



The Macro, Valuation, Sentiment and Technical Lens

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

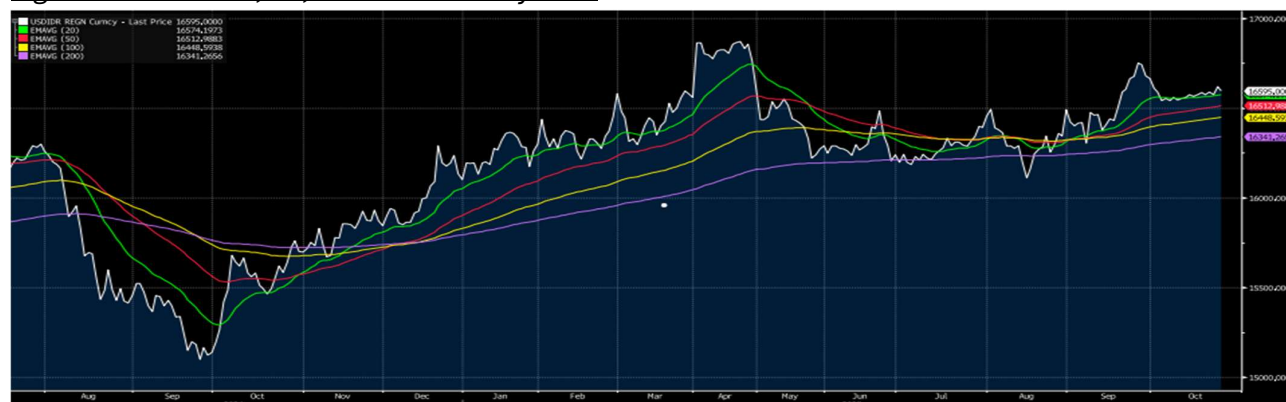
Jakarta Stock Exchange Composite Index Compare <Sec> Periodicity Annuals Cur FRC (IDR)								
1) Key Stats 2) Fundamentals 3) Custom 4) Shared								
11) Highlights 12) Valuation 13) Profitability 14) Leverage & Liquidity 15) Market Data								
12 Months Ending	2021 Y 12/31/2021	2022 Y 12/30/2022	2023 Y 12/29/2023	2024 Y 12/31/2024	Current 10/26/2025	2025 Y Est 12/31/2025	2026 Y Est 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 USDIDR to hit 17,000.

Technical: The BI has stated that their target for USDIDR 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 USDIDR sell off back above the 20-day EMA but failed to hold wides of the week Friday. Watch for USDIDR to trend back towards the 20-day EMA.

Fig2: USDIDR 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 all 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)

Unauthorized disclosure, publication, redistribution or further dissemination of this information may result in criminal prosecution or other severe penalties. Any such authorization requires the prior written consent of Market News

International. Redistribution of this information, even at the instruction of your employer, may result in personal liability or criminal action unless such redistribution is expressly authorized in writing by Market News International. Violators will be prosecuted. This information has been obtained or derived from sources believed to be reliable, but we make no representation or warranty as to its accuracy or completeness. This is not an offer or solicitation of an offer to buy/sell. Copyright © 2024 Market News International, Inc. All rights reserved.