

## Key Index

|               | Close  | Chg (%) | Ytd (%) | Vol (M) |
|---------------|--------|---------|---------|---------|
| <b>ASEAN</b>  |        |         |         |         |
| Indonesia     | 6,983  | 0.3     | 1.9     | 33,717  |
| Thailand      | 1,542  | -0.2    | -7.6    | 4,047   |
| Philippines   | 6,126  | -1.3    | -6.7    | 167     |
| Malaysia      | 1,459  | 0.7     | -2.4    | 318     |
| Singapore     | 3,281  | 1.0     | 0.9     | 801     |
| <b>Global</b> |        |         |         |         |
| China         | 3,118  | -0.3    | 0.9     | 28,120  |
| Hongkong      | 18,183 | 0.7     | -8.1    | 2,781   |
| S&P 500       | 4,450  | -1.2    | 15.9    | 2,087   |
| Nasdaq        | 13,708 | -1.6    | 31.0    | 3,075   |
| Dow Jones     | 34,618 | -0.8    | 4.4     | 290     |

## Currency and Interest Rate

|                  | Rate   | w-w (%) | m-m (%) | ytd (%) |
|------------------|--------|---------|---------|---------|
| IDR              | 15,355 | -0.2    | -0.1    | 1       |
| 7DRRR (%) - date | 5.75   | -       | -       | 4.55    |
| Govt Bond 2 yrs  | 6.34   | 0.80    | 4.50    | 4.36    |
| Govt Bond 5 yrs  | 6.34   | 0.92    | 3.71    | 2.22    |
| Govt Bond 10 yrs | 6.69   | 2.11    | 4.21    | (3.62)  |

## Hard Commodities

|        | Unit         | Price  | d-d (%) | m-m (%) | y-y (%) |
|--------|--------------|--------|---------|---------|---------|
| Coal   | US\$/ton     | 160    | 0.2     | 9.1     | (64)    |
| Gold   | US\$/toz     | 1,928  | -0.1    | 2.1     | 15      |
| Nickel | US\$/mt. ton | 20,100 | -2.1    | 0.3     | (15)    |
| Tin    | US\$/mt. ton | 25,680 | -0.7    | 1.8     | 27      |

## Soft Commodities

|           | Unit            | Price | d-d (%) | m-m (%) | y-y (%) |
|-----------|-----------------|-------|---------|---------|---------|
| Cocoa     | US\$/mt. ton    | 3,730 | 0.7     | 9.4     | 60      |
| Corn      | US\$/mt. ton    | 481   | -0.9    | 2.6     | (30)    |
| Crude Oil | US\$/barrel     | 91    | 0.2     | 11.9    | 7       |
| Palm Oil  | MYR/mt. ton     | 3,704 | 0.7     | -0.6    | 1       |
| Rubber    | US\$/kg         | 143   | 1.7     | 12.7    | 6       |
| Coffe     | US\$/60 kg bags | 153   | 3.4     | 6.0     | (28)    |
| Soybean   | Usc/lbs         | 1,361 | -1.5    | 1.3     | (8)     |
| Sugar     | US\$/MT         | 27    | -0.3    | 13.2    | 48      |
| Wheat     | US\$/mt. ton    | 594   | 1.8     | 1.0     | (28)    |

## Focus

## TLKM: Reinforcing its transformation journey

As the legacy revenue declines further and the other initiatives (FMC, B2B IT services, etc) pick up, TLKM is confident with mid single-digit revenue, EBITDA, and net income growth target in the medium term. The digital transformation is expected not only adding value but also maintaining TLKM relevancy to market. However, risks always exist in every strategy, the early stage of transformation is always the pain period before reaping the sweet fruits in the long-run. Maintain Buy with a TP of IDR 4,200.

## Daily News

- Economy: Aug 23 trade surplus bigger than Expected**

Indonesia posted an Aug 23 trade surplus of USD 3.12B, roughly double the consensus expectation of USD 1.55B, as the drop in imports was larger than forecast. Imports in August dropped 14.77% to USD 18.88B, led by declines in the purchase of raw materials and capital goods. Exports fell 21.21% yoy to USD 22B amid weaker prices for top commodities like coal, palm oil, and natural gas. (Kontan)

*What we think: Although the surplus is larger than the consensus expectation, the 8M23 trade surplus of USD 24.34B was lower than last year's USD 34.89B. The trade surplus was supported by structural change in the mineral exports, but the decline in the commodity prices has taken its toll on the export value. Despite the lower imports, consumer goods imports still increased in Aug in the mom term, showing the resiliency of the domestic purchasing power.*

- PANI considers rights issue funds target of IDR 11T**

The property developer of the Agung Sedayu and Salim Group, Pantai Indah Kapuk 2 (PANI), targets to raise rights issue funds of up to IDR 11T. However, until now, the company has not determined the exercise price of the rights issue. Management only states that the number of issued shares will be a maximum of 8 billion. The rights issue proceeds will be used mainly to acquire seven affiliated companies worth IDR 9.5T. (Liputan 6)

*What we think: If PANI has an IDR 11T fundraising target, it translates to IDR 1,375 exercise price per right. Then, the theoretical price will be IDR 3,055; calculated under PANI's last price was IDR 4,050. PANI rights issue will be attractive for investors to subscribe if the exercise price is lower than the current market price.*

- WOOD cuts its sales target**

Integra Indocabinet (WOOD) cut iFY23 sales target growth to 45% - 50% yoy due to the high mortgage rate in the US that increases above 7% and causes slower demand for the building component segment of the company in 2023. (Kontan)

*What we think: The company's US exports contributed around 90% of its total sales. The company is trying to diversify its current market but still shows no meaningful results.*



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#### **Recommendation ratings**

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| <b>Rating</b>  | <b>Buy</b> | <b>Hold</b>     | <b>Sell</b> |
|----------------|------------|-----------------|-------------|
| Classification | ≥10%       | > -10% or < 10% | ≤-10%       |

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