 1.7 | 17.0 | 17.5 | 80.3 | 65.1 |
| ANTM | BUY | 68 | 2,850 | 4,600 | 61.4 | 29.7 | 5.7 | 7.3 | 6.9 | 7.6 | 10.1 | 1.7 | 1.5 | 24.7 | 23.5 | 9.7 | 13.3 |
| BUMI | BUY | 58 | 157 | 300 | 91.1 | 61.0 | 79.7 | 26.5 | 14.8 | 0.0 | 0.0 | 1.1 | 1.0 | 4.3 | 7.0 | 12.7 | 5.5 |
| TINS | BUY | 25 | 3,300 | 7,000 | 112.1 | 176.4 | 76.5 | 9.8 | 5.5 | 1.1 | 3.1 | 2.4 | 1.8 | 24.5 | 31.8 | NC | NC |

Sources: Bloomberg, SSI Research

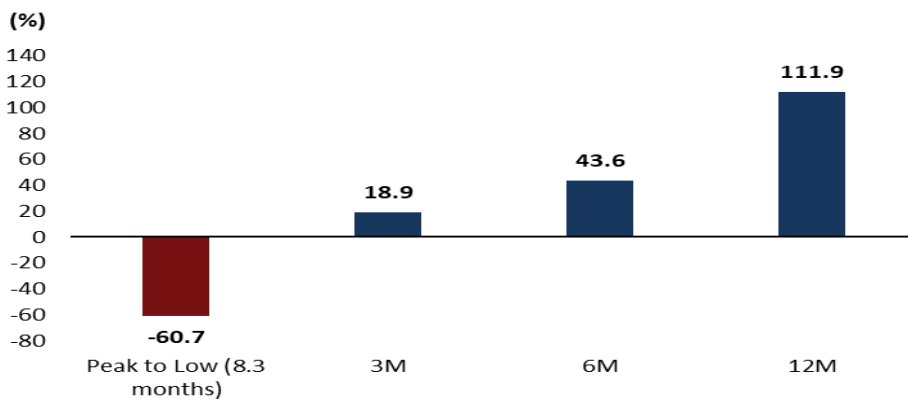
Figure 2. Banking Peer Comparables

| Company Ticker | Market Cap. (IDR tn) | YTD Net (IDR bn) | Last Price (IDR) | TP (IDR) | Rating | Upside Potential (%) | 2026F | | | | |
|----------------|----------------------|------------------|------------------|----------|---------|----------------------|---------|----------------|---------|---------|----------------|
| | | | | | | | NIM (%) | EPS Growth (%) | PBV (x) | ROE (%) | Div. Yield (%) |
| BBCA | 730 | (32,856) | 5,925 | 6,400 | BUY | 8.0 | 5.3 | 1.2 | 2.4 | 19.7 | 4.2 |
| BBRI | 432 | (11,603) | 2,850 | 3,500 | BUY | 22.8 | 7.5 | 2.1 | 1.3 | 17.6 | 11.9 |
| BMRI | 392 | (11,403) | 4,200 | 6,000 | BUY | 42.9 | 4.5 | 3.0 | 1.2 | 19.0 | 8.9 |
| BBNI | 133 | (2,946) | 3,560 | 4,700 | BUY | 32.0 | 3.2 | -0.5 | 0.7 | 11.3 | 7.6 |
| BRIS | 86 | (759) | 1,870 | 2,200 | BUY | 17.6 | 4.9 | 2.8 | 1.5 | 15.5 | 1.8 |
| BBTN | 18 | 351 | 1,260 | 1,500 | BUY | 19.0 | 3.6 | 1.4 | 0.3 | 9.4 | 5.3 |
| Sector | 1,978 | -17,246 | | | NEUTRAL | 28.7 | 5.3 | 4.4 | 1.8 | 17.2 | 12.3 |

Sources: Bloomberg, SSI Research

BMRI records the highest EPS growth with ROE still above sector average and PBV discount at 25%

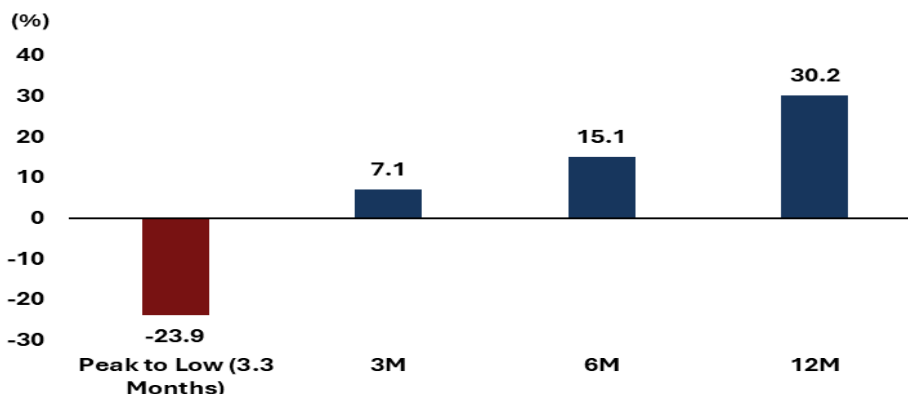
Figure 3. JCI Performances during 2008 GFC



Sources: Bloomberg, SSI Research

JCI soared 111.9% over 12 months after hitting its lowest point during the 2008 GFC

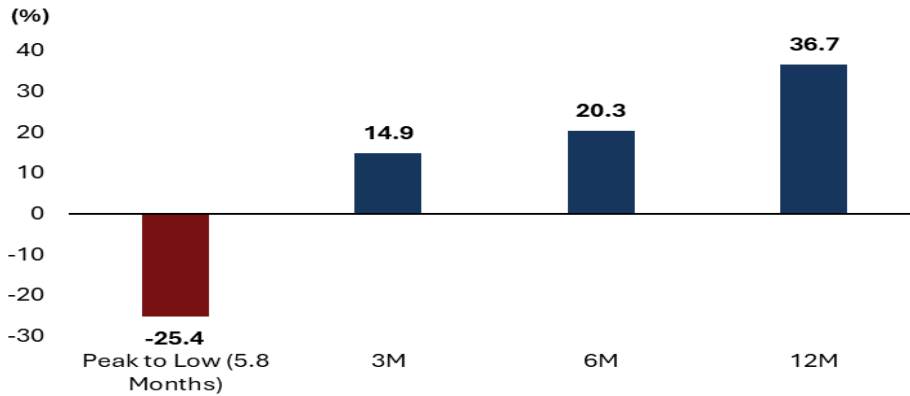
Figure 4. JCI Performances during 2013 Taper Tantrum



Sources: Bloomberg, SSI Research

After slumping 24% from the peak, JCI gained 30.2% within a year

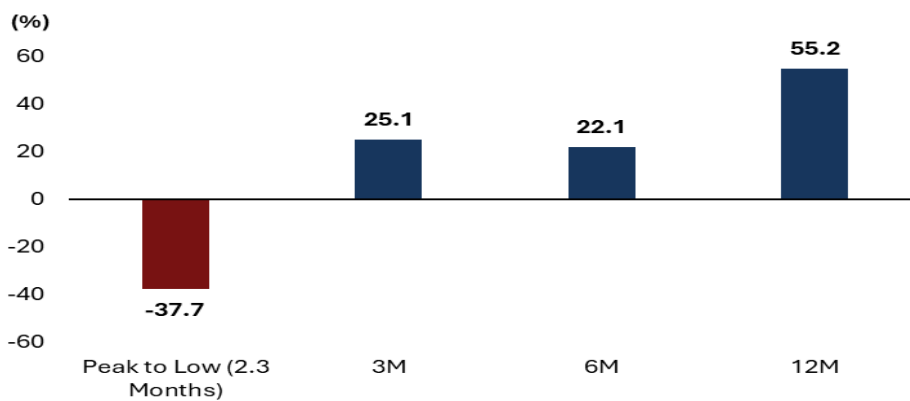
Figure 5. JCI Performances during 2015 Sell-off



In nearly six months, JCI dropped 25% but then recovered 20% during the 2015 sell-off

Sources: Bloomberg, SSI Research

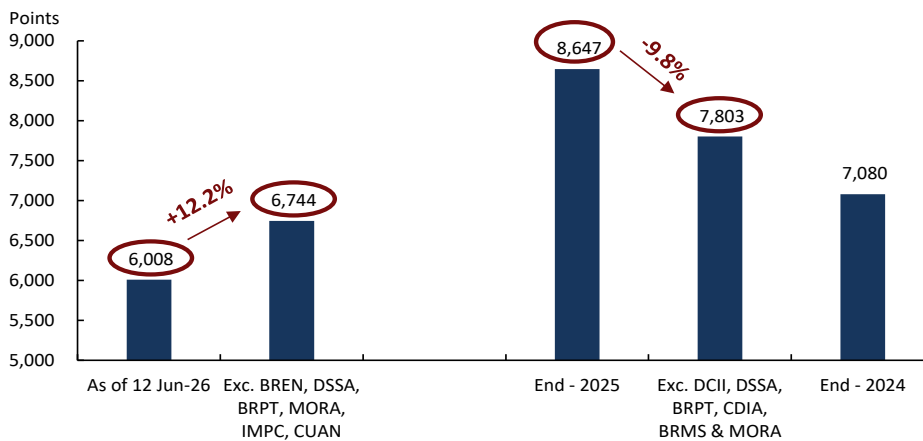
Figure 6. JCI Performances during Covid-19



In three months, JCI rebounded 25%, the highest recovery compared to the other three crises

Sources: Bloomberg, SSI Research

Figure 7. JCI Without Liquidity Driven Stocks (BREN, DSSA, BRPT, MORA, IMPC & CUAN)



Excluding BREN, DSSA, BRPT, MORA, IMPC, & CUAN, JCI's index level would have jumped +12.2% to 6,774 (YTD)

Sources: Bloomberg, SSI Research

Figure 8. YTD Trading Value, by Stock

| No. | Ticker | Market Cap (IDRtn) | Avg. YTD Value | | PX Change | | | | |
|-----|--------|--------------------|----------------|----------------|-----------|--------|--------|---------|--------|
| | | | Traded (IDRbn) | Traded YoY (%) | 5D (%) | 1M (%) | 3M (%) | YTD (%) | 1Y (%) |
| 1 | BUMI | 58.3 | 1,583 | 663.7 | 12.9 | (25.9) | (28.0) | (57.1) | 13.8 |
| 2 | BBCA | 730.4 | 1,515 | 32.2 | 16.7 | (3.3) | (14.1) | (26.6) | (35.1) |
| 3 | BMRI | 392.0 | 940 | 4.4 | 9.4 | (0.9) | (15.3) | (17.6) | (18.8) |
| 4 | BBRI | 431.9 | 929 | (2.1) | 4.0 | (11.5) | (20.2) | (22.1) | (30.0) |
| 5 | ANTM | 68.5 | 699 | 58.9 | 3.6 | (20.2) | (26.7) | (9.5) | (10.1) |
| 6 | PTRO | 42.2 | 598 | 74.4 | 14.5 | (22.2) | (10.7) | (61.7) | 33.1 |
| 7 | DEWA | 13.4 | 497 | 389.6 | 26.0 | (30.4) | (19.5) | (50.7) | 66.7 |
| 8 | BRPT | 159.4 | 468 | 47.5 | 14.9 | (25.4) | 18.5 | (48.0) | 14.5 |
| 9 | TLKM | 283.3 | 450 | 49.6 | 3.6 | (3.1) | (5.3) | (17.8) | 2.9 |
| 10 | TPIA | 160.0 | 445 | 236.2 | 41.8 | (63.4) | (67.8) | (73.6) | (81.3) |

Sources: Bloomberg, SSI Research

Three out of the Big 4 banks occupied the top four spots in average YTD trading value

Figure 9. Top Foreign YTD Net Buy (Regular market)

| No. | Ticker | Market Cap (IDRtn) | Net Buy YTD (IDRbn) | PX Change (%) | | | | |
|--------------|--------|--------------------|---------------------|---------------|---------------|---------------|--------------|------------|
| | | | | 5D | 1M | 3M | YTD | 52 Weeks |
| 1 | ADRO | 67.0 | 2,290 | 1.8 | (12.3) | (8.8) | 26.0 | 7.5 |
| 2 | EMAS | 102.8 | 2,187 | (5.7) | (13.9) | (12.0) | 25.7 | 0.0 |
| 3 | INCO | 49.6 | 2,029 | 3.1 | (22.5) | (21.8) | (9.0) | 36.1 |
| 4 | UNTR | 83.9 | 1,864 | 5.9 | (17.2) | (24.9) | (23.7) | 4.0 |
| 5 | MDKA | 62.2 | 1,788 | (1.2) | (11.5) | (24.6) | 11.4 | 16.0 |
| 6 | ASII | 191.9 | 1,506 | 3.7 | (19.0) | (20.3) | (29.3) | 3.9 |
| 7 | AADI | 67.4 | 1,389 | 14.2 | (8.5) | (15.0) | 24.0 | 21.8 |
| 8 | BRMS | 75.1 | 973 | 3.9 | (30.3) | (35.0) | (51.8) | 7.3 |
| 9 | PTBA | 30.2 | 969 | 1.2 | (8.4) | (10.0) | 13.4 | (12.1) |
| 10 | ITMG | 26.5 | 848 | 7.2 | (2.6) | (15.3) | 7.3 | 3.5 |
| Total | | | 15,844 | 3.4 | (14.6) | (18.8) | (0.6) | 8.8 |

Sources: SSI Research, Bloomberg

ADRO, EMAS, and INCO are the top 3 in net foreign buy value YTD

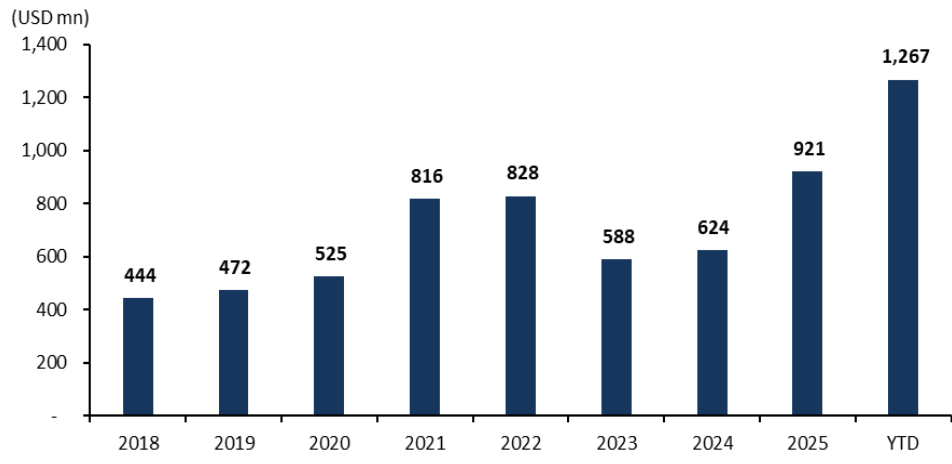
Figure 10. Top Foreign YTD Net Sell (Regular market)

| No. | Ticker | Market Cap (IDRtn) | Net Sell YTD (IDRbn) | PX Change (%) | | | | |
|--------------|--------|--------------------|----------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | 5D | 1M | 3M | YTD | 52 Weeks |
| 1 | BBCA | 730.4 | 32,856 | 16.7 | (3.3) | (14.1) | (26.6) | (35.1) |
| 2 | BBRI | 431.9 | 11,603 | 4.0 | (11.5) | (20.2) | (22.1) | (30.0) |
| 3 | BMRI | 392.0 | 11,403 | 9.4 | (0.9) | (15.3) | (17.6) | (18.8) |
| 4 | BUMI | 58.3 | 8,385 | 12.9 | (25.9) | (28.0) | (57.1) | 13.8 |
| 5 | TPIA | 160.0 | 5,024 | 41.8 | (63.4) | (67.8) | (73.6) | (81.3) |
| 6 | AMMN | 250.2 | 3,912 | 4.9 | (15.2) | (37.6) | (46.3) | (57.9) |
| 7 | ANTM | 68.5 | 3,855 | 3.6 | (20.2) | (26.7) | (9.5) | (10.1) |
| 8 | BONI | 132.8 | 2,946 | 10.9 | (9.0) | (16.8) | (18.5) | (21.6) |
| 9 | CUAN | 80.9 | 1,771 | 6.7 | (23.8) | (41.5) | (69.2) | (39.4) |
| 10 | DSSA | 158.9 | 1,537 | 35.2 | (29.2) | (72.7) | (79.6) | (64.7) |
| Total | | | 83,292 | 14.6 | (20.2) | (34.1) | (42.0) | (34.5) |

Sources: SSI Research, Bloomberg

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

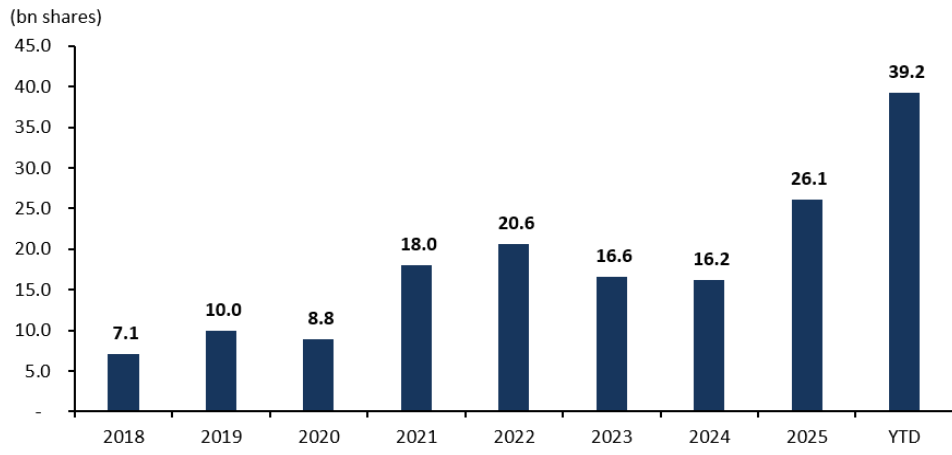
Figure 11. JCI Average Daily Turnover, 2018-YTD



JCI's average daily turnover increased to USD 1,267mn YTD vs. USD 921mn in FY25

Sources: SSI Research, Bloomberg

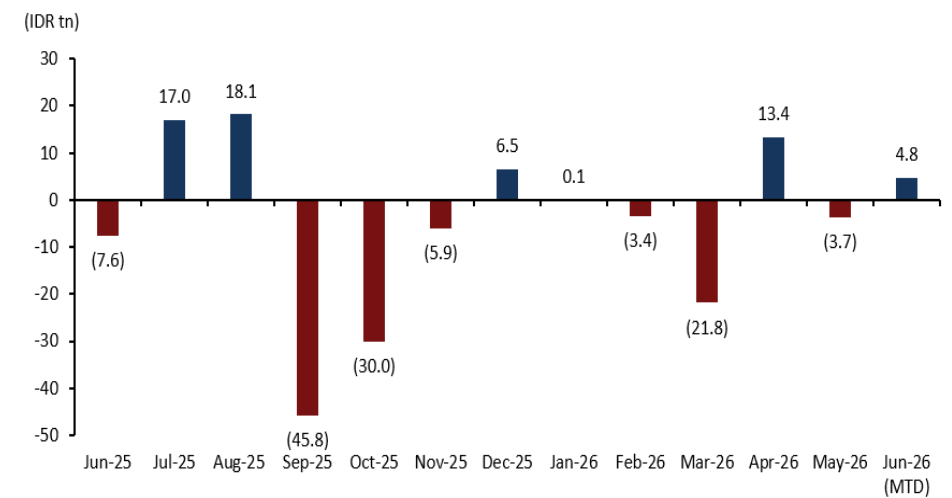
Figure 12. JCI Average Daily Volumes, 2018-YTD



JCI's average daily volumes increased to 39.2 bn shares YTD vs. 26.1 bn shares in FY25

Sources: SSI Research, Bloomberg

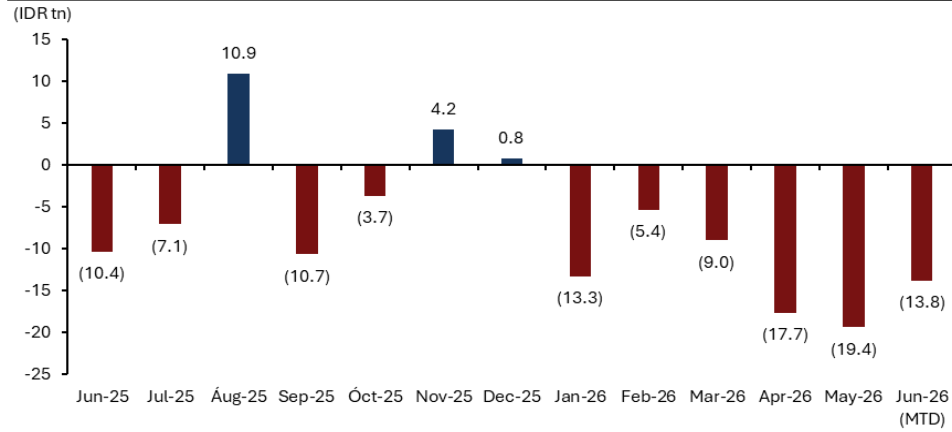
Figure 13. Monthly Bond Flows



Bond outflow in May-26 has reversed to IDR 4.8tn in Jun-26 MTD ...

Sources: SSI Research, Bloomberg

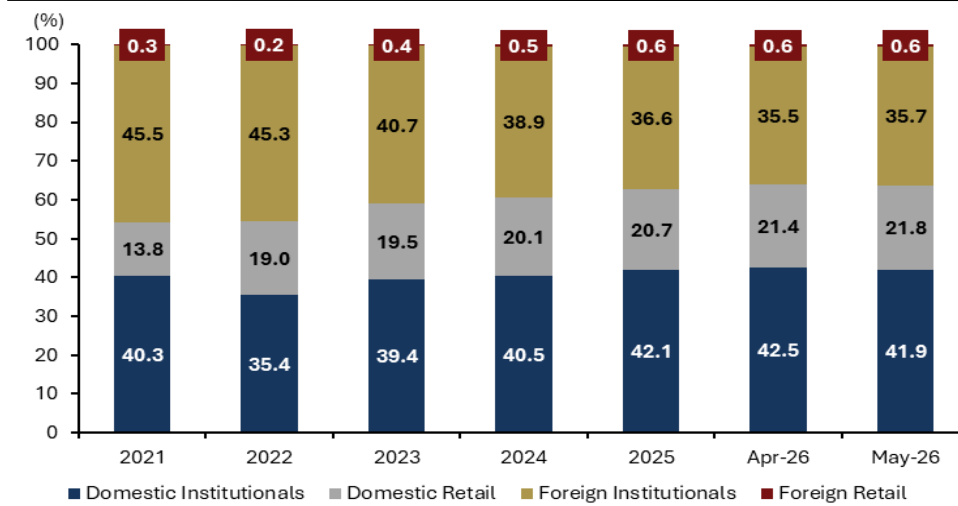
Figure 14. Monthly Net Foreign Flows (Regular Market)



... while equity remained in net foreign sell zone, peaking in May-26 at IDR -19.4tn, bringing YTD outflow to IDR -78.6tn

Sources: SSI Research, Bloomberg

Figure 15. JCI's Domestic vs Foreign Equity Ownership



YTD, foreign institutions' ownership in JCI fell -88bps

Sources: SSI Research, Bloomberg

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