

MARKET COMMENTARY

US indices rose on Thursday (28/09); DJIA (+0.35%), S&P 500 (+0.59%) and IXIC (+0.83%) as data showed the U.S. economy (GDP: 2.1%) maintained a fairly solid pace of growth in 2Q23 and a possibility to avert a government shutdown. Market also awaits for the data on US Personal Consumption Expenditure (PCE) price index this Friday. US 10-Y bond yield fell to 4.602% on US strong labor market with initial jobless claims at 204k was better than expected despite slightly higher than prior.

In Europe, STOXX600 closed higher (+0.35%) on the boosts from energy and mining stocks with Germany's inflation was better than expected (4.5% yoy/0.3% mom). On commodity, US WTI and Brent Oil fell to USD91.71/barrel and USD93.18 /barrel.

Most of Asian indices ended lower yesterday, while JCI was closed on public holiday. Today, JCI could ended higher due to a more positive global sentiment.

NEWS HIGHLIGHT

- Telco - Govt pushes for further consolidation
- Banking - Credit interest rate remain high
- Energy - Incentives plan for coal mining
- TPMA - Actively adding new vessels
- BSDE - Optimist to have a positive performance in 3Q23
- PRDA - Focus on expanding its digital health business
- AKRA - Monetize JIPE assets worth IDR20 tn
- HOKI - Innovating amidst supply disruptions
- SGER - Subsidiary plans IDR200 bn IPO

JAKARTA COMPOSITE INDEX CHART



Support Level	6902/6869/6839
Resistance Level	6976/7009/7039
Major / MinorTrend	Down / Up

JCI Statistics	
Last Closing	6,937.83
% Chg 1D	0.20
% Chg YTD	1.27
Val (IDR Bn)	10,886.34
Vol (Mn shares)	17,017.09
Foreign Net Buy (IDR bn)	-228.08
Mkt. Cap (IDR tn)	10,289.00

Global Indices	Last	Chg	%Chg
Dow Jones Indus	33,666.34	116.07	0.35
Nasdaq Composite	13,201.28	108.43	0.83
FTSE 100	7,601.85	8.63	0.11
Shanghai SE	3,110.48	3.16	0.10
Hang Seng	17,373.03	-238.84	-1.36
Nikkei 225	31,872.52	-499.38	-1.54

Commodities	Last	Chg	%Chg
Crude Oil (USD/Barrel)	91.87	0.16	0.17
Natural Gas (USD/mmbtu)	2.95	0.00	0.00
Coal NEWC (USD/MT)	159.75	-0.60	-0.37
CPO (MYR/MT)	3,643.50	-33.50	-0.91
Nickel LME (USD/MT)	18,887.00	10.00	0.05
Tin LME (USD/MT)	25,324.00	-688.00	-2.64
Gold (USD/ounce)	1,865.07	0.20	0.01

Currency	Last	Chg	%Chg
USD/IDR	15,520.00	30.00	0.19
DXI Index	106.22	-0.45	-0.42
EUR/USD	0.95	0.00	0.00
JPY/USD	149.26	-0.05	-0.03
AUD/USD	1.56	0.00	0.00
CNY/USD	7.30	-0.01	-0.14

JCI Leading Movers	Last	%Chg	Indx pts
BMRI IJ	6,000	1.27%	7.15
BRPT IJ	1,395	3.72%	3.39
ADRO IJ	2,870	3.61%	3.33
BYAN IJ	19,050	0.93%	2.95
BBNI IJ	10,125	1.50%	2.86

JCI Lagging Movers	Last	%Chg	Indx pts
BBCA IJ	8,875	-0.84%	-4.96
TLKM IJ	3,720	-1.06%	-4.89
KLBF IJ	1,755	-2.77%	-2.49
ASII IJ	6,150	-0.81%	-2.36
GOTO IJ	86	-1.15%	-2.16

Source: Bloomberg

Daily News

29 September 2023

Telco - Govt pushes for further consolidation

Information and Communication Ministry is aiming to push further consolidation in telecommunication industry as rumours over EXCL-FREN merger has been swirling in the past weeks. According to government, consolidation is still needed in order to improve service excellence and help support MNOs financial performance that has been battered by prolonged stiff competition. Given that, the government strives to limit the number of MNOs operating in Indonesia to only three from currently four mobile providers, while exploring possibility to merge FREN with other MNOs including TLKM and ISAT.

(Source: CNBC Indonesia)

Comment:

As speculation of EXCL-FREN merger is rife, we expect possible merger will be beneficial for industry as a whole especially amid mounting pressure to invest more networks in ex-Java and upcoming adoption of 5G. For EXCL-FREN, the corporate action should warrant the resulting entity to enrich its spectrum portfolio (EXCL: 900 Mhz, 1,800 Mhz and 2,100 Mhz and FREN: 850Mhz and 2,300 Mhz), which enables it to gain competitive edge, improve cost efficiency through synergy and enlarge market share. However, we note that FREN's high leverage could be a stumble block for merger talks, in addition to FREN's high valuation as of 1H23 that stands at 6.2x EV/EBITDA (VS 2.6x EV/EBITDA of EXCL). On the other hand, towerCos that has encountered lease fee pressures could be the losing side of this possible merger more or less in a similar way after ISAT-Hutch Tri merger last year.

Banking - Credit interest rate remain high

Amidst Bank Indonesia continuing effort to maintain its 7DRR, banks has not decreasing its loan yield despite most of corporate and market is expecting loan interest rate will start to softened. Bank Indonesia data revealed that the average of credit interest rate was at 9.34% in Aug23, or considerably unchanged versus in the prior month of 9.35%. (Source: Bisnis Indonesia).

Comment:

We believe loan yield will remain high in the remaining quarter of this year. Our expectation on lower BI rate, assuming Fed will cut its bechmark, is likely will only happened in 2024. We also think that loan repricing will continue to take place, especially on the existing loan outstanding. Such condition will make banks NIM could continue to arrive within the similar figure with last year. Assuming CoF has peaked in 1H23, then '23F NIM should arrives higher than KBVs, street and banking management expectations.

Energy - Incentives plan for coal mining

Government through Energy Ministry and Mineral Resources (ESDM) plans to deliver incentives to spur domestic coal downstream especially for improving value addition in coal mining. The incentives are including free royalty tariff for coal gasification, special coal price set up aimed to specifically incentivize gasification in mine-mouth coal plants, and lastly, relaxation on coal mining license based on economical life for coal gasification industry. (Source: Bisnis Indonesia)

Comment:

The government incentives should be able to accelerate coal gasification in the industry as it could reduce production cost in short to mid term, in our view. Furthermore, we also see potential demand for coal gasification thanks to its function as a substitute for imported energy especially gas, along with its function as DME raw materials, hydrogen, ammonia and other gas related outputs. On the other hand, gas downstream is important for government to reduce government spending for energy.

TPMA - Actively adding new vessels

Trans Power Marine (TPMA) is experiencing high demands on charter ship transportation and all of its ships are already fully utilized. TPMA stated that currently some coal transportation contracts have been completed, while some nickel transportation contracts are extended by about one to two years. TPMA will increase the number of its fleet as the positive trend continues and will focus on adding ships to its subsidiaries. Previously, TPMA had set USD38 mn for 2023' capex, which will be used for acquiring 5 new sets of vessel and another 15 sets for its subsidiary, Trans Logistik Perkasa. Note that, currently TPMA has 38 tugboats, 33 barges, and 3 crane barges. As the outlook is positive, TPMA is optimistic and targets a 30% yoy revenue and net profit growth in 2023. In 1H23, TPMA' revenue and net profit grew 11.31% yoy and 53.07% yoy, respectively. (Source : Kontan)

BSDE - Optimist to have a positive performance in 3Q23

Sinar Mas Group property company, Bumi Serpong Damai (BSDE) is optimistic and expects its 3Q23' revenue and net profit to remain positive. BSDE is currently completing the Serpong-Balaraja Section 1B toll road construction project connecting AEON Mall - Legok which is expected to be completed by the end of this year. BSDE also welcomes the Cikarang - Balaraja MRT phase 3 infrastructure development plan which is projected to start in August 2024. Furthermore, in addition to the project, BSDE is also continuing its ongoing projects in 2Q23. In the residential segment, BSDE is developing several clusters in the BSD City area such as Eonna, Tanakayu, Terravia, The Ostara, Nava Park, The Zora, Grand Wisata in Bekasi (Water Terrace, Z Living, New West-field, and Tanamas), and Kota Wisata in Cibubur (Vermont and Front Row Studio Loft). In the commercial segment, BSDE is working on BSD City including Northridge Business Center, Latinos Business District, Campton Shophouse, Greenwich Business Park, etc. To fund the project, BSDE has used 2Q23' capex of IDR1.6 tn. In 1H23, BSDE' revenue and net income reached IDR4.99 tn (+30.31% yoy) and IDR1.2 tn (+159.02% yoy), respectively. In addition, 1H23' marketing sales reached IDR4.79 tn or 54% of the 2023 marketing sales target (IDR8.80 tn). (Source : Kontan)

PRDA - Focus on expanding its digital health business

Prodia Widyahusada (PRDA) has allocated 50% of its capital expenditure this year for the development of its digital health business. The company has been steadily advancing its digital health business through the Prodia Mobile platform, which has been downloaded by over 1.6 mn users and offers various features like online doctor consultations and health check bookings. PRDA has now introduced a new platform, "U by Prodia," with additional features such as health consultations, vaccination services, health personalization, a health store, and lifestyle challenges. This platform has already been downloaded by over 117,000 users. PRDA aims to establish a stronger foothold in the digital health sector by investing significantly in its digital ecosystem through its subsidiary, Prodia Digital Indonesia (PRDI). While PRDA's revenues grew by 2.5% yoy in 1H23, the substantial investment in digitalization impacted its net profit, which declined by 7% yoy. (Source: Kontan)

AKRA - Monetize JIPE assets worth IDR20 tn

AKR Corporindo (AKRA) plans to monetize the land in the Java Integrated Industrial & Ports Estate (JIPE) in Gresik, East Java, with a value exceeding IDR20 tn. The monetization process will accelerate with the sale of over 500 ha of JIPE land within five years. The current book value of JIPE assets is approximately IDR6.4 tn, and the company anticipates monetizing the land for roughly IDR20 tn. This move aligns with AKR's strategy to expand its digital ecosystem in the healthcare sector, leveraging the cash flow generated from asset monetization to develop utilities and facilities such as power plants, gas pipelines, and water pipelines to support the industrial and manufacturing clusters in JIPE. AKR aims to create clusters in metal, energy, electronics, chemicals, and supporting industries. (Source: Investor Daily)

HOKI - Innovating amidst supply disruptions

Amidst rising raw material costs, Buyung Poetra Sembada (HOKI) strives to supply modern trade despite the challenges posed by the prolonged El Nino, which has disrupted global food supplies. The Ministry of Agriculture warns of potential crop failure, particularly for rice.

In 2020, HOKI increased its resilience by launching Hoki Distribusi Niaga (HDN), a subsidiary geared towards Fast Moving Consumer Goods (FMCG) under the brand DailyMeal. With a focus on health and convenience, HOKI introduces DailyMeal's healthy rice (DailyMeal Rice) and convenient rice (DailyMeal Eats), gaining traction in modern markets.

In a strategic move, HOKI expands its product line with the introduction of corn rice, recognizing the need for diversification in the rice-centric industry. The company remains committed to innovation, navigating challenges, and ensuring sustainable growth. (Source: Kontan)

Daily News

29 September 2023

SGER - Subsidiary plans IDR200 bn IPO

Sumber Global Energy (SGER) is set to expand into nickel and other minerals segment, with its subsidiary, Sumber Mineral Global Abadi (SMGA), gearing up for an IPO targeted to conclude by November 30, 2023, aiming to raise IDR200 bn.

SMGA, primarily a trading company with 90% ownership by SGER, is exploring opportunities in processing silica and iron sand for both local and export markets. Additionally, limestone mining is expected to commence in 2024.

SGER plans to enhance domestic sales of nickel, non-metallic minerals, and coal via SMGA. In the current year, SGER achieved 100,000 tonnes in nickel sales. In 1H23, SGER reported revenue of IDR6.03 tn (+69.86% yoy) and net profit of IDR611.65 bn (+28.45% yoy). (Source: Kontan)

Market Data

29 September 2023

BUSINESS & ECONOMIC CALENDAR

Time	Country	Event	Actual	Forecast	Previous	Revised
Thursday, September 28, 2023						
19:30	US	Continuing Jobless Claims	1,670K	1,675K	1,658K	
19:30	US	Core PCE Prices (Q2)	3.70%	3.70%	4.90%	
19:30	US	Corporate Profits (QoQ) (Q2)	0.50%	1.60%	-5.90%	
19:30	US	GDP (QoQ) (Q2)	2.10%	2.10%	2.00%	
19:30	US	GDP Price Index (QoQ) (Q2)	1.70%	2.00%	4.10%	
19:30	US	GDP Sales (Q2)	2.10%	2.20%	4.20%	
19:30	US	Initial Jobless Claims	204K	215K	202K	
19:30	US	Jobless Claims 4-Week Avg.	211.00K		217.25K	
19:30	US	PCE Prices (Q2)	2.50%	2.50%	4.10%	
19:30	US	Real Consumer Spending (Q2)	0.80%	1.70%	4.20%	
21:00	US	Pending Home Sales (MoM) (Aug)	-7.10%	-0.80%	0.50%	
21:00	US	Pending Home Sales Index (Aug)	71.8		77.3	
21:30	US	Natural Gas Storage	90B	88B	64B	
Friday, September 29, 2023						
08:45	CN	Caixin Manufacturing PMI (Sep)			51	
08:45	CN	Caixin Services PMI (Sep)			51.8	
08:45	CN	Chinese Composite PMI			51.7	
19:30	US	Core PCE Price Index (MoM) (Aug)			0.20%	
19:30	US	Core PCE Price Index (YoY) (Aug)			4.20%	
19:30	US	Goods Trade Balance (Aug)			-91.18B	
19:30	US	PCE Price index (YoY) (Aug)			3.30%	
19:30	US	PCE price index (MoM) (Aug)			0.20%	
19:30	US	Personal Income (MoM) (Aug)			0.20%	
19:30	US	Personal Spending (MoM) (Aug)			0.80%	
19:30	US	Real Personal Consumption (MoM) (Aug)			0.60%	
Saturday, September 30, 2023						
08:30	CN	Manufacturing PMI (Sep)			49.7	
08:30	CN	Non-Manufacturing PMI (Sep)			51	
Monday, October 2, 2023						
07:30	ID	Nikkei Manufacturing PMI (Sep)			53.9	
20:45	US	S&P Global US Manufacturing PMI (Sep)				

**Western Indonesia Time

Source: Bloomberg & Investing.com

LEADING MOVERS

Stock	Price	Change (%)	Index pt
BMRI IJ	6,000	1.27%	7.15
BRPT IJ	1,395	3.72%	3.39
ADRO IJ	2,870	3.61%	3.33
BYAN IJ	19,050	0.93%	2.95
BBNI IJ	10,125	1.50%	2.86
BBRI IJ	5,225	0.48%	2.70
UNTR IJ	28,300	1.98%	2.14
MEDC IJ	1,645	8.58%	2.14
MEGA IJ	5,275	1.93%	1.26
AKRA IJ	1,520	4.11%	1.15

LAGGING MOVERS

Stock	Price	Change (%)	Index pt
BBCA IJ	8,875	-0.84%	-4.96
TLKM IJ	3,720	-1.06%	-4.89
KLBF IJ	1,755	-2.77%	-2.49
ASII IJ	6,150	-0.81%	-2.36
GOTO IJ	86	-1.15%	-2.16
MAPI IJ	1,775	-4.05%	-1.56
AMRT IJ	2,930	-1.01%	-1.46
ICBP IJ	11,000	-1.57%	-1.05
STTP IJ	10,700	-6.35%	-0.98
ARTO IJ	2,030	-4.25%	-0.89

UPCOMING IPO'S

Company	Business	IPO Price (IDR)	Issued Shares (Mn)	Offering Date	Listing	Underwriter
PT Lovina Beach Brewery	Food & Beverage Craft Beer	100-119	1180.00	03-06 Oct 2023	10 Oct 2023	Artha Sekuritas
PT Barito Renewables Energy	Investment & Holding Energy	670-780	4500.00	02-04 Oct 2023	06 Oct 2023	BNI Sekuritas
PT Sumber Sinergi Makmur	Trade & Services GPS Distributor	100-120	1100.00	02-05 Oct 2023	09 Oct 2023	Shinhan Sekuritas KB Valbury Sekuritas
PT Kokoh Exa Nusantara	Property & Real Estate Developer	100-160	450.00	27-04 Oct 2023	10 Oct 2023	Panca Global Sekuritas
PT Koka Indonesia	Building Construction & Civil Engineering	128-161	715.33	02-05 Oct 2023	09 Oct 2023	UOB Kay Hian Sekuritas

Corporate Info

29 September 2023

DIVIDEND

Stock	DPS (IDR)	Status	CUM Date	EX Date	Recording	Payment
PLIN	77.00	Cash Dividend	27 Sep 2023	29-Sep-23	02-Oct-23	10-Oct-23

CORPORATE ACTIONS

Stock	Action	Ratio	EXC. Price (IDR)	CUM Date	EX Date	Trading Period
BBNI	Stock Split	1:2	--	--	10 Oct 2023	10 Oct 2023
SOCI	Rights issue	125:22	120.00	17 Oct 2023	18 Oct 2023	23-27 Oct 2023

GENERAL MEETING

Emiten	AGM/EGM	Date	Agenda
INDR	EGM	29 Sep 2023	
KARW	EGM	29 Sep 2023	
MAYA	EGM	02 Oct 2023	
AGRO	EGM	03 Oct 2023	
CITY	EGM	03 Oct 2023	
ESSA	EGM	04 Oct 2023	
GEMS	EGM	04 Oct 2023	
BEEF	EGM	05 Oct 2023	
LPCK	EGM	05 Oct 2023	
LPKR	EGM	05 Oct 2023	
BACA	EGM	06 Oct 2023	
BNGA	EGM	09 Oct 2023	
KOPI	EGM	09 Oct 2023	
SMMT	EGM	09 Oct 2023	
IPOL	EGM	10 Oct 2023	
ZYRX	EGM	10 Oct 2023	
PMMP	EGM	11 Oct 2023	
MPPA	EGM	12 Oct 2023	
RAFI	AGM	12 Oct 2023	
DCII	EGM	16 Oct 2023	
ARNA	EGM	18 Oct 2023	
PNGO	EGM	18 Oct 2023	
ARTI	AGM	19 Oct 2023	
BABP	EGM	19 Oct 2023	
SOHO	EGM	19 Oct 2023	
SOSS	EGM	20 Oct 2023	
ELTY	AGM	23 Oct 2023	
JAWA	EGM	23 Oct 2023	
LUCY	EGM	24 Oct 2023	
EDGE	EGM	25 Oct 2023	
HAIS	EGM	25 Oct 2023	

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KB Valbury Sekuritas

Headquarters

Sahid Sudirman Center Lantai 41 Unit AC
Jl. Jenderal Sudirman No. 86
Kelurahan Karet Tengsin, Kecamatan Tanah Abang
Jakarta Pusat 10220, Indonesia
T +62 21 250 98 300
F +62 21 255 33 778

Branch Office

Jakarta - Kelapa Gading

Rukan Plaza Pasifik
Jl. Raya Boulevard Barat Blok A1 No. 10
Jakarta 11620
T +62 21 - 29451577

Jakarta - Puri Indah

Rukan Grand Aries Niaga
Blok E.1 No. 1 V Jl. Taman Aries, Kembangan,
Jakarta 14450
T +62 21 - 22542390
F +62 21 - 29264310

Jakarta - Pluit

Jl. Pluit Putra Raya No. 2
Jakarta 14240
T +62 21 - 29264300
F +62 21 - 22542391

Bandung

Jl. HOS Cokroaminoto No. 82
Bandung 40171
T +62 22 - 87255888
T +62 22 - 87255800
F +62 22 - 87255811

Semarang

Candi Plaza Building Lt. Dasar
Jl. Sultan Agung No. 90-90A
Semarang 50252
T +62 24 - 3521888
T +62 24 - 8501122
F +62 24 - 8507450

Yogyakarta

Jl. Magelang KM 5.5 no. 75
Yogyakarta 55284
T +62 274 - 4469500
T +62 274 - 623111
F +62 274 - 623222

Galeri Investasi

Jakarta

Citra Garden 6 Ruko Sixth Avenue
Blok J-1 A/18 Cengkareng,
Jakarta Barat 11820
T +62 21 52392181

Semarang

Jl. MT Haryono 637 Semarang
T +62 24 8415195

Solo

Jl. Ronggowarsito No. 34
Surakarta 57118

Surabaya

Pakuwon Center Tunjungan Plaza Lantai 21
Jl. Embong Malang No.1
Surabaya 60261
T +62 31 - 2955777
T +62 31 - 2955788
F +62 31 - 2955716

Solo

Jl. Ronggo Warsito no. 34
Solo 57118
T +62 271 632888
F +62 271 656988

Malang

Jl. Pahlawan Trip no. 7
Malang 65112
T +62 341 - 585888
F +62 341 - 560056

Denpasar

Komplek Ibis Styles Hotel
Jl. Teuku Umar No. 177
Denpasar Bali 80114
T +62 361 - 255888
T +62 361 - 225229
F +62 361 - 225339

Banjarmasin

Jl. Gatot Subroto No.33 Kel. Kebun Bunga
Kec. Banjarmasin Timur
Kalimantan Selatan 70235
T +62 511 - 3265918
F +62 511 - 3253432

Manado

Kawasan Megamas, Ruko Megaprofit
Blok IF2 No. 38 Manado. 95254
T +62 431 7917 836
F +62 431 880 2129

Padang

Jl. Kampung Nias II no. 10,
Kel. Belakang Pondok,
Kec. Padang Selatan
T +62 751 8955747

Salatiga

Jl. Diponegoro No. 68, Rt. 007 Rw. 011,
Kel. Salatiga, Kec. Sidorejo 50711
T +62 298 313007

Medan

Komplek Jati Junction No. P5-5A
Jl. Perintis Kemerdekaan
Medan 20218
T +62 61 - 88816222
F 62 61 - 88816333

Pekanbaru

Komplek CNN Blok A no. 3
Pekanbaru 28291
T +62 761 - 839393
F +62 761 - 839313

Padang

Jl. Kampung Nias II no. 10,
Kel. Belakang Pondok,
Kec. Padang Selatan
T +62 751 8955747

Palembang

Komp. PTC Mall Blok I No. 7 Jl. R. Sukanto
Kel. 8 Ilir Kec. Ilir Timur II
Palembang 30114
T 07115700281

Makassar

Kompleks RUKO Citraland City Losari Makassar,
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard
Kel. Maccini Sombala, Kec. Tamalate
Makassar, Sulawesi Selatan 90111
T +62 411 6000818

Galeri Investasi BEI - KBVS

Yogyakarta
Universitas Kristen Duta Wacana
T +62 274 - 544032

Manado
Universitas Prisma Manado
T 0431 8800850

Jakarta
Universitas Gunadarma
T +62 21 - 8727541