

Monthly Bulletin

April 2022

What's Inside



Calendar

US CPI (12-Apr)
ID Bank Indonesia (19-Apr)



Global Event

Terlepas isu RUC (*Russian Ukraine Conflict*), inflasi global masih mengalami tren peningkatan. Hal ini mengakibatkan perdebatan dalam FOMC terkait cara penanggulangan inflasi. Ekspektasi atas pengetatan moneter meningkat dari bulan-bulan sebelumnya.



Indonesia

Indonesia pun mulai merasakan dampak dari Peningkatan harga komoditas atas produk-produk konsumen. Di saat yang bersamaan, pemerintah telah mengumumkan peningkatan harga BBM dimulai dari pertamax. Hal ini dapat berdampak atas inflasi yang relatif tinggi untuk tahun 2022.



Equity Market

Kinerja IHSG ditutup sebesar +7.44% YTD atau +2.66% MoM (*autoff date: 31-Mar-2022*). Top 3 *Leaders* 1) BBRI, 2) ASII, 3) ADMR dan Top 3 *Laggards* 1) SUPR, 2) ICBP, 3) ARTO. Investor asing melakukan *net buy* sebesar +584 mio USD selama bulan Mar'22



Fixed Income Market

Yield 10 tahun obligasi terkoreksi sepanjang Mar'22 ke level 6.73 - 6.75%. Di saat bersamaan, Rupiah bergerak stabil di kisaran 14,300-14,400. Peningkatan inflasi merupakan antisipasi investor atas peningkatan inflasi baik domestik maupun global. Kepemilikan investor asing menurun signifikan dari level 18.85% Feb'22 menjadi level 17.57% Mar'22.



Section 01



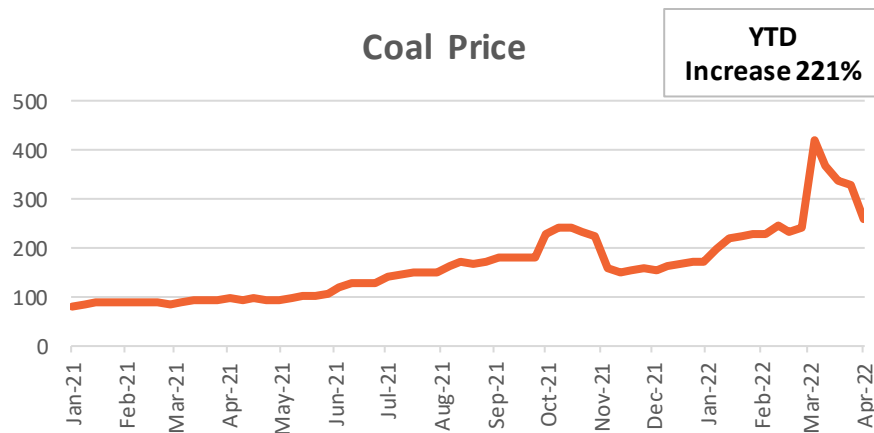
Macro updates

Rising Commodities Throughout 1Q22

While most commodities have been off peak they are still higher compared to 2021

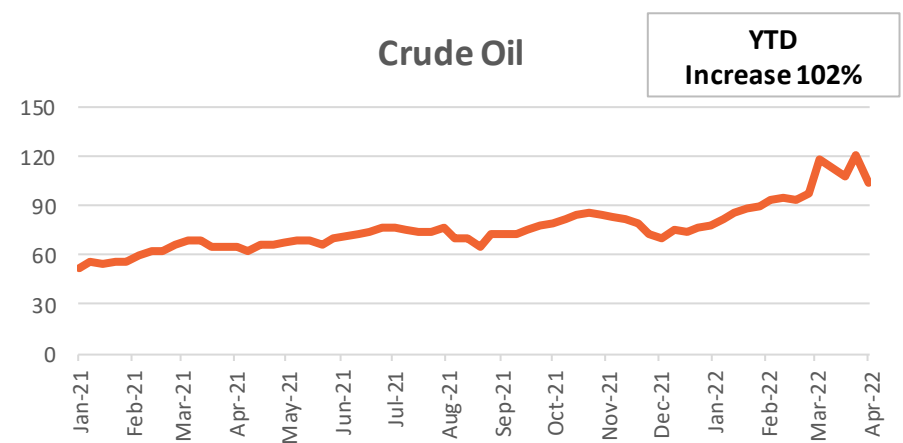
1Q22 Coal Price still above 2021 highest

In USD/MT



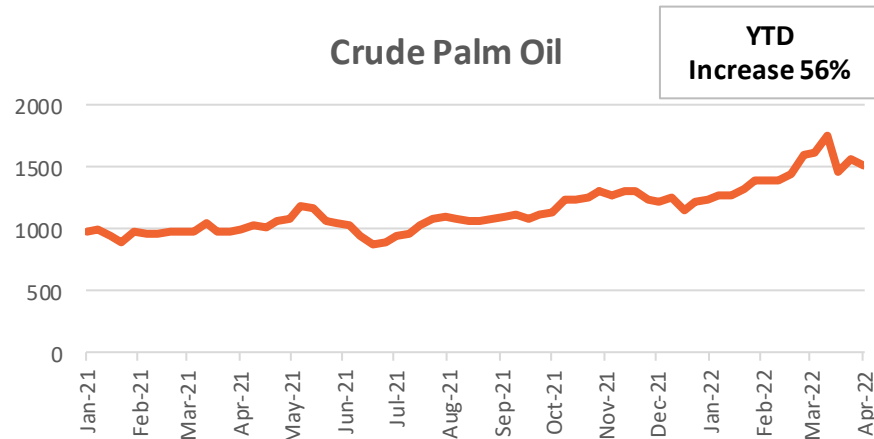
1Q22 Crude Oil still above 2021 highest

In USD/Bbl



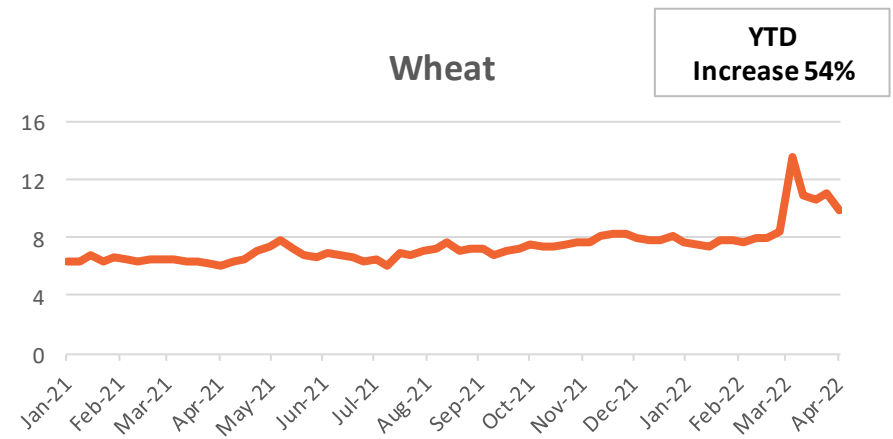
1Q22 CPO Price still above 2021 highest

In MYR/MT



1Q22 Wheat Price still above 2021 highest

In USD/Bushel



Supply-Side Situation did not improved much in March

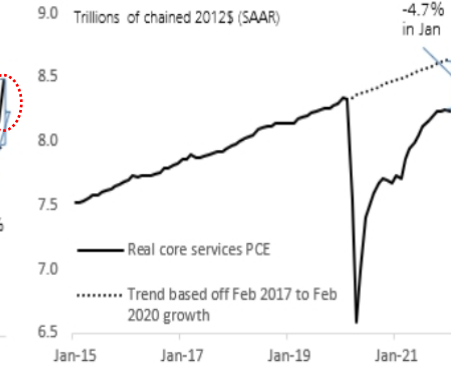
Spending goods flat, empty outbound continue and auto price jump

US Core Goods Spending halt its downtrend
In trn USD

Core goods spending US

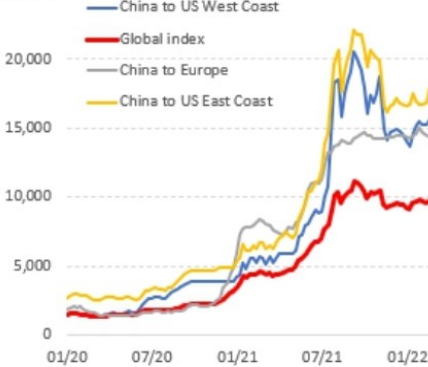


Core services

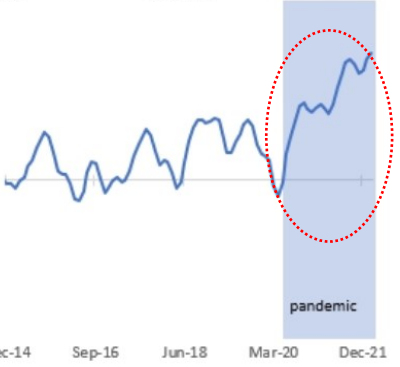


Freight cost keep elevated partly due some empty outbound
In USD/Bbl

\$/40ft container

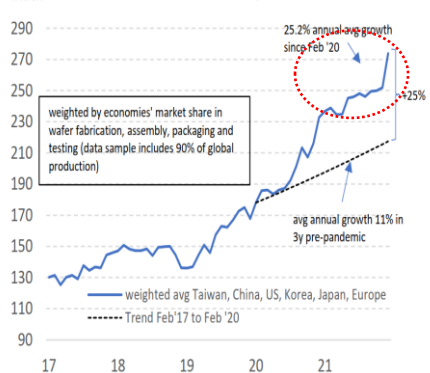


US: Empty containers as share of all outbound containers

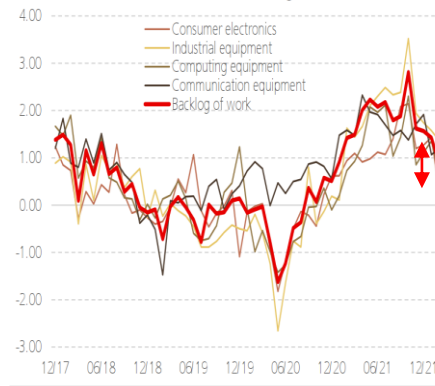


Backlog still above pre-pandemic level despite higher prod.
In index, z-score

Global semi-conductor production

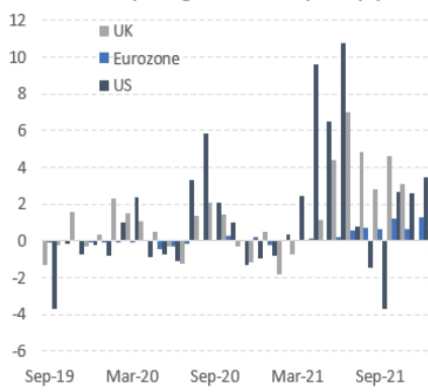


Global Electronics PMI - backlogs of work

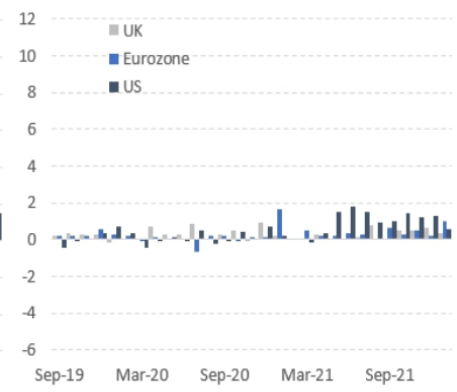


Used auto prices Jump due lack of supply new auto
In % MoM

MoM% Monthly change in used auto prices (%)



MoM% Monthly change in new auto prices (%)

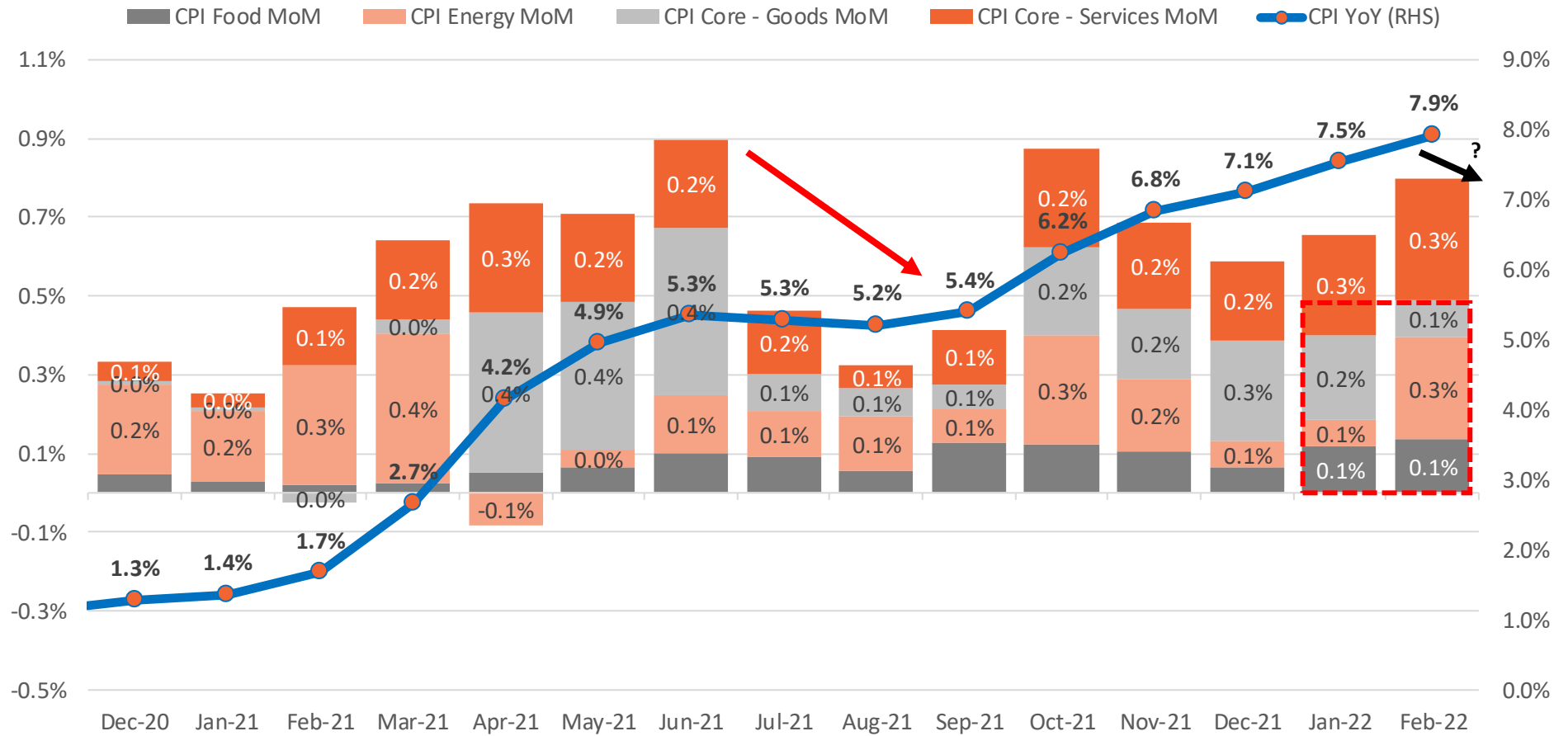


The US Feb-22 Inflation has improved

Contribution from goods already decrease however replace by energy and food

US CPI Inflation Breakdown

In %

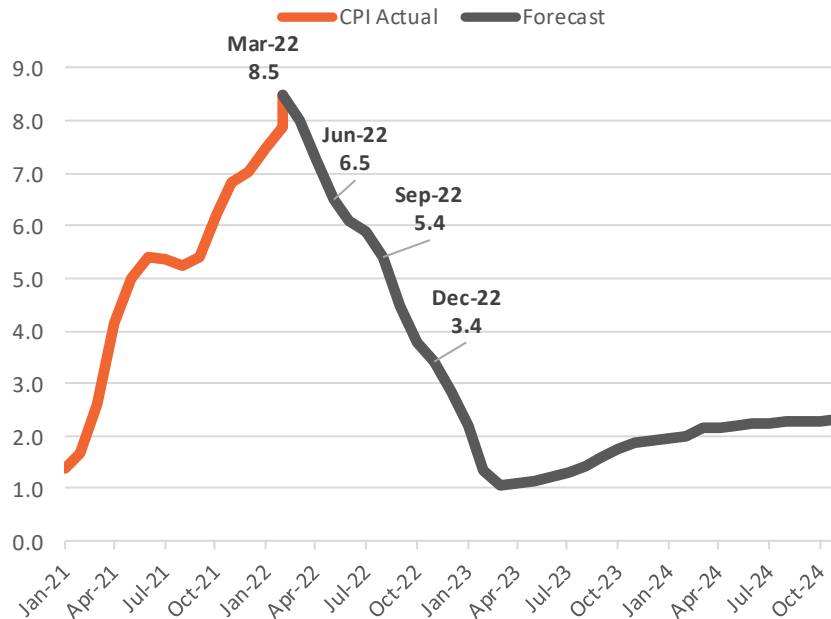


What Inflation could look

The US inflation could peak soon at 30-year high

CPI expected to peak this month

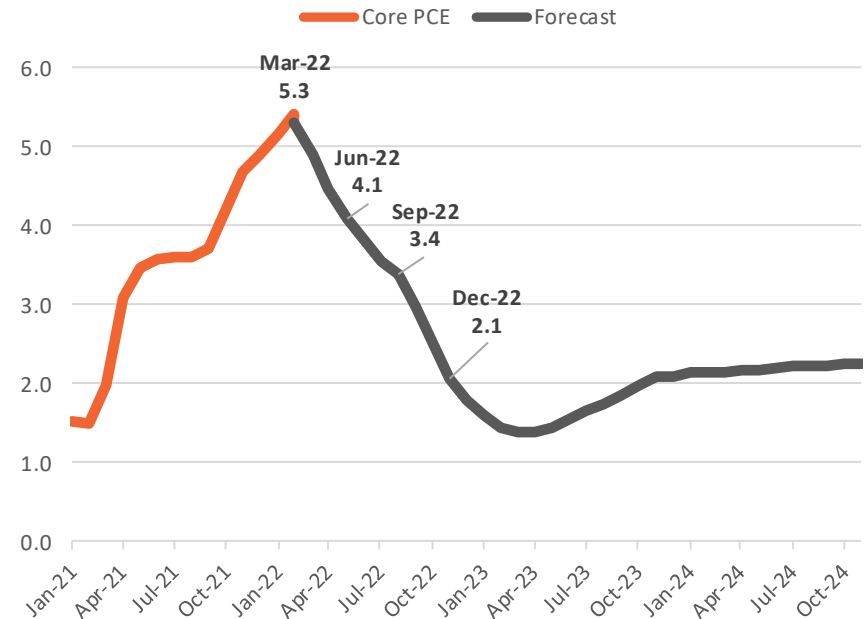
In % of CPI YoY



Source: UBS

Core PCE could be at level around 2.0% at end of year

In % of Core PCE YoY



Source : UBS

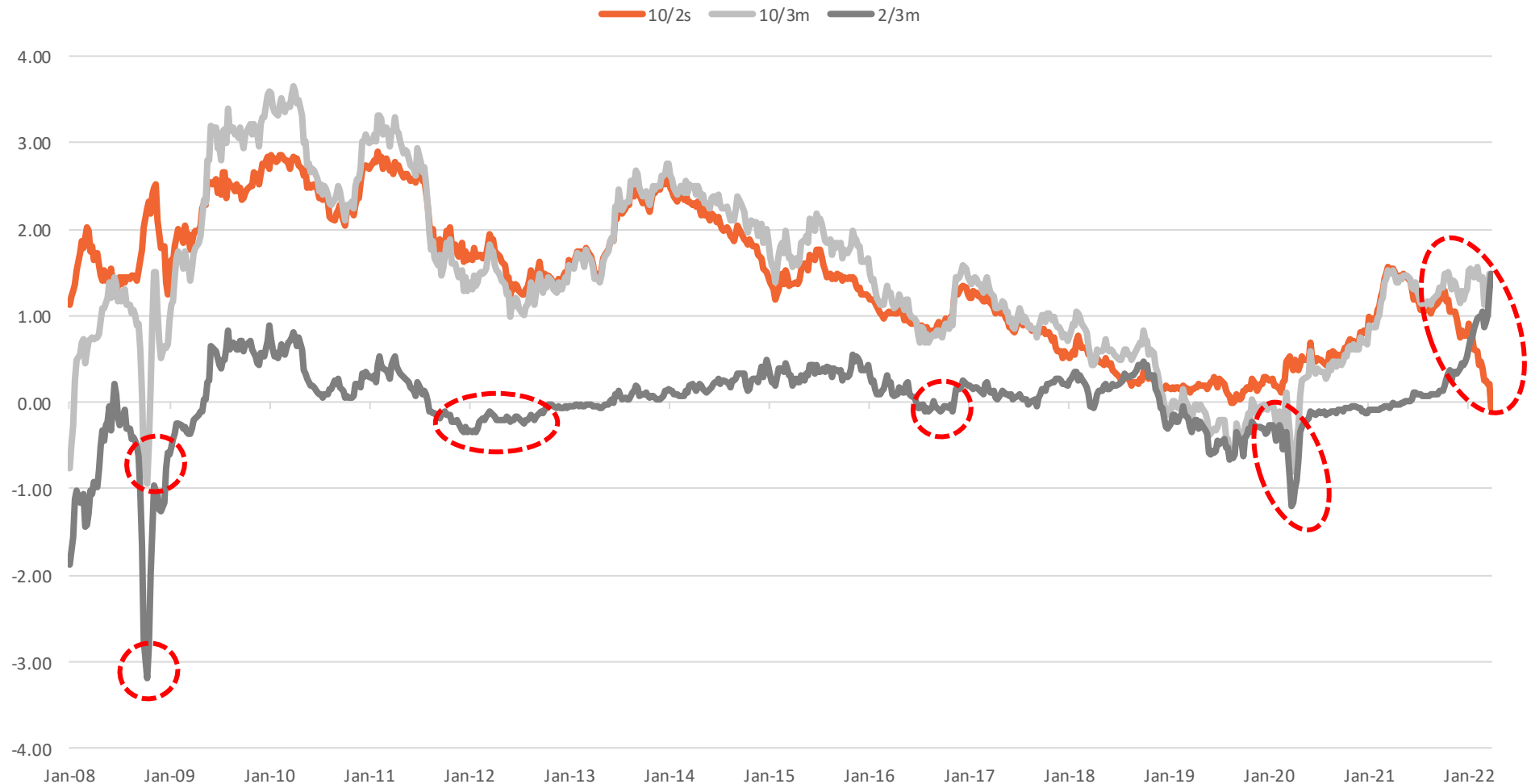
- ⚠ Berdasarkan data sebelumnya terlihat bahwa CPI bergerak *flat* secara *mom*. Hal ini tidak sesuai ekspektasi yang sebelumnya menurun. Hal yang sama bisa terjadi dibulan April, mempertimbangkan beberapa komoditas cukup menurun secara *mom* dibulan April. Terdapat potensi bahwa level tertinggi selama 30 tahun CPI dapat tercatat di bulan Mar-22.

There are differences in yield inversion this time

Short-tail curve hasn't inverted compare to its long-tail. Why ?

US CPI Inflation Breakdown

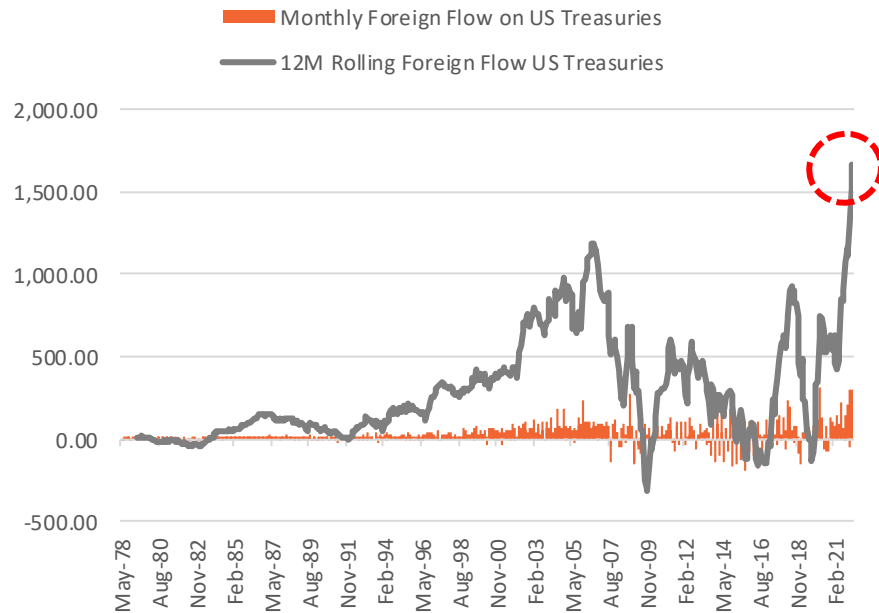
In %



There are differences in yield inversion this time

Short-tail curve has not inverted compare to its long-tail. Why ?

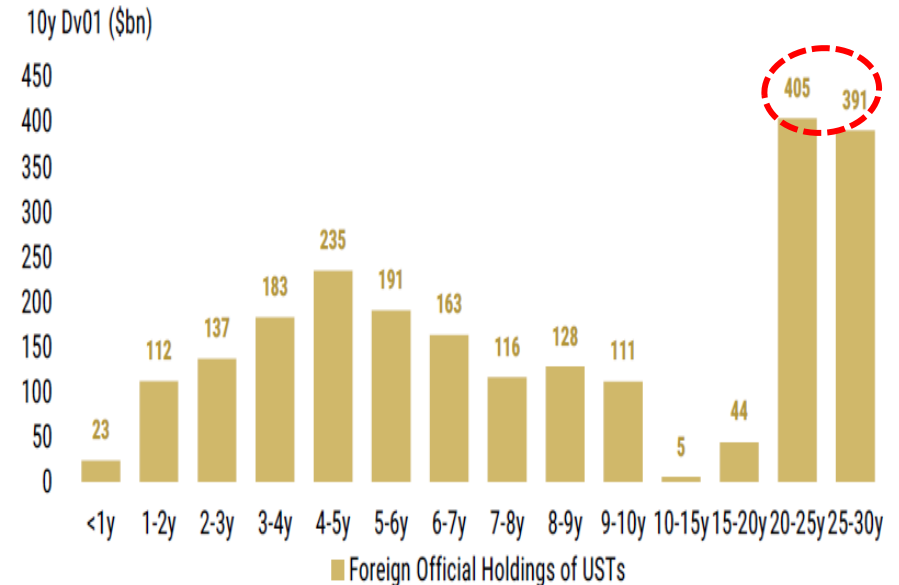
UST Record All Time High 12M Rolling Foreign Flow
In % of CPI YoY



Source: UBS

Central bank lock its reserve using UST long-tail
In DV01 equivalent to 10Y ust (bio USD)

Exhibit 14: Holdings of central banks in 10y equivalent terms, across the UST curve



Source: JPM

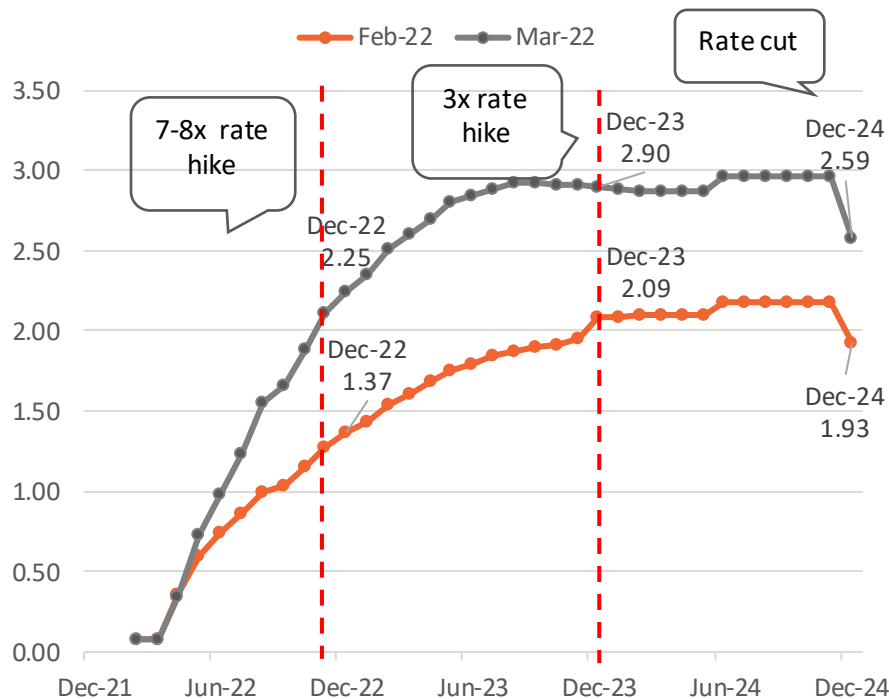
- Terdaftar beberapa alasan terkait *long-tail* dari UST cenderung tidak bergerak terlepas isu peningkatan *benchmark rate*. Hal ini dikarenakan beberapa hal yaitu: 1) *demand from pension fund and life insurance*, 2) *Quantitative Easing (central bank lock their reserve using long duration)*, 3) *Offshore investor flight to quality*.

Market Has Now Priced in 7-8 Time hike

Short-tail could be inverted from using latest rates hike

Market already Pricing-In 5x Hike throughout 2022

In %



What Happen to Yield Curve Assuming 7x Rate Hikes

Assume long-tail curve still pressured throughout the year

Desc.	10/2s	10/3m	2/3m	2/Over night
4/1/2022	-0.07	1.42	1.49	2.13
Rise Benchmark Rate (7x). Assume 3m and Overnight increase the same rate (175bps)	0.00	-1.75	-1.75	-1.75
Exp. Term Premium (Yield Curve)	-0.07	-0.33	-0.26	0.38

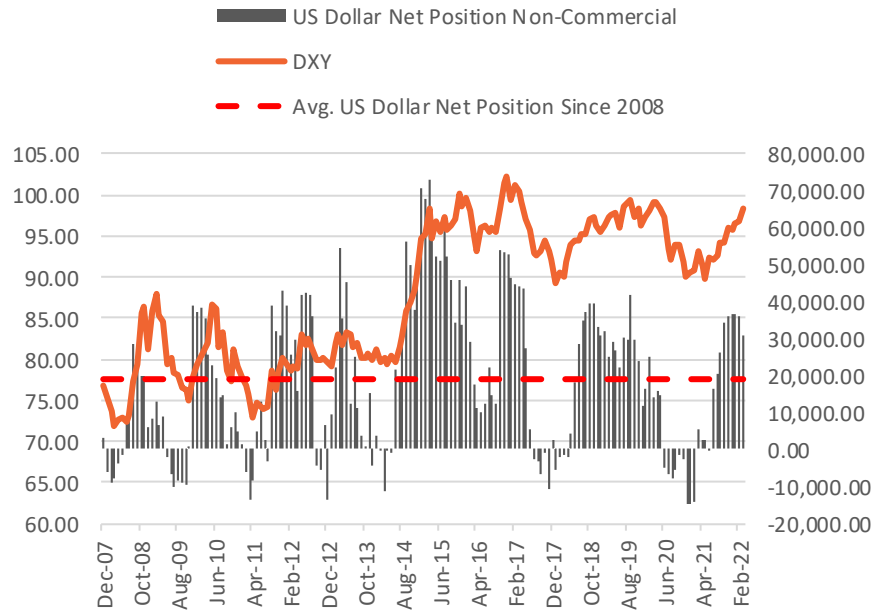
- Per Jan'22 Fed meeting, Konsensus atas 30D *fed fund rates* meningkat signifikan dari 0.7-0.8% menjadi 1.3-1.4% selama bulan Januari 2022. Hal ini mencerminkan *tone* dari Fed dalam mengantisipasi peningkatan inflasi yang terjadi dalam beberapa bulan ke belakang. Adapun Fed memberikan signal atas kemungkinan *balance sheet reduction* di tahun 2022.

Speculative Investor Position on USD and Commodities

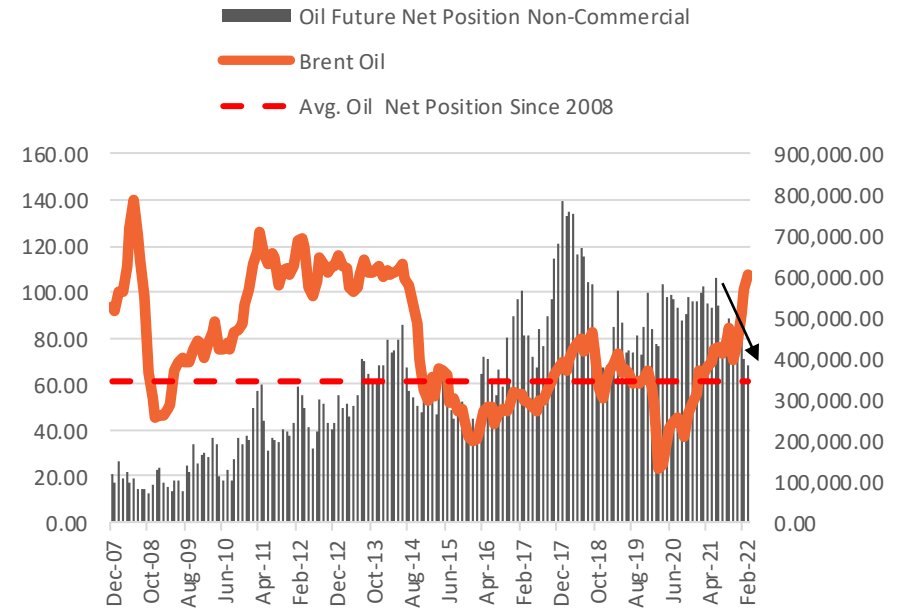
Trade position on brent oil keep decreasing nearing its avg. long-term

Speculative Trade Position on USD still Long above Avg.
In unit of DXY index, net position of dollar futures

Speculative Trade Position on Brent Oil Decrease near Avg.
In USD/Bbl, net position of brent oil futures



Source : JPM Research



Source : Bloomberg

- Hal yang sama dibandingkan bulan lalu tercermin untuk posisi *non-commercial* (non-hedge purposed trade) USD relatif *long* dibandingkan rata-rata sejak 2007.
- Namun, posisi spekulasi untuk *brent oil* cenderung menurun mendekati level rata-rata sejak 2007.

Section 02



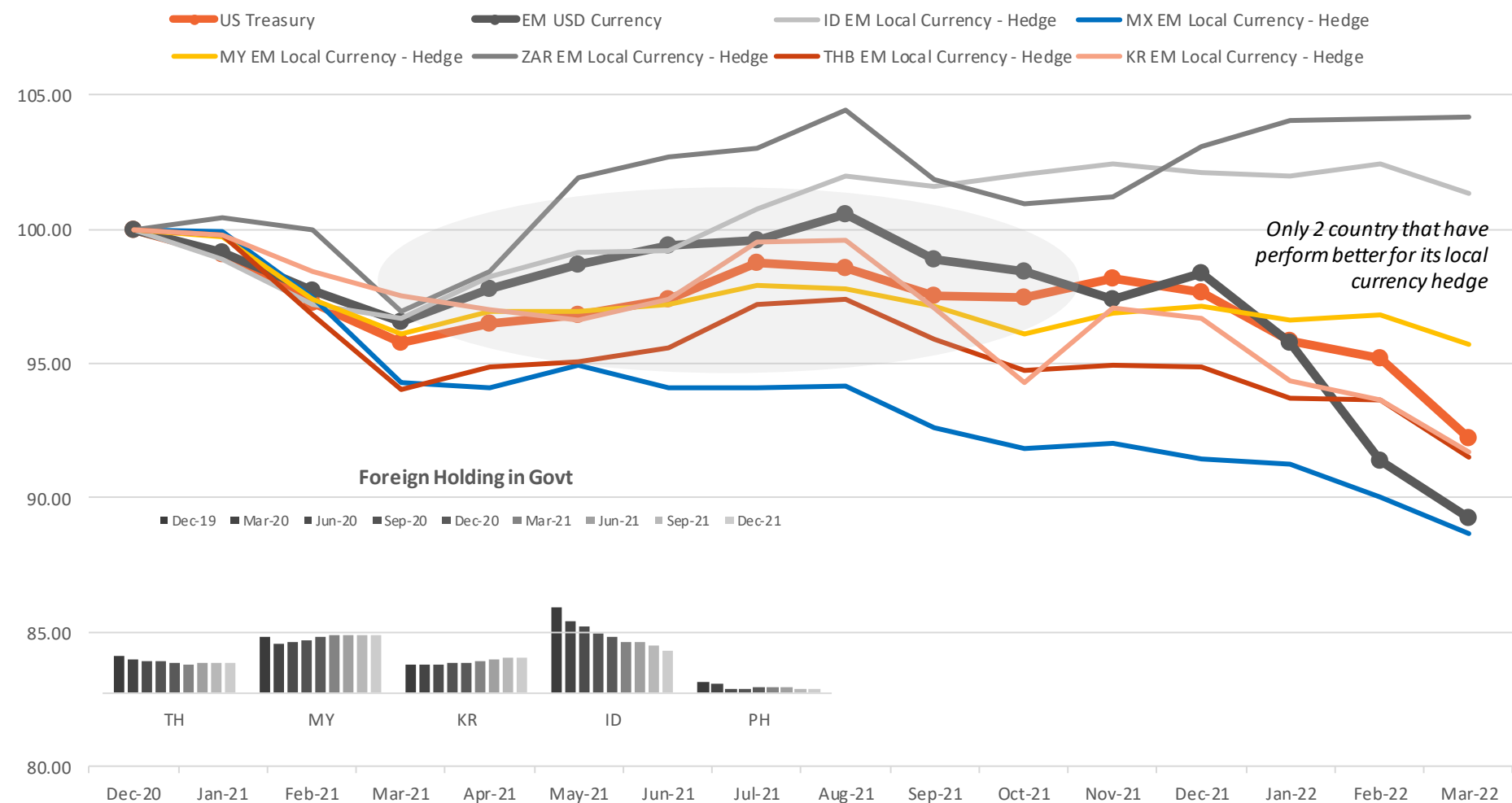
Fixed Income

EM USD Currency Already Outperform in 2021

Currency volatility lower local currency EM hedge return

EM USD Currency vs EM Local Currency – Hedge USD

In %

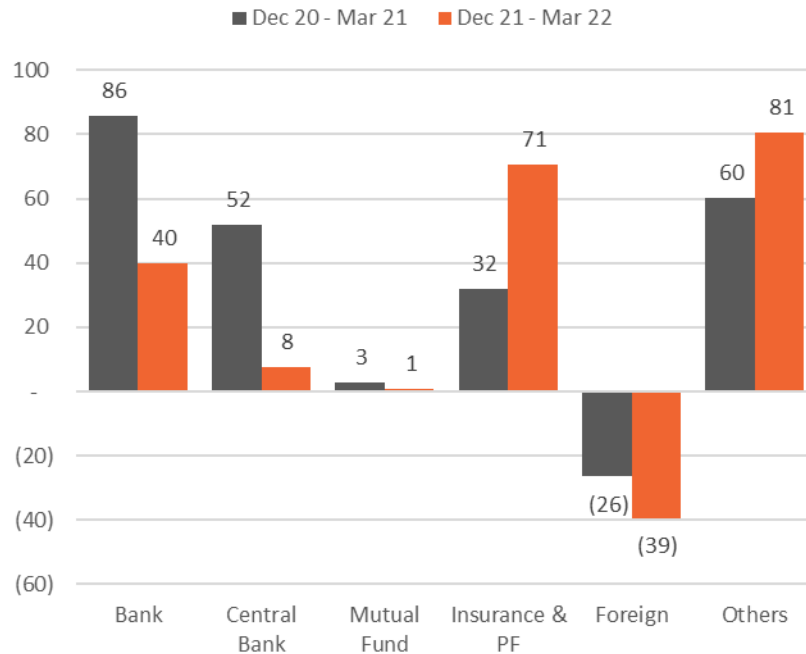


Tradeable SBN Ownership

Govt. bond demand still dominated by Banks and BI

Net New Ownership of SUN

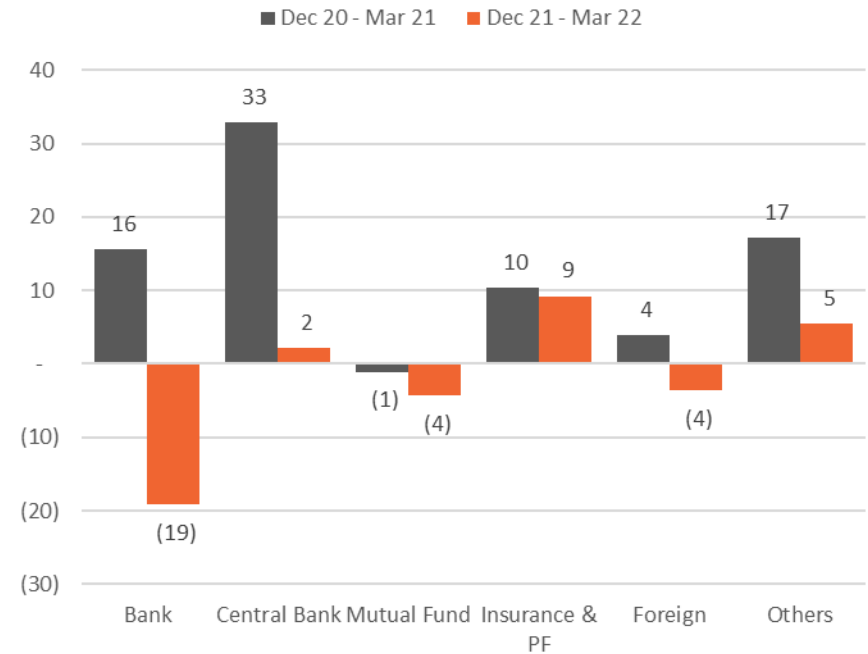
Based on ownership change YTD, in IDR tr



Source: DJPPR, Syailendra Research

Net New Ownership of SBSN

Based on ownership change YTD, in IDR tr



Source: DJPPR, Syailendra Research

- 🏗 Demand SUN masih berasal dari perbankan dan *central bank*. Dari sisi SBSN, PBS002 telah jatuh tempo di 15-Jan-22, namun melihat net posisi *bondholder* sepertinya revinstasi dari PBS002 hanya baru sebagian per data Jan'22. Total PBS002 berkisar pada 63-64trn IDR

INDOGB Long-Term Valuation Still Attractive

INDOGB carry yield catch-up with similar other country sovereign bonds

10Y Emerging Market Comparison, Grey Highlights on Countries with Similar Rating

In %, ppt and bps, data as per Nov-21

Country	10Y Yield (%)		Currency		Carry Yield	Inflation		Real Yield (%)		CAD	Fiscal Deficit	Credit	
	Current	YTD Chg. (bps)	YTD Chg (in ppt)	Current vs Forecast	2022F	Current	2022F	Current Inf.	2022F Inf.	2022F	2022F	Rating	Outlook
Egypt	14.67	16.00	-14.27	16.67	31.34	6.30	7.95	8.37	6.72	-3.90	-7.30	B	Stable
South Africa	10.23	27.10	9.07	-5.73	4.50	5.00	5.55	5.23	4.68	0.30	-5.70	BB	Stable
Brazil	11.29	-31.71	17.59	-10.20	1.10	10.67	8.40	0.62	2.89	-1.25	-7.10	BB-	Stable
Colombia	8.39	-133.80	8.20	-2.11	6.28	4.58	6.60	3.81	1.79	-4.60	-6.35	BBB-	Stable
Indonesia	6.09	-64.20	-0.81	1.19	7.28	1.66	3.00	4.43	3.09	-1.00	-4.20	BBB	Neg
Mexico	7.50	-75.10	3.32	-3.68	3.82	6.24	6.00	1.26	1.50	-0.50	-3.30	BBB+	Neg
Malaysia	3.52	-33.20	-0.89	1.53	5.06	2.90	2.40	0.62	1.12	3.25	-6.00	A	Neg
Romania	5.51	-55.60	-2.53	1.72	7.24	7.94	7.70	-2.43	-2.19	-6.50	-6.15	BBB-	Stable
India	6.33	-50.70	-1.91	-1.18	5.15	4.48	5.40	1.85	0.93	-1.60	-6.90	BBB-u	Stable
China	2.86	7.50	0.25	-1.71	1.15	1.50	2.20	1.36	0.66	1.35	-4.65	A+	Stable
Thailand	1.91	-34.10	0.45	2.96	4.88	2.38	2.40	-0.47	-0.49	0.50	-4.45	A-	Stable
South Korea	2.24	-71.90	-1.90	2.27	4.51	3.20	3.10	-0.96	-0.86	3.95	-2.80	AA	Stable
Hungary	4.37	-160.00	-2.32	4.13	8.50	6.50	6.95	-2.13	-2.58	-2.20	-5.70	BBB	Stable
Vietnam	2.10	-42.00	-0.05	1.05	3.15	1.77	3.20	0.33	-1.10	1.30	-4.50	BB	Pos

Government Bond Outlook

Short-term: Neutral, tactical buy; Long-term: Long recommendation

Our View on Bonds and Rates Strategy

Explanation

Catalyst & Key Thesis	2020	2021	2022F	Notes
Valuation	Cheap	Neutral	Neutral	Tactically fair, still cheap on LT-valuation
Liquidity	Positive	Positive	Neutral	No dollar shortage based on current observation
Supply outlook	Positive	Positive	Neutral	Dynamic between banks, central bank and credit growth a bit concerning
Foreign position	Neutral	Positive	Positive	All-time low positioning
Credit Rating	Negative	Neutral	Neutral	Some concerns during 2020-2021
IDR Outlook	Neutral	Positive	Positive	Strong trade balance and CAD, depreciating IDR might attract short-term investors looking at IDR carry yield

Source Syailendra Research, Bloomberg

- Target 10Y yield *base case* berada di range 6.50 – 7.00% dengan mempertimbangkan *interest upcycle*. Mempertimbangkan level yield saat ini berkisar di 6.75%. Kami melihat saat ini merupakan buying opportunity untuk mengakumulasi secara gradual seiring dengan peningkatan benchmark rate oleh FOMC.
- Untuk timing, likuiditas pada 1H21 tetap akan tinggi dan dapat memberikan *support* di pasar obligasi. Kami akan cenderung lebih *cautious* jika loan growth mulai meningkat terutama pada periode 2H21.

Section 03



Equity

Global Indices Performance

ASEAN and Indonesia market outperform global amid high commodity prices

Global Indices Historical Performance

In % of return

No	Country	YTD	1M	3M	6M	1Y	P/E	P/BV	ROE
Global Market									
1	Dow Jones (US)	-4.72%	1.82%	-4.72%	2.47%	5.14%	18.13	4.35	30.10
2	S&P 500 (US)	-5.20%	3.32%	-5.20%	5.17%	14.03%	20.06	4.15	22.55
3	Nasdaq (US)	-9.66%	3.84%	-9.66%	-1.58%	7.35%	29.28	5.69	35.52
4	London (UK)	2.80%	3.72%	2.80%	9.07%	17.06%	14.06	2.06	14.90
5	DAX (GR)	-9.25%	-1.05%	-9.25%	-5.54%	-3.96%	12.62	1.60	12.72
6	CAC (FP)	-7.16%	-1.37%	-7.16%	2.15%	9.77%	12.78	1.67	13.57
Asia Market									
1	Nikkei (JP)	-3.37%	5.08%	-3.37%	-5.54%	-4.65%	16.67	1.78	10.57
2	Hang Seng (HK)	-4.83%	-3.38%	-4.83%	-10.49%	-22.49%	10.66	1.11	11.14
3	Shanghai (CN)	-10.14%	-5.77%	-10.14%	-8.86%	-5.51%	10.41	1.29	10.94
4	Shenzhen (CN)	-14.20%	-7.67%	-14.20%	-13.23%	-16.36%	12.50	1.74	11.43
5	NFT (IN)	1.52%	4.84%	1.52%	-0.87%	18.88%	23.74	3.49	14.60
6	Kospi (KR)	-7.39%	3.02%	-7.39%	-10.14%	-9.92%	11.11	1.06	7.85
7	Kosdaq (KR)	-8.65%	8.20%	-8.65%	-5.85%	-1.22%	NA	NA	NA
ASEAN Market									
1	Singapore (SG)	9.02%	3.46%	9.02%	10.43%	7.68%	13.92	1.13	8.46
2	Kuala Lumpur (MK)	2.83%	-0.27%	2.83%	3.22%	0.88%	14.76	1.50	10.31
3	Thailand (TH)	2.27%	0.91%	2.27%	5.58%	6.81%	17.74	1.71	8.24
4	Vietnam (VN)	0.42%	-0.45%	0.42%	11.18%	25.24%	13.90	2.34	19.39
4	Philippines (PH)	-1.79%	-0.12%	-1.79%	3.88%	10.05%	17.19	1.66	8.36
Indonesia Market									
1	JCI / IHSG (ID)	7.44%	2.66%	7.44%	12.48%	18.14%	8.82	0.50	14.54
2	JII / ISSI (ID)	5.76%	3.95%	5.76%	10.12%	13.02%	2.90	0.11	11.44
3	IDX30 (ID)	9.86%	3.49%	9.86%	14.72%	13.58%	15.23	2.21	14.90
4	LQ45 (ID)	9.83%	3.80%	9.83%	14.34%	13.31%	15.24	2.20	14.92

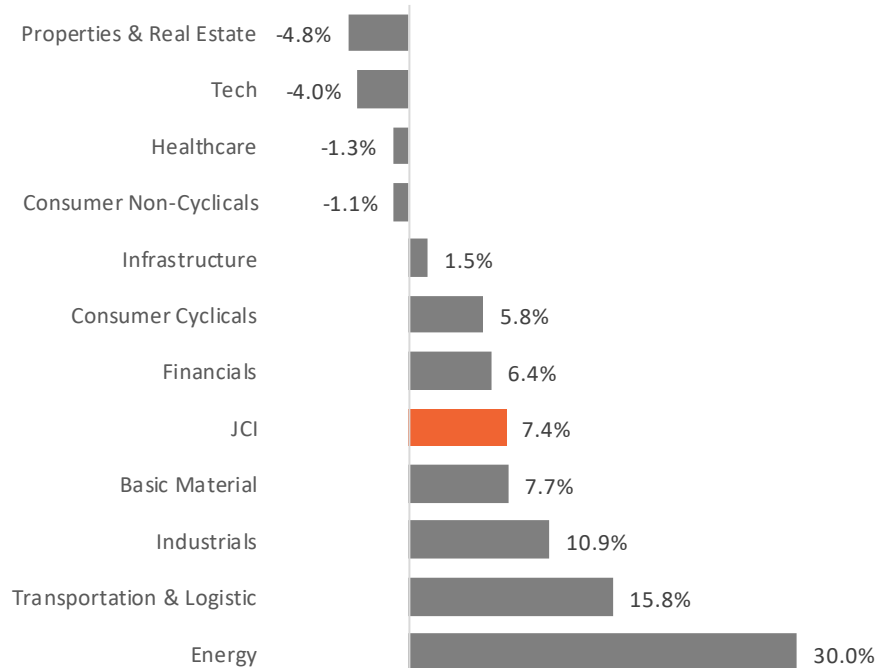
Source: Syailendra Research, Bloomberg

Commodities and Rates Beneficiaries Appreciated

Energy sector leads the gain as commodities prices rising

JCI Sectoral Movement MTD

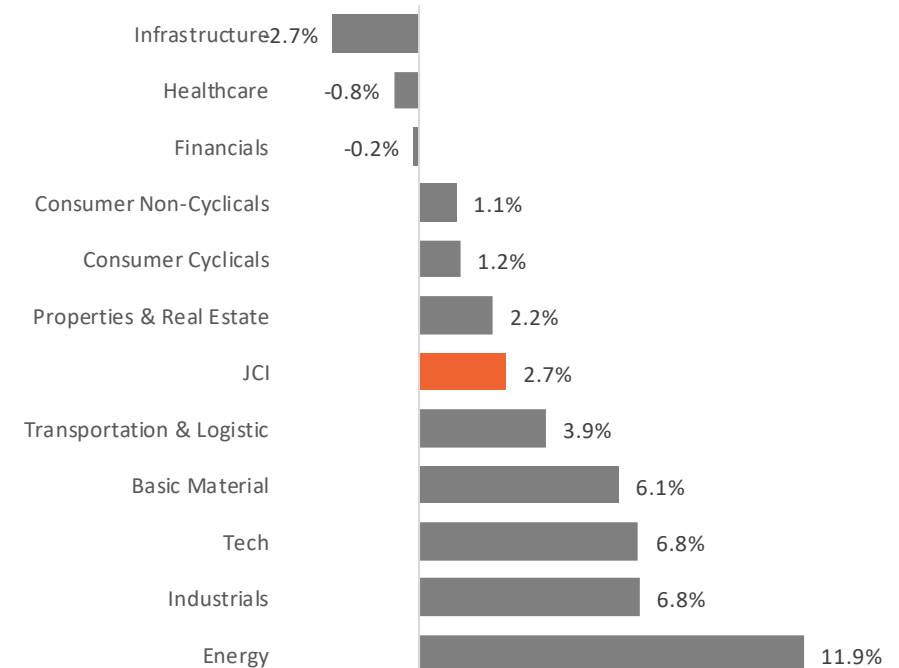
As of 31 Mar 2022



Source: Syailendra Research, Bloomberg

JCI Sectoral Movement MTD

As of 31 Mar 2022



Source: Syailendra Research, Bloomberg

📈 Selama 3M22, IHSG *rally* sebanyak 7.4%. Hal ini dikontribusi oleh sektor energi seiring dengan kenaikan harga komoditas. Kinerja sektor properti dan *real estate* masih mengalami perlambatan seiring dengan sentiment negatif dari situasi peningkatan suku bunga acuan dan juga tingginya inflasi.

Foreign Equity Flow

Inflow to ASEAN market still continues

In US\$ Million	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China	EM Asia ex-China ex-Malaysia	Japan
Feb-21	3,016	258	-1,781	-191	-3,224	-621	-214	-2,759	-2,544	4,160
Mar-21	2,333	-186	-1,312	-483	-5,523	-1	-7	-5,179	-5,173	-1,991
Apr-21	-1,489	-244	68	-278	2,758	-107	-276	431	707	21,877
May-21	749	247	-7,964	-239	-1,911	-1,061	-40	-10,220	-10,181	-3,378
Jun-21	1,498	342	-792	-79	-1,814	-314	-283	-1,442	-1,159	-2,506
Jul-21	-1,706	67	-4,222	-183	-4,210	-522	-318	-11,094	-10,776	-3,388
Aug-21	1,012	312	-5,089	33	1,074	175	251	-2,232	-2,483	-2,020
Sep-21	1,139	728	884	-47	-440	338	179	2,781	2,603	2,944
Oct-21	-2,271	1,771	-3,228	8	-2,289	474	378	-5,158	-5,535	20,058
Nov-21	-756	-214	3,043	5	586	-324	41	2,380	2,339	-400
Dec-21	-1,741	-181	2,639	1,724	2,780	695	-270	5,645	5,915	-12,150
Jan-22	-4,817	425	-3,275	-56	-1,950	432	80	-9,161	-9,241	5,769
Feb-22	-5,018	1,220	418	141	-5,922	1,931	679	-6,552	-7,231	-8,050
Mar-22	-3,693	584	-3,640	-204	-9,428	1,006	783	-14,592	-15,375	-15,202
Yearly										
YTD	-13,528	2,229	-6,497	-119	-17,300	3,369	1,541	-30,305	-31,846	-17,483
2021	3,761	3,674	-23,010	-5	-15,604	-1,632	-767	-33,582	-32,815	29,827
2020	23,373	-4,320	-20,082	-2,513	-15,257	-8,287	-5,782	-32,867	-27,085	-65,727
2019	14,234	-1,306	924	-240	9,377	-1,496	-2,683	18,811	21,493	-28
2018	-4,617	-3,656	-5,676	-1,080	-12,196	-8,913	-2,885	-39,024	-36,138	-50,284
2017	7,951	-2,960	8,267	1,095	7,054	-796	2,456	23,068	20,613	3,710

February Industry Sector Positioning

Local: Inflow to energy, Foreign: Mixed inflow in Mar'22

Monthly Changes of Investor Position

MoM of est. weight changes of investor portfolio

Sector	Local MoM (%) of est. ownership											
	Insurance			Pension Fund			Individual			Mutual Fund		
	Jan-22	Feb-22	Mar-22	Jan-22	Feb-22	Mar-22	Jan-22	Feb-22	Mar-22	Jan-22	Feb-22	Mar-22
Basic Industry	-0.8%	0.5%	0.6%	-0.6%	0.5%	0.2%	0.9%	-0.1%	0.2%	0.3%	0.3%	-0.3%
Consumer Non-Cyclical	-0.2%	-0.2%	0.0%	0.0%	-0.1%	0.3%	-0.1%	0.1%	0.1%	0.0%	-0.1%	-0.2%
Consumer Cyclical	-0.1%	-0.9%	-0.9%	-0.1%	-0.8%	-0.5%	-0.2%	-0.1%	0.1%	0.1%	1.3%	0.0%
Energy	-0.1%	0.3%	-0.1%	0.1%	0.4%	-0.2%	3.2%	-0.3%	2.1%	-0.1%	0.4%	1.1%
Infrastructure	-0.1%	-0.6%	-1.0%	0.1%	-0.8%	-0.1%	0.0%	-0.1%	0.0%	1.5%	-0.6%	-1.1%
Healthcare	0.2%	-0.1%	-0.2%	0.2%	-0.2%	-0.2%	0.0%	-0.2%	0.0%	0.0%	0.0%	-0.2%
Financial	-0.2%	-0.9%	-2.4%	-0.9%	0.3%	-1.7%	0.0%	-0.6%	-0.6%	2.7%	-0.4%	-2.0%
Industrial	-0.3%	0.0%	0.7%	0.1%	0.4%	0.0%	0.0%	0.0%	-0.2%	-0.4%	0.1%	-0.4%
Property	-0.5%	-0.2%	-0.1%	-0.3%	0.0%	0.1%	0.1%	-0.1%	0.1%	0.9%	0.4%	-0.1%
Technology	-0.5%	-0.1%	0.0%	-0.2%	0.0%	-0.1%	-3.1%	0.7%	1.6%	0.6%	0.1%	0.2%
Trans. And Logistics	0.0%	0.0%	0.0%	-0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.5%	-0.4%	0.0%
Sector	Foreign MoM (%) of est. ownership											
	Insurance			Pension Fund			Individual			Mutual Fund		
	Jan-22	Feb-22	Mar-22	Jan-22	Feb-22	Mar-22	Jan-22	Feb-22	Mar-22	Jan-22	Feb-22	Mar-22
Basic Industry	-0.1%	0.0%	0.2%	-0.4%	0.2%	0.4%	0.3%	1.9%	1.2%	-0.3%	0.1%	0.6%
Consumer Non-Cyclical	-0.5%	-0.5%	0.2%	0.0%	-0.2%	0.1%	-0.4%	-0.2%	-0.8%	-0.1%	-0.1%	0.2%
Consumer Cyclical	0.0%	-0.3%	-0.1%	0.0%	-0.4%	-0.2%	-0.6%	0.8%	0.6%	-0.1%	-0.2%	0.0%
Energy	0.1%	0.0%	-0.1%	0.2%	0.3%	0.3%	-0.4%	0.2%	6.5%	0.0%	0.1%	0.0%
Infrastructure	0.1%	-0.8%	-0.7%	0.3%	0.4%	1.0%	-0.6%	-0.2%	-0.1%	0.2%	0.2%	0.7%
Healthcare	0.0%	0.0%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.1%	-0.4%	0.0%	-0.1%	0.0%
Financial	0.1%	1.4%	-2.0%	1.8%	1.7%	-0.7%	0.1%	1.3%	-1.3%	0.1%	2.6%	-0.8%
Industrial	-0.2%	-0.2%	1.2%	-0.1%	0.2%	0.7%	0.4%	-0.6%	-0.1%	-0.3%	0.1%	1.0%
Property	0.0%	0.0%	0.0%	-0.1%	0.1%	0.1%	-13.9%	-0.2%	-0.1%	-0.1%	0.0%	0.1%
Technology	0.0%	0.0%	0.4%	-0.2%	-0.1%	0.3%	-0.2%	-0.1%	0.4%	-0.2%	0.0%	0.3%
Trans. And Logistics	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.7%	-0.3%	0.0%	0.0%	0.0%	0.0%

Source: Syailendra Research (Internal methodology), threshold is 0.5% for material movement between sector

2021 Earnings Result So Far

62.6% stock covered earnings growth inline yet some sectors were still sluggish

2021 Earnings Result So far – some sector show some sluggish on earnings

In % YoY, contribution YoY,

Headline Earnings	3Q21	4Q21	QoQ%	4Q20	4Q21	YoY%	12M20	12M21	YoY%	Cont. % YoY
Basic Material	6,003	6,002	0.0%	3,321	6,002	80.7%	15,038	25,315	68.3%	6.4%
Consumer Cyclical	420	1,544	267.8%	-1,190	1,544	NA	-1,484	4,190	NA	3.5%
Energy	10,515	15,699	49.3%	-3,237	15,699	NA	2,071	36,007	1638.4%	21.0%
Financial	27,653	48,730	76.2%	21,952	48,730	122.0%	87,877	148,512	69.0%	37.5%
Healthcare	2,362	2,121	-10.2%	1,819	2,121	16.6%	5,385	8,339	54.9%	1.8%
Industrial	9,831	8,093	-17.7%	3,024	8,093	167.6%	22,544	31,879	41.4%	5.8%
Infrastructure	855	2,916	241.2%	-1,358	2,916	NA	-626	11,356	NA	7.4%
Consumer Non-Cyclical	11,114	12,468	12.2%	12,438	12,468	0.2%	42,523	46,907	10.3%	2.7%
Property	1,199	442	NA	-9,877	442	NA	-11,670	3,013	NA	9.1%
Tech	109	157	44.9%	97	157	61.9%	365	509	39.4%	0.1%
Transportation	365	666	82.3%	-129	666	NA	-208	1,338	NA	1.0%
Coverage Aggregate	70,426	98,838	40.3%	26,859	98,838	268.0%	161,815	317,365	96.1%	96.1%
Ex-Financial	42,772	50,108	17.1%	4,907	50,108	921.1%	73,938	168,854	128.4%	
Ex-Commodity	59,911	83,138	38.8%	30,095	83,138	176.2%	159,743	281,358	76.1%	
Coverage Ratio		62.60%			62.60%			62.60%		

Source: Syailendra Research

2Q22 Sector View

Investment thesis for each sector

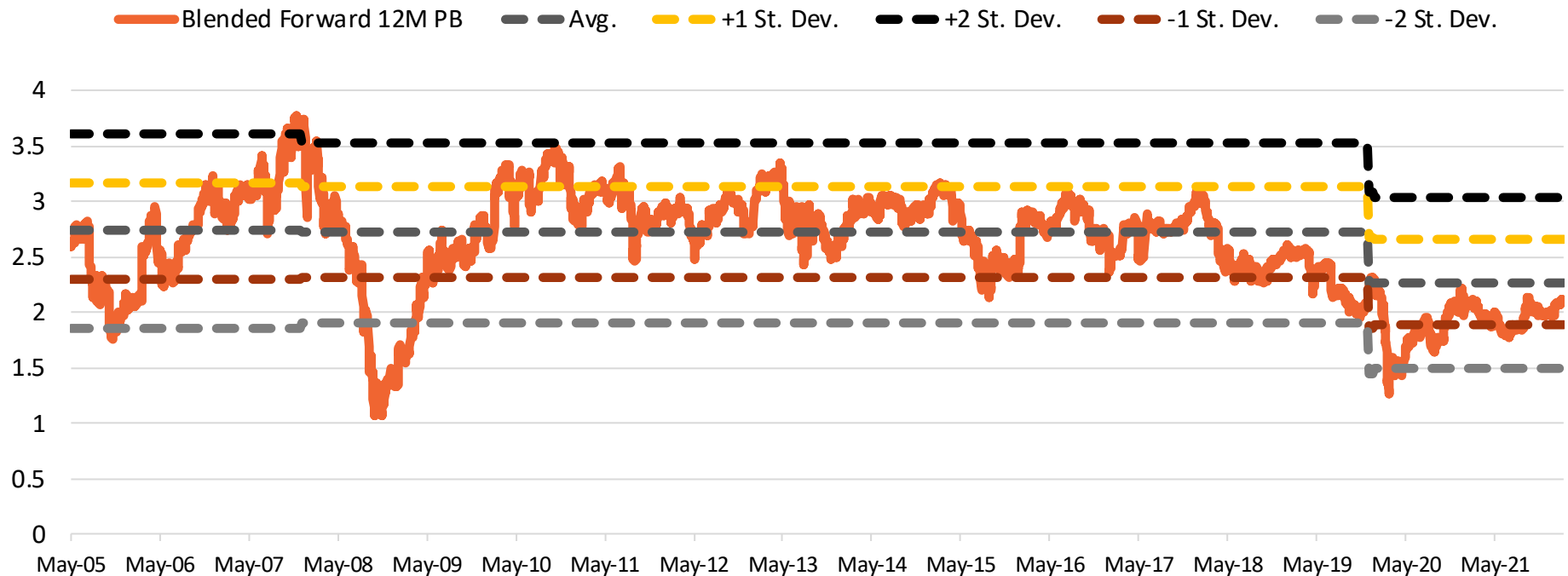
Sector	1Q22	2Q22	Notes
Energy	Overweight	Marketweight	Neutral position as stock price already rallying and commodities slowly normalizing.
Basic Industry	Underweight	Underweight	
Industrial	Underweight	Marketweight	Neutral position going into recovery.
Consumer Non-Cyclical	Underweight	Underweight	
Consumer Cyclical	Marketweight	Marketweight	
Healthcare	Marketweight	Underweight	Highbase in 2021 and normalization reflected on 4Q21 QoQ%.
Financial	Overweight	Underweight	Reduce position on few names with rich valuation.
Property	Overweight	Overweight	
Tech	Underweight	Underweight	
Infrastructure	Overweight	Overweight	
Transportation	Marketweight	Marketweight	

LQ45 (JCI Proxy) Historical Valuation

LQ45 price to book had been sideways since 1Q21

LQ45 Blended 12M Forward P/B

Since 2005 For Year >2019 using 5 Year BEst 12M BF P/B, since Dec' 2016



Source: Bloomberg, Syailendra Research

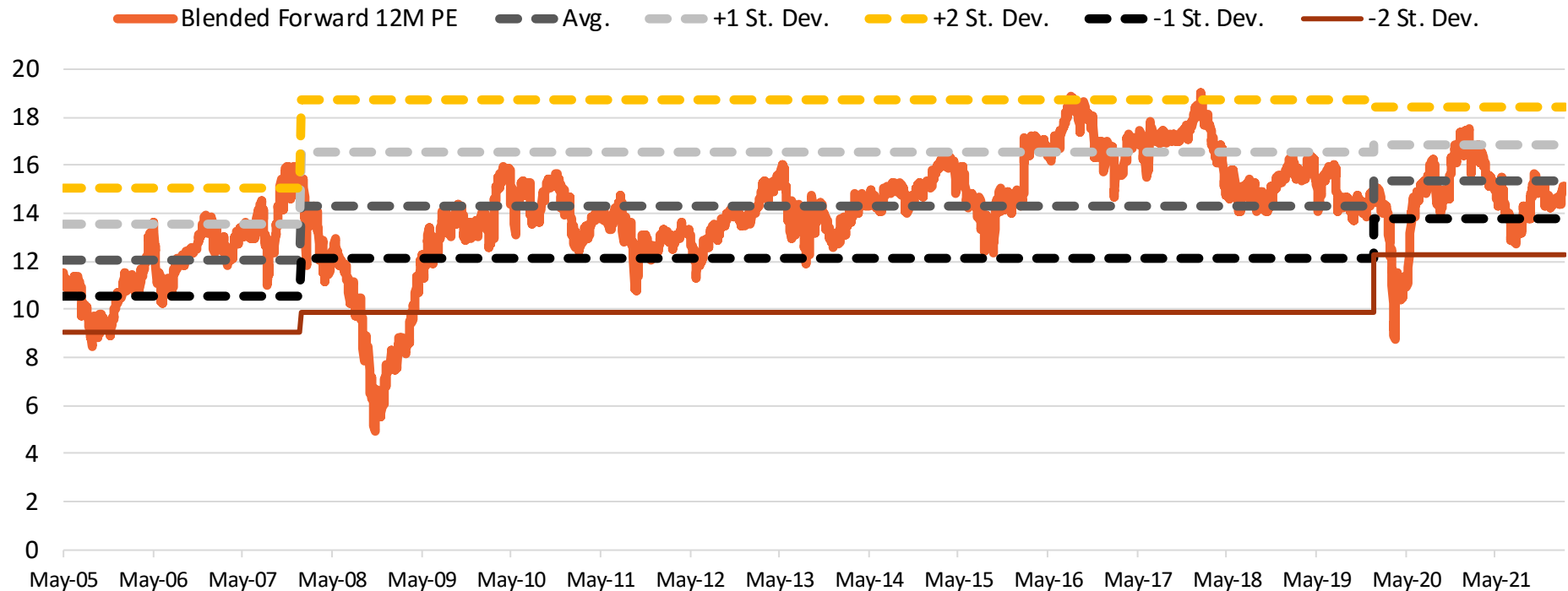
- 🏠 LQ45 (JCI Proxy) menggunakan *price to book* masih dapat dikatakan memiliki potensi *upside*. Saat ini masih berada di 2.16x diantara level -1 S.D. dan rata-rata sejak 2020.

LQ45 (JCI Proxy) Historical Valuation

Market valuation has been sideways since 4Q21

JCI Blended 12M Forward P/E

Since 2005 For Year >2019 using 5 Year BEst 12M BF P/E, since Dec' 2016



Source: Bloomberg, Syailendra Research

- Valuasi LQ45 (JCI Proxy) bergerak sideways hal ini selaras dengan peningkatan laba sepanjang 2021. LQ45 (JCI Proxy) cenderung bergerak di 5Y average sd -1 Std. Dev (15.4x – 16.9x). Pergerakan *sideways* ini sesuai dengan ketidakpastian yang diakibatkan dari pasar global.

Equity Outlook

Our View, Bullish on recovery

Our View on Equities

Explanation

Catalyst & Key Thesis	2020	2021	2022F	Notes
Valuation	Rich	Rich	Neutral	Earnings catch-up with valuation become near mean 5Y P/E
Earnings Growth	Negative	Positive	Positive	JCI deliver 17-20% was still higher than majority of EM market
Liquidity	Positive	Positive	Neutral	No dollar shortage based on current observation
Foreign position	Neutral	Positive	Positive	All time low position
IDR Outlook	Neutral	Positive	Positive	Strong trade balance and CAD, if IDR depreciate might attract short-term investor looking its carry yield

🔺 Untuk strategi *equity* kami melihat beberapa sektor yang berpotensi menjadi *beneficiary* dengan kondisi 1) *high commodity price & inflation*, 2) *rising interest*, 3) *domestic economy recovery*, 4) *Foreign flow beneficiary*:

- *Banks*
- *Commodity related*
- *Telco, Auto and few domestic big caps*

🔺 Secara gradual mulai menambah posisi di sector consumer.

🔺 Target IHSG *base case* berada di 7,400-7,500. Hal ini didasarkan pada 2022 *earnings growth* 17 dan P/E bergerak relatif *flat*.

Section 04



Appendix

Syailendra Internal Macro and Benchmark View

Update on 2Q21 for 2022F and 2023F

Syailendra Macro Indicator and Benchmark

In each unit

Desc	Unit	Syailendra					
		22E			23E		
		Bear	Base	Bull	Bear	Base	Bull
Macro Indicator							
GDP Growth YoY	Average full year	3.80	4.80	6.00	4.80	5.20	5.60
Inflation YoY	Average full year	5.00	4.00	3.00	4.00	3.00	2.50
Fiscal Deficit (% of GDP)	End of year	-5.35	-4.85	-4.35	-3.50	-3.00	-2.75
Current Account (% of GDP)	Average full year	-1.20	-0.60	-0.20	-1.80	-1.40	-1.00
USDIDR	End of year	15,000	14,500	14,000	15,200	14,800	14,400
Rates							
Central Bank Rates Indonesia	End of year	4.50	4.25	3.75	5.00	4.75	4.00
10 YR Govt Bond Yield IDR	End of year	7.25	6.75	6.25	7.50	7.00	6.50
Equities							
JCI	End of year	7,100.00	7,500.00	7,800.00	7,600.00	8,000.00	8,200.00
Earnings Growth	End of year	15.0%	17.5%	22.5%	5.0%	7.5%	10.0%
P/E	End of year	17.30	17.80	17.80	17.30	17.80	17.80

Source: Syailendra Research, Bloomberg

Disclaimer



This document is prepared by PT Syailendra Capital (“Syailendra”) and is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. Accordingly, this document and its contents may not be reproduced, redistributed, transmitted or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

The information contained in this document does not constitute an offer to sell securities or the solicitation of an offer to buy, or recommendation for investment in, any securities in any jurisdiction. The information in this document is not intended as financial advice and is only intended for professionals with appropriate investment knowledge who can be classified as a ‘Professional Client’ under the Rules & Regulations of the appropriate financial authority. Moreover, none of the documents are intended as a prospectus within the meaning of the applicable laws of any jurisdiction and none of the documents are directed to any person in any country in which the distribution of such presentation is unlawful.

This document provides general information only. The information and opinions in the document constitute a judgment as at the date indicated and are subject to change without notice. The information may therefore not be accurate or current. The information and opinions contained in this document have been compiled or arrived at from sources believed to be reliable in good faith, but no representation or warranty, express, or implied, is made by Syailendra, as to their accuracy, completeness or correctness and Syailendra does also not warrant that the information is up to date. Moreover, you should be aware of the fact that investments in undertakings, securities or other financial instruments involve risks. Past results do not guarantee future performance. Syailendra accepts no liability for any loss arising from the use of material presented in this presentation.



PT Syailendra Capital

District 8 Treasury Tower
39th Fl. Unit 39A, SCBD Lot 28
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
P. : +62 21 2793 9900
F. : +62 21 2972 1199

 @reksadana.syailendra

 Syailendra Capital

 Syailendra Capital

 Syailendra Capital

 www.syailendracapital.com