



Macro: There is no economic data out this week in Indonesia and with limited expectations as to announcements from the APEC Summit in Korea, the markets are likely to take their lead from elsewhere.

The key last week was the Bank of Indonesia monetary policy decision and once again the BI surprised markets. Market consensus was for a cut with 29/39 economists on BBG forecasting yet the BI remained on hold suggesting that the ongoing weakness in the Rupiah hasn't been sidelined in favour of the growth outlook. BI said it continues to watch for further opportunities to lower rates again. It is monitoring growth, inflation and the rupiah with the hold suggesting that perhaps the BI is more balanced than previously thought.

Valuations: The price/earnings for the JCI is difficult to analyze over recent years given the COVID period. At present levels of 19.5x, it is forecast to trend towards 15x into year-end; before heading lower again into 2026. The 10-Yr government bond has moved higher with global leads to 5.99% and remains at late 2021 levels. The 2-Yr has rallied further as investors look past the hold and agitate over government intervention in the monetary policy decision making process. Looking forward a move below the Central Bank for the 2-Yr could suggest a shift in sentiment from domestic investors for a the next rate move.

Fig 1: Jakarta Composite P/E

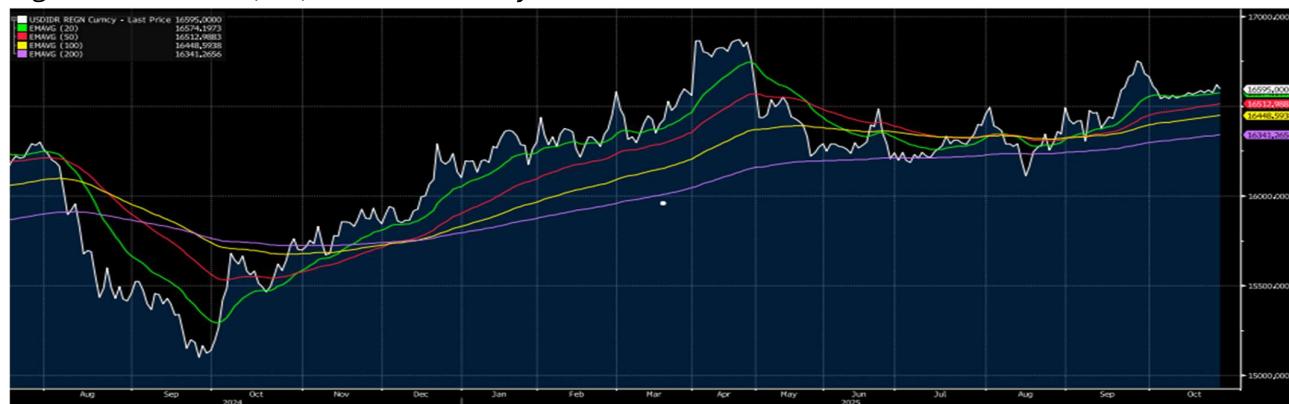
| Jakarta Stock Exchange Composite Index | | Compare <Sec> | Periodicity | Annuals | Cur | FRC (IDR) | ▼ |
|--|-----------------|-------------------|--------------------------|-----------------|------------|------------|------------|
| 1) Key Stats | 2) Fundamentals | 3) Custom | 4) Shared | | | | |
| 11) Highlights | 12) Valuation | 13) Profitability | 14) Leverage & Liquidity | 15) Market Data | | | |
| 12 Months Ending | 2021 Y | 2022 Y | 2023 Y | 2024 Y | Current | 2025 Y Est | 2026 Y Est |
| | 12/31/2021 | 12/30/2022 | 12/29/2023 | 12/31/2024 | 10/26/2025 | 12/31/2025 | 12/31/2026 |
| Valuation Metrics | | | | | | | |
| Price/Earnings | 27.28 | 14.61 | 20.37 | 16.50 | 19.58 | 15.04 | 12.66 |
| Price/Earnings before .. | 16.29 | 10.59 | 12.54 | 12.41 | 14.81 | 15.14 | 12.58 |
| Price/Earnings before .. | 24.27 | 13.38 | 16.39 | 19.74 | 16.70 | | |
| Price/Book Value | 2.21 | 2.06 | 1.99 | 1.94 | 2.24 | 1.94 | 1.69 |
| EV/Sales | 1.72 | 1.88 | 1.98 | 2.00 | 2.28 | | |
| EV/EBIT | 12.52 | 10.31 | 11.95 | 10.93 | 14.26 | | |
| EV/EBITDA | 6.54 | 6.42 | 7.50 | 7.47 | 10.15 | 8.60 | |
| Dividend Yield | 2.00 | 2.86 | 3.60 | 3.86 | 3.57 | 5.02 | 5.15 |

Source: Bloomberg Finance LP / MNI

Sentiment: Sentiment is finely balanced in Indonesia after protests intensified earlier this year. The protests were centred on an increase in the housing allowance for parliament members. The protests have calmed and the JCI has performed, but the issues remain. Bond markets continue to watch for signs that the new FinMin is going to challenge the Central Bank authority. Whilst the JCI has seemingly brushed off the protests and the concerns about autonomy, the currency hasn't with several key domestic forecasters now tipping USDIR to hit 17,000.

Technicals: The BI has stated that their target for USDIR is 16,300 yet have struggled to reach it. The last few weeks has seen arguably the most stable period for the Rupiah this year, given BI intervention. The surprise hold saw the USDIR sell off back above the 20-day EMA but failed to hold wdes of the week Friday. Watch for USDIR to trend back towards the 20-day EMA.

Fig2: USDIR vs 20, 50, 100 and 200-day EMA



Source: Bloomberg Finance LP / MNI

The JCI had a strong finish to last week, finishing up +4.50% for the week, consolidating above al major moving averages.

Fig 3: Jakarta Composite vs 20, 50, 100 and 200-day EMA



Source: Bloomberg Finance LP / MNI

For issuance this week issuance of SUKUK is centred around 7-15 year maturities along with various bills issuance.

- 10/28/2025 20:30 Indonesia To Sell 2049 Sukuk Bonds (PBS038)
- 10/28/2025 20:30 Indonesia To Sell 2028 Sukuk Bonds (PBS030)
- 10/28/2025 20:30 Indonesia To Sell 2033 Sukuk Bonds (PBSG002)
- 10/28/2025 20:30 Indonesia To Sell 39D Sukuk Bills (SPNS08122025)
- 10/28/2025 20:30 Indonesia To Sell 158D Sukuk Bills (SPNS06042026)
- 10/28/2025 20:30 Indonesia To Sell 2030 Sukuk Bonds (PBS040)
- 10/28/2025 20:30 Indonesia To Sell 2039 Sukuk Bonds (PBS034)
- 10/28/2025 20:30 Indonesia To Sell 256D Sukuk Bills (SPNS13072026)

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