

# Indonesia Market Daily

June 24, 2022

## Market Review

### JCI rose after Bank Indonesia left interest rates at a record low.

JCI was closed higher by +13.96 points (+0.20%) to 6,998.27 after a volatile trading session following Bank Indonesia's decision to left interest rates at a record low as widely expected, balancing the need to support economic growth while maintaining stability in the currency. The commodity boom, relatively manageable Rupiah, as well as higher subsidy budget, have provided room for the central bank to delay the tightening policy. Meanwhile, the Infrastructure (+1.81%) managed to be the best performing sector on the back of a gain in Indonesia's construction SOEs shares including ADHI (+8.22%), WSKT (+5.83%), WIKA (+4.97%), and PTTP (+4.97%). Indonesia will start construction of government buildings in its new capital in August. The government will also start developing infrastructure at Nusantara, as the capital will be known, including water systems, sanitation, and toll roads. Besides that, the shares of Indonesian telecommunication operators were also closed higher including EXCL (+7.66%), especially after the company completed IDR 8.7trn of Link Net (LINK) purchase. Besides that, the Consumer Non-Cyclical (+1.13%) sector followed the higher closing along with the strengthening of Indonesian poultry shares, including CPIN (+3.67%), JPFA (+3.08%), and MAIN (+2.40%).

Trading Value: IDR 15.67trn

Foreign Net Sell: IDR 1.70trn

### Bond yields were low as the pressure from inflation and the currency are manageable.

2Y:5.220% (-0.73bp) / 10Y:7.473% (-0.46bp)

Bond yields of 2-year and 10-year were fell as Bank Indonesia held its benchmark interest rate unchanged at 3.5%. This sets Indonesia apart from most central banks, which have begun raising borrowing costs to counter surging inflation. Even though domestic inflation is set to exceed the central bank's 2%-4% target this year, BI has maintained that there's no rush to tighten as state subsidies and higher foreign exchange reserves are helping manage price pressures. Furthermore, BI is estimated to start hiking its benchmark rate once CPI inflation is officially higher than the 4% target mark. Meanwhile, the central bank continues to directly fund government spending with purchases of government bonds in the primary market.

### Rupiah was strengthened despite the persistent negative external sentiment.

FX: USD/IDR: 14,841 (-0.15%)

The Indonesian Rupiah was advanced due to the support from Bank Indonesia which affirm that it will maintain the currency in line with fundamentals, and that the pressure on the currency was in line with regional currencies. Overall, BI is expected to begin its rate hike cycle with a 25bps increase in 3Q22, most likely in September.

## Company News

### PT GoTo Gojek Tokopedia Tbk (GOTO)

GOTO injected additional capital into PT Adi Sarana Logistik (ASL) by acquiring 18,400 shares of ASL amounted to IDR 18.4bn. The additional funds will be used by ASL for working capital. In addition, GOTO management stated that the transaction did not have a detrimental impact on the company's finance. For information, ASL is a subsidiary of the logistics company PT Adi Sarana Armada Tbk (ASSA). ASSA owns 40% of ASL's shares. Recently, GOTO also made five affiliated transactions with a total of IDR 210bn.

Source: *Bisnis Indonesia*

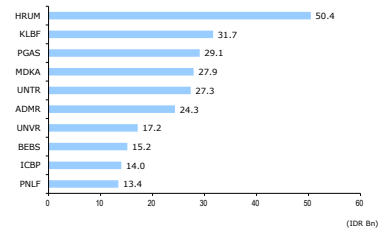
### PT Erajaya Swasembada Tbk (ERAA)

ERAA will distribute a cash dividend of IDR 362.48bn or representing a dividend payout ratio of 35.81% of the total net profit in 2021. For information, ERAA's net profit rose 65.4% YoY from IDR 612bn in 2020 to IDR 1.01trn in 2021. The company is optimistic to continue its growth momentum this year. In 1Q22, ERAA's net sales increased 5.81% YoY from IDR 10.84trn to IDR 11.47trn, while the net profit rose 6.07% YoY to IDR 295.09bn. As of 1Q22, ERAA has 90 distribution points and owned 1,254 retail outlets. In addition, ERAA also has cooperation with approximately 67,000 third-party retail stores.

Source: *Kontan*

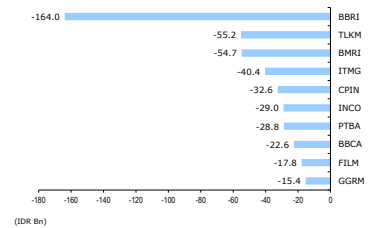
MAJOR MARKET INDICES	CHANGE	(%)
<b>US</b>		
Dow Jones	30,677.36	194.23 0.64%
S&P 500	3,795.73	35.84 0.95%
Nasdaq	11,232.19	179.11 1.62%
<b>Europe</b>		
FTSE 100	7,020.45	-68.77 -0.97%
CAC 40	5,883.33	-33.30 -0.56%
DAX	12,912.59	-231.69 -1.76%
<b>Asia</b>		
Nikkei	26,171.25	21.70 0.08%
Hang Seng	21,273.87	265.53 1.26%
KOSPI	2,314.32	-28.49 -1.22%

## FOREIGN MOST BUY (NET)



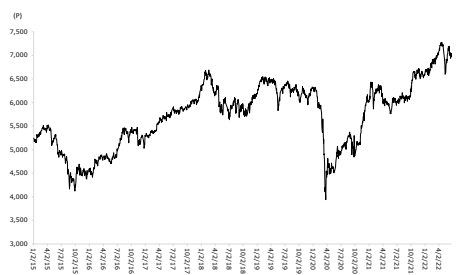
Source: *IDX*

## FOREIGN MOST SELL (NET)



Source: *IDX*

## JAKARTA STOCK EXCHANGE INDEX



Source: *IDX*

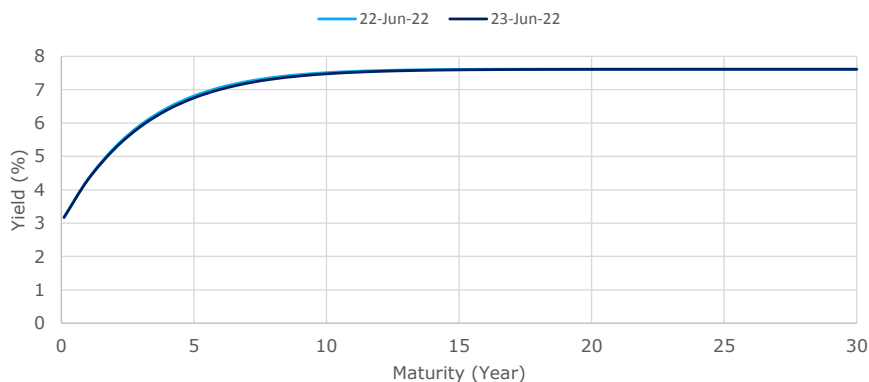
**AISA plans to buy back bonds with a value of IDR 37.18bn.** The buybacks were carried out on debt securities issued as part of the TPS Food Bonds I 2013 worth IDR 6.31bn, TPS Foods Sukuk Ijarah I 2013 with a value of IDR 3.15bn, as well as the TPS Food Sukuk Ijarah II 2016 valued at 27.71bn. The repurchase is carried out with the aim of paying off all bonds that are still outstanding. The maximum of funds that will be used to pay the principal of the bonds is IDR 36.07bn, and also the principal from the capitalization interest of IDR 1.11bn, as well as the interest of IDR 359.48mn. AISA also plans to withdraw a syndicated loan with a ceiling of up to USD 350mn and an additional option of up to USD 100mn from domestic banks. For this loan, the company will provide collateral in the form of assets with a minimum value of IDR 757bn with a plan to provide guarantees of at least IDR 3.66trn.

**Pefindo has assigned its "idA-" rating to PT Bank Pembangunan Daerah Sulawesi Tengah (Bank Sulteng).** The outlook for the corporate rating is "stable". The rating reflects Bank Sulteng's captive market in Central Sulawesi, strong capitalization, and above-average asset quality. However, the rating is constrained by its concentrated funding source and intense competition in the productive loan segment. The rating may be raised if Bank Sulteng significantly strengthens its market position and funding structure while maintaining its financial performance on a sustained basis. Conversely, the rating may be lowered if its financial indicators deteriorate significantly, or its market presence declines substantially.

INDONESIA GOVERNMENT BOND YIELD				
Tenor	Last (%)	Previous (%)	Change	Change (bps)
1.0	4.30	4.31	-0.018	-1.780
2.0	5.22	5.26	-0.039	-3.860
3.0	5.90	5.95	-0.052	-5.230
4.0	6.39	6.45	-0.059	-5.890
5.0	6.75	6.81	-0.060	-6.020
6.0	7.01	7.07	-0.058	-5.780
7.0	7.19	7.24	-0.053	-5.290
8.0	7.32	7.37	-0.047	-4.710
9.0	7.41	7.45	-0.041	-4.090
10.0	7.47	7.51	-0.035	-3.490
15.0	7.59	7.61	-0.014	-1.410
20.0	7.61	7.61	-0.006	-0.650
30.0	7.61	7.61	-0.004	-0.390

BENCHMARK PRICE				
Series	Yield (%)	Change (bps)	Price (%)	Change (bps)
FR0090 (5Y)	6.562	-8.65	94.14	34.23
FR0091 (10Y)	7.384	-8.85	93.03	58.22
FR0093 (15Y)	7.321	-4.67	91.45	39.68
FR0092 (20Y)	7.237	-5.95	98.83	61.52

**INDONESIA GOVERNMENT BOND YIELD CURVE**



Source: PHEI

## Government Bond Valuation (NSS) based on Closing Price: 23-June-22

Series	Tenor	Coupon	YTM	Yield Curve	Spread to yield Curve	Mod Dur (Mid)	Convexity	Trading Idea
FR61	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FR35	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FR43	0.06	10.25	3.73	-2.13	5.86	0.05	0.00	Under value
FR63	0.89	5.63	3.97	3.62	0.35	0.85	0.01	Neutral
FR46	1.06	9.50	4.38	4.12	0.26	0.96	0.01	Neutral
FR39	1.14	11.75	4.49	4.33	0.16	1.03	0.02	Neutral
FR70	1.73	8.38	5.10	5.33	-0.23	1.56	0.03	Neutral
FR77	1.89	8.13	5.15	5.52	-0.37	1.73	0.04	Neutral
FR44	2.23	10.00	5.45	5.82	-0.37	1.95	0.05	Neutral
FR81	2.98	6.50	5.78	6.25	-0.47	2.67	0.09	Neutral
FR40	3.23	11.00	6.07	6.36	-0.29	2.67	0.09	Neutral
FR84	3.65	7.25	6.36	6.50	-0.14	3.09	0.12	Neutral
FR86	3.81	5.50	6.28	6.55	-0.27	3.33	0.13	Neutral
FR37	4.23	12.00	6.56	6.66	-0.10	3.31	0.14	Neutral
FR56	4.23	8.38	6.31	6.66	-0.35	3.48	0.15	Neutral
FR90	4.81	5.13	6.55	6.78	-0.22	4.12	0.20	Neutral
FR59	4.89	7.00	6.57	6.79	-0.22	4.06	0.20	Neutral
FR42	5.06	10.25	6.91	6.82	0.09	3.84	0.19	Neutral
FR47	5.65	10.00	6.90	6.91	-0.01	4.25	0.23	Neutral
FR64	5.89	6.13	6.96	6.94	0.02	4.80	0.28	Neutral
FR71	6.73	9.00	7.25	7.04	0.21	4.96	0.32	Neutral
FR78	6.89	8.25	7.27	7.06	0.21	5.19	0.34	Neutral
FR52	8.15	10.50	7.43	7.17	0.26	5.50	0.40	Neutral
FR82	8.23	7.00	7.32	7.18	0.14	6.02	0.46	Neutral
FR87	8.65	6.50	7.37	7.21	0.17	6.29	0.50	Neutral
FR85	8.81	7.75	7.30	7.22	0.08	6.25	0.50	Neutral
FR73	8.89	8.75	7.50	7.22	0.27	6.17	0.49	Neutral
FR54	9.06	9.50	7.51	7.24	0.27	5.99	0.48	Neutral
FR91	9.81	6.38	7.39	7.28	0.11	6.98	0.62	Neutral
FR58	9.98	8.25	7.42	7.29	0.13	6.80	0.60	Neutral
FR74	10.15	7.50	7.55	7.30	0.25	6.82	0.62	Neutral
FR65	10.89	6.63	7.49	7.34	0.15	7.47	0.72	Neutral
FR68	11.73	8.38	7.67	7.38	0.29	7.35	0.74	Neutral
FR80	12.98	7.50	7.55	7.44	0.11	8.17	0.90	Neutral
FR72	13.89	8.25	7.79	7.47	0.32	8.22	0.94	Neutral
FR88	13.98	6.25	7.48	7.48	0.00	8.88	1.06	Neutral
FR45	14.89	9.75	7.55	7.51	0.04	8.33	0.99	Neutral
FR75	15.89	7.50	7.64	7.54	0.10	9.07	1.16	Neutral
FR50	16.06	10.50	7.80	7.55	0.25	8.24	1.02	Neutral
FR79	16.81	8.38	7.82	7.57	0.25	9.00	1.18	Neutral
FR83	17.81	7.50	7.64	7.60	0.03	9.54	1.33	Neutral
FR57	18.89	9.50	7.88	7.63	0.25	9.31	1.31	Neutral
FR62	19.81	6.38	7.18	7.65	-0.47	10.60	1.64	Neutral
FR92	19.98	7.13	7.26	7.66	-0.40	10.47	1.61	Neutral
FR67	21.65	8.75	7.53	7.70	-0.17	10.02	1.57	Neutral
FR76	25.89	7.38	7.55	7.78	-0.24	11.25	2.02	Neutral
FR89	29.14	6.88	7.37	7.84	-0.47	11.75	2.30	Neutral

Source: Bloomberg, Shinhan Sekuritas Indonesia NSS model Calculation



Research Team		
<b>Helmi Therik, FRM</b>	Head of Research	helmi@shinhan.com
<b>Billy Ibrahim Djaya</b>	Research Analyst	billy.ibrahim@shinhan.com
<b>Anissa Septiwijaya</b>	Research Analyst	anissa.septiwijaya@shinhan.com

Office
<p><b>PT. Shinhan Sekuritas Indonesia</b> Member of Indonesia Stock Exchange</p>
<p><b>Head Office :</b> Equity Tower Floor. 50 Sudirman Central Business District Lot 9 Jl. Jend. Sudirman Kav. 52-53 Senayan Jakarta 12920 Indonesia Telp.: (+62-21) 80869900 Fax : (+62-21) 22057925</p>

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