

Monthly Bulletin

August 2022

What's Inside



Calendar

US Initial Jobless Claim (14-Jul)
US Housing Start (16-May)
US Initial Jobless Claims (16-May)
EU CPI (17-May)



Global Event

Inflasi menjadi isu utama dari *sisi global macro*. Laju kebijakan moneter yang diambil oleh Fed mengkhawatirkan investor global terkait dampak pengetatan dalam kondisi perlambatan ekonomi secara global.



Indonesia

Dalam beberapa bulan kedepan, IHSG akan memasuki *earnings season* 2Q22. Hal ini mungkin dapat membantu investor domestik karena diekspektasikan *recovery earnings* yang terjadi di 1Q22 dapat berlanjut setidaknya di 2Q22.



Equity Market

Kinerja IHSG ditutup sebesar +7.23% YTD atau -1.79% MoM (*cutoff date: 30-Jun-2022*). Top 3 *Leaders* 1) GOTO, 2) BYAN, 3) AMRT dan Top 3 *Laggards* 1) MDKA, 2) BBRI, 3) ASII. Investor asing melakukan *net buy* sebesar -501 mio USD selama bulan Jun'22.



Fixed Income Market

Yield 10 tahun obligasi terkoreksi sepanjang May'22 ke level 7.20-7.25%. Di saat bersamaan, Rupiah mengalami pelemahan signifikan menyentuh level 15,000. Hal ini diakibatkan oleh perbedaan *interest* antara Indonesia dan US yang melebar. Kepemilikan investor asing terlihat *bottom* pada bulan Jul'22 di level 16.1%.



Section 01



Macro Updates

3Q22 Key Macro Narrative

Despite of macro headwind, Indonesia is better-off than others

Macro narrative for the next few quarters

Slower growth, Uncertainty on inflation and monetary tightening might create hiccup on markets

Terdapat beberapa perubahan besar yang terjadi sejak awal tahun 2022. Hal ini menyebabkan volatilitas untuk seluruh spektrum *risky asset* meningkat. Dibawah ini merupakan beberapa *key question* yang menurut kami menjadi faktor penentu dalam pergerakan asset:

🏠 Current narrative of macro background

- Slower growth: Most of developed market show clear slowing growth while growth on emerging market is mixed.
- Peaking Inflation: Some countries have not shown peak inflation. However, in some major countries wages and retail sales have probably peaked in the past months.
- Monetary Tightening: Major central banks have already announced their plan to hike rates and to pressure demand through balance sheet reduction.

🏠 Things that exacerbate pressure on inflation and growth

- Pro-longed high prices of energy and agriculture commodities.

🏠 Things to be expected from the macro background

- USD seems to be pricing-in on higher interest rate while not pricing-in growth differential between regions.
- Asset valuation should be pressured until significant improvement on growth and/or liquidity. Both on rates and equities.

🏠 What things that might decouple from above condition?

- Asia growth might diverge in the mid-term due to China reopening and latest stimulus package.

🏠 Indonesia currently at favorable position with commodity buffer on FX side and High base consumption base on growth side

Latest Update on US Inflation

Most of inflation was still contributed from energy while no peaking momentum yet

Inflation Breakdown YoY

In %

Date	All	Food	Energy	Commodities (Goods) ex Food & Energy	Services ex Energy & Shelter	Shelter	Other
1/31/2021	1.4%	0.5%	-0.3%	0.3%	0.3%	0.5%	-0.1%
2/28/2021	1.7%	0.5%	0.1%	0.3%	0.3%	0.5%	-0.1%
3/31/2021	2.7%	0.5%	0.8%	0.3%	0.5%	0.6%	0.0%
4/30/2021	4.2%	0.3%	1.4%	0.9%	0.8%	0.7%	0.0%
5/31/2021	4.9%	0.3%	1.6%	1.3%	1.0%	0.7%	-0.1%
6/30/2021	5.3%	0.3%	1.5%	1.7%	1.0%	0.9%	-0.1%
7/31/2021	5.3%	0.5%	1.5%	1.7%	0.9%	0.9%	-0.1%
8/31/2021	5.2%	0.5%	1.5%	1.5%	0.8%	0.9%	-0.2%
9/30/2021	5.4%	0.6%	1.5%	1.5%	0.8%	1.0%	-0.2%
10/31/2021	6.2%	0.8%	1.8%	1.7%	1.0%	1.2%	-0.2%
11/30/2021	6.8%	0.9%	2.0%	1.9%	1.0%	1.3%	-0.2%
12/31/2021	7.1%	0.9%	1.8%	2.2%	1.0%	1.4%	-0.2%
1/31/2022	7.5%	1.0%	1.7%	2.4%	1.2%	1.5%	-0.2%
2/28/2022	7.9%	1.1%	1.7%	2.5%	1.3%	1.6%	-0.2%
3/31/2022	8.6%	1.2%	2.2%	2.4%	1.4%	1.6%	-0.2%
4/30/2022	8.2%	1.3%	2.1%	2.0%	1.4%	1.7%	-0.3%
5/31/2022	8.5%	1.4%	2.4%	1.7%	1.6%	1.8%	-0.4%
6/30/2022	9.0%	1.4%	3.0%	1.5%	1.8%	1.8%	-0.5%

Inflation Breakdown MoM

In %

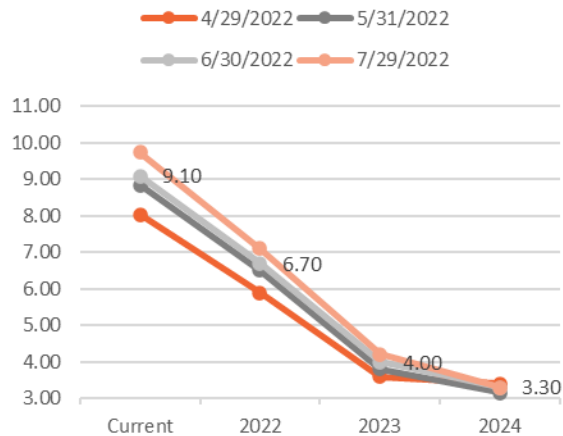
Date	All	Food	Energy	Commodities (Goods) ex Food & Energy	Services ex Energy & Shelter	Shelter	Other
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Update on Commodity Futures

Most of Energy Commodity Still Elevated while Agri already down sig.

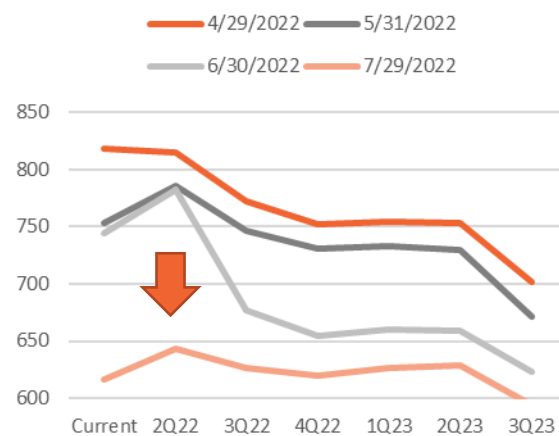
Est. of Weight Avg Global CPI

In %



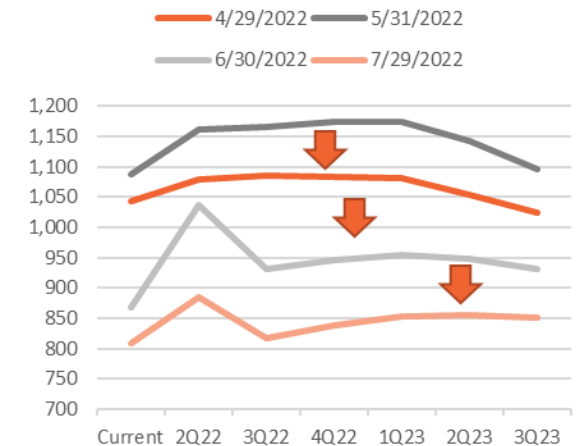
Corn price already same with Mar'22

In %



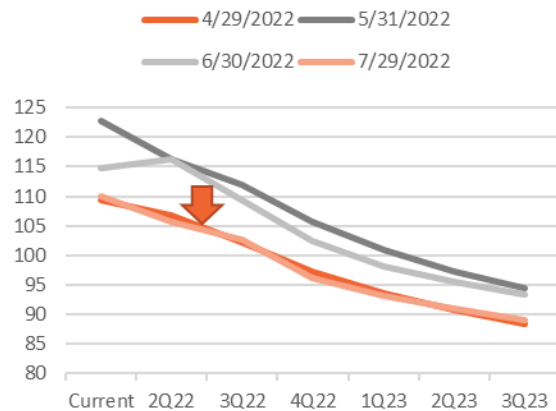
Wheat price already same with Mar'22

In %



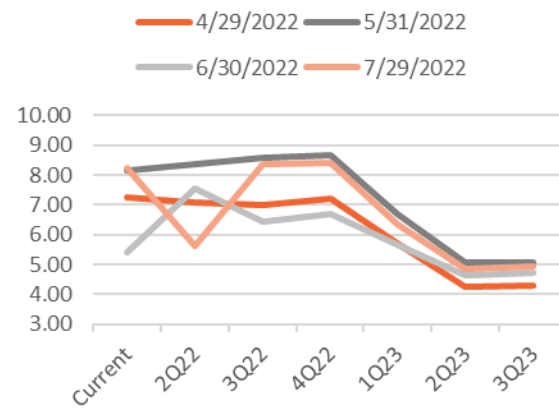
Brent Oil still elevated

In %



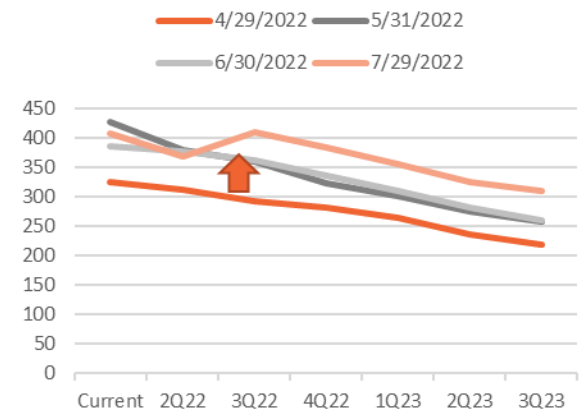
Natural Gas price down to Apr'22 level

In %



Newcastle Price still elevated

In %

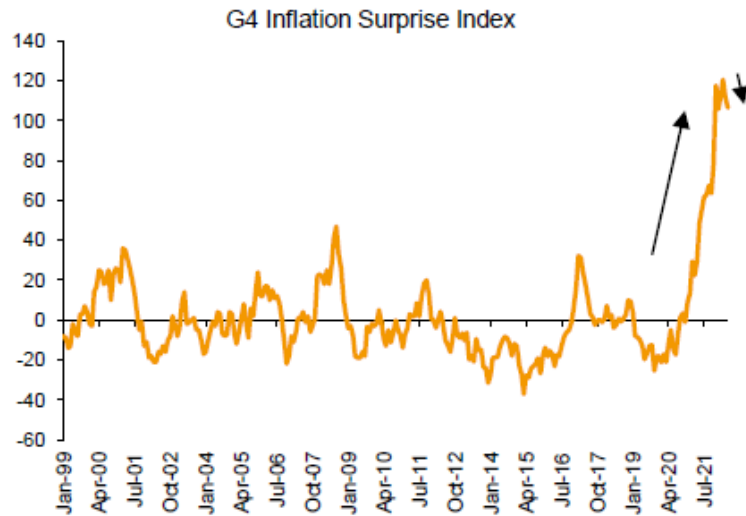


While Inflation Still Running High Yet

Supply chain indicator seems to softening from tight condition

G4 Inflation Surprise Index

In unit of index



Source: Bloomberg; Macquarie Research, June 2022

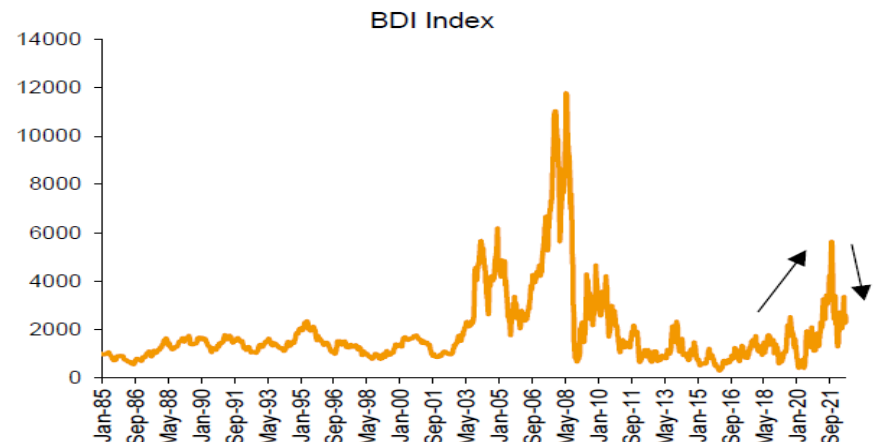
Global Supply Chain Pressure

In unit of index (macquarie)



Baltic Exchange Dry Index

In unit of index



Walaupun inflasi Jun'22 berada diatas ekspektasi pasar namun beberapa faktor yang menjustifikasi atas komponen peningkatan inflasi telah memperlihatkan perbaikan seperti:

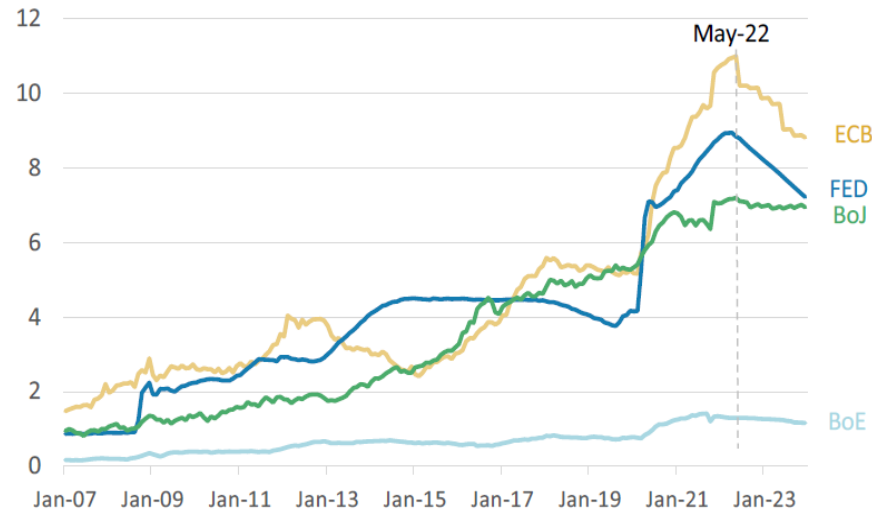
- Penurunan harga *commodity* terlihat dari futures
- Penurunan dari Baltic Dry Exchange
- Penurunan dari supply chain index pressure yang dimonitor oleh *macquarie*

Source: Bloomberg, Macquarie

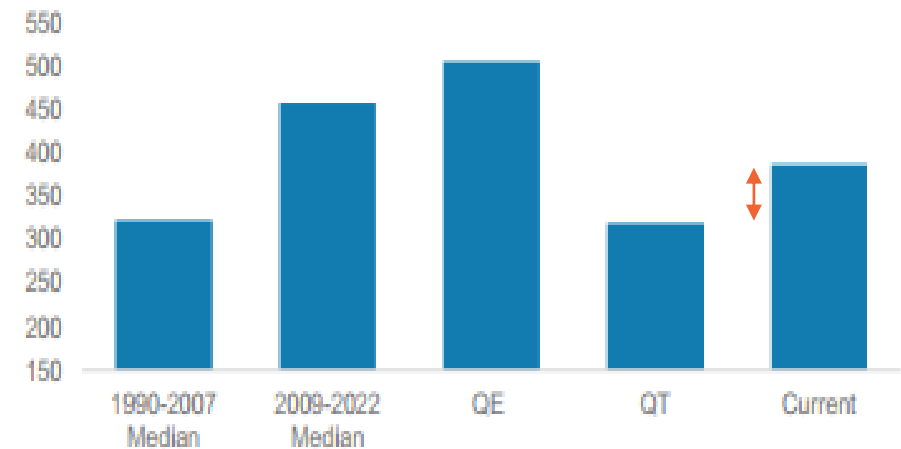
In The Past, QT was initiated during expansionary cycle

2022 QT was start when financial market wasn't rallying by significant level

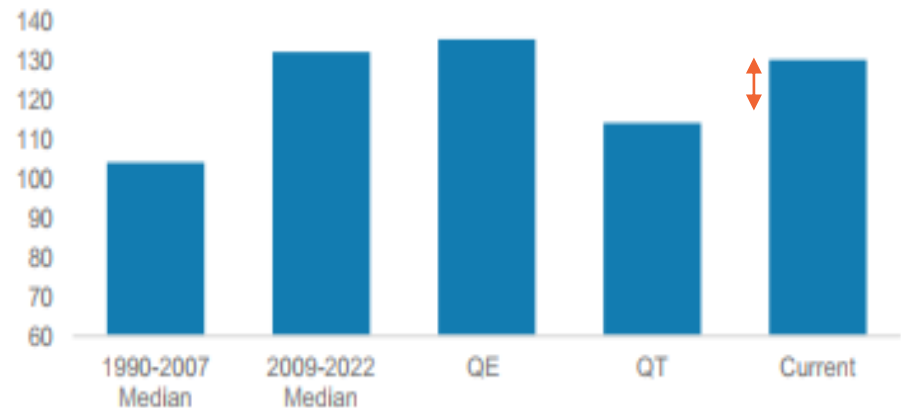
Trajectory of G4 Central Bank Balance Sheet
In trillion USD



Equity Risk Premium During Start of Fed Policy
In bps



IG Credit Spread During Start of Fed Policy
In bps



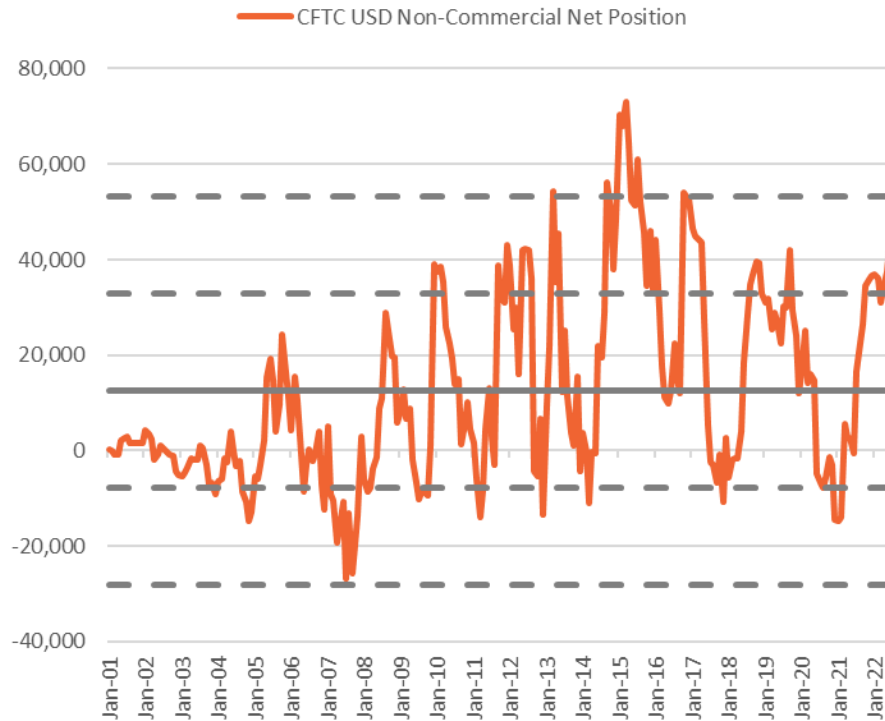
- Umumnya *central bank* melakukan kebijakan *quantitative easing* ataupun *tightening* berbentuk *countercyclical*. Dimana QT dilakukan saat ekonomi dan pasar sedang mengalami ekspansi dan QE dilakukan saat ekonomi dan pasar sedang mengalami *bottleneck* dari sisi likuiditas.
- Hal ini sedikit memberikan kekhawatiran bagi investor umum apabila terjadi *quantitative tightening* yang signifikan oleh bank sentral.
- Namun, Kenyataannya level *balance sheet* Fed relatively baru menurun sekitar 20trio USD di bulan Jun'22 dibandingkan rencana yang seharusnya berkisar 47.5trio USD.

Looking at Market Positioning on Few Asset Classes

Speculator seems to maintain position on USD and Gold

Dollar already reach its high in 2018-2019

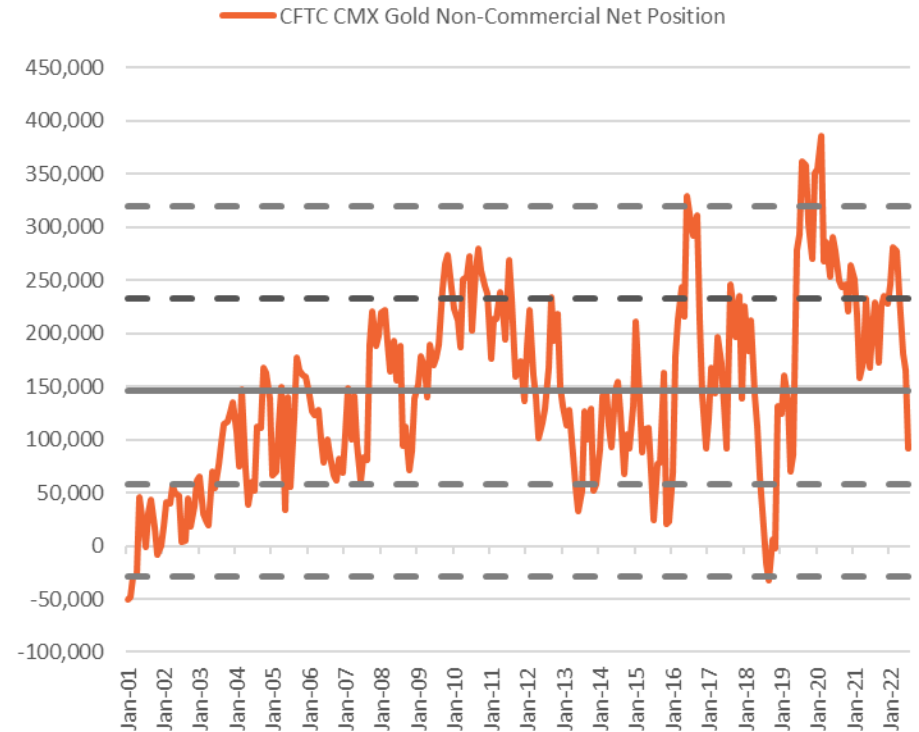
In no of net-contract



Source: Syailendra Research, Bloomberg

Gold seems to hit its net-long peak since 2020

In no of contract



Source: Syailendra Research, Bloomberg

🏠 Berdasarkan data diatas, terlihat posisi spekulator masih berada di +1 Std Deviation dari *long-term band*. Hal ini merefleksikan investor masih cenderung *risk-off* sejak awal tahun.

Section 02



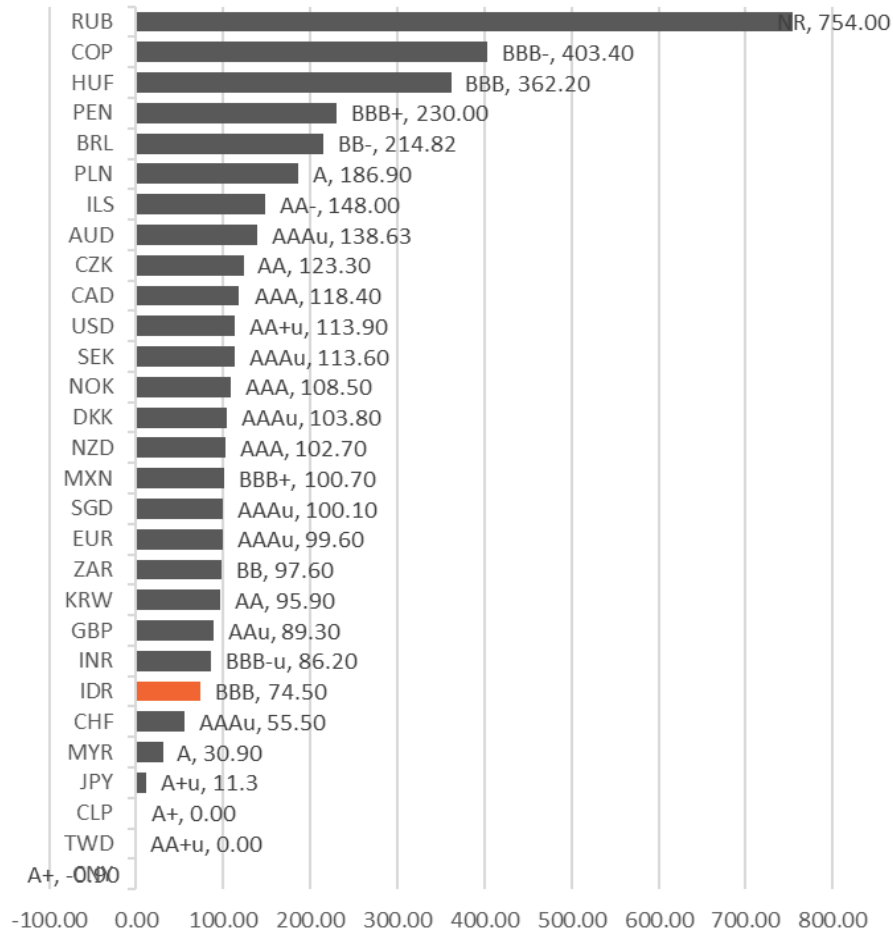
Fixed Income

Government Treasury Yield Movement Jul'22

Non-Investment grade was hit the biggest in this month

YTD 10Y Govt. Changes

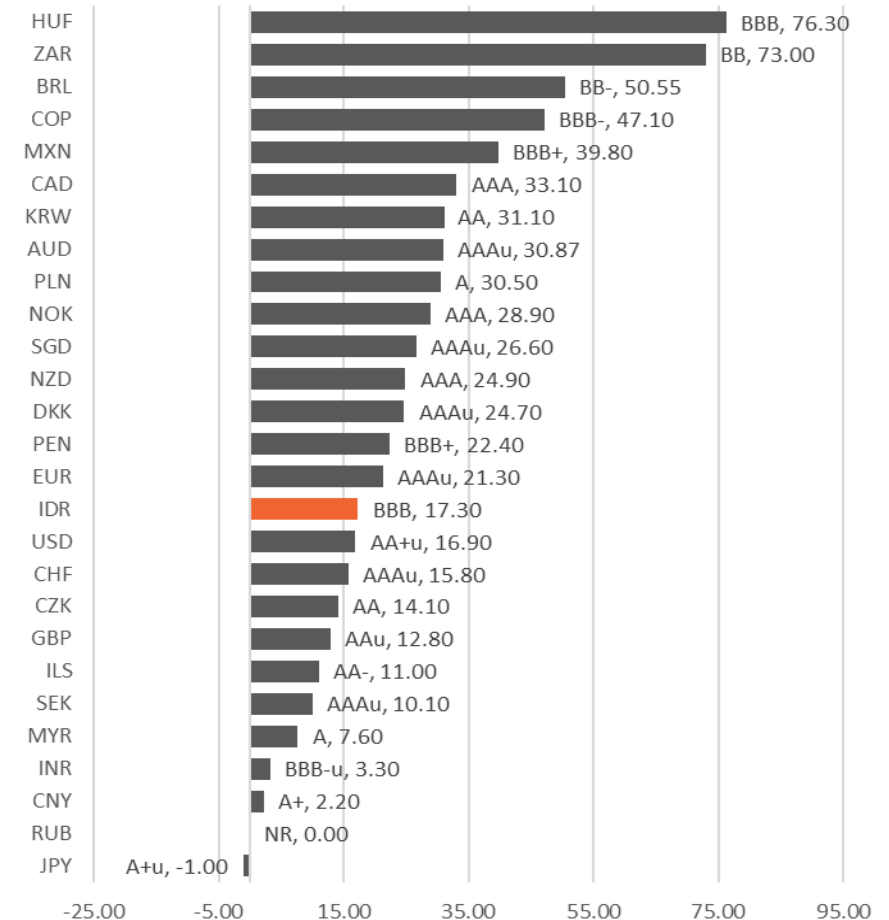
In bps



Source: Syailendra Research, Bloomberg

MTD 10Y Govt. Changes

In bps



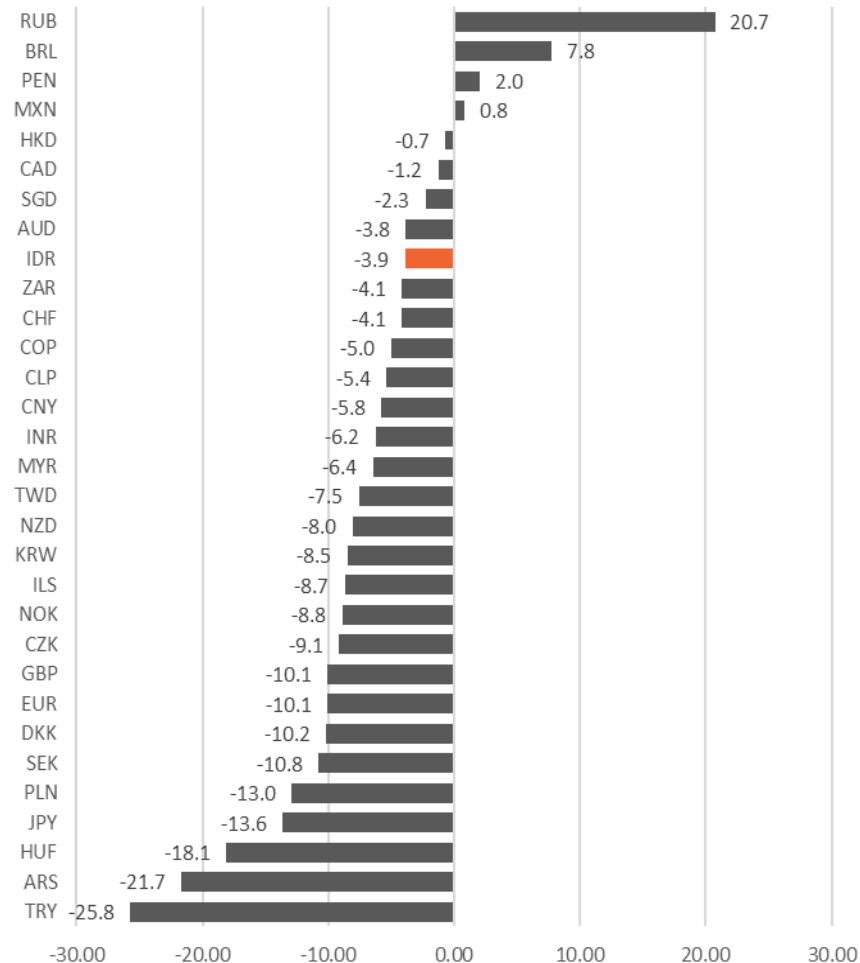
Source: Syailendra Research, Bloomberg

Currency Price Movement Jul'22

Despite of High Interest, Currency movement hasn't change by much

YTD Currency Chg. (USD as Base Currency)

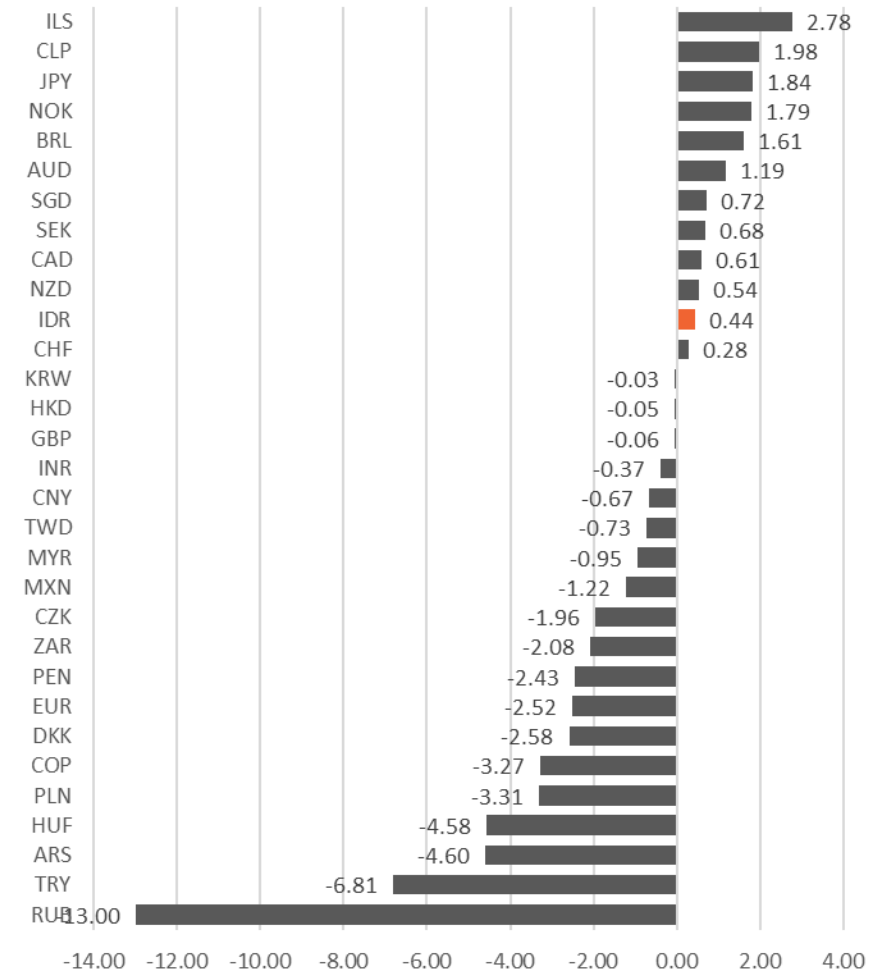
In ppt



Source: Syailendra Research, Bloomberg

MTD Currency Chg. (USD as Base Currency)

In ppt



Source: Syailendra Research, Bloomberg

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 Jul'22

Country	10Y Yield (%)		Currency		Carry Yield	Inflation		Real Yield (%)		CAD	Fiscal Deficit	Credit	
	Current	YTD Chg. (in bps)	YTD Chg. (in ppt)	Current vs Forecast	2022F	Current	2022F	Current Inflation	2022F Inflation	2022F	2022F	Rating	Outlook
South Africa	10.78	97.60	4.31	2.30	13.07	7.40	6.60	3.38	4.18	1.51	-5.20	BB	Pos
Indonesia	7.11	74.50	4.07	0.90	8.01	4.35	3.80	2.76	3.31	-0.05	-4.10	BBB	Stable
Brazil	12.99	214.82	-7.22	-2.76	10.23	11.89	9.82	1.10	3.17	-1.00	-7.10	BB-	Stable
Colombia	12.23	403.40	5.27	6.39	18.62	9.67	9.10	2.56	3.13	-4.80	-5.60	BBB-	Stable
India	7.32	86.20	6.63	-0.29	7.03	7.01	5.40	0.31	1.92	-1.50	-6.90	BBB-u	Stable
Malaysia	3.90	30.90	6.84	2.32	6.22	3.40	2.75	0.50	1.15	3.30	-5.95	A	Neg
South Korea	3.19	95.90	9.28	1.50	4.69	6.00	4.80	-2.82	-1.62	3.00	-2.90	AA	Stable
Mexico	8.56	100.70	-0.79	-0.65	7.92	7.99	7.60	0.57	0.96	-0.80	-3.20	BBB+	Neg
China	2.76	-0.90	6.11	0.07	2.83	2.50	2.30	0.26	0.46	1.50	-4.70	A+	Stable
Vietnam	3.90	175.00	2.26	1.49	5.39	3.37	3.50	0.53	0.40	-0.25	-4.80	BB	Pos
Hungary	8.10	362.20	22.13	3.19	11.29	11.70	10.00	-3.60	-1.90	-5.30	-5.10	BBB	Stable
Thailand	2.49	60.00	10.18	5.16	7.66	7.66	4.90	-5.17	-2.41	-1.30	-4.75	A-	Stable
Romania	8.08	293.50	10.79	2.60	10.68	15.05	12.30	-6.97	-4.22	-7.60	-6.95	BBB-	Stable

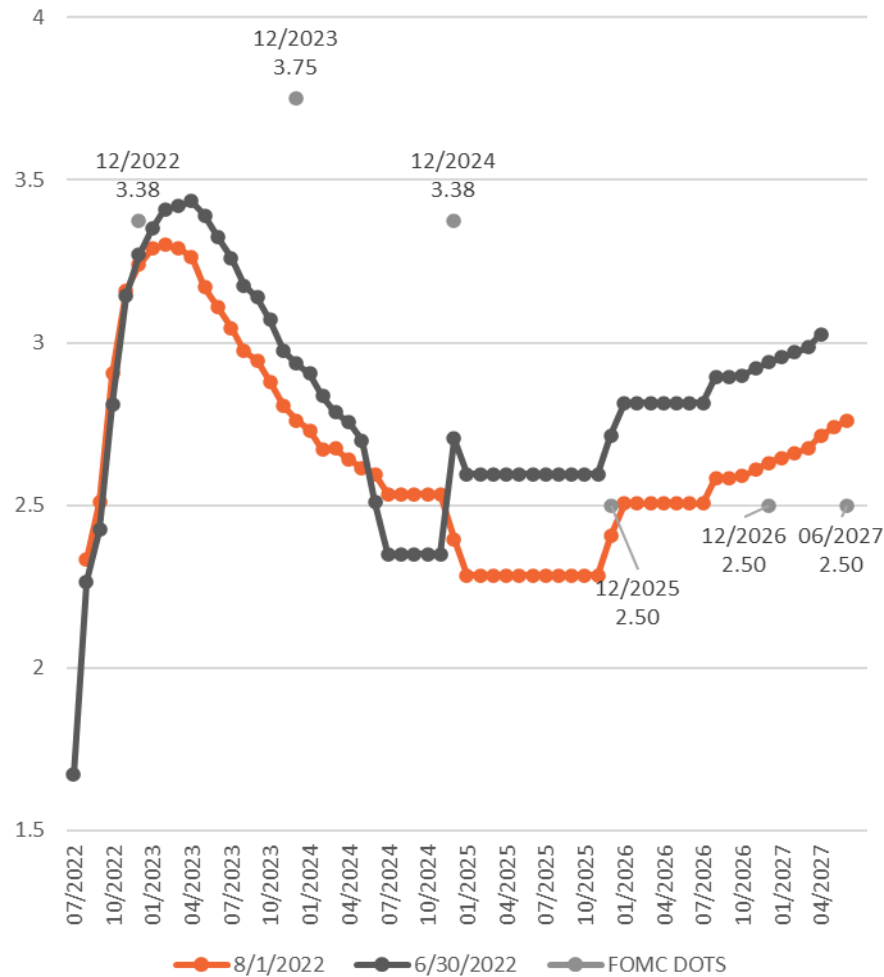
Source: Syailendra Research, Bloomberg

What Market Implies on The US Yield?

Inverted yield becoming more obvious

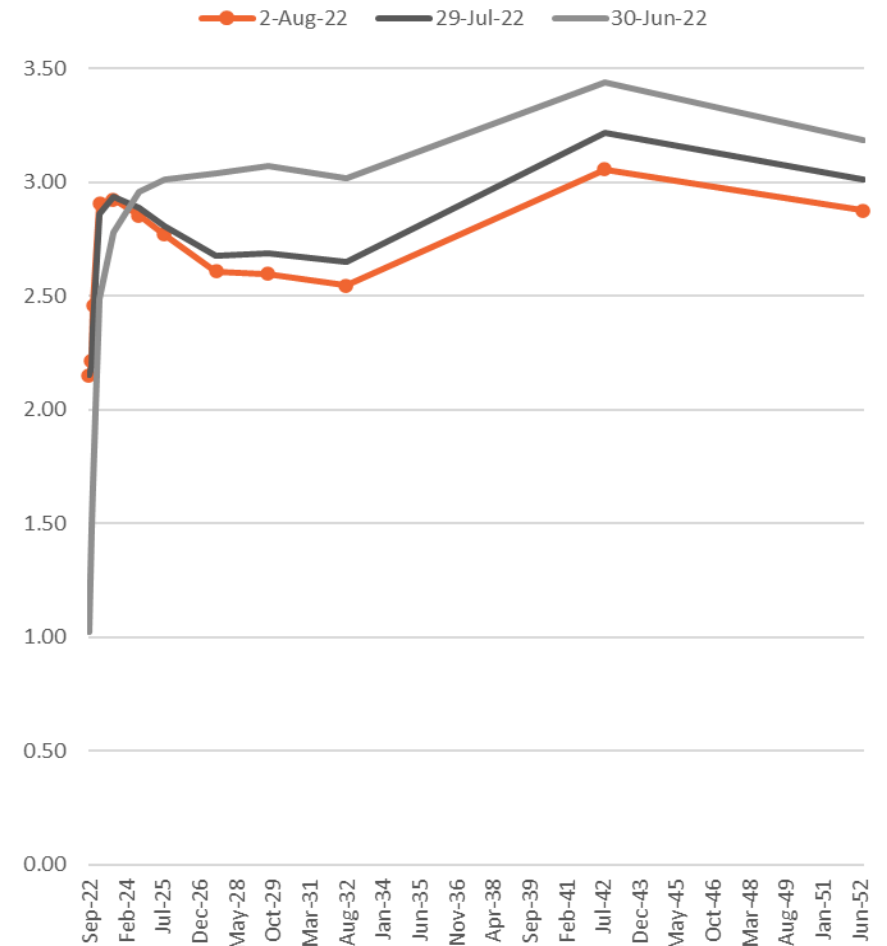
Fed Funds Rate

In ppt



US Curve

In ppt



Indonesian Bonds Ownership

As of Jun'22, Government issuance seems to be quite low compared to target

Ownership on Tradeable Indonesia Government Bonds

In trn IDR

Ownership Level

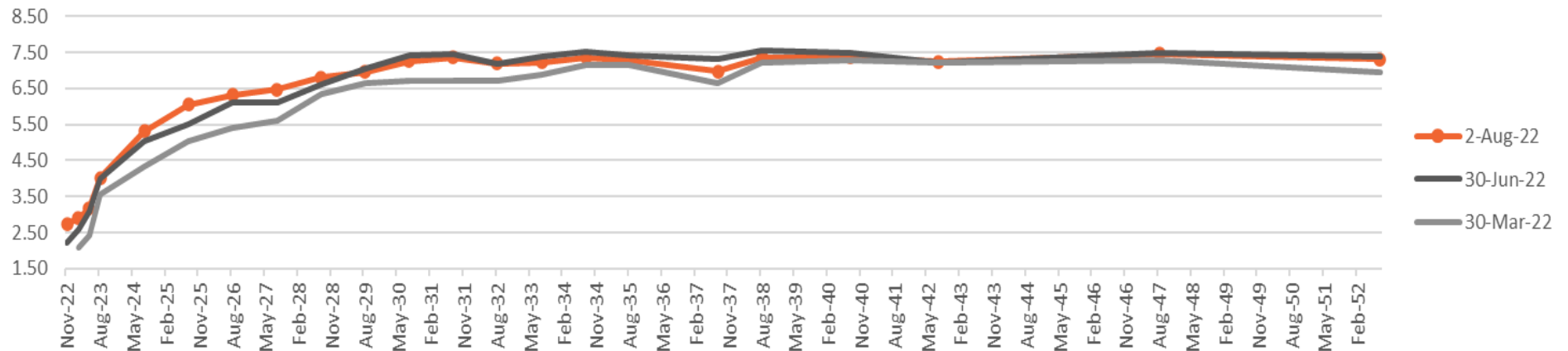
Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Others	Total
Yearly							
2016	21.2%	8.9%	4.8%	18.4%	37.5%	9.2%	100.0%
2017	21.6%	8.6%	5.0%	16.6%	39.8%	8.4%	100.0%
2018	21.8%	9.2%	5.0%	17.5%	37.7%	8.8%	100.0%
2019	20.7%	9.9%	4.8%	17.1%	38.6%	8.9%	100.0%
2020	24.7%	22.6%	4.2%	14.0%	25.2%	9.4%	100.0%
2021	25.0%	26.1%	3.4%	14.0%	19.0%	12.4%	100.0%
YTD	25.0%	25.8%	3.1%	16.3%	15.4%	14.4%	100.0%
Net flow							
Year	Bank	Central Bank	Mutual Fund	Insurance & PF	Foreign	Others	Total
Yearly							
2016	27	8	24	104	107	41	311
2017	78	22	18	23	170	15	326
2018	64	38	15	66	57	30	269
2019	53	56	12	57	169	37	384
2020	384	602	30	71	-88	118	1,118
2021	217	346	-3	112	-83	219	808
YTD	48	39	-4	143	-140	125	211
Interim							
1Q22	21	10	-4	80	-43	86	150
2Q22	7	15	-1	38	-68	29	19
MTD	20	15	0	25	-29	10	41

Yield Curve is Getting Flatter

Market implying slower economic growth

INDOGB Yield Curve

In ppt



Government Bond Outlook

Short-term: Neutral ; 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	Positive	Government is guiding with lesser fiscal deficit might help with lack of foreign investor
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* 7.00 – 7.25% dengan mempertimbangkan *interest upcycle*. Mempertimbangkan *level yield* saat ini kami sedikit netral mempertimbangkan meningkatnya *interest differential* antara US dan Indonesia dan transmisi pelemahan IDR yang sedang terjadi.
- Untuk *timing*, likuiditas pada 1H22 tetap akan tinggi dan dapat memberikan support di pasar obligasi. Kami akan cenderung lebih cautious pada 2H22 terkait issuance per Jun'22 yang relative masih rendah berbanding dengan target issuance.

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)	-9.76%	5.85%	-3.16%	-5.41%	-6.38%	17.55	4.24	29.16
2	S&P 500 (US)	-13.57%	8.16%	-3.67%	-6.80%	-6.54%	18.21	3.85	22.90
3	Nasdaq (US)	-21.29%	10.85%	-3.74%	-10.02%	-16.16%	26.54	4.89	26.10
4	London (UK)	-7.52%	3.22%	-6.76%	-5.06%	-3.05%	12.14	1.80	15.39
5	DAX (GR)	-15.11%	3.70%	-3.55%	-11.98%	-13.79%	11.17	1.46	12.44
6	CAC (FP)	-10.10%	6.91%	-0.92%	-7.43%	-2.79%	10.77	1.57	15.56
Asia Market									
1	Nikkei (JP)	-3.44%	3.72%	3.55%	4.06%	0.07%	15.52	1.61	9.68
2	Hang Seng (HK)	-12.79%	-8.37%	-0.59%	-14.41%	-23.40%	10.51	1.08	11.32
3	Shanghai (CN)	-10.11%	-3.22%	9.33%	-3.22%	-4.65%	11.14	1.31	11.05
4	Shenzhen (CN)	-15.27%	-5.68%	6.35%	-8.63%	-14.02%	13.40	1.76	11.29
5	NFT (IN)	-0.27%	8.60%	-0.50%	0.33%	8.74%	19.99	3.04	15.73
6	Kospi (KR)	-17.67%	3.09%	-8.10%	-7.95%	-24.40%	9.84	0.95	6.96
7	Kosdaq (KR)	-22.28%	5.41%	-9.93%	-7.93%	-23.03%	NA	NA	NA
ASEAN Market									
1	Singapore (SG)	2.72%	2.45%	-3.70%	-1.07%	0.97%	12.67	1.07	8.88
2	Kuala Lumpur (MK)	-3.33%	2.81%	-6.58%	-1.83%	-1.37%	14.35	1.46	10.20
3	Thailand (TH)	-3.97%	-0.24%	-5.55%	-4.08%	2.52%	NA	NA	8.37
4	Vietnam (VN)	-18.82%	-0.97%	-10.71%	-18.43%	-6.75%	11.48	1.89	18.46
4	Philippines (PH)	-13.89%	-0.46%	-7.98%	-13.17%	-2.43%	15.43	1.47	8.34
Indonesia Market									
1	JCI / IHSG (ID)	5.62%	0.13%	-3.84%	4.60%	13.57%	16.24	2.02	-7.11
2	JII / ISSI (ID)	8.90%	1.96%	-1.13%	9.28%	16.37%	12.18	1.85	14.07
3	IDX30 (ID)	4.65%	-2.07%	-10.79%	2.36%	17.20%	18.11	2.19	-9.60
4	LQ45 (ID)	5.07%	-1.72%	-9.84%	3.04%	17.52%	17.16	2.16	-8.92

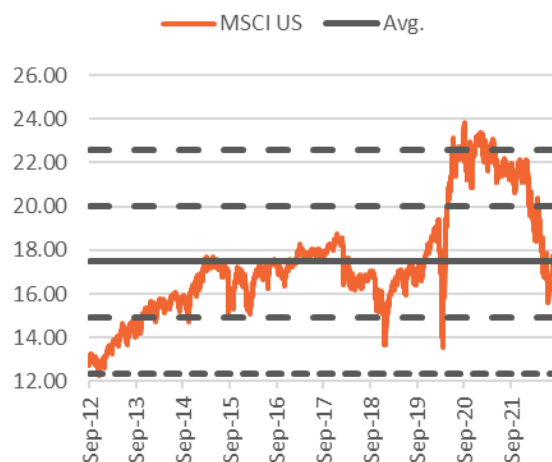
Source: Syailendra Research, Bloomberg

Most of Equity Regions already Derated

Further upgrade/(downgrade) also depend on earnings revision going forward

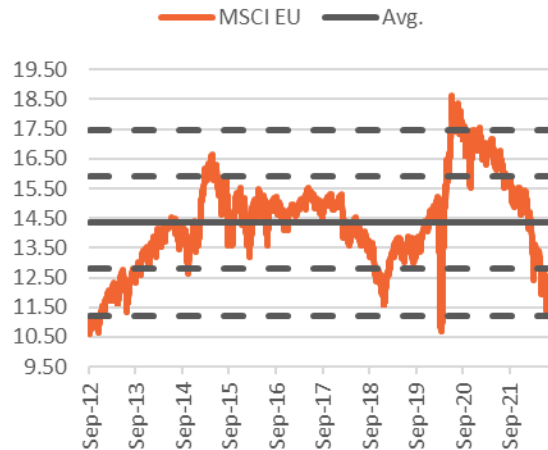
United States

5Y Dev. Band of 12month blended forward PE



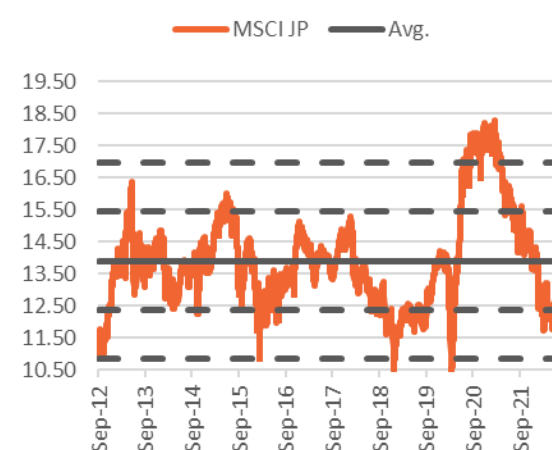
European Union

5Y Dev. Band of 12month blended forward PE



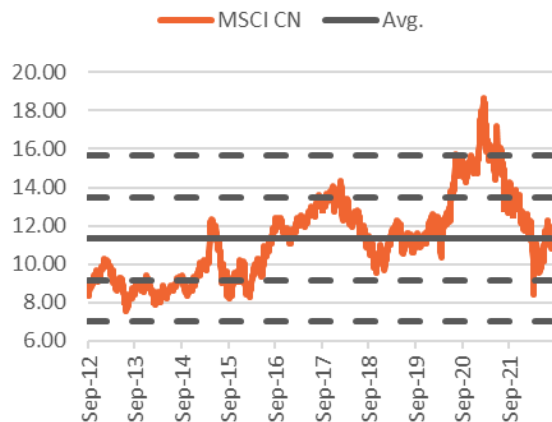
Japan

5Y Dev. Band of 12month blended forward PE



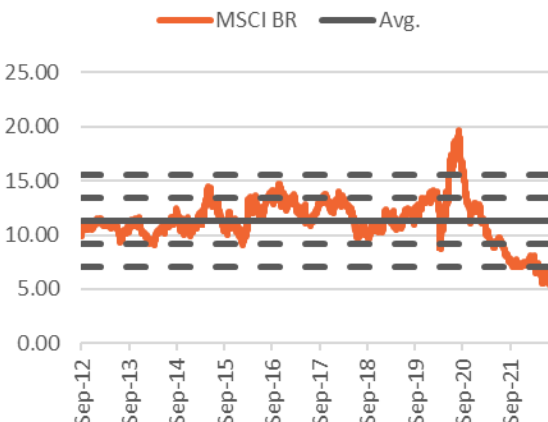
China

5Y Dev. Band of 12month blended forward PE



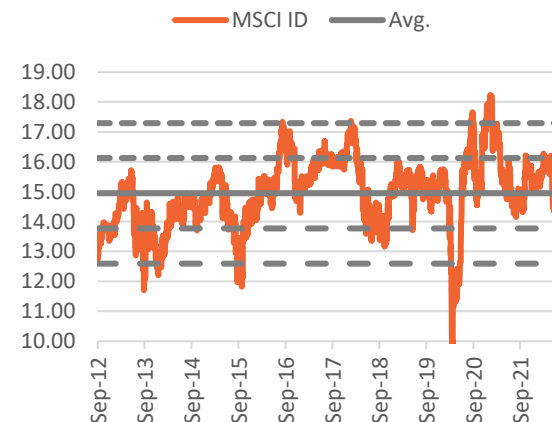
Brazil

5Y Dev. Band of 12month blended forward PE



Indonesia

5Y Dev. Band of 12month blended forward PE

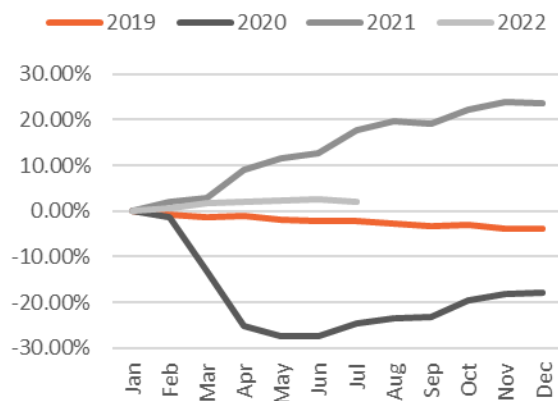


Earnings Hasn't Revised Down by Significant Level

Current year earnings revision across market

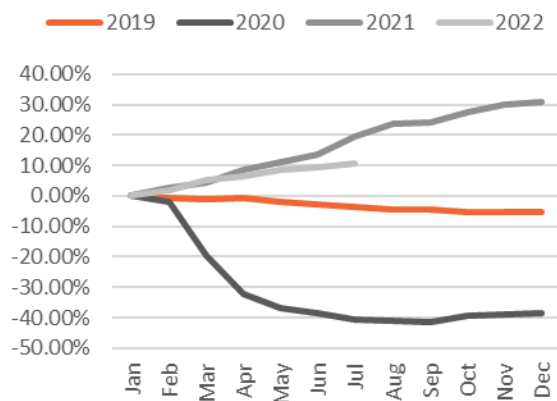
United States

Current Year Earnings Revision



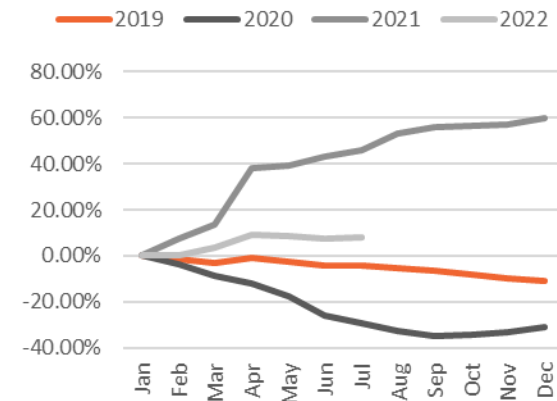
European Union

Current Year Earnings Revision



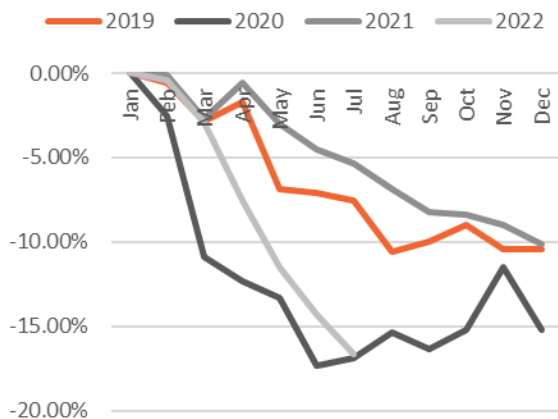
Japan

Current Year Earnings Revision



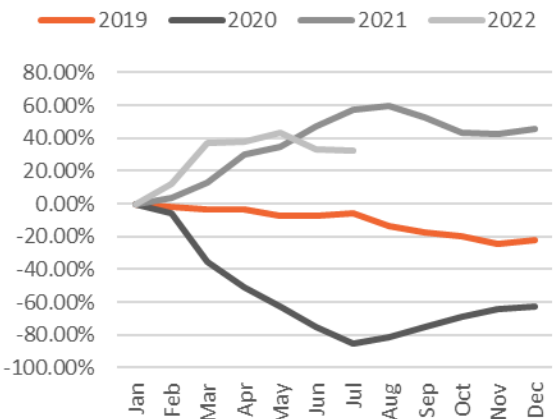
China

Current Year Earnings Revision



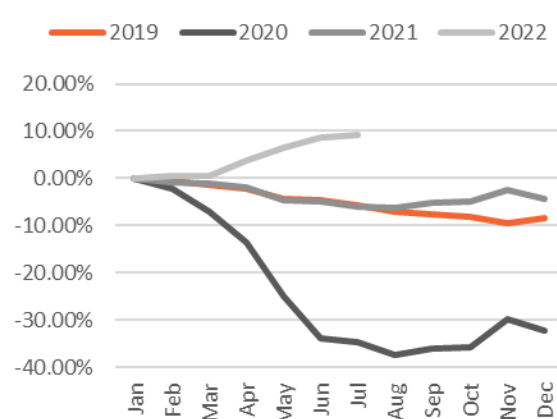
Brazil

Current Year Earnings Revision



Indonesia

Current Year Earnings Revision

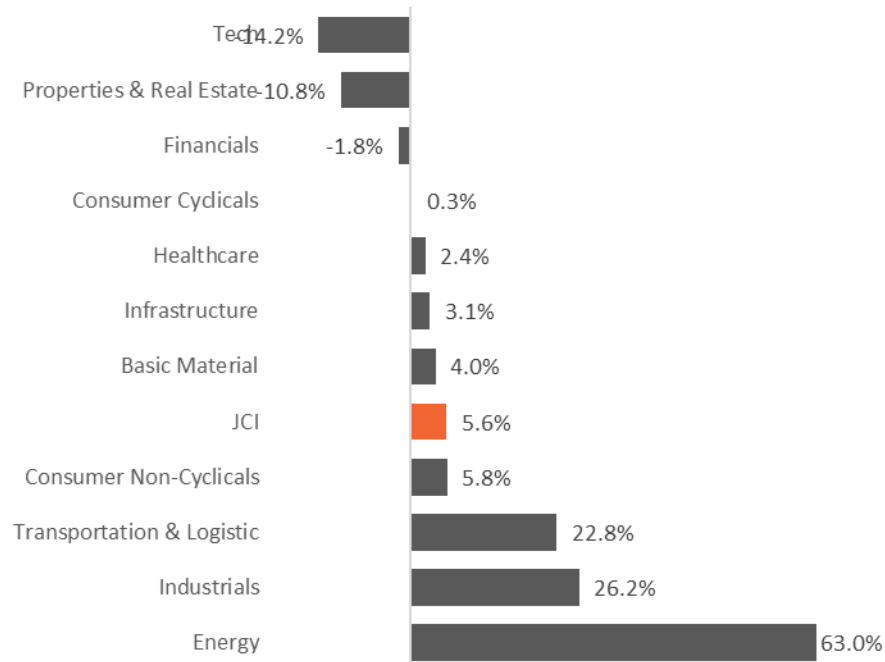


Inflation and Rates Beneficiary Appreciated by Market

Energy sector leads the gain as commodity prices rising

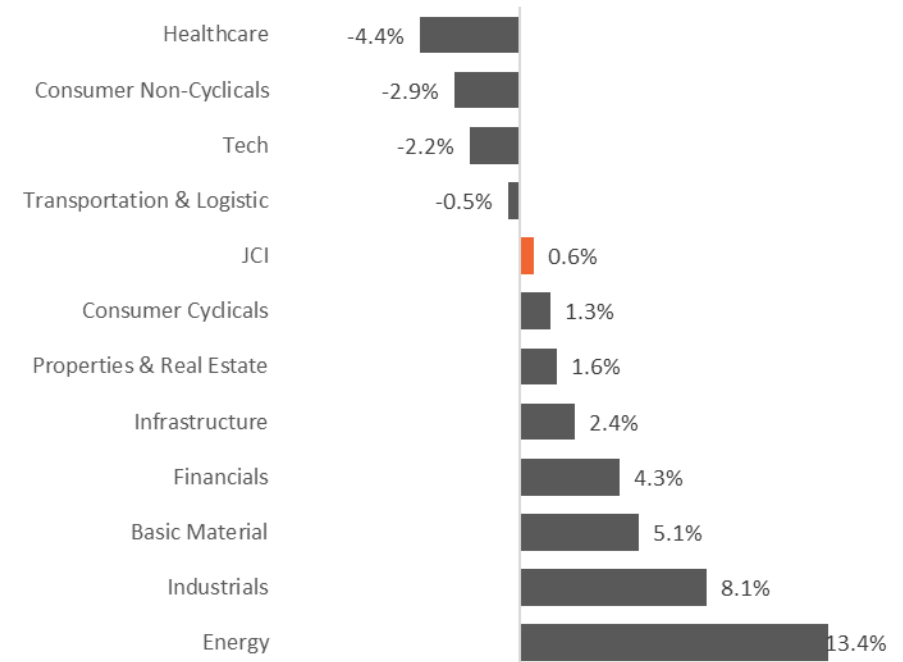
JCI Sectoral Movement YTD

As of 29 July 2022



JCI Sectoral Movement MTD

As of 29 July 2022



Source: Syailendra Research, Bloomberg

Source: Syailendra Research, Bloomberg

- 🏠 Selama 7M22, IHSG rally sebesar 5.6%. Hal ini diktribusi oleh sektor *energy* seiring dengan meningkatnya harga komoditas global. Kinerja sektor teknologi masih mengalami tekanan sejalan dengan kinerja sektor teknologi di bursa global.

Foreign Equity Flow

Inflow to ASEAN market still continues

In US\$ Million	India	Indonesia	Korea	Philippines	Taiwan	Thailand	Malaysia	EM Asia ex. China	EM Asi ex-China ex-Malaysia	Japan
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
Apr-22	-3,816	2,783	-4,963	-99	-9,102	321	193	-14,683	-14,876	29,604
May-22	-4,871	-243	170	-350	57	592	18	-4,627	-4,645	-1,993
Jun-22	-6,342	-501	-4,796	-207	-7,724	-841	-291	-20,702	-20,411	-9,556
Jul-22	836	-150	1,363	-80	-626	128	28	1,499	1,471	3,675
Yearly										
YTD	-27,720	4,118	-14,724	-855	-34,695	3,570	1,488	-68,818	-70,307	4,248
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

June Industry Sector Positioning

Domestic Reduce Position in Financials and Basic Industry Jun'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		
	May-22	Jun-22	Jul-22	May-22	Jun-22	Jul-22	May-22	Jun-22	Jul-22	May-22	Jun-22	Jul-22
Basic Industry	0.3%	-1.0%	0.1%	0.3%	-1.3%	-0.3%	0.6%	-1.4%	1.0%	2.0%	-1.2%	-0.4%
Consumer Non-Cyclical	0.0%	0.0%	0.0%	0.1%	0.1%	-0.1%	0.2%	0.0%	0.2%	0.5%	1.3%	-0.2%
Consumer Cyclical	0.9%	1.4%	-0.7%	1.1%	1.2%	-1.3%	1.1%	-0.6%	0.4%	2.1%	0.6%	-1.3%
Energy	1.0%	-1.0%	1.3%	1.1%	-0.6%	0.4%	4.2%	8.1%	-3.1%	2.2%	0.0%	1.2%
Infrastructure	-0.3%	0.0%	0.3%	0.6%	0.4%	0.1%	0.4%	-0.1%	0.2%	1.8%	-0.9%	-0.2%
Healthcare	-0.2%	0.1%	-0.2%	0.1%	0.5%	-0.5%	0.0%	0.3%	-0.3%	0.1%	0.3%	-0.4%
Financial	-1.2%	0.4%	1.5%	-1.0%	-0.7%	-0.3%	-0.6%	0.6%	-0.1%	4.0%	-2.9%	-1.2%
Industrial	0.2%	-0.3%	-0.5%	-1.4%	0.0%	-0.6%	0.0%	0.0%	0.0%	0.0%	0.4%	-1.0%
Property	-0.1%	0.1%	-0.1%	-0.2%	0.0%	-0.2%	0.0%	0.3%	-0.2%	0.5%	0.7%	-0.4%
Technology	1.6%	-2.4%	2.0%	0.5%	-0.7%	0.8%	-5.0%	-0.9%	0.8%	1.0%	0.3%	3.2%
Trans. And Logistics	0.1%	0.0%	0.0%	0.6%	-0.2%	-0.2%	0.2%	-0.1%	-0.1%	0.1%	-0.1%	-0.1%

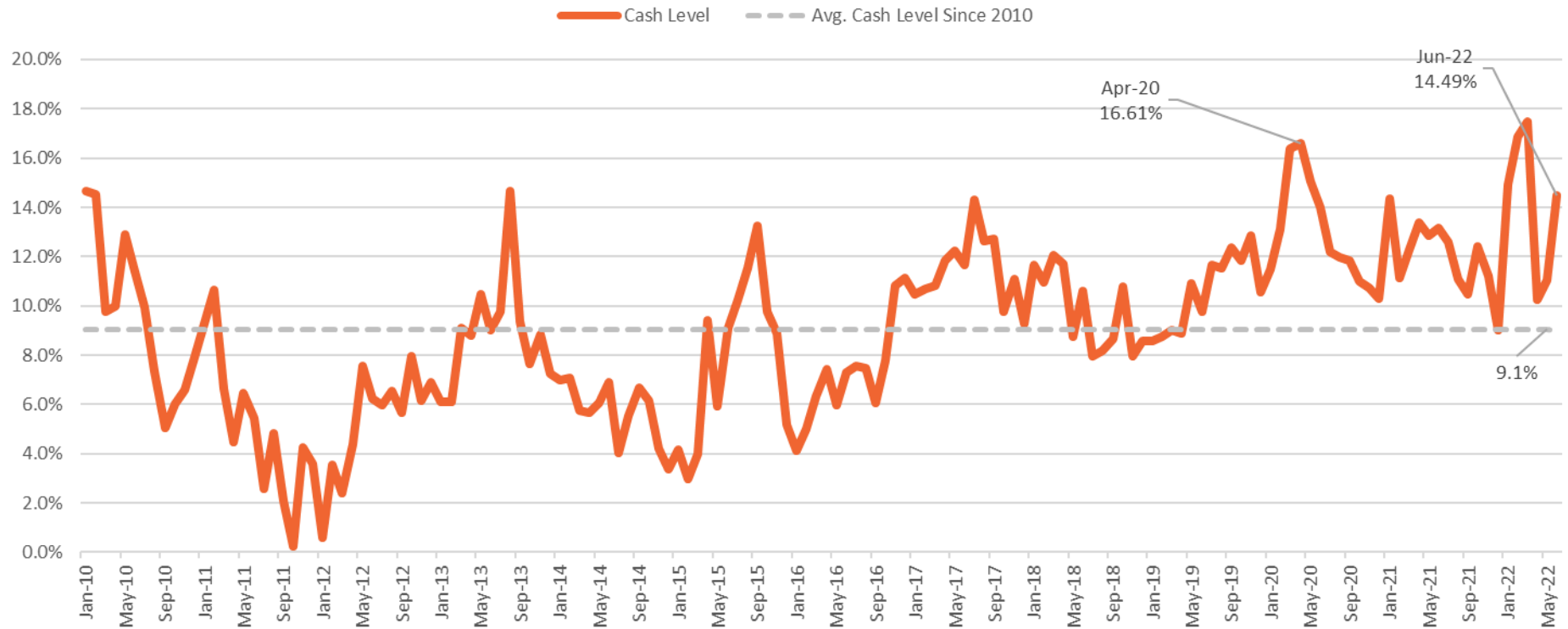
Sector	Foreign MoM (%) of est. ownership											
	Insurance			Pension Fund			Individual			Mutual Fund		
	May-22	Jun-22	Jul-22	May-22	Jun-22	Jul-22	May-22	Jun-22	Jul-22	May-22	Jun-22	Jul-22
Basic Industry	0.3%	0.1%	0.2%	0.3%	-0.5%	0.0%	-0.4%	-0.7%	-0.2%	0.9%	-1.8%	0.8%
Consumer Non-Cyclical	-0.3%	0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.6%	0.0%	-0.4%	-0.1%	0.0%	-0.2%
Consumer Cyclical	0.4%	0.9%	-0.2%	0.5%	0.7%	-0.7%	-0.1%	-0.7%	1.5%	0.7%	0.7%	-0.4%
Energy	0.2%	0.0%	0.2%	0.3%	-0.1%	0.5%	0.9%	0.2%	-0.4%	0.1%	0.0%	0.3%
Infrastructure	-0.8%	-0.4%	0.2%	-1.1%	0.2%	-0.2%	-0.2%	0.3%	0.0%	-0.7%	0.0%	0.4%
Healthcare	0.0%	0.2%	0.0%	0.0%	0.2%	-0.5%	-0.1%	0.1%	0.0%	0.1%	0.3%	-0.3%
Financial	-2.0%	5.4%	-0.1%	-2.8%	0.2%	-2.1%	-9.7%	4.3%	-11.3%	-4.5%	-0.1%	-2.7%
Industrial	0.1%	-0.7%	-0.4%	-0.1%	0.6%	-0.2%	0.2%	-0.5%	-0.3%	-0.1%	-0.3%	-0.7%
Property	-0.1%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.1%	-0.1%	0.0%	-0.1%	-0.1%
Technology	-0.2%	0.0%	0.0%	-0.2%	0.1%	0.0%	0.0%	-0.3%	-0.2%	-0.2%	-0.1%	0.1%
Trans. And Logistics	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	-0.4%	-0.2%	0.0%	0.0%	0.0%

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

Est. Local Mutual Fund Cash Level

on average equity fund already had high level of cash

Est. Cash Level of Equity Mutual Fund in Indonesia
In % of Asset Under Management



Source Syailendra research, Bloomberg

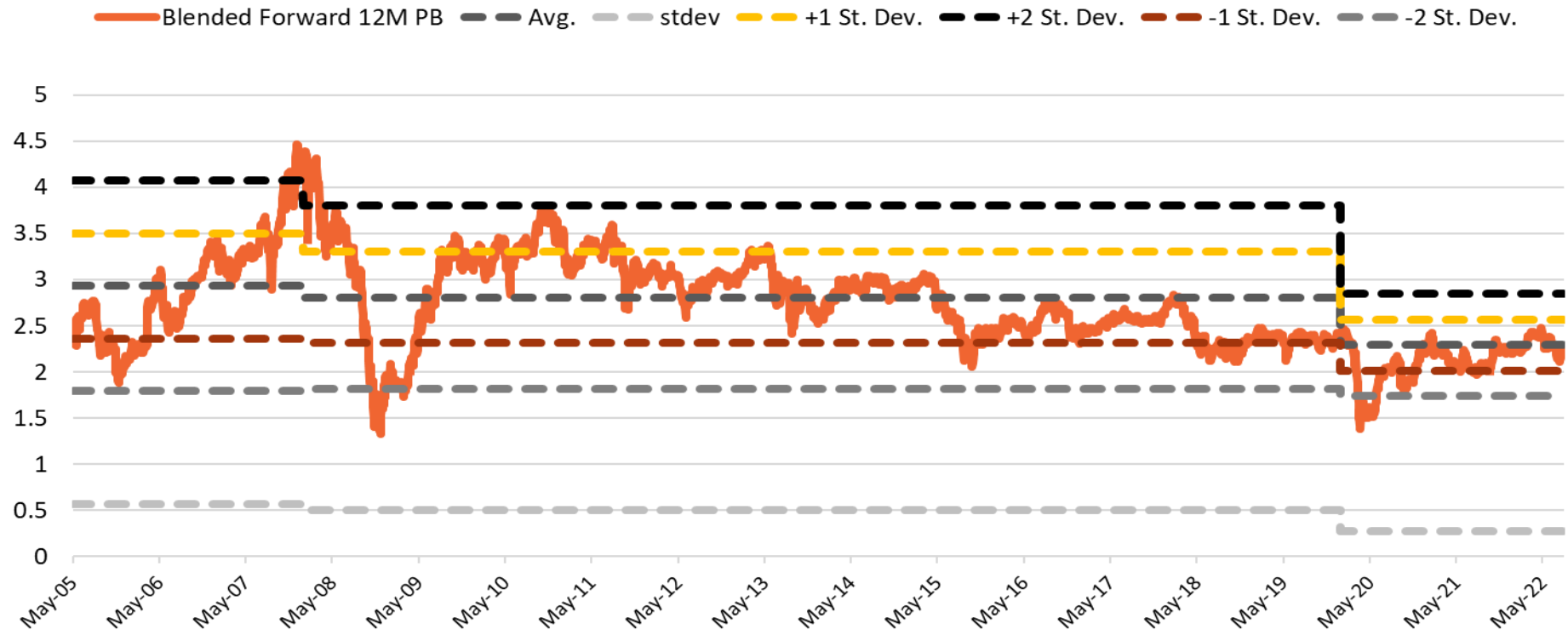
- ▲ Level kas dari reksadana umumnya dapat di jadikan *benchmark* sebagai *risk tolerance* dari investor khususnya oleh manajer investasi Reksadana. Saat ini di estimasi, Kas level telah mencapai 14.49%

MSCI Indonesia Historical Valuation

MSCI Indonesia price to book had been sideways since 1Q21

MSCI Indonesia Blended 12M Forward P/B

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



Source Syailendra research, Bloomberg

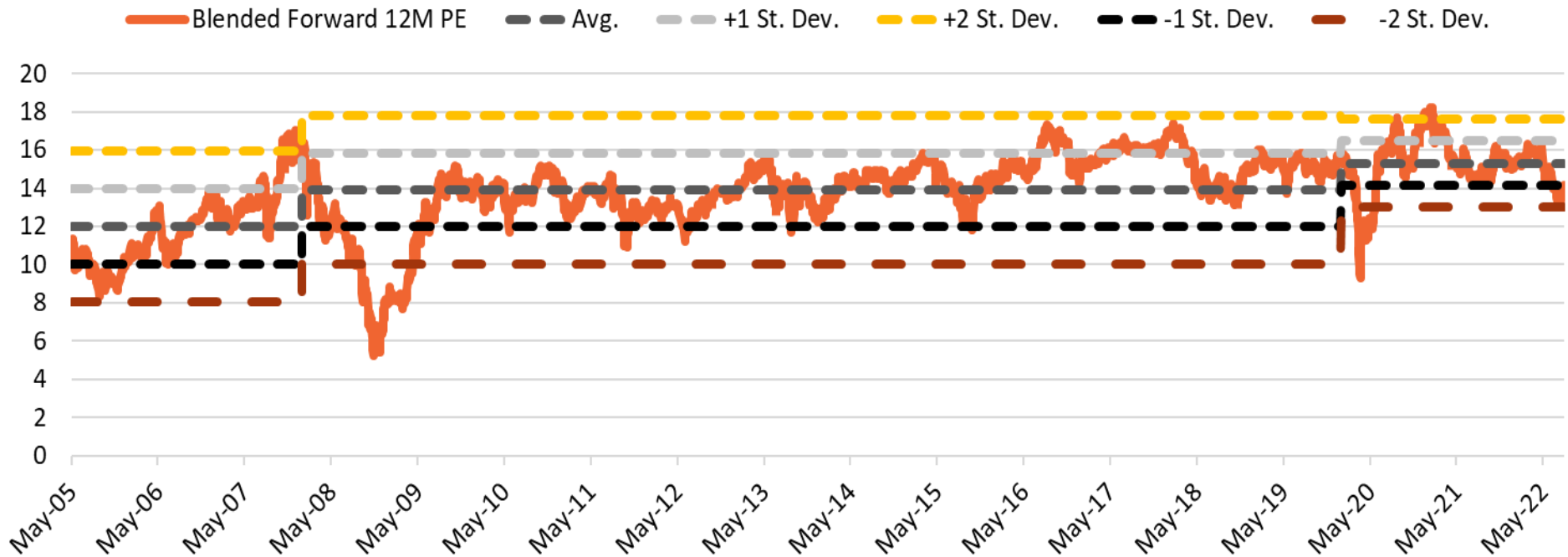
- Di saat yang bersamaan valuasi MSCI Indonesia menggunakan price to book masih dapat dikatakan memiliki potensi *upside*. Secara historis sejak 2016, P/B MSCI Indonesia berkisar di antara 2.0x – 2.2x dibandingkan level saat ini masih berada di 2.2x diantara level -1 S.D. dan 5 year average.

MSCI Indonesia Historical Valuation

Market valuation has been sideways since 4Q21

MSCI Indonesia Blended 12M Forward P/E

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



Source Syailendra research, Bloomberg

- Sejak akhir 2020, Valuasi MSCI Indonesia cenderung menurun sesuai dengan normalisasi laba. MSCI Indonesia cenderung bergerak di 5Y *average* sd -1 Std. Dev (14.21 – 15.36x). Saat ini Valuasi MSCI Indonesia berada di 15.00x. Pergerakan *sideways* ini sesuai dengan ketidakpastian yang diakibatkan dari pasar global.

Equity Outlook

Short-Term : Neutral to Bullish , Long-Term : Bullish

Our View on Bonds and Rates Strategy

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 25% was still higher than majority of EM market
Liquidity	Positive	Positive	Neutral	No dollar shortage based on current observation
Foreign position	Neutral	Positive	Positive	Foreign ownership in nominal near historical level yet in % of market cap still quite low.
IDR Outlook	Neutral	Positive	Positive	Strong trade balance and CAD, if IDR depreciate might attract short-term investor looking its carry yield

Source Syailendra research, Bloomberg

🏠 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 and few domestic big caps

🏠 Target IHSG *base case* berada di 7,400-7,600. Hal ini didasarkan pada 2022 *earnings growth* 17 dan P/E bergerak relatif flat.

Section 04



Appendix

Syailendra Benchmark View

2022F and 2023F

Syailendra Macro Indicator and Benchmark

In each unit

Desc.	Unit	Syailendra						
		21E	22E			23E		
		Base	Bear	Base	Bull	Bear	Base	Bull
Macro Indicator								
GDP Growth YoY	Average full year	3.50	3.50	5.00	6.00	4.80	5.20	5.60
Inflation YoY	Average full year	2.20	4.50	3.50	3.00	4.00	3.00	2.50
Fiscal Deficit (% of GDP)	End of year	-5.80	-4.80	-4.30	-4.35	-3.50	-3.00	-2.75
Current Account (% of GDP)	Average full year	-0.2 sd +0.2	-0.80	-0.30	0.20	-1.80	-1.40	-1.00
USDIDR	End of year	14,200	15,000	14,500	14,000	15,200	14,800	14,400
Rates								
BI Rates	End of year	3.75	4.50	4.00	3.75	4.75	4.25	4.00
10 YR Govt Bond Yield IDR	End of year	6.25	7.75	7.25	6.75	8.00	7.50	7.00
Equities								
JCI	End of year	6,500	6,800	7,500	7,900	7,500	8,250	8,700
Earnings Growth	End of year	30.0%	30.0%	30.0%	30.0%	10.0%	10.0%	10.0%
P/E 1FY	End of Year	17.60	14.50	16.00	16.50	14.50	16.00	16.50
P/E Band	End of Year	+0.75 Mean	-1.0 Std Dev	-0.5 Std Dev	-0.10 Std Dev	-1.0 Std Dev	-0.5 Std Dev	-0.10 St Dev

Source : Bloomberg

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