

DSI: Transparency tool or margin-taking gatekeeper?

23 June 2026

Indonesia's new single-gate export regime implemented through PT Danantara Sumberdaya Indonesia (DSI) is emerging as one of the more significant policy shifts for the commodity complex in 2026. Officials present DSI primarily as a transparency and anti-transfer-pricing tool, aimed at tightening oversight of export volumes and values and reducing leakages. However, the underlying legal framework — PP No. 24/2026 — grants DSI far broader powers, including the ability to act as the exclusive export channel for designated commodities, determine export selling prices, and retain a "reasonable" margin. Market behaviour suggests investors' scepticism: coal and CPO-linked indices suffered a mid-teens drop following the DSI announcement. Our simple sensitivity framework indicates that for export-heavy names, each 1% of DSI margin on export revenues can translate into meaningful profitability compression, implying sizeable earnings downside in scenarios where DSI moves beyond a low-fee, service-oriented model.

What exactly is DSI?

DSI is a newly designated state-owned export enterprise tasked with channelling and overseeing exports of selected "strategic commodities," with coal, palm oil and ferroalloy products forming the initial scope. PP No. 24/2026, which took effect on 1 Jun '26, requires exporters to route export documentation and reporting through DSI during a transition phase, while acknowledging existing offtake contracts and subjecting them to evaluation by DSI rather than allowing them to proceed entirely unaffected. Even so, communication from the authorities has so far left key elements of the operating model open, including the exact fee and export prices structures — uncertainty that has itself become a source of market volatility. At the statutory level, Article 3 of PP No. 24/2026 is pivotal: it allows DSI to operate either as the owner of exported commodities or as the sole intermediary, determine export selling prices, and set margins "at a reasonable level". Subsequent statements by senior officials and appear designed to narrow investors' worst-case expectations. Danantara executives have repeatedly underscored that DSI is "not an export broker," that its role is to prevent under-invoicing and transfer pricing rather than to seize trading profits, and that any charges should be viewed as service fees rather than commercial trading spreads. These reassurances matter, but they do not eliminate the tension between the government's benign narrative and the broader powers embedded in the regulation itself.

Why history makes investors nervous

Indonesia's own history with state-controlled commodity intermediaries offers a useful, and mostly cautionary, reference point. The clearest domestic precedent is Badan Penyangga dan Pemasaran Cengkeh (BPPC), the clove marketing body established in 1990, which was introduced as a price-stabilisation mechanism but evolved into a single-channel intermediary buying cloves from farmers and selling to domestic kretek manufacturers, and is widely seen as having contributed to market distortions, inventory build-ups and a sharp decline in prices received by farmers. Badan Urusan Logistik (BULOG) provides another valuable lesson: its trajectory is a reminder that when state trading entities combine stabilisation mandates with preferential market access in key staples, strong governance and clear limits on their commercial remit are essential to keep policy objectives from sliding into structural market distortions. International experience points to similarly mixed outcomes, with some single-desk or dominant export institutions improving coordination and bargaining power, but generally working best when their commercial role is clearly bounded and supported by strong governance.

How the market reacted

Market movements suggest investors are focused less on the government's reassuring narrative and more on the structural tail risk embedded in DSI's design. Around the time of the DSI announcement, the JCI and commodity-linked sectors underperformed, with the energy index and non-cyclicals — which include coal, CPO and plantation names — recording low- to mid-teens declines over the week, even after allowing for concurrent MSCI-related flows and a more hawkish global rates backdrop (see **Exhibit 3**). A clearer signal came from the palm oil complex: despite firmer global CPO prices and a weaker rupiah, conditions that would normally support domestic FFB prices, reported provincial FFB benchmarks fell noticeably following the DSI announcement, as many mills appeared to turn more cautious on fresh fruit bunch purchases amid uncertainty over the new export regime. In response, authorities moved to push CPO mills to raise FFB purchase prices, and by mid-June most regional benchmarks had begun to recover. Even so, the policy discount embedded in commodity-linked equities has not fully unwound, reflecting lingering uncertainty over DSI's ultimate margin-capture model and unresolved implementation risks around pricing formulas, fee levels and potential scope expansion.

Export heavyweights take the hardest hit

To quantify the earnings risk implied by DSI, we ran a simple sensitivity framework measuring the impact of every 1% margin taken by DSI from export revenue across coal and CPO producers with sizable export exposure — noting that no information is yet available on the exact margin or fee DSI will charge. Our framework produces three dimensions of impact per 1% of DSI margin: NPM compression, bottom line erosion, and EPS dilution (see **Exhibit 1**). On NPM, the impact ranges from 0.27pp to 0.61pp (1.4 – 5.7%) per 1% DSI margin. Critically, margin structure matters as much as export ratio: a thin-margin name such as AALI reaches its earnings depletion point at a DSI extraction rate of 18.3% — versus 69% for SMAR despite SMAR's higher export share — because margin buffer, not export exposure alone, determines how quickly the mechanism becomes damaging. In bottom line terms, revenue scale dominates, which is why AALI registers a larger absolute hit than SMAR per 1% DSI (–IDR80.4 bn vs –IDR37.4 bn) despite the lower export ratio. On EPS, share float amplifies the divergence further, with ITMG standing out at –IDR178.2 per share per 1% of DSI margin —reflecting its relatively low shares outstanding.

Wait until the fog clears

In our view, market scepticism and the subsequent sell-off are not primarily driven by commodity fundamentals, as global coal and CPO prices remain reasonably well anchored. However, PP No. 24/2026 and subsequent commentary show two very different paths for DSI. Under one path, DSI remains essentially a monitoring and anti-transfer-pricing platform, charging modest service-type fees with limited direct earnings impact. Under the other, it evolves into a commercial gatekeeper that captures a share of the export spread, turning legal centralisation into a tangible transfer of margin from private exporters to the state and potentially altering pricing dynamics along the value chain. In that context, names with predominantly domestic exposure and limited reliance on export flows look structurally more insulated, while export-heavy producers still carry unresolved earnings risk tied to DSI's eventual operating model. However, until authorities provide more granular guidance on pricing methodology, fee caps and governance safeguards, a blanket sector call looks premature.

Analyst(s)

Adolf R B Setiadi

Adolf.setiadi@kbvalbury.com

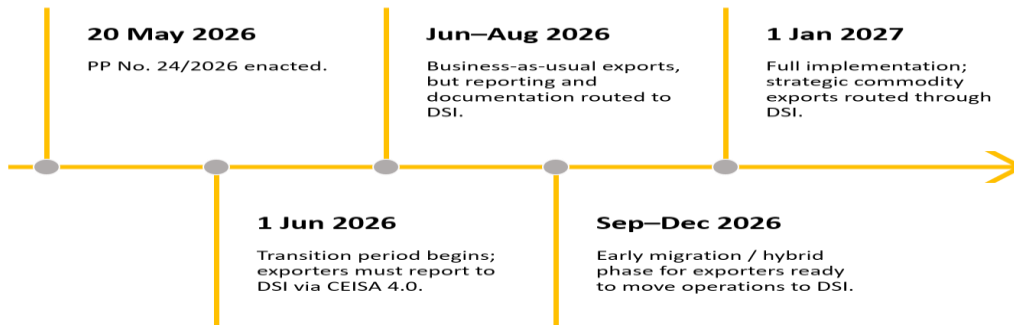
Exhibit 1: Sensitivity analysis on export-heavy CPO and coal producers

Ticker	Export Portion (approx.)	NPM Base (pre-DSI)	Δ NPM per 1% Margin taken by DSI (pp)	Δ NP per 1% Margin taken by DSI (IDR bn)	Δ EPS per 1% Margin taken by DSI (IDR/share)	Break-even rate
AALI	36%	5.1%	(0.28)	(80.4)	(41.8)	18.3%
SMAR	47%	25.3%	(0.37)	(37.4)	(13.0)	69.0%
STAA	35%	18.8%	(0.27)	(26.2)	(2.4)	68.9%

Ticker	Export Portion (approx.)	NPM Base (pre-DSI)	Δ NPM per 1% Margin taken by DSI (pp)	Δ NP per 1% Margin taken by DSI (USD mn)	Δ EPS per 1% Margin taken by DSI (IDR/share)	Break-even rate
AADI	75%	18.2%	(0.59)	(27.4)	(62.2)	31.0%
BYAN	74%	22.9%	(0.58)	(19.7)	(10.5)	39.6%
PTBA	46%	7.2%	(0.36)	(8.9)	(13.7)	20.1%
GEMS	65%	10.8%	(0.51)	(12.2)	(36.6)	21.4%
ITMG	78%	10.8%	(0.61)	(11.3)	(178.2)	17.7%
BUMI	70%	10.3%	(0.55)	(6.4)	(0.3)	18.8%

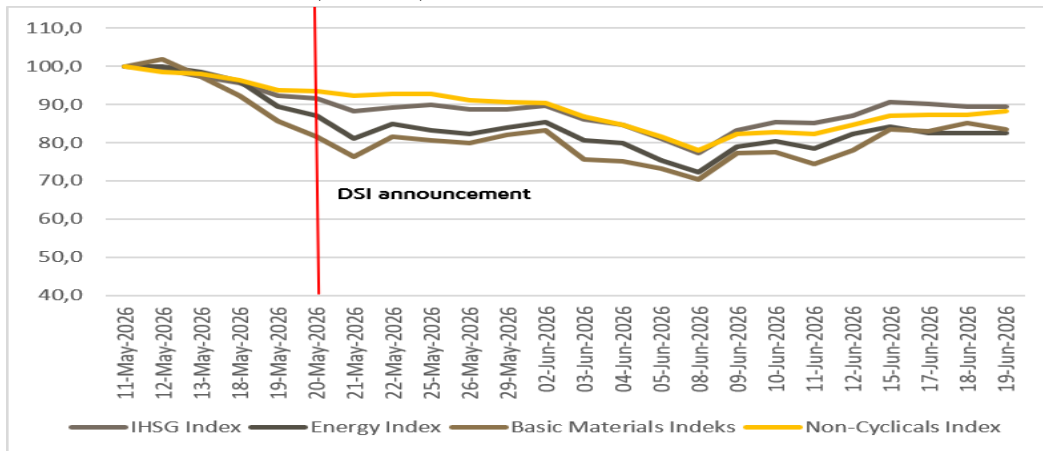
Source: KBVS Research (Note: Assumes constant cost base and statutory tax rate of 22%)

Exhibit 2: DSI implementation timeline and policy checkpoints



Source: KBVS Research

Exhibit 3: JCI vs IDXENERGY vs IDX BASIC vs IDXNONCYC (base = 100)



Source: KBVS Research

Our Analysts

Fikri C Permana
Head of Equity Research
Strategy and Economics
fikri.permana
@kbvalbury.com

Adolf R B Setiadi
Equity Analyst
Coal, Renewables, Plantation, Pulp
adolof.setiadi
@kbvalbury.com

Akhmad Nurcahyadi
Senior Equity Analyst
Banks, Consumer, Cigarettes, Auto
akhmad.nurcahyadi
@kbvalbury.com

Andre Suntono
Senior Equity Analyst
Retail, Poultry, Healthcare
andre.suntono
@kbvalbury.com

Ashalia Fitri Yuliana
Equity Analyst
Metal Mining, H-Equipment, Cement,
Media, Chemicals
ashalia.yuliana
@kbvalbury.com

Atikah Tri Adriyanti
Equity Analyst
Small-Mid Caps
atikah.adriyanti
@kbvalbury.com

Steven Gunawan
Senior Equity Analyst
Telco, Tower, Property
steven.gunawan
@kbvalbury.com

Khairunnisa N Syahfiraputri
Associate Economist
khairunnisa.syahfiraputri
@kbvalbury.com

Michael Handisurya
Technical Analyst
michael.handisurya
@kbvalbury.com

Disclaimer

This report is prepared by PT KB Valbury Sekuritas, a member of the Indonesia Stock Exchange, or its subsidiaries or its affiliates ("KBVS"). All the material presented in this report is under copyright to KBVS. None of the parts of this material, nor its contents, may be copied, photocopied, or duplicated in any form or by any means or altered in any way, or transmitted to, or distributed to any other party without the prior written consent of KBVS.

The research presented in this report is based on the information obtained by KBVS from sources believed to be reliable, however KBVS do not make representations as to their accuracy, completeness or correctness. KBVS accepts no liability for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from the use of the material presented in this report and further communication given or relied in relation to this document. The material in this report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. This report is not to be relied upon in substitution for the exercise of independent judgement. Past performance and no representation or warranty, express or implied, is made regarding future performance. Information, valuations, opinions, forecasts and estimates contained in this report reflects a judgement at its original date of publication by KBVS and are subject to change without notice, its accuracy is not guaranteed or it may be incomplete.

The Research Analyst(s) primarily responsible for the content of this research report, in part or as a whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The Analyst also certifies that no part of his/her compensation was, is or will related to specific recommendation views expressed in this report. It also certifies that the views and recommendations expressed in this report do not and will not take into account client circumstances, objectives, needs and no intentions involved as a use for recommendations for sale or buy any securities or financial instruments.

KB Valbury Sekuritas Head Office

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. (021) 25098300
F. (021) 25098400

Branch Office

Jakarta - Kelapa Gading

Rukan Plaza Pasifik
Jl. Boulevard Barat Raya Blok A1 No. 10
Jakarta Utara 14240
T. (021) 29451577

Denpasar

Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 3338080

Palembang

Komplek PTC Mall Blok I No. 7
Jl. R. Sukanto
Palembang 30114
T. (0711) 2005050

Semarang

Jl. Gajahmada 23A,
Kecamatan Semarang Tengah,
Kelurahan Kembang Sari 50241
T. (024) 40098080

Pontianak

Jl. Prof. M Yamin No. 14
Kotabaru, Pontianak Selatan
Kalimantan Barat 78116
T. (0561) 8069000

Pekanbaru

Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 839393

Jakarta - Puri Indah

Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542390

Bandung

Jl. Abdul Rivai No. 1A,
Kel. Pasirkaliki, Kec. Cicendo
Bandung 40171
T. (022) 3005153

Yogyakarta

Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 8099090

Surabaya

Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 21008080

Makassar

Komplek Ruko Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0411) 6000818

Jakarta - Pluit

Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Malang

Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Banjarmasin

Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) 3265918

Padang

Jl. Proklamasi No. 60A
Padang Timur 25121
T. (0751) 8688080

Medan

Komplek Golden Trade Center
Jl. Jenderal Gatot Subroto No. 18-19
Medan 20112
T. (061) 50339090

Investment Gallery

Jakarta
Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 52392181

Semarang
Jl. Jati Raya No. D6,
Srandol Wetan, Banyumanik,
Semarang 50263
T. (024) 8415195

Salatiga
Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 313007

Jambi
Jl. Orang Kayo Hitam
No. 48 B
Jambi Timur 36123
T. (0741) 3068533