

# Indonesia Market Daily

May 2, 2024

## Market Review

### The market is closely monitoring Indonesia's inflation figures for April.

At the close of trading on Wednesday (1/5), stocks in both the US and Europe generally declined, following the Federal Reserve's decision to keep its interest rate steady at 5.25%-5.50%, which aligned with market expectations. Federal Reserve Chair Jerome Powell emphasized the central bank's commitment to restoring inflation to its 2% target, acknowledging progress in that direction while dismissing the possibility of imminent interest rate hikes. Meanwhile, at the start of trading this morning, Asian shares opened on a lower note as the markets anticipated forthcoming corporate earnings announcements on Thursday and awaited key employment data later in the week.

JCI continued its upward trend, closing higher by +78.41 points (+1.10%) at 7,234.20, in line with major regional markets. This rise coincided with the release of earnings reports and significant economic data. China's Caixin manufacturing PMI for April surged to 51.4, surpassing the consensus estimate of 51, indicating sustained economic progress in China. Domestically, the markets are eagerly awaiting the April inflation rate and manufacturing PMI figures scheduled for release on Thursday (02/05). The consensus predicts that Indonesia's April inflation rate will likely remain steady at 3.06% YoY, only slightly up from the previous 3.05% YoY. Additionally, the Manufacturing PMI for April is expected to maintain its expansionary trend at 54.2. Across various sectors, most industrial segments closed positively, with the Transportation sector leading the gains with a +2.07% increase. Meanwhile, PGAS shares soared by +11.36% following the company's announcement of a remarkable 40.8% YoY surge in net profit to USD 121.13 million in 1Q24. This increase was supported by a rise in revenue from USD 933.74 million to USD 949.33 million.

Trading Value: IDR 17.26tn  
Foreign Net Buy: IDR 728.47bn

### Government bond yields are still in an upward trend anticipating a hawkish stance from the Fed.

2Y: 6.996% (+0.15bp) / 10Y: 7.124% (+2.26bp)

Yields on government bonds with a tenor of 2 years and 10 years remained elevated as markets prepared for the Federal Reserve's upcoming interest rate decision on Thursday and awaited the release of the jobs report. While it's widely anticipated that the US central bank will maintain interest rates at their current level, market attention is more focused on Federal Reserve Chair Jerome Powell's remarks, particularly in light of recent reports indicating higher inflation. Elsewhere, eurozone inflation held steady at 2.4% year-on-year in April, aligning with expectations. Additionally, the gross domestic product (GDP) for the bloc expanded by 0.3% in 1Q24, rebounding from a 0.1% contraction in the previous quarter. On the domestic front, during the Government Debt Securities auction on Tuesday, April 30, 2024, the government fell short of its target, only selling IDR 21.5 trillion across 7 series of SUNs, missing the set target of IDR 23 trillion. Bids totaled IDR 50.20 trillion, with the highest demand observed for the FR0101 series at IDR 14.26 trillion and FR0100 at IDR 14.23 trillion.

### The Rupiah weakened 2.53% throughout April.

FX: USD/IDR: 16,259 (+0.02%)

The Rupiah experienced a 2.53% depreciation over the course of April, dropping from IDR 15,857 per US Dollar at the end of March 2024. This decline in the Rupiah's value against the US Dollar reflects a prevailing negative trend, largely influenced by market anticipation of the upcoming Federal Reserve meeting. Concerns regarding the likelihood of prolonged higher US interest rates have bolstered the US Dollar Index by 1.3% throughout April 2024. Federal Reserve Chair Jerome Powell is expected to adopt a more hawkish stance on interest rates, particularly in light of sustained inflationary pressures. The prospect of elevated inflation has dampened expectations for any immediate interest rate cuts by the Fed, with market sentiment now suggesting a potential rate reduction in September or later in the fourth quarter of this year. Moreover, China's official Purchasing Managers' Index (PMI) data for April revealed a modest deceleration in manufacturing activity, coupled with a more significant slowdown in non-manufacturing activity compared to initial projections. These developments have added further strain on currencies of emerging markets such as the Rupiah.

## Company News

### PT Indosat Tbk (ISAT)

ISAT recorded a profit of IDR 1.29 trillion in 1Q24 or an increase of 39.4% YoY. ISAT's EBITDA margin also increased to 47%. In 1Q24, ISAT recorded a total revenue of IDR 13.83 trillion or an increase of 15.8% YoY. EBITDA grew even faster than revenue, with an increase of 22.1% YoY to IDR 6.5 trillion. At the end of 1Q24, the number of ISAT customers increased 2.3% YoY to 100.8 million customers. This growth contributed to a surge in data traffic of 14.3% YoY to 3,858 Petabytes (PB). This increase occurred in line with strategic investments in improving network infrastructure. Throughout 1Q24, the number of ISAT 4G BTS increased 20.8% YoY to 184K. This contributed to a jump in average revenue per user (ARPU) of 13.9% YoY for cellular customers which reached IDR 37,500.

Sumber: *Bisnis Indonesia*

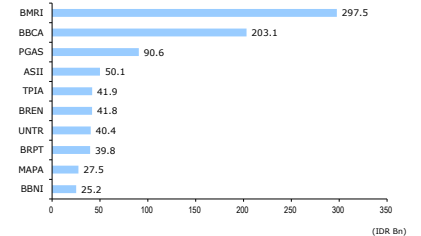
### PT Astra International Tbk (ASII)

ASII disbursed cash dividends totaling IDR 21.01 trillion for the fiscal year 2023, equivalent to IDR 519 per share. This decision was made during Astra's Annual General Meeting of Shareholders (AGMS) on Wednesday, April 30, 2024. The dividend comprises an interim payment of IDR 98 per share or IDR 3.96 trillion, disbursed on October 31, 2023. The remaining IDR 17.04 trillion, or IDR 421 per share, constitutes the final dividend, scheduled for payment on May 30, 2024. With ASII's net profit for the 2023 fiscal year, excluding fair value adjustments for investments in GOTO and Hermina, standing at IDR 34 trillion, the dividend payout ratio reaches 62%. This figure surpasses the company's historical average dividend payout ratio.

Sumber: *Bisnis Indonesia*

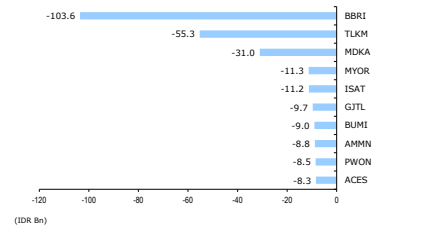
MAJOR MARKET INDICES	CHANGE	(%)	
<b>US</b>			
Dow Jones	37,903.29	87.37	0.23%
S&P 500	5,018.39	-17.30	-0.34%
Nasdaq	15,605.48	-52.34	-0.33%
<b>Europe</b>			
FTSE 100	8,121.24	-22.89	-0.28%
CAC 40	7,984.93	-80.22	-0.99%
DAX	17,932.17	-186.15	-1.03%
<b>Asia</b>			
JCI	7,234.20	78.41	1.10%
Nikkei	38,274.05	-131.61	-0.34%
Hang Seng	17,763.03	16.12	0.09%
KOSPI	2,692.06	4.62	0.17%

## FOREIGN MOST BUY (NET)



Source: *IDX*

## FOREIGN MOST SELL (NET)



Source: *IDX*

## JAKARTA STOCK EXCHANGE INDEX



Source: *IDX*

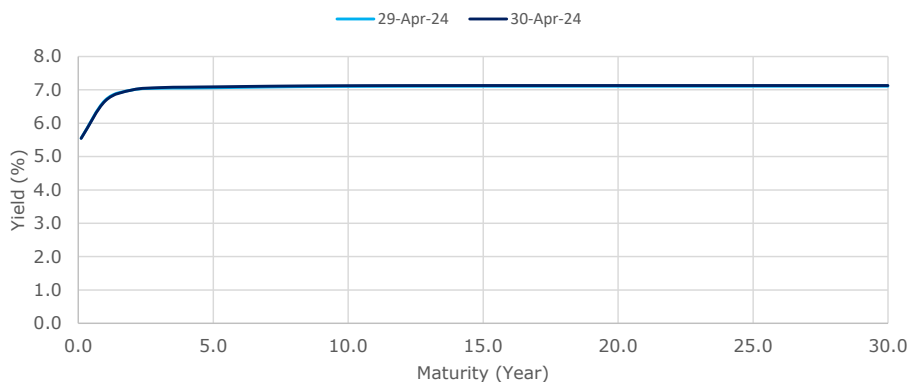
**PT Bank Maybank Indonesia Tbk (Maybank Indonesia)’s Shelf Registration Bond III Phase I Series C Year 2019 amounting to IDR 68 billion will mature on July 3, 2024.** Maybank’s Shelf Registration Bond II Phase I Series B Year 2017 amounting to IDR 300 billion will also mature on July 11, 2024. Both instruments are rated idAAA, latest assigned on March 8, 2024. The bank plans to repay its maturing debt instruments using internal funds. As of the end of December 2023, the bank recorded IDR 1.5 trillion of cash and cash equivalent. Maybank Indonesia is engaged in conventional and sharia banking services. Its major shareholders are Sorak Financial Holdings Pte. Ltd. (45.02%) and Maybank Offshore Corporate Services (Labuan) Sdn Bhd (33.96%), which are both subsidiaries of Maybank Group. Vital Solution Fund owns 8.73% and the remaining 12.29% are held by the public. As of December 31, 2023, it had 337 branches and 6,537 employees.

**Pefindo has assigned its idA- rating with stable outlook to PT Eagle High Plantation Tbk (BWPT).** The corporate rating reflects BWPT’s strong operating management, stable demand for palm oil, and relatively strong financial flexibility. The rating is constrained by the company’s less integrated business profile, moderate financial leverage, and exposure to fluctuating commodity prices and severe weather. The rating may be raised if BWPT consistently exceeds its revenue and EBITDA targets, combined with a more integrated business model. The rating may be lowered if its revenue and EBITDA fall significantly short of projection, resulting from higher costs and lower output than expected. The rating may also be lowered if it incurs significantly higher debt without being compensated by improved business performance.

INDONESIA GOVERNMENT BOND YIELD				
Tenor	Last (%)	Previous (%)	Change	Change (bps)
1.0	6.67	6.69	-0.023	-2.320
2.0	7.00	6.99	0.002	0.150
3.0	7.07	7.05	0.020	1.990
4.0	7.08	7.05	0.027	2.730
5.0	7.09	7.06	0.029	2.850
6.0	7.10	7.07	0.027	2.730
7.0	7.11	7.08	0.026	2.570
8.0	7.12	7.09	0.024	2.430
9.0	7.12	7.10	0.023	2.330
10.0	7.12	7.10	0.023	2.260
15.0	7.13	7.11	0.022	2.170
20.0	7.13	7.11	0.022	2.170
30.0	7.13	7.11	0.022	2.170

BENCHMARK PRICE				
Series	Yield (%)	Change (bps)	Price (%)	Change (bps)
FR0101 (5Y)	7.148	2.52	98.87	-10.31
FR0100 (10Y)	7.216	1.30	95.89	-8.71
FR0098 (15Y)	7.181	-0.58	99.50	5.14
FR0097 (20Y)	7.129	1.47	99.95	-15.27

**INDONESIA GOVERNMENT BOND YIELD CURVE**



Source: PHEI

Government Bond Valuation (NSS) based on Closing Price: 30-April-24

Series	Tenor	Coupon	YTM	Yield Curve	Spread to yield Curve	Mod Dur (Mid)	Convexity	Trading Idea
FR77	0.036	8.125	6.360	6.242	0.119	0.025	0.000	Neutral
FR44	0.372	10.000	6.289	6.548	-0.259	0.351	0.002	Neutral
FR81	1.120	6.500	7.097	6.843	0.254	1.026	0.016	Neutral
FR40	1.372	11.000	6.823	6.891	-0.068	1.242	0.022	Neutral
FR84	1.791	7.250	6.848	6.945	-0.096	1.620	0.035	Neutral
FR86	1.952	5.500	6.895	6.960	-0.065	1.801	0.042	Neutral
FR37	2.371	12.000	6.959	6.990	-0.032	2.036	0.054	Neutral
FR56	2.371	8.375	7.165	6.990	0.175	2.094	0.056	Neutral
FR90	2.951	5.125	6.967	7.019	-0.052	2.663	0.087	Neutral
FR59	3.034	7.000	7.080	7.023	0.057	2.597	0.086	Neutral
FR42	3.201	10.250	6.983	7.029	-0.046	2.653	0.091	Neutral
FR47	3.789	10.000	6.911	7.046	-0.136	3.098	0.122	Neutral
FR64	4.036	6.125	7.143	7.052	0.090	3.392	0.143	Neutral
FR71	4.868	9.000	7.123	7.068	0.055	3.891	0.189	Neutral
FR78	5.035	8.250	7.136	7.071	0.065	3.942	0.198	Neutral
FR52	6.286	10.500	7.071	7.087	-0.016	4.626	0.276	Neutral
FR82	6.371	7.000	7.148	7.088	0.060	5.006	0.309	Neutral
FR87	6.790	6.500	7.188	7.092	0.096	5.292	0.346	Neutral
FR85	6.951	7.750	7.035	7.093	-0.059	5.320	0.352	Neutral
FR73	7.034	8.750	7.151	7.094	0.057	5.086	0.337	Neutral
FR54	7.201	9.500	6.995	7.095	-0.100	5.185	0.348	Neutral
FR91	7.953	6.375	7.184	7.101	0.083	6.066	0.455	Neutral
FR58	8.120	8.250	6.949	7.102	-0.153	5.779	0.434	Neutral
FR74	8.287	7.500	7.070	7.104	-0.034	6.031	0.463	Neutral
FR96	8.791	7.000	7.156	7.107	0.049	6.363	0.516	Neutral
FR65	9.035	6.625	6.986	7.108	-0.122	6.464	0.539	Neutral
FR68	9.867	8.375	7.130	7.113	0.017	6.722	0.591	Neutral
FR80	11.118	7.500	7.206	7.119	0.087	7.292	0.713	Neutral
FR72	12.036	8.250	7.207	7.123	0.084	7.475	0.772	Neutral
FR88	12.120	6.250	7.093	7.124	-0.031	8.029	0.857	Neutral
FR45	13.035	9.750	6.994	7.127	-0.133	7.633	0.827	Neutral
FR75	14.034	7.500	7.241	7.131	0.110	8.364	0.984	Neutral
FR50	14.201	10.500	7.060	7.131	-0.072	8.005	0.917	Neutral
FR79	14.951	8.375	7.180	7.134	0.047	8.757	1.069	Neutral
FR83	15.953	7.500	7.198	7.137	0.061	9.277	1.204	Neutral
FR57	17.035	9.500	6.946	7.140	-0.193	8.970	1.194	Neutral
FR62	17.952	6.375	7.244	7.142	0.102	10.184	1.470	Neutral
FR92	18.119	7.125	7.156	7.142	0.014	9.800	1.407	Neutral
FR67	19.789	8.750	7.110	7.146	-0.036	9.948	1.484	Neutral
FR76	24.036	7.375	7.123	7.155	-0.033	10.978	1.909	Neutral
FR89	27.285	6.875	7.212	7.161	0.052	11.777	2.230	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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